



Acceleration in action

From potential to unlimited possibility

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.

Published by:

UniCredit Bank GmbH

Head Office

D-81925 Munich

www.hvb.de

Registrar of companies: Munich HRB 289472

Cover and introduction creative definition: UniCredit S.p.A.

Creative definition: UniCredit S.p.A.

Design, graphic development and production: UniCredit S.p.A.

Typesetting: Serviceplan Make GmbH & Co. KG, Munich

Financial Highlights

Key performance indicators

	1/1-31/12/2025	1/1-31/12/2024
Net operating profit	€3,136m	€2,880m
Cost-income ratio (ratio of operating costs to operating income, based on segmented income statement)	38.2%	40.6%
Profit before tax	€3,040m	€2,790m
Consolidated profit/(loss)	€2,126m	€1,920m

Balance sheet figures/Key capital ratios

	31/12/2025	31/12/2024
Total assets	€286,269m	€290,230m
Shareholders' equity	€20,172m	€19,893m
Common Equity Tier 1 capital ¹	€15,811m	€15,733m
Core capital (Tier 1 capital) ¹	€17,511m	€17,433m
Risk-weighted assets (including equivalents for market risk and operational risk)	€69,132m	€66,168m
Common Equity Tier 1 capital ratio ^{1,2}	22.9%	23.8%
Core capital ratio (Tier 1 ratio) ^{1,2}	25.3%	26.3%
Leverage ratio ^{1,3}	5.7%	5.7%

1 31 December 2025: in accordance with approved financial statements.

2 Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

3 Ratio of core capital to the sum total of the exposure values of all assets and off-balance-sheets items.

Other information

	31/12/2025	31/12/2024
Employees (in FTEs)	8,421	9,052
Branch offices	304	349

Contents

Combined Management Report	6	Consolidated Financial Statements	100
Financial Review	6	Consolidated Statement of Total Comprehensive Income	100
Corporate Structure and Business Model	6	Consolidated Income Statement	100
Economic report	11	Consolidated Statement of Total Comprehensive Income	101
Group Parent Company Information (HGB)	26	Consolidated Balance Sheet	102
Forecast Report/Outlook	35	Statement of Changes in Consolidated Shareholders' Equity	104
Risk Report	41	Consolidated Cash Flow Statement	106
HVB Group as a risk-taking entity	41	Legal Basis	107
Risk types	41	Accounting and Valuation	109
Integrated overall bank management	43	1 Reporting date/period	109
Implementation of overall bank management	47	2 Uniform Group accounting policies	109
Risk types in detail	53	3 Consistency	109
1 Credit risk	53	4 First-time adoption of new IFRS accounting rules	112
2 Market risk	68	5 Published IFRS that are not yet subject to mandatory adoption	112
3 Liquidity risk	73	and were not early adopted	112
4 Operational risk	78	6 Companies included in consolidation	113
5 Other risks	84	7 Principles of consolidation	115
ICS – Internal Control System	91	8 Implementation of the European Single Electronic Format (ESEF)	116
Internal control system with regard to the financial reporting process	91	9 Financial instruments	117
		10 Financial assets held for trading	122
		11 Financial assets at FVTPL	122
		12 Financial assets at FVTOCI	123
		13 Loans and receivables	123
		14 Impairment of financial assets	123
		15 Investments in associates and joint ventures accounted	136
		for using the equity method	136
		16 Property, plant and equipment	136
		17 Lease operations	139
		18 Investment properties	144
		19 Intangible assets	145
		20 Non-current assets or disposal groups held for sale	145
		21 Liabilities	145
		22 Financial liabilities held for trading	146
		23 Financial liabilities at FVTPL	146
		24 Hedge adjustment of hedged items in the portfolio fair value hedge	146
		25 Other liabilities	146
		26 Provisions	147
		27 Foreign currency translation	150
		28 Income tax for the period	150
		29 Trading engine centralisation	151
		Segment Reporting	152
		30 Method of segment reporting by operating segment	152
		31 Changes in segment reporting	153
		32 Components of segment reporting by operating segment	154
		33 Income statement, broken down by operating segment	157
		34 Balance sheet figures, broken down by operating segment	167
		35 Employees, broken down by operating segment	167
		36 Segment reporting by region	168
		Notes to the Income Statement	170
		37 Net interest	170
		38 Dividends and other income from equity investments	170
		39 Net fees and commissions	171
		40 Net trading income	172
		41 Net gains/losses on financial assets and liabilities at fair value	173
		42 Net gains/losses on derecognition of financial instruments	178
		measured at cost	178
		43 Net other expenses/income	178
		44 Operating costs	179
		45 Net write-downs of loans and provisions for guarantees	183
		and commitments	183
		46 Provisions for risks and charges	184
		47 Restructuring costs	184
		48 Net gains/losses on remeasurement of consolidated companies	184
		49 Income tax for the period	185

Contents

Notes to the Balance Sheet	189	Responsibility Statement by the Executive Board	273
50 Cash and cash balances	189		
51 Financial assets held for trading	189	Auditor's Report	275
52 Financial assets at FVTPL	190		
53 Financial assets at FVTOCI	190	Corporate Governance	290
54 Loans and receivables with banks (at cost)	191	List of Executives and Outside Directorships	290
55 Loans and receivables with customers (at cost)	194	Report of the Supervisory Board	296
56 Forbearance	199		
57 Hedging derivatives – Assets	199	Additional Information	304
58 Investments in associates and joint ventures accounted for using the equity method	200	Summary of Annual Financial Data	304
59 Property, plant and equipment	200	Contact	305
60 Investment properties	201		
61 Intangible assets	202	UniCredit S.p.A. Profile	306
62 Non-current assets or disposal groups held for sale	202		
63 Other assets	204		
64 Own securitisation	205		
65 Deposits from banks	206		
66 Deposits from customers	206		
67 Debt securities in issue	207		
68 Financial liabilities held for trading	207		
69 Financial liabilities at FVTPL	207		
70 Hedging derivatives – Liabilities	208		
71 Hedge adjustment of hedged items in the portfolio fair value hedge	208		
72 Liabilities of disposal groups held for sale	208		
73 Other liabilities	208		
74 Provisions	209		
75 Shareholders' equity	222		
76 Subordinated capital	223		
Notes to the Cash Flow Statement	225		
77 Notes to the items in the cash flow statement	225		
Other Information	226		
78 Report on events after the reporting period	226		
79 Information regarding lease operations	226		
80 Fair value hierarchy	230		
81 Fair values of financial instruments compliant with IFRS 7	236		
82 Disclosures regarding the offsetting of financial assets and liabilities	239		
83 Undiscounted cash flow	241		
84 Regulatory disclosure requirements (Disclosure Report)	243		
85 Key capital ratios (based on IFRS)	243		
86 Securities sale and repurchase and securities lending transactions by balance sheet item	245		
87 Contingent liabilities and other commitments	245		
88 Disclosures regarding structured entities	247		
89 Trust business	252		
90 Transfer of financial assets	252		
91 Assets assigned or pledged as collateral for own liabilities	253		
92 Collateral received that HVB Group may resell or repledge	254		
93 Information on relationships with related parties	254		
94 Fees paid to the independent auditors	257		
95 Employees	257		
96 Offices	258		
97 List of holdings	259		
98 Members of the Supervisory Board	270		
99 Members of the Executive Board	271		

Corporate Structure and Business Model

Legal corporate structure

UniCredit Bank GmbH (HVB), headquartered in Munich, is the parent company of HVB Group. HVB is an affiliate of UniCredit S.p.A., Milan, Italy (UniCredit) and, together with the HVB subgroup, is an integral part of the UniCredit corporate group. UniCredit has held 100 percent of the shares in HVB since 15 September 2008.

As a capital market-oriented company, HVB remains listed on securities exchanges as an issuer of Pfandbriefe, bonds and certificates, among other things.

Organisation of management and control

Executive Board and Supervisory Board

The Executive Board is the management body of HVB. The provisions of the German Act on Limited Liability Companies (GmbH-Gesetz) apply to the management of the company. Within the framework of its management function, the Executive Board is responsible above all for corporate planning and the strategic orientation of the company as well as for ensuring adequate risk management and risk controlling. It provides the Supervisory Board with reports at regular intervals, particularly on all issues relevant to corporate planning and strategic development, the course of business, the state of the Bank and its subsidiaries, including the risk situation, and significant compliance issues. The members of the Executive Board are jointly responsible for managing the Bank and for the proper business organisation of HVB. The responsibilities of the Executive Board of HVB are specified in a schedule of responsibility, which forms part of the Executive Board's internal regulations. The Executive Board's internal regulations also specify in particular the matters reserved for the Executive Board as a whole, the requirements for adopting resolutions and the required majorities.

The Supervisory Board of HVB has twelve members and has an equal number of employee and shareholder representatives. The Supervisory Board is responsible for monitoring and regularly advising the Executive Board as it conducts its business. The Supervisory Board has adopted by-laws specifically defining the details of the work within the Supervisory Board, the creation of committees and their tasks, and the tasks of the Chairman of the Supervisory Board. In addition, the by-laws state that certain types of transactions require the approval of the Supervisory Board.

The following changes occurred in the reporting period:

Supervisory Board

At the Annual Shareholder Meeting of HVB on 25 March 2025 the shareholder representatives of the Supervisory Board were newly elected as part of the regular rotation schedule with effect from the end of that Shareholder Meeting.

The following were elected as new members of the Supervisory Board (shareholder representatives) of HVB: Mr Marcus Kramer and Ms Angelika Plauk. The previous Supervisory Board members Mr Andrea Orcel, Dr Bernd Metzner, Ms Sabine Heimbach and Ms Fiona Melrose were re-elected for a further term of office.

Furthermore in line with the provisions of the German Act on the Codetermination of Employees in a Cross-border Merger (Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung – MgVG) and as part of the regular rotation schedule, Ms Tanja Münchrath and Ms Lisa Wolf were elected as new members of the Supervisory Board (employee representatives); Mr Florian Schwarz, Ms Claudia Richter, Mr Oliver Skrbot and Mr Christian Staack were re-elected for a further term of office. Their term of office also began on 25 March 2025 with effect from the end of the Annual Shareholder Meeting.

Dr Michael Diederich, Ms Sabine Eckhardt, Ms Sonia Nassar and Mr Gregor Völkl resigned from the Supervisory Board of HVB with effect from the end of the Annual Shareholder Meeting on 25 March 2025.

Corporate Structure and Business Model

Executive Board

There were no changes in the members of the Executive Board in the 2025 financial year.

The members of the Supervisory Board and Executive Board of HVB are listed in the Notes to the Consolidated Financial Statements in the notes “Members of the Supervisory Board” and “Members of the Executive Board”.

Combined Management Report

The Management Report of UniCredit Bank GmbH (HVB) and the Group Management Report of HVB Group are combined in accordance with Section 315 (5) of the German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with Section 298 (2) HGB. The annual financial statements and the consolidated financial statements (including the Combined Management Report) are published jointly in the German Company Register.

Statement pursuant to Section 289f (4) of the German Commercial Code

For the proportion of women on the Supervisory Board, HVB's Supervisory Board confirmed a target that five-twelfths of the members should be women, which is to be achieved by 31 December 2030. Both the shareholder and the employee representatives on the Supervisory Board are to contribute to achieving this target. This target is currently being met. As of 31 December 2025, there were six women on the Supervisory Board: Ms Sabine Heimbach, Ms Fiona Melrose and Ms Angelika Plauk as shareholder representatives and Ms Tanja Münchrath, Ms Claudia Richter and Ms Lisa Wolf as employee representatives.

For the proportion of women on the Executive Board, the Supervisory Board confirmed a target that four-ninths of the members should be women, which is to be achieved by 31 December 2028. With Ms Marion Höllinger, Ms Georgiana Lazar-O'Callaghan and Ms Marion Bayer-Schiller on the Executive Board, the proportion of female members on the Executive Board totalled three-ninths as of 31 December 2025.

For the proportion of women in the first and second management levels below the Executive Board respectively, the Executive Board set the following targets to be achieved by the end of 2027: 50% of women in both the first and second management levels below the Executive Board. As diversity, equity & inclusion is a strategically important topic for the Bank and increasing the number of women in all management levels also plays a crucial role in this context, the Bank intends to achieve a gender balance across all levels in the medium term. As at the reporting date of 31 December 2025, the proportion of women in the first management level below the Executive Board amounted to 30% and in the second management level below the Executive Board to 31%.

To improve the proportion of women particularly in the second management level below the Executive Board, comprehensive measures have been initiated. Topics such as coaching after returning from parental leave, flexible management models, a further reduction in the gender pay gap as well as comprehensive initiatives to network women and increase their visibility vis-à-vis top management are to be named in this connection.

Corporate Structure and Business Model

Non-financial reporting

Upon the entry into force of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD), HVB Group would be obliged to publish a sustainability report for the 2025 reporting year in accordance with the first sentence of the new European Sustainability Reporting Standards (ESRS) of the Delegated Regulation (EU) 2023/2772. However, as the Federal Republic of Germany has not transposed the CSRD into national law, the Non-Financial Reporting Directive (NFRD), which was implemented in German law in the 2017 financial year, continues to apply to HVB Group as a subgroup. Compared to the CSRD, the NFRD provides a general exemption option for HVB Group via the UniCredit corporate group.

As a fully consolidated subgroup of the UniCredit corporate group, HVB Group abstains from publishing its own consolidated non-financial statement in accordance with Section 315b (2) of the German Commercial Code (Handelsgesetzbuch – HGB). The non-financial statement is issued, with an exempting effect for HVB, by our parent company, UniCredit S.p.A., Milan, which already has a disclosure obligation under the CSRD. At the same time, HVB is making use of the exemption provision set out in Section 289b (2) HGB and is waiving its own non-financial statement. HVB is fully included in the consolidated statement of UniCredit S.p.A.

The sustainability report of our parent company has been issued in accordance with the ESRS. It is published on UniCredit's website in the "INVESTORS" section under "Financial Reporting" as part of the "2025 Annual Reports and Accounts" in the "Consolidated report on operations" section.

Overall bank management

HVB Group's objective is to generate a sustainable increase in corporate value. To take account of the need for value-based management, the principle of overall bank management is based on earnings, risk, liquidity and capital aspects. This principle is explained in more detail in the Risk Report of this Combined Management Report (please refer in particular to "Overall bank management" within the section entitled "Implementation of overall bank management" in the Risk Report).

The key financial performance indicators (KPIs) applied within the framework of HVB Group's overall bank management are stated at the relevant places in the Combined Management Report. In addition to the profit/loss before and after tax as relevant performance measures of earnings for internal management purposes, the following KPIs are used in internal management: the cost-income ratio and the return on allocated capital (RoAC).

The cost-income ratio is calculated from the ratio of operating costs to operating income and is based on the segmented income statement, which is relevant for the corporate management and planning of HVB Group. The reconciliation of the segmented income statement to the income statement used in the description of the operating performance of HVB Group is shown in the Note "Income statement, broken down by operating segment". The main differences seen in operating income are the expenses for the income from investment properties and inventories (buildings measured according to IAS 2); regarding operating costs, the expense for purchased securities services for held-for-trading portfolios should be mentioned in particular.

The profitability ratio return on allocated capital (RoAC) shows the adjusted, annualised consolidated profit of HVB Group, adjusted for the coupon on surplus capital and for the costs of AT1 and other equity instruments in relation to allocated Tier 1 capital. With RoAC, allocated Tier 1 capital is determined on the basis of the average risk-weighted assets (including equivalents for market risk and operational risk) whereby 13.00% Tier 1 capital is allocated to the average risk-weighted assets.

Corporate Structure and Business Model

Business model, main products, sales markets, competitive position and locations in the 2025 financial year

HVB Group is part of UniCredit, a pan-European commercial bank. It offers its customer base a banking network across Western, Central and Eastern Europe that is both regional and international in focus. Its integration into UniCredit enables HVB Group to exploit its international network and economies of scale. UniCredit has a divisionally and regionally diversified business model. It provides its customers access to commercial banks in 13 core countries and other offices worldwide.

As a universal bank, HVB with its subsidiaries is a provider of banking and financial services and focuses on Germany. It offers a comprehensive range of banking and financial products and services to retail, corporate and public sector customers, international companies and institutional customers. Digitalisation and our commitment to environmental social governance (ESG) standards are key factors of our service. HVB Group has 304 offices around the world – 266 of which are offices in Germany that have been adapted to changing customer behaviour in recent years. In addition to its branch network, customers are served irrespective of their location through its remote channels. For detailed information on the offices, please refer to the Note “Offices” in the notes to the consolidated financial statements.

The operating segments

HVB Group is divided into the following operating segments:

- Retail
- Corporates
- Other

A detailed description of the individual operating segments, particularly regarding the customers allocated to them, the products and services offered, the organisational focus as well as the competitive situation and the locations is contained in the Note “Method of segment reporting by operating segment” and the Note “Components of segment reporting by operating segment” in the notes to the 2025 consolidated financial statements.

UniCredit Unlocked – UniCredit Unlimited

We successfully implemented the group-wide UniCredit Unlocked strategic plan in the 2025 financial year. The associated goals of boosting profitability (measured, among other things, by the KPIs: profit/loss before and after tax, cost-income ratio and RoAC) and capital efficiency (measured, among other things, by the capital ratios) were exceeded.

Our actions focus on accelerating growth in selected customer segments, combined with an efficient service model and the aim of creating a unique customer experience. We are therefore investing in automation, front-to-back process optimisation and the use of artificial intelligence. We are also promoting a comprehensive view of sustainability in line with ESG principles. Furthermore, we are exploiting cross-border and cross-company resources and cooperation opportunities within the UniCredit corporate group.

As in the past, we will continue to adopt socially compatible approaches in staff planning and create new employment prospects in the future. In addition, we are responding to demographic change by providing targeted support to young talent.

Corporate Structure and Business Model

In February 2026, UniCredit presented the new Group Strategy Phase II – UniCredit Unlimited, thus defining its strategic priorities for the coming years.

With UniCredit Unlimited, UniCredit is seeking to achieve sustainable and profitable growth. This is based on disciplined capital allocation, further enhanced operational excellence as well as stable, high-quality income. HVB Group remains closely embedded in the strategic plan of UniCredit S.p.A.

Trading Engine Centralization

In the 2023 financial year, the UniCredit corporate group decided to simplify the structure of its trading activities. Previously, the trading activities of the UniCredit corporate group were bundled at HVB. Starting in the second half of 2024, these were and are being gradually transferred to the parent company, UniCredit S.p.A. With the aim of ensuring an orderly transfer during the centralisation process, trading activities in HVB were divided into various tranches so that these could be transferred one after the other. The transfers and compensation payments are made at the underlying fair values of the respective transactions at the time of transfer. The selling price, which also relates to future transactions, will be recognised in profit or loss after the successful completion of all the tranches.

In order to transfer risks from the portfolio of allocated customer and hedging derivatives, back-to-back new derivatives were concluded with UniCredit S.p.A. and novations agreed with external counterparties. In future, external hedging will be carried out centrally at UniCredit S.p.A. on behalf of HVB. Customers will continue to be served by HVB and their transactions will continue to be booked with HVB without any changes. Nor will there be any change in the product range.

From July 2024, bond and interest rate derivatives transactions were transferred to UniCredit S.p.A. in a first tranche. At the same time, the employees entrusted with these switched from HVB's Trading area to UniCredit S.p.A. In a second tranche, the brokerage business of HVB's Milan branch with non-German customers was transferred in November 2024. At the same time, HVB's brokerage team in Milan switched to UniCredit S.p.A.

In the 2025 financial year, further parts of the trading portfolio were transferred to UniCredit S.p.A. in a total of three tranches as scheduled. In February 2025, foreign currency trading transactions were the first to be transferred to UniCredit S.p.A. within the third tranche overall. The transfer of bond and credit derivative transactions to UniCredit S.p.A. took place in the fourth tranche in July 2025. Commodity transactions were transferred in the fifth tranche in November 2025.

We plan to transfer the remaining portfolio in a final tranche in the 2026 financial year.

Corporate acquisitions and sales, and other major changes in the group of companies included in consolidation

No significant corporate acquisitions or disposals were made in the reporting period.

The scope of consolidation of HVB Group was reduced by a total of six companies as at 31 December 2025 compared with year-end 2024. In particular, the two subsidiaries UniCredit Leasing GmbH, Hamburg, and UniCredit Leasing Finance GmbH, Hamburg, were merged into UniCredit Bank GmbH (HVB) in May 2025.

Further or more detailed information on changes in the group of companies included in consolidation can be found in the Note "Companies included in consolidation" in the notes to the consolidated financial statements.

Economic Report

Macroeconomic conditions

According to the International Monetary Fund (IMF), global GDP growth came to 3.3% in 2025, following an increase of 3.3% in the previous year. As a result, the global economy was able to maintain its momentum despite higher US tariffs, China's restrictions on the export of critical minerals and geopolitical uncertainties. Important reasons for this stabilisation were the bringing forward of exports to the US ahead of the tariff hikes, relatively robust labour markets, rising real incomes and better financing conditions due to interest rate cuts by the Federal Reserve and the ECB. In addition, global growth was supported by the services sector, which was less negatively impacted by protectionism than the more export-dependent industrial sector.

The US economy grew by 2.2% in 2025 (2024: +2.8% according to the US Bureau of Economic Analysis (BEA)). Growth in the US was supported in particular by an expansionary fiscal policy and an increase in corporate investments in the areas of high technology and artificial intelligence (AI). However, private consumer spending also grew noticeably. On the other hand, dampening effects came from residential construction. The Federal Reserve lowered its key interest rate in three steps by 25 basis points each, leading to a target range for the US federal funds rate of 3.50%-3.75% at year-end 2025.

China's economy grew by 5.0% in 2025 (2024: also 5.0% according to the National Bureau of Statistics of China). A weak construction industry and only moderate growth in private consumer spending dampened growth. However, the tariff-related decline in exports to the US was more than offset by an increase in exports to the rest of the world, especially to Europe and other Asian countries.

In the eurozone, the economy grew by 1.5% in 2025 (2024: up 0.8% according to Eurostat). Growth was particularly strong in Spain (up 2.8%), whereas it was significantly weaker in France (up 0.9%) and Italy (up 0.7%). Germany saw a slight increase of 0.2% in economic output (according to the German Federal Statistical Office).

The inflation rate in the eurozone came to 2.1% in the full year 2025 (2024: 2.4% according to Eurostat). The ECB lowered its key interest rate (deposit rate) in four steps by 25 basis points each to 2.0% in the course of 2025.

The slight increase of 0.2% in German economic output in 2025 was primarily due to an increase in private and public consumer spending while corporate investments and exports weighed on growth. The inflation rate was 2.2% on average in 2025, following 2.2% in the previous year (according to the German Federal Statistical Office). The labour market showed a divergent development. While the number of people employed in industry declined, employment increased in the rest of the economy.

Economic Report

Sector-specific developments

In the first half of 2025, the European Central Bank (ECB) lowered the ECB deposit rate several times and the ECB deposit rate fell from 3.0% at the end of 2024 to 2.0% at the end of June 2025. There were no further interest rate cuts in the second half of 2025. The ECB also continued to reduce the size of its balance sheet. Since July 2023, maturities from the Asset Purchase Programme (APP) portfolio have not been reinvested, which has led to a monthly decline in the portfolio since then. At the end of December 2025, the ECB still held €2.3 trillion worth of bonds in the APP portfolio, compared with €2.7 trillion at the end of 2024, and bonds were reduced by an average of around €28 billion per month in 2025. Since July 2024 the ECB has also been reducing the holdings under its Pandemic Emergency Purchase Programme (PEPP) and all PEPP maturities have not been reinvested since January 2025. This led to a monthly reduction of a further €18 billion in 2025. The PEPP portfolio mainly includes central government bonds and had a volume of €1.49 trillion at the end of 2025. In 2026, the reduction of the ECB's balance sheet will continue. Despite the reduction of the ECB's bond portfolios, credit risk premiums for government bonds of Southern European countries fell significantly. On the one hand, credit ratings improved for several European sovereigns, and on the other hand, there was a stronger interest in euro bonds, which was also due to the political uncertainties in the USA and the significant depreciation of the US dollar in 2025. In addition, the ECB introduced a new Transmission Protection Instrument (TPI) in July 2022, which subsequently had a positive impact on the demand for government bonds from private investors. The Governing Council assessed that the establishment of the new instrument was necessary to support the effective transmission of monetary policy. The TPI complements the instruments of the Governing Council. This allows purchases of government bonds to be activated to counter unjustified and disorderly market dynamics that pose a serious threat to the transmission of monetary policy in the euro area.

On the regulatory side, the finalised Basel IV reforms were implemented in Europe at the beginning of 2025. The final regulations were published in the Official Journal of the EU in June 2024 and the regulation has been in force since 1 January 2025. A key element is the so-called "output floor", which limits the possibility of reducing risk-weighted assets through internal models and thus makes capital ratios more comparable between banks. Agreement was reached on transitional arrangements to allow sufficient time for market participants to adapt. As special arrangements in the euro area, the agreement includes long transitional periods for risk exposures to companies without an external credit rating and to housing loans secured by real estate. As a result, risk weights and risk-weighted assets for banks will gradually increase from 2025 onwards. However, banks will gradually optimise their business activities in order to continue to generate a sufficient risk-adjusted return on equity. In 2025, the EU again postponed the start of stricter rules for market risks (Fundamental Review of the Trading Book - FRTB) by another year to 1 January 2027 in order not to generate a competitive disadvantage for European banks in response to the delayed implementation in other jurisdictions. In January 2025, the United Kingdom announced that it would postpone the start of the finalised Basel IV regulations by another year, from January 2026 to January 2027. In addition, it was announced in July 2025 that the introduction of the stricter rules for market risks in the UK would be postponed by another year to 2028. In the USA, the implementation of the revised Basel regulations continues to be subject to political uncertainty.

The German banking supervisory authority BaFin published the 8th MaRisk amendment in May 2024. The amendment implements the guidelines of the European Banking Authority, which came into force at the end of 2023, and focuses on the management of interest rate and credit spread risks in the banking book. The publication of the 9th MaRisk amendment is expected in 2026. Regulators aim to structurally simplify MaRisk and reduce regulatory requirements, from which smaller and less complex institutions in particular should benefit. European banks had to comply with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) by January 2024. This led to a higher issuance of senior bonds by banks before the introduction. In 2025, banks focused primarily on the refinancing of senior bonds.

Economic Report

The risk premiums of corporate bonds on the European credit market fell significantly by 22 basis points in 2025. For senior bonds of banks, risk premiums narrowed by 27 basis points in 2025. This means that bank bonds trade at a lower risk premium than corporate bonds, reflecting, among other things, the good fundamentals of the banking sector.

The risk premiums for government bonds issued by Southern European states fell significantly in 2025. For example, the risk premiums for ten-year Italian government bonds compared to ten-year German government bonds fell significantly from 115 basis points at the end of 2024 to 70 basis points as at the end of December 2025, reaching their lowest level since 2008. The refinancing costs of Italian banks also benefited from this. Retail customers and foreign investors in particular increasingly appeared as buyers of Italian government bonds. The risk premiums of ten-year French government bonds over German government bonds also narrowed by 12 basis points in 2025, following an expansion in 2024 due to the early elections for the French parliament.

Short-term interest rates fell in 2025, while long-term interest rates rose slightly. The 3-month Euribor decreased from 2.7% at the end of 2024 to 2.0% at the end of 2025, while the 10-year EUR swap rate rose from around 2.4% to 2.9% over the same period. The higher interest rate level at the long end and the steeper yield curve support the net interest income of banks. In the US, the yield on ten-year US government bonds fell from 4.6% at the end of 2024 to 4.2% at the end of 2025. The yield on ten-year bonds of the Federal Republic of Germany, on the other hand, rose from 2.4% at the end of 2024 to 2.9% at the end of 2025. A steeper yield curve generally favours the returns for banks from maturity transformation.

Bank lending in Germany rose again in 2025, primarily driven by ECB's interest rate cuts. New business in real estate loans in Germany increased by 22% from January to November 2025 compared to the same period in 2024. The ECB's latest bank lending survey from October 2025 showed a further pick-up in demand for residential real estate loans and a slight pick-up in corporate loans in the third quarter of 2025. The decision by the German financial supervisory authority BaFin to reduce the sectoral systemic risk buffer for residential real estate loans from 2% to 1% from April 2025 onwards also had a positive effect here, which means that banks will have to hold less equity for residential real estate loans. At the same time, the banks surveyed made credit conditions in corporate banking less restrictive in the third quarter of 2025 than the banks had previously expected.

The stock markets again performed very well in 2025, but there was high volatility from April 2025 onwards due to US tariff policy and geopolitical risks. The stock markets recovered significantly from mid-April onwards and reached new record highs at the end of 2025. The Euro STOXX 50 rose by 18% in 2025, while the US S&P 500 Index rose by 16%. However, due to the sharp depreciation of the US dollar, US equities from the S&P 500 only returned 3% in euro terms. The German stock index DAX rose by 22% in the same period, benefiting from higher German government spending on defence and infrastructure investments. In 2025, European bank stocks continued to outperform the European market as a whole and were the best performing sector.

The European Central Bank published the results of its bank stress test in August 2025. A total of 96 banks directly supervised by the ECB took part in the stress test. The European banking sector as a whole showed its resilience in the scenario of a sharp economic downturn in the test, and banks have solid buffers against higher projected losses thanks to their good profitability.

The topic of sustainability continues to be a high priority in the banking sector. On the one hand, the share of environmental-social-governance-compliant (ESG-compliant) issues in the banking sector remained at a high level. Approximately 21% of senior bonds issued in 2025 were issued in the ESG format. In addition, banks are working on other sustainability goals and data, especially with regard to the CO₂ intensity of the loan book. Furthermore, banks had to disclose their so-called green asset ratio (GAR) as a new taxonomy ratio for the first time in 2024.

Economic Report

Operating performance of HVB Group

All the statements regarding the operating performance of HVB Group in this Combined Management Report refer to the structure of our income statement shown below.

HVB uses the following adjectives to describe the intensity of changes, particularly in the Financial Review: “virtually unchanged”, “moderate”, “noticeable” and “significant”. The ranges used to describe the changes have remained unchanged compared with the previous year.

INCOME/EXPENSE	1/1-31/12/2025	1/1-31/12/2024	CHANGE	
	€ millions	€ millions	€ millions	in %
Net interest	2,775	2,608	167	6.4
Dividends and other income from equity investments	35	33	2	6.1
Net fees and commissions	1,190	1,206	(16)	(1.3)
Net trading income	1,109	1,405	(296)	(21.1)
Net gains/(losses) on financial assets and liabilities at fair value	235	107	128	119.6
Net gains/(losses) on derecognition of financial instruments measured at cost	46	8	38	n/a
Net other expenses/income	132	101	31	30.7
of which net valuation/disposal of investment properties	2	(12)	14	n/a
OPERATING INCOME	5,522	5,468	54	1.0
Payroll costs	(1,170)	(1,225)	55	(4.5)
Other administrative expenses	(918)	(1,006)	88	(8.7)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(75)	(87)	12	(13.8)
Operating costs	(2,163)	(2,318)	155	(6.7)
OPERATING PROFIT/(LOSS)	3,359	3,150	209	6.6
Net write-downs of loans and provisions for guarantees and commitments	(223)	(270)	47	(17.4)
NET OPERATING PROFIT/(LOSS)	3,136	2,880	256	8.9
Provisions for risks and charges	11	27	(16)	(59.3)
Restructuring costs	(109)	(114)	5	(4.4)
Net gains/(losses) on remeasurement of consolidated companies	2	(3)	5	n/a
PROFIT/(LOSS) BEFORE TAX	3,040	2,790	250	9.0
Income tax for the period	(914)	(870)	(44)	5.1
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	2,126	1,920	206	10.7
attributable to the shareholder of UniCredit Bank GmbH	2,126	1,920	206	10.7
attributable to minorities	—	—	—	—

n/a – of no informative value or change greater than 200%

Economic Report

Net interest

Net interest in the reporting period amounted to €2,775 million and was thus moderately higher by €167 million (up 6.4%) on the figure of €2,608 million recorded in the previous-year period. This development was driven by the decline in interest expense for trading activities in connection with the Trading Engine Centralization. When this non-recurrent effect amounting to €149 million is taken into account, net interest would have remained largely stable compared with the previous year. The decline in market interest rates led to compensating effects in the deposit-taking and in the lending businesses in the reporting period. Net interest remains stable in segment reporting adjusted for these transfers of trading activities.

Dividends and other income from equity investments

Dividends and other income from equity investments totalled €35 million in the reporting period and are thus moderately higher than in the previous-year period (€33 million).

Net fees and commissions

At €1,190 million, net fees and commissions in the reporting year almost matched the previous year's level of €1,206 million (down €16 million or 1.3%) and thus showed a stable development overall.

The traditional securities business for customers showed a positive development resulting in an increase of €16 million (up 2.9%) in net fees and commissions. Income from the distribution of third-party products also showed moderate positive growth, increasing from €111 million in the previous year to €118 million (up 6.3%) in the reporting year. This was offset by effects from the transfer of trading activities to the UniCredit corporate group.

In segment reporting, however, net fees and commissions shows a more favourable development, mainly due to a positive increase in income from hedge transaction products in the reporting year. The respective sales margin was only reclassified from net trading income to net fees and commissions in the segmented income statement for internal management purposes.

Net trading income

In the reporting period, net trading income declined by €296 million (down 21.1%) to €1,109 million (previous-year figure: €1,405 million). In the full year 2025, increasing income from customer-driven business with equity and rates products and consistently strong income from commodity and FX business had a positive impact on net trading income.

In addition, net trading income includes valuation adjustments in the context of the fair value measurement of derivatives, particularly credit value adjustments and funding value adjustments. The reduction of these valuation markdowns in connection with the fair value measurement had a positive impact on income of €103 million (previous-year period: minus €10 million). The effects of hedging the respective risks are also recognised in net trading income and have an offsetting effect on valuation markdowns.

Furthermore, net trading income includes positive effects from commodity positions, mainly from precious and base metals, totalling €300 million in the reporting period. The items are offset by hedging transactions with a result of minus €217 million.

Economic Report

In contrast, a decline in interest rates weighed on net trading income which, however, was offset by a corresponding positive countereffect in the “Net interest” item due to lower interest expenses for trading activities. Another reason for the decline in net trading income was the transfer of trading activities in connection with the Trading Engine Centralization. Specifically, this concerns the ongoing transfer of portfolios relating to foreign exchange risk and credit risk, including interest-bearing securities, as well as commodity trading to UniCredit S.p.A. as part of the third to fifth tranches. In segment reporting adjusted for this transfer, and in the change in the reporting of the income components shown therein, in particular the customer margin (further information is provided in the consolidated financial statements under section “Changes in segment reporting”), net trading income remained largely stable.

Net gains/losses on financial assets and liabilities at fair value

A net gain of €235 million on financial assets and liabilities at fair value was recognised for the reporting period (previous-year period: €107 million).

A positive result was reported for hedge accounting effects. In the reporting period, a gain of €10 million was generated after a loss of €118 million in the previous-year period. This development is mainly attributable to the fully implemented centralisation of interest rate risk trading activities and consequently reflects a very high hedge effectiveness.

A positive result of €39 million was generated in the reporting period with financial liabilities designated at FVTPL (previous-year period: €124 million). The positive change in the derivatives used for economic hedging exceeds the negative change in the value of the securities issued.

In the reporting period, a gain of €12 million was generated on financial assets mandatorily at FVTPL compared with a gain of €14 million in the previous-year period. The negative contributions from securities were more than compensated for by positive contributions from derivatives concluded for economic hedging.

At a positive amount of €175 million, the fair value measurement of equity instruments has also increased significantly by €107 million compared with the previous-year period.

Net gains/losses on derecognition of financial instruments measured at cost

This item reported a gain of €46 million for the reporting period after a gain of €8 million in the previous-year period. The net result is thus significantly higher than the previous-year figure.

The derecognised financial instruments are primarily securities holdings that meet cash flow criteria and are generally intended to be held to maturity. These are therefore only sold in exceptional cases. The thresholds defined for the sale of assets recognised at amortised cost were observed in the reporting period. This development is mainly due to the early sale of securities and the realisation of the corresponding market value effects.

Economic Report

Net other expenses/income

The item "Net other expenses/income" reported net income of €132 million for the reporting period, which is significantly higher than the net income of €101 million in the previous-year period.

The increase is attributable, among other things, to a reversal of provisions for cross-border leases in the amount of €16 million. In addition, income from the valuation of investment properties increased by €8 million, while expenses from the valuation of investment properties decreased by €6 million.

Operating costs

Operating costs totalled €2,163 million in the reporting period, down €155 million (6.7%) from €2,318 million in the previous-year period. Consequently, HVB Group succeeded in reducing costs further over the full year 2025 in line with our strategic plan.

Personnel expenses decreased moderately by €55 million (down 4.5%) to €1,170 million in the reporting period compared with €1,225 million in the previous-year period, mainly due to adjusted staffing levels following the implementation of our strategic plan. Expenses for wages and salaries declined accordingly.

Other administrative expenses totalled €918 million in the reporting period, decreasing noticeably by €88 million (down 8.7%) compared with the previous-year period. This development is mainly due to the optimisation of costs in the area of information and communication technology (ICT).

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

Operating profit (before net write-downs of loans and provisions for guarantees and commitments) amounted to €3,359 million in the reporting period, which is a moderate rise of €209 million (6.6%) compared with the previous-year figure of €3,150 million.

The cost-income ratio (ratio of operating costs to operating income) determined on the basis of the segmented income statement, which is relevant for the corporate management and planning of HVB Group, improved to 38.2% in the reporting period after 40.6% in the previous-year period. Consequently, the forecast of a virtually unchanged cost-income ratio compared with the previous-year period was exceeded.

The segmented income statement used for the cost-income ratio is shown in the Note "Income statement, broken down by operating segment".

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

In the reporting period, net additions to net write-downs of loans and provisions for guarantees and commitments totalled €223 million after net additions of €270 million to net write-downs of loans and provisions for guarantees and commitments in the previous-year period. The individual effects are described below.

In the 2025 reporting period, a net amount of €142 million in portfolio valuation adjustments (general loan loss provisions - GLLP) was released (previous-year period: release of €266 million). When calculating the expected credit losses, changes to the underlying models for probability of default (PD) and loss given default (LGD) as well as a partially changed macroeconomic situation significantly affected the results. In addition, overlays were applied for certain sub-portfolios that are particularly sensitive to specific risks. At the end of 2025, the overlays applied were entirely due to geopolitical risks, as the evolving trade tensions resulted in possible export vulnerabilities, associated supply chain disruptions and external demand changes driven by euro-US dollar exchange rate movements.

Economic Report

The following releases and allocations were recognised for the GLLP in the reporting period: the overlay within the commercial real estate and construction industry that had been previously applied as a result of the ongoing high level of interest rates, higher construction costs, decline in orders, falling property prices and lower rental income was fully released due to improvements in the underlying default rate projections. Conversely, the geopolitical overlay was re-assessed based on evolving geopolitical risks related to trade tensions and resulted in an increase in the GLLP. The concept is described in greater detail in the Risk Report of this Combined Management Report (see in particular the section entitled “Impairment: Overlays” under “Credit risk” in the Risk Report). Within the regular models used to calculate the GLLP, two changes resulted in material releases within the GLLP: (1) a recalibration of the LGD model for IFRS 9 using an extended time series was considered to account for the latest development in recovery rates, and (2) a re-development of the Multinational Corporates (MNC) models for PD and LGD. The re-development affected the underlying Internal Ratings-Based (IRB)-PD and IRB-LGD models as well as the IFRS 9-specific components, integrating point-in-time (PIT) and forward-looking elements. In particular, the latest internal default rates were used to incorporate current conditions which had a significant decreasing effect on the IFRS 9 PD. Less material releases within the GLLP were driven by updates to IFRS 9 PD development samples, underlying default rate projections, recalibrations of the models related to climate & environmental risks, and regular portfolio development. Conversely, increases in the GLLP were driven by updated forward-looking information related to macroeconomic scenario updates in the second and fourth quarters of 2025 as well as new satellite models at UniCredit corporate group level underlying the forward-looking information.

In the reporting period, net additions to specific loan-loss provisions totalled €366 million, which is €170 million lower than the net additions of €536 million in the previous-year period. Net additions in 2025 were largely impacted by additions to specific loan-loss provisions on account of defaults in the reporting period, which, however, were lower than in previous-year period.

Provisions for risks and charges

In the reporting period, net income from the reversal of provisions amounted to €11 million. In comparison, net income from the reversal of provisions in the previous-year period totalled €27 million. There were no material individual items in the reporting period or in the previous-year period.

Restructuring costs

In the reporting period, net expenses of €109 million were incurred for restructuring costs (previous-year period: €114 million).

Of the total restructuring costs, an amount of €83 million is related to pro-rata costs in connection with restructuring measures involving IT activities and further areas of UniCredit S.p.A. that provide services for HVB Group. As a user of these services, HVB benefits from the restructuring measures of UniCredit S.p.A. and shares in the related costs.

Furthermore, HVB Group incurred expenses in connection with restructuring-related amortisation, primarily of IT software, and for additional adjustments in staff planning. These measures are based on the existing strategic plan, the guidelines of which – simplification, customer focus and digitalisation – remain valid. The implementation of digital and AI-supported solutions is leading to structural changes in the Bank's organisational and process landscape and will have an impact on role profiles and staff requirements in the future.

Economic Report

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

In the reporting period, HVB Group generated profit before tax of €3,040 million. This represents a noticeable increase of €250 million (up 9.0%) compared with the profit before tax of €2,790 million generated in the previous-year period.

Income tax expense amounted to €914 million in the reporting period and is therefore moderately higher by €44 million (up 5.1%) than the income tax expense of €870 million in the previous-year period. The increase was mainly due to the taxation of the higher result in the reporting period.

After deducting income tax for the period, HVB Group generated a consolidated profit of €2,126 million, which is a noticeable €206 million, or 10.7%, higher than the consolidated profit of €1,920 million in the previous-year period.

The forecast made in the 2024 Annual Report of a noticeably higher profit before tax for the 2025 financial year was confirmed in the reporting year, while the expectation of a moderate increase in consolidated profit was exceeded.

Return on allocated capital

The profitability ratio return on allocated capital (RoAC) shows the adjusted, annualised consolidated profit of HVB Group, adjusted for the coupon on surplus capital and for the costs of AT1 and other equity instruments in relation to allocated Tier 1 capital.

With RoAC, allocated Tier 1 capital is determined on the basis of the average risk-weighted assets (including equivalents for market risk and operational risk) whereby 13.00% Tier 1 capital is allocated to the average risk-weighted assets.

In the reporting period, this ratio rose to 21.3% after 19.2% in the previous-year period. This increase is due to an improved consolidated profit.

Segment results by operating segment

The structure of the income statement used for HVB Group's internal corporate management and planning is shown. Any deviations to the presentation of the operating performance are described in detail in the "Segment reporting" section of the consolidated financial statements. When calculating totals, minor deviations might occur as a result of rounding.

OPERATING INCOME (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Retail	1,569	1,484
Corporates	3,472	3,504
Other	421	364
Total	5,462	5,351

NET OPERATING PROFIT/(LOSS) (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Retail	784	717
Corporates	1,950	1,913
Other	381	279
Total	3,115	2,909

Economic Report

PROFIT/(LOSS) BEFORE TAX (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Retail	712	639
Corporates	1,889	1,826
Other	386	261
Total	2,986	2,726

PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS)) (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Retail	495	450
Corporates	1,341	1,245
Other	245	183
Total	2,080	1,879

General comments on the business situation in 2025 and comparison with last year's expectations

The 2025 reporting year was marked by higher US tariffs and geopolitical uncertainties. A slight increase was nevertheless seen in German economic output. The inflation rate in the eurozone continued to decline and, at 2.1% in the full year 2025, was just above the ECB's target of 2%. In 2025, important central banks, such as the ECB or the FED, continued their monetary easing measures that they had introduced in the previous year. After the ECB lowered key interest rates by a total of 100 basis points by June and then left them unchanged, the FED also reduced its key interest rate corridor by a total of 75 basis points from autumn 2025 onwards. This marked a further step in the transition from the previously more restrictive interest rate policy to a more moderate monetary policy stance. In 2025, the 3-month Euribor fell from around 2.7% at the beginning of the year to around 2.0% at the end of the year.

In this geopolitical and macroeconomic environment, HVB Group's operating income increased to €5,522 million in the reporting period (previous-year period: €5,468 million). The main driver of this positive development was higher net interest, which came to €2,775 million in the 2025 financial year and was thus €167 million (up 6.4%) higher than in the previous-year period. At €1,190 million (down 1.3%), net fees and commissions were virtually unchanged at the previous year's level (€1,206 million). HVB Group's net trading income fell as a result of declining interest rates and the ongoing transfer of trading activities (Trading Engine Centralization) from €1,405 million to €1,109 million.

In the reporting period, operating costs totalled €2,163 million (down €155 million) after €2,318 million in the previous-year period. This means that operating costs were also reduced in line with our strategic plan in the full year 2025. Reduced costs in the area of information and communication technology as well as reduced payroll costs made significant contributions here.

Net additions to net write-downs of loans and provisions for guarantees and commitments fell significantly from €270 million in the previous-year period to €223 million in the reporting period. This development is essentially based on lower additions to specific loan loss provisions, which amounted to €366 million in the reporting period (previous-year period: €536 million). There was a net reversal in portfolio valuation adjustments (GLLP) of €142 million, following net reversals of €266 million in the previous-year period. These reversals were driven mainly by adjustments to PD/LGD models, while overlays for geopolitical risks were reassessed.

Restructuring costs declined from €114 million in the previous-year period to €109 million (down €5 million) in the reporting period. These costs continue to be related to our strategic plan and the associated strategic measures.

Economic Report

Profit before tax thus increased noticeably by €250 million to €3,040 million (up 9.0%) in the reporting period after €2,790 million in 2024. This is the result of a further increase in profitability and active cost management at HVB Group. In the 2025 financial year, the income tax expense totalled €914 million (previous year: €870 million) and is attributable to the taxation of the higher profit in the current reporting period. At €2,126 million in 2025, profit after tax increased noticeably by €206 million (up 10.7%) compared with the previous-year period.

The forecast made in the 2024 Annual Report concerning a noticeable increase in profit before tax for the 2025 financial year was confirmed in the reporting year while the expectation of a moderate rise in consolidated profit was even exceeded.

At 38.2%, the cost-income ratio is moderately lower than the level reported in 2024 (40.6%) and has thus exceeded the forecast of a virtually unchanged development year on year. The RoAC rose noticeably to 21.3% in the reporting period after 19.2% in the previous-year period, thus exceeding the projected moderate increase. The CET1 capital ratio in accordance with approved consolidated financial statements comes to 22.9% at year-end 2025 (year-end 2024: 23.8%) and has thus declined moderately. The decrease in the CET1 capital ratio is mainly attributable to the moderate increase in risk-weighted assets. The cost-income ratio, the RoAC and the capital ratio reflect HVB Group's success in sustainably increasing its profitability and capital efficiency.

In summary, the earnings position and profitability of HVB Group continued to improve in the 2025 financial year, which is reflected in a noticeable increase in the RoAC and a noticeable rise in profit before tax. The assets, liabilities and financial position of HVB Group also continued to develop well. This enabled the regulatory capital ratios and the leverage ratio to be kept consistently well above the minimum required by law. Furthermore, the liquidity position is still good. This can be seen by the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of HVB, which were also consistently above the minimum requirements over the course of the year.

Financial situation

Total assets

As at 31 December 2025, the total assets of HVB Group amounted to €286.3 billion, compared with €290.2 billion as at 31 December 2024, and thus remained virtually unchanged compared with year-end 2024, decreasing by €3.9 billion or 1.3%.

On the assets side, cash and cash balances decreased noticeably by €0.6 billion and amounted to €6.3 billion as at the balance sheet date compared with €6.9 billion as at year-end 2024. This decrease is due to lower balances with the Deutsche Bundesbank and foreign central banks. Balances with central banks amounted to €5.9 billion as at the balance sheet date compared with €6.5 billion as at 31 December 2024. Cash on hand amounted to €0.4 billion (year-end 2024: €0.4 billion).

Financial assets held for trading amounted to €60.8 billion as at 31 December 2025, representing a noticeable decline of €7.6 billion, or 11.1%, compared with €68.4 billion as at year-end 2024. This is attributable to declines in positive fair values of derivative instruments (down €10.0 billion; mainly interest rate and foreign exchange derivatives). This effect was partially offset by an increase in on-balance sheet financial instruments (up €2.4 billion).

Economic Report

Financial assets at fair value through profit or loss (FVTPL), which mainly comprise equity instruments, loans and promissory notes, decreased significantly by €0.4 billion or 16.0% to €2.1 billion as at the balance sheet date compared with the end of 2024 (year-end 2024: €2.5 billion). The significant decline of €0.5 billion to €0.4 billion in fixed-income securities is largely attributable to maturing securities and disposals. Loans and promissory notes declined significantly by €0.2 billion to €0.6 billion due to maturities and disposals. By contrast, equity instruments increased by €0.1 billion to €0.9 billion.

Financial assets at fair value through other comprehensive income (FVTOCI), which consist almost entirely of securities, were up by €0.2 billion to €14.1 billion and thus remained virtually unchanged compared with year-end 2024 (€13.9 billion).

At €23.7 billion, loans and receivables with banks remained virtually unchanged at the balance sheet date compared with year-end 2024, declining by €0.5 billion or 2.1%. Within this total, there were increases of €0.5 billion in current accounts, €0.4 billion in securities and €0.3 billion in other loans to banks. By contrast, declines of €1.2 billion were recorded in cash collateral and pledged credit balances and €0.5 billion in reverse repos.

Loans and receivables with customers rose moderately by €6.6 billion to €169.2 billion. This development was mainly driven by a significant increase in reverse repos (from €1.8 billion as at year-end 2024 to €3.7 billion as at 31 December 2025) and a noticeable increase in securities holdings (from €35.8 billion to €39.7 billion).

The volume of hedging derivatives on the assets side of the balance sheet decreased noticeably by €0.7 billion as at the balance sheet date (year-end 2024: €7.9 billion), mainly due to effects caused by the expiry and renewal of financial instruments. This also led to a decrease in the volume of hedging derivatives on the liabilities side by €1.6 billion to €8.8 billion (year-end 2024: €10.4 billion).

On the liabilities side, the item "Deposits from banks", at €30.8 billion, remained virtually unchanged as at the balance sheet date compared with year-end 2024 (up €0.3 billion or 1.0%). This was largely attributable to a significant rise in deposits from central banks from €1.5 billion to €6.9 billion. Further deposits from banks declined from €29.0 billion to €24.0 billion, primarily as a result of lower volumes of repo transactions.

Deposits from customers remained virtually unchanged at €145.3 billion compared with year-end 2024 (up €2.7 billion or 1.9%). Within this total, repos increased significantly by €4.0 billion to €8.1 billion and current accounts moderately by €5.2 billion to €81.1 billion. By contrast, term deposits recorded a noticeable decline of €6.3 billion to €43.8 billion.

At €33.2 billion, the volume of debt securities in issue remained virtually unchanged at the previous year's level (€33.6 billion).

Financial liabilities held for trading decreased noticeably by €4.7 billion, to €44.0 billion, compared with year-end 2024 (€48.7 billion). This is primarily attributable to declines in negative fair values of derivative instruments (down €5.3 billion; mainly interest rate and foreign exchange derivatives). This effect was partially offset by an increase in other financial liabilities held for trading (up €0.5 billion).

Economic Report

The volume of financial liabilities at fair value through profit or loss (FVTPL), which mainly comprise own structured issues, decreased significantly by €0.6 billion from €3.0 billion as at the balance sheet date compared with 31 December 2024 (€3.6 billion), primarily due to maturing issues.

Shareholders' equity shown in the balance sheet increased by €0.3 billion and, at €20.2 billion as at the balance sheet date, was virtually unchanged compared with year-end 2024. The profit available for distribution as at 31 December 2025 increased noticeably by €0.2 billion to €2.1 billion compared with year-end 2024.

Further and more detailed information on the individual items of the balance sheet can be found in the notes to the consolidated financial statements under "Notes to the Balance Sheet" and in "Other information".

Contingent liabilities and other commitments not recognised in the balance sheet totalled €138.8 billion as at the balance sheet date compared with €137.6 billion as at year-end 2024. These include contingent liabilities in the form of financial guarantees of €30.6 billion (year-end 2024: €30.3 billion) and other commitments of €108.2 billion (year-end 2024: €107.3 billion), which mainly relate to irrevocable and revocable loan commitments subject to default risk. These contingent liabilities are matched by contingent assets of the same amount.

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

Risk-weighted assets

The total risk-weighted assets of HVB Group (including market and operational risk), determined in accordance with the requirements of the Capital Requirements Regulation (CRR), amounted to €69.1 billion as at 31 December 2025. This represents an increase of €2.9 billion compared with the figure at year-end 2024 (€66.2 billion). Risk-weighted assets for credit risk (including counterparty risk) increased by €44.4 million and remained at €53.7 billion. Risk-weighted assets for market risk decreased by €0.8 billion to €3.4 billion. Risk-weighted asset equivalents for operational risk increased by €3.7 billion to €12.0 billion as a result of the Basel IV-related introduction of the standardised approach.

Tier 1 capital, capital ratios and own funds

As at 31 December 2025, Common Equity Tier 1 capital compliant with the CRR excluding hybrid capital (CET1 capital) totalled €15.8 billion and Tier 1 capital €17.5 billion. Tier 1 capital increased slightly compared with year-end 2024 (€17.4 billion in accordance with approved consolidated financial statements). The CET1 capital ratio (ratio of Common Equity Tier 1 capital to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) and the Tier 1 capital ratio under the CRR (including market risk and operational risk) were 22.9% and 25.3% respectively as at 31 December 2025 (31 December 2024: 23.8% and 26.3% respectively). Own funds came to €17.9 billion as at 31 December 2025 (31 December 2024: €18.7 billion in accordance with approved consolidated financial statements). The own funds ratio was 25.9% as at 31 December 2025 (31 December 2024: 28.2%). The decrease in the ratios is attributable to the call of a Tier 2 instrument of €0.8 billion held by UniCredit S.p.A. and to the increase in risk-weighted assets due to the introduction of Basel IV.

Leverage ratio

The leverage ratio is determined by dividing the Tier 1 capital measure by the total exposure measure. The total exposure measure is the sum total of the exposure values of all assets and off-balance sheet items. The leverage ratio of HVB Group came to 5.7% as at 31 December 2025 (31 December 2024 in accordance with approved consolidated financial statements: 5.7%) and is thus significantly higher than the minimum requirement of 3.0%.

Economic Report

Liquidity ratios of HVB

As no regulatory reporting of liquidity ratios is carried out for HVB Group, these ratios are presented unchanged for the individual bank in this report.

The liquidity coverage ratio (LCR) is calculated as the ratio of high-quality liquid assets to total net cash flows. HVB's LCR amounted to 142% on a twelve-month average as at 31 December 2025 (31 December 2024: 140%). The required LCR of a minimum of 100% to ensure that an institution is able to meet its short-term payment obligations was also adhered to at the level of the combined liquidity sub-group, consisting of UniCredit Bank GmbH and UniCredit Leasing Finance GmbH, in the reporting period. With the completion of the merger of UniCredit Leasing Finance GmbH into UniCredit Bank GmbH in May 2025, reporting the LCR at the level of this combined liquidity sub-group is no longer required.

The net stable funding ratio (NSFR) is calculated as the ratio of the amount of available stable funding to the amount of required stable funding. HVB's NSFR amounted to 112.0% as at 31 December 2025 (31 December 2024: 113.1%). The valid NSFR requirement of a minimum of 100% to ensure the availability of a reasonable share of stable funding was met in the course of 2025.

Ratings

HVB's creditworthiness and credit rating are assessed by the credit rating agencies Fitch Ratings Limited (Fitch), Moody's Investors Service Inc. (Moody's) and Standard & Poor's Credit Market Services Europe Limited (S&P). The credit rating agencies Fitch, Moody's and S&P commissioned by HVB are registered and certified as credit rating agencies in line with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 ("CRA Regulation").

Fitch Ratings

Following the upgrade of HVB's ratings at the end of 2024, Fitch affirmed the ratings on 23 October 2025, maintaining a 'stable' outlook. As a result, HVB's Issuer Default Rating remains at 'A-/F2', the Derivative Counterparty Rating at 'A(dcr)', the Deposit Rating and the Senior Preferred Debt Rating at 'A/F1'. The rating for non-subordinated, non-preferred debt instruments (Senior Non-Preferred Debt) is 'A-' and HVB's Standalone Rating (Viability Rating) continues to be 'a-'.

In its credit rating assessment, Fitch highlights HVB's strong market position among German corporate customers as well as HVB's above-average profitability, solid capital base, and stable asset quality.

Economic Report

Moody's

On 26 November 2025, Moody's raised HVB's ratings by one notch while maintaining a 'positive' outlook. The rating action for HVB followed the recent improvement in the Standalone Rating of the Italian parent company UniCredit S.p.A. HVB's Issuer Rating, Deposit Rating and the Senior Preferred Debt Rating was upgraded from 'A2' to 'A1' by Moody's, the Standalone Rating was improved from 'baa2' to 'baa1'.

HVB's ratings continue to reflect the Bank's solid credit profile, supported by diversified business areas. In its assessment, Moody's highlights HVB's continued strong capitalisation and increasing profitability. Although Moody's upgraded its assessment of HVB's financial profile to 'a3' in June 2025, the Bank's Standalone Rating remains at 'baa1', one notch above that of its parent company. From Moody's perspective, this reflects existing interdependencies between HVB and its parent company and the Single-Point-of-Entry resolution strategy. The positive rating outlook reflects Moody's expectation that HVB's Standalone Rating could improve if UniCredit S.p.A.'s Standalone Rating is upgraded.

Standard & Poor's

Following the upgrade of HVB's ratings in April 2025 and their affirmation by S&P on 9 October 2025, HVB's outlook was raised from 'stable' to 'positive' on 2 February 2026 in the course of the upgrade of the outlook of UniCredit S.p.A. S&P continues to assign HVB a standalone credit profile (SACP) of 'a-', HVB's Issuer Credit Rating has been affirmed at 'A-/A-2', and the Resolution Counterparty Rating remains at 'A/A-1'.

In its credit rating assessment, S&P emphasises HVB's solid risk-adjusted profitability, its strong franchise as well as its sound asset quality and strong capitalisation. The rating outlook reflects S&P's expectation that HVB's capital base will remain at a high level and HVB will continue to report solid financial results. In addition, the positive outlook reflects S&P's expectation that HVB will remain a key subsidiary within the group structure, which supports HVB's Issuer Credit Rating at the same level as the rating of UniCredit S.p.A.

Group Parent Company Information (HGB)

Group parent company information (HGB)

UniCredit Bank GmbH (HVB) 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 HVB's Management Report with the Group Management Report of HVB Group.

As the Group parent company, HVB determines the business development of HVB Group. The management is carried out on the basis of IFRS results. The statements made for HVB Group in this Combined Management Report also apply to HVB 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. This is done below. Please see the notes to the annual financial statements of HVB for further details.

Group Parent Company Information (HGB)

Operating performance of UniCredit Bank GmbH (HVB)

INCOME STATEMENT	1/1-31/12/2025	1/1-31/12/2024	Change	
	€ millions	€ millions	€ millions	in %
Interest income	7,685	9,567	(1,882)	(19.7)
Current income from equity securities and other variable-yield securities, participating interests, shares in affiliates	378	375	3	0.8
Income earned under profit-pooling and profit-and-loss transfer agreements	3	22	(19)	(86.4)
Interest payable	(4,899)	(6,810)	1,911	(28.1)
Net interest income	3,167	3,154	13	0.4
Fees and commissions receivable	1,503	1,518	(15)	(1.0)
Fees and commissions payable	(274)	(324)	50	(15.4)
Net fees and commissions	1,229	1,194	35	2.9
Net income from the held-for-trading portfolio	862	1,043	(181)	(17.4)
Other operating income	328	302	26	8.6
Other operating expenses	(207)	(53)	(154)	n/a
Other operating income less other operating expenses	121	249	(128)	(51.4)
OPERATING INCOME	5,379	5,640	(261)	(4.6)
Wages and salaries	(975)	(1,088)	113	(10.4)
Social security costs and expenses for pensions and other employee benefits	(155)	(213)	58	(27.2)
Payroll costs	(1,130)	(1,301)	171	(13.1)
Other administrative expenses	(1,220)	(1,170)	(50)	4.3
of which standard amortisation and depreciation on intangible assets and property, plant and equipment	(77)	(41)	(36)	87.8
General administrative expenses	(2,350)	(2,471)	121	(4.9)
OPERATING RESULT BEFORE PROVISIONS FOR LOSSES ON LOANS AND RECEIVABLES	3,029	3,169	(140)	(4.4)
Write-downs and impairments of receivables and certain securities as well as allocations to provisions for losses on guarantees and indemnities	(156)	(378)	222	(58.7)
Income from write-ups of receivables and certain securities as well as from the reversal of provisions for losses on guarantees and indemnities	—	—	—	—
Provisions	(156)	(378)	222	(58.7)
Write-downs and impairments of participating interests, shares in affiliates and investment securities	—	(4)	4	(100.0)
Income from write-ups of participating interests, shares in affiliates and investment securities	19	—	19	n/a
Amortisation, depreciation and impairment losses on intangible and tangible assets	(38)	(60)	22	(36.7)
Expenses from absorbed losses	(25)	(61)	36	(59.0)
Other income less other expenses	(44)	(125)	81	(64.8)
Extraordinary expenses	—	—	—	—
Extraordinary income	—	1	(1)	(100.0)
Extraordinary income/expenses	—	1	(1)	(100.0)
Income from funds for general banking risks in accordance with Section 340g HGB	162	129	33	25.6
PROFIT BEFORE TAX	2,991	2,796	195	7.0
Tax	(991)	(876)	(115)	13.1
NET INCOME FOR THE YEAR	2,000	1,920	80	4.2
Transfer to the reserve for shares in a controlling or majority interest-holding company	(93)	(67)	(26)	38.8
Withdrawal from the reserve for shares in a controlling or majority interest-holding company	—	—	—	—
Transfer to other retained earnings	—	—	—	—
Withdrawal from other retained earnings	221	67	154	n/a
PROFIT AVAILABLE FOR DISTRIBUTION	2,128	1,920	208	10.8

n/a – of no informative value or change greater than 200%

Group Parent Company Information (HGB)

Net interest income

At €3,167 million, net interest income generated in the reporting period, including current income from equity securities and other variable-yield securities, participating interests, shares in affiliates as well as income from profit-pooling and profit-and-loss transfer agreements, was almost at the previous year's level (€3,154 million).

Income from bonds and other fixed-income securities in the investment and liquidity reserve portfolios remained stable at €2,148 million and was therefore in line with the previous year's level.

Interest income less interest payable of €2,786 million in the reporting period was virtually unchanged compared to with previous year's figure of €2,757 million.

Current income from equity securities and other variable-yield securities as well as participating interests of €378 million was virtually unchanged at the previous year's level (€375 million).

Income from profit-and-loss transfer agreements declined significantly in the reporting period to €3 million after €22 million in the previous-year period. The decline is attributable in particular to the merger of UniCredit Leasing GmbH, Hamburg, into UniCredit Bank GmbH.

Net fees and commissions

At €1,229 million in the reporting period, net fees and commissions were €35 million higher than the previous year's level of €1,194 million.

In payment services, net fees and commissions increased by €13 million to €179 million (previous year: €165 million). There was also significant growth in the foreign trade and currency exchange business, in particular in the precious metals business.

Net fees and commissions were up here by €10 million to €62 million (previous year: €52 million). In the lending and credit business, net fees and commissions increased moderately by €6 million to €360 million (previous year: €354 million), and the result in the securities and portfolio business also increased.

Net income from the held-for-trading portfolio

Net income from the held-for-trading portfolio decreased significantly compared with the previous-year period from €1,043 million to €862 million in the reporting period.

Higher income from the strong business in the area of equity and rates products as well as stable contributions from the currencies and commodities area were the main contributors to total income. On the other hand, a declining interest rate level had a negative impact on net income which was offset, however, by a corresponding positive countereffect in the item "Net interest income" due to lower interest payable.

Another reason for the decline in net income from the held-for-trading portfolio was the transfer of trading activities as part of the Trading Engine Centralization. Specifically, this concerns the ongoing transfer of portfolios relating to foreign exchange risk, credit risk, including interest-bearing securities, as well as commodity trading to UniCredit S.p.A. as part of the third to fifth tranches.

Group Parent Company Information (HGB)

Other operating income less other operating expenses

Other operating income less other operating expenses saw a significant reduction from €249 million in the previous-year period to €121 million in the reporting period. The decline is mainly due to significantly negative net pension commitment items as well as a lower contribution from various other operating income items.

Higher income from rent and associated costs, which was up significantly in the reporting period to €64 million (previous year: €36 million), had a positive impact along with an increase in net gains and losses on the realisation of certain assets. These developed positively – from expenses of €10 million in the previous year to income of €4 million in the reporting year. This includes the disposal of leased items as a result of the merger of our companies.

The net expenses arising from pension commitments of €109 million in the reporting year after net income of €16 million in the previous-year period contributed significantly to the lower result.

General administrative expenses

General administrative expenses were down moderately compared with the previous-year period by €121 million to €2,350 million (previous-year period: €2,471 million).

This is the result of the noticeable decline in payroll costs of €171 million to €1,130 million (previous-year period: €1,301 million). Wages and salaries declined noticeably by €113 million and social security costs and expenses for pensions significantly by €58 million in the reporting period.

Other administrative expenses increased moderately by €50 million to €1,220 million (previous-year period: €1,170 million). Within this item, the significantly lower expenses for buildings and office space, which were down €36 million to 134 million, were not able to compensate for the significant increase in expenses in connection with banking operations of €101 million to €271 million. This is due mainly to restructuring costs totalling €83 million incurred in the reporting year for proportionate costs relating to measures to restructure IT activities and other areas of UniCredit S.p.A. which provide services for HVB Group. Furthermore, expenses were incurred in connection with restructuring-related amortisation, mainly for IT software.

In addition, expenses for marketing and corporate communications increased significantly by €8 million to €37 million.

Operating result before provisions for losses on loans and receivables

The operating result before provisions for losses on loans and receivables declined moderately year on year by €140 million to €3,029 million. This development was influenced mainly by the decline in net income from the held-for-trading portfolio as well as the decline in other operating income less other operating expenses. Lower general administrative expenses were not able to compensate for the moderate decline in operating income.

The cost-income ratio (ratio of general administrative expenses to operating income) is virtually unchanged at 43.7% after 43.8% in the previous-year period.

Group Parent Company Information (HGB)

Provisions for losses on loans and receivables

Provisions for losses on loans and receivables amounted to €156 million in the reporting period and were therefore significantly lower than the figure of €378 million in the previous-year period.

In the 2025 reporting period, a net amount of €142 million in portfolio valuation adjustments (general loan loss provisions – GLLP) was released (previous-year period: release of €270 million). When calculating the expected credit losses, changes to the underlying Probability of Default (PD) and Loss Given Default (LGD) models significantly affected the results as well as a partially changed macroeconomic situation. In addition, overlays were applied for certain sub-portfolios that are particularly sensitive to specific risks. At the end of 2025, the overlays applied were entirely due to geopolitical risks, as the evolving trade tensions resulted in possible export vulnerabilities, associated supply chain disruptions, and external demand changes driven by euro-US dollar exchange rate movements.,

The following releases and allocations were recognised for the GLLP in the reporting period: the overlay within the commercial real estate and construction industry that had been previously applied as a result of the ongoing high level of interest rates, higher construction costs, decline in orders, falling property prices and lower rental income, was fully released due to improvements in the underlying default rate projections. Conversely, the geopolitical overlay was re-assessed based on evolving geopolitical risks related to trade tensions and resulted in an increase to the GLLP. The concept is explained further within the Risk Report of this Combined Management Report (see in particular the section entitled “Impairment: Overlays” under “Credit risk” in the Risk Report). Within the regular models used to calculate the GLLP, two changes resulted in material releases within the GLLP: (1) a recalibration of the LGD model using an extended time series was considered to account for the latest evolution in recovery rates, and (2) a re-development of the Multinational Corporates (MNC) models for PD and LGD. The re-development affected the underlying Internal Ratings Based (IRB)-PD and IRB-LGD models as well as the IFRS9-specific components, integrating point-in-time (PIT) and forward-looking elements. In particular, the latest internal default rates were used to incorporate current conditions which had a significant decreasing effect on the IFRS9 PD. Less material releases within the GLLP were driven by updates to PD development samples, underlying default rate projections, recalibrations of the models related to climate & environmental risks, and regular portfolio development. Conversely, increases in the GLLP were driven by updated forward-looking information related to macroeconomic scenario updates in the second and fourth quarters of 2025, as well as new satellite models at UniCredit corporate group level underlying the forward-looking information.

In the reporting period, net additions to specific loan loss provisions amounted to €437 million after net additions of €559 million in the previous-year period. Net additions in 2025 are influenced significantly by additions to specific loan loss provisions on account of defaults in the reporting period which, however, were lower than in the previous-year period.

A net gain of €149 million was generated with securities held for liquidity purposes in the reporting period after a net loss of €160 million in the previous-year period.

Group Parent Company Information (HGB)

Other income less other expenses

The negative balance of other income less other expenses fell significantly from €125 million in the previous-year period to €44 million in the reporting period.

Other income less other expenses includes income of €19 million from the sale of investment securities in the reporting year.

In addition, a significantly lower amount of €25 million (previous-year period: €61 million) was recognised in the financial year as expenses from absorbed losses, which are mainly attributable to affiliates of HVB and their subsidiaries.

Extraordinary income/expenses

As in the previous-year period, there were no significant business transactions that led to extraordinary income or expenses in the reporting period.

Profit before tax

At €2,991 million, profit before tax increased moderately compared with the previous-year period (€2,796 million). The remaining volume of the special item "Fund for general banking risks" pursuant to Section 340g HGB amounting to €162 million was reversed in the reporting year. This was based on the positive development of the profitability ratios, the consistently high capital ratios as well as the risk transfer achieved through the centralisation of trading activities (Trading Engine Centralization).

Tax

There was tax expense of €991 million in the reporting period (previous-year period: tax expense of €876 million). The increase is due in particular to the positive profit trend in the reporting period.

As a result of the capitalisation option for deferred tax assets exercised since the 2022 reporting year, the total tax expense also includes a deferred tax expense of €121 million (previous year: tax expense of €48 million) mainly from the change in temporary differences and tax rate adjustments.

Due to the law for an immediate tax investment programme to strengthen Germany as a business location ("Gesetz für ein steuerliches Investitionssofortprogramm zur Stärkung des Wirtschaftsstandortes Deutschland") described in the section Accounting and Valuation, the deferred taxes have been remeasured through profit or loss in the amount of €76 million; as a result, a deferred tax expense has been recognised. Furthermore, the increase in the Group tax rate from 31.76% to 32% has resulted in deferred tax income of €6 million.

Net income for the year and appropriation of profit

HVB generated net income for the year of €2,000 million in 2025 which was therefore moderately higher than the net income for the year of €1,920 million generated in 2024.

In the 2025 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 €2,128 million. This comprises the net income generated in the reporting year of €2,000 million as well as a withdrawal from other retained earnings of €128 million. We will propose to the Shareholders' Meeting that the profit available for distribution of €2,128 million be paid to UniCredit S.p.A. (UniCredit), Milan, Italy. This represents a profit distribution of around €2.65 per share after around €2.39 per share for the 2024 financial year. The profit available for distribution of €1,920 million reported in the previous year was paid to UniCredit S.p.A. on 13 October 2025 in accordance with a resolution adopted by the Shareholders' Meeting on 25 March 2025.

Group Parent Company Information (HGB)

Financial position

Total assets

HVB's total assets amounted to €270.4 billion as at 31 December 2025. This represents an increase of €6.9 billion compared with year-end 2024.

At €3.4 billion, the "Cash and cash balances" item increased by €0.5 billion compared with 31 December 2024. Within this total, the balances with central banks amounted to €3.0 billion (year-end 2024: €2.5 billion). Cash on hand remained unchanged at €0.4 billion.

Loans and receivables with banks decreased by €1.0 billion to €15.1 billion compared with year-end 2024. The main reason for this is the decline in overnight deposits (down €1 billion) under the deposit facility of the Deutsche Bundesbank.

Loans and receivables with customers rose to €123.3 billion as at 31 December 2025, an increase of €2.0 billion, compared with 31 December 2024. The increase is mainly due to higher repo agreements (up €1.9 billion) and growing portfolios of mortgage loans (up €1.1 billion) and promissory notes (up €1.1 billion). By contrast, refinanced special credit facilities (down €1.4 billion) and cash loans on current account (down €0.7 billion) declined.

The holdings disclosed under securities (without held-for-trading portfolios) increased by €4.7 billion to €83.2 billion as at the reporting date. There were increases in both the volume of own bonds (up €1.3 billion) and third-party bonds (up €3.4 billion).

At €39.9 billion, financial assets held for trading were higher than the level of €39.4 billion as at year-end 2024. The increase is due largely to higher holdings of equities and other non-fixed-income securities (up €2.1 billion) and derivative financial instruments (up €0.9 billion). This was offset by a decline in fixed income securities (down €0.6 billion) and other assets (down €1.7 billion).

Property, plant and equipment amounted to €1.6 billion in the 2025 financial year, almost unchanged from the previous year.

In line with the development on the assets side, the volume on the liabilities side also increased.

Deposits from banks increased by €3.0 billion to €31.8 billion. The main drivers were increased repo agreements (up €0.6 billion) and higher fixed-term deposits (up €3.8 billion), while refinanced special credit facilities (down €1.5 billion) declined.

Deposits from customers were up by €0.8 billion to €147.3 billion. Call money (up €0.9 billion) and current accounts (up €3.7 billion) had a particularly strong impact. Additional momentum came from other deposit products (up €1.7 billion) and repo agreements (up €1.7 billion). By contrast, fixed-term deposits (down €6.3 billion), savings deposits (down €0.4 billion) and collateral holdings (down €0.5 billion) declined.

Group Parent Company Information (HGB)

Debt securities in issue rose by €1.7 billion to €39.1 billion as a result of new issues.

Liabilities held for trading increased significantly at the end of the year by €2.8 billion to €18.4 billion). The main driver was derivative liabilities, which increased by €1.9 billion and thus made the largest single contribution to the overall change. In addition, warrants increased noticeably by €0.7 billion, while short selling positions also contributed to the increase with a rise of €0.5 billion. Issued bonds, which fell by €0.2 billion, and other liabilities in the trading book, which declined slightly, developed in the opposite direction.

At €4.0 billion, the "Provisions" item was €0.5 billion higher compared with year-end 2024. This was mainly due to the increase in tax provisions.

Shareholders' equity remained unchanged at €16.8 billion compared with year-end 2024. The dividend payout of €1.9 billion for the previous year is offset by net income for the year of €2.0 billion in 2025. The subscribed capital and the additional paid-in capital remained unchanged compared with the previous year. €0.1 billion was withdrawn from retained earnings for the purpose of profit distribution and €0.1 billion was transferred to the reserve for shares in a controlling company.

The return on assets is defined in Section 26a KWG as the ratio of net profit to total assets. This amounted to 0.740% as at 31 December 2025 (31 December 2024: 0.729%).

Contingent liabilities and other commitments not recognised in the balance sheet decreased by €1.4 billion to €98.2 billion (year-end 2024: €99.5 billion). This figure includes contingent liabilities (€30.6 billion) from general loan guarantees (€0.7 billion), transaction-related guarantees (€28.4 billion) and trading-related guarantees (€1.5 billion). Other commitments of €67.6 billion (year-end 2024: €69.3 billion) consist solely of irrevocable lending commitments.

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

Parent companies of a group of institutions within the meaning of the regulatory group of consolidated companies in an EU member state may submit an application pursuant to Section 2a (1) KWG in conjunction with Article 7 (3) and Article 6 (1) and (5) CRR for the waiver of certain obligations on individual institution level.

As the ultimate parent company of HVB Group, HVB has made use of this regulation since January 2024.

The fulfilment of the requirements for using the waiver regulation was reported to the supervisory authorities by means of an application and approved by the supervisory authorities. The conditions for granting the waiver are reviewed annually. The waiver allows HVB, as the supervised parent institution of HVB Group, to comply with certain regulatory requirements only on a consolidated basis.

Group Parent Company Information (HGB)

Liquidity ratios

The liquidity coverage ratio (LCR) is calculated as the ratio of high-quality liquid assets to total net cash flows. HVB's LCR amounted to 142% on a twelve-month average as at 31 December 2025 (31 December 2024: 140%). The required LCR of a minimum of 100% to ensure that an institution is able to meet its short-term payment obligations was also adhered to at the level of the combined liquidity sub-group, consisting of UniCredit Bank GmbH and UniCredit Leasing Finance GmbH, in the reporting period. With the completion of the merger of UniCredit Leasing Finance GmbH into UniCredit Bank GmbH in May 2025, reporting the LCR at the level of this combined liquidity sub-group is no longer required.

The net stable funding ratio (NSFR) is calculated as the ratio of the amount of available stable funding to the amount of required stable funding. HVB's NSFR amounted to 112.0% as at 31 December 2025 (31 December 2024: 113.1%). The valid NSFR requirement of a minimum of 100% to ensure the availability of a reasonable share of stable funding was met in the course of 2025.

Forecast Report/Outlook

Forecast Report and Outlook of HVB Group

The Combined Management Report and the consolidated financial statements include statements, expectations and forecasts also concerning the future. These statements, expectations and forecasts are based on plans and estimates that are supported by the information available to us at the present time. We assume no obligation to update these statements in the light of new information or future events. Forward-looking statements may entail known or unknown risks and uncertainties and the actual results and developments may thus differ significantly from those expected at present. Such discrepancies may result particularly from changes to the general economic situation and the competitive situation, developments on international capital markets, the possible default of borrowers or contracting parties in commercial transactions, the implementation of restructuring measures, amendments to national and international legislation relating in particular to supervisory and tax regulations, the reliability of our risk-management procedures and methods as well as other risks, some of which are described in detail in the Risk Report.

Macroeconomic outlook

HVB Group expects the global economy's momentum to remain largely unchanged in 2026. Global GDP is expected to increase by 3.1% (*The Investment Institute by UniCredit, The Compass 2026, published on 1 December 2025*) after 3.3% in 2025. Protectionist measures, especially by the US and China, are likely to trigger negative demand effects. However, HVB Group expects companies around the world to continue to adapt, for example by reorganising their supply chains to reduce the impact on their business activities. In addition, companies are likely to gradually become accustomed to heightened political and geoeconomic uncertainty, which would reduce the negative impact on the global economy. Although the growth trend in global trade in goods might decline, stronger trade in services is likely to offset this. The increasing use of digitalisation and artificial intelligence (AI) is likely to accelerate the shift in global trade towards services. Meanwhile, governments in the US and Europe are subsidising the production of strategic goods such as semiconductors and batteries to reduce their dependence on China. These measures will mitigate the negative demand effects but also increase public debt.

Despite companies possibly becoming accustomed to heightened geoeconomic risks, the 2026 outlook entails downside risks for the global economy. Examples include the uncertainties arising from the policy stance of the US administration under President Trump (e.g. Venezuela, Greenland and Iran) as well as the developments in the Middle East and Ukraine. Abrupt price fluctuations on international financial and commodity markets could be the result and thus burden the global economy. Due to geopolitical uncertainties, companies and households might hold back on their investment and consumption decisions more than assumed in HVB Group's baseline scenario.

With a rise of 2.4%, HVB Group expects solid growth in the US economy in 2026 (*The Investment Institute by UniCredit, The Bottom Line, published on 23 January 2026*) after +2.2% last year. Important factors are an expansionary fiscal policy, increasing AI investments by companies and favourable financing conditions. At the same time, however, inflation is likely to rise with a delayed effect in the first half of 2026 due to the increase in US tariffs, putting a strain on companies and households. The expected lower increase in employment and an already low savings ratio by historical standards are also a burden. Due to higher inflation, HVB Group expects a key interest rate cut of only 25 basis points in 2026, leading to a target range for the US key interest rate of 3.25%-3.50% (*The Investment Institute by UniCredit, Central Banks Watch, Fed Review, published on 11 December 2025*). However, the scheduled change at the top of the Federal Reserve in May 2026 and a successor appointed by US President Trump could also lead to stronger rate cuts. In the past, Trump had repeatedly called on the Federal Reserve to adopt a significantly looser monetary policy.

Forecast Report/Outlook

An expected continued weak development of the real estate market and a declining population are likely to contribute to China's growth remaining subdued by historical standards. In addition, private consumer spending is likely to remain sluggish. After growth of 5.0% in 2025, HVB Group expects GDP growth of 4.1% in 2026 (*The Investment Institute by UniCredit, The Compass 2026, published on 1 December 2025*).

For the eurozone, HVB Group expects slight growth of 1.0% in 2026 (2025: up 1.5%). The inflation rate is expected to average 1.8% in 2026, after 2.1% on average in 2025. The ECB is likely to leave its key interest rate unchanged at 2.0% (*The Investment Institute by UniCredit, The Compass 2026, published on 1 December 2025*).

For 2026 at country level in the eurozone, HVB Group expects GDP growth of 1.2% in Germany. Economic output in other larger countries in the eurozone is likely to grow somewhat less strongly. HVB Group expects growth of 0.9% for France and 0.6% for Italy in 2026 (*The Investment Institute by UniCredit, The Compass 2026, published on 1 December 2025*).

An important factor for the gradual economic recovery in Germany is the fiscal bazooka in the form of higher spending on defence and infrastructure. In addition, the construction sector should contribute to an economic recovery. In residential construction in particular, stronger demand is likely to be driven by the shortage of housing, slightly lower interest rates and the acceleration of approval procedures ("construction turbo"). The export-oriented German industrial sector, on the other hand, is expected to grow only slightly. Location-specific disadvantages such as high energy costs and strong competitive pressure from China are important reasons for this. While wage increases slightly above inflation are expected to support private consumer spending, largely unchanged employment figures (job cuts in industry, creation of new jobs in the service sector) limit the upside potential. HVB Group expects consumer prices to rise by 1.6% year-on-year in 2026 (*The Investment Institute by UniCredit, The Bottom Line, published on 23 January 2026*).

Banking sector development in 2026

The European banking sector continued to show very good fundamentals in 2025. Net interest income in the European banking sector remained at a high level, credit risk costs remained largely low and capital resources remained very comfortable despite high distributions.

The ECB's deposit rate declined by one percentage point in 2025, while from January to November 2025, the interest rate on savings deposits of households with an agreed maturity fell by 0.65 percentage points and the interest rate on savings deposits of companies with an agreed maturity fell by 0.87 percentage points. The ECB's interest rate cuts in 2025 have thus been partially offset by banks. In addition, banks in the eurozone have adjusted their bond portfolios to stabilise net interest income and the steeper yield curve is increasing the profitability of maturity transformation. The return on equity of European banks was 10.6% in the first nine months of 2025, slightly below the previous-year figure of 10.8% but significantly improved from an average of 7.6% in 2022 and below 4% in the period 2009-2022 (European Banking Authority). Due to ECB's interest rate cuts in 2025, the momentum in net interest income is likely to decline. Nevertheless, the consensus estimates for the return on equity of large publicly listed banks in Europe for 2026 and 2027 is close to 13% (Bloomberg), with banks benefiting from higher fee income and cost optimisation.

Forecast Report/Outlook

There have also been structural improvements to the profitability of European banks. As a result of the Covid-19 pandemic, there was an acceleration in digital customer interactions, which enabled further structural adjustments to branch networks. In addition, there were more domestic bank mergers, especially in Spain and Italy, which should further improve profitability in the sector over the medium term. In Germany, the consolidation of the banking sector continued. In the first eleven months of 2025, the total number of credit institutions fell by net 40 to 1,256 institutions (number of institutions reporting to the Deutsche Bundesbank), although the focus was on the consolidation of smaller banks. It can be assumed that the consolidation process among European banks will continue. Furthermore, the trend towards streamlining and focusing banks' business models continues, with a focus on core areas and markets with strong competitive positions that enable correspondingly higher margins. On the cost side, banks continue to adapt their office space to hybrid working models and use more automation of business processes, which should enable a further optimisation of their cost structure.

The liquidity position of the banking sector remained very good in 2025. Banks' liquidity ratios (LCR, NSFR) were well above the minimum regulatory requirements of 100%. The excess liquidity of European banks continued to decline by €0.4 trillion in 2025 and stood at only €2.4 trillion at the end of 2025, compared to the peak of €4.7 trillion in 2022. The liquidity situation of the EU banking sector was also supported by the increase in customer deposits, which was more dynamic than the increase in loans. Retail bank deposits in Europe increased by 3.1% year-on-year in November 2025, while corporate sector deposits were up by 3.6% year on year.

Risk costs for European banks averaged a low 0.51% of outstanding loans in the first nine months of 2025, which is slightly lower than the five-year average of 0.53%. The relative volume of non-performing loans decreased slightly from 1.9% of outstanding loans at the end of 2024 to 1.8% by the end of September 2025. The proportion of loans showing a significant increase in credit risk and classified as Stage 2 under IFRS 9 decreased from 9.7% at the end of 2024 to 9.3% at the end of September 2025. The lower ratio of Stage 2 loans shows that the asset quality of European banks improved moderately in 2025 and that a possible slight deterioration in credit quality should remain manageable in 2026, partly due to the still available risk provisions and the significantly improved profitability of the banking sector (European Banking Authority). According to the information provided in the most recent quarterly financial reports, banks themselves expect stable to slightly higher risk costs in 2026. The number of corporate insolvencies in Germany remained at a high level. In the first ten months of 2025, the sum of all corporate insolvencies was more than 8% higher than in the same period in 2024, reaching its highest level since 2014.

Banks' capitalisation remained at a high level. At the end of September 2025, the average CET1 capital ratio of European banks was 16.3%. The average Common Equity Tier 1 ratio in the banking sector remained virtually constant in 2025, despite an increased focus on dividends and share buybacks (European Banking Authority). As a result, the banks were able to continue to report a capital adequacy well above the minimum regulatory requirements, which for 2026 are 10.1% on average for all banks under ECB supervision. In the course of 2026, the minimum capital requirements will continue to increase slightly due to the increase in capital buffers in several countries. This will reduce the gap to banks' minimum capital requirements somewhat, but banks will continue to significantly exceed regulatory capital requirements on average.

Forecast Report/Outlook

In summary, the European and German banking sectors are in good shape due to their high profitability and solid capitalisation. The momentum in net interest income will slow in 2026, but benefit from a steeper yield curve and market participants do not currently expect any further interest rate cuts by the European Central Bank in 2026. A return to negative interest rates as seen in the years 2014 to 2022 is currently unlikely. Nevertheless, structural adjustments remain necessary for banks, such as a further digitalisation of business processes, the adaptation of branch networks and a further consolidation in the banking sector.

Development of HVB Group

We continue to follow the guidelines of our strategic plan. The following statements regarding future developments are based on the corporate planning of HVB Group and thus on the principles governing the segmented income statement.

The macroeconomic scenario as at January 2026 served as a basis for the corporate planning adopted in January 2026 for the 2026 financial year. This planning assumes an average 3-month Euribor of 2.05% for 2026. We expect a slightly positive development in gross domestic product in Germany for the planning period and an inflation rate of less than 2%.

On this basis we expect HVB Group to generate a noticeably better profit before and after tax in the 2026 financial year compared with 2025, despite the ongoing challenging macroeconomic and geopolitical environment. We also assume that the RoAC will noticeably improve in 2026 compared with the previous year.

We expect both net interest and net fees and commissions to increase in the 2026 financial year compared with 2025 due to the gradual economic recovery in Germany and the fiscal bazooka in the form of higher spending on defence and infrastructure. Overall, this will lead to growth in operating income compared with the previous-year period despite a decline in net trading income, primarily as a result of the transfer of trading activities to UniCredit S.p.A.

In terms of operating costs, we expect virtually unchanged figures for the 2026 financial year compared with 2025 thanks to efficient cost management. In combination with higher operating income, this will again lead to a moderate improvement in the cost-income ratio in 2026.

In terms of net-write downs of loans and provisions for guarantees and commitments, we anticipate a decline in newly required provisions in the 2026 financial year compared with the previous year.

We expect provisions for risks and charges to increase compared with 2025 but remain at a very low level.

For the 2026 financial year, we expect HVB Group to maintain a solid capital base, but see a moderate decline in the CET1 capital ratio compared with 2025, which will be primarily driven by anticipated credit growth.

Forecast Report/Outlook

Opportunities in terms of future business policy and corporate strategy, performance and other opportunities

The opportunities described below are offset by a series of risks, such as the US tariff policy, the ongoing conflict between Russia and Ukraine, a growing number of populist governments and the associated political uncertainty or the strategic competition between the USA and China, which can restrict the exploitation of those opportunities and plans. In addition, there are risks from the increased emergence of new competitors – especially fintechs and digital platform providers – which are putting pressure on margins with their lower cost structures and innovative products and making it more difficult to attract customers.

Economic uncertainties, including a possible slowdown in the global economy or new trade barriers, also pose increased risks, particularly for Germany's export-oriented industry, and can have a dampening effect on investment behaviour, financing requirements and risk costs. This applies in particular given the ongoing structural change in Germany's corporate and industrial landscape. If key sectors such as the automotive industry or traditional industries relocate their value chains, reorient themselves technologically or lose their relative importance, this can result in changes to sector weightings and risk exposures and thus increase the need for a forward-looking refinement of our portfolio alignment. In addition, tougher competitive conditions in the financial sector could lead to further shifts in market shares, which can affect both our earnings position and our strategic positioning. The risks arising from the business policy and corporate strategy are described in the Risk Report.

As a universal bank, HVB Group is a member of one of the largest banking groups in Europe, UniCredit. HVB Group is one of the largest private financial institutions in Germany and operates in a domestic market which is the largest in the whole of Europe in terms of economic power and size of population. Moreover, Germany is one of the few countries in the world that continues to enjoy a financial rating of AAA. All in all, HVB Group can thus exploit its regional orientation combined with the network of a large European banking group covering four core regions.

Overall, this results in a number of opportunities:

HVB Group's objective in implementing the UniCredit Unlimited strategic plan is to sustainably increase profitability as well as capital and operating efficiency. Its main focus is on accelerating growth in selected customer segments to increase its market share, combined with an efficient service model and the aim of creating a unique customer experience. We will therefore be investing in automation, front-to-back process optimisation and the use of artificial intelligence in the coming years. We are also forging ahead with a holistic approach to sustainability in accordance with ESG principles.

We are continuing to make use of resources and opportunities to cooperate within UniCredit across country and company lines. In this context UniCredit is striving to simplify the structure of its trading activities. In order to do so, UniCredit's trading activities are being bundled at UniCredit S.p.A. HVB will integrate its back office activities in the area of securities custody services within the Bank. This initiative reflects the Bank's ongoing activities aimed at simplifying processes and further developing its securities business.

Forecast Report/Outlook

HVB Group has opportunities to recruit highly qualified employees and managers. Both the size of UniCredit and the strategic positioning of HVB Group have a beneficial impact on the recruitment of employees and managers. Promoting female managers at junior level is an explicit and essential component of our business strategy. Our corporate culture is based on a clearly defined system of values consisting of integrity, ownership and caring.

On account of its capital base, HVB Group is, in our opinion, already well prepared for the upcoming regulatory requirements and can take advantage of the growth opportunities that arise in the market.

The opportunities for the individual operating segments are as follows:

In the Retail operating segment, we will continue to pursue our established growth strategy. In Wealth Management and Private Banking, we intend to further establish ourselves as one of Germany's leading providers in the coming years, while further accelerating growth with high net worth individuals. Supported by our positioning as a quality provider, our focus remains on growth and on strengthening customer loyalty. We will also continue to fundamentally modernise the Private Clients Bank by enhancing our smart banking service model.

The Corporates operating segment will continue to pursue profitable and capital-efficient growth and seek to expand market shares in its corporate banking business. Its goal is to strengthen its positioning as a principal or core bank for companies and to attract new customers through a high level of market penetration. As a strategic partner, Corporates provides in-depth support for the entrepreneurial activities of its customers. The most important challenges for customers include the topics of sustainability, digitalisation and transformation besides the current geopolitical and macroeconomic uncertainties. The growth initiatives of the Corporates operating segment address these topics and customer requirements by expanding digital platforms, integrating ESG criteria into financing and advisory services and developing innovative product solutions.

The operating segments benefit from the Client Solutions product unit. This unit underpins its commitment to quality in the customer business by focusing on further leveraging cross-selling potential through product solutions, such as intensifying the international payments and working capital business. This also includes close cooperation with Corporates to enhance access to investment banking products and working closely with Individual Solutions to offer products with lower capital commitment to wealth management, private banking and private customers.

Risk Report

HVB Group as a risk-taking entity

By their very nature, the business activities of HVB Group are subject to risk. HVB Group defines risk as the danger of suffering losses on account of internal or external factors. In the course of our business activities, risks are identified, quantified, assessed, monitored and actively managed. We therefore regard it as one of our core duties to apply these considerations in order to integrate risk-management, risk-controlling and risk-monitoring processes in all operating segments and functions of our Group. These activities are the precondition for providing adequate capital backing and maintaining an adequate liquidity base.

All HVB Group companies that are included in the consolidated financial statements of HVB Group prepared in accordance with International Financial Reporting Standards (IFRS) are incorporated in the risk management programme of HVB Group. As part of the Internal Capital Adequacy Assessment Process (ICAAP), these Group companies are classified into the categories “large”, “medium”, “small plus” and “small” by applying various criteria such as market position, scope of business activities and complexity of the risk profile or portfolio structure. With the exception of the Group companies classified as “small”, which are subject to a simplified approach to risk measurement, the economic capital is measured differently for the individual risk types. Within the framework of the ICAAP, the Bank differentiates between the two perspectives required by the regulatory authorities to ensure capital adequacy, the normative and the economic perspective. In the economic perspective, all risks that can lead to economic losses are captured by the economic capital, which is calculated on the basis of internal processes and methods. This is the basis for the risk-taking capacity as a measure used by HVB Group for economic capital adequacy. In the normative perspective, capital adequacy is additionally ensured by means of multi-year capital planning.

Risk types

Credit risk is defined as the potential loss arising from a credit exposure due to an unexpected change in credit quality of a contracting party (borrower / financial investment / small legal entity, counterparty, issuer or country). This potential loss may be brought about either by a default by the borrower who is thus no longer in a position or willing to meet its contractual obligations in full, or its rating has been downgraded as a result of a deterioration in its credit quality.

Market risk is defined as the risk of incurring losses on positions held on and off the balance sheet in the trading or banking books as a result of unfavourable changes in the market value of securities or financial derivatives. The most relevant of these market prices are interest rates (used to determine and discount cash flows), share prices, credit spreads (including, but not limited to, changes in these spreads due to credit defaults or rating changes), spot exchange rates, commodity prices and derived prices such as volatilities and correlations between these parameters. Market risk also includes the behavioural model risk, which represents the statistical uncertainty involved in the model assumptions for sight and savings deposits as well as the early repayment of mortgage loans.

Liquidity risk is defined as the risk that HVB Group will not be able to meet its payment obligations as they fall due without incurring unacceptable losses.

HVB Group defines **operational risk** as the risk of losses resulting from inadequate or deficient internal processes and systems, human error or external events. This definition includes legal risk but excludes strategic and reputational risk.

Risk Report

These risk types are described in detail in the section entitled “Risk types in detail”. All other risk types of HVB Group are summarised in the section entitled “Other risks”, which is presented in an abridged form.

The following risk types are summarised as other risks:

- **Real estate risk** covers potential losses resulting from fluctuations in the market value of the Bank’s own real estate portfolio. This comprises the real estate owned by Group companies (owned or leased in accordance with IFRS 16), real estate holding companies and special purpose vehicles. No land or properties are included that are held as collateral. These are included under credit risk.
- **Business risk** is defined as a measure of the gap between unexpected disadvantageous changes in the Bank’s future earnings and expected changes over a one-year risk horizon. Business risk can result above all from a serious deterioration in the market environment, changes in the competitive situation or customer behaviour but also from changes in the cost structure.
- **Pension risk** can occur on both the assets side and the liabilities side (pension commitments). This may be caused by a decline in the fair value of plan assets on the assets side due to disadvantageous changes in market prices as well as an increase in the commitments on the liabilities side, due for instance to a reduction in the discount rate. Furthermore, there are actuarial risks such as longevity risk (changes to the mortality tables) on the commitments side. In this context, pension risk is the risk that the pension provider will have to provide additional capital to service the vested pension commitments.
- **Strategic risk** results from management either not recognising early enough or not correctly assessing significant developments or trends in the Bank’s environment. As a result, fundamental management decisions could, in retrospect, prove to be disadvantageous in terms of the achievement of the Bank’s long-term goals. In addition, some decisions may be difficult to reverse or not be able to be reversed directly. In the worst case, this can negatively impact the profitability and risk profile of HVB Group.
- **Reputational risk** is defined as the current or prospective risk to earnings and capital arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (including also debtholders, market analysts, other relevant parties), shareholders / investors, regulators or employees (stakeholders).
- **Model risk** defines the risk of model weaknesses due to data errors, incorrect assumptions or incorrect methodology within the scope of ICAAP calculations. It thus refers to the possibility of the economic capital being estimated incorrectly. For this reason, a model risk charge is added to the aggregated economic capital for the established risk types.
- **Sustainability risk** (also referred to as Environmental, Social and Governance or ESG risk) relates to any negative financial impact that may arise for HVB Group from the current or future influence of ESG factors on its counterparties (e.g. borrowers or customers) or invested assets. Sustainability risk is not currently a standalone risk type and is integrated into relevant risk types.

Risk Report

Integrated overall bank management

Risk management

HVB Group's risk management programme is built around the business strategy adopted by HVB's Executive Board, the Bank's risk appetite and the corresponding risk strategy.

The risk-taking capacity upon achievement of the set targets is assessed on the basis of the risk strategy and the business and risk plans, using the available risk coverage potential. At the same time, limits are defined in the planning process to ensure that the risk-taking capacity is maintained.

Pursuant to the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement - MaRisk), multi-year budgeting is performed in relation to the economic capital. This involves analysing the relevant risk types over a time horizon of at least three years and taking into account a deteriorating macroeconomic environment. Two scenarios with negative consequences are examined independently of each other to permit an assessment of the effect of a deteriorating macroeconomically-driven business environment. In the planning process for 2026, these planning scenarios, referred to as alternative scenarios, have been derived against the backdrop of macroeconomic developments (scenario 1) and additional drivers not motivated by macroeconomic developments (scenario 2). Compared to the base scenario, the first scenario assumes a negative trend in German gross domestic product in 2026 and 2027 as well as a recovery in 2028. At the same time, lower inflation in Germany and lower market interest rates in the eurozone are also anticipated over the entire planning period. The second scenario takes account of further effects, such as a reduction in the new business margin in the lending business and a general deterioration in HVB's credit portfolio, in addition to the factors underlying scenario 1. Since the risk coverage potential is considered with the same scenarios, it is possible to make a statement about how the risk-taking capacity will evolve overall over three years, taking into account the macroeconomic scenarios.

Implementation of the risk strategy is a task for the Bank as a whole and is essentially carried out by the Chief Risk Officer (CRO) organisation. The CRO organisation is responsible for risk management and risk policy guidelines set by the Executive Board. The CRO reports on a regular basis to the Executive Board and the Risk Committee of the Supervisory Board on the Group's risk situation.

New releases and updates to instructions, policies and the risk strategy are communicated through the Bank's internal information system.

Separation of functions

In addition to Bank-wide risk management, integrated overall bank management is accompanied by comprehensive risk controlling and risk monitoring that are functionally and organisationally independent in accordance with the MaRisk rules.

Risk Report

Risk controlling

Risk controlling is defined as the operational implementation of the risk strategy. Credit Risk Operations (CRP) is responsible for the operational management of credit risk for the operating segments. The credit specialists take lending decisions in the defined “risk-relevant business”. They thus make it possible for the operating segments to take on risk positions in a deliberate and controlled manner within the framework of the risk strategy and to evaluate whether it is profitable to do so from the overall perspective of the customer relationship and on the basis of risk-return considerations. In the “non-risk-relevant business”, the operating segments are authorised to take their own lending decisions under conditions set by the CRO organisation. The Financial Risk (CMR) unit is responsible for monitoring the implementation of the market risk strategy and the Balance Sheet Management unit within the Finance organisation (CFO) for controlling liquidity risk. The Non-Financial Risks unit is responsible for controlling operational risk and reputational risk with the support of the relevant operational risk managers present in the Bank’s divisions and competence lines.

Controlling the business risk consists mainly of the planning of earnings and costs by the individual operating segments, which the Finance organisation proactively coordinates. The relevant operating segments are responsible for controlling the financial investments. The real estate risk arising from the property portfolio concerning properties used by the bank and properties not used by the bank is controlled centrally by Digital & Operations in the Real Estate unit. HVB Group has undertaken to provide a range of different pension plans, which are largely financed by various investment vehicles, some of which are external. Under the capital investment process, there are separate rules covering the specific risk controlling of the different pension plans in each case. Some of these are subject to supervision by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin), specifically by the Insurance and Pension Funds Supervision unit, and therefore need to comply with external rules and regulations. Controlling of strategic risk is the shared responsibility of HVB’s Executive Board.

Risk monitoring

The central risk monitoring function within the CRO organisation is responsible for identifying, measuring and evaluating the risks at HVB Group. It is structured according to risk types. The risk monitoring functions for the following risk types: market risk and liquidity risk are bundled in the Financial Risk unit, while operational risk and reputational risk are bundled in the Non-Financial Risks unit. In addition, the Financial Risk unit also monitors the market risk component of pension risk as well as the behavioural model risk at regular intervals. As part of the asset management of the plan assets, the options for risk positioning are limited by both external and internal regulations. Ongoing monitoring of the respective rules is performed in accordance with the specific policies of the various pension plans. The Enterprise and Credit Risk unit monitors credit risk, business and real estate risk as well as the aggregate economic capital and the economic capital requirement. Financial investment risk is depicted via market risk and credit risk. The monitoring of strategic risk is the shared responsibility of HVB’s Executive Board. Sustainability risk materialises via the traditional risk types (credit risk, market risk, operational and reputational risk and liquidity risk) and is integrated into risk monitoring.

The following are quantifiable risk types: credit risk, market risk (including behavioural model risk), operational risk, business risk, financial investment risk (covered under credit risk and market risk), real estate risk, pension risk, reputational risk, model risk as well as climate risk (since the fourth quarter of 2025) quantified as risk charge on the established risk types. The available risk coverage potential is defined, quantified and compared with the risk capital in order to analyse the risk-taking capacity.

Liquidity risk is also a quantifiable risk but is not included in the calculation of the risk-taking capacity.

A qualitative approach is used to monitor strategic risk.

Risk Report

Divisions

Chief Risk Officer

The controlling and cross-business area management of risk at HVB Group fall within the competence of the Chief Risk Officer (CRO). This is where all the key functions involved in the identification, analysis, assessment and reporting of risk are performed together with the ongoing tracking, handling, monitoring and controlling of risk. This also includes the Internal Validation unit. The activities of the CRO are supported and complemented by various Chief Financial Officer (CFO) units, notably with regard to liquidity risk, by the Compliance unit as well as by the Legal department, in particular with regard to regulatory topics.

The CRO organisation is divided into units that deal with lending business in the back office. The main functions of these units include:

- credit risk management
- operational functions in the credit-decision and credit-monitoring processes for the risk-relevant lending business, complete with monitoring of the issuer and counterparty limits
- identification and control of risk at the preliminary stages in order to reduce risk
- restructuring activities with a view to minimising losses for the Bank

At the same time, there are units that cover operational and strategic aspects of risk monitoring. Their main functions include:

- the development, enhancement, parameterisation and calibration as well as the validation of the rating models used to determine the probability of our customers defaulting
- validation of Pillar I and II systems for risk measurement that contain the following components: models, associated processes, IT systems and data
- the development of concepts used to identify and control credit risk and concentrations, including country risk
- responsibility for the measurement methods and the refinement of the measurement methods and systems, and for the management and measurement of credit, market and liquidity risk as well as operational risk and reputational risk
- the determination of the economic capital and the economic capital base
- ensuring ICAAP compliance, ensuring compliance with the MaRisk rules as part of the responsibility for credit risk and economic capital and the performance of stress tests
- ensuring compliance with regulatory rules regarding internal and external reports
- risk reporting

Chief Financial Officer (CFO)

The units Balance Sheet Management (CDF) and Performance Monitoring & Planning (CCP) being part of the Finance (CFO) organisation contribute significantly to risk monitoring.

The Balance Sheet Management unit covers, among other things, the management of short- and long-term liquidity at HVB Group (Asset Liability Management), acting in close alignment with the respective front office units. Furthermore, CDF is responsible for capital management and capital allocation as well as the risk-return methodology.

Performance Monitoring & Planning is tasked with central business steering of HVB Group. The unit has the process responsibility for preparing the result relevant budgets and projections as well as the preparation and plausibility checks of the internal segment report according to IFRS. Furthermore, CCP includes the business segment-related controlling for all the segments apart from the Corporate Center. The reconciliation of net trading income for Client Risk Management is carried out between CCP and Accounting. The reconciliation of net trading income for Treasury is carried out between Accounting and Balance Sheet Management.

Risk Report

Asset Liability Management

The Balance Sheet Management unit controls Asset Liability Management by managing short-term and long-term liquidity and allocating capital within HVB Group. Its main objectives are to ensure that HVB Group has adequate liquidity at all times and to optimise the funding and capital structure as well as the funding costs. In the course of its tasks, the unit monitors trends and happenings on the money and capital markets and determines the respective liquidity and funding requirements. As part of liquidity risk management, the Balance Sheet Management unit performs ongoing monitoring of the liquidity risk situation, in addition to the activities on the part of CRO, and manages funding activities together with the front office units. Within the framework of a liquidity cost allocation mechanism for all significant business activities, the internal transfer prices for the lending and deposit-taking activities are continually reviewed for appropriateness and regularly adjusted to reflect the market situation, for instance. The measures implemented in connection with these functions serve to support HVB Group's return targets.

Internal Audit

A number of important tasks regarding the implementation of an efficient risk management system have been entrusted to the Internal Audit department as described in the section entitled "Monitoring the effectiveness of the ICS".

Committees

The Executive Board of HVB has delegated certain risk management responsibilities to committees. The most important committees are the Financial and Credit Risk Committee (FCRC), the Local Transactional Committee (LTC), the Loan Loss Provision Committee (LLPC), as well as the Non-Financial Risks and Controls Committee (NFRCC).

Financial and Credit Risk Committee

The Financial and Credit Risk Committee (FCRC) is a cross-divisional committee that discusses topics related to risk strategy and makes corresponding decisions (unless they are required by law, by the internal regulations or are major and therefore reserved for the Executive Board). The FCRC generally meets once a month and is split into two thematic sessions:

- The Credit Risk Session deals with all credit risk-relevant topics.
- The Financial Risk Session deals with all market and liquidity risk-relevant topics as well as topics relating to funding planning and liquidity management.

Local Transactional Committee

The Local Transactional Committee (LTC) has been charged with the task of monitoring and approving credit lines. The LTC carries out these tasks via two sessions covering different topics (Credit Committee Session and Debt to Equity Swap Session):

- The Credit Committee Session determines the risk limit in accordance with the Special Credit Policy "Integrated risk management at the level of the borrower within the meaning of the German Banking Act (KWG) for HVB/HVB Group".
- The Debt to Equity Swap Session is responsible for making decisions, monitoring and providing advice in respect of entering into equity investments and equity-related investments in connection with the restructuring of loans.

Loan Loss Provision Committee

The Loan Loss Provision Committee (LLPC) meets once a quarter and makes decisions within HVB on:

- the loan loss provision proposals submitted, insofar as these lead to impairment losses exceeding EUR 5 million in the exposure group as a result of first measurement or remeasurement with a negative change in the risk assessment which is assessed as material,
- debt waivers from a loan loss provision/waiver approval authority of greater than EUR 5 million.

Risk Report

Non-Financial Risks and Control Committee

The Non-Financial Risks and Control Committee (NFRCC) makes decisions on coordination between the three lines of defence with the goal of identifying and showing priorities in respect of non-financial risks (e.g. events, provisions or newly emerging risks) as well as assessing and addressing the effectiveness of the initiatives taken to implement them.

The NFRCC is divided into three thematic meetings:

- Non-Financial Risks (antifraud) session (meetings are generally held once a quarter in the month following the end of the quarter)
- ICT, Security, Cyber, and Third-Party Risk session (meetings are generally once a quarter in the month following the end of the quarter)
- Reputational Risk session (meetings are generally bimonthly)

Implementation of overall bank management

Strategy

The business strategy and the risk strategy define the cornerstones of business and risk policy for HVB Group. The subsidiaries, third party activities, sustainability (ESG), and information and communication technology (ICT) are incorporated in both the risk strategy and the business strategy. The HVB Group business strategy describes the strategic starting point and the organisational structure, the strategic cornerstones at overall bank level and the sub-strategies of the individual operating segments.

The HVB Group risk strategy is derived consistently from the business strategy, supplementing it with the relevant aspects of risk management. The HVB Group risk strategy controls the risk types, credit risk and market risk (including financial investment risk components for each), operational risk, pension risk, reputation risk, real estate risk and business risk using the economic capital, supplemented by an explanation of the model risk and climate risk. This control is supplemented by risk-type-specific limits in credit risk and market risk. Liquidity risk is managed quantitatively in terms of cash flow analyses and integrated into the planning process via the funding plan. A qualitative description is provided of the strategic objectives for strategic risk, sustainability risk (that goes beyond climate risk), the third-party risk and the compliance risk. The risk strategy is supplemented by the Industry Credit Risk Strategy, which specifies the risk appetite within the individual industries.

The strategies approved by the Executive Board of HVB are reviewed on both an ad hoc and an annual basis and modified when necessary.

Overall bank management

The metrics defined for the overall bank management of HVB Group are reviewed in the annual budgeting process and used to assess the success of the business strategy and the risk strategy. Earnings targets, risk targets, liquidity targets and capital targets are defined in the budgeting process together with the targeted risk-taking capacity at overall bank level. The limits for economic capital are defined and monitored in order to guarantee the risk-taking capacity. For the purposes of operating segment management, the economic capital limits are distributed for the credit, market and real estate risk to ensure that the planned economic risks remain within the parameters defined by the Executive Board of HVB.

Key performance indicators (KPIs) generally applicable across the operating segments have been defined for the management of HVB Group. These KPIs serve to entrench the aspects of profitability and growth, as well as constraints and sustainability.

Risk Report

The value-oriented management of HVB Group focuses on the measurement of the business activities in accordance with return and risk considerations, with a risk-return target set for each of the business units of HVB Group. The expected economic returns are calculated using the allocated capital principle that is applied group-wide by UniCredit. Within the scope of the principle of dual control, both regulatory capital, in the sense of used core capital (Common Equity Tier 1), and economic capital are allocated to the operating segments. Both resources are expected to yield an adequate return, the amount of which is derived from the returns expected by the capital market.

In line with the parameters defined in the business and risk strategies, the defined targets are broken down to operating segment level and then translated into operational metrics for sales management. The defined targets are monitored using a standardised report to the Executive Board of HVB. After corresponding analysis, the Executive Board of HVB initiates countermeasures in response to significant deviations from the targets defined in the budgeting process.

Regulatory capital adequacy

Used core capital (Common Equity Tier 1)

For the purposes of planning and monitoring risk-weighted assets, the operating segments are required to have core capital backing of equivalent risk-weighted assets arising from credit, market and operational risks equal to an average of 13.0%. The expected return on investment is derived from the average used core capital (Common Equity Tier 1).

Management of regulatory capital adequacy requirements

Essentially, the following three processes have been defined from the normative capital perspective to safeguard an adequate capital base over the long term:

Yearly budgeting of the regulatory capital taking account of regulatory requirements, while applying the three capital ratios listed below, which are managed within HVB Group's risk appetite framework using internal target, trigger and limit levels:

- Common Equity Tier 1 capital ratio: ratio of Common Equity Tier 1 capital to the sum of risk-weighted assets arising from credit risk positions and the equivalent risk-weighted assets from market and operational risk positions
- Tier 1 capital ratio: ratio of Tier 1 capital to the sum of risk-weighted assets arising from credit risk positions and the equivalent risk-weighted assets from market and operational risk positions
- total capital ratio: ratio of equity funds to the sum of risk-weighted assets arising from credit risk positions and the equivalent risk-weighted assets from market and operational risk positions

Quarterly performance of stress tests of the regulatory capital ratios under various scenarios (details on the stress tests can be found in the section entitled "Stress tests").

Monthly performance of a rolling eight-quarter projection to provide an ongoing forecast of the capital ratios of HVB Group. This projection is supplemented on a quarterly basis by a 3-year simulation of the capital ratios based on three different scenarios to completely map the normative capital perspective.

More details on the development of these capital ratios are presented in the sections entitled "Risk-weighted assets, key capital ratios, and leverage ratio of HVB Group" and "Operating performance of HVB Group" in the sections entitled "Economic Report" and "Forecast Report/Outlook" of this Combined Management Report.

The total capital ratio of HVB Group is 25.9% as at 31 December 2025 (31 December 2024: 28.2%).

Risk Report

Economic capital adequacy

The economic capital is the sum of the aggregated economic capital for all quantified risk types (with the exception of liquidity risk) and the specific model as well as the climate risk charge (since the fourth quarter of 2025). The economic capital measures the potential for unexpected loss over a time horizon of one year with a confidence level of 99.90%.

When the aggregated economic capital is determined, risk-mitigating diversification effects are taken into account between the individual risk types. HVB Group deploys UniCredit's group-wide model for risk aggregation that uses parameters that are uniform throughout the Group for determining interdependencies between the risk types. In terms of methodology, the model is based on a copula approach where the parameters are estimated using the statistical Bayesian method.

An all-round overview of the risk situation of HVB Group is obtained by assessing the risk-taking capacity on a quarterly basis, as shown in the table "Economic capital after portfolio effects".

Economic capital after portfolio effects (confidence level 99.90%)

Broken down by risk type	31/12/2025		31/12/2024	
	€ millions	in %	€ millions	in %
Credit risk	2,760	34.7	3,090	53.6
Market risk ¹	3,145	39.5	1,171	20.3
Pension risk	770	9.7	570	9.9
Operational risk	430	5.4	410	7.1
Real-estate risk	138	1.7	137	2.4
Business risk	237	3.0	177	3.1
Reputational risk	92	1.2	85	1.5
Aggregated economic capital	7,571	95.2	5,639	97.9
Model risk charge	150	1.9	122	2.1
Climate risk ²	234	2.9	—	—
Economic capital of HVB Group	7,955	100.0	5,761	100.0
Included diversification effects	(960)		(852)	
Risk coverage potential of HVB Group	16,887		16,448	
Risk taking capacity of HVB Group, in %		212.3		285.5

¹ Including behavioural model risk

² Since December 2025 included in form of an additive component after aggregation.
Contains rounding differences.

Economic capital increased by €2,194 million compared with 31 December 2024. The increase is mainly due to reductions in market and pension risk. The main changes are described under the respective risk type.

Economic capital (without pension risk, model and climate risk charge) broken down by operating segment (confidence level 99.90%)

Broken down by operating segment	31/12/2025		31/12/2024	
	€ millions	in %	€ millions	in %
Retail	451	6.6	468	9.2
Corporates	3,315	48.7	3,487	68.8
Other	3,035	44.6	1,114	22.0
Economic capital (without pension risk and without the model risk charge) of HVB Group	6,801	100.0	5,069	100.0

Risk Report

Risk appetite

The risk appetite is defined as part of the annual strategy and planning process for HVB Group, whereby selected metrics are monitored only for HVB. The risk appetite metrics comprise specifications that are broken down into regulatory metrics and managerial metrics and subdivided into categories such as capital, financial and non-financial risk, credit risk, risk and earnings or ESG. For the most part, targets, triggers and limits are defined for these metrics that allow excessive risk to be identified and countermeasures to be initiated at an early stage. The matter is escalated to the appropriate persons with authority, committees and the Executive Board of HVB, should the defined limits be exceeded or not reached.

Recovery plan

The preparation of recovery plans (RPs) is intended to facilitate the restructuring of systemically important financial institutions. Until the end of 2023, UniCredit S.p.A. was identified as systemically important at a global level and HVB at national level. Supervision of HVB passed to the ECB when the Single Supervisory Mechanism (SSM) came into effect in November 2014. According to a decision of the Joint Supervisory Team (JST), HVB, as part of UniCredit, has not been required to prepare an HVB Group recovery plan since 2015. For this reason, HVB works in collaboration with UniCredit S.p.A. each year to prepare a joint "UniCredit Group Recovery Plan". This Recovery Plan was officially submitted to the ECB in due time at the end of September 2025 and has been in effect since then.

Risk-taking capacity

As part of an analysis of the risk-taking capacity, HVB Group measures its economic capital against the available risk coverage potential (available financial resources). Furthermore, the risk-taking capacity is analysed across a defined multi-year period as part of the planning process.

HVB Group uses an internal definition for the risk coverage potential that, like risk measurement, has been based on a going concern approach since 2019. The risk-taking capacity is defined by comparing unexpected losses at the confidence level (economic capital) with the ability to absorb losses using the available financial resources (risk coverage potential). When determining the risk coverage potential, regulatory core capital is taken as the starting point. To maintain consistency with internal risk quantification, certain capital deductions (particularly expected losses and securitisation positions) within the definition of equity are brought into line with the internal economic perspective and some future profits are taken into account. In order to reflect the fair value concept underlying the economic approach, relevant hidden charges and deferred tax assets that cannot be considered to cover losses are also determined and deducted. The risk coverage potential at HVB Group totalled €16,887 million as at 31 December 2025 (31 December 2024: €16,448 million).

With economic capital (including the model and climate risk charge) of €7,995 million, the risk-taking capacity of HVB Group is 212.3% (31 December 2024: 285.5%). This figure exceeds the target of 160% HVB Group set itself in the 2025 risk appetite framework. The decrease of 73.2 percentage points in comparison with 31 December 2024 for HVB Group is attributable to the increase in economic capital. The economic capital grew by €2,194 million, or 38.1%, in 2025. The risk coverage potential is €439 million or 2.7% higher in 2025. This increase is mainly due to the reduction in hidden charges.

Risk Report

Limit concept

The risk limit system is a key component of the ICAAP at HVB Group. Its purpose is to guarantee the Bank's risk-taking capacity at each reporting date by means of an integrated controlling process. A wide-ranging, consistent limit system that includes the specification of limits for economic capital, risk-type-specific limits and limits for risk concentrations has been implemented to ensure this. This covers all the risks that need to be backed with capital, which are currently the credit, market (including pension risk and behavioural model risk), operational, business, real estate and reputational risk. In addition, any model risks and climate risk are included (since the fourth quarter of 2025) in the economic capital by means of a charge.

This system of limits reflects the business and risk strategies, taking into account the risk appetite and the risk coverage potential, at the level of HVB Group, and ensures compliance with the risk-taking capacity. The risk limits are approved by HVB's Executive Board each year during the strategy process.

The economic capital limits are allocated at the level of HVB Group as a whole as well as for the individual risk types. Based on the aggregate limit set for economic capital, the risk-taking capacity of HVB Group is guaranteed at each reporting date.

In order to identify at an early stage any potential overshooting, HVB Group has specified triggers in the form of early warning indicators in addition to the defined limits. The utilisation of, and hence compliance with, the limits is presented in the Bank's reports. Any overshooting of limits is immediately escalated and the return to compliance with limits is monitored.

Stress tests

The MaRisk rules call for stress tests to be carried out regularly using various scenarios.

Various macroeconomic downturn scenarios and a historical scenario were calculated for the cross-risk-type stress tests in 2025:

- Recession scenario – global recession driven by an intensification of trade tensions between the US and main trading partners, as well as due to growing geopolitical tensions
- Global trading and energy shock scenario (until Q1/2025) – deep recession in Europe due to high inflation on account of geopolitical tensions and disruptions in supply chains and global trade
- China slowdown scenario (until Q1/2025) – weakening of the Chinese economy with global contagion effects
- Severe recession and low interest rates (from Q2/2025) – deep global recession due to an escalation of trade conflicts between the US and its main trading partners. Central banks cut interest rates to keep inflation expectations
- US tariff uncertainties (in Q2/2025 and Q3/2025) – companies and consumers in Germany reduce spending and investments driven by the increased uncertainty caused by the US tariff policy
- Historical scenario – historical scenario based on the 2009 financial crisis
- Financial intermediary scenario – a tougher version of the historical scenario (additionally maps the default of the financial intermediary with the highest stressed counterparty risk exposures)

The stress tests across risk types are presented and analysed on a quarterly basis in the Financial and Credit Risk Committee and any measures required are presented to HVB's Executive Board. Both the risk-taking capacity and the minimum requirements for regulatory capital ratios of HVB Group were met and complied with after the occurrence of the stress test scenarios listed in 2025.

Risk Report

Furthermore, inverse and ad hoc stress tests are carried out.

Inverse stress tests involve analysing what events could endanger the continued existence of the Bank as a going concern. The continued existence as a going concern is considered at risk when the original business model proves to be no longer feasible or viable. The hypothetical events analysed included fraud by a trader, rating downgrades, a bank run and default by customers and industries.

Ad hoc stress tests are carried out in response to internal and external events that might have a considerable impact on HVB Group.

Concentrations of risk and earnings

Concentrations are accumulations of risk positions that react in a similar way to specific developments or events. Concentrations may have an impact within a risk type or equally across risk types. They indicate increased potential losses resulting from an imbalance of risk positions held with customers and in products or specific industries and countries.

Concentrations are analysed, monitored, managed and reported at least once a year with regard to the relevant risk drivers for credit, market, liquidity and operational risk. In particular, appropriate instruments and processes ensure the prompt identification of concentrations. Monitoring, the suitability of which is reviewed each year, is used as the steering approach for the risk types financial investment risk, real estate risk and pension risk.

Risk management processes for concentrations have been set up with a view to interlinking risk drivers across risk types, such that concentration risk is integrated into assessment and controlling functions.

The concentration of earnings with individual customers or in operating segments, products, industries or regions represents a business-related strategy risk for the Bank. Risks arising from concentrations of earnings are monitored each year, as avoiding these is an important indicator of sustainable diversification and hence the viability of the business model in crisis situations.

Risk inventory

The scheduled comprehensive yearly risk inventory at HVB Group was started in the first quarter of 2025. Existing and potential new risks are analysed and critically evaluated by means of structured interviews with numerous decision-makers within HVB Group and by means of questionnaires, among other things. These interviews also cover aspects concerning macroeconomic and political topics as well as sustainability topics. The outcome of the 2025 risk inventory was presented to the Executive Board of HVB in December 2025 and included in the calculation and planning of the risk-taking capacity. The risk inventory serves to review the overall risk profile of HVB Group. Various topics are identified, some of which are included in the stress test and in the validation of the measurement methods used for the material risk types and other ICAAP components.

Internal reporting system

The internal reporting system supports risk monitoring at portfolio level in particular. Within the framework of the internal reporting system, information is provided on the overall risk to HVB's Executive Board and the Risk Committee of the Supervisory Board on a monthly basis, to the full Supervisory Board at least on a quarterly basis and also on an ad hoc basis. In addition, further monthly risk reports focusing on specific countries and industries are created.

Risk Report

Risk types in detail

1 Credit risk

Categories

Credit default risk

Credit default risk is the risk with regard to a specific obligor that one or both of the following criteria will be met:

- The Bank assumes the obligor is probably not in a position or is unwilling to meet its contractual obligations in full towards HVB Group without resorting to measures such as selling collateral (if any).
- The obligor is more than 90 days past due on any material credit obligation to the HVB Group.

Credit default risk also includes counterparty risk and issuer risk (banking and trading book).

Counterparty risk

Counterparty risk arises from the possible loss of value due to the default of the counterparty in trading activities (such as derivatives involving interest rates, foreign exchange, equities/indices, or other futures or derivative contracts). It is divided into the following components:

- settlement risk
- pre-settlement risk
- money market risk (cash risk)

Issuer risk

Issuer risk is defined as the credit default risk arising from the securities held for the Bank's own account resulting from a downgraded credit rating or the default of an issuer that can lead to a loss of value through to total loss.

Issuer risk arises from the purchase of securities, securities issuance activities, credit derivatives and the placement of securities.

Country risk

Country risk is the risk of losses caused by events identified at foreign country level, in particular by actions taken by the respective government. It includes situations in which the repayment of capital is prevented or restricted due to government intervention, giving rise to various individual risks such as transfer risk, expropriation risk, legal risk, tax risk or security risk. Country risk also covers cases in which the ability to repay capital is impaired as a result of a deterioration in the economic and/or political environment of a country. Such deterioration may arise, for example, from recession, currency and/or banking crises, natural disasters, war, civil war or social unrest. Country risk particularly encompasses:

- sovereign risk (state as counterparty)
- transfer and conversion risk

Risk Report

Strategy

A risk strategy has been approved for HVB Group that operationalises the strategic controlling of credit risk. This is done by setting targets and limits for different metrics as needed. Controlling using economic capital, together with volume and risk metrics, is particularly important in this regard. The planning of the targets and limits is embedded in HVB Group's annual plan and takes into account ceilings arising from the requirements regarding the capital base. The limits are intended to leave scope for implementation of the business planning and also to set upper limits, specifically with regard to economic capital.

Systematic controlling and setting of limits for credit risk are essential for sustaining HVB Group's strategic orientation. The risk strategy is intended to make it possible for both the sales controlling and risk management functions to back transactions with concrete, measurable criteria in order to optimise the risk profile of the credit portfolio. To achieve this, the expected and unexpected losses of a given borrower are determined. These form the basis for drawing up limits and in some cases target portfolios for the different risk types, exposures and risk metrics.

The Industry Credit Risk Strategy includes an assessment of the opportunities and risks for every industry, from which controlling signals and quantitative ceilings for new business are derived.

Limit system

The credit risk strategy defines limits for risk metrics and risk types for individual portfolios. These are allocated at the following levels:

- HVB Group
- HVB and subsidiaries, or groups of subsidiaries of HVB Group
- operating segments of HVB Group and HVB
- products and special portfolios

The following criteria are analysed with regard to the performing portfolio: exposure, expected loss and risk density. An overshooting of the limits is generally not permitted.

In order to avoid concentrations of risk in credit default risk, the following concentration limits and, where appropriate, target portfolios are used for controlling purposes:

- single-name concentrations
- industry concentrations
- concentration limits for countries and regions
- The utilisation of the individual limits is classified using a traffic light system:
 - white: utilisation is below a defined trigger and below the limit
 - yellow: utilisation is below the limit but above the defined trigger
 - red: utilisation is above the limit

If a limit or a trigger is exceeded, an escalation process is initiated to eliminate the overshooting or prevent an overshooting of the limit in the event that a trigger is exceeded. The corresponding responsibilities are defined in the escalation process to ensure the permanent controlling effect of the limits.

Risk Report

Credit risk mitigation

In new lending, HVB pursues the strategy of applying loan collateral that would present an economic benefit to the Bank in the event of default.

For the reduction of credit risk, only such collateral is used as meets the requirements of the Advanced Internal Ratings Based (A-IRB) approach in accordance with CRR.

Methods have been implemented to value collateral that meet the requirements of CRR. Empirically determined loss ratios (LGD secured), realisation periods and haircuts are employed in the valuation. The land charges are calculated using a statistical model to update the current and forecast fair values at the time of realisation. The fair values are adjusted on an annual basis to reflect the market developments actually observed, and the forecast is reviewed and, where necessary, adjusted. Special simulation methods for valuing collateral have been devised for collateral types with a low default history. In the case of securities, HVB resorts to its own haircut calculations based on historical data. In addition, collateral is taken into account using a substitution approach if permissible under the CRR.

The most significant collateral types in terms of value in the lending business are land charges, guarantees and pledges of financial collateral, which together account for approximately 90% of all valued collateral of HVB.

In trading activities, over-the-counter (OTC) derivatives, security financing transactions (SFTs) and exchange-traded derivatives (ETDs) are hedged on the basis of the respective contractual provisions with the counterparties. In the case of OTCs, these are essentially the International Swaps and Derivatives Association (ISDA), the German Master Agreement for Derivatives (Deutscher Rahmenvertrag für Finanztermingeschäfte – DRV) and the Credit Support Annex (CSA, appended to an ISDA master agreement), the CRD (Credit Support Deed) or BRV (appended to a DRV master agreement). In the case of SFTs, these are the Global Master Repurchase Agreement (GMRA) or the Global Master Securities Lending Agreement (GMSLA). For credit risk reduction, only collateral recognised as eligible under the CRR is permitted for regulatory purposes. Internally, the collateral policy defines conditions for accepting collateral in trading activities. The back office has a consultation and veto right in this regard. Collaterals from the trading business are measured on the basis of current market prices. The counterparty risk exposure is forecast using a refined internal model for predicting the amount of collateral needed and the value of the collateral provided (simulation method).

Measurement

Probability of default (PD)

The internal customer-segment-specific rating and scoring methods of HVB Group that are available for all significant credit portfolios form the basis for the measurement of credit default risk. The reliable determination of our customers' PDs is critical for credit decisions, pricing and core capital backing under CRR (A-IRB model) as well as for the internal credit risk model.

The PDs determined on the basis of the rating and scoring methods lead to allocation to a rating class on a ten-point scale. The rating classes 1 to 7 are set aside for performing loans and the rating classes 8 to 10 for non-performing loans, with the rating classes 8-, 9 and 10 representing default classes.

Risk Report

In contrast to ratings at customer level for which the customer represents the risk for the Bank, in the case of a transaction rating the risk relates to the transaction. In this instance, the customer is not considered the risk-bearing entity; the individual transaction is rated with its clearly specified risk instead. Typical examples for which transaction ratings are applied are structured loans and securitisations.

Loss given default (LGD)

The LGD indicates what proportion of the underlying portfolio of receivables would almost certainly be lost in the event of a default. The expected proceeds from the collateral used to reduce credit default risk have a major influence on the amount of the LGD. At the same time, the amount of the LGD is determined by borrower-related criteria. The reliable determination of our customers' LGD is critical for credit decisions, pricing, core capital backing under CRR (A-IRB model) and our internal credit risk model.

Exposure at default (EAD)

The EAD is the expected amount of the receivable at the time of default. It covers current arrears together with the probable future utilisation by the borrower. These probable future utilisations are determined on the basis of historical data and validated on an annual basis. Off-balance-sheet exposures such as unused, externally committed credit lines are also employed as the reference point for the EAD parameters. The EAD parameters are also incorporated in the credit decision, pricing, core capital backing under CRR (A-IRB model) and the internal credit risk model.

The market-value-risk-oriented calculation of exposures and limits based on jump-to-default-zero values (allowing for netting effects) is also carried out for issuer risk in the trading book. A credit-risk-oriented, nominal-value-based exposure is used to limit the banking book and asset-backed security (ABS) positions. Netting effects are taken into account when the limits are set.

In terms of counterparty risk, a simulation method is used to determine future exposure figures for the pre-settlement risk within the scope of an internal model. The default conditional metric used in the internal model to determine the future exposures makes it possible among other things to incorporate the correlation effects between market risk and credit risk, and notably the specific wrong-way risk. The simulation is carried out for up to 50 future dates on the basis of 3,000 market data scenarios for each calculation date.

Expected loss (EL, standard risk costs)

The expected loss shows the credit default losses to be expected from the credit portfolio over the next twelve months, taking into account the current ratings and the collateral available. It serves as a key metric for risk identification and is used both as an absolute and as a relative value, among other things in pricing, in profitability management and for limitation purposes.

Risk density

The risk density is another risk metric alongside the EAD and EL that is used to manage the individual HVB Group sub-portfolios. HVB Group calculates the risk density (RD) as the ratio of expected loss to exposure, each referring to the performing portfolio exposure in basis points (bps). It indicates the development of risk in a given portfolio.

Risk Report

Unexpected loss (economic capital, EC)

The economic capital measures the amount of capital required to cover the unexpected loss beyond the expected loss, which, with a probability of 99.90%, will not be exceeded over the next 12 months. This risk metric makes the risk content of the various sub-portfolios comparable, taking into account the concentration risks in the portfolio. It is also used in pricing and the Bank's risk-adjusted profitability calculations.

Internal credit risk model

HVB Group has been using the credit portfolio model used throughout UniCredit to measure the economic capital for credit risk. The group model follows the structural Merton approach under which correlations between the borrowers are mapped using a multi-factor model, taking into account fluctuations in value arising from rating changes (migration risk) for certain sub-portfolios as well as the pure credit default risk.

The credit portfolio model covers all banking book positions and counterparty risks arising from derivative positions that are relevant pursuant to the definition of credit risk. Issuer risk from the trading book continues to be recorded using the incremental risk charge (IRC) model, which forms part of the market risk in the presentation of the ICAAP.

Country risk is integrated using appropriate PD add-ons. Risk-reducing factors are included by applying reductions to the LGDs and PDs.

Impairment: Overlays

HVB Group has supplemented its models used to determine impairments with so-called overlays in order to cover the increased risks in certain sub-portfolios which lead to increased, expected credit losses overall.

Geopolitical overlay

Since 2022, the Bank has coped with the emerging geopolitical risk triggered by the Russia-Ukraine conflict by introducing overlays on sub-portfolios deemed vulnerable in case of an increasingly negative evolution of the scenario. The intensification of geopolitical and trade tensions – including increased global protectionism, supply chain fragmentation and prolonged market uncertainty – has heightened the risk of adverse credit outcomes.

Geopolitical risks have been evolving more towards trade tensions, whereas the factors underlying the geopolitical risks as assessed in 2024 are fading away due to past energy supply tensions easing and inflation and interest rate risks stabilising. Consequently, the existing overlay on geopolitical risk was re-assessed to ensure a more consistent and forward-looking quantification of potential losses. The evolution of the overlay framework envisages a more granular sector-specific quantification in order to capture the level of sensitivity of the different industries to export vulnerabilities, including proactive staging classifications on clients detected within the monitoring of the portfolio affected by the overlay. The sector-specific impacts are in particular related to vulnerabilities driven by trade tensions and supply chain disruptions – including spillover effects on interconnected industries – as well as by external demand changes driven by euro-US dollar exchange rate movements.

The Bank continues to use the overlay as an instrument to capture these specific effects, which are difficult to quantify, on the affected sub-portfolios. The sector-specific approach is designed to incorporate risks that have not yet materialised nor are observable in historic time series.

Risk Report

The process of defining the overlay amount translates an economic scenario into export shocks, converts these shocks into sectoral declines and estimates sectoral and country default rate shifts through dedicated models. Export shocks represent one of the main transmission channels for losses related to geopolitical risk, as declining export volumes exert pressure on corporate profitability.

The final set of sectors on which the re-assessed geopolitical overlay is applied represent the sectors deemed by the sectoral models to have a greater sensitivity to the export shock scenario than the wider economy.

Commercial real estate business overlay (CRE)

In 2023 a commercial real estate finance (CRE) overlay was introduced, supplementing the already existing geopolitical overlay and specifically addressing the particular challenges confronting the commercial real estate (CRE) sector as well as the construction and wider real estate sectors. This sector-specific approach was required as the macroeconomic models ("satellite model") were not able to adequately capture these sector-specific risks due to their broad economic scope.

Companies related to the real estate sector were facing a number of challenges:

1. High interest rates and increased funding risks: This affects both real estate developers and owners of commercial properties who are struggling with rising interest costs and the associated refinancing problems.
2. Lower orders and rising construction costs: In connection with the general economic uncertainty (due, among other things, to the Russia-Ukraine conflict and the Middle East conflict) and inflation, construction costs are rising while demand for new construction projects could stagnate at the same time.
3. Falling real estate prices and lower rental income: The decline in property values and the limited ability to adjust long-term leases to the higher operating costs are exacerbating the financial situation of CRE companies and real estate investors.

Over the course of 2025, CRE exposures showed stable credit quality, supported by improvements in the default rate projections and robust collateral values. Based on this evidence and consistent with the overlay strategy defined at UniCredit Group level, this overlay was removed at the end of 2025 since the underlying risk has already materialised and been incorporated into the estimates of the core models.

Risk-based and market-oriented pricing

To manage risk and profitability in the lending business, pricing methods and tools are used that take into account all cost components – in particular the expected standard risk costs and the cost of capital – and that are each adjusted to reflect the current parameters and bank management. Lending decisions are made under risk/return considerations that are determined in the obligatory pre-calculation prior to a transaction being concluded.

Monitoring and controlling

Risk monitoring takes place at the level of individual exposures. In addition, various instruments are used at portfolio level.

Individual exposures are monitored in both lending and trading operations with the aid of classical monitoring systems, such as rating analysis and early warning systems. Individual exposure limits are also defined in line with the probability of default to limit the risks entered into. Monitoring and reporting of any limit overshootings take place on a monthly basis.

Risk Report

Special features of counterparty risk and issuer risk

We employ limit systems as a key element of the management and controlling of counterparty risk as well as issuer risk to prevent an increase in our risk position that does not comply with the strategy. Each new trade is entered and applied to the corresponding limit without delay (the same day). The pre-settlement risk is established on the basis of an internal model method (IMM) and is recognised by the banking supervisory authorities for calculating capital requirements. To reduce counterparty risk relating to financial institutions, HVB Group uses derivative exchanges in its function as a central counterparty.

Quantification and specification

The economic capital for credit risk at HVB Group, without taking account of diversification effects between the risk types, amounts to €2,931 million, which is €300 million lower than the reported figure as at 31 December 2024 (€3,231 million). The decline in the economic capital is mainly due to the annual update of the correlation and migration parameters, as well as exposure and PD changes for various customers. In addition, the introduction of Basel IV means that two premiums on the economic capital, retrieved from premiums on risk-weighted assets for Group-wide rating models, are no longer relevant.

Credit default risk

The following tables and charts for credit default risk show the aggregate exposure values (total of non-performing and performing exposure) of HVB Group including issuer risk from the trading book. Issuer risk from the trading book is also included in the regulatory market risk analysis by way of the incremental risk charge. Comments in this regard can be found in the section covering market risk.

The aggregate exposure to credit default risk is referred to as credit default risk exposure, or simply exposure, in the following. Account balances on the entry date are included in the calculation of exposure.

The remaining exposures assigned to the former Real Estate Restructuring business area are excluded from the analysis because the portfolio does not include any further new business and is earmarked for elimination. The portfolio has been reduced consistently in recent years and now stands at €12 million (31 December 2024: €12 million).

Development of metrics by operating segment

Broken down by operating segment	EXPECTED LOSS ¹ € millions		RISK DENSITY ² in bps	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Retail	61	65	16	18
Corporates	310	270	19	16
Other	2	2	—	—
HVB Group	373	337	15	13

1 Expected loss of the performing exposure without issuer risk in the trading book.

2 Risk density as a ratio of expected loss to performing exposure without issuer risk in the trading book in basis points (bps); 100bps = 1%.

Compared to the end of the previous year, the expected loss of HVB Group increased by €36 million in 2025, while the risk density increased by 2 bps.

In the Retail segment, the expected loss declined by €4 million. The risk density also decreased by 2 bps.

In the Corporates segment, the expected loss rose by €40 million, driven in particular by the machinery, metals, agriculture, forestry, as well as consumer goods sectors. The risk density increased by 3 bp. These developments were partly attributable to adjustments in the rating models.

Risk Report

Breakdown of credit default risk exposure by operating segment and risk category

Broken down by operating segment (€ millions)	CREDIT DEFAULT RISK EXPOSURE		OF WHICH COUNTERPARTY RISK		OF WHICH ISSUER RISK IN BANKING BOOK		OF WHICH ISSUER RISK IN TRADING BOOK	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Retail	37,565	36,601	221	181	—	—	—	—
Corporates	169,071	172,071	18,823	20,876	20,821	19,882	664	1,183
Other	52,598	50,193	63	66	49,445	44,962	—	—
HVB Group	259,234	258,865	19,107	21,123	70,266	64,844	664	1,183

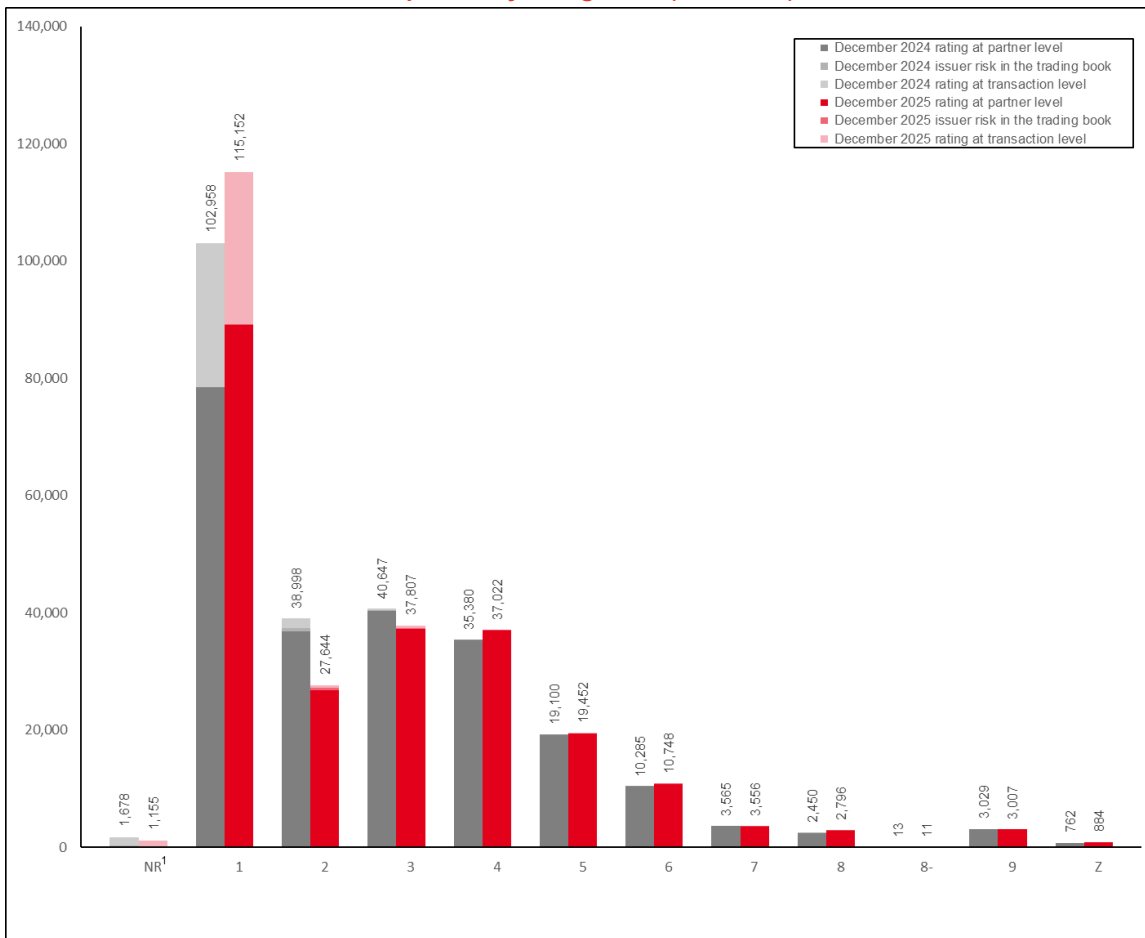
The credit risk exposure of HVB Group increased by €369 million in 2025.

In the Retail segment, exposure rose by €964 million.

In contrast, exposure in the Corporates segment decreased by €3,000 million, among others in the consumer goods, chemicals, pharma, healthcare as well as construction and building materials sectors.

In the Other segment, exposure increased by €2,405 million. This resulted, among other things, from the build-up of liquidity investments with central banks, supranational institutions, and sovereigns.

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



1 Not rated.

Risk Report

In the course of 2025, HVB Group observed shifts between rating classes. In particular, exposure in rating class 1 increased by €12,194 million. In contrast, exposure in rating class 2 declined by €11,354 million. These developments were primarily driven by business development across various clients as well as rating migrations.

Development of metrics by industry group

Broken down by industry group	CREDIT DEFAULT RISK EXPOSURE € millions		OF WHICH ISSUER RISK IN TRADING BOOK € millions		EXPECTED LOSS ¹ € millions		RISK DENSITY ² in bps	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Financial institutions (including foreign sovereigns)	51,528	50,527	467	632	16	18	3	4
Real estate	33,148	32,809	21	11	38	43	12	13
Special products	28,744	28,207	—	—	18	20	6	7
Public sector (including German sovereign, excluding public service companies)	25,509	21,557	—	—	—	—	—	—
Energy	14,952	12,968	52	62	13	13	9	10
Machinery, metals	11,645	11,543	11	39	41	30	36	26
Chemicals, pharma, healthcare	9,103	10,301	16	63	37	37	43	37
Automotive	8,868	10,043	7	103	21	17	25	17
Services	7,551	7,147	13	67	25	24	34	34
Consumer goods	6,835	8,960	15	23	28	20	43	23
Telecommunication, IT	6,615	7,622	22	70	18	12	29	17
Food, beverages	5,625	5,933	4	14	13	11	24	19
Construction, building materials	5,616	6,417	3	12	15	17	27	27
Transport, travel	5,150	5,795	11	40	8	8	16	14
Agriculture, forestry	3,288	3,600	—	1	15	6	60	20
Electronics	2,873	3,048	7	8	10	8	38	27
Shipping	1,854	935	—	7	1	1	7	11
Media, paper	1,456	2,013	2	5	5	6	35	34
Textile	1,402	1,431	1	2	11	6	83	40
Tourism	1,055	1,649	12	7	6	3	54	20
Public service companies	408	1,110	—	1	1	1	17	10
Private customers	25,938	25,214	—	—	33	36	13	14
Others	71	36	—	16	—	—	55	59
HVB Group	259,234	258,865	664	1,183	373	337	15	13

1 Expected loss of the performing exposure without issuer risk in the trading book.

2 Risk density as a ratio of expected loss to performing exposure without issuer risk in the trading book in basis points (bps); 100bps = 1%

How the top five industry groups developed by exposure within HVB Group is described below.

Financial institutions (including foreign sovereigns)

As of 31 December 2025, exposure in the financial institutions industry group (including foreign sovereigns) increased by €1,001 million compared to year-end 2024. This was partly driven by higher liquidity investments in European sovereign and supranational bonds. The expected loss of the portfolio decreased by €2 million, and the risk density declined by 1 bp.

Part of the exposure in the financial institutions (including foreign sovereigns) industry group resulted from business activities with UniCredit S.p.A. and other entities affiliated with UniCredit.

Risk Report

Real estate

In the real estate industry group, exposure as at 31 December 2025 increased compared to year-end 2024 by €339 million. At the same time, the expected loss declined by €5 million, and the risk density decreased by 1 bp. The key reasons for this development include the continued stabilisation of the real estate market in 2025, with a slightly rising number of transactions in the commercial real estate segment, as well as improved client perspectives. The financing business continues to be focused on Germany.

Special products

Special products transactions include ABS/CDO bond investments, customer-related securitisations, securitisations of UniCredit's own assets, structured credit products such as structured working capital finance, margin loan finance and other structured financial transactions (not including project and acquisition finance).

In the special products industry group, exposure remained virtually unchanged in 2025, with a slight increase of €537 million. The focus continues to be on customer-related securitisations and ABS/CLO bond investments, as well as margin loan financing, which is also in line with the 2025 risk strategy. The latter determined a strategy of growth within clearly defined parameters involving conservative credit standards (for instance in relation to asset classes and rating quality) for sub-segments of the special products portfolio. The expected loss decreased by €2 million, and the risk density improved slightly by 1 bps, keeping both indicators at a very low level compared with other industry groups.

Public sector (including German sovereign, excluding public service companies)

The public sector (including German sovereign, excluding public service companies) industry group essentially contains public authorities and the customer group comprising legal entities under public law in general. As the German states and the development banks enjoying the formers' full liability represent important counterparties for internal liquidity management, the vast majority of the exposure is due to HVB's own liquidity reserves.

In the public sector industry (including German sovereign, excluding public service companies), exposure increased by €3,952 million in 2025. This was primarily attributable to the Bank's own liquidity investments.

Energy

Exposure in the energy sector increased in 2025 by €1,984 million. The increase is mainly attributable to the continued major volatility of energy and raw material prices in a challenging and geopolitically uncertain market environment as well as to growing investment financing to accelerate the turnaround in energy policy.

In line with the 2025 risk strategy, our focus for new energy business is on large international companies with strong credit ratings while ensuring compliance with our internal sustainability standards. As a result, the portfolio quality further improved. The expected loss remained unchanged at €13 million and the risk density declined by 1 bp. Project financing in the renewable energy area is within the scope of the 2025 risk strategy and the financing standards.

Risk Report

Exposure development of countries/regions

The following tables provide a comprehensive view of the concentration risk at country level. The exposure figures are shown with regard to the risk country of the customer.

Development of credit default risk exposure of eurozone countries

Broken down by eurozone countries (€ millions)	CREDIT DEFAULT RISK EXPOSURE		OF WHICH ISSUER RISK IN TRADING BOOK	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Germany	156,879	159,130	76	185
France	15,604	14,506	53	139
Spain	10,599	8,899	29	32
Italy	10,420	11,227	396	467
Ireland	8,730	7,742	—	7
Netherlands	6,040	5,296	13	39
Luxembourg	4,421	4,771	1	30
Austria	3,529	3,149	38	28
Finland	1,103	1,107	—	3
Belgium	847	1,007	—	2
Slovakia	482	196	—	—
Portugal	345	120	—	—
Slovenia	41	43	—	—
Greece	38	26	—	—
Estonia	28	23	—	—
Cyprus	9	10	—	—
Latvia	7	—	—	—
Croatia	5	8	—	—
Malta	1	1	—	—
Lithuania	—	—	—	—
Supranational organisations and multilateral banks	9,581	8,092	7	20
HVB Group	228,709	225,353	613	952

Italy

The exposure to Italy also includes the exposure with UniCredit S.p.A.

Risk Report

Development of credit default risk exposure by country/region outside the eurozone

Broken down by country/region outside the eurozone (€ millions)	CREDIT DEFAULT RISK EXPOSURE		OF WHICH ISSUER RISK IN TRADING BOOK	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
United States	8,699	10,877	24	72
Switzerland	8,081	7,146	16	23
United Kingdom	4,875	5,451	5	88
Eastern Europe (without euro countries)	2,158	1,690	3	6
Western Europe (without Switzerland, UK)	1,770	2,040	—	27
Asia/Oceania (without Japan, China, Hong Kong)	1,080	1,600	—	—
Africa	978	971	—	—
Turkey	690	625	—	—
North America (including off-shore regions, without USA)	626	630	1	10
China (including Hong Kong)	515	370	—	—
Middle East	449	562	—	—
CIS/Central Asia (without Turkey)	440	656	—	3
including Russia	292	483	—	3
Including Ukraine	—	1	—	—
Including Belarus	—	—	—	—
Central/South America	131	167	2	1
Japan	34	727	—	—
Without country classification	—	—	—	—
HVB Group	30,526	33,512	51	230

In 2025, the total exposure to customers in countries/regions outside the eurozone decreased by €2,986 million. The exposure to customers in Russia was further reduced by €191 million in 2025.

Overlays

The following table shows an overview of the change in the main overlays:

Development of the overlays

Distribution by overlay (€ millions)	31/12/2025	31/12/2024	CHANGE
Geopolitical	130	50	80
Commercial real estate (CRE)	—	96	(96)
HVB Group	130	146	(16)

Geopolitical overlay

The re-assessed geopolitical overlay in the amount of €130 million at year-end 2025 expresses the continuing uncertainty and the evolving risks in connection with the geopolitical situation and the macroeconomic challenges. The overlay increased by €80 million in the reporting period due to the re-assessment of the overlay on a more granular sector level as well as a proactive staging element.

Commercial real estate (CRE) overlay

The overlays recognised for the commercial real estate business decreased in the reporting period by €96 million and was therefore fully released at the end of 2025. This change results from the methodological exit from the overlay due to improvements in the underlying default rate projections.

Risk Report

Financial derivatives

Alongside the goal of generating income, derivatives are used to manage market price risks from trading activities (in particular, risks arising from interest-rate fluctuations and currency fluctuations), and also serve to hedge on- and off-balance-sheet items as part of asset/liability management. In addition to market risk, derivatives entail counterparty risk and, in the case of credit derivatives, which are also used to manage credit risk, issuer risk.

For purposes of credit default risk, the positive fair values are relevant as replacement values for OTC derivatives. These represent the potential costs that HVB Group would incur to replace all of the original contracts with equivalent transactions in case of the simultaneous default by all counterparties.

Based on these replacement values and without taking into account any risk-reducing effects, the maximum counterparty risk for HVB Group as at 31 December 2025 totalled €43.7 billion (31 December 2024: €53.3 billion). The decline of €9.6 billion compared with year-end 2024 is primarily attributable to interest rate derivatives (down €7.3 billion) and interest rate/cross-currency swaps (down €2.6 billion).

In compliance with banking supervisory regulations in accordance with CRR and taking account of the internal model method (IMM) that has been approved by the regulatory authorities for use by HVB to determine counterparty risk, risk-weighted assets from counterparty risk in HVB Group's derivatives business were €4.3 billion as at 31 December 2025 (31 December 2024: €4.7 billion).

The following tables provide detailed information on the nominal amounts and fair values of all HVB Group's derivative transactions and credit derivative transactions.

Risk Report

Derivative transactions

€ millions	NOMINAL AMOUNT					FAIR VALUE			
	RESIDUAL MATURITY			TOTAL	TOTAL	POSITIVE		NEGATIVE	
	MORE THAN 1 YEAR								
	UP TO 1 YEAR	UP TO 5 YEARS	MORE THAN 5 YEARS	2025	2024	2025	2024	2025	2024
Interest rate derivatives	354,266	602,142	407,038	1,363,446	1,435,031	24,490	31,834	28,804	35,218
OTC products									
Forward rate agreements	—	—	—	—	2,760	—	1	—	—
Interest rate swaps	288,024	504,261	326,889	1,119,174	971,761	20,988	26,712	25,020	29,634
Interest rate options									
- purchased	22,216	46,560	39,814	108,590	212,238	2,594	3,951	664	1,062
- written	21,846	47,383	40,325	109,554	214,229	562	958	3,023	4,363
Other interest rate derivatives	21,554	3,938	10	25,502	12,048	346	212	97	159
Exchange-traded products									
Interest rate futures	626	—	—	626	21,995	—	—	—	—
Interest rate options	—	—	—	—	—	—	—	—	—
Foreign exchange derivatives	294,364	53,084	2,247	349,695	403,562	3,696	5,082	3,839	5,067
OTC products									
Foreign exchange forwards	222,457	48,029	2,121	272,607	259,110	2,733	3,971	3,253	4,296
Foreign exchange options									
- purchased	28,968	2,781	63	31,812	65,419	398	703	133	187
- written	28,805	2,273	63	31,141	70,882	107	190	453	584
Other foreign ex-change derivatives	14,134	1	—	14,135	8,141	458	218	—	—
Exchange-traded products									
Foreign exchange futures	—	—	—	—	10	—	—	—	—
Foreign exchange options	—	—	—	—	—	—	—	—	—
Cross-currency swaps	45,092	182,667	91,145	318,904	351,964	4,476	7,086	6,803	9,954
Equity/index derivatives	118,906	50,354	8,402	177,662	139,451	7,097	5,851	5,239	3,895
OTC products									
Equity/index swaps	5,791	9,847	3,491	19,129	15,290	586	528	638	314
Equity/index options									
- purchased	3,141	1,283	1,214	5,638	6,905	307	134	21	17
- written	24,064	7,900	3,491	35,455	27,429	264	446	1,044	566
Other equity/index derivatives	38,639	1,355	—	39,994	28,799	4,662	3,109	99	72
Exchange-traded products									
Equity/index futures	23,967	5,638	177	29,782	18,263	—	—	—	—
Equity/index options	22,046	23,982	28	46,056	41,306	1,278	1,634	3,437	2,926
Equity swaps	1,258	349	1	1,608	1,459	—	—	—	—
Credit derivatives¹	1,457	19,975	858	22,290	7,181	212	169	255	55
Other transactions	49,081	16,169	11	65,261	49,983	3,743	3,311	4,437	942
HVB Group	863,166	924,391	509,701	2,297,258	2,387,172	43,714	53,333	49,377	55,131

¹ For details of credit derivatives, please see the tables "Credit derivatives" and "Credit derivatives by reference asset" below,

Derivative transactions with a residual maturity of up to three months accounted for a nominal total amount of €409,923 million as at 31 December 2025 (of which credit derivatives on a pro-rata basis: €279 million).

Risk Report

Derivative transactions by counterparty type

€ millions	FAIR VALUE POSITIVE		FAIR VALUE NEGATIVE	
	2025	2024	2025	2024
Central governments and central banks	1,848	2,911	1,400	891
Banks	34,534	40,566	40,120	46,743
Financial institutions	3,779	5,094	4,372	4,400
Other companies and private individuals	3,553	4,762	3,485	3,097
HVB Group	43,714	53,333	49,377	55,131

Credit derivatives

€ millions	NOMINAL AMOUNT					FAIR VALUE			
	RESIDUAL MATURITY			TOTAL		POSITIVE		NEGATIVE	
	MORE THAN 1 YEAR UP TO 5 YEARS								
	UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 5 YEARS	MORE THAN 5 YEARS	2025	2024	2025	2024	2025	2024
Banking book	379	479	72	930	641	2	—	2	1
Protection buyer									
Credit default swaps	—	10	—	10	10	—	—	—	—
Total return swaps	—	—	—	—	—	—	—	—	—
Credit-linked notes	215	279	18	512	622	—	—	1	1
Protection seller									
Credit default swaps	160	187	54	401	—	2	—	1	—
Total return swaps	—	—	—	—	—	—	—	—	—
Credit-linked notes	4	3	—	7	9	—	—	—	—
Trading book	1,078	19,496	786	21,360	6,540	210	169	253	54
Protection buyer									
Credit default swaps	144	10,295	404	10,843	2,635	2	20	241	45
Total return swaps	516	47	—	563	1,074	22	65	—	1
Credit-linked notes	168	391	142	701	525	9	6	1	1
Protection seller									
Credit default swaps	114	8,408	110	8,632	1,856	176	78	2	2
Total return swaps	—	—	—	—	—	—	—	—	—
Credit-linked notes	136	355	130	621	450	1	—	9	5
HVB Group	1,457	19,975	858	22,290	7,181	212	169	255	55

Credit derivatives by reference asset

€ millions	NOMINAL AMOUNT				
	CREDIT DEFAULT SWAPS	TOTAL RETURN SWAPS	CREDIT-LINKED NOTES	TOTAL 2025	TOTAL 2024
Public sector bonds	2,979	516	33	3,528	1,099
Corporate bonds	16,491	47	979	17,517	5,362
Equities	—	—	—	—	—
Other assets	416	—	829	1,245	720
HVB Group	19,886	563	1,841	22,290	7,181

Single-name credit derivatives make up 48.0% of the total; multi-name credit derivatives, relating notably to baskets or indices, account for a share of 52.0%.

Risk Report

Stress tests

By carrying out stress tests in the credit portfolio, the risk management obtain information on a quarterly basis about the possible consequences of a negative change in the underlying economic conditions in addition to the monthly analysis of the real portfolio development. The focus here is on the risk metrics of risk-weighted assets, expected loss and economic capital, and the changes in the portfolio quality. Ad hoc stress tests, inverse stress tests and sensitivity analyses are carried out alongside the stress tests based on macroeconomic scenarios (results of which are included in the cross-risk-type stress test calculations, among others).

2 Market risk

Categories

We define interest rate risk as the risk of values changing on account of fluctuations in interest rates.

Foreign currency risk arises from fluctuations in exchange rates.

Stock and commodity risk is defined as the risk arising from price changes on the stock and/or commodity markets.

We define the credit spread as the premium on the interest rate to be applied compared with a risk-free investment. Fluctuations in the credit spread give rise to credit spread risk. The credit spread risk refers to the fluctuation of the credit spread resulting from spread changes and from a potential default or a change of rating.

The risk that results in particular from changes in volatilities is included in option risk.

Strategy

Market risk essentially arises in the Corporates and Other operating segments. As was already the case in previous years, the focus in 2025 was on customer transactions.

One part of the market risk is entailed in trading books while the other part lies in strategic investments or in liquidity reserve portfolios. All positions exposed to market risk are subject to corresponding limits.

Limit system

All market risk-bearing transactions of HVB Group recognised at fair value are aggregated every day to form value-at-risk (VaR) metrics and set against the risk limits for internal control purposes.

In accordance with the 2025 risk strategy, the existing framework for managing market risks has been confirmed. The main purpose of this new framework is to focus on the fluctuation of the values in profit and loss accounting. VaR limits are set for items recognised at fair value through profit or loss (FVTPL) and for items recognised at fair value through other comprehensive income (FVOCI). The risk limits are approved annually by the Management Board of HVB and adjusted as required. Both groups of limits are equally binding and compliance with them is equally enforceable.

Upon adoption of the 2025 Risk Strategy, the HVB Group's FVTPL limit was confirmed at €47 million, while the FVOCI limit was defined at €25 million.

Risk Report

Monitoring of the regulatory metrics (stressed VaR) and incremental risk charge (IRC) to be used additionally for the internal market risk model is ensured by setting limits for the risk values that are reported on a weekly basis.

Alongside management using the VaR approach, the risk positions of key units are restricted by an additional bundle of granular limits. These limits relate to sensitivities, stress test results and nominal volumes in various risk classes.

Measurement

The VaR shows the maximum expected loss caused by market price fluctuations that with a certain probability (confidence level) will not be exceeded over a given period. We use a confidence level of 99.00% and a holding period of one day for internal risk reports, management and risk limits.

We use a historical simulation to calculate the VaR. This method makes it possible to calculate the VaR without having to make any fundamental assumptions regarding the statistical distribution of the movements in the portfolio value. It encompasses the generation of the hypothetical distribution of earnings (gains and losses) from a portfolio of financial instruments directly using the historical daily market price fluctuations of the last 250 days.

HVB Group has defined several further market risk metrics under the current CRR rules for risk management as well as the VaR:

- The stressed VaR is calculated in the same way as the VaR; however, the associated 12-month observation period is selected in which the most significant negative market changes for HVB's trading portfolio have occurred. The amount calculated for the regulatory report relates to a holding period of ten days and a confidence level of 99.00%.
- The incremental risk charge (IRC) for credit-risk-sensitive positions is the internal approach used to determine the specific risks (specific price risk for net interest positions). This includes credit default risk and migration risk, meaning that both the change in ratings (migration) and the potential default on a credit product are taken into account. The calculated amount for both regulatory and internal reporting relates to a holding period of one year and a confidence level of 99.90%.
- In addition, further risks not taken account of in the internal market risk model are covered by the regulatory standard approach. This essentially relates to the specific risk entailed in securitisations and risk positions in the form of units in undertakings for collective investment (UCI) and risks arising from shares and indices caused by implicit fluctuations in the repo rate.
- Based on the CRR regulations, we calculate risks with regard to the credit valuation adjustment (CVA). The CVA risk shows the risk of losses in value based on changes in the expected counterparty default risk for all relevant OTC derivatives under CRR.

Monitoring and controlling

The market risk positions recognised at fair value are monitored using a hierarchical limit system that restricts the potential loss from market risk. This involves restricting the VaR totals from FVTPL and FVOCI positions by setting appropriate limits.

The VaR figures are reported daily along with the limit utilisation and the profit and loss figures (P/L) to the Management Board member responsible and the persons responsible in the Corporates operating segment. Whenever limits are exceeded, an escalation process is triggered immediately and the reduction of the positions in question monitored.

Risk Report

The Market Risk Management department has direct access to the front-office systems used in trading operations. The monitoring of trading activities comprises prompt allocation to counterparty and market risk limits and detailed validation and coordination of the P/L on the following day. In this context, both the daily changes in the market price risk profile and the P/L generated from new business are calculated.

In addition to the daily reports, the management is informed on a weekly and monthly basis about the results of the risk analysis, including the results of back-testing and stress tests as well as sensitivity ratios.

HVB Group calculates economic capital on the basis of the assumption that operations will continue (continuity of operations). To calculate and allocate the economic capital requirements for market risk, the historical simulation used to determine the VaR is based on an observation period of 500 trading days, in which connection only interest rate and credit spread movements are taken into account for positions carried at cost. Any hedge effect of the model book for own funds is not included. The results from the credit valuation adjustment (CVA) and funding valuation adjustment (FVA) risk are added to this hypothetical distribution, whereby the FVA risk is derived from the expected future funding costs of derivative transactions. Furthermore, market risks are also added that arise from the Incremental Default Risk Charge (IDRC), which in contrast to the regulatory IRC approach only takes account of issuer default, the market risk standard approach and add-ons, in particular for risks from gap options, share repo rates and behavioural models.

Since the second quarter of 2024, pension risk, similarly to market risk, is determined using an historical simulation and directly aggregated with market risk, leading to diversification effects between market and pension risk.

All risks, with the exception of the add-ons, are scaled accordingly to obtain a holding period of one year and a confidence level of 99.90%.

The regulatory capital requirement for market risk encompasses the VaR and stressed VaR for, in each case, a 10-day holding period together with the IRC and the market risk standard approach. The CVA risk is also taken into account. When calculating the capital requirement, the individual risk metrics are aggregated by regulatory averages, maximum calculation and scaling.

Quantification and specification

The economic capital for market risk at HVB Group, taking account of diversification with pension risk but before taking account of diversification effects with the other risk types, amounts to €3,325 million (31 December 2024: €1,287 million). The increase in economic capital is primarily driven by the adjustment of the strategy and the revised risk representation of the model book for current and savings accounts, as well as by a change in positioning. In addition, economic capital was increased through the application of a surcharge factor designed to ensure the conservativeness of the observation period used for the VaR calculation.

The following table shows the aggregated market risk for internal risk controlling at HVB Group.

Risk Report

Market risk of HVB Group (VaR, 99.00% confidence level, one-day holding period)

€ millions	MARKET RISK OF POSITIONS RECOGNISED AT FVTPL			MARKET RISK OF POSITIONS RECOGNISED AT FVTOCI		
	Average	Period end		Average	Period end	
	2025	31/12/2025	31/12/2024	2025	31/12/2025	31/12/2024
Credit spread risk	1.7	1.0	1.5	10.7	7.8	11.0
Interest rate positions	2.4	1.0	2.7	3.3	2.5	4.9
Foreign exchange positions	1.4	1.5	1.2	0.1	0.1	0.4
Equity/index positions	3.4	3.3	2.8	—	—	—
Commodity risk	1.5	0.3	1.8	—	—	—
HVB Group¹	4.9	3.6	4.5	11.8	9.4	13.2

1 Because of the diversification effects between the risk categories, the total risk is less than the sum of the individual risks.

The regulatory capital requirements for the quarter-ends of the previous year are described below, broken down by the relevant risk metrics.

Regulatory capital requirements of HVB Group

€ millions	31/12/2025	30/9/2025	30/6/2025	31/3/2025	31/12/2024
Value at risk	42	37	48	45	50
Stressed value at risk	105	76	86	141	150
Incremental risk charge	29	27	55	60	41
Market risk standard approach	37	30	30	33	35
CVA	58	66	72	63	60

The new regulatory framework for Credit Valuation Adjustment (CVA) risk, which came into effect on 1 January 2025, is based on the revised Capital Requirements Regulation III (CRR III). It replaces the previous approaches to calculating CVA risk with two new methods: the standard approach (SA-CVA) and the basic approach (BA-CVA).

Regulatory back-testing of the internal model at HVB

The forecasting quality of the VaR measurement methodology is assessed through daily back-testing, which compares the calculated regulatory VaR figures with both the changes in the hypothetical portfolio value and the actual profit and loss. Reportable back-testing outliers occurred within the last 250 trading days. On three days, the hypothetical loss exceeded the VaR figure; in addition, on four days, the actual daily loss was greater than the forecast VaR figure.

In addition to back-testing, further methods are used to check the quality of the model. These involve analysing the risk factors used and adjusting them as required. Risks that cannot be adequately modelled are also monitored and limits set for them if they are material. Furthermore, the suitability of the modelling of the UniCredit risk model used throughout the Group is validated by the “Group Internal Validation” unit.

Market liquidity risk

Market liquidity risk relates to the risk that the Bank will suffer losses due to the disposal of assets that can only be liquidated on the market at a discount. In an extreme case, HVB Group may not be able to sell such an asset, as the market does not offer enough liquidity, or the Bank holds a position that is too large relative to market turnover. The CRO organisation is responsible for managing market liquidity risk and conducts advanced market liquidity analyses. These uncertainties in the amount of €28 million are taken into account in the income statement in the form of valuation adjustments and in capital withdrawals through additional valuation adjustments of €39 million.

Risk Report

Stress tests

In addition to calculating the VaR and the other risk metrics, we conduct stress tests on a monthly basis to determine the potential losses in our market risk positions resulting from extreme market movements and extraordinary events. The scenarios we examine range from large movements in interest rates, currency and equity markets through to disruptions in the underlying volatilities. Further scenarios are also considered for HVB Group, such as a widening of credit spreads. We also analyse macroeconomic stress test scenarios based on real market upheavals in the past (historical stress tests) or current threats (hypothetical stress tests).

Interest rate risk in the banking book

Interest rate risk refers to the potential negative deviation from the planned or expected financial outcome resulting from changes in market interest rates. The strategy for managing interest rate risk in the banking book aims to limit fluctuations in net interest income caused by interest rate movements over multiple years by modelling and hedging cash flows and capital. The modelling incorporates customer behaviour for current and savings deposits as well as early repayments of mortgage loans, using statistical analyses.

HVB Group measures and monitors interest rate risk both with respect to changes in economic value and the Bank's earnings. Consistent methodologies and models, as well as limits and thresholds for the sensitivity of net interest income and present value, are ensured. The management and hedging of interest rate risk arising from commercial banking activities and mortgage banking activities are carried out within the Treasury function. The market risk of the Treasury area is monitored on a daily basis. The present-value-based measurement reflects the impact of interest rate fluctuations on the economic value of assets and liabilities and serves as a key risk metric.

The impact of interest rate changes on the present value is regularly determined based on the supervisory stress scenarios (Supervisory Outlier Test) as well as standardised interest rate shocks of plus or minus 200 basis points. The calculations are performed monthly and in accordance with the applicable regulatory requirements.

The valuation is performed from a regulatory perspective and does not take into account any hedging effects from the model book for own funds. In addition, and in line with the requirements of the European Banking Authority, alternative assumptions for modelling current and savings deposits are incorporated into the analysis. Customer margins are not considered.

Information on interest rate risk in the banking book

	31/12/2025		31/12/2024	
	€ millions	in %	€ millions	in %
+ 200 basis points	(1,835)	(10.3)	(1,189)	(6.4)
- 200 basis points	1,466	8.2	651	3.5

HVB Group remains within the regulatory limits. The change in the metrics is attributable to the adjusted strategy and risk representation of the model book for current and savings deposits, as well as to a revised positioning.

Risk Report

In addition to the economic value perspective, a monthly simulation of net interest income (NII) in the banking book is performed for HVB Group. The focus of this analysis is on the impact of interest rate changes on net interest income compared with the benchmark scenario over a defined time horizon. Internally, the scenarios with parallel shifts of the interest rate curve based on the EBA Supervisory Outlier Test (SOT) are subject to limits. These scenarios apply upward (parallel up) and downward (parallel down) shifts of 100 bps to 400 bps, with the EUR yield curve shifted by 200 bps in each direction. In addition, positive contributions from foreign currencies are weighted at 0.5. The analysis also incorporates assumptions regarding the interest-rate-dependent elasticity of current and savings deposits. Depending on the contractual agreement with the customer, a 0% floor may be applied to commercial banking products; in such cases, the downward shock is not fully reflected. The simulation is calculated under the assumption of a constant balance sheet. NII sensitivity is then derived from the resulting change in net interest income relative to Tier 1 capital. The results remain below the internal early-warning threshold of minus 4.5%.

Effects of interest rate changes on net interest

	31/12/2025		31/12/2024	
	€ millions	in %	€ millions	in %
Parallel upwards	59	0.3	160	0.9
Parallel downwards	(570)	(3.3)	(349)	(2.0)

The change in the result compared with year-end 2024 can primarily be attributed to the interest-rate-dependent modelling of current and savings deposits.

3 Liquidity risk

Liquidity risk consists of the following categories:

- intraday/ operational liquidity risk
- short-term liquidity risk
- structural liquidity risk (funding risk)
- contingency liquidity risk
- market liquidity risk

Categories

Intraday/operational liquidity risk

Intraday operational liquidity risk arises when a financial institution cannot meet its current day-to-day payment obligations (payment obligations within one trading day) from its current incoming and outgoing payments, hence becoming technically insolvent. This can be considered a special type of short-term liquidity risk. An intraday cushion is set up as part of the short-term liquidity cushion with a view to balancing the intraday liquidity requirement and covering unforeseen payment obligations.

Short-term liquidity risk

Short-term liquidity risk relates to the risk of a discrepancy in the amount and/or maturity of incoming and outgoing payments in the short run (one year or less).

Structural liquidity risk

The structural liquidity risk (funding risk) is defined as the risk of not being able to raise the necessary refinancing funds at an appropriate ratio between medium- to long-term assets and liabilities (over one year), at acceptable prices and in a stable and sustainable manner without adversely affecting the Bank's day-to-day operations or financial position. It could potentially have an impact on the funding costs (own credit and market funding spread) and thus on the future earnings of the company.

Risk Report

Contingency liquidity risk

Contingency liquidity risk refers to a liquidity crisis with a high impact but low probability of occurrence. In this case there is a contingency process that can be activated in the event of a crisis.

Market liquidity risk

Information on the market liquidity risk is provided in the section entitled "Market risk".

Strategy

Liquidity management at HVB Group is divided into short-term liquidity management (one year or less) and long-term liquidity management (more than one year). Risk drivers that may be the cause of potential liquidity outflows have been identified for the various segments.

Furthermore, various dimensions of liquidity risk management have been defined to which appropriate instruments and controlling mechanisms have been assigned depending on the type of risk involved.

The risk appetite is defined with regard to liquidity risk on the basis of the business activities and taking into account risk sources and risk drivers. This forms the foundation for the management and limit mechanisms, such as liquidity reports, projections and plans, and the definition of liquidity cushions to be maintained for unexpected outflows of liquidity during the day. The result is the specification of limits, triggers and a minimum survival period that matches the risk appetite. The specific limits are specified annually during the "Risk Appetite Framework" process for the various, short-term and structural liquidity ratios. In each case these must be considered as strict conditions for overall bank management with a distinction between regulatory and economic ratios. In the case of regulatory ratios the limits are defined with a sufficient buffer to the minimum legal requirements in order to ensure a sufficient response time in the event of potential negative developments and allow the timely introduction of corresponding steering measures.

Limit system

A limit has been set for intraday/operational liquidity risk as part of short-term liquidity risk by implementing a minimum balance to be observed during the day, by means of which liquidity is maintained to cover unforeseeable outflows (intraday liquidity cushion).

For the management of short-term liquidity risk, we have put in place a cash-flow-oriented limit system that presents the relevant balances within HVB Group per working day and limits the positions appropriately.

The difference between the calculated potential liquidity requirement and the existing liquidity reserves is limited.

Funding risk or structural liquidity risk is restricted by defining a limit for the ratio of liabilities to assets.

The effects arising from the change in funding spreads are to a very large extent taken into account by limiting funding risk. In addition, the internal transfer prices for the lending and deposit-taking activities are continually reviewed for appropriateness and regularly adjusted to reflect the market situation.

Risk Report

Reduction

Among other things, specific processes, the implementation of an early warning system complete with early warning indicators and a limit system as well as the management of highly liquid assets made available as collateral serve to reduce the liquidity risk.

Measurement

Short-term liquidity risk

To measure short-term liquidity risk, cash flow profiles are produced on a daily basis. The resulting balances are compared with the available liquidity reserves, which consist primarily of the available highly liquid securities eligible at all times as collateral for central bank borrowings. The cumulative balance of the above-named components is backed with limits for all maturity buckets of up to three months for the relevant units of HVB Group.

The aggregate amount for the three-month maturity bucket is published in the Risk Report for short-term liquidity risk as the relevant figure for managing the Bank's liquidity risk.

Furthermore, stress-test scenarios based on the liquidity profiles of the HVB Group units are simulated at regular intervals and the impact on liquidity is calculated. The corresponding stress-test scenarios take account of both company-specific influences (e.g. potential HVB Group-specific incidents) and external factors (e.g. disruptions in global financial markets), as well as a combination of company-specific and external factors (e.g. the scenario demanded under the MaRisk rules). A time horizon of up to two months is defined for the individual stress-test scenarios, during which the available liquidity reserves are expected to exceed the simulated outflows of liquidity. In addition, the defined early warning indicators and relevant concentration risks are determined and monitored at regular intervals. This ensures that countermeasures can be initiated promptly, if required.

Calculating the liquidity coverage ratio (LCR) is intended to ensure that an institution is able to meet its short-term payment obligations under the assumption of an acute stress test scenario over a period of 30 calendar days.

Structural liquidity risk

To measure structural liquidity risk (funding risk), the long-term funding requirements based on the expected business development are determined and updated in a coordinated process. The long-term funding requirements, which are used to set the funding targets and are presented to the Financial and Credit Risk Committee in the context of a financial risk session, take into account the assets and liabilities falling due in the planning period. The key assumptions underlying the risk measurement methods are reviewed on a regular basis to assess their appropriateness. The net stable funding ratio (NSFR) is used as the key indicator for measuring funding risk according to CRR II requirements. Furthermore, the funding risk is calculated using an internal ratio, the "Structural Liquidity Ratio (SLR)", for the time horizon greater than one year and greater than three years. These ratios usually take into account the contractual cash flows of assets and liabilities, or internal models for non-terminated products, such as sight deposits and savings deposits. In addition, the loan-to-deposit ratio is recorded.

Risk Report

Monitoring and controlling

Short-term liquidity risk

The task of monitoring the short-term liquidity situation at HVB Group has been entrusted to the Balance Sheet Management unit in the Finance organisation. This essentially involves analysing and controlling the short-term liquidity profiles within the scope of the limits defined and monitored by the CRO organisation on a daily basis. The monitoring and controlling of intraday liquidity risk are essentially performed on the basis of various minimum balances that must be observed during the day and at the beginning of the day. These are set against the current volumes in the relevant accounts on a regular basis and monitored. Responsibility for monitoring and controlling developments on the respective local markets rests with the local Treasury units, which report to the Balance Sheet Management unit as and when necessary.

For short-term liquidity risk, moreover, monthly stress analyses based on various scenarios allow us to make projections on the impact of sudden disruptions on the liquidity position, enabling us to take the necessary management measures as early as possible. Units in the CRO organisation are responsible for monitoring and analysing the stress-test scenarios and the early warning indicators, while the Finance organisation has been tasked with monitoring and analysing the portfolio of freely disposable securities eligible as collateral for central bank borrowings that can be used at short notice to cover unexpected liquidity outflows as well as concentration risk. Additional market liquidity analyses are carried out by the CRO organisation during the stress tests.

Structural liquidity risk

The task of monitoring the structural liquidity situation at HVB Group has similarly been entrusted to the Balance Sheet Management unit in the Finance organisation. This essentially involves analysing and controlling the long-term mismatches in the maturities of assets and liabilities within the scope of the defined limits and also specified funding targets. Compliance with the long-term funding ratios is monitored on a monthly basis. The front-office units implement the volume and product parameters derived from the funding targets cost-efficiently upon consultation with the Balance Sheet Management unit. This activity is similarly supported by a liquidity cost allocation mechanism – known as Funds Transfer Pricing (FTP) – for all significant business activities, the principles of which are defined in the FTP policy.

The Financial and Credit Risk Committee and the Executive Board are regularly informed about the current liquidity and funding situation. A contingency plan is in place to allow the impact of potential liquidity crises to be managed. This plan regulates the responsibilities and decision-making processes.

The rules and requirements governing liquidity management are defined in internal liquidity management regulations. The key points contained in the regulations relate to the ability to satisfy financial obligations at all times in line with the defined risk appetite. Their objectives include the following: optimising the projected cash flows, restricting the cumulative short-term liquidity differences, performing stress tests at regular intervals and restricting the long-term maturity mismatches between the liabilities side and the assets side.

The internal liquidity management regulations, contingency plan and other supplementary remarks are updated at regular intervals by the CRO organisation with support from the Finance organisation. The regulations are implemented by the operational business units and coordinated and monitored for the relevant units of HVB Group by the Financial Risk unit in the CRO organisation.

Risk Report

Quantification and specification

Short-term liquidity risk

Within our limit system, we showed an overall positive balance of short-term liquidity risk of €34.2 billion at HVB Group for the three-month maturity bucket as at 31 December 2025 (31 December 2024: €35.6 billion). The portfolio of available securities eligible as collateral for central bank borrowings that can be employed on the next banking day to compensate for unexpected outflows of liquidity, is at €51.2 billion (31 December 2024: €54.6 billion).

The liquidity coverage ratio (LCR) of at least 100% to ensure that an institution is able to meet its short-term payment obligations was met in the reporting period. The weighted average liquidity coverage ratio according to the EU directive on prudential requirements for credit institutions and investment firms is at 142% for the twelve-month average at the end of December 2025 (31 December 2024: 140%). The following table shows the individual components of the weighted liquidity coverage ratio.

Liquidity coverage ratio components (LCR)	Adjusted total value (weighted)	
	31/12/2025	31/12/2024
Number of data points used in calculating the average values (weighted)	12	12
High quality liquid assets (HQLA) in € billions	59.4	60.2
Total net average outflows in € billions	41.9	42.9
Liquidity coverage ratio (LCR) in %	142	140

Structural liquidity risk

The structural liquidity risk (funding risk) of HVB Group was again low in 2025 thanks to our broad funding base in terms of products, markets and investor groups. This ensured that we were able to obtain adequate funding for our lending operations in terms of volume and maturity within the framework of our limit system. Until the end of December 2025, HVB Group provided funding of €7.6 billion on a long-term basis (31 December 2024: €2.3 billion); our Pfandbriefe remain an important funding instrument, with a volume of €3.8 billion (31 December 2024: €0.9 billion) funded externally on the capital market in 2025. For the net stable funding ratio (NSFR), a minimum regulatory ratio of 100% has been in place since June 2021. At the end of 2025, the HVB NSFR ratio based on the CRR II requirements was at 112.0% (31 December 2024 at 113.1%). The economic structural liquidity ratios “greater than one year and greater than three years” were above their internal threshold values in 2025.

Breakdown of sources of funding of HVB Group	in %
Deposits from customers	55.6
Deposits from banks	8.4
Debt securities (including Pfandbriefe)	13.4
Repos ¹	4.6
Equity	8.2
Central banks	2.8
Financial liabilities held for trading ²	1.8
Other	4.0
Financial assets at fair value through profit or loss	1.2

1 Repos from the items “Financial liabilities held for trading”, “Deposits from customers” and “Deposits from banks”.

2 Without the item “Negative fair values arising from derivative financial instruments”.

Risk Report

Stress tests

Stress analyses are carried out at regular intervals, enabling us to make projections on the impact of sudden disruptions to our liquidity position on the basis of various scenarios so that we can initiate appropriate management measures as early as possible.

We include Bank-specific (for example outflows on unsecured funding, low funding plan fulfilment rates, no stress haircuts on the bond position), market-wide (for example outflows on unsecured funding, outflows due to margin requirements from derivatives transactions, stress haircuts on the bond position) and combined scenarios when conducting our stress tests. The calculations at the end of 2025 showed that the available liquidity reserves were sufficient to cover the funding requirements over the minimum period demanded.

4 Operational risk

Strategy

The risk strategy pursues the goal of reducing operational risk (OpRisk) to a reasonable level from a profitability perspective and taking the defined risk appetite into account. The primary aim is to reduce or avoid significant losses by taking appropriate measures, which also helps to generate a sustainable improvement in earnings.

To make the risk strategy more specific, Bank-wide action areas are defined on the basis of influencing factors and strategic risk areas relevant to operational risk.

Limit system

Operational risk is part of the economic capital, with a limit set for HVB Group accordingly.

Reporting

Loss events that have occurred and significant risks are reported to the Executive Board at regular intervals. On a local level, operational risk managers report losses and relevant risks to their senior management on a quarterly or half-yearly basis.

Mitigation

HVB Group has a group-wide organisational structure for operational risk management. The individual business areas of HVB and each subsidiary of HVB Group are responsible for identifying, analysing and managing operational risk through the definition and implementation of a dedicated control framework.

Information and Communication Technology (ICT)/ ICT Security and Third Party Management

UniCredit S.p.A. provides most IT services for HVB Group. IT services needed to meet special requirements of HVB subsidiaries are provided by additional selected providers. In this connection, both HVB and HVB Group adhere to a control framework set by the UniCredit corporate group in order to monitor and manage all significant IT and cyber risks adequately within the ICT management processes, among other things. Any such outsourcing of activities to further providers is subject to clear IT compliance guidelines and is also monitored in the context of the overarching control processes.

The business continuity management, IT service continuity management (ICT continuity management/disaster recovery management) and crisis management demonstrated their effectiveness and adequacy by successfully mastering critical situations. In addition, the precautions taken for crisis and emergency situations are adapted constantly to adapt to new threats. Responsibility for managing these risks always belongs to the process owner and the associated senior management. Comprehensive monitoring and reporting of the residual risks identified is carried out by business continuity management.

Risk Report

Legal risk

Legal risk as a subcategory of operational risk is defined as the possibility of losses, damage or costs caused by lack of knowledge of the current legal situation or by a delay in reacting to changes in the law, insufficient and/or inadequate application of the law or unforeseeable changes to case law and/or the interpretation of the law by the authorities.

The Legal department is responsible for managing legal risk and provides advice on legal matters to all units of HVB. Excluded from this are tax law, labour law, data protection and the legal areas covered by compliance, which are overseen by the respective functional departments.

Compliance related risk management

The Compliance Risk is part of the Operational Risk. Non-Compliance risk can be defined as the risk of incurring legal or administrative penalties or fines, financial losses, or damage to reputation because of non-compliance with applicable and or mandatory rules regulating (or otherwise applying to) financial and banking undertakings, codes of conduct and standards of “good practice managing.” The Compliance Function monitors the management of the non-compliance risk applying a risk-based approach with respect to all regulatory areas under its remit except for laws and regulations falling within the scope of Risk Management as well as to assist the bank, its Management, the corporate bodies and employees in carrying out their activities in compliance with mandatory rules, internal procedures and applicable best practices.

The Non Financial Risks Function performs an extended application of OpRisk Management Tools to prevent and monitor risks as e.g., Conduct, Internal and External Fraud, Data Protection and Financial Crime, with regular reporting of outcomes to the relevant bodies.

Legal risks

HVB and other companies belonging to HVB Group are involved in various legal proceedings. The following is a chronological summary of cases against HVB and other companies belonging to HVB Group, which individually or collectively in the respective subject areas have a value in dispute exceeding €50 million or are of substantial significance for HVB for other reasons.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of possible damages. These cases include criminal or administrative proceedings by the relevant authority and claims in which the petitioner has not specifically quantified the amounts in dispute. In all proceedings where a loss is considered likely, and it is possible to reliably estimate the amount of possible losses, provisions have been set up based on the circumstances and consistent with IFRS accounting principles applied by HVB Group. Whether and to what extent a provision has been set up in proceedings is not disclosed if the outcome of the proceedings could be affected by such disclosure.

Risk Report

VIP 4 Medienfonds

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom the Bank issued loans to finance their participation, brought legal proceedings against HVB. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of HVB's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

Proceedings related to claims for withholding tax credits

On 31 July 2014 the Supervisory Board of HVB concluded its internal investigations into the so-called "cum/-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at HVB. In this context, criminal investigations have been conducted against current or former employees of HVB and HVB itself as an ancillary party by the Prosecutors in Frankfurt/Main, Cologne and Munich. With respect to HVB, all proceedings originally initiated by the aforesaid prosecution offices were finally closed with payment of a fine or the payment of a forfeiture.

In December 2018, in connection with an ongoing investigation against other financial institutions and former Bank employees, HVB was informed by the Cologne Prosecutor of the initiation of a new investigation in connection with an administrative offence regarding "cum/-ex" transactions involving Exchange Traded Funds ("ETF"). In April 2019 these investigations were extended to so called ex/ex-transactions, in which an involvement of the Bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. HVB is cooperating with the authorities.

On 28 July 2021, the Federal Criminal Court (BGH) rendered a decision through which the principle of criminal liability of cum/ex structures was determined for the first time. With its decisions of 6 April 2022, 17 November 2022, 20 September 2023, 29 October 2024, 27 May 2025, 7 July 2025 and most recently of 8 July 2025 the BGH confirmed eight criminal judgements in other cum/-ex cases of the Regional Court of Bonn, the Regional Court of Frankfurt/Main and the Regional Court of Wiesbaden, thus further solidifying its case law. Moreover, in its decision of 8 July 2025, the BGH dealt with the confiscation for the first time and upheld it; this decision thus goes beyond a mere, further confirmation of the criminal liability of cum/ex.

The Federal Constitutional Court rejected several complaints against decisions of the BGH, thereby confirming the case law of the BGH. HVB is monitoring the development.

In June 2023, the Munich tax authorities completed a regular field audit of HVB for the years 2013 to 2016 which includes, among other things, a review of transactions in equities around the dividend record date (so called cum/cum transactions). During these years HVB performed, among other things, securities-lending transactions with different counterparties which include, but are not limited to, different types of cum/cum transactions. It still remains to be clarified whether, and under which circumstances, tax credits can be obtained or taxes refunded with regard to different types of cum/cum transactions. . However, some clarification has been provided by the case law of the Federal Tax Court (BFH), most recently by the decision of 13 November 2024. Some of the taxes credited from the cum/cum transactions are currently not recognised for tax purposes by the tax audit. HVB appealed against the tax assessments for 2013 to 2015, which were amended based on the findings of the tax audit regarding cum/cum transactions. Moreover, with respect to cum/cum transactions in which the counterparty of HVB claimed tax credits in the past, it cannot be ruled out that HVB might be exposed to third party claims under civil law.

Risk Report

Financial sanctions matters

Following the settlement in April 2019, the U.S. and New York Authorities require an annual external review regarding the evolution of the process implementation. In light of the request, in 2020, the Group appointed an external independent consultant. Following the interaction with the independent consultant and also considering the mandatory commitments towards the Authorities, HVB has implemented additional requirements and controls, about which the bank makes periodic reports to the Authorities. According to the positive outcomes of the reviews, the Federal Reserve has suspended the external independent consultant's review going forward since June 2023. Negotiations regarding eventual termination of consent order ongoing with relevant US authorities.

Euro-denominated bonds issued by EU countries

On 31 January 2019 UniCredit S.p.A. and HVB received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by HVB between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of €69.4 million on the parent company UniCredit S.p.A and HVB. UniCredit S.p.A. and HVB contested the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021. The General Court of the European Union issued a decision on 26 March 2025 which reduced the amount of the fine previously imposed but otherwise upheld the European Commission's decision. UniCredit S.p.A. and HVB submitted an appeal before the European Court of Justice contesting the General Court's judgement that upheld the European Commission's decision.

Claims in relation to a syndicated loan

HVB, together with several other financial institutions, has been named as a defendant in complaints filed by the judicial administrator and foreign representative of a Brazilian oil and gas conglomerate in July 2021 in the United States before the Southern District of New York court claiming damages in connection with the repayment of a syndicated loan for two oil drilling rigs in which HVB participated that defendants are alleged to have unlawfully obtained. On 27 March 2025, the district court granted the defendants' motions to dismiss the complaints and subsequently entered judgement for HVB and its co-defendants. The plaintiff initially appealed the judgements to the U.S. Court of Appeals for the Second Circuit; however, the appeals have since been withdrawn, and the proceedings are therefore fully concluded.

Claims in relation to sanctions legislation

Two aircraft leasing companies filed lawsuits in March and April 2022 against HVB's foreign branch in London before a London court. The claims relate to payments arising under certain letters of credit, all of which are governed by English law. The disputes hinge on the interpretation of sanctions legislation and its effect on the letters of credit. After the trial, UK licences authorising payments under the letters of credit were granted and HVB London branch made payments of the principal under the letters of credit to the claimants in autumn 2022. In spring 2023, HVB London branch was nevertheless ordered to pay interest and legal costs. In June 2024, the English Court of Appeal overturned this decision, finding in HVB London branch's favour that it was prohibited from making any payments to the claimants of the principal under the letters of credit until the UK licences were granted. The aircraft leasing companies have appealed to the English Supreme Court and HVB filed a cross-appeal. These appeals have been heard in December 2025. A decision is expected in 2026.

Risk Report

Claims in relation to guarantee payments and sanctions

In August 2023, HVB was named as a defendant in a lawsuit pertaining to guarantee claims commenced by a Russian energy company before a court in Saint Petersburg, Russia. HVB had issued part of a guarantee package in favour of the Russian company on behalf of a German guarantee client. The Russian company had drawn down the guarantees by making payment claims to HVB, which HVB could not fulfil under the applicable EU sanctions. Notwithstanding an anti-suit injunction obtained by HVB in the English courts (English ASI) in January 2024, the Russian company continued the litigation in Russia and joined AO UniCredit Bank (a member of the UniCredit Group and a bank operating in Russia) as a co-defendant in the lawsuit. On 26 June 2024, the Russian court fully satisfied the Russian company's claims. Both HVB and AO UniCredit Bank have appealed against the ruling which were rejected on 19 February 2025. HVB and AO UniCredit Bank have further appealed the decision. In August 2025, the further appeal has been rejected. HVB filed an appeal to the Supreme Court of the Russian Federation which has been rejected in January 2026. HVB submitted an immediate protest to the Chairman of the Judicial Collegium of Economic Disputes of the Supreme Court.

In December 2025, HVB filed a claim against the German guarantee client to secure its reimbursement claim.

Further, on 23 December 2024 the Russian company obtained an anti-suit injunction from the Russian court (Russian ASI) obliging HVB to refrain from any legal action against the Russian company in any jurisdiction and to take steps to annul the English ASI. In the event of a violation of the Russian ASI, HVB could be liable to pay a court fine to the Russian company. In light of the obligation in the Russian ASI, in February 2025 HVB obtained an order from the English Court of Appeal amending its January 2024 order to remove the English ASI. HVB appealed the decision before the Russian Supreme Court which was rejected on 27 June 2025.

Claims in relation to counter guarantees and sanctions

In April 2024, HVB has been named as a defendant in a lawsuit pertaining to guarantee claims commenced by AO UniCredit Bank (a member of the UniCredit Group and a bank operating in Russia) before a court in Moscow, Russia. HVB issued counter-guarantees to AO UniCredit Bank for guarantees issued by AO UniCredit Bank to a Russian company. When AO UniCredit Bank made a payment under the guarantees to the Russian company, AO UniCredit Bank demanded payment under the counter-guarantees from HVB, which HVB was unable to perform due to applicable EU sanctions. In October 2024, the Russian court ordered HVB to pay the guarantee amounts plus interest. HVB has appealed against the ruling. In January 2025, the appeal was rejected. HVB filed a further appeal which does not affect the enforceability of the existing judgement. In November 2025, the further appeal has been rejected. HVB filed an appeal to the Supreme Court of the Russian Federation.

In March 2025, AO UniCredit Bank initiated measures to secure enforcement against HVB and subsequently commenced enforcement actions against HVB.

Risk Report

Measurement

The regulatory as well as the economic capital for operational risk (OpRisk) is calculated by the Group Non-Financial Risks department of the Holding Company UniCredit S.p.A. at UniCredit Group level and only then reallocated to the hubs (e.g. HVB Group) and further to their most important subsidiaries. The first step of the allocation mechanism, i.e. allocation to the hubs, is based on three allocation drivers: TSA value, average annual loss amount and stand-alone OpRisk capital. In the second step the capital of HVB Group (Hub Germany) is allocated further to the main subsidiaries on the basis of four weighted elements: TSA value, average annual loss amount, annual loss frequency and scenarios (1:40 years).

Starting from the first quarter of 2025, the regulatory OpRisk capital of HVB Group is calculated on the basis of a new simplified approach, the Standardised Measurement Approach (SMA), in accordance with the applicable provisions of the Capital Requirements Regulation (CRR). This approach is based on the calculation of the business indicator (BI), a key figure that is essentially determined from earnings and business data for the past three years, which is precisely defined by the regulator. The OpRisk capital is calculated by multiplying the BI by a factor that depends on the size of the financial institution in accordance with regulatory requirements. The SMA is developed by UniCredit S.p.A. and the corresponding calculation results for HVB Group are checked for plausibility by UniCredit Bank GmbH.

The economic OpRisk capital for UniCredit Bank GmbH and HVB Immobilien AG is calculated using an AMA-based model called IMOR. This model is based primarily on internal and external loss data. In this context, loss distributions are determined for each model risk category (MRC). A model risk category arises from a combination of the Basel loss event category and the product category of the loss event. Scenario data are used in order to complete the data with respect to rare but extreme potential outcomes. The aggregation of the individual data sources is performed via the application of the Bayesian updating approach with respect to the parameters of the loss distribution for each MRC. The Value at Risk (VaR) is finally determined by a Monte Carlo simulation using estimated parameters of the MRC-specific loss distributions. The VaR values for the individual MRCs are adjusted using internal control and business environment factors. The aggregation takes into account correlations between the model risk categories and risk-mitigating measures, such as insurance. For all other subsidiaries within the respective scope of consolidation, the SMA is applied for the calculation of economic capital in the same way as for the calculation of regulatory capital.

For all other subsidiaries within the respective scope of consolidation, the SMA is applied for the calculation of economic capital in the same way as for the calculation of regulatory capital.

Quantification and specification

The economic capital for HVB Group's operational risk, without taking account of diversification effects between the risk types, amounts to €699 million as at 31 December 2025 (31 December 2024: €664 million).

Stress tests

The impact of macroeconomic scenarios on operational risk is analysed within the scope of the cross-risk-type stress tests.

Risk Report

5 Other risks

In the section entitled “Other risks”, HVB Group collates the following types of quantifiable risk: real estate risk, business risk, pension risk, reputational risk, model risk and climate risk as well as the strategic risk type of risk, which is described exclusively in qualitative terms. The risk arising from third party activities and the sustainability risk are not treated as separate risk types at HVB Group but are considered as cross-risk types and are consequently listed under “Other risks”. Investment risk is mapped by market risk and credit risk.

Real estate risk

A fundamental distinction is made in real estate risk between real estate required for operations (used by the Bank) and real estate that is not used for operations (not used by the Bank).

Real estate management ensures value- and cost-optimised management, the operation of the buildings and the fulfilment of the UniCredit Bank GmbH's space requirements in terms of size, quality and cost optimisation. The longer-term orientation for real estate used by the Bank corresponds with the Bank's strategy of preferring Bank-owned properties over rented properties for own use and making such properties available for the banking operations of HVB Group at market terms on a cost-optimised basis.

The main risks for the Bank-owned portfolio primarily stem from the development of the market value. The risk drivers are the future usage by the Bank, market rents, occupancy rate, required investment and the price development on the real estate market. ESG criteria also play an important role in portfolio strategy, maintenance decisions and investment decisions. The goal for the real estate portfolio not used by the Bank, on the other hand, is to realise the best possible value upon disposal of the portfolio; in this regard, the impact on both the income statement and the Bank's other management instruments is crucial for the individual decisions. This tallies with the overarching strategy for dealing with real estate risk.

Real estate risk is managed overall on the basis of an economic capital limit for HVB Group. In addition, economic capital limits adjusted for diversification effects were allocated to the operating segments and the relevant subsidiaries for 2025 in the context of overall bank management. Based on these limits, HVB Group defined additional early warning indicators in the form of targets and triggers in order to identify in advance any overshooting.

To quantify real estate risk, the Bank uses an empirical Bayesian model (a group-wide real estate risk model) with a confidence level of 99.90%. This model applies an expected-shortfall approach which also takes account of the possible risk of extreme values (tail risk) (i.e. losses in excess of the VaR).

The economic capital for real estate risk is measured by the Integrated Risk unit and calculated by the Data & Intelligence unit. The Credit Risk Reports & Data unit is responsible for reporting. In line with the risk strategy, quarterly risk reporting also includes a comparison of the actual values with the limits.

The economic capital for real estate risk at HVB Group, without taking account of diversification effects between the risk types, amounts to €244 million as at 31 December 2025 (31 December 2024: €254 million).

The risk figures relate to a portfolio valued at €2,049 million.

Risk Report

Breakdown of the real estate portfolio by type

	PORTFOLIO VALUE € millions		SHARE in %	
	2025	2024	2025	2024
Real estate used by the Bank	1,717	1,817	83.8	81.2
Real estate not used by the Bank	332	420	16.2	18.8
HVB Group	2,049	2,237	100.0	100.0

The impact of macroeconomic scenarios on real estate risk is analysed within the scope of the cross-risk-type stress tests.

Business risk

The strategy for business risk is based on the direction of business over the medium term and is reflected in planning. As part of its general cost and income management, each business unit is responsible for the operational management of business risk.

Business risk is managed overall on the basis of an economic capital limit for HVB Group. Based on this limit, HVB Group has additionally defined early warning indicators in the form of targets and triggers in order to identify in advance any overshooting.

HVB Group uses a group-wide model to measure the economic capital used by business risks that is based on a time series model of the quarterly income. The economic capital requirement corresponds to the unexpected loss and is quantified using value-at-risk (VaR) metrics over a period of one year and a confidence level of 99.90%.

The economic capital for the business risk is measured by the Integrated Risk unit and calculated by the Data & Intelligence unit. The Credit Risk Reports & Data unit is responsible for reporting. In line with the risk strategy, quarterly risk reporting also includes a comparison of the actual values with the limits.

The economic capital for HVB Group's business risk, without taking account of diversification effects between the risk types, amounted to 364 million as at 31 December 2025 (31 December 2024: €284 million).

The impact of macroeconomic scenarios on business risk is analysed within the scope of the cross-risk-type stress tests.

Risk Report

Pension risk

In risk management, pension risk is regularly calculated and monitored in line with the market risk method. Using a simplified procedure, historical simulations are carried out for the most important risk parameters of the various capital investments and cash flows on the commitment side. The resulting risk figure is taken into account when calculating the risk-bearing capacity with full diversification for market risk. HVB Group's total pension risk, diversified with market risk but before taking account of diversification effects with other risk types, was calculated at a value of €814 million as at 31 December 2025 (31 December 2024: €626 million). Furthermore, the effects on pension risk are regularly examined as part of the cross-risk stress tests.

Interest rate movements remain the primary driver of risk in determining the amount of recognized pension obligations. Following the sharp increase in 2022 and a modest decline in 2023, long-term yields rose again in 2024 and 2025, albeit with significant intra-year volatility. The front end of the curve was influenced by ECB rate cuts, leading to a normalization of the yield curve. Despite the downward trend in rates, inflation stayed above medium- to long-term actuarial assumptions. This resulted in corresponding pension adjustments and obligations above the actuarial assumptions already considered. The funding position improved due to higher discount rates.

Looking ahead, inflation is expected to hover near the ECB's 2% target, with the central bank likely maintaining its current stance. However, a deterioration in the economic environment could trigger further rate cuts. Current interest rate levels support returns on plan assets, particularly within fixed-income securities.

Under the base scenario, we anticipate a subdued growth environment, which should be moderately supportive for equities and corporate bonds. Nevertheless, geopolitical tensions and potential trade disputes could increase market volatility, with particularly adverse effects on equities. Additionally, there is a risk that inflation proves more persistent, prompting central banks to revert to restrictive monetary policies.

Strategic risk

As a universal bank, HVB Group is a provider of banking and financial services with a focus on Germany. It offers a comprehensive range of banking and financial products and services to private and corporate clients, public institutions and international companies, as well as institutional clients. Therefore, HVB Group's profitability and risk profile are influenced in particular by the economic development in Germany and the development of international financial and capital markets. In this context, strategic risk results from management either not recognising early enough or not correctly assessing significant developments or trends in the Bank's environment. As a consequence, fundamental management decisions could, in retrospect, prove to be disadvantageous in terms of the Bank's long-term goals. In addition, some decisions may be difficult to reverse or cannot be reversed at all. In the worst case, this can negatively impact the profitability and risk profile of HVB Group.

Risk Report

The following areas are currently classified as relevant for the occurrence of strategic risk:

- Economic environment – The stagnation of the German economy and geopolitical uncertainties such as US tariff policy or the Russia-Ukraine conflict, are creating economic uncertainties and increasing risks for the export-oriented German industry, which could have negative effects on the earnings situation of HVB Group.
- Strategic orientation of the business model of HVB Group – Delays in the required adjustments of business units could lead to imbalances in the earnings contributions of the business areas.
- Bank-specific risks – The intensification of competition in the financial sector could, for example, lead to further shifts in market shares.
- Regulatory and legal framework – Should HVB or one of its subsidiaries not fully comply with the regulatory requirements of the supervisory authorities, this could lead to sanctions by the competent supervisory authority.
- Rating of UniCredit Bank GmbH – A rating change downwards (downgrade) could make refinancing costs more expensive or have a negative impact on business opportunities as a counterparty in the interbank market or with rating-sensitive customers.

The strategic risk is not quantified as part of economic capital but is assessed qualitatively instead. This assessment is based on a traffic light system: low risk (green), increased risk (yellow) and high risk (red). Furthermore, the national and international environment in which HVB Group operates is continually monitored (for example, political, economic, regulatory or specific banking market conditions) and the Bank's own strategic positioning is continually reviewed.

Strategic risk is monitored by the Executive Board and its business managers and, if necessary, analysed in depth on an ad hoc basis. Any changes in the strategic parameters are discussed at Executive Board meetings, whereby alternative courses of action are derived and implemented as required. A dialogue with external experts (such as management consultants and independent auditors) regarding strategic issues and options at Executive Board level and below ensures the involvement of external experts' know-how.

Reputational risk

HVB and its most important subsidiaries apply a holistic approach to reputational risk management. This means that all significant new activities and transactions at the Bank are analysed with regard to reputational risk as a basic rule.

Business relationships and new transactions as well as new activities such as new product processes, outsourcing, projects and particular investments (such as special purpose vehicles) are included. The units responsible in each case are required to analyse the business relations/transactions/activities to identify any reputational risk, taking into account the existing guidelines. Once a reputational risk has been identified, the appropriate specialist departments are consulted to assess the reputational risk identified in terms of quality. The final decision based on the risk analysis and qualitative assessment is the responsibility of the Non-Financial Risk and Control Committee or the Head of Non-Financial Risks.

The individual business areas and central units are responsible for reputational risk management. Overall responsibility for monitoring rests with the Non-Financial Risks unit (CRO organisation). The Non-Financial Risks unit prepares a yearly RepRisk Report.

Risk Report

In addition, UniCredit's Group-wide method for quantifying reputational risk is used at HVB Group. For the purposes of quantification, reputation risk is defined as the impact of "negative sentiment" in the opinion-forming media (press, television, online media) on UniCredit's future profits generated by the reporting of an event that has a negative impact on the Bank's reputation.

UniCredit's method for quantifying reputational risk is based on measuring the semi-elasticity between the development of the Media Tonality Index (a measure whose development reflects changes in UniCredit's reputation) and the number of customer claims against the Bank, as well as the development of the idiosyncratic portion of the expected profits. The economic capital for reputational risk is based on the value-at-risk (VaR) measure, which is calculated at a confidence level of 99.90% and is derived from the distribution of expected declines in profit.

The economic capital for reputational risk is calculated on a quarterly basis at UniCredit corporate group level and – based on the weighted "ratio of capital for the subsidiary's operational risk to the capital for the UniCredit corporate group's operational risk" – distributed between the subsidiaries of UniCredit corporate group.

The Non-Financial Risks unit checks the results obtained from calculating the economic capital for HVB Group's reputational risk for plausibility on a quarterly basis. The method for the quantification of reputational risk is validated at regular intervals.

The economic capital for reputational risk of HVB Group, without diversification effects between the risk types, amounts to €155 million as at 31 December 2025 (31 December 2024: €146 million).

Model risk

Banking institutions increasingly employ advanced statistical and numerical models in their daily operations to ensure the effective measurement and management of risks. The estimation of model risk components is conducted within the Model Risk Management (MRM) framework for IRBA, IFRS 9, ICAAP and managerial models, which assigns a Model Risk Tier (comprehensive final assessment) to each model in scope. Under Pillar II, the model risk charge is determined based on the Model Risk Tier of the ICAAP models.

Within the framework of ICAAP calculations, as part of the diversification across all risk types, model risk is taken into account via a charge that reflects the risk of model weaknesses due to data errors, inaccurate assumptions and incorrect methodology. The estimation of this economic capital component is based on an internally developed methodology. The results of this methodology are converted into model risk percentages based on defined scoring functions. A model risk percentage is also taken into account for the risk aggregation model, which aims to estimate the diversification benefit. In this case the relevant model risk percentage is applied directly to the diversification benefit. The model risk charge is also taken into account in the limitation of economic capital.

The model risk charge amounted to €150 million as at 31 December 2025 (31 December 2024: €122 million).

Risk Report

Sustainability risk

Climate and environment (C&E) factors relate to the quality and functioning of the natural environment and systems and include factors such as climate change, biodiversity, energy consumption, environmental pollution and waste management. These are factors that can have a negative financial impact through various risk drivers.

The associated risks can be categorised into physical risks and transition risks:

- Physical risks relate to adverse financial effects from climate change – such as more frequent extreme weather events and gradual global warming – as well as environmental degradation (e.g. water and land pollution, biodiversity loss and deforestation). Physical risks are divided into “acute” risks caused by extreme weather events (such as droughts, floods and storms) and “chronic” risks caused by ongoing climate change (such as rising sea levels, loss of biodiversity, scarcity of resources). These can result, for example, directly in damage to buildings or reduced productivity.
- Transition risks relate to the financial loss to the institution that may result directly or indirectly from the process of transitioning to a low-carbon and more environment-friendly, sustainable economy. For example, this could be triggered by an abrupt shift in climate and environmental policy, technological progress or changing consumer behaviour.

Social and governance factors relate to the rights, well-being and interests of individual people and communities, including governance regulations relating to ecological and social factors in counterparties’ policies and procedures.

Sustainability risk materialises across the traditional risk types (credit risk, market risk, operational and reputational risk and liquidity risk) and is integrated into risk monitoring. Climate risk is taken into account by a charge in the course of the diversification in economic capital across risk types. This charge summarises the climate risks of all traditional risk types and is reported in total. Climate risk is also taken into account as a charge in the limitation of economic capital.

The climate risk charge amounts to €234 million as at 31 December 2025.

Risks arising from Third Party activities

Third Party Risk refers to the potential risks arising from services or activities provided to HVB Group by external parties or via intragroup arrangements. It encompasses the risk of failing to adequately manage Third Party relationships and associated risks - for example, by not implementing sufficient measures to identify and mitigate operational risks related to Third Party arrangements. Third Party Risk is linked both to the nature of the services provided and to the third party delivering them. Within HVB Group, Third Party Risk is considered a cross-risk-type and is not treated as a separate risk category. It includes risk dimensions overseen by various functions, such as Security and Data Protection.

Risk Report

In line with latest regulation (in particular, Digital Operational Resilience Act, EBA guideline on Outsourcing), the aim of Third Party Management (TPM) is to identify and govern the risks connected to Third Parties (in particular, Operational & Reputational risks) and their sources (e.g., data protection, ICT risks, cyber security, business continuity). TPM is performed through risk assessments, risk mitigating actions and contractual provisions. The Risk Assessment must be performed for Third Party arrangements using a consistent groupwide framework for inherent and residual risk scoring and categorization of Third Party arrangements (Critical or Important function/neither Critical nor Important function). It involves the Competence Centres (for example Data Protection, Business Continuity, Cyber Security) and Risk Management for validation and oversight and ensures the escalation of medium/high residual risks.

The framework for the management of Third Party arrangements is defined at UniCredit Group level by the Group Third Party Management function in line with the EBA guideline and the Digital Operational Resilience Act. The framework has been adopted at local level in Group Legal Entities including UniCredit Bank GmbH, also considering potential specificities and integrations related to local laws. All contracts with Third Parties must be compliant with internal and external requirements.

The Third Party Management Lifecycle is the comprehensive approach to manage an arrangement with a Third Party and its related risk, for its entire life, involving different structures and functions. The local Third Party Management (TPM) function has an operational oversight role. It acts as a control and coordination hub at entity level - validating classifications, approving monitoring data, supporting audits, and ensuring compliance with group standards and regulatory requirements. It does not perform first-line tasks (like due diligence or contract drafting) but ensures proper governance and reporting. Acc. to MaRisk AT9, the Outsourcing Officer responsible for the Outsourcing Management in the organisation must be appointed who must have a direct reporting line to the Management Body. In UniCredit Bank GmbH the Outsourcing Officer reports directly to the CDOO. For the management of each outsourcing and critical non-outsourcing, a responsible unit is defined as the operational Retained Organisation (opRTO) which oversees monitoring and controlling of the respective service provider, for all other Third Party arrangements the duties are with the Contract Owner. The opRTO/Contract Owner is accountable for end-to-end operational management of Third Party arrangements - classification, due diligence, risk assessment, contract preparation, monitoring, and escalation - acting as the first line of defence in UniCredit's three-lines-of-defence model. Risk Management in UniCredit Bank GmbH is responsible for defining the risk assessment framework, validating Risk Assessment results, adjusting residual risk levels, setting KRIs, and performing annual reviews. It operates as a second-level control function with authority to escalate and enforce risk mitigation measures across the Third Party lifecycle.

In HVB Group, no new critical outsourcing contract was concluded in 2025 and no Third Party arrangement was identified with Medium-High/High Residual Risk. Considering the Digital Operational Resilience Act effective since 17 January 2025 new requirements for ICT service providers were introduced, which required an evolution of the management of non-outsourcing arrangements. The ICT provider providing such a service for a critical or important function is considered critical (CIF) for the organisation. In contrast to MaRisk and EBA Guideline, the Digital Operational Resilience Act is not limited to ICT Service providers considered as Outsourcing but also to other ICT Service providers (non-Outsourcing). It imposes additional detailed requirements on governance, risk assessment, due diligence, contractual provisions, monitoring, exit strategies (including for third-country providers) also for critical non-Outsourcing arrangements. Overall, 9 DORA critical contracts have been identified in 2025.

ICS – Internal Control System

Internal control system with regard to the financial reporting process

Section 315 (4) of the German Commercial Code (Handelsgesetzbuch – HGB) requires capital market-oriented companies, as defined in Section 264d HGB, to describe the main features of their Internal Control System (ICS) and Risk Management System (RMS) with regard to the financial reporting process.

As part of the UniCredit corporate group, HVB Group is also obliged to comply with Italian Law 262 of 2005 ("Savings Law" – Law 262/2005 and Legislative Decree 303/2006 – based on the American law "Sarbanes-Oxley Act"; Law 262). In addition to Finance's internal controls, there are further control steps in the upstream processes and organisations.

According to Italian and German legislation, the accounting-relevant sub-aspect of the Internal Control System (ICS) of UniCredit Bank GmbH is required in particular and is detailed below for both legal requirements.

Definitions and objectives

The accounting relevant Internal Control System (ICS) encompasses the policies, processes and measures needed to ensure the financial reporting process including the related reporting, as well as compliance with the applicable legal provisions. It is intended to ensure that internal and external financial reports are correct and reliable and that the essential balance sheet and profit and loss statements are correctly recognised, reported and measured.

Risks with regard to the financial reporting process might, for example, involve human processing errors, system weaknesses or fraudulent conduct resulting in significant financial misrepresentations or delays in financial reporting, and these might not give a true and fair view of the assets, liabilities, financial position and profit or loss. These risks might possibly entail legal penalties and, in addition, the erosion of stakeholders' confidence and thus damage to the Bank's reputation. The purpose of the ICS with regard to the financial reporting process is the implementation, the documentation and evidence of suitable controls, that ensure with an adequate degree of certainty that the annual and consolidated financial statements together with the Combined Management Report are prepared in compliance with regulations despite the potential risks.

The risk management system is formulated in broad terms and relates above all to strategic management, the identification, quantification, assessment, monitoring and active management of risk. The ensuing coordination of risk-management, risk-controlling and risk-monitoring processes in HVB Group is presented in the Risk Report in the present Combined Management Report. The respective risk types are described in detail in the sections entitled "Risk types" and "Risk types in detail".

ICS – Internal Control System

The methodology of the ICS applied throughout the corporate group for the accounting process and thus the periodic updating and certification of essential processes, including risk and control assessments, is based on the international "Internal Control - Integrated Framework" of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. In this context, it is important to define specific objectives for the promotion and systematisation of an accounting-relevant control system and to monitor the effectiveness of the control system on the basis of these. Among other things, these include the following criteria:

- Accuracy, existence (balance sheet) and realisation (profit- and loss account): Correct accounting and presentation of the relevant transactions according to the accounting documents in the respective application systems and in the financial reports
- Completeness: Complete recording of material assets and liabilities, expenses and income, transactions or events that have an impact on accounting and financial reporting
- Rights and obligations: Ensuring the legal verifiability of the accounting entries made
- Valuation and measurement: Appropriate value and accrual accounting of the relevant transactions
- Presentation and publication: Correct and timely presentation and disclosure of financial reports.

Even the extensive structuring of the ICS can naturally only ensure that the objectives of the ICS are achieved with reasonable assurance but not with absolute certainty. The documented and carried out controls within the framework of the ICS for the relevant processes or systems are therefore unable to completely rule out mistakes or fraudulent actions. It must also be taken into account in this context that the work performed and spending on the ICS must be commensurate with the benefits achieved.

ICS organisation

The Executive Board determines the extent and orientation of the ICS specifically geared to HVB Group, taking measures to refine the systems and adapt them to changing conditions. At its meetings, the Executive Board discusses the monitoring of key projects and measures related to the ICS on a regular basis, particularly focusing on monitoring of the remediation of findings from internal and external audits.

Responsibility for the financial reporting process and, in particular, for the preparation of the annual and consolidated financial statements rests with the Finance organisation under the management of the Chief Financial Officer (CFO). Finance receives significant support in this context from the Chief Risk Officer (CRO) by the CRO also assuming responsibility for the measurement of financial instruments (receivables, securities and derivatives), among other things.

The Finance organisation is also supported in the technical process of preparing the financial statements by the Human Resources department (recognition and measurement of payroll expenses), the Real Estate area (property valuations, among other things), the Legal department (recognition and measurement of legal disputes and other legal risks) and external third parties. The latter essentially extend to various expert opinions of external service providers relating to such things as the measurement and accounting treatment of pension provisions.

Technical system support for the application systems used in Accounting and especially in connection with preparing the financial statements has been outsourced to UniCredit S.p.A. This is monitored and managed by the Retained Organisation in the Digital & Operations business area.

ICS – Internal Control System

Organisational structure and tasks of the Finance organisation

For financial reporting processes, Finance is essentially broken down into the following areas:

HVB's financial reporting including foreign branches is conducted by the Financial & Regulatory Disclosure (CFF) area. This area has functional responsibility for the accounting systems employed by HVB. At the same time, the CFF area is responsible for the fundamental accounting issues concerning IFRS and HGB and is also in charge of preparation of the financial statements and financial reporting in the annual reports of HVB and HVB Group. In addition, accounting for subsidiaries as well as for HVB's property portfolio, the administration of shareholdings for financial reporting purposes and the regulatory reporting for HVB Group to the banking supervisory authorities are positioned in this area.

The tax area (CFT) monitors compliance with tax laws on the one hand and on the other hand, advises the Executive Board, the business lines and the competence lines on tax-related concerns of HVB, including its foreign branches.

The area Performance Monitoring & Planning (CCP) is entrusted with the business steering of the HVB Group. This area has process responsibility for the preparation of income budgets and income projections as well as the preparation and validation of the internal segment report in accordance with IFRS. Moreover, the business area-related controlling areas for all the segments excluding the Corporate Center are assigned to the Performance Monitoring & Planning area. The reconciliation of the result for Client Risk Management is carried out between Performance Monitoring & Planning and Accounting. The reconciliation of the result for Treasury is carried out between Accounting and Balance Sheet Management.

In addition, the Data & Intelligence area, which is positioned outside the Finance Organisation, is responsible for data and information governance in coordination with Group Data & Intelligence. In addition, significant parts of the data production for the Finance area are amalgamated in Data & Intelligence to achieve a continual improvement in data quality. This area also has responsibility for the implementation of various IT projects relating to financial reporting.

Controls in the ICS for risk minimisation

Based on the requirements under Law 262 and the legal requirements of the German Commercial Code, a number of financial reporting- and accounting relevant processes complete with the essential risks and controls that these include are documented, updated every six months and internally certified in the course of implementing the accounting relevant ICS at HVB Group. To reduce material risks of misrepresentation in financial reporting, preventive and investigative controls are carried out that are documented in process descriptions. Compliance with the separation of functions and with approval authority regulations is ensured when defining controls. Controls comprise both manually operated system-based controls and purely manual controls.

The focus of risk and control analysis is on identifying and evaluating the material accounting relevant risks and controls. Identified risk potential is to be sufficiently reduced through defined controls. In periodic representative spot checks, those responsible for the controls document the implementation of these controls and provide adequate records. If no controls are implemented or if controls are identified that do not sufficiently reduce risk, or there is insufficient documentation of the controls, measures are initiated to eliminate the identified control weaknesses. The timely implementation and documentation of these measures are reviewed on a quarterly basis.

ICS – Internal Control System

In a half-yearly two-stage internal certification process, the management of the areas in charge of processes and controls confirms to the Executive Board of HVB Group that financial reporting- and accounting relevant controls have been carried out and documented adequately. The Executive Board delegates the formal signing of the certification documents to the Spokesperson of the Management Board (CEO) and the Chief Financial Officer (CFO); based on this, the documentation is then transmitted to UniCredit S.p.A.

Furthermore, an annual analysis is carried out on the basis of company level controls. This is a list of questions based on the international COSO framework, the answers to which are used to check the existence of comprehensive control measures in HVB Group that are suitable for reducing the risk of misrepresentation to third parties or manual errors in relation to accounting.

The controls cover the aspects of the ICS described below:

Group-posting and accounting rules

Group posting and accounting rules defined in the UniCredit Group Accounting Manual (GAM), which is valid for the Group as a whole, serve to ensure consistent financial reporting about the Group's business activities. In addition, there are general accounting rules set out in the Bank-wide Operating Guidelines, the application of which is mandatory for all process participants.

SAP-Balance-Analyzer und Business Warehouse (Standardsoftware)

HVB uses SAP AG's standard SAP Balance Analyzer and Business Warehouse software to prepare its annual financial statements. The SAP Balance Analyzer concept is based on the mainly automated uploading of individual transaction data from the upstream systems relevant to financial reporting (sub-ledger). The items provided by the upstream systems are reconciled and an automatic comparison of the totals with the general ledger account balances is carried out, which serves as proof of the completeness of items in the income statement and in the balance sheet. Accounting collates the data relevant to the financial statements. At the same time, it also corrects errors and carries out manual entries of one-off transactions and closing entries. Adjustments and closing entries are carried out by authorised persons in accordance with the dual control principle. Furthermore, deviation analyses are conducted at item level to minimise the risk of error and incomplete data. Controls between the upstream systems (e.g. EuroSIG) and the general ledger have been outsourced to UniCredit S.p.A. via additional service level agreements (SLAs) for first level controls. Another technical review takes place in the Data & Intelligence and Accounting areas as a second level control.

Securities, derivatives and other trade-related transactions

The ICS for securities, derivatives and other trading-related transactions also comprises the following components:

- The allocation of transactions to holding categories compliant with IFRS and HGB is primarily governed by the orientation of the operating units. The holding category for each (trading) book and the trading strategy pursued are determined individually. Accounting is involved as an authorising body to ensure compliance with individual requirements for classification according to the respective accounting standard.
- Requirements for accounting entries based on the respective holding category – initiated by transactions – are defined in the accounting systems.
- The income calculated for financial reporting purposes is reconciled on a monthly basis by comparing it with the result of the economic income statement that serves as the basis for the daily information provided to the Executive Board. Following this, the results are analysed and comments made on the content of the deviation analysis.

ICS – Internal Control System

- Risk Controlling, which reports to the CRO, performs several tasks in connection with ensuring measurement and other information relevant to the financial statements (for example: level allocation) of the financial instruments mentioned above. Firstly, Risk Controlling checks transactions to ensure their compliance with market pricing. Secondly, Risk Controlling validates the measurement of financial instruments in front office systems. Depending on market parameters and asset classes, market data are supplied by both the Trading area and external sources such as Bloomberg, Reuters, MarkIt and others. Measurement adjustments and measurements based on estimates are agreed between the CRO and Finance areas.
- In line with the separation of functions, the back office handles the processing of HVB trades. External service providers have been engaged to process securities transactions in Germany and for the Milan branch. This ensures that trades are processed independently of the Trading area.

Securities, derivatives and other trading-related transactions with a credit risk are subject to a comprehensive risk management, risk control and risk monitoring process. Please refer to the Risk Report in this Combined Management Report for further information.

Internal control system (ICS) in the area of Credit Risk

The ICS for credit risks ensures that all relevant processes for credit lending, credit monitoring and the creation of value adjustments are carried out in a uniform, transparent and compliant way. Clear responsibilities and approval paths are therefore defined by the governance structure.

Credit review and approval are carried out according to standardized procedures using internal rating and scoring models. These determine the probability of default (PD), the loss given default (LGD) and exposure at default (EAD). The classification according to IFRS 9 in stages 1, 2 and 3 and calculation of the expected loss (EL) is based on predefined criteria. Continuous monitoring of individual exposures and portfolios is supported by early warning indicators, stress tests and scenario analyses. These instruments serve to identify potential risks at an early stage and to derive appropriate measures. The determination of value adjustments (both portfolio and individual value adjustments) is carried out according to clear guidelines and is an integral part of risk management. The results of credit decision-making, monitoring and impairment processes are directly incorporated into the financial report's figures. Defined control mechanisms ensure that the data is included in the financial reporting in a complete, correct and timely manner. This control environment ensures the reliability of credit risk data and supports compliance with regulatory requirements and the quality of the management report.

New product process

A cross-area new product process is in place for launching new products, which is described in the operating instructions (ZAD). The products relevant for a new product process are addressed in this. The process involves all the areas concerned as these must give their approval or have veto rights and are authorised to enforce adjustments and restrictions, and even discontinue the new product process.

ICS – Internal Control System

Consolidated Financial Statements

The Consolidated Financial Statements prepared in accordance with IFRS are based on the standalone financial statements of HVB, the subsidiaries included in the consolidated financial statements and special purpose entities on the basis of local accounting rules. These financial statements are adjusted specifically for HVB Group in line with the group-wide UniCredit accounting principles and then reconciled with uniform corporate group standards by the reporting companies and at the same time transformed to comply with the corporate group's chart of accounts. The figures for the consolidated financial statements and the subsequent consolidated entries are collected and reported using the TAGETIK CPM consolidation system marketed by Wolters Kluwer N.V. This is used across the entire corporate group and networked across all Group companies.

After the figures have been entered in or transferred to this system by the Group companies, the system is closed for further entries in line with the phases of the consolidation process. These data may only be changed in exceptional circumstances, as agreed with the subsidiary concerned. The consolidation process includes system-based validation checks at a wide range of levels to reduce the risk of error. In addition, validation checks are carried out on a regular basis.

The figures presented in the consolidated balance sheet and consolidated income statement are validated by analysing deviations from historical comparative figures and budget figures. This validation also takes place over the entire course of the reporting year as part of the ongoing process of preparing the monthly and quarterly financial statements. In addition, the data are also verified by analysing the segment report.

Presentation and Disclosure

With regard to the presentation and disclosure of financial reporting-related data in financial reports, controls have been implemented to ensure compliance with disclosure duties. This is carried out through the use of checklists and through the review and approval of the data by management personnel.

Application Systems

UniCredit S.p.A. carries out the back-up and archiving of data from financial reporting application systems under the responsibility of the CFO in accordance with Section 257 HGB in conjunction with Sections 238 and 239 HGB and in accordance with German Generally Accepted Accounting Principles (GAAP) under the supervision of the Retained Organisation and the respective banking expert responsible.

The required protection against unauthorised access and compliance with the separation of functions when using the Bank's financial reporting application systems are ensured in particular by requesting and periodically monitoring individual rights in the authorisation management systems. For example, special approval is provided for SAP rights across the board by the functional units responsible for the application. Individual rights are limited to a maximum period of one year.

Continuity Plans

Furthermore, continuity plans are in place to ensure the availability of human and technical resources to handle the processes involved in financial reporting. These continuity plans are reviewed regularly and on an ad hoc basis.

ICS – Internal Control System

Monitoring the effectiveness of the ICS

Internal Audit

The Internal Audit area is a process-independent instrument of the Executive Board as a whole, to which it reports directly. According to its internal regulations, the Executive Board bears overall responsibility for setting up the Internal Audit area and ensuring that it functions properly. In the reporting year, operational responsibility for the audit function was assigned to the Spokesman/Spokeswoman of the Executive Board (CEO).

The Internal Audit area is generally responsible for the risk-oriented, process-independent auditing and assessment of the effectiveness and adequacy of risk management in general and the internal control system in particular as well as the compliance of all activities and processes, regardless of whether they are outsourced or not. Where applicable, the outsourced activities are audited by the internal audit function of the service provider.

For this purpose, the Internal Audit area carries out a risk-based selection to determine the timing and prioritization of individual activities and processes. The Minimum Requirements for Risk Management (MaRisk) stipulate that all activities and processes must be audited at least every three years. In the case of activities and processes deemed to be of lower priority in terms of risk, it is possible to deviate from the three-year cycle. Activities and processes subject to high levels of risk are audited at least once a year. The risk classification of activities and processes is reviewed on a regular basis. If the need arises or it is instructed to do so, the Internal Audit area may also carry out tasks at subsidiaries.

The Bank's Internal Audit area is particularly responsible for reviewing and assessing the following aspects:

- functionality, effectiveness and adequacy of the internal control system
- applications, functionality, effectiveness and adequacy of the risk management and risk control systems, reporting, information systems, and finance and accounting
- compliance with legal and regulatory requirements as well as other regulations
- adherence to internal operational guidelines, rules and regulations
- compliance of activities and processes
- rules and measures for safeguarding assets

While audit reports are submitted to audited units and the Executive Board members responsible for these, the Executive Board as a whole receives quarterly reports and an annual report which provide an overview of audit findings as well as findings classified as medium-high and high (material/=significant or higher-rated/severe/particularly severe deficiencies according to MaRisk), the measures taken and their current implementation status.

The Head of the Internal Audit area informs the Audit Committee of the Supervisory Board on a quarterly basis during their meetings about the findings classified as medium-high and high of the audits carried out by the Internal Audit area. The high category corresponds to findings that are classified as material or higher according to MaRisk.

ICS – Internal Control System

Supervisory Board

It is the task of the Supervisory Board to advise the Executive Board on the management of the Bank and monitor it as it conducts its business. Particularly with respect to the monitoring of the financial reporting process and the effectiveness of the ICS, the Supervisory Board receives support from the Audit Committee pursuant to Section 24 (2) s.2 of the German Act on the Co-determination of Employees in Cross-border Mergers (Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung – MgVG) in conjunction with Section 107 (3) of the German Stock Corporation Act (Aktiengesetz – AktG) and Section 25d (9) Nos. 1 and 2 of the German Banking Act (Kreditwesengesetz – KWG) in conjunction with Article 9 (2) of HVB's Articles of Association. In this context, the Audit Committee also addresses the ICS in connection with the financial reporting process. Furthermore, the Supervisory Board – and, in a preparatory role, the Audit Committee – is itself integrated into the financial reporting processes through its monitoring of the financial reporting by reviewing and approving the annual and consolidated financial statements, the Combined Management Report as well as the proposal for the appropriation of profit. In addition, the Audit Committee and the Supervisory Board discuss the interim financial information with the Executive Board as such information becomes available throughout the year.

Refinement of the ICS

When changes are made to legal provisions and regulations for financial reporting, they must be assessed to determine what consequences, if any, they have for financial reporting processes. In the case of amendments or new regulations that would have an impact on accounting processes, an assessment is carried out to determine which measures, such as IT adaptations, working procedures, accounting entry instructions and the effects on financial reporting across all departments and areas, need to be taken into account.

The accounting-relevant ICS is continuously developed by the process and control owner through the semi-annual review and update of the documented processes, where necessary. The quantitative and qualitative scope is continuously sharpened by regular internal quality assurance measures and by actively incorporating feedback to the findings of the internal and external audits.

Consolidated Statement of Total Comprehensive Income

Consolidated Income Statement

INCOME/EXPENSE (€ millions)	NOTE	1/1-31/12/2025	1/1-31/12/2024
Interest income		7,065	8,959
of which calculated using the effective interest method (based on classification according to IFRS 9)		6,632	7,828
Negative interest on financial assets		—	(4)
Interest expense		(4,292)	(6,349)
Negative interest on financial liabilities		2	2
Net interest	37	2,775	2,608
Dividends and other income from equity investments	38	35	33
Net fees and commissions	39	1,190	1,206
Net trading income	40	1,109	1,405
Net gains/(losses) on financial assets and liabilities at fair value	41	235	107
Net gains/(losses) on derecognition of financial instruments measured at cost	42	46	8
Net other expenses/income	43	132	101
Payroll costs		(1,170)	(1,225)
Other administrative expenses		(918)	(1,006)
Amortisation, depreciation and impairment losses on intangible and tangible assets		(75)	(87)
Operating costs	44	(2,163)	(2,318)
Net write-downs of loans and provisions for guarantees and commitments	45	(223)	(270)
Provisions for risks and charges	46	11	27
Restructuring costs	47	(109)	(114)
Net gains/(losses) on remeasurement of consolidated companies	48	2	(3)
PROFIT/(LOSS) BEFORE TAX		3,040	2,790
Income tax for the period	49	(914)	(870)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))		2,126	1,920
attributable to the shareholder of UniCredit Bank GmbH		2,126	1,920
attributable to minorities		—	—

Consolidated Statement of Total Comprehensive Income

Consolidated Statement of Total Comprehensive Income

€ millions	1/1-31/12/2025	1/1-31/12/2024
Profit/(loss) after tax recognised in the income statement (consolidated profit/(loss))	2,126	1,920
Income and expenses recognised in other comprehensive income		
Income and expenses not to be reclassified to the income statement in future periods		
Actuarial profit/(loss) on defined benefit plans (pension commitments)	246	(129)
Allocation to/withdrawal from the revaluation surplus for owner-occupied property (IAS 16)	(24)	(48)
Change in the fair value of financial liabilities at FVTPL attributable to changes in the default risk (own credit spread reserve)	21	11
Other changes	—	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	(109)	52
Income and expenses to be reclassified to the income statement in future periods		
Changes from foreign currency translation	(21)	10
Changes in the measurement of financial instruments (hedge reserve)	(9)	12
Unrealised gains/(losses)	(9)	12
Gains/(losses) reclassified to the income statement	—	—
Changes in the measurement of financial instruments at FVTOCI (FVTOCI reserve)	94	(105)
Unrealised gains/(losses)	93	(85)
Gains/(losses) reclassified to the income statement	1	(20)
Other changes	—	—
Taxes on income and expenses to be reclassified to the income statement in future periods	(27)	29
Total income and expenses recognised in equity through other comprehensive income	171	(168)
Total comprehensive income	2,297	1,752
of which:		
attributable to the shareholder of UniCredit Bank GmbH	2,297	1,752
attributable to minorities	—	—

Consolidated Balance Sheet

ASSETS (€ millions)	NOTE	31/12/2025	31/12/2024
Cash and cash balances	50	6,311	6,905
Financial assets held for trading	51	60,751	68,356
Financial assets at FVTPL	52	2,072	2,463
Financial assets at FVTOCI	53	14,082	13,896
Loans and receivables with banks (at cost)	54	23,742	24,219
Loans and receivables with customers (at cost)	55	169,191	162,565
Hedging derivatives	57	7,156	7,851
Hedge adjustment of hedged items in the portfolio fair value hedge		(936)	(58)
Investments in associates and joint ventures accounted for using the equity method	58	20	17
Property, plant and equipment	59	1,818	1,892
Investment properties	60	175	179
Intangible assets	61	27	39
Tax assets		710	771
Current tax assets		203	91
Deferred tax assets		507	680
Non-current assets or disposal groups held for sale	62	154	180
Other assets	63	996	955
TOTAL ASSETS		286,269	290,230

LIABILITIES (€ millions)	NOTE	31/12/2025	31/12/2024
Deposits from banks	65	30,824	30,476
Deposits from customers	66	145,326	142,609
Debt securities in issue	67	33,155	33,584
Financial liabilities held for trading	68	43,996	48,659
Financial liabilities at FVTPL	69	2,962	3,563
Hedging derivatives	70	8,798	10,370
Hedge adjustment of hedged items in the portfolio fair value hedge	71	(3,418)	(3,452)
Tax liabilities		1,754	1,340
Current tax liabilities		1,694	1,277
Deferred tax liabilities		60	63
Liabilities of disposal groups held for sale	72	—	—
Other liabilities	73	1,413	1,631
Provisions	74	1,287	1,557
Shareholders' equity	75	20,172	19,893
Shareholders' equity attributable to the shareholder of UniCredit Bank GmbH		18,482	18,203
Subscribed capital (share capital)		2,407	2,407
Additional paid-in capital		9,791	9,791
Other reserves		4,165	4,131
Currency reserves		7	28
Changes in valuation of financial instruments		(16)	(74)
Hedge reserve		—	6
FVTOCI reserve		(16)	(80)
Profit available for distribution		2,128	1,920
Additional equity instruments		1,700	1,700
Minority interests		(10)	(10)
TOTAL LIABILITIES		286,269	290,230

Consolidated Balance Sheet

In the 2025 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 €2,128 million. This comprises the net income generated in the reporting year of €2,000 million as well as a withdrawal from other retained earnings of €128 million. We will propose to the Shareholders' Meeting that the profit available for distribution of €2,128 million be paid to UniCredit S.p.A. (UniCredit), Milan, Italy. This represents a profit distribution of around €2.65 per share after around €2.39 per share for the 2024 financial year. The profit available for distribution of €1,920 million reported in the previous year was paid to UniCredit S.p.A. on 13 October 2025 in accordance with a resolution adopted by the Shareholders' Meeting on 25 March 2025.

Statement of Changes in Consolidated Shareholders' Equity

€ millions	SUBSCRIBED CAPITAL (SHARE CAPITAL)	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES				CURRENCY RESERVE
			TOTAL OTHER RESERVES	OF WHICH OWN CREDIT SPREAD	OF WHICH REVALUATION RESERVE FOR OWN PROPERTIES	OF WHICH PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)	
Shareholders' equity as at 1/1/2025	2,407	9,791	4,131	(27)	758	(1,213)	28
Consolidated profit/(loss) recognised in the consolidated income statement	—	—	—	—	—	—	—
Total income and expenses recognised in equity through other comprehensive income³	—	—	134	14	24	96	(21)
Unrealised gains/(losses) due to changes in measurement	—	—	(2)	14	(16)	—	—
Gains/(losses) reclassified to the income statement	—	—	—	—	—	—	—
Actuarial gains/(losses) on defined benefit plans	—	—	167	—	—	167	—
Changes from foreign currency translation	—	—	—	—	—	—	(21)
Other changes	—	—	(31)	—	40	(71)	—
Total other changes in equity	—	—	(100)	—	(6)	—	—
Capital increase	—	—	—	—	—	—	—
Reclassification from equity reserves to retained earnings	—	—	—	—	(6)	—	—
Dividend payouts	—	—	—	—	—	—	—
Payouts on additional equity instruments	—	—	(99)	—	—	—	—
Transfers to/withdrawals from consolidated profit available for distribution	—	—	(2)	—	—	—	—
Changes in group of consolidated companies	—	—	—	—	—	—	—
Capital decreases	—	—	—	—	—	—	—
Other changes	—	—	1	—	—	—	—
Shareholders' equity as at 31/12/2025	2,407	9,791	4,165	(13)	776	(1,117)	7
Shareholders' equity as at 1/1/2024	2,407	9,791	4,319	(34)	822	(1,125)	18
Consolidated profit/(loss) recognised in the consolidated income statement	—	—	—	—	—	—	—
Total income and expenses recognised in equity through other comprehensive income³	—	—	(114)	7	(33)	(88)	10
Unrealised gains/(losses) due to changes in measurement	—	—	(26)	7	(33)	—	—
Gains/(losses) reclassified to the income statement	—	—	—	—	—	—	—
Actuarial gains/(losses) on defined benefit plans	—	—	(88)	—	—	(88)	—
Changes from foreign currency translation	—	—	—	—	—	—	10
Other changes	—	—	—	—	—	—	—
Total other changes in equity	—	—	(74)	—	(31)	—	—
Capital increase	—	—	—	—	—	—	—
Reclassification from equity reserves to retained earnings	—	—	—	—	(5)	—	—
Dividend payouts	—	—	—	—	—	—	—
Payouts on additional equity instruments	—	—	(99)	—	—	—	—
Transfers to/withdrawals from consolidated profit available for distribution	—	—	—	—	—	—	—
Changes in group of consolidated companies	—	—	25	—	—	—	—
Capital decreases	—	—	—	—	—	—	—
Other changes	—	—	—	—	(26)	—	—
Shareholders' equity as at 31/12/2024	2,407	9,791	4,131	(27)	758	(1,213)	28

1 The Shareholders' Meeting of 25 March 2025 resolved to distribute the 2024 profit available for distribution to our sole shareholder UniCredit S.p.A. (UniCredit), Milan, Italy.
The Annual General Meeting of 25 March 2024 resolved to distribute the 2023 profit available for distribution to our sole shareholder UniCredit S.p.A. (UniCredit), Milan, Italy.

2 Attributable to the shareholder UniCredit Bank GmbH.

3 Recognised through the consolidated statement of total comprehensive income.

4 Instruments are held entirely by UniCredit S.p.A.

Statement of Changes in Consolidated Shareholders' Equity

€ millions	CHANGE IN MEASUREMENT OF FINANCIAL INSTRUMENTS		PROFIT AVAILABLE FOR DISTRIBUTION ¹	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDER OF HVB ²	ADDITIONAL EQUITY INSTRUMENTS ⁴	MINORITY INTERESTS	TOTAL SHAREHOLDERS' EQUITY
	HEDGE RESERVE	FVTOCI RESERVE					
Shareholders' equity as at 1/1/2025	6	(80)	1,920	18,203	1,700	(10)	19,893
Consolidated profit/(loss) recognised in the consolidated income statement	—	—	2,126	2,126	—	—	2,126
Total income and expenses recognised in equity through other comprehensive income ³	(6)	64	—	171	—	—	171
Unrealised gains/(losses) due to changes in measurement	(6)	64	—	56	—	—	56
Gains/(losses) reclassified to the income statement	—	1	—	1	—	—	1
Actuarial gains/(losses) on defined benefit plans	—	—	—	167	—	—	167
Changes from foreign currency translation	—	—	—	(21)	—	—	(21)
Other changes	—	(1)	—	(32)	—	—	(32)
Total other changes in equity	—	—	(1,918)	(2,018)	—	—	(2,018)
Capital increase	—	—	—	—	—	—	—
Reclassification from equity reserves to retained earnings	—	—	—	—	—	—	—
Dividend payouts	—	—	(1,920)	(1,920)	—	—	(1,920)
Payouts on additional equity instruments	—	—	—	(99)	—	—	(99)
Transfers to/withdrawals from consolidated profit available for distribution	—	—	2	—	—	—	—
Changes in group of consolidated companies	—	—	—	—	—	—	—
Capital decreases	—	—	—	—	—	—	—
Other changes	—	—	—	1	—	—	1
Shareholders' equity as at 31/12/2025	—	(16)	2,128	18,482	1,700	(10)	20,172
Shareholders' equity as at 1/1/2024	(2)	(8)	1,725	18,250	1,700	(10)	19,940
Consolidated profit/(loss) recognised in the consolidated income statement	—	—	1,920	1,920	—	—	1,920
Total income and expenses recognised in equity through other comprehensive income ³	8	(72)	—	(168)	—	—	(168)
Unrealised gains/(losses) due to changes in measurement	8	(58)	—	(76)	—	—	(76)
Gains/(losses) reclassified to the income statement	—	(14)	—	(14)	—	—	(14)
Actuarial gains/(losses) on defined benefit plans	—	—	—	(88)	—	—	(88)
Changes from foreign currency translation	—	—	—	10	—	—	10
Other changes	—	—	—	—	—	—	—
Total other changes in equity	—	—	(1,725)	(1,799)	—	—	(1,799)
Capital increase	—	—	—	—	—	—	—
Reclassification from equity reserves to retained earnings	—	—	—	—	—	—	—
Dividend payouts	—	—	(1,725)	(1,725)	—	—	(1,725)
Payouts on additional equity instruments	—	—	—	(99)	—	—	(99)
Transfers to/withdrawals from consolidated profit available for distribution	—	—	—	—	—	—	—
Changes in group of consolidated companies	—	—	—	25	—	—	25
Capital decreases	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	—
Shareholders' equity as at 31/12/2024	6	(80)	1,920	18,203	1,700	(10)	19,893

Consolidated Cash Flow Statement

€ millions	2025	2024
CONSOLIDATED PROFIT/(LOSS)	2,126	1,920
Write-downs, provisions for losses on, and write-ups of, loans and receivables and additions to provisions for losses on guarantees and indemnities	309	313
Write-downs and depreciation less write-ups on non-current assets	77	99
Change in other non-cash positions	6,061	4,207
Gains/(losses) on the disposal of non-current assets	(2)	(1)
Other adjustments (net interest and dividend income from the income statement, taxes on income paid)	(2,732)	(2,660)
Subtotal	5,839	3,878
Change in assets and liabilities from operating activities after correction for non-cash components		
Increase in assets/decrease in liabilities (-)		
Decrease in assets/increase in liabilities (+)		
Financial assets held for trading	(3,444)	1,110
Financial assets at FVTPL	391	752
Financial assets at FVTOCI	(91)	(4,748)
Loans and receivables with banks (at cost)	465	(4,701)
Loans and receivables with customers (at cost)	(6,814)	(8,427)
Other assets from operating activities	(161)	247
Deposits from banks	343	(4,888)
Deposits from customers	2,667	3,084
Debt securities in issue	364	(707)
Other liabilities from operating activities	44	(2,861)
Taxes on income	(397)	(228)
Interest received	7,036	8,935
Interest paid	(4,328)	(6,495)
Dividends received	384	378
CASH FLOW FROM OPERATING ACTIVITIES	2,298	(14,671)
Proceeds from the sale of investments	(5)	73
Proceeds from the sale of property, plant and equipment	37	109
Payments for the acquisition of investments	(3)	(5)
Payments for the acquisition of property, plant and equipment	(48)	(84)
Effects of the change in the group of companies included in consolidation	—	41
Effect of the disposal of discontinued operations	—	—
CASH FLOW FROM INVESTING ACTIVITIES	(19)	134
Change in additional paid-in capital	—	—
Dividend payments	(1,920)	(1,725)
Issue of subordinated liabilities and hybrid capital	—	—
Payouts on additional equity instruments (after tax)	(99)	(99)
Repayment/buy-back of subordinated liabilities and hybrid capital	(815)	(12)
Changes in cash from other change in equity	(39)	(15)
CASH FLOW FROM FINANCING ACTIVITIES	(2,873)	(1,851)
CASH AND CASH EQUIVALENTS AT END OF PREVIOUS PERIOD	6,905	23,293
CASH FLOW FROM OPERATING ACTIVITIES	2,298	(14,671)
CASH FLOW FROM INVESTING ACTIVITIES	(19)	134
CASH FLOW FROM FINANCING ACTIVITIES	(2,873)	(1,851)
Effects of exchange rate changes	—	—
Less non-current assets or disposal groups held for sale	—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,311	6,905

Legal Basis

Details of the company

Company name	UniCredit Bank GmbH
Legal form of the company	Gesellschaft mit beschränkter 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 HRB 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.

UniCredit Bank GmbH (HVB) is an affiliated company of UniCredit S.p.A., Milan, Italy in whose consolidated financial statements HVB Group is included. These are published on the UniCredit corporate group's website at the following address: <https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html>.

Further information on the Bank's products and services is provided in the Note "Components of segment reporting by operating segment" in the notes to these consolidated financial statements.

As a capital market-oriented company, HVB prepares its financial statements in accordance with the requirements of the International Accounting Standards Board (IASB) in the version adopted by the EU. This provides a reliable and internationally comparable basis for evaluating the assets, liabilities, financial position and profit or loss of HVB Group. Our value-based management is similarly based on these accounting principles.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (IAS Regulation) together with further regulations regarding the adoption of certain IFRS within the framework of the EU endorsement in conjunction with Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) as non-exempt consolidated financial statements compliant with Section 4 of the IAS Regulation. Besides the standards defined as IFRS, the IFRS also comprise the existing International Accounting Standards (IAS) together with the interpretations known as IFRIC and SIC of the IFRS Interpretations Committee (IFRS IC) and its predecessor organisation. All the standards and interpretations subject to mandatory application in the EU for the 2025 financial year have been applied. Section 315e HGB also contains national regulations to be applied alongside the IFRS by capital market-oriented companies.

The present consolidated financial statements were prepared by HVB's Executive Board on 27 February 2026 and will be submitted to the Supervisory Board on 11 March 2026 for approval.

Legal Basis

UniCredit Bank GmbH (HVB) has exercised the option provided by Section 315 (5) HGB in conjunction with Section 298 (2) HGB and has combined HVB's Management Report with HVB Group's Management's Discussion and Analysis.

The Combined Management Report meets the requirements of Section 315 (1) and (4) HGB and incorporates a risk report pursuant to Section 315 (2) No. 1 HGB.

Compliant with Section 264b HGB, the following partnerships are exempted from the obligation to prepare a management report and publish their annual financial statements:

- Gemma Verwaltungsgesellschaft mbH & Co. Vermietungs-KG
- H.F.S. Leasingfonds Deutschland 7 GmbH & Co. KG, Munich
- Omnia Grundstücks-GmbH & Co. Objekt Haidenauplatz KG, Munich
- Othmarschen Park Hamburg GmbH & Co. Gewerbepark KG, Munich
- TERRENO Grundstücksverwaltung GmbH & Co. Entwicklungs- und Finanzierungsvermittlungs KG, Munich
- Vermietungsgesellschaft mbH & Co. Objekt MOC KG, Munich

Compliant with Section 264 (3) HGB, the following corporations are exempted from the obligation to prepare a management report and publish their annual financial statements:

- Argentaurus Immobilien-Vermietungs- und Verwaltungs GmbH, Munich
- HVB Immobilien AG, Munich
- HVB Projekt GmbH, Munich
- HVB Tecta GmbH, Munich
- HVB Verwa 4.4 GmbH, Munich
- UniCredit Direct Services GmbH, Munich

Accounting and Valuation

1 Reporting date/period

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

2 Uniform Group accounting policies

The individual financial statements of the domestic and foreign subsidiaries are incorporated in the consolidated financial statements of HVB Group in accordance with uniform accounting and valuation principles.

3 Consistency

In accordance with the International Financial Reporting Standards (IFRS) framework together with IAS 1 and IAS 8, the accounting, valuation and disclosure policies are applied consistently from one period to the next. Any changes in accounting policies are discussed, where necessary, as follows, and the first-time adoption of new or amended IFRS accounting rules is described in the Note “First-time adoption of new IFRS accounting rules”. Where significant accounting and valuation errors from earlier periods are corrected, the amounts involved are adjusted retroactively as a general rule. Where retroactive adjustment is not possible in exceptional circumstances, the amounts involved are adjusted against retained earnings. Where we effect changes in accounting and valuation policies, any resulting adjustments are similarly recognised retrospectively.

Explanations changes in 2025

As of July 1, 2025, the accounting for micro fair value hedges was transitioned from IAS 39 to IFRS 9. Portfolio fair value hedges for interest rate risk continue to be accounted for under IAS 39. A more detailed description of this transition can be found in Chapter 8 “Financial Instruments” under the subsection “Hedge Accounting”.

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

In 2025, the parameters used to calculate the expected credit losses – Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) – were adjusted in the portfolio allowances (general loan loss provisions - GLLP). These changes are attributable to both business performance and methodological developments. These were supplemented by taking the macroeconomic situation into account.

The overlays were re-estimated in 2025, with a fundamental review resulting in the release of the commercial real estate (CREF) overlay due to improvements in the underlying default rate projections and robust collateral values. The geopolitical overlay was re-assessed, envisaging a more granular sector-based quantification in order to capture the level of sensitiveness of the different industries to export vulnerabilities, including proactive staging classifications on clients detected within the monitoring of the portfolio affected by the overlay. The sector-specific impacts are in particular related to vulnerabilities driven by trade tensions and associated supply chain disruptions, and the external demand changes driven by Euro-US dollar exchange rate movements.

Within the models used to calculate the expected credit losses (ECL), a recalibration of the LGD model was carried out for local portfolios, with an extended time series considered to account for the latest evolution in recovery rates.

Accounting and Valuation

A fundamental re-development of the Multinational Corporates (MNC) models for PD and LGD affected the underlying Internal Ratings Based (IRB)-PD and IRB-LGD models as well as the IFRS9-specific components, integrating point-in-time (PIT) and forward-looking elements. In particular, the latest internal default rates were used to incorporate current conditions.

New satellite models underlying the IFRS9 forward-looking information were introduced, incorporating an updated time series with the underlying modelling approach mainly unchanged.

Estimates, assumptions and discretionary decisions

Changes in estimates are recognised in profit or loss in the period affected by the change in the estimation method. Provided the change in the estimation method does not affect the consolidated income statement, the carrying amount of the asset, liability or equity item concerned is adjusted.

The consolidated financial statements are prepared on the assumption that the Bank will continue as a going concern. Accounting and valuation in accordance with IFRS contains values that have been determined permissibly using estimates and assumptions. The estimates and assumptions used are based on past experience and other factors such as planning, expectations and forecasts of future events that appear reasonable under the present circumstances. This mainly affects the determination of the fair value of certain financial assets and liabilities, impairments in the lending business, deferred taxes, and the accounting and valuation of provisions. The actual values may differ from the assumptions and estimates made.

The following matters in particular are affected by estimates, assumptions and discretionary decisions:

Determination of impairments (IFRS 9)

Scenarios of the expected cash flows of debt instruments serve as a basis for determining the expected credit defaults. This means that, to determine the impairments, assumptions and forecasts regarding probabilities of default must be made for the payments still to be received from the borrower and/or proceeds from the realisation of the collateral and the probability of occurrence of the respective scenario must be estimated. This is carried out collectively for debt instruments at Stage 1 and Stage 2 and for insignificant individual cases at Stage 3 while the assumptions and estimates are made individually for significant individual cases at Stage 3. Further uncertainty in making estimates arises in particular from macroeconomic scenarios and post model adjustments that take account of the current economic situation.

Determination of fair value

HVB Group employs internal valuation models to determine the fair value of financial instruments for which no price is available on an active market. The application of these internal valuation models requires, among other things, assumptions and forecasts, the scope of which depends on the complexity of the financial instruments and the valuation parameters partly derived from market data.

Determining the fair value of real estate as non-financial assets also involves a certain degree of discretionary decision-making. As owner-occupied land and buildings (property, plant and equipment) and investment properties are unique, there is generally no observable market data available for such properties. As a result, the value of this real estate is periodically assessed by independent external assessors, using recognised appraisal methods. For example, when using the income approach to determine the fair value of real estate, significant cash flows such as the expected rental income, management costs or other significant parameters such as the expected useful life or the expected vacancy rate are estimated and can subsequently lead to uncertainties in making estimates.

Accounting and Valuation

Provisions

Provisions are recognised for present or future obligations and cover the expenses required to fulfil such obligations. In the process, it is necessary to estimate the amount of these expenses or these costs and also the time when the obligations are expected to be fulfilled. This involves making assumptions about the actual amount of the costs incurred and, in the case of longer-term provisions, also determining possible cost increases up until the date of fulfilment. In the case of provisions for contingent losses (e.g. for provisions for rental guarantees), it is necessary to estimate both the potential inflows and the potential outflows in order to determine the imminent loss as a difference. For details on the assumptions and estimates made regarding pension provisions, we refer to the Note “Provisions”.

Deferred tax assets and liabilities

Apart from a few exceptions defined in the standard, deferred tax assets and liabilities are recognised for all temporary differences between the values recognised in accordance with IFRS and the values recognised for tax-reporting purposes (liability method). Accounting and valuation are performed in accordance with IAS 12 on the basis of local tax regulations that are expected to apply to the period when an asset is realised or a liability is settled. The regulations and applicable local tax rates are taken as a basis that are valid or have already been enacted at the reporting date. Deferred tax assets are not recognised to the extent that it seems unlikely that sufficient taxable profit will be available in future periods. To determine whether sufficient taxable profit will be available in relation to the same tax authority and the same taxable entity in the period in which the deductible temporary difference is reversed, the entire term of the deductible temporary differences is used as the basis for the planning horizon. The assumptions made in this connection are subject to uncertainty, as they present a forecast of future developments.

Furthermore, deferred tax assets are recognised for unused tax losses carried forward and unused tax credits to the extent that their impairment is justified. This is done on the basis of a five-year plan for HVB Group, which is subject to segment-specific and macroeconomic assumptions and takes account of local tax regulations.

Share-based payments

Assumptions must also be made to determine the cost of share-based payment programmes. The costs of the instruments to be transferred are amortised over the vesting period or the beneficiaries' claims are forfeited if they leave UniCredit first. This makes it necessary to forecast the proportion of employees who will leave UniCredit during the vesting period. At the same time, the shares granted must be measured at fair value at the grant date. The comments made above regarding the determination of fair value are applicable analogously.

Determination of the useful life of property, plant and equipment

Depreciable items of property, plant and equipment are depreciated over their useful lives. Since the useful life is not independent of the usage of the actual asset in question, it must be estimated in the light of the circumstances in each case by making suitable assumptions.

The accounting, measurement, and presentation methods applied remained unchanged compared to the previous year, unless adjustments were made in this note or new IFRS regulations were applied in accordance with the note “First-time application of new IFRS accounting standards”.

Accounting and Valuation

4 First-time adoption of new IFRS accounting rules

New standards and interpretations

No new standards and interpretations issued by the IASB were subject to mandatory adoption in the EU for the first time in the 2025 financial year.

Amendments to existing standards and interpretations

The amendments to the following standards and interpretations revised by the IASB are subject to mandatory adoption in the EU for the first time in the 2025 financial year:

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” – Lack of Exchangeability (issued on 15 August 2023 / adopted into European law on 12 November 2024).

Implementation and effects of the amended accounting rules

HVB Group has adopted the amended accounting rules. Unless the effects of this adoption are explicitly explained below, they did not impact or have any material effects on our consolidated financial statements.

5 Published IFRS that are not yet subject to mandatory adoption and were not early adopted

HVB Group has decided against the voluntary early adoption of the new or revised standards and interpretations issued by the IASB that are subject to mandatory adoption or may be adopted from the 2026 financial year or later. HVB Group will adopt these standards and interpretations in the financial year in which the new rules in question become subject to mandatory adoption for EU-based enterprises for the first time.

The EU has adopted the following into European law

- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” – Amendments to the Classification and Measurement of Financial Instruments (issued on 30 May 2024 / adopted into European law on 27 May 2025). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2026.
- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” – Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024 / adopted into European law on 30 June 2025). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2026.
- Annual Improvements to IFRS (Volume 11) with minor amendments to IFRS 1 “First-time Adoption of IFRS”, IFRS 7 “Financial Instruments: Disclosures” including the associated implementation guidance, IFRS 9 “Financial Instruments”, IFRS 10 “Consolidated Financial Statements” and IAS 7 “Statement of Cash Flows” (issued on 18 July 2024 / adopted into European law on 9 July 2025). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2026.
- IFRS 18 “Presentation and Disclosure in Financial Statements” (issued on 9 April 2024 / adopted into European law on 13 February 2026). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2027.

Accounting and Valuation

The EU has not yet adopted the following into European law

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (issued on 9 May 2024). The rules may be adopted by eligible companies for the first time for financial years beginning on or after 1 January 2027.
- Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (issued on 21 August 2025). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2027.
- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” – Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025). The rules are subject to mandatory adoption for the first time for financial years beginning on or after 1 January 2027.

HVB Group does not expect these new or amended rules to be adopted in the future to have any significant effects on the consolidated financial statements.

6 Companies included in consolidation

The group of companies included in consolidation by HVB Group encompasses 75 (previous year: 81) controlled companies, of which 34 (previous year: 31) are classified as structured entities within the meaning of IFRS 12.

	2025	2024
Total controlled companies	161	178
Consolidated companies	75	81
of which structured entities according to IFRS 12	34	31
Non-consolidated companies	86	97
Joint ventures	---	---
of which accounted for using the equity method	---	---
Associates	3	3
of which accounted for using the equity method	1	1

At the reporting date, we had a total of 88 (previous year: 99) controlled companies, associates and joint ventures that were neither fully consolidated nor fully accounted for using the equity method as they are not of material importance to the Group.

The effects on the balance sheet of the contractual relationships between the Group companies and these non-consolidated companies are included in the consolidated financial statements. The aggregate amounts of net income for the year of these companies that have not been consolidated due to their minor importance make up minus 0.09% (previous year: minus 0.10%) of the consolidated profit of HVB Group, while such companies provide around 0.19% (previous year: 0.19%) of the consolidated assets. The aggregate amounts of net income for the year of companies not accounted for using the equity method due to their minor importance (joint ventures and associates) amounts to 0.01% (previous year: 0.01%) of the consolidated profit, their share in the Group capital is 0.0022% (previous year: 0.0009%). Our interests in these companies are carried under the item “Financial assets at FVTPL” and loans extended under the item “Loans and receivables with customers (at cost)”.

Accounting and Valuation

Controlled companies

The group of companies included in consolidation has been defined taking into account materiality criteria. The fully consolidated companies prepared their annual financial statements for the period ending 31 December 2025.

In accordance with IFRS 12, 34 (previous year: 31) fully consolidated controlled companies are classified as structured entities. Please refer to the Note “Disclosures regarding structured entities” for more information on structured entities.

There were significant restrictions on the ability of HVB Group to access assets of the controlled companies as follows:

- Subsidiaries classified as credit institutions or financial services institutions for supervisory purposes are subject to the provisions of the German Banking Act (Kreditwesengesetz – KWG), the CRR and MaRisk/ICAAP regarding their capital base. The equity capital to be maintained under these provisions limits the ability of HVB Group to adopt resolutions regarding dividend distributions.
- Fully consolidated structured entities are not generally included in the consolidated financial statements on account of HVB Group’s position as a shareholder. Therefore, HVB Group has no ability to decide on dividend distributions and is bound by the contractual arrangements (such as lending agreements or derivative contracts).

The non-controlling interests at 31 December 2025 have no material effect on the consolidated financial statements of HVB Group either individually or in aggregate. At 31 December 2025, third parties hold non-controlling interests in 39 (previous year: 36) fully consolidated companies. The non-controlling interests are shown separately in the consolidated balance sheet and generally participate in the profits and losses of the companies; their shareholders hold voting rights in the companies, but without breaking the controlling influence of HVB Group.

The following companies were newly added to the group of companies included in consolidation at HVB Group in 2025:

- Elektra Purchase No. 66 DAC, Dublin
- Elektra Purchase No. 83 DAC, Dublin
- Elektra Purchase No. 84 DAC, Dublin

The following companies left the group of companies included in consolidation of HVB Group in 2025 due to merger:

- HVB Verwa 4 GmbH, München
- UniCredit Leasing Finance GmbH, Hamburg
- UniCredit Leasing GmbH, Hamburg

The following companies left the group of companies included in consolidation in 2025 for materiality reasons:

- H.F.S. Immobilienfonds GmbH, München
- Rolin Grundstücksplanungs- und -verwaltungsgesellschaft mbH, München
- V.M.G. Vermietungsgesellschaft mbH, München
- Wealthcap Immobilien 43 Komplementär GmbH, München
- WealthCap Investments, Inc., Atlanta
- Wealthcap Objekt Stuttgart III GmbH & Co KG, München

On account of the deconsolidation of the companies listed above, HVB Group realised a deconsolidation result of €0 million (previous-year period: minus €1 million) in the income statement under the item “Net gains/losses on remeasurement of consolidated companies” in accordance with IFRS 10.25.

Accounting and Valuation

Associates

No financial statements at 31 December 2025 were available for the associate listed below accounted for using the equity method when the consolidated financial statements were prepared. The following financial statements were used for accounting using the equity method:

Comtrade Group GmbH, Zug

30 September 2025

There were no significant events at this company between the date when the above financial statements were prepared and 31 December 2025 that could have an impact on the assets, liabilities, financial position, and profit or loss.

The group of consolidated companies does not include any companies for which the proportionate consolidation method is applied.

7 Principles of consolidation

An enterprise (or economically separate entity) is fully consolidated when it is controlled by HVB Group. Control is deemed to exist when the following three criteria defined in IFRS 10 are met: HVB Group must have power over the relevant activities of the enterprise and be exposed to variable returns from it. In addition, HVB Group must be able to use its power to influence the variable returns it obtains from the enterprise.

Control is independent of the type of financial relationship between parent company and subsidiary and does not require any participation in the enterprise's capital. Control may also be derived from contractual arrangements or legal provisions.

To assess whether an enterprise is controlled by HVB Group, a detailed analysis must be carried out of the business purpose, the relevant activities of the enterprise, the parties involved and the distribution of the variable returns from the enterprise. The analysis includes an assessment of whether HVB Group is acting as the principal and has delegated power over the enterprise to a third party (agent). This may be the case when the decision-maker who has power over the enterprise does not pursue its own economic interests in respect of the enterprise or these are of minor importance and the decision-maker merely exercises delegated decision-making powers on behalf of HVB Group.

An enterprise is initially consolidated as soon as HVB Group gains control over the enterprise. During initial consolidation, the assets and liabilities of the enterprise are included at their fair values at the effective date. The uniform Group accounting and valuation policies are then applied. The expenses and income of the respective company are included in the consolidated income statement from the effective date of initial consolidation. Equity interests in a consolidated company held by third parties are carried under minority interests, provided the criteria for disclosure as shareholders' equity are met. Otherwise, they are recognised as debt.

Accounting and Valuation

Consolidation is performed by offsetting the acquisition cost of a subsidiary against the Group's share held in the completely remeasured shareholders' equity at the time of acquisition, provided the transactions involved are not internal to UniCredit. This amount represents the difference between the assets and liabilities of the acquired enterprise measured at the fair value at the time of initial consolidation. The difference between the higher acquisition cost of the subsidiary and the remeasured net balance of assets and liabilities is recognised as goodwill under intangible assets in the balance sheet on a prorated basis if the enterprise acquired is a business. If in an exceptional case the enterprise that is being consolidated for the first time is not a business and is a group of assets and liabilities instead, these assets and liabilities are measured and recognised in line with the applicable IFRS following the requirements of IFRS 3.2b. Any difference between the net carrying amounts calculated in this manner and the acquisition cost is recognised as an expense. Goodwill on enterprises accounted for using the equity method is carried under "Investments in associates and joint ventures accounted for using the equity method". Compliant with IAS 36, scheduled amortisation is not taken on goodwill. The goodwill is allocated to the cash-generating units (CGU) that are expected to benefit from the synergies arising from the business combination. At HVB Group, these cash-generating units are the business areas. Where the commercial activities of an enterprise span more than one business area, the goodwill is distributed in line with the expected contribution to results at the time of acquisition. There is no goodwill to report in the reporting year or in the previous year.

IFRS 3 is not applicable to combinations of businesses under common control (IFRS 3.2 (c)). IAS 8.10 requires an appropriate accounting and valuation policy to be developed accordingly for such cases. Given that we consider HVB Group to be part of UniCredit, the carrying amounts of the parent company are carried forward in the case of company acquisitions within UniCredit. Any difference between the purchase price paid and the net carrying amount of the company acquired is recognised in equity under reserves.

Compliant with IAS 28, investments in associates are accounted for using the equity method or the capital share method and disclosed as such in the balance sheet. HVB is able to exercise significant influence over associates without being able to control them. Significant influence is assumed when an enterprise holds more than 20% but less than 50% of the voting rights in an investee. This assumption of association can be refuted where a qualitative analysis demonstrates that significant influence over the financial and business policy decisions of the investee is not possible. Investments in associates are recognised at cost upon initial inclusion in the consolidated financial statements. For the purposes of subsequent measurement, the carrying amount increases or decreases in accordance with HVB's share in the profit or loss of the investee. This share of the investee's profit or loss attributable to HVB is measured on the basis of the fair values of the investee's assets, liabilities and contingent liabilities when the shares were acquired. The accounting and valuation principles of HVB Group are applied for subsequent measurement.

Business transactions between consolidated companies are offset. Any interim profits or losses arising from intragroup transactions are eliminated.

8 Implementation of the European Single Electronic Format (ESEF)

HVB fulfils its obligation under Section 328 HGB to publish these consolidated financial statements in the single electronic reporting format (ESEF) prescribed by law by publishing them in the Company Register (Unternehmensregister). The 2024 ESEF taxonomy was applied for the reporting year.

Accounting and Valuation

9 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one company and a financial liability or equity instrument of another company.

The classes required by IFRS 7.6 are defined as follows:

- Cash and cash balances
- Financial assets and liabilities held for trading
- Financial assets at FVTPL
- Financial assets at FVTOCI
- Loans and receivables with banks (at cost)
- Loans and receivables with customers (at cost)
- Hedging derivatives
- Other deposits from banks
- Other deposits from customers
- Other debt securities in issue
- Financial liabilities at FVTPL
- Financial guarantees and irrevocable credit commitments

Finance lease receivables are not defined as a separate class. Instead these are combined with the loans and receivables with customers (at cost) class. The respective business operations were conducted primarily by the former HVB subsidiary UniCredit Leasing GmbH with its subsidiaries (Merger into UniCredit Bank GmbH took place in the financial year 2025). These already discontinued conducting new business in August 2020 and have handled the existing volume of business since then. Against this backdrop, there has been a significant decline in the portfolio of finance lease receivables with the result that it is no longer necessary to present these as a separate class for reasons of materiality. The volume of finance lease receivables, which consists solely of loans and receivables with customers, is shown in the Note “Loans and receivables with customers (at cost)” as a separate loan type.

With regard to the classes, the balance sheet disclosures and profit contributions of the financial instruments, among other things, must be presented separately in accordance with IFRS 9 measurement categories. In the present consolidated financial statements, we have included these in the explanatory notes to the balance sheet and the income statement. The information required by IFRS 7 regarding risks in connection with financial instruments is also provided in the notes to the consolidated financial statements and in part in the Risk Report within the Combined Management Report. For information on credit risk, market risk and liquidity risk, please refer to the subsection with the same name in the section “Risk types in detail” in the Risk Report. Compliant with IFRS 7.36 (a), the maximum exposure to credit risk is the same as the carrying amount of the risk-bearing financial instruments or, in the case of financial guarantees and credit commitments, the nominal amount disclosed in the Note “Fair values of financial instruments compliant with IFRS 7” for the guarantees/amount of the credit commitments not yet utilised.

IFRS 9 requires all financial instruments to be recognised in the balance sheet, classified in the given measurement or portfolio categories and measured in line with this classification. In addition, debt instruments are to be allocated to a business model.

Financial assets and liabilities are initially recognised from the date on which the corporate group becomes a contractual party to the financial instrument in question. HVB Group normally recognises customary market purchases and sales of financial assets (known as regular way contracts) at the settlement date. Derivatives are recognised at the trading date.

Accounting and Valuation

Financial assets are derecognised when either the contractual rights or obligations to pay have expired, for example due to repayment, or all the risks and rewards have essentially been transferred to third parties. In exceptional cases, a significant change in the contractual terms of receivables measured at cost also leads to derecognition. HVB Group did not carry out any transactions in which all the risks and rewards were essentially either transferred or retained. Transactions where the contractual rights to an asset are transferred to third parties but the risks and rewards are essentially retained do not result in the derecognition of the assets.

A liability is derecognised if it has been settled or, in exceptional cases, if there has been a significant amendment in the contractual terms of the liability.

The regulations set forth in IFRS 9 on reclassification were observed. No reclassifications were carried out.

Financial assets and liabilities at fair value through profit or loss

The financial assets and liabilities at fair value through profit or loss category is subdivided into the following subcategories:

- Financial assets and liabilities held for trading:
Financial assets and liabilities classified as held for trading at the time of initial recognition are financial instruments acquired or incurred for the purpose of short-term profit-taking as a result of changes in market prices or of realising a profit margin. This category also includes all derivatives (apart from hedging derivatives) which qualify for hedge accounting. These are disclosed in the item “Financial assets held for trading” and “Financial liabilities held for trading”.
In accordance with the provisions of IAS 32 (IAS 32.42 in conjunction with IAS 32.48), the positive and negative fair values of OTC derivatives that offset each other at currency level were set off for OTC derivatives concluded with the same central counterparty (CCP).
- Assets mandatorily at fair value through profit or loss with the exception of held-for-trading portfolios:
In accordance with the specifications, both shareholdings and assets that are neither allocated to the “Hold-to-maturity” nor to the “Held-for-sale” business model are generally subject to measurement at fair value through profit or loss. HVB Group did not exercise the option of measuring shareholdings at fair value without affecting profit or loss. As all assets measured at fair value through profit or loss are also managed on a fair value basis, any allocation of assets that do not meet cash flow criteria to the “Hold-to-maturity” business model is ruled out. These are to be allocated to the “Other” business model and are consequently subject to mandatory measurement at fair value through profit or loss.
- HVB Group only uses the fair value option for certain financial liabilities designated as “at fair value through profit or loss” upon initial recognition. Financial instruments are designated on the basis of the fair value-based management of the portfolios concerned.

Financial assets and liabilities at fair value through profit or loss are disclosed upon initial recognition at their fair value without any transaction costs.

Consequently, held-for-trading portfolios, assets mandatorily at fair value through profit or loss as well as liabilities allocated to the fair value option are measured at fair value. Changes in value are recognised in the income statement.

Accounting and Valuation

Assets measured at fair value without affecting profit or loss

Certain securities holdings that are either held to maturity or can be sold have been allocated to the “Held-for-sale” business model. As these securities also meet cash flow criteria, the conditions for measurement at fair value without affecting profit or loss have been met. These holdings are reported under the balance sheet item named “Financial assets at FVTOCI”.

Loans and receivables measured at cost

In the lending business, HVB Group focuses on customer care and customer relationships so the intention is generally to hold extended loans to maturity. If, in exceptional cases, there is no intention to hold loan receivables to maturity at the time of their addition, these are allocated to the “Other” business model. Provided the loans also meet cash flow criteria, these are allocated to the “Hold-to-maturity” business model and measured at amortised cost. In addition, securities holdings that meet cash flow criteria and are intended to be held to maturity are also measured at amortised cost. Premiums and discounts are taken to the income statement under net interest over the term of the underlying items. This is done using the effective interest method. These assets are disclosed upon initial recognition at their fair value including any transaction costs.

As the intention is generally to hold to maturity, debt instruments allocated to the “Hold-to-maturity” business model may be sold only in the following exceptional cases:

- sales occur infrequently or irregularly even if they are of significant value in this case,
- sales, if they occur frequently, are individually or in the aggregate of insignificant value,
- sales occur just before the final maturity date and the sales proceeds equal the outstanding contractual payments for the most part or
- sales are made as a result of an increase in the credit default risk.

Depending on the allocation of the debtor, the loans and receivables measured at cost are reported under the balance sheet item “Loans and receivables with banks (at cost)” or “Loans and receivables with customers (at cost)”.

HVB Group has not designated any assets at fair value through profit or loss.

Determination of fair value

We can normally reliably determine the fair value of financial instruments to be measured at fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (no forced liquidation or distress sale) between independent market participants as at the measurement date. Thus, the fair value based on a notional transfer corresponds to a selling price or, in the case of a liability, the transfer price (exit price).

The fair value is determined using the same three-level fair value hierarchy under IFRS 13 as is applicable for the disclosures regarding the fair value hierarchy (Note “Fair value hierarchy”):

- Level 1: Financial instruments measured using (unadjusted) quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Assets or liabilities for which no price can be observed on an active market and whose valuation is derived from valuation parameters that are directly observable (prices) or indirectly observable (derived from prices)
- Level 3: Assets or liabilities for which the fair value cannot be measured exclusively on the basis of observable market data; but also on valuation parameters based on model assumptions (non-observable valuation parameters)

Accounting and Valuation

Suitable measurement adjustments are applied to the fair value determined in this way in order to reflect further factors affecting the fair value (such as the liquidity of the financial instrument or model risks when the fair value is determined using a valuation model). When determining these valuation adjustments, we have exercised the option permitted by IFRS 13 under certain circumstances to determine fair value on a portfolio basis.

The risk of a counterparty defaulting on derivatives is covered by credit valuation adjustments (CVAs). Funding valuation adjustments (FVAs) are also set up for derivatives that are not fully covered by relevant collateral.

The own credit spread is also included in the underlying valuation parameters for liabilities held for sale and liabilities designated at fair value through profit or loss.

Further disclosures regarding fair values and the fair value hierarchy are given in the Note “Fair value hierarchy”, and the Note “Fair values of financial instruments compliant with IFRS 7”.

Financial guarantees

A financial guarantee is a contract that requires the issuer to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Viewed overall, the fair value of a financial guarantee is zero when the contract is concluded because the value of the premium received will normally match the value of the guarantee obligation in standard market contracts. The guarantee premium is recognised on a pro-rata basis. These are measured using the model for expected credit losses.

Credit derivatives, and most notably standardised credit default swaps (CDS), are measured at fair value through profit or loss as they are considered derivatives held for trading and not financial guarantees.

Credit commitments

Credit commitments represent declarations made to the customer to extend loans, buy securities or provide guarantees and acceptances. If these have not yet been utilised, they are generally shown as contingent liabilities in the notes. These are measured using the model for expected credit losses. An exception to this rule are credit commitments where the assets resulting from utilisation are usually sold shortly after the loan has been extended. The latter are recognised at fair value through profit or loss.

Hedge accounting

The Bank exercised the option of continuing to apply the provisions of IAS 39 on Hedge Accounting for certain hedge relationships.

As of July 1, 2025, the accounting for micro fair value hedges was transitioned from IAS 39 to IFRS 9. Portfolio fair value hedges for interest rate risk continue to be accounted for under IAS 39. Existing hedging relationships that meet the requirements of both IAS 39 and IFRS 9 are deemed to continue. The transition had no impact on the balance sheet or the income statement. In principle, the new requirements offer simplifications in effectiveness testing and provide additional options for the designation of hedging relationships; however, the Bank has initially decided not to apply these and will continue to operate under the existing processes unchanged.

Accounting and Valuation

Hedges between financial instruments are recognised exclusively in accordance with the forms of the fair value hedge described under IAS 39 and IFRS 9. In 2008 and 2009, HVB Group changed the previously applied macro cash flow hedge accounting to the fair value hedge similarly permitted by IAS 39 for interest rate risk at portfolio level in large areas of asset/liability interest rate risk management. This is described additionally below along with the principles covering general fair value hedges. The hedge accounting approaches used in HVB Group are presented in the Note “Gains/losses on financial assets and liabilities at fair value”. For interest rate derivatives in hedge accounting, the interest is recognised in the same way as the hedged item regardless of whether it is a positive or negative figure.

A micro fair value hedge is generally a hedge of the exposure to changes in the fair value of a recognised asset, liability or an unrecognised firm commitment (or portions thereof) that is attributable to a particular risk and that might affect net income for the period. In this respect, a high level of effectiveness is required, with the changes in the fair value of the hedged item in terms of the hedged risk and hedging derivative compensating each other within a range of 80% to 125%. Under IFRS 9 hedge accounting, this range is no longer applicable. In fair value hedge accounting, the hedging instrument is measured at fair value through profit or loss. The carrying amounts of the hedged item are adjusted by the valuation results relating to the hedged risk in a way that affects the income statement.

At our Bank, we designated micro fair value hedges for interest rate risks. For fixed-interest European government bonds or bonds of issuers with a similar risk allocated to the “Held for sale” business model, the interest rate risk of which was hedged individually and completely with interest rate swaps, we set up a separate micro fair value hedge for each transaction.

We apply the portfolio fair value hedge for interest rate risk in the accounting treatment of interest rate risk in asset/liability interest rate risk management. Recognising a fair value hedge for a portfolio of interest-bearing financial assets and liabilities using interest rate derivatives makes it possible to largely reflect the standard bank risk management procedures for the hedging of fixed interest rate risks in the accounts.

In this accounting treatment of hedges across several items, the changes in the value of the hedged amount of the hedged items attributable to the hedged risk are carried altogether as a separate asset or liability item and not as an adjustment to the carrying amount of individual items as is the case with micro hedges. The hedged amount of the hedged items is determined as part of interest rate risk management and cannot be directly allocated to individual assets or liabilities. Where the hedge conditions are met, the offsetting changes in value of the hedged amount of the hedged items and the hedging instruments (interest derivatives) are recognised directly in profit and loss. Hedge inefficiencies arising within the necessary hedge efficiency thresholds of 80% to 125% are recognised as profit or loss in net hedging income.

Furthermore, for economic reasons cross-currency interest rate swaps (CCIRS) have been used in the refinancing of loans denominated in foreign currency. The CCIRS exchange longer dated fixed-interest positions denominated in euros for variable-yield positions denominated in foreign currency. This serves to hedge the hedged item accordingly against interest rate risk as part of the portfolio fair value hedge. The currency component contained in the CCIRS is not included in the recognised hedge relationship. The fair value result includes the total change in value of the CCIRS.

Accounting and Valuation

Currently, the Bank does not apply cash flow hedge accounting in order to show the economic hedging of basic currency risks in the balance sheet. Generally, a cash flow hedge is employed to hedge the risk arising from volatile cash flows resulting from a recognised asset, recognised liability or planned transaction to be taken to the income statement. For example, derivatives are deployed in cash flow hedge accounting to hedge future interest payment flows. In this context, payments from variable-interest assets and liabilities are swapped for fixed payments primarily using interest rate swaps. Hedging instruments are measured at fair value. The valuation result is divided into an effective and an ineffective portion. The effective portion of the hedging instrument is recognised in a separate item within shareholders' equity (hedge reserve) without affecting reported profit or loss. The ineffective portion of the hedging derivatives is recognised directly in profit and loss. The hedged item is recognised at amortised cost.

10 Financial assets held for trading

This item includes securities held for trading purposes and positive fair values of traded derivatives. All other derivatives not classified as hedging derivatives (which are shown separately in the balance sheet) are similarly considered held for trading. Provided they are held for trading purposes, receivables from repurchase transactions, promissory notes, registered bonds and treasury bills are carried as other financial assets held for trading. To a limited extent, this item also includes commodities that are held exclusively for trading purposes in connection with customer transactions. These inventories are measured at fair value less costs to sell in accordance with the exemption for broker-traders under IAS 2.3(b), and changes in fair value are recognised within the trading result.

Financial assets held for trading are carried at fair value. Gains and losses from the valuation and realisation of financial assets held for trading are reported under net trading income in the income statement.

11 Financial assets at FVTPL

The item "Financial assets at FVTPL" reflects the measurement category introduced by IFRS 9 and contains all the assets subject to the IFRS requirement of measurement at fair value with the exception of the held-for-trading portfolios. This item thus contains all the debt instruments subject to measurement at fair value through profit or loss based on the "Other" business model as well as the shareholdings also subject to measurement at fair value through profit or loss. This includes debt instruments to be held to maturity that do not meet cash flow criteria and are thus managed on a fair value basis in line with the Bank's specifications.

The majority of debt instruments are hedged against interest rate risks with interest rate swaps. The changes in fair value of the assets and hedging derivatives are reported in the item "Net gains/losses on financial assets and liabilities at fair value" in the income statement. Current interest income from debt instruments is recorded as interest income and profit distributions from shareholdings in the item "Dividends and other income from equity investments".

Accounting and Valuation

12 Financial assets at FVTOCI

The balance sheet item “Financial assets at FVTOCI” reflects the IFRS 9 measurement category. This item contains all the assets measured at fair value through other comprehensive income on the basis of the “Held-for-sale” business model and the cash flow criteria met.

This item only contains interest-bearing assets that are deferred at the effective interest rate. Upon addition, they are posted at their fair value including transaction costs (acquisition cost). Current interest income is recorded under the item “Interest income” in the income statement. Impairments are recorded through profit or loss in the income statement. The difference between the amortised cost calculated in this way and the fair value of the assets is entered directly in equity in the FVTOCI reserve, whereby the changes are recognised or derecognised through other comprehensive income. A gain or loss on disposal (repayment/sale) is shown under the item “Net gains/losses on financial assets and liabilities at fair value”.

13 Loans and receivables

Debt instruments allocated to the “Hold-to-maturity” business model are shown under the balance sheet items “Loans and receivables with banks (at cost)” and “Loans and receivables with customers (at cost)”. Assets allocated to a business model other than to the “Hold-to-maturity” business model are not included in the balance sheet items “Loans and receivables with banks (at cost)” and “Loans and receivables with customers (at cost)”. In addition to loans and receivables from the lending business, these include securities allocated to the “Hold-to-maturity” business model. All the instruments allocated to the “Hold-to-maturity” business model meet the cash flow criteria and are carried at amortised cost, provided they are not hedged items of a recognised micro fair value hedge. The amount shown in the balance sheet has been adjusted for allowances for losses on loans and receivables.

14 Impairment of financial assets

Impairment losses are determined in line with IFRS 9 requirements for financial instruments that are measured at amortised cost or at fair value through other comprehensive income. Furthermore, the rules applicable for determining an impairment loss are also applied to credit commitments or financial guarantees that are not measured at fair value through profit or loss.

The expected credit losses are calculated by multiplying the risk parameters probability of default (PD), loss given default (LGD) and exposure at default (EAD). For details on the presentation of the measurement and management of credit risk, please refer to the statements made on credit risk in the “Risk Report” section of this Combined Management Report.

In the case of loans and receivables measured at cost, the impairment losses determined are posted to an impairment account and reduce the carrying amount. In the case of assets measured at fair value through other comprehensive income, the impairment losses are determined in relation to the asset and, as a consequence of measurement at fair value, are recognised through profit or loss. Provisions are set aside for impairment losses on credit commitments and financial guarantees.

HVB Group has not exercised the option of using the simplified approach pursuant to IFRS 9.5.5.15 for determining impairment losses on trade receivables, contract assets and lease receivables.

The method of calculating impairment losses is based on two pillars (taking into account forward-looking information and macroeconomic factors):

- allocation of the asset to a stage
- calculation of the expected loss associated with the asset

Accounting and Valuation

Allocation to a stage

The expected credit losses take the expected losses into account either as 1-year losses or credit losses expected over the residual term (lifetime expected credit loss). The model distinguishes between three stages depending on the extent of the increase in credit risk since initial recognition:

- 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 for these 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 to be classified under 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 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. These instruments are classified as purchased or originated credit impaired assets (POCI) and explained further below in this section.

HVB Group has exercised the option pursuant to IFRS 9.5.5.10 according to which it can be assumed for financial instruments with a low credit default risk that no significant increase in the credit default risk has occurred. If there is an investment grade rating available, the financial instruments concerned are allocated to Stage 1. An investment grade rating exists if there is a one-year IFRS 9 PD of less than 0.306%.

In the notes to the respective balance sheet items, there are tables showing the changes in gross carrying amounts and impairments. These also include information on the transfers between the various stages. In the event of a change in stage due to changes in credit quality, the table on changes in impairments shows the reversals of impairments in the original stage and the additions of impairments in the new stage.

Method for determining a significant increase in the credit risk (transfer to/from Stage 2)

To identify a significant increase in credit risk and therefore a transfer from Stage 1 to Stage 2, the Bank has chosen an approach which takes both quantitative and qualitative criteria into consideration. If a significantly higher credit risk is determined on the reporting date, the financial instrument is transferred to Stage 2. If the risk then declines significantly again, it is transferred back from Stage 2 to Stage 1, observing a minimum period. A financial instrument remains in Stage 2 for at least three consecutive months before it can be transferred back to Stage 1.

Accounting and Valuation

Quantitative criteria: transfer risk model

The aim of the quantitative transfer criterion 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. The intended quantitative transfer criterion is based on the assumption that there is a significantly higher credit risk if the ratio between the lifetime PD at the time of reporting and the lifetime PD at the time of initial recognition (when the loan was granted) exceeds a predefined trigger level. This trigger level is determined on the basis of historical data. The main influencing factors for this quantitative transfer criterion are the estimated probabilities of default of the debtor (PD) on initial recognition, the residual term as at the reporting date as well as the question of whether these are credit products with a maturity date. The defined trigger levels are determined on the basis of historical data firstly for each homogeneous portfolio (for example retail, business customers or medium-sized customers) and secondly based on various residual term clusters and rating classes upon initial recognition.

Qualitative criteria for allocation to Stage 2

In addition to the quantitative criteria of the statistical transfer model, qualitative criteria are also defined that may trigger a transfer to Stage 2. One central qualitative criterion is the payment default criterion, where a payment 30 days past due is regarded as an indication of a significant increase in the credit risk. Further criteria are also defined so that changes indicating that a borrower is in financial difficulties are automatically and rapidly translated into a transfer to Stage 2. The relevant qualitative criteria include:

- 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 more than three times higher than the lifetime PD on initial recognition of the financial instrument. This applies 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. This rule is in line with expectations that were formulated in the ECB's letter on "Identification and measurement of credit risk in the context of the coronavirus (Covid-19)" as well as in the ECB Asset Quality Review Manual.
- Trigger level for the PD of at least 20%:
If a PD of at least 20% is reached, there is an allocation to Stage 2. This trigger level is intended to serve to identify financial instruments that demonstrate a high risk of being migrated to Stage 2 or even to Stage 3. This trigger level is also stipulated in the ECB Asset Quality Review Manual.
- Results from internal credit risk monitoring processes:
Financial instruments that are subject to closer monitoring on account of internal monitoring classifications are allocated to Stage 2. The inclusion of a borrower in the internal monitoring classifications is regarded as an indicator of a significant increase in the credit risk.
- Forborne performing:
Another criterion for allocation to Stage 2 concerns debtors who are given concessions due to current or expected financial problems in order to maintain their solvency and their ability to make principal repayments. These debtors are classified at least to Stage 2.

These criteria are intended to ensure that financial instruments that show a significantly increased risk are classified early on and precisely as Stage 2 in order to guarantee adequate risk provisioning and monitoring.

Accounting and Valuation

- Minimum Time Permanence in Stage 2: Before the transfer from Stage 2 back to Stage 1 if the quantitative and/or qualitative criteria indicating a significant increase in credit risk are no longer met, a minimum period of three months is applied. This rule is based on IFRS 9.B5.5.27 according to which a debtor must furnish proof of consistently good payment conduct over a specific period before the credit risk can be considered to be lower. The minimum period of three months serves to reduce fluctuations in stage allocations and ensures that financial instruments that remain in Stage 2 for less than three months are not prematurely allocated to Stage 1, even if the risk criteria no longer justify this. For non-defaulting forbore instruments, a risk-oriented probation period is applied. This rule guarantees that financial instruments remain in Stage 2 for the regulatory minimum duration before they are allocated to Stage 1 again. This prevents a premature transfer back to Stage 1 as the debtor still has an increased credit risk compared with the other financial instruments in Stage 1.

Determining the Expected Credit Loss (ECL)

In addition to internal, historical data, current economic conditions and forecasts of future economic developments are also taken into account when determining the expected credit losses. The calculation is based on the regulatory procedures for determining the PD (probability of default), LGD (loss given default) and the EAD (exposure at default). These parameters are adjusted to the requirements of IFRS 9 as follows:

- Removing conservative elements:
Elements that arise exclusively from regulatory requirements, such as conservativity premiums, adjustments to phases of economic weakness, minimum regulatory requirements and indirect costs are removed. Furthermore, all collateral recognised for regulatory purposes is taken into account.
- Taking the current macroeconomic situation into account
The parameters are adjusted in such a way that the calculation moves from a regulatory calculation based on long-term averages, (through the cycle) to a calculation geared more strongly to the reference date (point in time), which takes into account the current macroeconomic situation.
- Taking forward-looking information into account:
Forward-looking information in the form of scenario analyses is included and taken into account in the calculation of the expected credit losses.
- Multi-year horizon in Stage 2:
The credit risk parameters are adjusted to the multi-year horizon required in Stage 2.

Adjustments to parameters for the calculation of the expected credit loss:

The following adjustments were made to the individual parameters in relation to determining the expected credit loss:

- Probability of default (PD):
To begin with conservative elements, which arise purely from regulatory requirements, are removed from the regulatory PD. To determine a multi-year probability of default that covers the lifetime of a financial instrument, PD curves are calculated based on long-term averages and geared to the default rates of the corresponding portfolios. Statistical methods are then used to translate these PD curves to a point-in time calculation that relates more to the reference date. In addition, adjustments are made to integrate macroeconomic forecasts for the next three years.

Accounting and Valuation

– Loss given default (LGD)

To calculate the multi-year probability of loss, the LGD parameters used for regulatory purposes are adjusted for conservative elements corresponding purely to regulatory requirements. Furthermore, it is examined whether it is necessary to adjust the figures calculated on the basis of long-term averages to current general economic conditions. Where required, the LGD figures are adjusted. In addition, the loss given default on liquidation (LGD liquidation) and the probability of returning to a performing status (probability of cure) are adjusted for the next three years on the basis of a macroeconomic forecast. Macroeconomic forecasts are also included in the determination of the market value of material collateral. However, downturn adjustments required for regulatory purposes are not used in this model. Nor are any internal costs incurred by the Bank in the course of handling defaulted exposures included in the calculation of the loss ratio.

– Exposure at default (EAD)

To determine the multi-year exposure at default (EAD), the regulatory parameters are adjusted for conservative elements arising from regulatory requirements here as well. A parameter used from a regulatory perspective for drawdowns exceeding the existing credit line is not used under IFRS 9. The EAD for existing credit lines from the second year is modelled in such a way that it is identical to the one-year EAD. Historical data confirm that this is an appropriate procedure. Furthermore, a parameter is modelled that represents an expected contractual term for loans without a fixed term, which is crucial for calculating the expected loss in Stage 2. For loans with 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 to calculate the expected loss. These models capture 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 for the next three years. The forward-looking information is updated twice a year to reflect the current macroeconomic conditions.

In addition, the expected loss is adjusted by a factor that reconciles the potential non-linearity in the correlation between macroeconomic changes and the change in the expected loss. This adjustment factor is calculated from three weighted scenarios (see next section) and applied directly to the expected credit loss.

Forward-looking macroeconomic scenarios

The process for integrating macroeconomic scenarios into the calculation of the expected credit loss is consistent with other forecasting processes in the Bank's risk management, such as the EBA stress tests and the ICAAP framework. This approach is supported by UniCredit's independent research department.

The macroeconomic environment continues to be characterized by a high degree of uncertainty. While the baseline assumes a modest but positive growth supported by stabilizing inflation, downside risks continue to dominate the balance of risks. These are primarily driven by persistent uncertainty around U.S. trade policy and elevated geopolitical tensions.

HVB Group has captured these uncertainties in three key scenarios: a baseline scenario, a recession (adverse) scenario and a positive scenario.

Accounting and Valuation

The baseline scenario represents the most likely economic development and is considered the reference scenario. In addition, a positive scenario and an adverse scenario are estimated. The positive scenario describes a better economic development than in the baseline scenario, while the adverse scenario reflects a poorer development. Each of these scenarios is assigned a probability of default.

Baseline scenario

HVB Group's baseline scenario reflects the expectation that GDP growth will remain modest but positive. Tariffs negatively affect global trade, supply chains, capex and the labour market globally, but it is expected that sound balance sheets allow firms and households to cope with tariff-related damage. Within the baseline scenario, a tariff is assumed on most US imports from the EU, with the EU committed to increase purchases from and boost investment within the US.

Uncertainty has additionally eased as trade deals have been announced, which should support hiring and investment. Additionally, expansionary fiscal policy in Europe should cushion some of the drag from tariffs, but only in 2026 and concentrated within Germany. The fiscal stimulus, both in Germany and more widely within Europe, will start to lift GDP growth in 2026 but the full effect may not be felt until 2027-2028 as spending programs accelerate.

The key risks shaping the baseline scenario include the potential for renewed tariff tensions or protectionist measures that could weight on global trade and European exports, and ongoing conflicts and geopolitical tensions.

Germany

GDP growth in Germany is expected to be 1.3% in 2026, and inflation is expected to remain close to 2% throughout the 2026-2028 period.

Despite higher US tariffs, business expectations in the export-dependent industrial sector have remained largely unchanged. Companies in the housing and commercial real estate sectors have become more constructive in recent months. Government activities, such as tax incentives for companies investing in machinery and purchasing electric vehicles and the implementation of higher defence and infrastructure spending will support economic activity and contribute to accelerating growth over the course of 2026.

Eurozone

In the Eurozone growth has proved to be more resilient than expected, with GDP growth of 1.2% in 2025 and expected to be 0.9% in 2026, although the bulk of tariff-related drag on growth is expected to materialize further in the second half of 2025 due to a frontloading of exports to the US in the first half of 2025. In 2026, higher defence and infrastructure spending in Germany will start lifting activity, albeit gradually, with downside risks mainly originating from weakening employment growth and low consumer confidence.

Headline inflation is expected at approximately 2%, with core inflation below 2% expected in the short- to medium-term with a cooling down of the labour market likely supporting a further slowdown in wage growth in the coming quarters. This presents a risk of interest rate cuts in 2026, although it is expected growth will stabilise in 2027-2028 and thus create the conditions for a slightly higher policy rate.

Accounting and Valuation

USA

In the USA, real GDP growth has picked up thanks to strong personal consumption in the middle part of 2025, with real GDP expected to reach 2% in 2025 and 2.1% in 2026 with more moderate growth expected in 2027-2028.

Inflation is expected to move to a higher level due to tariffs and monetary policy. Tariffs will be passed through as US importers are paying the tariffs in full, with approximately two-thirds of the cost of tariffs to be passed onto consumers over time as the current level of tariffs is too large for firms to absorb. Additionally, one Federal Reserve rate cut by 25 basis points is expected in mid-2026 on top of the already materialised rate cut observed in December 2025.

Adverse scenario (downturn scenario)

In the adverse scenario, a renewed intensification of trade tensions as US trading partners fail to comply with the requests of trade deals is assumed. This results in increased duties to above those already announced, and which remain in place throughout the forecast period. US-China reactions push tariffs higher, de facto halting bilateral trade flows although retaliation against US tariffs outside of China is relatively contained. Tariffs and the associated uncertainty nevertheless hit global trade, supply chains, capex and the labour market globally. It is assumed the USD weakens compared to the baseline as Trump's policies fuel doubts about the international role of the US currency and triggers reorientation of financial flows away from the US.

A further element is the assumption of rising geopolitical tensions in the Middle East and Ukraine, which prevent oil prices from adjusting downwards relative to the levels projected in the baseline scenario, despite the negative growth shock. Ultimately, risk aversion in markets rises.

In the Eurozone, activity starts contracting in 2026 (-0.5%) and the recession deepens in 2027 (-1.1%). This is followed by a slow recovery in 2028 (+0.5%) as the tariff shock gradually fades, rate cuts feed through and fiscal policy provides support.

Eurozone inflation declines below the ECB's 2% goal throughout the forecast horizon, as the effects of demand weakness and a widening of the output gap prevail over supply-side frictions. Inflation expectations drift lower, increasing pressure on the ECB to continue to cut rates. US inflation initially rises due to the direct effect of tariffs and lower USD compared to the baseline but then eases in 2028 to slightly below the baseline due to weaker economic activity.

Positive scenario

In the positive scenario, a sequence of favourable global and domestic developments lift global growth and Euro area activity above baseline projections. A de-escalation of geopolitical tensions in the Middle East and a positive resolution to the Russian invasion Ukraine lead to higher regional stability and reduced uncertainty on energy supply causing a rebound in business and consumer confidence respectively. Decreased uncertainty around US tariff policy also contributes to a more predictable international environment, supporting export recovery and global investment flows to the benefit of the manufacturing sector in particular.

Accounting and Valuation

The resulting stronger business and consumer confidence and improved expectations lead to higher private consumption, investment, and financial market optimism. The labour market is therefore increasingly resilient, with sustained job creation and wage growth reinforcing household income and consumption. The effect on inflation is expected to be moderate however compared to the baseline, prompting only limited monetary tightening.

A further driver of growth is the accelerated deployment of a multi-year defence investment EU plan, especially in Germany, aimed at modernizing military capabilities, digital infrastructure, and cybersecurity. In this context, the German infrastructure plan contributes to strengthening the fiscal impulse, which materializes more rapidly and is more frontloaded, acting as a catalyst for domestic demand into adjacent sectors.

Scenarios (baseline, positive, and downturn scenario)

FACTORS	DETAILS	BASELINE SCENARIO			POSITIVE SCENARIO			DOWNTURN SCENARIO		
		2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP	Eurozone	0.9	1.4	1.4	1.6	1.9	1.7	(0.5)	(1.1)	0.5
Annual changes (%)	Germany	1.3	1.8	2	2.0	2.4	2.3	(0.3)	(1.4)	1
Inflation	Eurozone (HICP)	1.8	1.9	2	2.1	2.2	2.2	1.5	1.4	1.8
Annual index changes (%)	Germany (CPI)	1.7	2	2.2	1.9	2.2	2.4	1.4	1.4	1.9
Unemployment rate (%)	Eurozone	6.5	6.4	6.3	6.4	6.2	6.1	7.0	8.0	7.9
	Germany	6.4	6.1	5.8	6.2	5.8	5.5	6.8	8.0	7.6
Financial indicators	EURIBOR 3m (end of period)	2.0	2.3	2.3	2.0	2.3	2.3	1.2	1.0	1.0
	Brent crude oil price (\$/b)	62.5	60.0	60.0	70.2	69.8	69.8	62.5	60.0	60.0
National debt (% of GDP)	Germany	65.1	66.2	67.0	65.1	65.1	65.1	65.5	65.5	65.5
Real estate market (residential)	House price index (HPI) eurozone	3.0	3.0	3.0	4.0	4.7	4.7	2.3	0.0	2.0
Real estate market (residential)	House price index (HPI) Germany	3.5	3.5	3.5	4.5	5.0	5.2	2.6	0.0	1.9
Nominal income	Germany	3.2	3.5	3.5	3.5	3.7	3.7	2.7	1.8	2.8

Sensitivity of expected credit losses

The sensitivity of the expected credit loss in line with IFRS 9 was estimated taking various economic factors (see table above) into account in the fourth quarter of 2025. To facilitate the interpretation of the sensitivities, these were calculated as changes to the scenarios as a whole, which means that all macroeconomic factors are changed simultaneously to the full extent respectively (and not only by 1% in isolation).

The impact of the downturn scenario on impairments in Stages 1 and 2 is 21% compared to the baseline scenario. This means that the impairments for these stages is expected to increase by this percentage on average due to the assumed negative macroeconomic changes in the downturn scenario. In the positive scenario, on the other hand, the impairments would decrease by 4% on average, reflecting the positive outlook on the economy and the resulting lower probability of defaults.

Accounting and Valuation

Geopolitical environment

HVB Group takes the macroeconomic environment into account by means of regular adjustments to macroeconomic scenarios based on the internal forecasts issued by UniCredit Research. Since the introduction of IFRS 9, this has been the primary tool for taking forward-looking information (FLI) into account. The macroeconomic factors are translated into changes in credit risk parameters using the Group's "satellite model", enabling a precise adjustment of loan-loss provisions.

The most recent macro adjustment was made in the fourth quarter of 2025 and led to an increase in impairments for expected credit losses in the performing portfolio by a total of €15 million. Together with the adjustment in the first half of the year, which had led to an increase of €14 million, the cumulative adjustments for the full year 2025 amount to an increase of €29 million (compared with an increase of €11 million in the 2024 financial year).

In addition, the Bank continues to focus on the significant risks associated with geopolitical risks. Global developments in 2025 meant the risks persist yet have evolved compared to 2024. The intensification of geopolitical and trade tensions – including renewed global protectionism, supply chain fragmentation and prolonged market uncertainty have heightened the risk of adverse credit outcomes. Consequently, the existing overlays were reviewed in 2025. As of 31 December 2025, the re-assessed geopolitical overlay amounts to €130 million while the commercial real estate overlay was fully removed.

In UniCredit's terminology, "overlays" denote specific, temporary adjustments to one-off, exogenous, industry-specific influences, typically relating to extraordinary external events. The aim of these overlays is to ensure a correct level of impairment in order to take the uncertainties created by these influences into account.

In contrast, all other adjustments are referred to as "PMAs" (post-model adjustments). PMAs typically anticipate the effects of planned changes to the credit risk models and are reversed on full implementation of these planned changes in the IT systems. PMAs are endogenous in this respect, whereas overlays are triggered exogenously.

Overlays

The UniCredit corporate group has supplemented its models for determining impairments with overlays to address the increased risks in specific sub-portfolios, which lead to increased expected credit losses overall. As of year-end 2025, the total overlay — comprising both an ECL component and a proactive stage allocation related to the geopolitical overlay — amounts to €130 million (compared with €146 million as of 31 December 2024). Of the €130 million, €119 million relate to the ECL component of the geopolitical overlay, while €11 million correspond to the element linked to the proactive stage allocation of the geopolitical overlay. The methodology and all material adjustments related to these overlays are submitted to the local Financial and Credit Risk Committee for approval. In line with the temporary nature of overlays, the Bank intends to incorporate them into the models over the medium term, unless the overlay is fully consumed or released due to the disappearance of the underlying rationale.

Accounting and Valuation

Geopolitical overlays

Since 2022, the Bank has coped with the emerging geopolitical risk triggered by the Russian invasion of Ukraine by adopting overlay measures on sub-perimeters deemed vulnerable in case of an increasingly negative evolution of the scenario. The intensification of geopolitical and trade tensions - including renewed global protectionism, supply chain fragmentation and prolonged market uncertainty has heightened the risk of adverse credit outcomes.

Geopolitical risks have been evolving more towards trade tensions whereas risks underlying the geopolitical as assessed in 2024 are fading away due to smoothening of past energy supply tensions and stabilization of inflation and interest rate risks. Consequently, the existing overlay on geopolitical risk was re-assessed to ensure a more consistent and forward-looking quantification of potential losses. The evolution of the overlay framework envisages a more granular sector-based quantification in order to capture the level of sensitiveness of the different industries to export vulnerabilities, including proactive staging classifications on clients detected within the monitoring of the portfolio affected by the overlay. The sector-specific impacts are in particular related to vulnerabilities driven by trade tensions and supply chain disruptions including spillover effects on interconnected industries, and the external demand changes driven by Euro-US dollar exchange rate movements.

The Bank continues to use the overlay as an instrument to capture these specific effects, that are difficult to quantify, on the affected sub-portfolios. The sector-based approach is designed to incorporate risks that have not yet materialised nor are observable in historic time series.

The process of defining the overlay amount translates an economic scenario into export shocks, converts these shocks into sectoral declines, and estimates sectoral and country default rate shifts through dedicated models. Export shocks represent one of the main transmission channels for losses related to geopolitical risk, as declining export volumes exert pressure on corporate profitability.

The final set of sectors on which the re-assessed geopolitical overlay is applied represent the sectors deemed by the sectoral models to have a greater sensitivity to the export shock scenario than the wider economy.

Commercial real estate business overlay (CREF)

In 2023 a commercial real estate finance (CREF) overlay was introduced, supplementing the already existing geopolitical overlay and specifically addressing the particular challenges confronting the commercial real estate (CRE) sector as well as the construction and wider real estate sectors. This sector-specific approach is required as the macroeconomic models ("satellite model") are not able to adequately capture these sector-specific risks due to their broad economic scope.

Accounting and Valuation

Companies related to the real estate sector were facing a number of challenges:

1. High interest rates and increased funding risks:
This affects both real estate developers and owners of commercial properties who are struggling with rising interest costs and the associated refinancing problems.
2. Lower orders and rising construction costs:
In connection with the general economic uncertainty (due, among other things, to the Russia-Ukraine conflict and the Middle East conflict) and inflation, construction costs are rising while demand for new construction projects could stagnate at the same time.
3. Falling real estate prices and lower rental income:
The decline in property values and the limited ability to adjust long-term leases to the higher operating costs are exacerbating the financial situation of CRE companies and real estate investors.

Over the course of 2025, CRE exposures showed stable credit quality, supported by improvements in the default rate projections and robust collateral values. Based on this evidence and consistent with the overlay strategy defined at UniCredit Group level, the overlay was released at the end of 2025 (compared to €96 million as at 31 December 2024) since the underlying risk has already materialized and incorporated into the estimates of the core models.

Other materially relevant methodological adjustments to Stage 1 and 2 impairments

In the first quarter of 2025, as part of the regular reparameterization activities on the LGD model an extended time series was considered to account for the latest evolution in recovery rates. The IFRS9-specific parameters were consequently re-estimated, leading to a decrease across both corporate and retail perimeters totalling €71 million in impairments.

A further material decrease in impairments of €56 million was driven by the re-development of the Multinational Corporates (MNC) models for PD and LGD. The re-development affected the underlying IRB-PD and IRB-LGD models as well as the IFRS9-specific components, integrating point-in-time (PIT) elements. In particular, the latest internal default rates were used to incorporate current conditions which had a significant decreasing effect on the IFRS9 PD.

Partially offsetting these decreasing impacts was the introduction of new satellite models underlying the IFRS9 forward-looking information in the fourth quarter of 2025. In-line with internal rules, a review of the Satellite Models was performed at UniCredit Group level. The new models incorporated an updated time series with the underlying modelling approach mainly unchanged, resulting in an increase of €23 million in impairments.

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

€ millions		2025	2024	CHANGE
OVERLAYS	Geopolitical	130	50	+80
	Commercial Real Estate Finance (CREF)	—	96	(96)

Accounting and Valuation

Deterioration in creditworthiness (Stage 3)

The HVB Group 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, such credit-impaired assets are allocated to Stage 3. 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 HVB Group 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.

In Stage 3, 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 HVB Group and are generally discounted using the original effective interest rate. In doing so, different, realistic scenarios are estimated whereby the impairment loss is obtained from the expected value of the credit defaults 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 but, deviating from Stage 1 and Stage 2, the probability of default is no longer taken into account as default has already occurred.

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.

As soon as the reasons for the default no longer apply, the assets are transferred back to Stage 1 or 2, respectively, depending on whether the credit default risk is still significantly higher or not in comparison to when the assets were initially recognised.

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.

Accounting and Valuation

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.

For financial assets that were already in default upon initial recognition (purchased or originated credit impaired assets – POCI), the interest income is likewise recognised only at the amount of interest based on the net carrying amount. Credit losses expected upon initial recognition are already taken into consideration in the carrying amount (fair value) when posting assets. The carrying amount (fair value) upon recognition represents the present value of the expected payments that are discounted at the credit-risk-adjusted market interest rate. As a result, no impairment is recorded for POCI assets upon initial recognition. In the course of subsequent measurement, these assets are measured on the basis of the loss anticipated over the (residual) term to maturity; however, in the case of higher expected inflows than assumed upon initial recognition, the assets can be written up to amounts in excess of the acquisition cost.

Modification of financial assets measured at amortised cost

If the contractual terms of financial assets are modified, it is necessary to review whether such modifications are significant or insignificant. Whereas significant modifications result in the derecognition of the existing asset and the posting of a new, significantly modified asset, in the case of insignificant modifications, only the agreed modifications to the contractual cash flows are discounted. The difference between the present value of the modified contractual payments determined in this way and the carrying amount (present value of the contractual payments before modification) are recognised in the income statement.

A significant modification to the contractual terms has occurred where compliance with cash flow conditions has changed or there is a further substantial adjustment to the conditions. In such cases, the existing loan is derecognised and the modified loan posted as a newly extended loan.

In addition, lending agreements can be modified to ease the burden on borrowers in poor financial situations and improve the probability of the loans being serviced (forbearance). Various strategies may be used to ease the burden on the borrower. Possible measures include deferrals and temporary moratoriums, longer periods allowed for repayment, reduced interest rates and rescheduling, and even partial debt waiver.

Where the Bank waives payments by the borrower (such as waived fees, reduction of contractual interest rates, etc.) due to a deterioration in creditworthiness, such a waiver represents objective evidence of the borrower defaulting. The derecognition of payments due or of future repayments of principal caused by an issued waiver is recognised in the income statement, provided an allowance had not already been set aside for this in the past.

If the modification of the contractual agreement does not result in the derecognition of the receivable or part of the receivable on account of the waiver of payments due or of future repayments of principal but merely to an adjustment of future cash flows, for example through a prospective reduction in the interest rate as of the date of the modification, the gross carrying amount has to be adjusted accordingly. For this purpose, the newly agreed cash flows have to be discounted at the original effective interest rate and this present value deducted from the gross carrying amount (prior to the contractual modification). The difference determined in this way is recorded as a modification gain or loss through the income statement. As this primarily affects non-performing, impaired receivables, the modification gain or loss is reported under the consolidated income statement item “Net write-downs of loans and provisions for guarantees and commitments”.

Accounting and Valuation

15 Investments in associates and joint ventures accounted for using the equity method

Investments in associates and joint ventures are accounted for using the equity method.

16 Property, plant and equipment

Property, plant and equipment are tangible assets held for use in the production or supply of goods or services, for leasing to third parties or for administrative purposes and are expected to be used for longer than one period. Property, plant and equipment includes land and buildings used by HVB Group itself, fixtures in buildings not owned by the Bank, plant and office equipment and right-of-use assets (leases).

Property, plant and equipment are measured at acquisition or production cost upon initial recognition. This includes:

- the purchase price including customs duty and non-refundable turnover tax after deducting rebates, bonuses and discounts
- all directly attributable costs that were incurred to transport the asset to the site and to put it into the required, operational condition as intended by Management
- costs of future waste disposal, recultivation and similar obligations

Acquisition or production cost incurred subsequently is capitalised in the carrying amount of the item of property, plant and equipment, provided additional economic benefits flow to the Bank. Expenditure on repairs or maintenance of the item of property, plant and equipment is recognised as expense in the year in which it is incurred.

After initial recognition, HVB Group applies the following accounting principles to its property, plant and equipment in line with IAS 16.29:

- Subsequent measurement of owner-occupied property is carried out by applying the revaluation model in accordance with IAS 16.31. In this case, the land and buildings each form separate classes of property, plant and equipment. If an item of property, plant and equipment is revalued, the entire class of the property, plant and equipment to which that asset belongs is revalued. As a general rule, assets within a class of property, plant and equipment are to be revalued at the same time. However, they may be revalued on a continuous (rolling) basis provided their revaluation is completed within a short period and the revaluations are kept up to date. An item of property, plant or equipment (land and/or buildings) recognised as an asset is accounted for at a remeasured amount, which will generally be the fair value at the revaluation date less any subsequent accumulated scheduled depreciation and impairment losses.
- The remaining items of property, plant and equipment are measured on the basis of the cost model in line with IAS 16.30 upon subsequent measurement. According to this model, an item of property, plant and equipment recognised as an asset is generally accounted for at its acquisition or production cost less any accumulated scheduled depreciation and impairment losses (amortised acquisition or production cost).

Although HVB Group measures its owner-occupied land and buildings using the revaluation model, it was decided in line with IFRS 16.35 that this valuation model would not be applied to the right-of-use assets relating to these asset classes. The valuation of the right-of-use assets from leases recognised under property, plant and equipment is thus carried out on the basis of the cost model. A detailed presentation of this is given in the Note “Lease operations”.

A prerequisite for the application of the revaluation model is that the fair value of the owner-occupied land and buildings can be reliably determined. According to the definition in IAS 16.6, the fair value of property, plant and equipment is the price that would be received for the sale of an asset or paid for the transfer of a debt in an orderly transaction between market participants at the measurement date. The fair value is determined in accordance with the provisions of IFRS 13.

Accounting and Valuation

For the revaluation of owner-occupied land and buildings, valuation reports are prepared by independent external experts. Revaluations are carried out every six months and thus with sufficient regularity to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The revalued amount (fair value) determined for the land or buildings at the revaluation date is the new carrying amount. The difference to the previous carrying amount of the asset is recognised as follows, taking account of previous periods:

- If the fair value is higher than the carrying amount due to an increase in value, the difference is generally to be reported in the consolidated statement of total comprehensive income under other comprehensive income (OCI) and accumulated in equity as a revaluation surplus without affecting profit or loss. However, if a revaluation loss was recognised as an expense in the consolidated income statement in previous periods, in exceptional cases a write-up must be recognised in the income statement up to the amortised acquisition or production cost in the event of a new increase in value. All increases in value beyond this are to be recognised through other comprehensive income without affecting profit or loss and thus increase the revaluation surplus in equity. Consequently, a revaluation gain in excess of amortised acquisition or production cost is never recognised in profit or loss.
- By contrast, if the fair value is lower than the carrying amount due to a decrease in value, the carrying amount must be written down to the lower fair value through profit or loss. If there is a revaluation surplus for the asset concerned as a result of revaluation gains in previous periods, it is reversed in the event of a new revaluation loss by recognising the decrease in value through other comprehensive income without affecting profit or loss. Any revaluation loss beyond this is recognised in profit or loss.

Revaluation effects recognised directly in equity are reported in the consolidated statement of comprehensive income under the item “Allocation to/withdrawal from the revaluation surplus for owner-occupied property (IAS 16)” as components of the income and expense items recognised through other comprehensive income that will not be reclassified to the consolidated income statement in future periods (no recycling). The revaluation surplus is recognised under the item “Revaluation surplus for owner-occupied property” as a component of other reserves in equity in the consolidated balance sheet and reported separately in the statement of changes in consolidated shareholders’ equity.

After revaluation, scheduled depreciation is taken on depreciable buildings on a straight-line basis over their expected useful lives upon subsequent measurement. The revalued amount constitutes the new basis of measurement for depreciation. Scheduled depreciation is not taken on land as it is a non-depreciable asset. For all other depreciable items of property, plant and equipment, the acquisition or production cost is subsequently reduced by scheduled straight-line depreciation in line with the expected useful life. The depreciable amount to be offset from the depreciable assets for each period is recognised in profit or loss as a basic rule.

Fixtures in rented buildings are depreciated over the term of the rental contract, taking into account any extension options, if this is shorter than the normal useful life of the asset concerned. The right-of-use assets from leases reported under property, plant and equipment are generally subject to scheduled depreciation on a straight-line basis over the shorter of the expected useful life of the right-of-use asset or the underlying asset and the term of the lease agreement. A detailed description of the leases including the consequences of any agreements, e.g. on purchase options, is provided in the Note “Lease operations”.

Accounting and Valuation

The following economic lives were taken as a basis for determining the depreciation on property, plant and equipment:

PROPERTY, PLANT AND EQUIPMENT	ECONOMIC LIFE
Buildings	25–60 years
Fixtures in buildings not owned	10–25 years
Plant and office equipment	3–25 years

The useful lives and depreciation methods of property, plant and equipment are reviewed once a year and adjusted as appropriate if the current expected useful lives differ from earlier estimates or if significant changes have occurred in the expected future economic use of the assets. The required changes in estimates are taken into account prospectively in accordance with IAS 8.

If the value of property, plant and equipment has additionally been impaired, a write-down is taken in accordance with IAS 36. The revaluation does not replace the test to determine whether there is any indication of an impairment. An item of property, plant and equipment is considered impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The recoverable amount is generally determined on the basis of the value in use. The offset of an identified impairment of a revalued asset (land or building) is to be recognised as a revaluation decrease in compliance with the revaluation model pursuant to IAS 16 in line with the procedure described above. An impairment loss is thus recognised through other comprehensive income provided that this does not exceed the amount reported in the revaluation surplus for the same asset. However, the impairment loss of an asset which is not revalued (other property, plant and equipment) is immediately recognised in the consolidated income statement through profit or loss in each case.

If the reasons for an impairment cease to apply, a write-up of property, plant and equipment is carried out. In doing so, the carrying amount increased by the impairment reversal may not exceed the (net) carrying amount which would have resulted if no impairment loss had been recognised for the asset in previous periods. Any impairment reversal of a revalued asset is to be treated as an increase in value as a result of revaluation compliant with IAS 16 in line with the above. This means the reversal of the impairment is to be credited to the revaluation surplus through other comprehensive income, unless the impairment was previously recognised in the income statement. By contrast, the impairment reversal of an asset that is not revalued is always recognised directly in the net income for the period.

Scheduled depreciation, impairments and write-ups on property, plant and equipment recognised through profit or loss are reported in the consolidated income statement under the item “Amortisation, depreciation and impairment losses on intangible and tangible assets” within operating costs.

The difference between depreciation based on the carrying amount revalued at fair value and depreciation based on the amortised acquisition or production cost is transferred each year within equity from the revaluation surplus to retained earnings. Any revaluation surplus thus corresponds to the difference between the fair value and the amortised acquisition or production costs.

Accounting and Valuation

HVB Group adjusts the reported acquisition cost and the accumulated depreciation accrued up to the revaluation date in the statement of changes in non-current assets in proportion to the change in the carrying amount, so that the (net) carrying amount reflects the fair value (restatement approach). For example, if a revaluation increases the carrying amount by 10% of the fair value determined at the revaluation date, both the acquisition costs and the accumulated depreciation are increased by this factor (10%) in the statement of changes in non-current assets.

The carrying amount of an item of property, plant or equipment is derecognised on disposal or when no future economic benefits are expected from its use or sale. In the event of the sale of revalued land or a revalued building, the revaluation excess recognised in and allocable to the revaluation surplus is transferred in full to equity in retained earnings.

Excluded from the application of the revaluation model are owner-occupied properties that are in the process of being sold and are recognised as "Non-current assets or disposal groups held for sale". The measurement requirements of IFRS 5 are applied to these properties. However, the property must be revalued for the last time at the time of reclassification if the carrying amount differs from the fair value at that time.

17 Lease operations

IFRS 16 rules govern the accounting of lease operations. These rules apply in HVB Group to leases of property, plant and equipment and to investment properties. IFRS 16 does not apply to leases involving licence agreements.

In the case of newly concluded agreements, HVB Group assesses upon commencement of the agreement whether the agreement constitutes or contains a lease. This is the case when the agreement gives the right to control the use of an identified asset (of the underlying asset) for a specified period of time in return for a fee. HVB Group assesses whether the definition of a lease and the related guidelines in IFRS 16 are met primarily on the basis of the following criteria:

- the agreement contains an identified asset which is either explicitly specified in the agreement or implicitly specified by the fact that the asset is made available for use by HVB Group at a certain point in time;
- HVB Group is essentially entitled to derive all the economic benefits associated with the use of the identified asset throughout the period of use, taking into account the rights set out in the agreement;
- HVB Group is entitled to decide on the use of the identified asset throughout the period of use. This is particularly the case if HVB Group has the right to determine how and for what purpose the asset is used.

Furthermore, it is only necessary to reassess whether an agreement constitutes or contains a lease if the terms of the agreement change.

Accounting and Valuation

HVB Group as lessee

In the case of agreements which constitute or contain a lease, HVB Group as the lessee generally recognises as an individual lease each lease component separately from the non-lease components of the agreement. In doing so, the contractually agreed consideration is allocated to the individual contractual components on the basis of the relative individual selling prices. HVB Group does not make use of the practical facilitation option, according to which a lessee can decide for individual classes of underlying assets not to separate the non-lease components and instead to account for lease and non-lease components as a single lease component.

Leases are accounted for by the lessee using a uniform accounting model (right-of-use approach). According to this model, HVB Group as the lessee generally recognises an asset for the right granted to use the underlying leased asset and a corresponding lease liability for the obligation to make the outstanding lease payments for each lease at the commencement date of the lease.

However, IFRS 16 provides lessees with the option of exempting short-term lease agreements with a term of up to 12 months and leases of low-value assets from recognition. HVB Group has elected to apply the simplified presentation option to all such leases and recognises the related lease payments on a straight-line basis over the term of the lease as an expense in the consolidated income statement.

The right-of-use assets recognised in the consolidated balance sheet are measured at cost upon addition. Such cost includes the present value of all future lease payments (the amount resulting from the initial measurement of the lease liability), plus payments made on or before the commencement date of the lease, initial direct costs and estimated costs of dismantling or restoring the underlying asset or the site where it is located (to the extent that such dismantling costs give rise to an obligation that is recognised and measured in accordance with IAS 37) less any lease incentives received.

The right-of-use assets reported under property, plant and equipment are subsequently measured using the cost model. In accordance with the depreciation rules of IAS 16, the right-of-use assets are generally amortised on a straight-line basis over the shorter of the expected useful life of the right-of-use asset or the underlying asset and the term of the lease. If, however, the lease payments to be taken into account also include the transfer of ownership of the leased asset at the end of the lease term, or if the cost of the right-of-use asset takes into account the fact that the lessee will exercise a purchase option, the write-downs of the right-of-use asset are made over the remaining economic life of the underlying asset. Existing term and call options are taken into account if their exercise is deemed sufficiently certain. In addition, the right-of-use asset is continually tested for impairment in accordance with IAS 36, written down if necessary and adjusted for certain remeasurements of the lease liability. While HVB Group establishes the value of its land and buildings reported under property, plant and equipment in accordance with the revaluation model of IAS 16, it was decided that this valuation model will not be applied to the right-of-use assets relating to these investment classes.

In contrast, the fair value model is applied to right-of-use assets that meet the definition of investment properties in IAS 40 and are reported under investment properties, as this model is also used for the subsequent measurement of investment properties in HVB Group. Consequently, HVB Group measures the right-of-use asset it has to an investment property at fair value and not at the underlying value of the asset.

Accounting and Valuation

The initial measurement of the lease liability is based on the present value of the lease payments not yet made on the commencement date. Lease payments comprise fixed payments (including de facto fixed payments), variable lease payments linked to an index or (interest) rate (initially measured at the index or (interest) rate applicable on the commencement date), the amounts expected to be paid under a residual value guarantee and the exercise price of a purchase option if the lessee is reasonably certain to exercise it. Penalties for premature termination of the lease are only included in the lease payments if the lessee is reasonably certain to terminate the lease prematurely. All lease incentives (e.g. rent-free periods) expected to be received are deducted from this.

Lease payments are discounted at the interest rate underlying the lease (interest rate implicit in the lease) if it can be readily determined. Otherwise they are discounted at the lessee's incremental borrowing rate. The latter is the interest rate that a lessee would have to pay to raise funds in a similar economic environment in order to obtain an asset of similar value at comparable conditions. In order to determine the incremental borrowing rate, HVB Group uses a fixed interest rate curve based on a swap rate (base rate) and the Bank's funding premium, which reflects the nature of the lease obligations. According to this method, the lease payments not yet made are discounted to the present value at current interest rates taking into account the internally determined funding premiums. The funding premiums correspond to the parameters that the Bank uses when setting the prices for its own borrowings. As a rule, we apply the incremental borrowing rate for discounting because the interest rate implicit in the lease is generally not available to us.

Any variable lease payments that are not linked to an index or (interest) rate and are therefore not taken into account in the measurement of the lease liability are recognised by lessees as an expense in the period in which they arise.

In the course of the subsequent measurement, the lease liability is updated using the effective interest method from accounting mathematics. The carrying amount of the lease liability is compounded and reduced by the amount of the lease payments made with no effect on income.

The lease liability is remeasured if future lease payments change due to a change in the index or (interest) rate, if the estimate of the expected payments under a residual value guarantee is adjusted, if the estimate of the exercise of a purchase, extension or termination option changes or if the de facto fixed lease payment changes. The right-of-use asset is to be adjusted accordingly by the amount resulting from the revaluation of the lease liability. If the reduction in the lease liability exceeds the carrying amount of the right-of-use asset, the resulting residual amount (difference between amount of the reduction in the lease liability and the carrying amount of the right-of-use asset) is recognised in profit or loss.

Accounting and Valuation

Disclosure in the consolidated financial statements of HVB Group is as follows:

- In the consolidated balance sheet, right-of-use assets that do not meet the definition of investment property are reported under property, plant and equipment. In contrast, right-of-use assets that meet this definition are presented in the balance sheet as investment properties. Lease liabilities are presented in the balance-sheet item “Deposits from customers” or “Deposits from banks” depending on the contractual partner.
- In the consolidated income statement, scheduled and unscheduled amortisation and write-downs, as well as write-ups on the right-of-use assets contained in property, plant and equipment are generally recognised in the item “Amortisation, depreciation and impairment losses on intangible and tangible assets” within operating costs. A gain or loss arising from a change in the fair value of rights to use investment properties is recognised directly in the income statement item “Net other expenses/income”. The accrued interest on the lease liabilities contained in the deposits from customers and deposits from banks is recognised under interest expense. Expenses in connection with short-term lease agreements, leases based on a low-value assets and variable lease payments not taken into account in the measurement of the lease liabilities are shown in the item “Other administrative expenses”.

HVB Group acts as seller/lessee in sale-and-leaseback transactions in which it sells assets (properties) to another company (buyer/lessor) which it then leases back from that company. The provisions of IFRS 15 are applied in determining whether the transfer of the assets is to be accounted for as a sale. If the transfer of the asset as a result of the transfer of control constitutes a sale, the seller/lessee must recognise the right-of-use asset relating to the leaseback at that portion of the former carrying amount relating to the right-of-use asset retained by it. Any gain or loss on the transaction is thus recognised only to the extent to which it relates to the rights transferred to the buyer/lessor. The pro rata unrealised gain on the sale resulting from the adjustment of the initial measurement of the right-of-use asset is subsequently recognised as a reduction of the ongoing write-downs of the right-of-use asset over the term of the leaseback.

If the transaction is not carried out at fair value or at standard market conditions but, for example, a purchase price premium is compensated by higher lease payments, the differences are considered to be financing transactions. The acquisition cost of the right-of-use asset is to be reduced by these financing components accordingly in order to recognise the right-of-use asset and the income from the sale of the asset. However, if the transfer of the assets does not constitute a sale because control is not transferred, the transaction is presented in the balance sheet of the seller/lessee as a financing transaction. The seller/lessee continues to recognise the transferred assets and recognises the financial liability in the amount of the income from the transfer in accordance with IFRS 9.

HVB Group as lessor

In the case of agreements that constitute or contain a lease, HVB Group as a lessor reports as a lease each lease component separately from the non-lease components of the agreement and applies the respective regulations of IFRS 15 to the distribution of the contractually agreed compensation between the individual components.

Leases in which HVB Group appears as the lessor are classified as either finance or operating leases on commencement of the lease (dual lessor accounting model). If the terms of the lease essentially transfer all the risks and rewards incidental to ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases. The classification is only reassessed in the event of a change in the lease agreement.

Accounting and Valuation

In the case of a sublease, HVB Group acts as an intermediate lessor and accounts for the principal lease and the sublease as two separate agreements. The classification of the sublease as a finance or operating lease is based on the right-of-use asset and not on the asset from the principal lease underlying the lease. If the principal lease is a short-term lease to which HVB Group applies the above described exemption, the sublease is classified as an operating lease.

– Operating leases

In the case of operating leases, the lessor, as the beneficial owner, recognises the underlying asset in its consolidated balance sheet. The leased assets are carried under property, plant and equipment or investment properties and measured in accordance with the relevant methods described. Lease income from operating leases is recognised on a straight-line basis over the term of the respective lease and shown under other income in the “Net other expenses/income” item. Initial direct costs incurred in negotiating and agreeing a lease are added to the carrying amount of the leased asset and allocated on a straight-line basis over the term of the lease.

– Finance leases

If the lessor transfers the underlying asset to the lessee for use under a finance lease, the lessor must derecognise it from its consolidated balance sheet on the commencement date and recognise a finance lease receivable from the lessee. The initial measurement of the finance lease receivable included in the item “Loans and receivables with customers (at cost)” or “Loans and receivables with banks (at cost)” is carried at the net investment in the lease using the lessor’s interest rate underlying the lease. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the income recognised over the lease term. The lease payments to be included in the amount receivable under the lease generally correspond to the payments that must also be taken into account upon the initial measurement of a lessee’s lease liability. Subsequently, the lease payments received by the lessee are divided into an interest portion recognised in the income statement and a redemption portion. Interest income is recognised over the term of the lease using the effective interest method; the redemption portion reduces the outstanding receivable as a repayment of the principal. The derecognition and impairment provisions of IFRS 9 are to be applied to the amounts receivable under the lease. If the estimated unguaranteed residual values are used in the calculation of the gross investment in the lease, the lessor must review these values at regular intervals.

Any variable lease payments are recognised as income by the lessor in the period in which they arise.

For more information on leases, please refer to the Note “Information regarding lease operations”.

Accounting and Valuation

18 Investment properties

Investment properties are real estate (land and buildings) that HVB Group holds to earn rental income and/or for capital appreciation over the long term.

Investment properties are recognised at acquisition or production cost including transaction costs at the time of addition. These are then measured using the fair value model in accordance with IAS 40.33. This also applies to the right-of-use assets under leases that comply with the definition of investment property in IAS 40 and are classified as investment property. There is no scheduled depreciation over the economic life. Gains and losses resulting from changes in the fair value are recognised through profit or loss in the consolidated income statement under the item “Net other expenses/income” in the period in which they arise. Current expenses and rental income for land and buildings held as an investment is also reported in this item.

The fair value of investment properties is determined as follows: the properties to be measured are always unique which means that there are no prices that are observable for these properties. Consequently, the fair value is to be determined on the basis of recognised valuation methods (Level 3). Only in exceptional cases can binding offers or non-binding reliable offers for a property be made in the course of a selling process (such as for investment properties classified as non-current assets or disposal groups held for sale), so that the fair value can be determined on the basis of prices observable on the market (Level 2). The valuation is carried out at regular intervals.

The appraisals prepared to calculate fair values are based on recognised appraisal methods used by independent external assessors, primarily taking the form of comparative-value, asset-value and income approaches. In the income approach, current market rents, management and maintenance costs and property yields are applied in the case of developed land. Where necessary, property-specific considerations are also taken into account when determining the value. Among other things, these property-specific factors include vacancy rates, deviations between current contractual rents and current market rents, the condition of the buildings' technical systems and similar factors. In the case of undeveloped land, figures for sales of nearby land that have been completed are normally taken as a basis; where these are not available, the standard land value is used as a benchmark, with adjustments made for the individual location, size and layout of the plot of land, among other factors.

An investment property is derecognised upon disposal or when it is permanently no longer to be used and future economic benefits from the disposal are no longer expected. The gain or loss on disposal is determined as the difference between the net proceeds on disposal and the carrying amount of the asset and is recognised through profit or loss in the consolidated income statement in the period of disposal.

In some cases, it may prove difficult to classify a property as an investment property rather than property, plant and equipment. Classification is especially difficult if part of the property is held by the Group as an investment while another part is used for the Bank's own purposes as an administration building, and the parts of the property cannot be sold separately or leased out under a finance lease so that the two parts are not accounted for separately. In such cases, HVB Group classifies a mixed usage property in full as an investment property if more than 90% of the property is leased to an external third party and the part of the property used by the Bank is of subordinate importance. The whole property is classified as property, plant and equipment if the part of the property leased externally totals 90% or less.

Accounting and Valuation

19 Intangible assets

Intangible assets mainly consist of internally created and separately purchased software as well as purchased customer relationships. As a basic rule, software is no longer created internally at HVB. Software is supplied to HVB by the UniCredit-wide service provider UniCredit Services S.p.A.

Intangible assets are only capitalised if it is probable that a future economic benefit will flow to the Bank and the cost of the assets can be reliably measured.

Internally created and separately purchased intangible assets are generally recognised at their acquisition or production cost less any accumulated scheduled amortisation and impairment losses (cost model according to IAS 38.74).

Software has a limited useful life and is measured over an expected useful life of three to five years and other intangible assets with a determinable useful life are amortised over an expected useful life of up to ten years on a scheduled straight-line basis.

Scheduled amortisation, impairments and write-ups on intangible assets recognised through profit or loss are reported in the consolidated income statement under the item “Amortisation, depreciation and impairment losses on intangible and tangible assets” within operating costs.

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or sale.

20 Non-current assets or disposal groups held for sale

Under IFRS 5, non-current assets or disposal groups held for sale which are expected to be sold within one year are to be recognised as non-current assets or disposal groups held for sale. Upon reclassification, these are generally carried at the lower of the carrying amount or fair value less costs to sell. Upon subsequent measurement following reclassification, the non-current assets or disposal groups held for sale are, if necessary, written down to a lower fair value less costs to sell if this has fallen at subsequent reporting dates. Should the fair value increase, the total may be written up to an amount that is no more than the cumulative impairment loss.

Financial instruments as defined by IFRS⁹ and non-current assets measured according to the fair value model in IAS 40, for which the measurement requirements of the respective IFRS apply, are among the items exempt from the IFRS 5 measurement requirements.

21 Liabilities

Deposits from banks and customers as well as debt securities in issue that are not hedged items of an effective micro fair value hedge are carried as liabilities at amortised cost. Upon initial recognition, they are disclosed at their fair value including any transaction costs. Interest accruing on the liabilities is calculated using the effective interest method.

Accounting and Valuation

22 Financial liabilities held for trading

This item includes the negative fair values of traded derivatives and all other derivatives that are not classified as hedging derivatives (which are recognised separately). Also included here are warrants, certificates and bonds issued by our trading department, liabilities under repurchase agreements as well as delivery obligations arising from short sales of securities held for trading purposes.

Financial liabilities held for trading are carried at fair value. Gains and losses from the valuation and realisation of financial liabilities held for trading reported in the consolidated income statement under net trading income. We act as market maker for the structured products we issue.

23 Financial liabilities at FVTPL

HVB Group designated certain liabilities as financial instruments to be measured at fair value through profit and loss (fair value option) upon initial recognition. In this context, financial instruments issued are designated on the basis of fair value-based management of the portfolios concerned.

Financial liabilities at fair value through profit or loss are disclosed upon initial recognition at their fair value without any transaction costs. Upon subsequent measurement, changes in fair value with the exception of the own credit spread are recognised through profit or loss in the item “Net gains/losses on financial assets and liabilities at fair value”. If part of the change in fair value is attributable to changes in own credit spread, this partial amount is corrected again in the consolidated income statement and then recognised through other comprehensive income. This procedure does not lead to any accounting anomaly in the consolidated income statement.

In equity, the reserve for the own credit spread is shown under “Other reserves”. If there are any changes in the financial liabilities at FVTPL in the course of measurement at fair value on account of the own credit spread, these changes are recognised through other comprehensive income. If this reserve still contains amounts on the date of disposal of the liability, the relevant amounts are not recognised in the consolidated income statement and are generally reclassified to retained earnings.

24 Hedge adjustment of hedged items in the portfolio fair value hedge

Changes in the hedged amount of hedged items are carried on an aggregated basis in this hedge adjustment of portfolio fair value hedges to be shown separately (see the Note “Hedge adjustment of hedged items in the portfolio fair value hedge”). The hedge adjustment is allocated to either asset side or liability side depending on whether the hedged item represents an asset or liability excess.

25 Other liabilities

Compliant with IAS 37, accruals and other items are shown under other liabilities. These reflect future expenditure of uncertain timing or amount, but the uncertainty is less than for provisions. Accruals are liabilities for goods and services received that have been neither paid for nor invoiced by the supplier, nor formally agreed. This also includes current liabilities to employees, such as flexi-time credits and holiday entitlements. HVB Group carries accruals at the amount likely to be used.

Accounting and Valuation

26 Provisions

Present legal or constructive obligations as a result of past events involving a probable outflow of resources, and whose amount can be reliably estimated, are recognised as provisions.

When determining provisions for uncertain liabilities and anticipated losses on onerous transactions, the best estimate compliant with IAS 37.36 ff is taken as a basis. Provisions are discounted where the interest effect has a significant impact.

Provisions are generally set aside at the expense of the respective expense items, only provisions for legal risks, provisions for onerous contracts and other similar items falling under the scope of IAS 37 are set aside or revised via the item "Transfers to provisions".

In accordance with IAS 19, provisions for pensions and similar obligations arising from defined benefit plans are recorded on the basis of external actuarial reports by applying the projected unit credit method, with each pension plan being valued separately. This accrued benefit method pro-rated on service takes into account dynamic considerations when determining the expected pension benefits upon retirement and distributes these over the beneficiaries' entire period of employment. This means that the measurement of the defined benefit obligation is based on an actuarially calculated present value of the future benefit entitlement for services already rendered (vested benefit entitlements), taking into account the expected compensation increases including career trends and forecast pension progression. The actuarial assumptions to be defined when measuring the benefit obligation vary in line with the economic and other underlying conditions in the country in which the plans exist.

The underlying valuation assumptions may differ from the actual developments as a result of changing market, economic and social conditions. The actuarial gains or losses resulting from the change to the valuation parameters may have a significant impact on the amount of the obligations for pensions and similar post-employment benefits.

The discount rate used to discount the defined benefit obligations (actuarial interest rate) is determined by reference to yields recorded on the market at the reporting date for high quality, fixed-rate corporate bonds and with maturities and currencies that match the obligations to be measured. A basket of AA-rated corporate bonds denominated in euros serves as the data basis for determining the discount rate for the obligations. These individual bond data are translated into a yield curve, which forms the basis for determining the actuarial interest rate, using a numerical adjustment calculation.

Funded pension obligations differ from unfunded pension obligations in that plan assets are allocated to cover the entitlements of the beneficiaries. The beneficiaries include active employees, former employees with vested benefit entitlements, and pensioners and their surviving dependants. Both HVB and a number of subsidiaries have set up plan assets in external, restricted-access pension organisations to fund their pension obligations.

If the beneficiaries' benefit entitlements or the Group's benefit obligations are not funded by assets, HVB Group recognises a pension provision in the amount of the present value of the defined benefit obligation (DBO) in its consolidated balance sheet.

Accounting and Valuation

However, if these are funded pension obligations, the present value of the defined benefit obligation is set against the fair value of the plan assets to determine the net defined benefit liability or net defined benefit asset from the defined benefit plans. The net amount is recognised in the consolidated balance sheet as a pension provision in the event of an excess of liabilities over assets or under other assets in the event of an excess of assets over liabilities adjusted for any effects of the asset ceiling. In the event of excess allocations to the plan, the amount of the net defined benefit asset recognised in the balance sheet is limited to the present value of the economic benefits associated with the surplus plan assets.

In the case of defined benefit obligations, actuarial gains and losses are recognised immediately and in full through other comprehensive income (OCI) in the period in which they accrue. Consequently, the pension provision or other asset recognised in the consolidated balance sheet corresponds to the actual deficit or surplus for a given commitment.

Under the net interest approach, the net interest to be recognised in profit or loss for the period is calculated by multiplying the net defined benefit liability (asset) under defined benefit plans by the discount rate used to measure the defined benefit obligation. Since the net defined benefit liability (asset) is reduced by any plan assets, this calculation method implicitly assumes a return on the plan assets in the amount of the discount rate.

If the present value of a defined benefit obligation changes as a result of a plan amendment or plan curtailment, the Group recognises the ensuing effects in full as past service cost in the profit or loss for the period. The amount is normally recognised at the date when the plan amendment or plan curtailment occurs. Gains and losses resulting from a plan settlement are also recognised directly in profit or loss when the settlement occurs.

The net pension expense of defined benefit obligations consists of a service cost component, a net interest component and a remeasurement component. This is recognised in the consolidated income statement and consolidated statement of total comprehensive income as follows:

The service cost component consists of the current and past service cost including gains and losses on plan settlements. The net interest component comprises the interest expense from the compounding of the defined benefit obligation, interest income on plan assets and, in the event of excess allocations to the plan, interest on any effects arising from the adjustment of the asset surplus to reflect the asset ceiling. The service cost and net interest components are recognised through profit or loss in the consolidated income statement for the period. HVB Group also recognises the net interest component under expenses for pensions and similar employee benefits in payroll costs alongside the service cost component.

The remeasurement component comprises the actuarial gains and losses from the measurement of the defined benefit obligation, the difference between the typical return on plan assets assumed at the beginning of the period in the amount of the discount rate and the actual return generated from plan assets and, in the event of excess allocations to the plan, any adjustment of the asset surplus to reflect the asset ceiling, excluding amounts already recognised in net interest. This component is recognised immediately in shareholders' equity without affecting profit or loss. The remeasurements recognised in other comprehensive income within the consolidated statement of total comprehensive income may not be reclassified in later periods in profit or loss (no recycling).

Accounting and Valuation

The disclosure requirements for defined benefit plans contain a principles-based disclosure concept requiring companies to make company-specific judgements about the level of detail required or any emphasis to be placed on disclosures relating to defined benefit plans. The reporting is intended to meet the information needs of the users of the financial statements and give them a wide-ranging understanding of the risk structure and risk management of the pension plans (pension governance).

In contrast to defined benefit plans, no provisions for pensions and similar obligations are recognised for defined contribution plans. The amounts paid are recognised in the period of the payment taken to the income statement under payroll costs.

The provisions for pensions and similar obligations are described in detail in the Note “Provisions”.

Provisions for partial retirement and similar benefits recognised under other provisions are measured on the basis of external actuarial reports in accordance with IAS 19.

The top-up amounts promised under partial-retirement agreements are accounted for as other long-term employee benefits and the associated expenses accrued over their vesting period. HVB Group applies the first-in first-out (FiFo) method for the straight-line accrual of top-up benefits. The benefits are discounted to determine their present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Other long-term employee benefits also include the deferred employee compensation under the Group's bonus programmes, unless these are expected to be settled in full within twelve months after the end of the reporting period. The Group has a net liability in the amount of the future benefits to which the employees are entitled in exchange for the work performed in the current and earlier periods. HVB Group recognises a bonus provision in the amount of the present value of these benefits in its consolidated balance sheet, with the promised bonus amounts being allocated on a pro rata basis over the respective vesting period. Remeasurements of the net liability are recognised directly in profit or loss for the period.

The employee compensation schemes are described in detail in the Note “Operating costs”.

Accounting and Valuation

27 Foreign currency translation

The consolidated financial statements are prepared in euros, which is the reporting currency of the corporate group. Amounts in foreign currency are translated in accordance with the principles set forth in IAS 21. This standard calls for monetary items not denominated in the respective functional currency (generally the local currency in each case) and cash transactions not completed at the valuation date to be translated into euros at the reporting date using current market rates. Non-monetary items carried at fair value are similarly translated into euros using current market prices at the valuation date. Non-monetary items carried at cost are translated using the historic rate applicable at the time of acquisition.

Income and expense items arising from foreign currency translation at the individual Group companies are stated under net trading income in the consolidated income statement.

Where they are not stated in euros, the assets and liabilities reported by our subsidiaries are translated using current market rates at the reporting date in the consolidated financial statements. Average rates are used to translate the income and expenses of these subsidiaries.

Exchange rate differences resulting from the translation of financial statements of international business units are recognised in shareholders' equity without affecting profit or loss and are only taken to the income statement if the operation is sold in part or in full.

28 Income tax for the period

Income tax for the period is accounted for in accordance with the principles set out in IAS 12. Current taxes are determined taking into account local laws in the respective tax jurisdictions concerned. Apart from a few exceptions allowed for in the standard, deferred tax assets and liabilities are recognised for all temporary differences between the amounts recognised in accordance with IFRS and the amounts recognised for tax-reporting purposes (balance sheet approach). Deferred tax assets arising from unused losses carried forward for tax-reporting purposes are shown where permitted by IAS 12.

Since the concept is based on the presentation of future tax assets and liabilities (liability method), they are calculated using the relevant local tax rates that are expected to apply when the differences are reversed. Deferred tax assets and liabilities are netted provided the offsetting requirements defined in IAS 12 are met.

On 11 July 2025 the German Federal Council finally enacted the tax bill "Gesetz für ein steuerliches Investitionssofortprogramm zur Stärkung des Wirtschaftsstandortes Deutschland", which besides other topics includes a reduction of the German Corporate Income Tax rate from 15% to 10% in the years 2028 to 2032 (one percent per year). This reduction of the Corporate Income Tax rate thus led to a revaluation of the deferred tax assets and deferred tax liabilities of HVB Group in 2025.

The use of estimates is important when determining the need for provisions for potential losses from uncertain income tax treatment. The Group measures these potential losses in accordance with IAS 12 "Income Taxes" and IFRIC 23 "Uncertainty Over Income Tax Treatments". Determining the amount of provisions requires estimates to be extensively made and, ultimately, the final liabilities might differ considerably.

In this case, the calculation of uncertain tax items is based on the best possible estimate of the settlement amount (most probable value). In deviation to this, the valuation is based on the expected value if this serves a more accurate estimate.

Accounting and Valuation

29 Trading engine centralisation

In the 2023 financial year, the UniCredit corporate group decided to simplify the structure of its trading activities. Previously, the trading activities of the UniCredit corporate group were bundled at HVB. Starting in the second half of 2024, these were and are being gradually transferred to the parent company, UniCredit S.p.A. With the aim of ensuring an orderly transfer during the centralisation process, trading activities in HVB were divided into various tranches so that these could be transferred one after the other. The transfers and compensation payments are made at the underlying fair values of the respective transactions at the time of transfer. The selling price, which also relates to future transactions, will be recognised in profit or loss after the successful completion of all the tranches.

In order to transfer risks from the portfolio of allocated customer and hedging derivatives, back-to-back new derivatives were concluded with UniCredit S.p.A. and novations agreed with external counterparties. In future, external hedging will be carried out centrally at UniCredit S.p.A. on behalf of HVB. Customers will continue to be served by HVB and their transactions will continue to be booked with HVB without any changes. Nor will there be any change in the product range.

In an initial tranche, bond and interest rate derivative transactions were transferred to UniCredit S.p.A. as of July 2024. The tranche comprised derivative financial instruments with net positive market values of €2.7 billion. In addition, bonds and fixed-income securities in the held-for-trading portfolio with market values of €4.9 billion were transferred on the assets side and with market values of €2.4 billion on the liabilities side. The countervalues were thus offset through payments without affecting profit or loss. At the same time, the employees entrusted with these switched from the Trading area to UniCredit S.p.A. In a second tranche, the brokerage business of HVB's Milan branch with non-German customers was transferred in November 2024. At the same time, the brokerage team in Milan switched from HVB to UniCredit S.p.A.

In the 2025 financial year, further parts of the trading portfolio were transferred to UniCredit S.p.A. in a total of three tranches as scheduled. In February 2025, foreign currency trading transactions were the first to be transferred to UniCredit S.p.A. within the third tranche overall. The net positive market values of the transferred derivatives amounted to €0.2 billion. The transfer of bond and credit derivative transactions to UniCredit S.p.A. took place in the fourth tranche in July 2025. The derivative financial instruments contained within this tranche had a net positive value of €0.6 billion. In addition, fixed and variable-yield bonds in the held-for-trading portfolio with positive market values of €1.1 billion were transferred. For both tranches, the associated holiday pay and pension liabilities relating to the relevant employees of HVB's Trading area were also transferred to UniCredit S.p.A. Commodity transactions were transferred in the fifth tranche in November 2025. Derivative financial instruments with a net negative market value of €0.3 billion were transferred in this tranche. The tranche also included physical inventory recognised as assets on the balance sheet, in particular EUA certificates with positive market values amounting to €4.9 billion as well as receivables from precious metal lending transactions amounting to €0.3 billion. The corresponding effects and impacts in the reporting year are explained in the relevant notes to the balance sheet.

We plan to transfer the remaining portfolio in a final tranche in the 2026 financial year.

Segment Reporting

30 Method of segment reporting by operating segment

In segment reporting, the activities of HVB Group are divided into the following operating segments:

- Retail
- Corporates
- Other

Segment reporting is based on the internal organisational and management structure together with internal financial reporting, which reflects the perspective of the UniCredit corporate group and therefore excludes factors that are not relevant for the UniCredit corporate group. In accordance with IFRS 8 Operating Segments, segment reporting follows the Management Approach, which requires segment information to be presented externally in the same way as it is regularly reported to the Executive Board, as the responsible management body. This information is used for resource allocation (such as risk-weighted assets compliant with CRR) to the operating segments and for assessing their profitability. In this context, profit or loss after tax serves as the relevant performance measure. Segment data are generally determined in accordance with IFRS and adjusted for the factors set out below. Minor deviations may occur in totals and percentages due to rounding.

In segment reporting, the operating segments act as autonomous entities with their own equity resources and responsibility for profits and losses. The operating segments are defined according to their responsibility for serving customers. For a description of the customer groups assigned to each operating segment and the main components of the segments, please refer to the Note “Components of segment reporting by operating segment”.

The income statement items “Net fees and commissions”, “Net trading income” and “Net other expenses/income” shown in the operating segments are based almost exclusively on transactions involving external customers. Net interest is allocated to the operating segments using the market interest calculation method based on external interest income and interest expense. For this reason, a separate presentation of external/internal revenues (operating income) has not been included.

The equity capital allocation used to calculate the return on investment for companies assigned to several operating segments is based on a uniform core capital allocation for each operating segment. This involves allocating 13.0% (previous year: 13.0%) of core capital in relation to risk-weighted assets pursuant to CRR to the operating segments. The average tied core capital calculated in this way is used to compute the return on investment, which is disclosed under net interest. The percentage used for the return on the equity capital allocated to the companies of HVB Group equals the base rate according to the book of own funds. In addition, a premium for credit risk is charged in the amount of the average spread curve for the medium- and long-term lending business of HVB Group. This rate is set for one year in advance as part of each budgeting process. Equity capital is not standardised for the other companies included in the consolidated financial statements.

Operating costs, which include payroll costs, other administrative expenses as well as amortisation, depreciation and impairment losses on intangible and tangible assets, are allocated to the operating segments according to causation. The Digital & Operations and Corporate Center areas are treated as external service providers, charging the operating segments and business units for their services at a price which covers their costs. The method of calculating the costs of general banking services involves employing a weighted allocation key (consisting of costs, income, FTEs, base amount) for each operating segment to determine the assigned costs that cannot be allocated directly. The scheduled depreciation and impairment losses taken on property, plant and equipment relate in particular to the Bank’s properties included in the Other operating segment.

Segment Reporting

The profit of €1 million (previous-year period: €2 million) from investments in associates relates to Comtrade Group GmbH, Zug, a company accounted for using the equity method. The profit is disclosed under the item “Dividends and other income from equity investments” in the income statement. In the reporting year, a write-back of €2 million (previous-year period: write-down of €2 million) was made on the carrying amount of the company accounted for using the equity method, which is reported under net income from investments. The carrying amount of the company accounted for using the equity method totals €20 million (previous-year period: €17 million).

31 Changes in segment reporting

In the first half of 2025, HVB Group made the following adjustment to the segmented income statement: The change in disclosure begun in 2023 of the income component customer margin was reclassified to fees for further products. This was originally allocated to trading profit. This reclassification is applied for those products where the customer margin can be fixed through suitable hedging transactions. In addition to the adjustment made in the previous year, this definition now also includes equity derivatives, FX options and a part of the commodity derivatives (known as prepaid forward carbon trades).

Furthermore, the previous year's segmented income statement was adjusted for the respective effects from transferring HVB's trading activities to UniCredit S.p.A., which began in the 2024 reporting year as part of the Trading Engine Centralization in order to ensure comparability with the current reporting period. This caused net interest to increase by €167 million in the previous-year period, while net trading income decreased by €285 million, fee and commission income by €21 million and operating costs by €57 million. In the 2025 reporting year, net interest rose by €18 million, while net trading income declined by €38 million, fee and commission income by €13 million and operating costs by €5 million.

These adjustments were also made for the disclosure of the previous-year figures to ensure comparability between periods. No other significant methodical adjustments were made. The division into HVB Group's operating segments remained unchanged. In segment reporting, the activities of HVB Group continue to be divided into the following operating segments:

- Retail
- Corporates
- Other

Disclosures in segment reporting are based on HVB's internal management. Therefore, income and expenses that are not solely based on external business activities but serve internal management purposes and represent internal allocations and the like may be recognised here. Where such internal income/expenses between the respective segments are recognised in identical items of the segmented income statement, these allocations are netted across all the segments. Any remaining effects from internal allocations are eliminated during consolidation so that only external income/expenses remain as a result in the total segmented income/expenses across all the segments, including consolidation.

Differences between the segmented income statement and the consolidated income statement are addressed in the reconciliation. The change in disclosure in the first half of 2025 relates to the circumstances described above: As the sales margin was only reclassified to net fees and commissions in the segmented income statement for internal management purposes, while net trading income is disclosed unchanged in the consolidated income statement, this has resulted in a reconciliation difference of €380 million in the reporting period (previous-year period: €339 million).

Due to rounding, minor deviations can occur when calculating totals and percentages.

Segment Reporting

32 Components of segment reporting by operating segment

Retail operating segment

The Retail operating segment is subdivided into two business areas: “Retail” and “Private”. The Retail business area serves retail customers and small business customers requiring standardised products and advice in all areas of demand with the Private business area serving wealth management and private banking customers.

The retail customer business provides universal banking services across all sales channels (branch, remote and digital) for retail customers. The standard of quality of the extensive and needs-based advisory services is supported by HVB’s financial concept. This comprehensive advisory approach is supplemented by the “Smart Banking” service model for customers requiring standardised products and services. In the area of small business customers, we offer our customers a full range of services in corporate and private financial and asset matters with customers benefiting even more than before from the modernisation and expansion of our digital offering already embarked upon. In the “Wealth Management & Private Banking” relationship model, very high net worth clients are served by advisors and a network of highly qualified specialists based on a 360-degree advisory approach with the aim of achieving a sustainable increase in the prosperity of our customers and thus maintaining long-term, trusting customer relationships.

In line with the “Universal Bank” model, the range of products and services of the Retail operating segment enables us to provide comprehensive customer support. In the Retail business area, this extends from payment services, investment products, mortgage loans, consumer loans, savings-and-loan and insurance products and banking services for retail customers through to short- and long-term business loans for small business customers. In the Private business area, customised portfolio concepts, financing solutions as well as the brokerage of corporate investments are also offered to high net worth private customers with an entrepreneurial background.

Corporates operating segment

The Corporates operating segment bundles the corporate banking business. In this context, we position ourselves as a strategic partner with complete and customised solutions for corporate clients. This segment covers the Small & Medium Corporates (SMC) and Large Corporates business areas and serves the entire spectrum of companies, from small and medium-sized to large enterprises as well as corporates in the public sector.

In the SMC business area, we maintain regional presence in the market. In doing so, we use differentiated relationship models to target our corporate clients depending on their respective needs. This enables resources to be distributed in line with heterogeneous market conditions and thus the earnings potential to be effectively exploited in each region.

Regional coverage of corporate clients includes not only traditional banking services such as payment transactions and lending, but also tailored financing solutions, for example through the use of promotional loans as well as financial risk management solutions. In addition, offerings for special target groups are continuously being developed further, and specialised advisory services, such as in the areas of capital markets and the M&A business, are provided for relevant client groups. The range of services is complemented by cooperation partners, for example in the fields of insurance or leasing.

The Large Corporates business area encompasses large corporate clients with complex service needs, who are managed within the Industry Coverage model. Service in this area is based on a broad product portfolio, extensive sector expertise and the development of customised client solutions. This means that the Bank positions itself as a central banking partner in a large number of client relationships. The range of products and services includes traditional banking products as well as the full product suite offered by Client Solutions, UniCredit’s global product factory, and is further complemented by ESG-related products and advisory solutions.

Segment Reporting

In addition, the Large Corporates business area covers Financial Institutions (FI), the proprietary Private Investor Products business (PIP) as well as activities in our international network.

In the Financial Institutions business, UniCredit's entire platform is made available to selected FI clients in a simple and efficient manner, with dedicated teams providing service for banks, insurances, fund managers and public institutions. In PIP, we offer private investors risk management solutions and investment products through our own or third-party networks. At our international branches, corporate clients as well as Financial Institutions generally have access to the full range of products.

In detail, the range of products and services of Corporates includes the following products of Client Solutions:

- Advisory & Financing Solutions (A&FS) bundles the business involving advisory services in relation to transactions, capital structure, ESG and rating as well as financing solutions, among other things. Depending on the rating (investment grade / non-investment grade) and business requirements, structured solutions with loans, bonds or asset-based finance can be offered.
- Trading & Correspondent Banking offers a broad range of innovative products in the areas of trade finance and working capital, thus meeting client needs in connection with transactions in the areas of the optimisation of cash flows and working capital as well as mainly short-term import and export financing.
- Client Risk Management is a client-oriented product area that supports business with UniCredit's corporate and institutional clients as an integral part of the value chain. This product area extends over all asset classes: interest, currencies, commodities and equity derivatives. It offers institutional clients, corporate clients and private investors risk management solutions and investment products through the Group's own or third-party networks.
- Group Payment Solutions offers a wide range of innovative products in the area of cash management, thus meeting client needs in connection with transactions in the areas of payment services, account information and liquidity management.

Other business area

The Other business area (Central Functions) combines the remaining areas not directly relating to customers, such as Digital & Operations (CDOO), Corporate Center and Treasury. Furthermore, payments recognised through profit or loss between the individual companies belonging to and consolidated within HVB Group, whose amounts are of minor importance, are also reported under this area.

CDOO manages HVB's digital and operational transformation and supports the Bank in achieving its business and corporate goals vis-à-vis customers, employees and stakeholders.

The structure of CDOO is based on product and process value chains and cross-departmental functions that focus on synergies and optimisations when providing products and services across customer segments. Responsibilities for processes, services, IT applications (from a business perspective) and banking operations as well as for external service providers are bundled vertically along the product value chains. CDOO works jointly with business areas on their respective product strategies.

Segment Reporting

Product and process value chains cover general banking operations (for example, accounts and customer master data, know your customer (KYC) and payments), lending and finance solutions, investment products and insurance solutions, client risk management operations and the respective retained organisation functions for outsourced services. This is supported by a comprehensive strategy aimed at optimising customer service through the seamless integration of digital and physical channels.

Cross-departmental functions create further added value and optimise the provision of products in line with UniCredit's priorities. These include the centre of competence for data and analysis, which is responsible for promoting the data strategy and data products, and the security function, which protects HVB's customers, employees, information and assets against a series of threats, including cyber, physical and fraud threats, and the Bank's property management.

Further focal points are supporting the Bank's transformation processes, ensuring a robust governance structure, outsourcing and third-party management as well as process management. In addition, CDOO acts as the management unit for local ICT project portfolio and is responsible for HVB's ICT compliance. IT application development and IT operations have been outsourced to the parent company and are managed in CDOO through the respective retained organisation.

The Corporate Center includes the CEO (Chief Executive Office), Finance (Chief Financial Officer), CRO (Chief Risk Office), People & Culture business areas as well as other banking activities, consolidated subsidiaries and non-consolidated holdings that are not assigned to any other business area. Furthermore, the Corporate Center incorporates the net income from securities portfolios for which the Executive Board is responsible. It also contains components of profit or loss from decisions taken by the Executive Board with regard to asset/liability management. In addition, the Corporate Center incorporates the Real Estate Restructuring customer portfolio.

Treasury, in particular its Medium Long Term (MLT) area, is responsible for funding, interest rate management and cash pooling in the medium- and long-term interest book, while Short Term Funding & IR Management is responsible for liquidity, interest and KPI management over the short term and for collateral trading. The main components of income come from securities portfolios where income is generated through maturity transformation and spread components. Further earnings drivers are short-term interest rate and liquidity management where spreads contribute to profits. Collateral Trading generates both interest and commission income.

Information on products and services at company level

The information required by IFRS 8.32 on income from external customers generated from the products and services of HVB Group is contained in the disclosures regarding the income statement in these notes to the consolidated financial statements.

Segment Reporting

33 Income statement, broken down by operating segment

Income statement, broken down by operating segment for the period from 1 January to 31 December 2025

INCOME/EXPENSES (€ millions)	RETAIL	CORPORATES	OTHER	HVB GROUP
Net interest	912	1,524	350	2,787
Dividends and other income from equity investments	2	1	—	3
Net fees and commissions	629	1,109	(51)	1,687
Net trading income	12	803	47	862
Net other expenses/income	15	35	75	125
OPERATING INCOME	1,569	3,472	421	5,462
Payroll costs	(319)	(432)	(408)	(1,159)
Other administrative expenses	(498)	(767)	406	(859)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(8)	(56)	(68)
Operating costs	(822)	(1,207)	(57)	(2,086)
OPERATING PROFIT/(LOSS)	747	2,265	364	3,376
Net write-downs of loans and provisions for guarantees and commitments	37	(315)	17	(261)
NET OPERATING PROFIT/(LOSS)	784	1,950	381	3,115
Provisions for risks and charges	(7)	(7)	10	(4)
Restructuring costs	(62)	(56)	(7)	(125)
Net income from investments	(4)	3	2	—
PROFIT/(LOSS) BEFORE TAX	712	1,889	386	2,986
Income tax for the period	(217)	(548)	(141)	(906)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	495	1,341	245	2,080
attributable to the shareholder of UniCredit Bank GmbH	495	1,341	245	2,080
attributable to minorities	—	—	—	—

Income statement, broken down by operating segment for the period from 1 January to 31 December 2024

INCOME/EXPENSES (€ millions)	RETAIL	CORPORATES	OTHER	HVB GROUP
Net interest	903	1,578	290	2,770
Dividends and other income from equity investments	—	2	1	3
Net fees and commissions	574	1,084	(41)	1,616
Net trading income	(8)	831	43	867
Net other expenses/income	14	9	72	95
OPERATING INCOME	1,484	3,504	364	5,351
Payroll costs	(331)	(452)	(410)	(1,193)
Other administrative expenses	(501)	(783)	379	(904)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(9)	(60)	(74)
Operating costs	(837)	(1,244)	(90)	(2,171)
OPERATING PROFIT/(LOSS)	646	2,260	274	3,180
Net write-downs of loans and provisions for guarantees and commitments	70	(347)	5	(271)
NET OPERATING PROFIT/(LOSS)	717	1,913	279	2,909
Provisions for risks and charges	(11)	1	—	(10)
Restructuring costs	(54)	(82)	(4)	(140)
Net income from investments	(12)	(6)	(15)	(33)
PROFIT/(LOSS) BEFORE TAX	639	1,826	261	2,726
Income tax for the period	(189)	(581)	(77)	(847)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	450	1,245	183	1,879
attributable to the shareholder of UniCredit Bank GmbH	450	1,245	183	1,879
attributable to minorities	—	—	—	—

Segment Reporting

Reconciliation of the segmented income statement to the consolidated income statement from 1 January to 31 December 2025

INCOME/EXPENSES (€ millions)	INCOME STATEMENT, BROKEN DOWN BY OPERATING SEGMENT	RECLASSI- FICATION	ACCOUNTING AND VALUATION DIFFERENCES	CONSOLIDATED INCOME STATEMENT
Net interest	2,787	4	(16)	2,775
Reallocation of net interest from specific held-for-trading portfolios		(38)	—	
Compounding of provisions and of provisions for contingent liabilities		(30)	—	
Interest expense for pension provisions		6	—	
Reclassification of credit guarantees for synthetic placements		66	—	
Trading Engine Centralization		—	(18)	
Other effects		—	2	
Dividends and other income from equity investments	3	32	—	35
Dividends from assets mandatorily at FVTPL		32	—	
Net fees and commissions	1,687	(510)	14	1,190
Expense for purchased securities services for held-for-trading portfolios		43	—	
Share of commission from the placement of securities and derivatives		(106)	—	
Imputed sales margin for derivatives and FX spot transactions		(380)	—	
Reclassification of credit guarantees for synthetic placements		(66)	—	
Trading Engine Centralization		—	13	
Other effects		(1)	1	
Net trading income	862	210	38	1,109
Financial assets mandatorily at FVTPL		(12)	—	
Financial liabilities designated at FVTPL		(39)	—	
Net gains/(losses) on the sale of securities (held-for-sale business model)		1	—	
Hedge accounting effects		(10)	—	
Fair value measurement of equity instruments		(175)	—	
Buy-backs of securities issued – recognised at cost		(9)	—	
Net gains/(losses) on the sale of performing securities (hold-to-maturity business model)		(38)	—	
Dividends from assets mandatorily at FVTPL		(32)	—	
Reallocation of net interest from specific held-for-trading portfolios		38	—	
Share of commission from the placement of securities and derivatives		106	—	
Net gains/(losses) on the sale of non-performing securities (hold-to-maturity business model)		—	—	
Imputed sales margin for derivatives and FX spot transactions		380	—	
Trading Engine Centralization		—	38	
Net gains/(losses) on financial assets and liabilities at fair value	n/a	235	—	235
Financial assets mandatorily at FVTPL		12	—	
Financial liabilities designated at FVTPL		39	—	
Net gains/(losses) on the sale of securities (held-for-sale business model)		(1)	—	
Hedge accounting effects		10	—	
Fair value measurement of equity instruments		175	—	
Net gains/(losses) on non consolidated subsidiaries mandatorily at FVTPL		—	—	
Net gains/(losses) on derecognition of financial instruments measured at cost	n/a	46	—	46
Net gains/(losses) on the sale of performing loans and receivables, and securities (hold-to-maturity business model)		37	—	
Buy-backs of securities issued – recognised at cost		9	—	
Net other expenses/income	125	(8)	15	132

Segment Reporting

INCOME/EXPENSES (€ millions)	INCOME STATEMENT, BROKEN DOWN BY OPERATING SEGMENT	RECLASSI- FICATION	ACCOUNTING AND VALUATION DIFFERENCES	CONSOLIDATED INCOME STATEMENT
Net gains/(losses) on the sale of performing loans and receivables (hold-to-maturity business model)		1	—	
Net gains/(losses) on the valuation/disposal of investment properties		1	—	
Net gains/(losses) on the valuation of inventories		(3)	—	
Bank levy		—	—	
Adjustment of managerial scope of consolidation		—	15	
Other effects		(7)	—	
OPERATING INCOME	5,462	9	51	5,522
Payroll costs	(1,159)	(4)	(7)	(1,170)
Adjustment of managerial scope of consolidation		—	3	
Interest expense for pension provisions		(6)	—	
Compounding of provisions		2	—	
Trading Engine Centralization		—	(5)	
Other effects		—	(5)	
Other administrative expenses	(859)	(43)	(17)	(918)
Adjustment of managerial scope of consolidation		—	(17)	
Deposit guarantee scheme		(10)	—	
Compounding of provisions		3	—	
Expense for purchased securities services for held-for-trading portfolios		(43)	—	
Depreciation on leasehold improvements in buildings		3	—	
Other effects		4	—	
Amortisation, depreciation and impairment losses on intangible and tangible assets	(68)	(3)	(2)	(75)
Depreciation on leasehold improvements in buildings		(3)	—	
Net write-ups and write-downs on land and buildings		—	—	
Other effects		—	(2)	
Operating costs	(2,086)	(50)	(26)	(2,163)
OPERATING PROFIT/(LOSS)	3,376	(41)	25	3,359
Net write-downs of loans and provisions for guarantees and commitments	(261)	8	30	(223)
Impairments/writebacks of securities at cost and at FVTOCI		—	—	
Net gains/(losses) on the sale of non-performing securities (hold-to-maturity business model)		—	—	
Compounding of provisions for contingent liabilities		4	—	
Valuation allowances relating to group-affiliated companies in Russia		—	—	
Other effects		4	30	
NET OPERATING PROFIT/(LOSS)	3,115	(33)	55	3,136

Segment Reporting

INCOME/EXPENSES (€ millions)	INCOME STATEMENT, BROKEN DOWN BY OPERATING SEGMENT	RECLASSI- FICATION	ACCOUNTING AND VALUATION DIFFERENCES	CONSOLIDATED INCOME STATEMENT
Provisions for risks and charges	(4)	15	—	11
Bank levy and deposit guarantee scheme		10	—	
Compounding of provisions		5	—	
Restructuring costs	(125)	16	—	(109)
Compounding of provisions		16	—	
Net income from investments	—	—	—	—
Impairments/writebacks of securities at cost and at FVTOCI		—	—	
Net gains/(losses) on the valuation/disposal of investment properties		(1)	—	
Net gains/(losses) on the valuation of inventories		3	—	
Net gains/(losses) on remeasurement of consolidated companies		(2)	—	
Net gains/(losses) on non consolidated subsidiaries mandatorily at FVTPL		—	—	
Unscheduled write-ups and write-downs on land and buildings		—	—	
Other effects		—	—	
Net gains/(losses) on remeasurement of consolidated companies	n/a	2	—	2
PROFIT/(LOSS) BEFORE TAX	2,986	—	55	3,040
Income tax for the period	(906)	—	(9)	(914)
Tax on valuation allowances relating to group-affiliated companies in Russia		—	—	
Differences arising from the adjustment of the estimated deferred taxes between UniCredit and HVB		—	—	
Trading Engine Centralization		—	(9)	
Other effects		—	—	
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	2,080	—	46	2,126
attributable to the shareholder of UniCredit Bank GmbH	2,080	—	46	2,126
attributable to minorities		—	—	

Segment Reporting

Development of the Retail operating segment

INCOME/EXPENSES (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Net interest	912	903
Dividends and other income from equity investments	2	—
Net fees and commissions	629	574
Net trading income	12	(8)
Net other expenses/income	15	14
OPERATING INCOME	1,569	1,484
Payroll costs	(319)	(331)
Other administrative expenses	(498)	(501)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)
Operating costs	(822)	(837)
OPERATING PROFIT/(LOSS)	747	646
Net write-downs of loans and provisions for guarantees and commitments	37	70
NET OPERATING PROFIT/(LOSS)	784	717
Provisions for risks and charges	(7)	(11)
Restructuring costs	(62)	(54)
Net income from investments	(4)	(12)
PROFIT/(LOSS) BEFORE TAX	712	639
Income tax for the period	(217)	(189)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	495	450
attributable to the shareholder of UniCredit Bank GmbH	495	450
attributable to minorities	—	—
Cost-income ratio in % (Ratio of operating costs to operating income)	52.4	56.5

The Retail operating segment generated operating profit (before net write-downs of loans and provisions for guarantees and commitments) of €747 million in 2025, which is a significant €101 million (up 15.6%) higher than in the previous-year period.

Operating income amounted to €1,569 million, which is moderately higher than the previous year's level of €1,484 million (up €85 million). At €912 million, net interest included in operating income increased by €9 million (up 1.0%), thus remaining virtually unchanged at the level of the previous-year period at €903 million. Net interest from lending activities totalled €250 million and was thus moderately lower than the level recorded in the previous-year period of €261 million. At €589 million, net interest from deposit-taking operations remained exactly at the previous year's level despite a very challenging environment.

Net fees and commissions increased noticeably by €55 million to €629 million compared to the previous-year period. This rise was driven mainly by noticeably higher net income from the securities business (up 10.1%) and noticeably higher income from payment services (up 10.7%).

Net other expenses/income showed net income of €15 million for the reporting period, thus increasing moderately by €1 million compared with the previous-year period.

Operating costs amounted to €822 million in the reporting period, thus remaining virtually unchanged from the previous-year period at €837 million. This is attributable to lower payroll costs, which declined moderately by €12 million to €319 million compared with the previous-year period, and to other administrative expenses.

The cost-income ratio improved to 52.4% in the reporting period, compared with 56.5% in the previous-year period.

Segment Reporting

The “Net write-downs of loans and provisions for guarantees and commitments” item recognised a net reversal of €37 million in the reporting period compared with a net reversal of €70 million in the previous-year period. In the reporting period, additions to specific loan loss provisions were offset by net reversals of general loan loss provisions on the credit portfolio.

Net operating profit amounted to €784 million in the reporting period, which is a noticeable increase of €67 million on the net operating profit of €717 million generated in the previous-year period.

Provisions for risks and charges resulted in net expenses of €7 million in the reporting period compared to €11 million in the previous-year period.

Restructuring costs increased noticeably by €8 million in the reporting period, rising from a net addition of €54 million in the previous-year period to €62 million in the reporting period.

Net income from investments for the reporting period amounted to negative €4 million (previous-year period: negative €12 million).

Overall, the Retail business segment generated profit before tax of €712 million in the reporting period, which is noticeably higher than the previous year’s level of €639 million. The increase in operating income, the decline of €15 million in operating costs and the significantly improved net income from investments contributed to the improvement in profit before tax.

Income tax for the period amounted to €217 million, which is noticeably higher than the previous year’s figure of €189 million due to the noticeably higher profit before tax.

For 2025, the Retail operating segment generated profit after tax of €495 million, which is noticeably higher than the comparable figure of €450 million in the previous-year period. The RoAC stands at 37.2%, moderately higher than the previous year’s level of 35.4%.

Segment Reporting

Development of the Corporates operating segment

INCOME/EXPENSES (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Net interest	1,524	1,578
Dividends and other income from equity investments	1	2
Net fees and commissions	1,109	1,084
Net trading income	803	831
Net other expenses/income	35	9
OPERATING INCOME	3,472	3,504
Payroll costs	(432)	(452)
Other administrative expenses	(767)	(783)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(8)	(9)
Operating costs	(1,207)	(1,244)
OPERATING PROFIT/(LOSS)	2,265	2,260
Net write-downs of loans and provisions for guarantees and commitments	(315)	(347)
NET OPERATING PROFIT/(LOSS)	1,950	1,913
Provisions for risks and charges	(7)	1
Restructuring costs	(56)	(82)
Net income from investments	3	(6)
PROFIT/(LOSS) BEFORE TAX	1,889	1,826
Income tax for the period	(548)	(581)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	1,341	1,245
attributable to the shareholder of UniCredit Bank GmbH	1,341	1,245
attributable to minorities	—	—
Cost-income ratio in % (Ratio of operating costs to operating income)	34.8	35.5

The Corporates operating segment generated operating profit (before net write-downs of loans and provisions for guarantees and commitments) of €2,265 million in 2025, representing an increase of €5 million (up 0.2%) and remaining virtually unchanged compared with the previous-year period.

Operating income amounted to €3,472 million and, at a decrease of 0.9%, was virtually unchanged from the previous year's level of €3,504 million. Within this total, net interest decreased moderately by €54 million to €1,524 million compared with the previous-year period. This development was mainly driven by the negative impact of lower market interest rates on margins in the deposit-taking business, which could not be offset by the higher margins in the lending business.

Net fees and commissions increased by €25 million (up 2.3%) to €1,109 million in the reporting period (previous-year period: €1,084 million). This development was primarily due to higher net income from securities services, derivatives transactions and payment services.

Net trading income decreased moderately by €28 million to €803 million compared with the same period of the previous year due to lower market interest rates and the resulting decrease in refinancing costs, which could not be fully offset by increased customer-driven demand.

Net other income/expenses amounted to €35 million, which is thus significantly higher than the figure of €9 million in the previous-year period. Key drivers included an IT fee refund and income from an interest claim arising from a concluded legal dispute.

Segment Reporting

In the reporting period, operating costs declined moderately by €37 million (down 3.0%) to €1,207 million compared with €1,244 million in the previous-year period. There was a moderate decline of €20 million (down 4.4%) to €432 million in payroll costs due to lower staffing capacities. Compared with the previous-year period of €783 million, other administrative expenses declined by €16 million (down 2.0%) to €767 million, mainly as a result of lower expenses for real estate and lower legal costs. Depreciation decreased noticeably by €1 million (down 11.1%) to €8 million.

The cost-income ratio improved to 34.8% in 2025, compared with 35.5% in the previous-year period, mainly due to lower costs.

The “Net write-downs of loans and provisions for guarantees and commitments” item showed net additions of €315 million, representing a noticeable improvement of €32 million compared with net additions of €347 million in the previous-year period. In the reporting period, high additions to specific loan loss provisions in net write-downs of loans and provisions for guarantees and commitments were able to be partially offset by reversals of general loan loss provisions.

In 2025, net operating profit amounted to €1,950 million, which exceeded the profit of €1,913 million generated in the previous-year period by €37 million.

In the reporting period, net additions to provisions for risks and charges amounted to €7 million after net reversals of €1 million in the previous-year period. The decrease is mainly attributable to credit-related reversals in the previous-year period.

Restructuring costs fell significantly by €26 million, from €82 million in the previous-year period to €56 million in the reporting period.

Net income from investments showed a positive contribution of €3 million in the reporting period, which is significantly higher than the negative figure of €6 million recognised in the previous-year period.

Overall, the Corporates operating segment generated profit before tax of €1,889 million in 2025, which is moderately higher than the previous year's profit before tax of €1,826 million. This improvement was mainly attributable to a decline in costs and lower additions to net write-downs of loans and provisions for guarantees and commitments.

The expense for income tax for the period came to €548 million in the reporting period and is thus moderately lower than the expense of €581 million in the previous-year period.

The Corporates operating segment reported profit after tax of €1,341 million for 2025, which is noticeably higher than the profit after tax of €1,245 million in the previous-year period. At 17.4%, the RoAC is moderately higher than the figure of 16.3% recorded in the previous-year period.

Segment Reporting

Development of the Other operating segment

INCOME/EXPENSES (€ millions)	1/1-31/12/2025	1/1-31/12/2024
Net interest	350	290
Dividends and other income from equity investments	—	1
Net fees and commissions	(51)	(41)
Net trading income	47	43
Net other expenses/income	75	72
OPERATING INCOME	421	364
Payroll costs	(408)	(410)
Other administrative expenses	406	379
Amortisation, depreciation and impairment losses on intangible and tangible assets	(56)	(60)
Operating costs	(57)	(90)
OPERATING PROFIT/(LOSS)	364	274
Net write-downs of loans and provisions for guarantees and commitments	17	5
NET OPERATING PROFIT/(LOSS)	381	279
Provisions for risks and charges	10	—
Restructuring costs	(7)	(4)
Net income from investments	2	(15)
PROFIT/(LOSS) BEFORE TAX	386	261
Income tax for the period	(141)	(77)
PROFIT/(LOSS) AFTER TAX (CONSOLIDATED PROFIT/(LOSS))	245	183
attributable to the shareholder of UniCredit Bank GmbH	245	183
attributable to minorities	—	—
Cost-income ratio in % (Ratio of operating costs to operating income)	13.5	24.7

In 2025, the Other operating segment generated operating profit (before net write-downs of loans and provisions for guarantees and commitments) of €364 million, which is thus a significant €90 million higher (up 32.8%) than in the previous-year period.

At €421 million, there was a significant increase of €57 million in operating income compared with the previous year's level of €364 million. Net interest in the amount of €350 million in the reporting period rose significantly by €60 million compared with €290 million in the previous-year period. The increase is essentially driven by the Treasury area.

At minus €51 million, net fees and commissions declined significantly by €10 million compared with the figure of minus €41 million posted for the previous-year period due to lower income from the client business (collateral & short-term interest management).

Net other expenses/income came to €75 million which is moderately higher than €72 million in the previous-year period.

At €57 million, there was a significant decline of €33 million in operating costs in the reporting period compared with €90 million in the previous-year period. This is primarily due to a lower allocation of IT costs and a reduction in building-related expenses.

In the reporting period, there was a significant improvement to 13.5% in the cost-income ratio after 24.7% in the previous-year period.

Segment Reporting

The “Net write-downs of loans and provisions for guarantees and commitments” item reported a net reversal of €17 million compared with a net reversal of €5 million in the previous-year period.

In the reporting period, net operating profit totalled €381 million, which is a significant €102 million increase on the figure of €279 million posted for the previous-year period.

In the reporting period, net provisions for risks and charges totalled €10 million after a net figure of €0 million in the previous-year period.

Restructuring costs total €7 million in the reporting period compared with costs of €4 million in the previous-year period.

Net income from investments posts a significant increase of €17 million after generating income of €2 million in the reporting period compared with an expense of €15 million in net income from investments in the previous-year period.

Overall, the Other operating segment reported profit before tax of €386 million in the reporting period, which was thus significantly higher than the profit of €261 million generated in the previous-year period. The reason for this is the significant increase in operating income.

In the reporting period, an expense of €141 million was incurred for income tax for the period compared with an expense of €77 million in the previous-year period.

The Other operating segment reports profit after tax of €245 million for the reporting period, which is significantly higher than the comparative figure of €183 million in the previous-year period. At 45.6%, the RoAC is higher than the respective figure of 23.0% in the previous-year period. The main reason for this development was the significant rise in operating income.

Segment Reporting

34 Balance sheet figures, broken down by operating segment

€ millions	RETAIL	CORPORATES	OTHER	HVB GROUP ²
Loans and receivables with customers (at cost)¹				
31/12/2025	32,913	92,471	4,708	130,092
31/12/2024	31,953	92,949	2,288	127,190
Deposits from customers				
31/12/2025	58,316	69,133	17,673	145,122
31/12/2024	58,402	72,861	11,389	142,652
Risk-weighted assets (including equivalents for market risk and operational risk)				
31/12/2025	10,010	55,789	2,366	68,164
31/12/2024	9,176	53,023	2,403	64,602

1 "Loans and receivables with customers (at cost)" do not contain any securities holdings for internal management purposes.

2 Balance sheet figures of non-current assets or disposal groups held for sale are shown separately in the Notes "Non-current assets or disposal groups held for sale" and "Liabilities of disposal groups held for sale".

35 Employees, broken down by operating segment

Number of employees converted to full-time equivalents (FTE)	2025	2024
Retail	2,794	3,016
Corporates	2,430	2,645
Other	3,197	3,391
Total	8,421	9,052

Segment Reporting

36 Segment reporting by region

The allocation of amounts to regions is based on the head office of the Group companies or offices involved.

Income statement, broken down by region

€ millions	2025		2024	
	OPERATING INCOME	OPERATING PROFIT/(LOSS)	OPERATING INCOME	OPERATING PROFIT/(LOSS)
Germany	4,732	2,872	4,582	2,442
Italy	741	388	824	551
Luxembourg	7	5	5	(2)
United Kingdom	4	32	3	77
Rest of Europe	2	16	5	21
Americas	101	72	113	88
Asia	(1)	4	1	(1)
Consolidation	(64)	(30)	(65)	(26)
HVB Group	5,522	3,359	5,468	3,150

Total assets, broken down by region

€ millions	2025	2024
Germany	295,612	299,386
Italy	4,920	7,268
Luxembourg	450	373
United Kingdom	71	97
Rest of Europe	7,703	7,966
Americas	3,790	4,000
Asia	15	18
Consolidation	(26,292)	(28,878)
HVB Group	286,269	290,230

Property, plant and equipment, broken down by region

€ millions	2025	2024
Germany	1,785	1,843
Italy	10	18
Luxembourg	—	—
United Kingdom	14	17
Rest of Europe	—	—
Americas	7	11
Asia	2	3
Consolidation	—	—
HVB Group	1,818	1,892

Segment Reporting

Investment properties, broken down by region

€ millions	2025	2024
Germany	175	179
Italy	—	—
Luxembourg	—	—
United Kingdom	—	—
Rest of Europe	—	—
Americas	—	—
Asia	—	—
Consolidation	—	—
HVB Group	175	179

Employees, broken down by region

Number converted into full-time equivalents (FTE)	2025	2024
Germany	7,646	8,221
Italy	223	264
Luxembourg	—	—
United Kingdom	56	63
Rest of Europe	399	394
Africa	—	—
Americas	72	77
Asia	25	33
HVB Group	8,421	9,052

Notes to the Income Statement

37 Net interest

€ millions	2025	2024
Interest income	7,065	8,959
from financial assets at cost	6,241	7,511
from financial assets at FVTOCI	391	317
from financial assets at FVTPL and hedging derivatives	87	404
from financial assets held for trading	270	682
other interest income	76	45
Negative interest on financial assets	—	(4)
Interest expense	(4,292)	(6,349)
from financial liabilities at cost	(3,125)	(4,436)
of which from lease liabilities	—	(1)
from financial liabilities at FVTPL and hedging derivatives	(769)	(1,044)
from financial liabilities held for trading	(337)	(791)
other interest expense	(61)	(78)
Negative interest on financial liabilities	2	2
Net interest	2,775	2,608

In the reporting period, HVB Group generated € 74 million (previous-year period: €78 million) in interest income on impaired financial assets that are valued at cost.

In the reporting period, other interest expense includes effects from the compounding of interest on provisions totalling €26 million (previous-year period: €41 million).

Net interest attributable to related parties

The item “Net interest” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	(760)	(370)
of which:		
UniCredit S.p.A.	(751)	(372)
sister companies	(9)	(5)
subsidiaries	—	7
Joint ventures	—	—
Associates	2	2
Other investees	5	7
Total	(753)	(361)

38 Dividends and other income from equity investments

€ millions	2025	2024
Dividends and other similar income	34	31
Companies accounted for using the equity method	1	2
Total	35	33

Notes to the Income Statement

39 Net fees and commissions

€ millions	2025	2024
Fee and commission income	1,537	1,585
Securities services for customers	700	738
Payment transactions	326	321
Lending business	177	205
Guarantees	162	162
Distribution of third-party products	118	111
Other commission income	54	48
Fee and commission expense	(347)	(379)
Securities services for customers	(139)	(193)
Payment transactions	(74)	(83)
Lending business	—	(2)
Guarantees	(72)	(37)
Distribution of third-party products	—	—
Other commission expense	(62)	(64)
Net fees and commissions	1,190	1,206

Net fees and commissions include fee and commission income of € 48 million (previous-year period: €39 million) and fee and commission expense of € 0 million (previous-year period: € 0 million) that relate to financial instruments not measured at fair value through profit or loss.

The fee and commission income reported under this item largely consists of income from contracts with customers (IFRS 15). Fee and commission income and fee and commission expense charged for individual services are recognised as soon as the service has been provided. In particular, this includes fees for processing securities transactions, payment services, commission in the lending business that is not similar in nature to interest and is not charged pro rata temporis as well as fee and commission income for the brokerage of third-party products. In contrast, deferred income is recognised for fees and commissions relating to a specific period. In particular, this includes account management fees, guarantee commissions and commission in the lending business that are charged pro rata temporis.

The agreed fees relate to the respective group of banking services. It is not necessary to divide the agreed fees between various service obligations that differ in nature. If fees for a package of services are agreed, this is customary in the sector and results in comparable fee and commission income. For example, an account management fee can also include the provision of payment services when using the account. Income from both services represents fee and commission income from payments.

Net fees and commissions from related parties

The item “Net fees and commissions” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	(21)	(22)
of which:		
UniCredit S.p.A.	(19)	(20)
sister companies	(2)	(3)
subsidiaries	—	1
Joint ventures	—	—
Associates	1	—
Other investees	—	1
Total	(20)	(21)

Notes to the Income Statement

40 Net trading income

Net trading income totals €1,109 million in the reporting period (previous-year period: €1,405 million).

In the full year 2025, increasing income from customer-driven business with equity and rates products and consistently strong income from commodity and FX business had a positive impact on net trading income.

In addition, net trading income includes valuation adjustments in the context of the fair value measurement of derivatives, particularly credit value adjustments and funding value adjustments. The reduction of these valuation markdowns in connection with the fair value measurement had a positive impact on income of €103 million (previous-year period: minus €10 million). The effects of hedging the respective risks are also recognised in net trading income and have an offsetting effect on valuation markdowns.

Furthermore, net trading income includes positive effects from commodity positions, mainly from precious and base metals, totaling €300 million in the reporting period. The items are offset by hedging transactions with a result of minus €217 million.

In contrast, a decline in interest rates weighed on net trading income which, however, was offset by a corresponding positive countereffect in the “Net interest” item due to lower interest expenses for trading activities. Another reason for the decline in net trading income was the transfer of trading activities in connection with the Trading Engine Centralization. Specifically, this concerns the ongoing transfer of portfolios relating to foreign exchange risk and credit risk, including interest-bearing securities, as well as commodity trading to UniCredit S.p.A. as part of the third to fifth tranches. In segment reporting adjusted for this transfer, and in the change in the reporting of the income components shown therein, in particular the customer margin (further information is provided in the consolidated financial statements under section “Changes in segment reporting”), net trading income remained largely stable.

Notes to the Income Statement

41 Net gains/losses on financial assets and liabilities at fair value

€ millions	2025	2024
Financial assets mandatorily at FVTPL	12	14
Financial liabilities designated at FVTPL	39	124
Derecognition from other comprehensive income	(1)	19
Hedge accounting effects	10	(118)
Fair value equity	175	68
Total	235	107

The following table shows the hedge accounting effects:

€ millions	2025	2024
Fair value hedges	10	(118)
Changes in fair value of hedged items	(984)	(185)
Portfolio fair value hedges	(907)	(375)
Micro fair value hedges	(77)	190
Changes in fair value of hedging instruments	994	67
Portfolio fair value hedges	916	262
Micro fair value hedges	78	(195)
Cash flow hedges	—	—
Net gains/(losses) on cash flow hedges (only ineffective part)	—	—
Total	10	(118)

The hedge accounting effects of the main hedge accounting approaches of HVB Group are shown below:

Hedge effectiveness is measured prospectively based on sensitivity as well as retrospectively using dollar offset. Sources of ineffectiveness are management within a range of 80%/125%, lack of a 1:1 ratio between the hedged item and the hedging transaction as well as discounting differences between the hedged item and hedging transactions.

Notes to the Income Statement

Micro fair value hedge for holdings at FVTOCI

€ millions	REMAINING TERM			CUMULATIVE AMOUNT OF THE HEDGE-RELATED ADJUSTMENT TO THE FAIR VALUE INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM RECOGNISED IN THE BALANCE SHEET		CARRYING AMOUNTS		CHANGE IN FAIR VALUE USED TO RECOGNISE AN INEFFECTIVENESS IN THE HEDGE FOR THE PERIOD
	LESS THAN 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	ASSETS	LIABILITIES	ASSETS	LIABILITIES	
Balance as at 31/12/2025								
Nominal								
Hedged items								
EUR	507	6,842	3,552	—	—	—	—	—
USD	503	1,698	809	—	—	—	—	—
Hedging transactions								
EUR	507	6,842	3,552	—	—	—	—	—
USD	503	1,690	809	—	—	—	—	—
Interest rate sensitivities in BPV								
Hedged items								
EUR	—	(2)	(2)	—	—	—	—	—
USD	—	(1)	—	—	—	—	—	—
Hedging transactions								
EUR	—	2	2	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(39)	—	14,009	—	—
Hedging transactions	—	—	—	—	—	233	149	—
Hedge result								1
Hedged items	—	—	—	—	—	—	—	(39)
Hedging transactions	—	—	—	—	—	—	—	40
Balance as at 31/12/2024								
Nominal								
Hedged items								
EUR	522	5,553	3,918	—	—	—	—	—
USD	465	2,113	1,401	—	—	—	—	—
Hedging transactions								
EUR	522	5,553	3,918	—	—	—	—	—
USD	138	2,094	1,401	—	—	—	—	—
Interest rate sensitivities in BPV								
Hedged items								
EUR	—	(3)	(2)	—	—	—	—	—
USD	—	(1)	(1)	—	—	—	—	—
Hedging transactions								
EUR	—	3	2	—	—	—	—	—
USD	—	1	1	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(21)	—	13,662	—	—
Hedging transactions	—	—	—	—	—	403	273	—
Hedge result								3
Hedged items	—	—	—	—	—	—	—	193
Hedging transactions	—	—	—	—	—	—	—	(190)

Notes to the Income Statement

The table shown above compares the nominal amounts of the hedged items and the hedging transactions. In addition, interest rate sensitivities are stated in basis points (bps). This means that if the interest rate changes by one basis point (0.01%), the fair value will change by the amount stated in euro millions. The statement of interest rate sensitivities in bps is a suitable instrument for describing the effectiveness of a hedge.

Securities holdings, which are allocated to the balance sheet item “Financial assets at FVTOCI”, are hedged against interest rate risks separately for each transaction through a hedging transaction. This includes up-front payments on conclusion of interest rate swaps to compensate for premiums and discounts in the purchase price of securities, which means that their fair value is not equal to zero at the inception of the hedge. Furthermore, the fair value of derivatives also contains accrued interest (dirty fair value) whereas accrued interest for hedged items is allocated to these directly and is thus not included in the cumulative amount of hedge-related adjustments to the carrying amount of the hedged items. Consequently, the net fair value of hedging derivatives does not equal the cumulative amount of hedge-related adjustments to the carrying amount of the hedged items.

Micro fair value hedge for holdings at cost

The micro fair value hedges for holdings at cost (loans and receivables with customers) are shown below:

€ millions	REMAINING TERM			CUMULATIVE AMOUNT OF THE HEDGE-RELATED ADJUSTMENT TO THE FAIR VALUE INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM RECOGNISED IN THE BALANCE SHEET		CARRYING AMOUNTS		CHANGE IN FAIR VALUE USED TO RECOGNISE AN INEFFECTIVE-NESS IN THE HEDGE FOR THE PERIOD
	LESS THAN 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	ASSETS	LIABILITIES	ASSETS	LIABILITIES	
Balance as at 31/12/2025								
Nominal								
Hedged items								
JPY	—	—	—	—	—	—	—	—
USD	170	471	191	—	—	—	—	—
EUR	—	255	4,037	—	—	—	—	—
Hedging transactions								
JPY	—	—	—	—	—	—	—	—
USD	170	471	191	—	—	—	—	—
EUR	—	255	4,037	—	—	—	—	—
Interest rate sensitivities in BPV								
Hedged items								
JPY	—	—	—	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
EUR	—	—	(3)	—	—	—	—	—
Hedging transactions								
JPY	—	—	—	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
EUR	—	—	3	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(52)	—	850	—	—
Hedging transactions	—	—	—	—	—	73	13	—
Hedge result								
Hedged items	—	—	—	—	—	—	—	(38)
Hedging transactions	—	—	—	—	—	—	—	38

Notes to the Income Statement

	REMAINING TERM			CUMULATIVE AMOUNT OF THE HEDGE-RELATED ADJUSTMENT TO THE FAIR VALUE INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM RECOGNISED IN THE BALANCE SHEET		CARRYING AMOUNTS		CHANGE IN FAIR VALUE USED TO RECOGNISE AN INEFFECTIVENESS IN THE HEDGE FOR THE PERIOD
	LESS THAN 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	ASSETS	LIABILITIES	ASSETS	LIABILITIES	
€ millions								
Balance as at 31/12/2024								
Nominal								
Hedged items								
JPY	—	613	—	—	—	—	—	—
USD	96	279	—	—	—	—	—	—
EUR	—	—	—	—	—	—	—	—
Hedging transactions								
JPY	—	1,496	—	—	—	—	—	—
USD	96	279	—	—	—	—	—	—
EUR	—	—	—	—	—	—	—	—
Interest rate sensitivities in BPV								
Hedged items								
JPY	—	—	—	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
EUR	—	—	—	—	—	—	—	—
Hedging transactions								
JPY	—	—	—	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
EUR	—	—	—	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(40)	—	1,004	—	—
Hedging transactions	—	—	—	—	—	328	64	—
Hedge result								
Hedged items	—	—	—	—	—	—	—	(8)
Hedging transactions	—	—	—	—	—	—	—	(3)

The nominal amounts of hedged items and hedging transactions are compared in the table above. In addition, the interest rate sensitivities are stated in basis points (bps). This means that if the interest rate changes by one basis point (0.01%), the fair value will change by the amount stated in euro millions. The statement of interest rate sensitivities in bps is a suitable instrument for describing the effectiveness of a hedge. There is no offsetting of financial assets and liabilities.

Notes to the Income Statement

Portfolio fair value hedge

	REMAINING TERM			CUMULATIVE AMOUNT OF THE HEDGE-RELATED ADJUSTMENT TO THE FAIR VALUE INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM RECOGNISED IN THE BALANCE SHEET		CARRYING AMOUNTS		CHANGE IN FAIR VALUE USED TO RECOGNISE AN INEFFECTIVENESS IN THE HEDGE FOR THE PERIOD
	LESS THAN 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	ASSETS	LIABILITIES	ASSETS	LIABILITIES	
€ millions								
Balance as at 31/12/2025								
Interest rate sensitivities in BPV								
Hedged items								
EUR	(2)	3	2	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
CHF	—	—	—	—	—	—	—	—
Hedging transactions								
EUR	2	(3)	(2)	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
CHF	—	—	—	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(936)	(3,418)	—	—	—
Hedging derivatives	—	—	—	—	—	6,850	8,636	—
Hedge result								9
Hedged items	—	—	—	—	—	—	—	(907)
Hedging transactions	—	—	—	—	—	—	—	916
Balance as at 31/12/2024								
Interest rate sensitivities in BPV								
Hedged items								
EUR	—	1	(5)	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
CHF	—	—	—	—	—	—	—	—
Hedging transactions								
EUR	—	(1)	6	—	—	—	—	—
USD	—	—	—	—	—	—	—	—
CHF	—	—	—	—	—	—	—	—
Carrying amounts								
Hedged items	—	—	—	(58)	(3,452)	—	—	—
Hedging derivatives	—	—	—	—	—	7,120	10,033	—
Hedge result								(113)
Hedged items	—	—	—	—	—	—	—	(375)
Hedging transactions	—	—	—	—	—	—	—	262

HVB Group has exercised the option of continuing to apply the provisions of IAS 39 on hedge accounting. The portfolio fair value hedge will thus be continued.

Notes to the Income Statement

In line with the standard bank risk management procedures for hedging fixed interest rate risks, the interest rate risks entailed in hedged items are managed on a cross-item basis in the portfolio fair value hedge. For this purpose, the interest rate-relevant cash flows of hedged items (loans and receivables with banks (at cost), loans and receivables with customers (at cost), deposits from banks, deposits from customers and debt securities) are allocated separately by currency to maturity buckets and the net position is determined. The interest rate hedging derivatives concluded thus relate to net interest rate risk positions across several items in the respective maturity buckets and not to specific hedged items. The designated hedge relationships are dedesignated every two weeks and then redesignated. As a hedged item may thus have different effects in the respective maturity bucket, hedge accounting effects are presented by reference to interest sensitivity. The statement of interest rate sensitivity by maturity bucket represents an adequate measure for determining hedged interest rate risks. The table shows the changes in fair value in euro millions if the interest rate changes by one basis point (bp or 0.01%).

42 Net gains/losses on derecognition of financial instruments measured at cost

€ millions	2025	2024
Loans and receivables (performing)	(1)	(8)
Buy-backs of securities issued and other liabilities	9	9
Promissory notes (assets side)	38	7
Total	46	8

The derecognised financial instruments are primarily securities holdings that meet cash flow criteria and are generally intended to be held to maturity. These are therefore only sold in exceptional cases. The thresholds defined for the sale of assets recognised at amortised cost were observed in the reporting period. This development is mainly due to the early sale of securities and the realisation of the corresponding market value effects.

43 Net other expenses/income

€ millions	2025	2024
Other income	178	166
Sale of land and buildings	—	2
Rental income	42	51
Valuation/disposals of investment properties	10	2
Other	126	111
Other expenses	(46)	(65)
Sale of land and buildings	—	—
Valuation/disposals of investment properties	(8)	(14)
Expenses of investment properties	(8)	(9)
Bank levy	—	—
Other	(30)	(42)
Total	132	101

Notes to the Income Statement

The line item “Valuation/disposals of investment properties” includes either income from valuation gains or disposals or expenses due to valuation losses or disposals. Due to the measurement at fair value through profit or loss of investment properties, such measurement generally has to be adjusted to the anticipated gain on disposal even before derecognition of the asset because a certain amount of time elapses between the receipt of a binding offer for purchase/conclusion of a purchase agreement and the transfer of rights and obligations for the property (derecognition) in which the measurement must be adjusted through profit or loss. Therefore, both items are shown in a single line.

Net other expenses/income attributable to related parties

The item “Net other expenses/income” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	62	52
of which:		
UniCredit S.p.A.	44	33
sister companies	18	19
Joint ventures	—	—
Associates	—	—
Other investees	—	—
Total	62	52

44 Operating costs

€ millions	2025	2024
Payroll costs	(1,170)	(1,225)
Wages and salaries	(958)	(1,005)
Social security costs	(144)	(158)
Expenses for pensions and similar employee benefits	(68)	(62)
Other administrative expenses	(918)	(1,006)
Amortisation, depreciation and impairment losses	(75)	(87)
on property, plant and equipment	(41)	(50)
on software and other intangible assets, excluding goodwill	(7)	(5)
on right-of-use assets (leases)	(27)	(32)
Total	(2,163)	(2,318)

Wages and salaries includes payments of €1 million (previous-year period: €0 million) made upon the termination of employment contracts. Expenses for similar payments in the context of restructuring measures are recognised under the “Restructuring costs” item in the income statement and explained in the Note “Restructuring costs”.

Operating costs of related parties

The item “Operating costs” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	(490)	(522)
of which:		
UniCredit S.p.A.	(477)	(507)
sister companies	(3)	(5)
subsidiaries	(10)	(10)
Joint ventures	—	—
Associates	—	—
Other investees	—	—
Total	(490)	(522)

Notes to the Income Statement

Share-based payment compliant with IFRS 2

Share-based payments were granted primarily under the Group Incentive System in the reporting year. In addition, UniCredit has further schemes under which shares were granted, and which are also accounted for in accordance with IFRS 2: the Long-term Incentive Plan LTI 2020–2023 and the Employee Share Ownership Plan (U-Share). These are share-based payments (equity settled).

Group Incentive System:

The Group Incentive System has governed variable remuneration payable to selected employees since the 2010 financial year. This system is built around the principle that the variable remuneration is granted partially in shares and scheduled for disbursement over a number of years.

Employees whose duties have a significant impact on the Bank's risk profile are eligible as beneficiaries under the Group Incentive System. Under the Group Incentive System, the bonus granted for the respective reporting year is split into a cash component and a share component. The cash component is accounted for in accordance with IAS 19, whereas the share component is subject to the rules of IFRS 2.

The cash component is disbursed in tranches over a period of up to eight years. This group of employees thus received up to 30% of the bonus for 2024 in cash with the grant at the beginning of 2025, and a further 10% to 20% will be disbursed after the end of the financial years 2026, 2027, 2028, 2029, 2030 and 2031.

For the remaining bonus amount, the eligible employees received a grant at the beginning of 2025 for the allocation of shares in UniCredit S.p.A. as part of the bonus for 2024, which will be transferred to the eligible employees after the end of the financial years 2025 to 2032.

The deferred payment after the end of the financial years 2026 to 2031 and the allocation of shares after the end of the financial years 2025 to 2032 to the eligible employees is subject to the provision that, as part of a malus arrangement, it is ensured that there is no loss or significant reduction in the results both at the level of UniCredit and at the level of the individual eligible employee. This deferral of the allocation therefore also determines the length of the vesting period of the individual tranches.

In addition, it was decided to assign to all employees receiving variable remuneration in shares as part of the bonus for 2024 a one-off share-award to manage the unintended consequences following the shift in previously indicated share pricing methodology. Starting with the 2024 bonus year, the share conversion price will no longer be determined using an ex-ante dividend adjusted methodology, but an ex-post methodology without any adjustment for missed dividends. The one-off share-award, limited to bonus year 2024, is fully paid in shares as variable remuneration funded within 2024 bonus pool, complying with the limits of the regulatory variable-to-fixed cap, with deferrals subject to the ordinary malus and claw-back provisions foreseen by regulatory requirements.

The fair value of the granted shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

In the reporting year, 0.6 million UniCredit S.p.A. shares were granted as a component of the bonus granted for 2024, with a fair value of €21.8 million. If a capital measure is implemented after the grant date, the number of shares granted will be adjusted accordingly. The shares granted in 2025 as part of the bonus for 2024 will be transferred in the years 2026 to 2033.

Notes to the Income Statement

The following table shows the fair values per share at the time of granting the shares:

Group Incentive System 2024	2025
Fair value of the shares to be transferred in 2026 (€ per share)	40.732
Fair value of the shares to be transferred in 2027 (€ per share)	37.582
Fair value of the shares to be transferred in 2028 (€ per share)	34.163
Fair value of the shares to be transferred in 2029 (€ per share)	30.564
Fair value of the shares to be transferred in 2030 (€ per share)	27.041
Fair value of the shares to be transferred in 2031 (€ per share)	23.597
Fair value of the shares to be transferred in 2032 (€ per share)	20.232
Fair value of the shares to be transferred in 2033 (€ per share)	16.944

The granted bonuses are recognised in the income statement on a pro rata basis over the respective vesting period.

Considering the change in methodology for determining the share price mentioned above, starting from the 2024 bonus, all beneficiaries of variable remuneration in shares will be granted a 'dividend equivalent', that is a share allocation calculated based on dividends not received on the shares during the retention period.

The following table shows the fair values per share at the time of granting the shares:

Dividend equivalent ¹	2025
Fair value of the shares to be transferred in 2026 – 2024 final dividend (€ per share)	50.021
Fair value of the shares to be transferred in 2026 – 2025 interim dividend (€ per share)	62.210

¹ The first installment of the dividend equivalent will be paid in 2026. The share price of the shares to be granted to beneficiaries is determined based on the average market price of the share during the 30 days preceding the dividend approval date. During 2025, the following dividends were approved: (i) the 2024 final dividend, resolved by the UniCredit S.p.A. Annual General Meeting (AGM) on March 27, 2025, and (ii) the 2025 interim dividend, approved by the UniCredit S.p.A. Board of Directors on October 21, 2025. Consequently, two different reference prices were applied for the determination of the number of shares and the accounting fair value used for IAS/IFRS cost calculation.

Long-term Incentive Plan LTI 2020–2023:

The Long-term Incentive Plan LTI 2020–2023 consists of a performance period of four years followed by a four-year retention period with an additional obligatory holding period. The grant is wholly based on shares of UniCredit S.p.A. The respective tranches are subject to malus terms and a claw-back arrangement which makes it possible to reclaim each individual share tranche up to five years after vesting.

The performance period of the Long-term Incentive Plan 2020–2030 ended on 31 December 2023. HVB bears the costs of implementation of the Long-term Incentive Plan within HVB.

Cash component bonuses for the 2025 financial year falling due for disbursement in 2026 are recognised in full as an expense. Where cash payments are made at a later date, such payments are subject to the condition that the eligible employees remain employed by UniCredit or are partly subject to further performance targets. Accordingly, the vesting period for the bonus granted consists of several financial years (target achievement plus waiting period) and is to be accrued over this period compliant with IAS 19.153 in conjunction with IAS 19.68. Thus, deferred cash payments under the bonus granted for 2025 are recognised as expense in the respective period (starting with the 2025 financial year to the end of the financial year in which the waiting period for the respective tranche ends) on a pro rata basis.

UniCredit S.p.A. delivers shares to the employees for grants made by HVB Group once the conditions for granting shares have been met. HVB Group reimburses the expenses accruing in this connection to UniCredit S.p.A. The expense for the shares transferred corresponds to the fair value of the shares at the grant date.

Notes to the Income Statement

Employee Share Ownership Plan (U-Share 2025):

The Employee Share Ownership Plan (U-Share 2025) offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the following advantages: a discount equal to 20% of the investment, net of the necessary rounding adjustments, which will be paid through the purchase of “Discount Shares” and “Matching Shares” (or, for both, rights to receive them), to be understood as assigned free of charge, subject to the Restrictions Period. The granting of free ordinary shares is subordinated to vesting conditions stated in the Plan Rules.

In execution of the U-Share Plan for 2025, the discount shares (or rights to receive them) were granted in July 2025 to the participants within the Group. The unit fair value was measured at the end of the Enrolment Period based on the purchase price of the shares acquired on the market.

With reference to the Matching Shares a monetary amount has been determined as of today. This amount will be converted into a number of shares upon completion of the vesting period, subject to verification of compliance with the conditions set forth in the Plan Rules.

All profit and loss and net equity effects referred to Discount Shares will be recognized during the vesting period.

The said above ordinary UniCredit shares related to the U-Share Plan are not considered in the table of annual changes as they were acquired on the market.

Analysis of outstanding shares (Group Incentive System; LTI 2020–2023):

	2025		2024	
	TOTAL	AVERAGE MATURITY	TOTAL	AVERAGE MATURITY
Outstanding at start of period	4,254,560	June 2026	5,165,680	June 2025
Additions				
Newly granted shares	616,901	November 2027	1,374,465	July 2026
From corporate transfers	57,645	November 2026	183,162	January 2026
Conditionally granted shares	—	n/a	—	n/a
Disposals				
Forfeited shares	2,248	November 2027	20,975	February 2027
Transferred shares	1,781,071	April 2025	2,216,641	April 2024
From corporate transfers	53,401	April 2026	213,695	November 2025
Expired shares		n/a	17,436	July 2026
Total at end of period	3,092,386	June 2027	4,254,560	June 2026

In the 2025 financial year, prorated expenses of €23 million (previous-year period: €16 million) accrued for the share component arising from the bonuses granted for 2019 to 2025 in the form of share-based payments compliant with IFRS 2. These expenses are recognised under payroll costs. The provision set aside totalled €54 million (previous-year period: €51 million). The provision covers HVB's future reimbursement of the expense from share-based payments to UniCredit S.p.A.

Notes to the Income Statement

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

€ millions	2025	2024
Additions	(1,032)	(1,191)
Allowances for losses on loans and receivables at cost	(770)	(1,050)
Allowances for losses on loans and receivables at FVTOCI	—	—
Allowances for losses on guarantees and indemnities	(262)	(141)
Reversals	718	874
Allowances for losses on loans and receivables at cost	563	657
Allowances for losses on loans and receivables at FVTOCI	—	—
Allowances for losses on guarantees and indemnities	155	217
Gains/(losses) from non-substantial modification	1	4
Recoveries from write-offs of loans and receivables	86	43
Gains/(losses) on the disposal of impaired loans and receivables	4	—
Total	(223)	(270)

In the reporting period, net additions to net write-downs of loans and provisions for guarantees and commitments totalled €223 million after net additions of €270 million to net write-downs of loans and provisions for guarantees and commitments in the previous-year period. The individual effects are described below.

In the reporting period, a net amount of €142 million in portfolio valuation adjustments (general loan loss provisions - GLLP) was released (previous-year period: release of €266 million). When calculating the expected credit losses, changes to the underlying models for probability of default (PD) and loss given default (LGD) as well as a partially changed macroeconomic situation significantly affected the results. In addition, overlays were applied for certain sub-portfolios that are particularly sensitive to specific risks. At the end of 2025, the overlays applied were entirely due to geopolitical risks, as the evolving trade tensions resulted in possible export vulnerabilities, associated supply chain disruptions and external demand changes driven by euro-US dollar exchange rate movements.

The following releases and allocations were recognised for the GLLP in the reporting period: the overlay within the commercial real estate and construction industry that had been previously applied as a result of the ongoing high level of interest rates, higher construction costs, decline in orders, falling property prices and lower rental income was fully released due to improvements in the underlying default rate projections. Conversely, the geopolitical overlay was re-assessed based on evolving geopolitical risks related to trade tensions and resulted in an increase in the GLLP. The concept is described in greater detail in the Risk Report of this Combined Management Report (see in particular the section entitled “Impairment: Overlays” under “Credit risk” in the Risk Report). Within the regular models used to calculate the GLLP, two changes resulted in material releases within the GLLP: (1) a recalibration of the LGD model for IFRS 9 using an extended time series was considered to account for the latest development in recovery rates, and (2) a re-development of the Multinational Corporates (MNC) models for PD and LGD. The re-development affected the underlying Internal Ratings-Based (IRB)-PD and IRB-LGD models as well as the IFRS 9-specific components, integrating point-in-time (PIT) and forward-looking elements. In particular, the latest internal default rates were used to incorporate current conditions which had a significant decreasing effect on the IFRS 9 PD. Less material releases within the GLLP were driven by updates to IFRS 9 PD development samples, underlying default rate projections, recalibrations of the models related to climate & environmental risks, and regular portfolio development. Conversely, increases in the GLLP were driven by updated forward-looking information related to macroeconomic scenario updates in the second and fourth quarters of 2025 as well as new satellite models at UniCredit corporate group level underlying the forward-looking information.

Notes to the Income Statement

In the reporting period, net additions to specific loan-loss provisions totalled €366 million, which is €170 million lower than the net additions of €536 million in the previous-year period. Net additions in 2025 were largely impacted by additions to specific loan-loss provisions on account of defaults in the reporting period, which, however, were lower than in previous-year period.

Net write-downs of loans and provisions for guarantees and commitments attributable to related parties

The item “Net write-downs of loans and provisions for guarantees and commitments” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	—	—
of which:		
UniCredit S.p.A.	—	—
sister companies	—	—
Joint ventures	—	—
Associates	—	—
Other investees	—	—
Total	—	—

46 Provisions for risks and charges

In the reporting period, net income from the reversal of provisions amounted to €11 million. In comparison, net income from the reversal of provisions in the previous-year period totalled €27 million. There were no material individual items in the reporting period or in the previous-year period.

47 Restructuring costs

In the reporting period, net expenses of €109 million were incurred for restructuring costs (previous year: €114 million).

Of the total restructuring costs, an amount of €83 million is related to pro-rata costs in connection with restructuring measures involving IT activities and further areas of UniCredit S.p.A. that provide services for HVB Group. As a user of these services, HVB benefits from the restructuring measures of UniCredit S.p.A. and shares in the related costs.

Furthermore, HVB Group incurred expenses in connection with restructuring-related amortisation, primarily of IT software, and for additional adjustments in staff planning. These measures are based on our strategic plan, the guidelines of which – simplification, customer focus and digitalisation – remain valid. The implementation of digital and AI-supported solutions is leading to structural changes in the Bank’s organisational and process landscape and will have an impact on role profiles and staff requirements in the future.

48 Net gains/losses on remeasurement of consolidated companies

€ millions	2025	2024
Shares in affiliates	—	(1)
Disposal of companies accounted for using the equity method	—	—
Net gains/(losses) on companies accounted for using the equity method	2	(2)
Total	2	(3)

In the reporting period and in the previous-year period, the net gains or losses on remeasurement of companies accounted for using the equity method are mainly attributable to Comtrade Group GmbH, Zug.

Notes to the Income Statement

49 Income tax for the period

€ millions	2025	2024
Total current taxes	(878)	(767)
Tax expense/income (+) for the current year	(910)	(760)
Current tax expense/income (+) relating to other periods	32	(7)
Deferred taxes	(36)	(103)
Total	(914)	(870)

The deferred tax expense in the reporting year contains an income totalling €2 million from value adjustments made to deferred tax assets on tax losses carried forward and temporary differences. The deferred tax expense in excess of this totalling €38 million has resulted overall from the emergence and reversal of temporary differences and the utilisation of tax losses.

The differences between computed and recognised income tax are shown in the following reconciliation.

€ millions	2025	2024
Profit before tax	3,040	2,790
Applicable tax rate	32.00%	31.76%
Computed income taxes	(973)	(886)
Tax effects		
from previous years and changes in tax rates	26	19
from foreign income	28	37
from non-taxable income	47	51
from different tax laws	(32)	(64)
from non-deductible expenses	(13)	(25)
from value adjustments and the non-recognition of deferred taxes	2	(1)
from amortisation of goodwill	—	—
from other differences	1	(1)
Recognised income taxes	(914)	(870)

An applicable tax rate of 32.00% (previous-year period: 31.76%) has been taken as a basis in the tax reconciliation. This comprises the current rate of corporate income tax in Germany of 15.0%, the solidarity surcharge of 5.5% and an average trade tax rate of 16.18% (previous-year period: 15.93%). This reflects the fact that the consolidated profit is significantly affected by profits generated in Germany, meaning that it is subject to German corporate income tax and trade tax.

Due to the tax bill “Gesetz für ein steuerliches Investitionssofortprogramm zur Stärkung des Wirtschaftsstandortes Deutschland” described in the section Accounting, Valuation and Disclosure the deferred taxes have been revaluated and thus led to a deferred tax income of €17 million. Furthermore, the increase of the Group tax rate from 31.76% to 32.00% results in deferred tax income of €2 million.

The item “from non-taxable income” also includes the effects on the distribution for additional equity instruments (please see the “Accounting and Valuation” section for further details).

Notes to the Income Statement

Tax effects from foreign income are mainly due to different tax rates applicable in other countries.

The item “Tax effects from different tax laws” comprises trade tax modifications applicable to domestic companies and other local features as well as the effects of withholding tax both in Germany and abroad.

The deferred tax assets and deferred tax liabilities are allocated to the following items:

€ millions	2025	2024
Deferred tax assets		
Other financial instruments at FVtPL	27	19
Other financial instruments Credit Risk (recycled at equity)	5	12
Financial instruments at FVTOCI	13	38
Loans and receivables with banks (at cost) and customers (at cost) / Deposits from banks/customers	161	212
Hedging derivatives and hedge adjustment of hedged items (P&L)	343	411
Hedging derivatives and hedge adjustment of hedged items (OCI)	—	—
Property, plant and equipment/intangible assets	47	74
Other assets/other liabilities	175	229
Provisions, pension fund and similar (P&L)	164	138
Pensions fund (OCI)	415	565
Losses carried forward/tax credits	4	3
Other	2	1
Total deferred tax assets	1,356	1,702
Offsetting effect	(849)	(1,022)
Recognised deferred tax assets	507	680
Deferred tax liabilities		
Other financial instruments at FVTPL	70	65
Financial instruments at FVTOCI	7	1
Loans and receivables with banks (at cost) and customers (at cost) / Deposits from banks/customers	40	81
Hedging derivatives and hedge adjustment of hedged items (P&L)	331	383
Hedging derivatives and hedge adjustment of hedged items (OCI)	—	3
Property, plant and equipment/intangible assets (P&L)	43	71
Property, plant and equipment/intangible assets (OCI)	305	355
Other assets/other liabilities	40	55
Other (P&L)	72	70
Other (OCI)	1	1
Total deferred tax liabilities	909	1,085
Offsetting effect	(849)	(1,022)
Recognised deferred tax liabilities	60	63

Deferred taxes are normally measured using the local tax rates of the respective tax jurisdiction. Our domestic companies measure deferred taxes using the uniform corporate income tax rate that is not dependent on any dividend distribution including the solidarity surcharge of 15.8% and the trade tax rate that depends on the applicable assessment rate. This resulted in a slightly changed overall valuation rate for deferred taxes of 32.00% (previous-year period: 31.76%) for HVB in Germany compared with the previous year. The applicable tax rate was applied analogously for other domestic and foreign units. Changes in tax rates have been taken into account, provided they had already been enacted at the reporting date.

Notes to the Income Statement

The year-on-year change in deferred tax liabilities/assets without affecting profit or loss can be seen in the table above.

Compliant with IAS 12, no deferred tax assets were recognised for further corporate tax losses carried forward of HVB Group amounting to €496 million (previous-year period: €539 million), most of which can be utilised indefinitely, and trade tax losses carried forward amounting to €476 million (previous year period: €485 million). There are no unrecognized deductible temporary differences for the financial year (previous-year period: €0.1 million).

Deferred tax assets were calculated using plans of the individual business areas, which are based on segment-specific and general macroeconomic assumptions. Please see the “Accounting and Valuation” section on impairment for the adjustment of the planning horizon. Measurement was carried out taking into account possible timing restrictions imposed by local regulations and any rules on minimum taxation for tax losses carried forward. Uncertainty is inherent in making the assumptions used in any multi-year plan. Where changes are made to the multi-year plan over time, this may have an impact on the measurement of the volume of deferred taxes already capitalised or to be capitalised.

EU Public CbCR

At the end of 2021, the final EU Directive on EU Public CbCR (as known as ‘Ertragssteuerinformationsbericht’ in German) was published in the official journal of the European Union and in Germany implemented with EU Directive from 19.06.2023 (BGBl.2023 I Nr. 154) in national law.

Concerning the EU public CbCR for the Group, the EU Directive 2021/2101, article 12, claims that in order to avoid double reporting for the banking sector, ultimate parent undertakings which are subject to Directive 2013/36/EU and which prepare their report in accordance with article 89 should be exempted from the reporting requirements set out in this Directive. Therefore, since UniCredit S.p.A. meets this requirement, no further public disclosures are required. The above-mentioned report under article 89 is published on the UniCredit S.p.A. website.

Pillar Two – global minimum level of taxation

Starting from fiscal year 2024, the UniCredit group and HVB apply the newly designed Pillar Two regulation, as they, as a multinational group, account for a consolidated turnover of more than €750 million. According to the current status for 2025 regarding HVB, business units in nine countries have been identified which are all 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 EU countries the Directive entered into force in FY 2024 except for Latvia (postponement to 2030 granted by the directive). 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 (with changes from 22 December 2025). Certain non-EU Member States in which the UniCredit corporate group and HVB operate have implemented the Pillar Two rules starting from 2024 (e.g. United Kingdom) or 2025.

Notes to the Income Statement

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 (recently extended by one year – until full year 2027); 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 Effective Tax Rate (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).

The UniCredit corporate group and HVB have performed an assessment of its potential exposure for top-up tax based on the most recent information available regarding the financial performance Country by Country Reporting related to fiscal year 2024 for TSH-regime and, provisionally, 2025 financial statements data.

Based on the assessment performed, all of the jurisdictions relevant for HVB benefits from the TSH. Therefore no top-up- tax has been accrued.

The above analysis on the requirements to access the transitional simplified regime has to be considered as an estimation given that it was based on the 2024 CbCR reporting and 2025 forecast data.

Starting from 2024, each legal entity of the UniCredit group has applied the exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes referred to in paragraph 4 A IAS 12.

Notes to the Balance Sheet

50 Cash and cash balances

€ millions	2025	2024
Cash on hand	385	419
Balances with central banks	5,926	6,486
Total	6,311	6,905

51 Financial assets held for trading

€ millions	2025	2024
On-balance sheet financial instruments	25,323	22,943
Fixed-income securities	1,767	2,512
Equity instruments	10,181	9,098
Other financial assets held for trading	13,375	11,333
Positive fair values of derivative financial instruments	35,428	45,413
Total	60,751	68,356
of which subordinated assets	78	22

Financial assets held for trading include in particular securities held for trading purposes and the positive fair values of derivatives other than hedging derivatives that are disclosed under hedge accounting (shown separately in the balance sheet). Provided they are held for trading purposes, other financial instruments such as receivables from repurchase transactions, promissory notes and registered bonds are also reported under other financial assets held for trading within financial assets held for trading.

Other financial assets held for trading include, among other items, commodity holdings that are exclusively held for trading in connection with customer transactions. These mainly comprise holdings of base metals at a carrying amount of €582 million (previous year: €1,028 million) as well as precious metals at a carrying amount of €523 million at the end of the reporting period (previous year: €559 million).

Due to the centralisation of trading activities within the UniCredit corporate group, there has been a change in the distribution of the sub-items of on-balance sheet financial instruments. The volume of fixed-income securities held for trading fell significantly following the transfers to UniCredit S.p.A. The transfers also led to a decline in other financial assets held for trading. At the same time, the holdings not affected by the centralisation increased over the course of the year due to growing business activity and positive market value effects, which more than offset the declines caused by the transfers. In addition, a significant increase was seen in equity instruments not related to the centralisation measures. Overall, this resulted in an increase in other financial assets held for trading.

Furthermore, the transfer and centralisation activities in foreign currency, credit and commodity derivatives resulted in a significant reduction in the positive fair values of derivative instruments.

Notes to the Balance Sheet

Financial assets held for trading of related parties

The item “Financial assets held for trading” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	19,818	20,740
of which:		
UniCredit S.p.A.	19,525	20,164
sister companies	293	576
Joint ventures	—	—
Associates	531	17
Other investees	—	—
Total	20,349	20,757

52 Financial assets at FVTPL

€ millions	2025	2024
Fixed-income securities	445	857
Equity instruments	923	752
Loans and promissory notes	637	784
Other	67	70
Total	2,072	2,463
of which:		
subordinated loans and receivables	—	—
past-due loans and receivables	—	—

53 Financial assets at FVTOCI

Financial assets at FVTOCI total €14,082 million as at the reporting date (previous year: €13,896 million).

Changes in carrying amounts

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
Balance as at 1/1/2025	13,896	—	—	—	13,896
Transfers to another stage due to deterioration in credit quality	(433)	433	—	—	—
Transfers to another stage due to improvement in credit quality	—	—	—	—	—
Changes due to modification not leading to derecognition	—	—	—	—	—
Changes within the stage (net) ¹	85	101	—	—	186
Derecognition (due to uncollectibility)	—	—	—	—	—
Other changes	—	—	—	—	—
Balance as at 31/12/2025	13,548	534	—	—	14,082
Balance as at 1/1/2024	8,818	434	—	—	9,252
Transfers to another stage due to deterioration in credit quality	—	—	—	—	—
Transfers to another stage due to improvement in credit quality	294	(294)	—	—	—
Changes due to modification not leading to derecognition	—	—	—	—	—
Changes within the stage (net) ¹	4,784	(140)	—	—	4,644
Derecognition (due to uncollectibility)	—	—	—	—	—
Other changes	—	—	—	—	—
Balance as at 31/12/2024	13,896	—	—	—	13,896

¹ Changes within the stage (net) include additions from purchases and disposals from sales and repayments.

Notes to the Balance Sheet

Fixed-income securities and collateral, broken down by rating class

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
31/12/2025					
Not rated	—	—	—	—	—
Rating class 1-4	13,548	534	—	—	14,082
Rating class 5-8	—	—	—	—	—
Rating class 9-10	—	—	—	—	—
Fair value as at 31/12/2025	13,548	534	—	—	14,082
Impairment recognised in other comprehensive income for these instruments	—	—	—	—	—
31/12/2024					
Not rated	—	—	—	—	—
Rating class 1-4	13,896	—	—	—	13,896
Rating class 5-8	—	—	—	—	—
Rating class 9-10	—	—	—	—	—
Fair value as at 31/12/2024	13,896	—	—	—	13,896
Impairment recognised in other comprehensive income for these instruments	—	—	—	—	—

The impairment of securities holdings totals €0 million (previous year: €0 million). The impairment changed by €0 million in the reporting year (previous year: reduction of €0 million).

As in the previous year, no modifications were made to fixed-income securities in the reporting year.

No collateral was provided for assets held at FVTOCI in the reporting year or in the previous year.

54 Loans and receivables with banks (at cost)

€ millions	2025	2024
Current accounts	1,319	757
Cash collateral and pledged credit balances	6,967	8,161
Reverse repos	4,412	4,931
Securities	9,134	8,695
Other loans to banks	1,881	1,645
Non-performing loans and receivables	29	30
Total	23,742	24,219
of which subordinated assets	—	—

Other loans to banks consist mostly of term deposits and bonds.

Notes to the Balance Sheet

Changes in gross carrying amounts

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
Balance as at 1/1/2025	24,081	110	78	33	24,302
Addition due to new business	7,031	—	—	—	7,031
Change in carrying amount within the stage	(255)	(44)	(2)	—	(301)
Transfers to another stage due to deterioration in credit quality	(234)	234	—	—	—
from Stage 1 to Stage 2	(234)	234	—	—	—
from Stage 2 to Stage 3	—	—	—	—	—
from Stage 1 to Stage 3	—	—	—	—	—
Transfers to another stage due to improvement in credit quality	31	(31)	—	—	—
from Stage 2 to Stage 1	31	(31)	—	—	—
from Stage 3 to Stage 2	—	—	—	—	—
from Stage 3 to Stage 1	—	—	—	—	—
Increase reported directly in equity in gross carrying amounts for interest claims not recognised in profit or loss	—	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Disposals due to repayments/sales	(7,007)	(96)	(2)	—	(7,105)
Disposals due to write-offs/write downs of loans and receivables	—	—	—	—	—
Foreign currency movements and other changes	(118)	12	(1)	—	(107)
Balance as at 31/12/2025	23,529	185	73	33	23,820
Balance as at 1/1/2024	19,344	188	81	33	19,646
Addition due to new business	12,522	—	—	—	12,522
Change in carrying amount within the stage	1,652	30	1	—	1,683
Transfers to another stage due to deterioration in credit quality	(90)	90	—	—	—
from Stage 1 to Stage 2	(90)	90	—	—	—
from Stage 2 to Stage 3	—	—	—	—	—
from Stage 1 to Stage 3	—	—	—	—	—
Transfers to another stage due to improvement in credit quality	161	(161)	—	—	—
from Stage 2 to Stage 1	161	(161)	—	—	—
from Stage 3 to Stage 2	—	—	—	—	—
from Stage 3 to Stage 1	—	—	—	—	—
Increase reported directly in equity in gross carrying amounts for interest claims not recognised in profit or loss	—	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Disposals due to repayments/sales	(9,523)	(37)	(4)	—	(9,564)
Disposals due to write-offs/write downs of loans and receivables	—	—	—	—	—
Foreign currency movements and other changes	15	—	—	—	15
Balance as at 31/12/2024	24,081	110	78	33	24,302

Notes to the Balance Sheet

Changes in allowances

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
Balance as at 1/1/2025	1	1	57	24	83
Addition due to new business	—	—	—	—	—
Change in carrying amount within the same stage	—	—	—	—	—
Transfers to another stage due to deterioration in credit quality	—	—	—	—	—
from Stage 1 to Stage 2	—	—	—	—	—
from Stage 2 to Stage 3	—	—	—	—	—
from Stage 1 to Stage 3	—	—	—	—	—
Transfers to another stage due to improvement in credit quality	—	—	—	—	—
from Stage 2 to Stage 1	—	—	—	—	—
from Stage 3 to Stage 2	—	—	—	—	—
from Stage 3 to Stage 1	—	—	—	—	—
Increase in impairment reported directly in equity for interest claims not recognized in profit or loss	—	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Disposals (reversal due to disposal of receivable)	—	—	—	—	—
Disposals (utilisation of impairments)	—	—	—	—	—
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	—	—	—
Foreign currency movements and other changes	—	(1)	(4)	—	(5)
Balance as at 31/12/2025	1	—	53	24	78
Balance as at 1/1/2024	—	—	56	24	80
Addition due to new business	—	—	—	—	—
Change in carrying amount within the same stage	—	—	—	—	—
Transfers to another stage due to deterioration in credit quality	—	—	—	—	—
from Stage 1 to Stage 2	—	—	—	—	—
from Stage 2 to Stage 3	—	—	—	—	—
from Stage 1 to Stage 3	—	—	—	—	—
Transfers to another stage due to improvement in credit quality	—	—	—	—	—
from Stage 2 to Stage 1	—	—	—	—	—
from Stage 3 to Stage 2	—	—	—	—	—
from Stage 3 to Stage 1	—	—	—	—	—
Increase in impairment reported directly in equity for interest claims not recognised in profit or loss	—	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Disposals (reversal due to disposal of receivable)	—	—	(1)	—	(1)
Disposals (utilisation of impairments)	—	—	—	—	—
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	—	—	—
Foreign currency movements and other changes	1	1	2	—	4
Balance as at 31/12/2024	1	1	57	24	83

In the 2025 financial year, total portfolio valuation allowances (Stage 1 and Stage 2) decreased by €1 million (previous year: increased by €2 million).

Notes to the Balance Sheet

Breakdown by rating class

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	COLLATERAL	TOTAL
31/12/2025						
Not rated	749	—	—	—	—	749
Rating class 1-4	22,262	177	—	—	4,658	22,439
Rating class 5-8	518	8	—	—	266	526
Rating class 9-10	—	—	73	33	—	106
Gross carrying amount as at 31/12/2025	23,529	185	73	33	4,924	23,820
Impairment	(1)	—	(53)	(24)	—	(78)
Net carrying amount as at 31/12/2025	23,528	185	20	9	4,924	23,742
31/12/2024						
Not rated	843	—	—	—	—	843
Rating class 1-4	22,938	15	—	—	4,948	22,953
Rating class 5-8	300	95	—	—	158	395
Rating class 9-10	—	—	78	33	—	111
Gross carrying amount as at 31/12/2024	24,081	110	78	33	5,106	24,302
Impairment	(1)	(1)	(57)	(24)	—	(83)
Net carrying amount as at 31/12/2024	24,080	109	21	9	5,106	24,219

There were no assets written off in the reporting period that are subject to an enforcement measure.

Loans and receivables with related parties

The item “Loans and receivables with banks (at cost)” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	620	1,259
of which:		
UniCredit S.p.A.	619	1,229
sister companies ¹	1	30
Joint ventures	—	—
Associates	216	73
Other investees	20	39
Total	856	1,371

¹ Mainly due from UniCredit Bank Austria AG.

55 Loans and receivables with customers (at cost)

€ millions	2025	2024
Current accounts	6,679	7,004
Cash collateral and pledged cash balances	2,375	2,021
Reverse repos	3,684	1,752
Mortgage loans	54,350	53,342
Finance lease receivables	143	232
Securities	39,693	35,781
Other loans and receivables	60,013	60,581
Non-performing loans and receivables	2,254	1,852
Total	169,191	162,565
of which subordinated assets	—	—

Notes to the Balance Sheet

Other loans and receivables largely comprise miscellaneous other loans, instalment loans, term deposits and refinanced special credit facilities.

The item “Loans and receivables with customers (at cost)” includes an amount of €4,676 million (previous year: €4,753 million) funded under the fully consolidated Arabella conduit programme. This mainly involves buying short-term trade receivables and medium-term receivables under lease agreements from customers and funding them by issuing commercial paper on the capital market. The securitised loans and receivables are essentially loans and receivables due from European debtors.

Changes in gross carrying amounts

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
Balance as at 1/1/2025	149,958	11,265	2,973	55	164,251
Addition due to new business	33,786	—	—	47	33,833
Change in carrying amount within the stage	4,100	702	14	6	4,822
Transfers to another stage due to deterioration in credit quality	(8,295)	6,803	1,492	—	—
from Stage 1 to Stage 2	(7,583)	7,583	—	—	—
from Stage 2 to Stage 3	—	(780)	780	—	—
from Stage 1 to Stage 3	(712)	—	712	—	—
Transfers to another stage due to improvement in credit quality	3,843	(3,700)	(143)	—	—
from Stage 2 to Stage 1	3,805	(3,805)	—	—	—
from Stage 3 to Stage 2	—	105	(105)	—	—
from Stage 3 to Stage 1	38	—	(38)	—	—
Increase reported directly in equity in gross carrying amounts for interest claims not recognised in profit or loss	—	—	146	—	146
Changes due to modification of assets not leading to derecognition	—	(3)	—	—	(3)
Disposals due to repayments/sales	(27,670)	(2,983)	(844)	(1)	(31,498)
Disposals due to write-offs/write downs of loans and receivables	—	—	(319)	—	(319)
Foreign currency movements and other changes	(450)	(19)	(19)	—	(488)
Balance as at 31/12/2025	155,272	12,065	3,300	107	170,744
Balance as at 1/1/2024	132,666	20,795	2,831	4	156,296
Addition due to new business	33,030	—	—	52	33,082
Change in carrying amount within the stage	(581)	79	236	(1)	(267)
Transfers to another stage due to deterioration in credit quality	(6,165)	5,055	1,110	—	—
from Stage 1 to Stage 2	(5,737)	5,737	—	—	—
from Stage 2 to Stage 3	—	(682)	682	—	—
from Stage 1 to Stage 3	(428)	—	428	—	—
Transfers to another stage due to improvement in credit quality	9,758	(9,663)	(95)	—	—
from Stage 2 to Stage 1	9,727	(9,727)	—	—	—
from Stage 3 to Stage 2	—	64	(64)	—	—
from Stage 3 to Stage 1	31	—	(31)	—	—
Increase reported directly in equity in gross carrying amounts for interest claims not recognised in profit or loss	—	—	158	—	158
Changes due to modification of assets not leading to derecognition	—	3	(12)	—	(9)
Disposals due to repayments/sales	(19,008)	(5,019)	(724)	—	(24,751)
Disposals due to write-offs/write downs of loans and receivables	—	—	(531)	—	(531)
Foreign currency movements and other changes	258	15	—	—	273
Balance as at 31/12/2024	149,958	11,265	2,973	55	164,251

Notes to the Balance Sheet

Changes in allowances

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
Balance as at 1/1/2025	136	374	1,175	1	1,686
Addition due to new business	39	—	—	—	39
Change in carrying amount within the same stage	(10)	(10)	107	—	87
Transfers to another stage due to deterioration in credit quality	(54)	90	330	—	366
from Stage 1 to Stage 2	(53)	153	—	—	100
from Stage 2 to Stage 3	—	(63)	285	—	222
from Stage 1 to Stage 3	(1)	—	45	—	44
Transfers to another stage due to improvement in credit quality	10	(102)	(14)	—	(106)
from Stage 2 to Stage 1	10	(108)	—	—	(98)
from Stage 3 to Stage 2	—	6	(13)	—	(7)
from Stage 3 to Stage 1	—	—	(1)	—	(1)
Increase in impairment reported directly in equity for interest claims not recognized in profit or loss	—	—	146	—	146
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Change of Model	—	—	—	—	—
Disposals (reversal due to disposal of receivables)	(37)	(36)	(241)	—	(314)
Disposals (utilisation of impairments)	—	—	(319)	—	(319)
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	(73)	—	(73)
Foreign currency movements and other changes	—	—	41	—	41
Balance as at 31/12/2025	84	316	1,152	1	1,553
Balance as at 1/1/2024	158	563	1,096	2	1,819
Addition due to new business	36	—	—	—	36
Change in carrying amount within the same stage	(37)	(26)	410	(1)	346
Transfers to another stage due to deterioration in credit quality	(40)	118	310	—	388
from Stage 1 to Stage 2	(38)	156	—	—	118
from Stage 2 to Stage 3	—	(38)	232	—	194
from Stage 1 to Stage 3	(2)	—	78	—	76
Transfers to another stage due to improvement in credit quality	39	(221)	(14)	—	(196)
from Stage 2 to Stage 1	39	(223)	—	—	(184)
from Stage 3 to Stage 2	—	2	(12)	—	(10)
from Stage 3 to Stage 1	—	—	(2)	—	(2)
Increase in impairment reported directly in equity for interest claims not recognized in profit or loss	—	—	158	—	158
Changes due to modification of assets not leading to derecognition	—	—	—	—	—
Change of Model	—	—	23	—	23
Disposals (reversal due to disposal of receivables)	(20)	(58)	(191)	—	(269)
Disposals (utilisation of impairments)	—	—	(512)	—	(512)
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	(108)	—	(108)
Foreign currency movements and other changes	—	(2)	3	—	1
Balance as at 31/12/2024	136	374	1,175	1	1,686

In 2025, portfolio allowances (Stage 1 and Stage 2) for loans and receivables with customers declined by €110 million.

Notes to the Balance Sheet

When calculating the portfolio allowances, changes to the underlying Probability of Default (PD) and Loss Given Default (LGD) models significantly affected the results as well as a partially changed macroeconomic situation. In addition, overlays were applied for certain sub-portfolios that are particularly sensitive to specific risks. At the end of 2025, the overlays were entirely due to geopolitical risks, with evolving trade tensions leading to possible export vulnerabilities, associated supply chain disruptions, and external demand changes driven by Euro-US dollar exchange rate movements.

The following releases and allocations were recognised for the portfolio allowances in the reporting period: the overlay within the commercial real estate and construction industry, previously applied as a result of the ongoing high level of interest rates, higher construction costs, decline in orders, falling property prices and lower rental income, was fully released due to improvements in the underlying default rate projections. Conversely, the geopolitical overlay was re-assessed based on evolving geopolitical risks related to trade tensions and resulted in an increase to the portfolio allowances. The process of defining the overlay amount translates an economic scenario into export shocks, converts these shocks into sectoral declines, and estimates sectoral and country default rate shifts through dedicated models. The final set of sectors on which the re-assessed geopolitical overlay is applied represent the sectors deemed by the sectoral models to have a greater sensitivity to the export shock scenario than the wider economy. Within the regular models used to calculate the portfolio allowances, two changes resulted in material releases within the portfolio allowances: (1) a recalibration of the LGD model using an extended time series was considered to account for the latest evolution in recovery rates, and (2) a re-development of the Multinational Corporates (MNC) models for PD and LGD. The re-development affected the underlying Internal Ratings Based (IRB) PD and IRB-LGD models as well as the IFRS9-specific components, integrating point-in-time (PIT) and forward-looking elements. In particular, the latest internal default rates were used to incorporate current conditions which had a significant decreasing effect on the IFRS9 PD. Less material releases within the portfolio allowances were driven by updated IFRS9 PD development samples, underlying default rate projections, recalibrations of the models related to climate & environmental risks, and regular portfolio development. Conversely, increases in the portfolio allowances were driven by updated forward-looking information related to macroeconomic scenario updates in Q2 2025 and Q4 2025, as well as new satellite models at UniCredit Group level underlying the forward-looking information.

In the reporting period, there was a slight decrease in allowances in stage 3 of minus €24 million, among others, additions to specific loan-loss provisions on account of defaults and utilisation of impairments were lower than in previous year.

Notes to the Balance Sheet

Breakdown by rating class

€ millions	STAGE 1	STAGE 2	STAGE 3	POCI	COLLATERAL	TOTAL
31/12/2025						
Not rated	819	325	—	—	207	1,144
Rating class 1-4	143,686	4,061	—	—	50,510	147,747
Rating class 5-8	10,767	7,679	—	1	6,918	18,447
Rating class 9-10	—	—	3,300	106	547	3,406
Gross carrying amount as at 31/12/2025	155,272	12,065	3,300	107	58,182	170,744
Impairment	(84)	(316)	(1,152)	(1)	—	(1,553)
Net carrying amount as at 31/12/2025	155,188	11,749	2,148	106	58,182	169,191
31/12/2024						
Not rated	842	—	—	—	281	842
Rating class 1-4	135,345	3,613	—	—	48,658	138,958
Rating class 5-8	13,771	7,652	—	1	7,727	21,424
Rating class 9-10	—	—	2,973	54	551	3,027
Gross carrying amount as at 31/12/2024	149,958	11,265	2,973	55	57,217	164,251
Impairment	(136)	(374)	(1,175)	(1)	—	(1,686)
Net carrying amount as at 31/12/2024	149,822	10,891	1,798	54	57,217	162,565

The amount outstanding from assets written off in the reporting period that are subject to an enforcement measure totals €320 million (previous year: €344 million).

Loans and receivables with related parties

The item “Loans and receivables with customers (at cost)” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	—	—
of which:		
sister companies	—	—
subsidiaries	—	—
Joint ventures	—	—
Associates	—	—
Other investees	250	286
Total	250	286

Notes to the Balance Sheet

56 Forbearance

The European Banking Authority (EBA) defines forbore exposures as debt contracts for which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments that the lender would not have been prepared to grant under other circumstances. Possible measures range from deferrals and temporary moratoriums, longer periods allowed for repayment, reduced interest rates and rescheduling, and even a partial debt waiver. It should be noted, however, that not every modification of a lending agreement is due to financial difficulties on the part of the borrower and represents forbearance.

Forborne exposures may be classified as performing or non-performing according to the EBA definition. The non-performing portfolio encompasses exposures for which the counterparty is listed at Stage 3 and exposures that do not yet satisfy the EBA's strict criteria for returning to the performing portfolio. The following table shows the breakdown of the forbore exposure portfolio at the reporting date:

€ millions	2025		2024			
	CARRYING AMOUNT BEFORE ALLOWANCES	ALLOWANCES	CARRYING AMOUNT	CARRYING AMOUNT BEFORE ALLOWANCES	ALLOWANCES	CARRYING AMOUNT
Performing exposures	455	(12)	443	341	(18)	323
Non-performing exposures	1,118	(301)	817	677	(257)	420
Total	1,573	(313)	1,260	1,018	(275)	743

The exposures considered to be forbore are included under loans and receivables with customers at an amount of €1.260 million (previous year: €743 million). As in the previous year, no securities were held with forbearance measures.

If the forbearance measure does not result in a deterioration in creditworthiness (Stage 3), the loans involved are exposed to increased default risk as they have already become conspicuous. They are thus allocated to Stage 2. Such exposures are closely tracked by the restructuring units or subject to strict monitoring by the back-office units.

57 Hedging derivatives – Assets

€ millions	2025	2024
Micro fair value hedge	306	731
Portfolio fair value hedge ¹	6,850	7,120
Total	7,156	7,851

¹ The cross-currency interest rate swaps used in hedge accounting are carried at their aggregate fair value in the portfolio fair value hedge.

The volume of hedging derivatives on the assets side of the balance sheet decreased mainly due to effects caused by the expiry and renewal of financial instruments. This also led to a decrease in the volume of hedging derivatives on the liabilities.

Notes to the Balance Sheet

58 Investments in associates and joint ventures accounted for using the equity method

€ millions	2025	2024
Associates accounted for using the equity method	20	17
of which goodwill	—	—
Joint ventures accounted for using the equity method	—	—
Total	20	17

For materiality reasons, two associates were not accounted for using the equity method in the consolidated financial statements.

There were no effects from changes in the value of other comprehensive income or other equity items at companies accounted for using the equity method in the reporting year or in the previous year. Nor was there any unrecognised prorated loss from companies accounted for using the equity method in the reporting year or in the previous year. Furthermore, there were no unrecognised prorated cumulative losses from companies accounted for using the equity method in the reporting year or in the previous year.

There are no material commitments arising from contingent liabilities of associates.

59 Property, plant and equipment

€ millions	2025	2024
Land	997	1,024
Buildings	625	649
Plant and office equipment	95	107
Right-of-use assets (leases)	101	112
of which land and buildings	95	106
Total	1,818	1,892

Changes in property, plant and equipment

€ millions	LAND	BUILDINGS	PLANT AND OFFICE EQUIPMENT	RIGHT-OF-USE ASSETS (LEASES)	TOTAL PROPERTY, PLANT AND EQUIPMENT
Acquisition costs as at 1/1/2025	1,024	2,273	548	264	4,109
Write-downs and write-ups from previous years	—	(1,624)	(441)	(152)	(2,217)
Carrying amounts as at 1/1/2025	1,024	649	107	112	1,892
Additions					
Acquisition/production costs	—	1	7	20	28
Adjustment due to revaluation in reporting period (OCI)	5	18	—	—	23
Write-ups	—	13	3	3	19
Changes from currency translation	—	—	—	—	—
Other additions ¹	—	—	1	3	4
Disposals					
Sales	—	—	—	(3)	(3)
Adjustment due to revaluation in reporting period (OCI)	(30)	(17)	—	—	(47)
Depreciation and write-downs	—	(26)	(16)	(27)	(69)
Impairments	(2)	(11)	(5)	(1)	(19)
Changes from currency translation	—	—	—	(1)	(1)
Non-current assets or disposal groups held for sale	—	(2)	—	—	(2)
Other disposals ¹	—	—	(2)	(5)	(7)
Carrying amounts as at 31/12/2025	997	625	95	101	1,818
Write-downs and write-ups from previous years plus the reporting period	—	1,643	312	147	2,102
Acquisition costs as at 31/12/2025	997	2,268	407	248	3,920

Notes to the Balance Sheet

€ millions	LAND	BUILDINGS	PLANT AND OFFICE EQUIPMENT	RIGHT-OF-USE ASSETS (LEASES)	TOTAL PROPERTY, PLANT AND EQUIPMENT
Acquisition costs as at 1/1/2024	1,103	2,370	583	340	4,396
Write-downs and write-ups from previous years	—	(1,682)	(462)	(202)	(2,346)
Carrying amounts as at 1/1/2024	1,103	688	121	138	2,050
Additions					
Acquisition/production costs	—	2	11	25	38
Adjustment due to revaluation in reporting period (OCI)	7	27	—	—	34
Write-ups	—	13	—	11	24
Changes from currency translation	—	—	—	—	—
Other additions ¹	—	—	2	5	7
Disposals					
Sales	—	—	(2)	(17)	(19)
Adjustment due to revaluation in reporting period (OCI)	(56)	(26)	—	—	(82)
Depreciation and write-downs	—	(26)	(18)	(32)	(76)
Impairments	(2)	(12)	(1)	(4)	(19)
Changes from currency translation	—	—	—	—	—
Non-current assets or disposal groups held for sale	(28)	(17)	—	—	(45)
Other disposals ¹	—	—	(6)	(14)	(20)
Carrying amounts as at 31/12/2024	1,024	649	107	112	1,892
Write-downs and write-ups from previous years plus the reporting period	—	1,624	441	152	2,217
Acquisition costs as at 31/12/2024	1,024	2,273	548	264	4,109

¹ Including changes in the group of companies included in consolidation.

Impairments on land and buildings shown under changes in property, plant and equipment for 2025 are attributable to declines in the fair value of land and buildings. For buildings, these amount to €11 million (previous year: €12 million) and for land €2 million (previous year: €2 million).

60 Investment properties

Investment properties are measured at fair value. As each property has individual characteristics and the fair value is determined by external expert opinions that take these property-specific features into account, all fair values reported under this balance sheet item are classified as Level 3 in the fair value hierarchy.

The net carrying amount of right-of-use assets from lease agreements classified as investment properties under this balance sheet item is €42 million as at the reporting date (previous year: €44 million).

Notes to the Balance Sheet

Changes in investment properties

€ millions	2025	2024
Carrying amounts as at 1/1	179	254
Additions		
Acquisitions	—	1
Valuation gains	9	2
Subsequent expenses	—	4
Changes from currency translation	—	—
Other additions ¹	—	—
Disposals		
Sales	—	—
Valuation losses	(8)	(14)
Changes from currency translation	—	—
Non-current assets or disposal groups held for sale	(5)	(68)
Other disposals ¹	—	—
Carrying amounts as at 31/12	175	179

¹ Also including changes in the group of companies included in consolidation.

61 Intangible assets

€ millions	2025	2024
Internally generated intangible assets	2	2
Other intangible assets	25	37
Total	27	39

HVB no longer generates any software internally. Software is provided to HVB groupwide by UniCredit S.p.A.

62 Non-current assets or disposal groups held for sale

€ millions	2025	2024
Cash and cash balances	—	—
Financial assets at FVTPL	—	—
Financial assets at FVTOCI	—	—
Loans and receivables with banks (at cost)	8	3
Loans and receivables with customers (at cost)	46	44
Investments in associates and joint ventures accounted for using the equity method	—	—
Property, plant and equipment	39	40
Investment properties	61	92
Intangible assets	—	—
Tax assets	—	—
Inventories (IAS 2)	—	—
Other assets	—	1
Total	154	180

Notes to the Balance Sheet

As of 31 December 2025, non-current assets or disposal groups held for sale include the following selling activities:

- Planned sale of the subsidiary Weicker S.à.r.l., Luxembourg, allocated to the Other operating segment. The closing of the sale is expected in 2026.
- Sale of the subsidiary Monnet 8-10 S.à.r.l., Luxembourg, allocated to the Other operating segment.

Furthermore, HVB continues to pursue its strategy of reducing the volume of non-performing loans and receivables with customers through sales. The change in loans and receivables with customers (at cost) in the reporting year is largely attributable to these sales initiatives and includes both additions resulting from reclassifications and disposals resulting from sales.

The planned sale of the subsidiary Weicker S.à r.l., Luxembourg, mainly relates to a property reported under investment properties (allocated to Level 3).

In February 2025, the sale of a non-strategic property (Investment Property, Level 2) with a book value of €32 million was completed. Furthermore, in the second half of 2025, an investment property (classified as Level 2) with a carrying amount of €5 million and a property reported under property, plant and equipment with a carrying amount of €2 million were classified as non-current assets or disposal groups held for sale and were sold. The sale of the subsidiary Monnet 8-10 S.à r.l., Luxembourg, was completed in January 2026. It mainly relates to a property reported under property, plant and equipment with a carrying amount of €39 million.

In the reporting year, impairments totalling €1 million were recognised for the property reported under property, plant and equipment (previous year: €5 million). For the property reported under investment properties a valuation gain totalling €1 million was recognized (previous year: €0 million).

Changes in investment properties, classified as non-current assets or disposal groups held for sale

€ millions	2025	2024
Carrying amounts as at 1/1	92	32
Additions		
Acquisitions	—	—
Classification of non-current assets or disposal groups held for sale	5	68
Valuation gains	1	—
Subsequent expenses	—	—
Changes from currency translation	—	—
Other additions ¹	—	—
Disposals		
Sales	(37)	(8)
Valuation losses	—	—
Changes from currency translation	—	—
Reclassification of non-current assets or disposal groups held for sale	—	—
Other disposals ¹	—	—
Carrying amounts as at 31/12	61	92

¹ Also including changes in the group of companies included in consolidation.

Notes to the Balance Sheet

Fair value level hierarchy

Assets or liabilities whose valuation is derived from input data (valuation parameters) that is directly observable (as prices) or indirectly observable (derived from prices) are generally shown in Level 2. A price cannot be observed on an active market for the assets or liabilities concerned themselves. Since properties are unique, there can be no trading for the same property or any observable price for it on an active market. However, offers submitted in the course of a selling process constitute observable input data for determining a fair value, as the property may be sold at this price on the basis of binding or reliable non-binding offers.

Level 3 generally relates to assets or liabilities whose fair value is not determined exclusively on the basis of observable market data (non-observable input data). External valuation reports are based on generally recognised valuation methods that use parameters determined by external assessors for the property (such as the current market rent assumed for the property). The respective fair values therefore feature valuation parameters that are based on model assumptions.

The following table shows the allocation of the investment properties measured at fair value to the respective fair value level hierarchy:

€ millions	FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
	2025	2024	2025	2024
Investment properties, classified as non-current assets or disposal groups held for sale	—	32	61	60

Changes in investment properties allocated to Level 3:

€ millions	2025	2024
Carrying amount as at 1/1	60	—
Additions to the portfolio (classified as Level 3)	—	60
Positive fair value changes (classified as Level 3)	1	—
Additions due to reclassification from Level 2 to Level 3	—	—
Disposals from the portfolio (classified as Level 3)	—	—
Negative fair value changes (classified as Level 3)	—	—
Disposals due to reclassification from Level 3 to Level 2	—	—
Carrying amount as at 31/12	61	60

There were no reclassifications from Level 2 to Level 3.

63 Other assets

Other assets include prepaid expenses of €164 million (previous year: €155 million). At the reporting date, the excess of assets over liabilities from offsetting the present value of the defined pension obligations against the fair value of the plan assets of defined benefit plans is also recognised under other assets as a capitalised excess cover of plan assets totalling €27 million (previous year: €28 million).

Notes to the Balance Sheet

64 Own securitisation

HVB has securitised its own loan receivables for the purpose of obtaining favourable funding terms on the capital market, for generating securities for use as collateral in repurchase agreements and for reducing risk-weighted assets.

This involves structuring the cash flows of the underlying loan portfolio, meaning that at least two hierarchical positions (tranches) are formed when dividing up the risks and cash flows. In the case of traditional securitisations (true sale), receivables are sold to a special purpose entity, which in turn issues securities. In contrast, in a synthetic transaction, the Bank always retains ownership of the securitised assets. Only the risk is transferred to the capital market without any change in the ownership structure of the securitised credit portfolio. This hedge is effected through guarantees or through the use of credit derivatives.

HVB's true sale transactions consist of Rosenkavalier 2008 (€3.2 billion securitisation of retail real estate loans), Rosenkavalier 2015 (€3.0 billion securitisation of corporate loans), Rosenkavalier 2020 (€0.3 billion securitisation of consumer loans) and Rosenkavalier 2022 (€2.6 billion securitisation of corporate loans).

In all of the true sale transactions, HVB retained the tranches issued by the special purpose entities. The senior positions (or senior tranches) of securities generated in this way are available as collateral for repurchase agreements with the Bundesbank. The underlying receivables continue to be recognised by HVB and the special purpose entities set up for this purpose are fully consolidated in accordance with IFRS 10. These transactions did not result in any reduction in risk-weighted assets.

In addition, four synthetic securitisations were structured at HVB: Tucherpark 2022 (€1.9 billion securitisation of corporate loans, terminated as of 29 August 2025), Arabellapark 2023 (€1.9 billion securitisation of corporate loans), ARTS Arabellapark 2024 (€5.4 billion securitisation of corporate loans) and ARTS Arabellapark 2025 (€4.0 billion securitisation of corporate loans).

At the end of 2023, the synthetic securitisation Arabellapark 2023 was closed. Revolving credit and term loan facilities of large companies were securitised in this transaction for the first time. HVB acted as the sole arranger for this transaction and placed credit-linked notes totalling €150 million. The transaction is in the amortization phase. Currently, the transaction volume amounts to approximately €1.5 billion and produces an RWA relief of approximately €533 million.

In July 2024, the ARTS Arabella 2024 transaction was closed. This transaction has the same structure as Arabellapark 2023 and involved securitised loans from the Small & Medium Corporates (SMC) and Large Corporates areas. As a result of securitised these corporate loans totalling €3.4 billion with a credit-linked note of €239.4 million, a reduction in risk-weighted assets of €1.45 billion was achieved as of September 2024. In September 2025, the securitisation was restructured to increase the portfolio volume to a total of €5.39 billion with a credit-linked note totalling €378.9 million. As a result, RWA relief of €2.26 billion was achieved from September 2025. This transaction will be replenished over a period of two years.

In order to achieve further RWA relief, the ARTS Arabellapark 2025 transaction was closed in March 2025, which consists of corporate loans, drawn and undrawn credit lines and guarantees from the Small/Mid/Large Corporate area. With a portfolio volume of €4.04 billion and a credit-linked note of €283.1 million, RWA relief of €1.60 billion has been achieved since March 2025. This transaction will also be replenished over a period of two years.

Notes to the Balance Sheet

65 Deposits from banks

€ millions	2025	2024
Deposits from central banks	6,866	1,464
Deposits from banks	23,958	29,012
Current accounts	3,452	2,468
Cash collateral and pledged credit balances	3,308	4,941
Repos	3,347	6,848
Term deposits	2,384	1,727
Other liabilities	11,467	13,028
Total	30,824	30,476

Amounts payable to related parties

The item “Deposits from banks” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	1,725	2,118
of which:		
UniCredit S.p.A.	1,256	1,416
sister companies ¹	469	702
Joint ventures	—	—
Associates	493	106
Other investees	19	19
Total	2,237	2,243

¹ Largest single items relate to UniCredit Bank Austria AG.

66 Deposits from customers

€ millions	2025	2024
Current accounts	81,117	75,902
Cash collateral and pledged credit balances	1,733	2,575
Savings deposits	3,231	3,662
Repos	8,051	4,120
Term deposits	43,793	50,066
Promissory notes	483	567
Lease liabilities	204	218
Other liabilities	6,714	5,499
Total	145,326	142,609

Amounts payable to related parties

The item “Deposits from customers” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	18	18
of which:		
sister companies	6	5
subsidiaries	12	13
Joint ventures	—	—
Associates	4	—
Other investees	280	316
Total	302	334

Notes to the Balance Sheet

67 Debt securities in issue

€ millions	2025	2024
Bonds	33,155	33,584
of which:		
registered Mortgage Pfandbriefe	2,810	2,786
registered Public-sector Pfandbriefe	913	953
Mortgage Pfandbriefe	17,483	17,453
Public-sector Pfandbriefe	3,009	2,271
registered bonds	1,709	1,829
Other securities	—	—
Total	33,155	33,584

Debt securities in issue, payable to related parties

The item “Debt securities in issue” includes the following amounts attributable to related parties:

€ millions	2025	2024
Non-consolidated affiliates	2,594	3,570
of which:		
UniCredit S.p.A.	2,594	3,570
sister companies	—	—
Joint ventures	—	—
Associates	—	—
Other investees	2	2
Total	2,596	3,572

68 Financial liabilities held for trading

€ millions	2025	2024
Negative fair values of derivative financial instruments	39,449	44,693
Other financial liabilities held for trading	4,547	3,966
Total	43,996	48,659

The negative fair values of derivative financial instruments are carried as financial liabilities held for trading. In addition, warrants, certificates and bonds issued by our Trading area as well as delivery obligations from short sales of securities, insofar as they serve trading purposes, are included here under other financial liabilities held for trading.

As trading activities are being centralised within the UniCredit corporate group, the distribution of the subitems of financial liabilities held for trading has changed. As a result of the transfer and centralisation activities of foreign currency, credit and commodity derivatives, the negative fair values of derivative financial instruments decreased significantly.

69 Financial liabilities at FVTPL

This item in the amount of €2,962 million (previous year: €3,563 million) primarily contains own structured issues.

The difference between the carrying amount and the amount payable under the contract amounts to plus €8 million (previous year: minus €8 million).

Notes to the Balance Sheet

70 Hedging derivatives – Liabilities

€ millions	2025	2024
Micro fair value hedge	162	337
Portfolio fair value hedge	8,636	10,033
Total	8,798	10,370

The volume of hedging derivatives on the liabilities side of the balance sheet decreased, mainly due to effects caused by the expiry and renewal of financial instruments. This also led to a decrease in the volume of hedging derivatives on the assets side.

71 Hedge adjustment of hedged items in the portfolio fair value hedge

The hedge adjustments of interest rate-hedged receivables and liabilities in the portfolio fair value hedge totals net minus €3,418 million (previous year: minus €3,452 million) for the liabilities side and minus €936 million (previous year: minus €58 million) for the assets side. The fair value of the netted portfolio fair value hedge derivatives represents a net comparable amount resulting from a countermovement. Based on the rules of IAS 39.89A in conjunction with IAS 39.AG123, the nature of the hedged item determines its allocation either to the asset side or to the liabilities side, which means that a hedge adjustment for hedged liabilities and an excess of liabilities over assets is to be reported in the respective maturity buckets of the portfolio fair value hedge as a negative figure on the liabilities side.

During the 2025 financial year, there was an asset overhang until November 2025, so that the hedge adjustment amount was reported on the assets side during this period. With a further change in the hedged item from asset to liability overhang as of November 2025, the corresponding hedge adjustment amount will again be shown on the liabilities side.

72 Liabilities of disposal groups held for sale

€ millions	2025	2024
Deposits from banks	—	—
Deposits from customers	—	—
Tax liabilities	—	—
Other liabilities	—	—
Provisions	—	—
Total	—	—

73 Other liabilities

€ millions	2025	2024
Accrued expenses and deferred income for other interest	62	119
Short-term liabilities due to employees	245	279
Turnover tax liabilities	129	159
Liabilities to suppliers	120	87
Other liabilities	857	987
Total	1,413	1,631

Notes to the Balance Sheet

74 Provisions

€ millions	2025	2024
Provisions for pensions and similar obligations	63	272
Provisions for financial guarantees and irrevocable credit commitments	325	217
Restructuring provisions	141	345
Other provisions	758	723
Payroll provisions	486	464
Provisions related to tax disputes (without income taxes)	70	32
Provisions for rental guarantees and dismantling obligations	37	56
Provisions for legal risks and similar risks	114	120
Other provisions	51	51
Total	1,287	1,557

Expected credit losses for financial guarantees and undrawn irrevocable credit commitments are recognised under provisions for financial guarantees and irrevocable credit commitments. The term of these provisions is short to long term in line with the term of the underlying guarantees and credit commitments. Please refer to the description of credit risk in the Risk Report on uncertainties in making estimates. Restructuring provisions largely include provisions that were set aside within the framework of the group-wide strategic plan. In addition to the business areas and locations affected, the detailed plan especially also includes assumptions and estimates about the approximate number of employees whose positions will be affected by the restructuring measures, the associated costs and the period in which the planned measures are to be carried out or the obligations are expected to be fulfilled. The restructuring provisions are largely of a short-term nature. The estimation uncertainties associated with the restructuring provisions are rather low as HVB Group is generally progressing in line with the planning assumptions in implementing the strategic plan. Other provisions are largely long-term provisions. The uncertainties in making estimates depend on each particular case; some of these are easy to estimate, for example the provisions for rental guarantees and dismantling obligations, but some can be difficult to estimate where this involves individual cases contained in the provisions for legal risks.

The effects of changes in the discount rate and compounding led to a decrease of € 13 million in provisions recognised in the income statement in the reporting year (previous year: decrease of €3 million). The effect of changes in the discount rate used for pension provisions is recognised in other comprehensive income.

Provisions for pensions and similar obligations

HVB Group grants its employees post-employment benefits that are structured as defined benefit plans or defined contribution plans.

In the case of defined benefit plans, the Bank undertakes to pay a defined future pension. The financial resources required to do so in the future can be accrued within the Bank (internal financing) or by payment of specific amounts to external pension funds (external financing).

In the case of defined contribution plans, the Bank undertakes to pay defined contributions to external pension funds which will later make the pension payments. Apart from paying the periodic contributions, the Bank has de facto no further obligations.

Notes to the Balance Sheet

Defined benefit plans

Characteristics of the plans

Provisions for pensions and similar obligations include direct commitments to HVB Group employees under company pension plans. These defined benefit plans are based in part on final salaries and in part on building-block schemes involving dynamic adjustment of vested rights. Fund-linked pension plans with a guaranteed minimum rate of interest of 2.75% have been granted in Germany since 2003.

The obligations financed by Pensionskasse der HypoVereinsbank VVaG (HVB Pensionskasse) are included in the disclosures regarding pension obligations (the total includes the obligations of HVB Unterstützungskasse e.V. reinsured by HVB Pensionskasse). The standard HVB Group valuation parameters are used when calculating these obligations. Any plan surplus is subject to the rules governing the asset ceiling, as the assets belong to the members of HVB Pensionskasse.

HVB Group set up plan assets in the form of contractual trust arrangements (CTA). This involved transferring the assets required to fund its pension obligations to legally independent trustees, including HVB Trust e.V., which manage the assets in line with the respective trustee contracts.

There are no legal or regulatory minimum funding requirements in Germany.

HVB Group reorganised its company plans for pensioners (direct commitments) in 2009. HVB Trust Pensionsfonds AG (pension fund) was set up in this process. For the first time in December 2009 and again in December 2016 and 2022, pension commitments and pension obligations of the Bank for beneficiaries who had already received pension benefits in October 2009, 2016 or 2022 respectively and corresponding plan assets to cover the claims of these beneficiaries were transferred to the pension fund. The pensioners' pension claims are not affected by the transfer; HVB continues to guarantee the pension. The pension fund is a legally independent institution regulated by the German Federal Financial Supervisory Authority (BaFin).

HVB Group is exposed to various risks in connection with its defined benefit plans. Potential pension risks exist with regard to both the benefit obligations (liabilities side) and the plan assets allocated to cover the beneficiaries' claims (assets side). Defined benefit obligations are exposed to actuarial risks such as interest rate risk, longevity risk, salary- and pension-adjustment risk and inflation risk. In the case of fund-linked pension obligations, there is the risk that it will prove impossible in the long run to generate the guaranteed interest rate of 2.75% from the funds allocated to the pension commitments, given persistently low interest rates. With regard to the capital investment, the assets are primarily exposed to market risk such as price risks in securities holdings or changes in the value of real estate investments.

The major pension risk is thus expressed as a deterioration in the funded status as a result of unfavourable developments of defined benefit obligations and/or plan assets, since the sponsoring companies are required to act to service the beneficiaries' claims in the event of any plan deficits. No unusual, company-specific or plan-specific risks or material risk concentrations that could affect the Group's pension plans are currently identifiable.

Notes to the Balance Sheet

Reconciliations

The amounts from defined benefit plans for post-employment benefits recognised in the consolidated balance sheet can be derived as follows:

€ millions	2025	2024
Present value of funded pension obligations	3,866	4,306
Fair value of plan assets	(3,831)	(4,069)
Funded status	35	237
Present value of unfunded pension obligations	1	7
Net liability (net asset) of defined benefit plans	36	244
Asset ceiling	—	—
Capitalised excess cover of plan assets	27	28
Recognised pension provisions	63	272

The following tables show the changes in the present value of the total (funded and unfunded) pension obligations, the fair value of the plan assets and the net defined benefit liability (net asset) resulting from offsetting these totals. Since a change in the net liability (net asset) is shown here, the positive or negative amounts in the following table are derived from the effect on this net liability (net asset): for example, an increase in the present value of pension obligations is shown as a positive amount or an increase in the fair value of plan assets as a negative amount (in brackets) and vice versa. The tables also show the changes in the effects of the asset ceiling during the financial year and the reconciliations from the opening to the closing balance of the capitalised excess cover of plan assets and the recognised provisions for pensions and similar obligations:

€ millions	PRESENT VALUE OF PENSION COMMITMENTS	FAIR VALUE OF PLAN ASSETS	NET LIABILITY (NET ASSET) OF DEFINED BENEFIT PLANS	ASSET CEILING	CAPITALISED EXCESS COVER OF PLAN ASSETS	RECOGNISED PENSION PROVISIONS
Balance as at 1/1/2025	4,313	(4,069)	244	—	28	272
Service cost component						
Current service cost	38	—	38	—	—	38
Past service cost	—	—	—	—	—	—
Gains and losses on settlement	—	—	—	—	—	—
Net interest component						
Interest expense/income	149	(143)	6	—	—	6
Service costs and net interest of defined benefit plans recognised in profit or loss for the period	187	(143)	44	—	—	44
Remeasurement component						
Gains/losses on plan assets excluding amounts included in net interest on the net defined benefit liability (asset)	—	211	211	—	—	211
Actuarial gains/losses - demographic assumptions	—	—	—	—	—	—
Actuarial gains/losses - financial assumptions	(474)	—	(474)	—	—	(474)
Actuarial gains/losses - experience adjustments	17	—	17	—	—	17
Changes due to asset ceiling excluding amounts included in net interest on the net defined benefit liability (asset)	—	—	—	—	—	—
Remeasurements component of defined benefit plans recognised in OCI	(457)	211	(246)	—	—	(246)
Other changes						
Excess cover of plan assets	—	—	—	—	(1)	(1)
Exchange differences	(4)	5	1	—	—	1
Contributions to the plan:						
Employer	—	(6)	(6)	—	—	(6)
Plan participants	9	(9)	—	—	—	—
Pension payments	(181)	180	(1)	—	—	(1)
Business combinations, disposals and other	—	—	—	—	—	—
Balance as at 31/12/2025	3,867	(3,831)	36	—	27	63

Notes to the Balance Sheet

€ millions	PRESENT VALUE OF PENSION COMMITMENTS	FAIR VALUE OF PLAN ASSETS	NET LIABILITY (NET ASSET) OF DEFINED BENEFIT PLANS	ASSET CEILING	CAPITALISED EXCESS COVER OF PLAN ASSETS	RECOGNISED PENSION PROVISIONS
Balance as at 1/1/2024	4,229	(4,138)	91	—	41	132
Service cost component						
Current service cost	39	—	39	—	—	39
Past service cost	—	—	—	—	—	—
Gains and losses on settlement	—	—	—	—	—	—
Net interest component						
Interest expense/income	151	(150)	1	—	—	1
Service costs and net interest of defined benefit plans recognised in profit or loss for the period	190	(150)	40	—	—	40
Remeasurement component						
Gains/losses on plan assets excluding amounts included in net interest on the net defined benefit liability (asset)	—	75	75	—	—	75
Actuarial gains/losses - demographic assumptions	(4)	—	(4)	—	—	(4)
Actuarial gains/losses - financial assumptions	1	—	1	—	—	1
Actuarial gains/losses - experience adjustments	57	—	57	—	—	57
Changes due to asset ceiling excluding amounts included in net interest on the net defined benefit liability (asset)	—	—	—	—	—	—
Remeasurements component of defined benefit plans recognised in OCI	54	75	129	—	—	129
Other changes						
Excess cover of plan assets	—	—	—	—	(13)	(13)
Exchange differences	3	(4)	(1)	—	—	(1)
Contributions to the plan:						
Employer	—	(15)	(15)	—	—	(15)
Plan participants	9	(8)	1	—	—	1
Pension payments	(173)	172	(1)	—	—	(1)
Business combinations, disposals and other	1	(1)	—	—	—	—
Balance as at 31/12/2024	4,313	(4,069)	244	—	28	272

Notes to the Balance Sheet

At the end of the reporting period, 22% (previous year: 25%) of the present value of the defined benefit obligations of €3,867 million (previous year: €4,313 million) was attributable to active employees, 23% (previous year: 23%) to former employees with vested benefit entitlements and 55% (previous year: 52%) to pensioners and surviving dependants.

Actuarial assumptions

The main actuarial assumptions used to determine the present value of the gross defined benefit obligations are listed below. The summarised disclosure for several plans takes the form of weighted average factors:

in %	2025	2024
Actuarial interest rate	4.30	3.50
Rate of increase in pension commitments	2.00	2.10
Rate of increase in future compensation and over career	2.50	2.50

The mortality rate underlying the actuarial calculation of the present value of defined benefit obligations is based on the modified Heubeck 2018 G tables (generation tables) that allow for the probability of mortality to fall to 95% for women (previous year: 95%) and 80% for men (previous year: 80%).

HVB Group similarly reduces the probability of disability based on these guidance tables to 80% for women and men equally (previous year: 80%). Since any changes in the actuarial assumptions regarding disability fundamentally only have a minor impact on the present value of the defined benefit obligation, HVB Group does not calculate any sensitivities for this valuation parameter.

In addition, the present value of defined benefit obligations is influenced by assumptions regarding future inflation rates. Inflation effects are generally taken into account in the assumptions listed above.

Sensitivity analyses

The sensitivity analyses discussed below are intended to show how the present value of the defined benefit obligations would change in case of a change to an actuarial assumption in isolation with the other assumptions remaining unchanged compared with the original calculation. Possible correlation effects between the individual assumptions are not taken into account in this context. The sensitivity analyses are based on the changes to the actuarial assumptions expected by HVB Group at the reporting date for the subsequent reporting period.

An increase or decrease in the significant actuarial assumptions in the amount of the percentage points shown in the table would have had the following impact on the present value of the defined benefit obligations at the reporting date:

Notes to the Balance Sheet

CHANGES IN THE ACTUARIAL ASSUMPTIONS		IMPACT ON THE PRESENT VALUE OF PENSION OBLIGATIONS		
		PRESENT VALUE OF LIABILITY	ABSOLUTE CHANGES	RELATIVE CHANGES
		€ millions	€ millions	in %
Sensitivities as at 31/12/2025				
	Basic value of the calculation of sensitivity	3,867		
Actuarial interest rate	Increase of 25 basis points	3,748	(119)	(3.1)
	Decrease of 25 basis points	3,993	126	3.3
Rate of increase in pension obligations	Increase of 25 basis points	3,956	89	2.3
	Decrease of 25 basis points	3,781	(86)	(2.2)
Rate of increase in future compensation/career trend	Increase of 25 basis points	3,867	—	0.0
	Decrease of 25 basis points	3,865	(2)	(0.1)
Sensitivities as at 31/12/2024				
	Basic value of the calculation of sensitivity	4,313		
Actuarial interest rate	Increase of 25 basis points	4,168	(145)	(3.4)
	Decrease of 25 basis points	4,469	156	3.6
Rate of increase in pension obligations	Increase of 25 basis points	4,421	108	2.5
	Decrease of 25 basis points	4,211	(102)	(2.4)
Rate of increase in future compensation/career trend	Increase of 25 basis points	4,315	2	0.0
	Decrease of 25 basis points	4,312	(1)	0.0

The observable decline in mortality rates is associated with an increase in life expectancy depending on the individual age of each beneficiary. In order to determine the sensitivity of the mortality or longevity, the lifetime for all beneficiaries was increased by one year. The present value of the defined benefit obligations as at 31 December 2025 would rise by €113 million (2.9%) to €3,980 million (previous year: by €136 million (3.2%) to €4,449 million) as a result of this change. HVB Group considers an opposite trend, that is an increase in mortality or a decrease in life expectancy, to be unlikely and has therefore not calculated a sensitivity for this case in the reporting year (or in the previous year).

When determining the sensitivities of defined benefit obligations for the main actuarial assumptions, the same method has been applied (projected unit credit method) as has been used to calculate the pension provisions recognised in the consolidated balance sheet. Increases and decreases in the various valuation assumptions do not entail the same absolute amount in their impact when the defined benefit obligation is calculated, due mainly to the compound interest effect when determining the present value of the future benefit. If several assumptions change at the same time, the combined effect does not necessarily correspond to the sum total of the individual effects. Furthermore, the sensitivities only reflect a change in the present value of the defined benefit obligation for the actual extent of the change in the assumptions (such as 0.25%). If the assumptions change to a different extent, this does not necessarily have a straight-line impact on the present value of the defined benefit obligation. Since the sensitivity analyses are based on the average duration of the expected pension obligations, and consequently the expected disbursement dates are not taken into account, they only result in indicative information or trends.

Notes to the Balance Sheet

Asset liability management

Plan assets are managed by a trustee with a view to ensuring that the present and future pension obligations are settled by applying an adequate investment strategy, thus minimising the risk of the trustors or sponsoring companies having to provide additional capital.

Under the CTA, capital investment decisions are taken by an institutionalised body, the Investment Committee, which defines the investment strategy and policies for the plan assets. The concept calls for assets to be invested in line with the structure of the pension obligations in particular and an appropriate return to be generated taking into account the associated risks. In order to optimise the risk/return ratio, the Investment Committee sets strategic allocation ranges and investment limits for the asset classes in the plan assets, which can be exploited flexibly within the agreed risk budget. The bodies and processes required by law have been set up as appropriate for HVB Pensionskasse and the pension fund.

In order to allow for an integral view of plan assets and defined benefit obligations (asset liability management), pension risks are monitored on a regular basis with the aid of a specially developed risk model and included in the Bank's risk calculation. Since HVB Group employs various methods involving legally independent entities to implement the company pension plans, risk management concepts including stress tests and analysis of risk-taking capacity are also applied in specific instances.

Alongside the actuarial risks mentioned above, the risks associated with the defined benefit obligations relate primarily to financial risks in connection with the plan assets. The capital investment risk in the funding of the pension obligations encompasses notably potential liquidity, credit, concentration, market and real estate risks.

Liquidity risk can result from the non-existent or limited marketability of capital investments, which may result in losses when the assets are sold to settle payment obligations. HVB is not currently exposed to this risk as the expected incoming payments are sufficient to meet the payment obligations. In addition, an appropriate proportion of the capital investments is invested in assets classified as liquid (cash and cash equivalents/term deposits). Liquidity projections are prepared at regular intervals with a view to continue avoiding this risk.

Credit risk stems from possible deteriorations in the solvency of individual debtors through to insolvency. This risk is mitigated by deliberately spreading the capital investments and complying with specific investment policies regarding the creditworthiness of issuers. The relevant ratings are monitored constantly.

Concentration risk arises from excessive investment in an individual asset class, individual industry, individual security or individual property. This risk is countered by means of a broad diversification in line with investment policies, an ongoing review of the capital investment policy and specific parameters for asset managers. Among other things, targeted investment in mixed investment funds is used to reduce concentration risk by diversifying the composition of the fund assets.

Notes to the Balance Sheet

Market risk has its roots in the risk of declining fair values caused by negative changes in market prices, equity prices and changes in interest rates. Here, too, compliance with the parameters specified for the composition and diversity of capital investments is ensured and risk-limiting investment policies are defined for asset managers.

Real estate risk is entailed in both directly held real estate and special-purpose real estate funds. It results from factors like possible rental defaults, loss of property value, high maintenance costs and declining location attractiveness. To minimise these risks, a limit is set for the proportion that may be invested in real estate and the greatest possible diversification is sought. In addition, the conclusion of short-term rental contracts is avoided for directly owned real estate.

Disaggregation of plan assets

The following table shows a disaggregation of the plan assets used to fund the defined benefit obligations by asset class:

€ millions	2025	2024
Participating interests	200	200
Debt securities	197	217
Properties	21	21
Mixed investment funds	2,842	3,058
Property funds	525	533
Cash and cash equivalents/term deposits	44	38
Other assets	2	2
Total	3,831	4,069

Quoted market prices in an active market were observed for most of the fixed-income securities held directly and almost all the types of asset held in the mixed investment fund. As a general rule, the fixed-income securities have an investment grade rating.

In terms of amount, the investment in mixed investment funds represents the lion's share of the asset allocation for the plan assets. The deliberate investment in various asset classes and the general restriction to traditional investment instruments serve to ensure a risk-mitigating minimum diversification and also reflect a conservative underlying strategy. The high proportion of bonds with a medium- to long-term benchmark (such as government and corporate bonds, and Pfandbriefe) held in the fund implies low volatility with the intention of balancing the development in the value of the long-term pension commitments that follows general interest rates.

Notes to the Balance Sheet

The following table shows a detailed breakdown of the mixed investment fund:

in %	2025	2024
Equities	6.5	5.5
German equities	0.4	0.6
European equities	2.0	2.9
Other equities	4.1	2.0
Government bonds	29.7	30.9
Pfandbriefe	2.3	2.6
Corporate bonds	43.6	43.2
German corporate bonds	3.6	3.6
European corporate bonds	26.4	26.0
Other corporate bonds	13.6	13.6
Fund certificates	13.4	12.2
Cash and cash equivalents/term deposits	4.5	5.6
Total	100.0	100.0

The plan assets comprised the Group's own financial instruments, property occupied by HVB Group companies and other assets at the reporting date:

€ millions	2025	2024
Participating interests	—	—
Debt securities	10	11
Properties	—	—
Mixed investment funds	61	62
Property funds	—	—
Cash and cash equivalents/term deposits	28	38
Other assets	—	—
Total	99	111

Future cash flows

There are financing agreements at HVB Group that contain measures to fund defined benefit plans. The minimum funding requirements included in the agreements may have an impact on future contribution payments. In the case of HVB Trust Pensionsfonds AG, HVB Group is liable for calls for additional capital should the assets fall below the minimum cover provision. The Bank is required to make an additional contribution for HVB Pensionskasse if the permanent financing of the obligations is no longer ensured. No such requirement for calls for additional capital exists for the CTA.

HVB Group intends to make contributions totalling €9 million to defined benefit plans in the 2026 financial year (previous year: €10 million).

The weighted average duration of HVB Group's defined benefit obligations at the reporting date amounted to 12.9 years (previous year: 14.0 years).

Notes to the Balance Sheet

Multi-employer plans

HVB Group is a member of Versorgungskasse des Bankgewerbes e.V. (BVV), which also includes other financial institutions in Germany in its membership. BVV provides company pension benefits for eligible employees of the sponsoring companies. The BVV tariffs allow for fixed pension payments with profit participation. On account of the employer's statutory subsidiary liability applicable in Germany (Section 1 (1) s.3 of the German Occupational Pensions Act (Betriebsrentengesetz – BetrAVG)), HVB Group classifies the BVV plan as a multi-employer defined benefit plan.

Since the available information is not sufficient to allow this plan to be accounted for as a defined benefit plan by allocating to the individual member companies the assets and the pension obligations relating to active and former employees, HVB Group accounts for the plan as if it were a defined contribution plan.

In the event of a plan deficit, the Group may be exposed to investment risk and actuarial risk. In addition, a need for adjustment might arise from compensating the beneficiaries for inflation. HVB Group does not currently expect to be called upon based on its statutory subsidiary liability.

HVB Group expects to book employer contributions of €19 million for this pension plan in the 2026 financial year (previous year: €20 million). Due to the former interest rate environment, BVV reduced the payment for the future pension rights in 2016. To exempt the Bank's employees from this reduction in payment, the Bank, as the employer, pays an additional contribution so that employees do not suffer any disadvantage in their future pension rights. This additional contribution amounts to €5 million in the 2026 financial year (previous year: €5 million).

The total contribution income of the BVV in the 2024 financial year amounted to €694 million (previous year: €687 million). The corresponding figure of the BVV for the 2025 financial year was not available at the time of the preparation of these notes to the consolidated financial statements, as it has not yet been published.

Defined contribution plans

The employer contributions to the statutory pension scheme and the alternative professional pension schemes, which qualify as defined contribution state plans, are similarly included in payroll costs. Such contributions amounted to €78 million in the reporting year (previous year: €81 million).

Provisions for financial guarantees and irrevocable credit commitments, restructuring provisions and other provisions

€ millions	PROVISIONS FOR FINANCIAL GUARANTEES AND IRREVOCABLE CREDIT COMMITMENTS		RESTRUCTURING PROVISIONS ¹		OTHER PROVISIONS	
	2025	2024	2025	2024	2025	2024
Balance as at 1/1	217	284	345	531	723	703
Changes in consolidated group	—	—	—	—	—	—
Changes arising from foreign currency translation	(2)	1	—	—	—	—
Transfers to provisions	255	141	38	106	81	70
Reversals	(149)	(210)	(46)	(36)	(26)	(66)
Reclassifications	—	—	(135)	(208)	101	140
Amounts used	—	—	(63)	(66)	(126)	(144)
Non-current assets or disposal groups held for sale	—	—	—	—	—	—
Other changes	4	1	2	18	5	20
Balance as at 31/12	325	217	141	345	758	723

¹ The transfers and reversals are included in the income statement in the item "Restructuring costs" together with other restructuring costs accruing during the reporting period.

Notes to the Balance Sheet

Changes in provisions for financial guarantees and irrevocable credit commitments (loss allowances)

€ millions	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance as at 1/1/2025	45	53	119	217
Addition due to new business	14	—	—	14
Change in carrying amount within the same stage	(18)	(1)	143	124
Transfers to another stage due to deterioration in credit quality	(12)	36	16	40
from Stage 1 to Stage 2	(12)	40	—	28
from Stage 2 to Stage 3	—	(4)	16	12
from Stage 1 to Stage 3	—	—	—	—
Transfers to another stage due to improvement in credit quality	3	(19)	—	(16)
from Stage 2 to Stage 1	3	(20)	—	(17)
from Stage 3 to Stage 2	—	1	—	1
from Stage 3 to Stage 1	—	—	—	—
Increase in impairment reported directly in equity for interest claims not recognised in profit or loss	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—
Disposals (reversal due to disposal of receivable)	(9)	(11)	(34)	(54)
Disposals (utilisation of impairments)	—	—	—	—
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	4	4
Foreign currency movements and other changes	1	(4)	(1)	(4)
Balance as at 31/12/2025	24	54	247	325
Balance as at 1/1/2024	49	80	155	284
Addition due to new business	23	—	—	23
Change in carrying amount within the same stage	(12)	(2)	55	41
Transfers to another stage due to deterioration in credit quality	(14)	27	14	27
from Stage 1 to Stage 2	(14)	31	—	17
from Stage 2 to Stage 3	—	(4)	9	5
from Stage 1 to Stage 3	—	—	5	5
Transfers to another stage due to improvement in credit quality	7	(39)	(4)	(36)
from Stage 2 to Stage 1	7	(39)	—	(32)
from Stage 3 to Stage 2	—	—	(4)	(4)
from Stage 3 to Stage 1	—	—	—	—
Increase in impairment reported directly in equity for interest claims not recognised in profit or loss	—	—	—	—
Changes due to modification of assets not leading to derecognition	—	—	—	—
Disposals (reversal due to disposal of receivable)	(8)	(13)	(103)	(124)
Disposals (utilisation of impairments)	—	—	—	—
Reversal of the discounted amount and recognition of interest claims not previously recognised in profit or loss	—	—	1	1
Foreign currency movements and other changes	—	—	1	1
Balance as at 31/12/2024	45	53	119	217

Notes to the Balance Sheet

Restructuring provisions

The restructuring provisions continue to be based on the measures built on our strategic plan. The strategic guidelines of the plan – simplification, customer focus and digitalisation – remain valid. The increasing implementation of modern technologies and the integration of artificial intelligence into core processes is leading to structural changes in the Bank's organisational and process landscape and will also have an impact on role profiles and personnel requirements in the future.

In the reporting year, the restructuring measures required further adjustments to the Bank's personnel planning. This affects the business units Private Clients, Small & Medium Corporates, Large Corporates, Digital & Operations and various competence lines, among others.

The largest part of the existing restructuring provisions relates to the continued socially compatible reduction in HVB's staffing levels, which is to be achieved above all by natural fluctuation, early retirement solutions and severance agreements.

The current restructuring provisions are likely to be utilised over the next two financial years with the largest portion being utilised in 2026.

Other provisions

Changes in other provisions

€ millions	PAYROLL PROVISIONS	PROVISIONS RELATED TO TAX DISPUTES (WITHOUT INCOME TAXES)	PROVISIONS FOR RENTAL GUARANTEES AND DISMANTLING OBLIGATIONS	PROVISIONS FOR LEGAL RISKS AND SIMILAR RISKS	OTHER PROVISIONS	TOTAL OTHER PROVISIONS
Balance as at 1/1/2025	464	32	56	120	51	723
Changes in consolidated group	—	—	—	—	—	—
Changes arising from foreign currency translation	—	—	—	—	—	—
Transfers to provisions	21	37	—	7	16	81
Reversals	(3)	—	(10)	(2)	(11)	(26)
Reclassifications	105	(1)	1	—	(4)	101
Amounts used	(109)	—	(9)	(6)	(2)	(126)
Non-current assets or disposal groups held for sale	—	—	—	—	—	—
Other changes	8	2	(1)	(5)	1	5
Balance as at 31/12/2025	486	70	37	114	51	758
Balance as at 1/1/2024	392	42	73	137	59	703
Changes in consolidated group	—	—	—	—	—	—
Changes arising from foreign currency translation	—	—	—	—	—	—
Transfers to provisions	27	4	1	7	31	70
Reversals	(3)	(1)	(10)	(15)	(37)	(66)
Reclassifications	140	—	1	—	(1)	140
Amounts used	(102)	(14)	(14)	(9)	(5)	(144)
Non-current assets or disposal groups held for sale	—	—	—	—	—	—
Other changes	10	1	5	—	4	20
Balance as at 31/12/2024	464	32	56	120	51	723

Notes to the Balance Sheet

Payroll provisions carried under other provisions include long-term obligations to employees such as provisions for service anniversary awards, early retirement or partial retirement. In addition, payroll provisions cover the parts of the bonus that are disbursed on a deferred basis, or transferred in cases where the bonus is granted in the form of shares, with the waiting period exceeding one year. The disbursement of these bonuses is additionally dependent upon the achievement of pre-defined targets. The bonus commitments for the 2019, 2020, 2021, 2022, 2023, 2024 and 2025 financial years to be disbursed as of 2026 are included here accordingly. The bonus provisions included here have been taken to the income statement in both the reporting year and in the previous financial years. It is considered highly likely that the bonus will be disbursed. For details of the bonus plan, please refer to the Note “Operating costs”.

The amount of the respective provisions reflects the best estimate of the amount required to settle the obligation at the reporting date. Nevertheless, estimating the amounts of these provisions is subject to uncertainties. In the case of rental guarantees in particular, cost estimates are validated on a regular basis in addition to the assumptions regarding terms.

Irrevocable Payment Commitments (IPCs)

Following the judgment of the Court of Justice of the European Union dated 13 November 2025 (C-4/24 P), it has been conclusively determined that cash collateral will only be returned to the banks once certain irrevocable payment commitments (IPCs) have been fully settled, as the contribution obligation arising from the IPCs originated in the past and continues to be effective. Consequently, the recognition criteria under IAS 37.14 are met, and the obligation previously disclosed as a contingent liability now qualifies as a provision. The cash collateral posted for the secured IPCs continues to be disclosed as loans and receivables with customers.

The provision represents the best estimate of the expenditure required to settle the present obligation, discounted to the reporting date. As, in our assessment, the condition triggering the payment obligation is expected to occur far in the future, the resulting present value is immaterial due to the discounting effect. The following provisions are therefore measured at zero:

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). These amount to €104 million at the reporting date (previous year-end: €104 million). Cash collateral was provided for these, which is disclosed as loans and receivables with customers. 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). These amount to €22 million at the reporting date (previous year-end: €22 million). Financial collateral was provided for these. No new irrevocable credit 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 (Entschädigungseinrichtung deutscher Banken) in the form of fully secured payment claims (irrevocable payment commitments) in accordance with Section 19 of the German Regulation on Financing the Deposit Guarantee Scheme (Entschädigungseinrichtungs-Finanzierungsverordnung – EntschFinV). These amount to €39 million at the reporting date (previous year-end: €39 million). Financial collateral was provided for these. No new irrevocable credit commitments were issued in the reporting period.

Notes to the Balance Sheet

75 Shareholders' equity

The shareholders' equity of HVB Group as at 31 December 2025 consisted of the following:

Subscribed capital (share capital)

On 31 December 2025 and on 31 December 2024, the share capital of UniCredit Bank GmbH (HVB) amounted to €2,407 million and was divided into 802,383,672 shares with the consecutive numbers 1 to 802,383,672 at a nominal amount of €3.00 each. All of the shares were taken over by UniCredit S.p.A.

Additional paid-in capital

The additional paid-in capital results from premiums generated on the issuance of shares; the total at 31 December 2025 amounted to €9,791 million (previous year: €9,791 million).

Other reserves

Other reserves of €4,165 million (previous year: €4,131 million) mainly contain retained earnings. The increase is primarily attributable to actuarial gains of €167 million. Furthermore, payments of €99 million for additional equity instruments were made from other reserves.

Change in valuation of financial instruments

The hedge reserve decreased year-on-year by €6 million to €0 million. This is due to the fact that, in the reporting year, the Bank no longer carried out cash flow hedge accounting in order to reflect the economic hedging of cross-currency basis risks in the balance sheet.

The FVTOCI reserve of minus €16 million (previous year: minus €80million) contains the difference between the amortised cost and the fair value of the securities holdings allocated to this category. In the reporting year, the FVTOCI reserve was reduced by €64 million after tax in the consolidated statement of total comprehensive income.

Additional equity 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.

Notes to the Balance Sheet

In addition, the issues have the following features:

The issuance of €1,000 million issued on October 20, 2020 was terminated on October 20, 2025 in accordance with the terms and conditions of the issuance. In its place, a new issuance of €1,000 million was launched on October 13, 2025, which is callable for the first time after five years and will initially bear a fixed interest rate of 5.651% per annum for five years. From October 13, 2030, the interest rate will correspond to the 5-year EUR mid-market swap rate plus 3.256% per annum until the next interest adjustment date after another five years.

The issuance of €700 million issued on October 20, 2020 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% per annum 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.

In October 2025, interest in the amount of €99 million was paid on instruments issued in 2020. The interest payable is deductible for tax purposes.

Notes on the appropriation of profit

In the 2025 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 €2,128 million. This comprises the net income generated in the reporting year of €2,000 million as well as a withdrawal from other retained earnings of €128 million. We will propose to the Shareholders' Meeting that the profit available for distribution of €2,128 million be paid to UniCredit S.p.A. (UniCredit), Milan, Italy. This represents a profit distribution of around €2.65 per share after around €2.39 per share for the 2024 financial year. The profit available for distribution of €1,920 million reported in the previous year was paid to UniCredit S.p.A. on 13 October 2025 in accordance with a resolution adopted by the Shareholders' Meeting on 25 March 2025.

76 Subordinated capital

The following table shows the breakdown of subordinated capital included in the balance sheet items "Deposits from banks", "Debt securities in issue" and "Shareholders' equity":

€ millions	2025	2024
Subordinated liabilities	284	1,099
Hybrid capital instruments	1,700	1,700
Total	1,984	2,799

In October 2020, HVB issued regulatory own funds in the form of two additional Tier 1 issues (AT1 bonds), which were fully subscribed by UniCredit S.p.A. The Bank is optimising its capital structure with the issues, also against the backdrop of the changes made in regulatory requirements by the European Banking Authority (EBA). The AT1 bonds meet the criteria specified in the Capital Requirements Regulation (CRR) and can be used to meet MREL requirements (SRMR II).

The issuance of €1,000 million issued on October 20, 2020 was terminated on October 20, 2025 in accordance with the terms and conditions of the issuance. In its place, a new issuance of €1,000 million was launched on October 13, 2025.

The instruments are presented in detail in the 2025 Annual Report in the notes to equity.

Notes to the Balance Sheet

HVB has decided to make use of its contractually granted repayment option after a term of 5 years for the supplementary capital bond (Tier 2 bond) with a volume of €800 million issued at the end of June 2020, which was held entirely by UniCredit S.p.A. The repayment was made in accordance with the terms of the supplementary capital bond.

In this context, subordinated liabilities have been classified as Tier 2 capital for banking supervisory purposes in accordance with the provisions of Articles 62 (1a), 63 to 65, 66 (1a) and 67 CRR. The AT1 bonds issued in the amount of €1,700 million are recognised as additional Tier 1 capital instruments pursuant to Article 51 ff CRR for banking supervisory purposes.

The following table shows the breakdown of subordinated capital by balance sheet item:

€ millions	2025	2024
Deposits from customers	—	—
Deposits from banks	230	230
Debt securities in issue	54	869
Shareholders' equity	1,700	1,700
Total	1,984	2,799

We incurred interest expenses of €23 million (previous year: €28 million) in connection with this subordinated capital. Subordinated capital includes pro rata interest of €2 million (previous year: €16 million).

Subordinated liabilities

Borrowers cannot be obliged to make early repayments for any of the subordinated liabilities. In the event of insolvency or liquidation, subordinated liabilities may only be repaid after the claims of all primary creditors have been settled.

There were subordinated liabilities of €230 million payable to related parties in the reporting year (previous year: €230 million).

Hybrid capital instruments

Hybrid core capital instruments include two AT1 bonds issued in 2020 and 2025 totalling €1,700 million, which are accounted for under regulatory own funds as additional Tier 1 capital. These bonds are wholly held by UniCredit S.p.A. Please refer to the note on shareholders' equity for further details.

Notes to the Cash Flow Statement

77 Notes to the items in the cash flow statement

The cash flow statement shows the cash flows for the financial year, divided into the areas “operating activities”, “investing activities” and “financing activities”. Operating activities are defined broadly enough to allow the same breakdown as for operating profit.

The cash and cash equivalents shown correspond to the “Cash and cash balances” item in the balance sheet, comprising both cash on hand and balances at central banks repayable on demand.

The “Change in other non-cash positions” item comprises the changes in the measurement of financial instruments and investment properties, net additions to deferred taxes, changes in provisions, changes in prorated and deferred interest, the reversal of premiums and discounts, changes from measurement using the equity method, deconsolidation results and minority interests in net income.

All proceeds and payments from transactions relating to shareholders’ equity and subordinated capital are allocated to cash flows from financing activities. HVB has decided to make use of its contractually granted repayment option after a term of 5 years for the supplementary capital bond (Tier 2 bond) with a volume of €800 million issued at the end of June 2020, which was held entirely by UniCredit S.p.A. In the reporting period, this results in a change with an effect on cash flow in the holdings of subordinated and hybrid capital included as financing liabilities in the cash flows from financing activities. In the previous year, there was no change with an effect on cash flow in the holdings of subordinated and hybrid capital included as financing liabilities in the cash flows from financing activities.

There were no significant gains on the disposal of shares in fully consolidated companies in the 2025 and 2024 financial years.

There were no significant acquisitions of subsidiaries or associates in the 2025 and 2024 financial years.

As in the previous year, no significant fully consolidated subsidiaries were sold in the financial year.

Other Information

78 Report on events after the reporting period

No business events of particular significance occurred after 31 December 2025.

79 Information regarding lease operations

HVB Group as lessee

Under IFRS 16 the accounting of leases by the lessee is carried out on the basis of a uniform accounting model (referred to as right-of-use approach).

The rental and lease agreements entered into by HVB Group as the lessee relate to real estate (land and buildings) on the one hand and movables (plant and office equipment including vehicles) on the other. Lease agreements for real estate are generally concluded for a non-cancellable basic term of ten years for new leases and include extension options with periods of between three and five years in around half of the cases. These agreements also contain price adjustment clauses in the form of graduated rent or index clauses; termination or purchase options are not usually agreed. The extension options are used to give HVB Group the maximum operational flexibility in relation to the assets used by the Bank. Most of these contractual options can only be exercised by HVB Group as the lessee and not by the respective lessor. HVB Group does not expect this to result in any significant cash outflows in the future that were not taken into account in the measurement of the lease liability. The lease agreements for movables have been concluded at customary market terms for lease periods of between three and nine years. No variable lease payments were agreed for any of the lease agreements concluded by HVB Group as the lessee. The Bank's obligations under leases are secured by the respective lessor's rights of ownership of the leased assets. Therefore, leased items may not be used as security for borrowing.

Amounts recognised in the consolidated balance sheet

In the consolidated balance sheet the following items were recognised in connection with leases where HVB Group is lessee.

The following table shows the carrying amount of the right-of-use assets reported under property, plant and equipment at the reporting date by class of underlying asset:

€ millions	2025	2024
Right-of-use assets (property, plant and equipment)		
Leased land and buildings	95	106
Leased plant and office equipment	6	6
Carrying amount as at 31/12	101	112

Additions to the right-of-use assets recognised under property, plant and equipment amounted to €27 million during the reporting year (previous year: €42 million).

The carrying amount of the lease liabilities reported under the items "Deposits from customers" and "Deposits from banks" at the reporting date is as follows:

€ millions	2025	2024
Lease liabilities	213	235
Carrying amount as at 31/12	213	235

Other Information

The following table contains a maturity analysis for the lessee's lease liabilities and shows the undiscounted lease payments to be made after the reporting date:

€ millions	2025	2024
up to 1 year	127	39
from 1 year to 2 years	22	124
from 2 years to 3 years	18	19
from 3 years to 4 years	14	17
from 4 years to 5 years	8	9
from 5 years and over	47	48
Total	236	256

HVB Group sees no significant liquidity risk with regard to lease liabilities. The lease liabilities are monitored by the Bank's Treasury unit.

Amounts recognised in the consolidated income statement

The consolidated income statement contains the following amounts in connection with leases in which HVB Group is the lessee.

The following table shows the depreciation charge on the right-of-use assets contained in property, plant and equipment for the financial year by class of underlying assets. The write-downs are recognised under the item "Amortisation, depreciation and impairment losses on intangible and tangible assets" within operating costs:

€ millions	2025	2024
Depreciation expense from right-of-use assets (property, plant and equipment)		
Leased land and buildings	20	20
Leased plant and office equipment	5	5
Total	25	25

The depreciation charge on the right-of-use assets reported under property, plant and equipment totalling €25 million (previous year: €25 million) consists of scheduled depreciation of €27 million recognised as disposals (previous year: €32 million), non-scheduled depreciation (impairments) of €1 million (previous year: €4 million) and write-ups (impairment reversals) of €3 million recognised as additions (previous year: €11 million).

The effect recognised in interest expense from the accrued interest added to lease liabilities for the financial year is as follows:

€ millions	2025	2024
Interest expense from lease liabilities	—	1

The following table shows other expenses and income in connection with leases of the lessee that were recognised in the consolidated income statement during the financial year. Expenses in connection with short-term lease agreements and leases based on low-value assets are recognised under the item "Other administrative expenses", whereas income from subleasing the right-of-use assets is shown as other operating income under property, plant and equipment:

€ millions	2025	2024
Expense from short-term leases	6	6
Expense from leases for low-value assets (excl. expense from short-term leases based on an asset of low value)	—	—
Income from subleases of right-of-use assets (property, plant and equipment)	—	—

Other Information

Right-of-use assets that meet the definition of an investment property and are reported as such were not included in the above disclosures on the carrying amount, additions, depreciation charge or income from the subleasing of right-of-use assets. Disclosures on such right-of-use assets can generally be found in the Note “Investment properties”.

In the reporting year, cash outflows from leases totalled €45 million (previous year: €79 million).

HVB Group as lessor

In the 2025 financial year, the subsidiary UniCredit Leasing GmbH included in the consolidated financial statements of HVB Group was merged into UniCredit Bank GmbH with retroactive effect as from 1 January 2025. UniCredit Bank GmbH now operates by itself the object financing business taken over by the leasing company and continues the contracts that still exist. As a result of the discontinuation of the sale of lease and hire-purchase products, the number of lease agreements is decreasing as agreements falling due are not replaced by new business.

According to IFRS 16, the lessor is required to classify leases either as operating leases or finance leases (dual lessor accounting model).

Operating leases

HVB Group acts as lessor in operating leases. These lease agreements mainly include real estate (land and buildings) and movable assets such as plant and office equipment, motor vehicles and industrial machinery. The lease agreements for real estate have terms of between three and five years. These agreements are based on customary market terms and include extension options and price adjustment clauses in the form of graduated rent or index clauses; termination options are not agreed. If the lessee exercises its right to extend the lease agreement, market review clauses are used. By contrast, lease agreements for the lessee do not usually include any option to purchase the leased property at the end of the lease period. Unguaranteed residual values do not represent a significant risk for HVB Group, as these relate to properties that have exhibited a steadily increasing trend in market values over many years. The Bank sees no indication of this trend changing in the future. Lease agreements for movable assets are generally concluded for terms of between four and ten years and include an additional purchase option; they do not include extension or price adjustment clauses. No variable lease payments were agreed by HVB Group as lessor in the concluded operating lease agreements.

The following table shows the lease income from operating leases at the lessor in the consolidated income statement during the financial year:

€ millions	2025	2024
Income from operating leases	42	53

Other Information

The following table contains a maturity analysis of undiscounted payments from operating leases that the lessor will receive in the future:

€ millions	2025	2024
up to 1 year	57	27
from 1 year to 2 years	22	20
from 2 years to 3 years	7	17
from 3 years to 4 years	6	15
from 4 years to 5 years	4	14
from 5 years and over	11	30
Total	107	123

At the end of the reporting period, the carrying amount of the assets included in property, plant and equipment that are subject of an operating lease amounts to €20 million (previous year: €21 million).

Finance leases

HVB Group acts as lessor under finance leases and leases out mobile assets. These mainly include plant and office equipment, aircraft, motor vehicles and industrial machinery. As a general rule, the lease agreements stipulate lease periods of between four and ten years and possibly a pre-emptive right in favour of the lessor; they do not contain any extension or premature termination options or price adjustment clauses. The residual risk for these leased assets is insignificant because there is a secondary market. No variable lease payments were agreed by HVB Group as lessor in the finance leases concluded.

The following table shows the amounts recognised in the consolidated income statement for finance leases held by the lessor during the financial year:

€ millions	2025	2024
Gains/(losses) on the disposal of finance leases	2	2
Finance income from the net investment in the lease (interest income from finance lease receivables)	3	4

The following table contains a maturity analysis of the lessor's existing loans and receivables with customers or banks (at cost) from the lease operations (finance lease receivables) and shows the undiscounted lease payments to be received after the reporting date. The subsequent reconciliation to the net investment in the lease makes the unguaranteed residual value and the still unrealised finance income transparent in relation to the lease receivables:

€ millions	2025	2024
up to 1 year	58	97
from 1 year to 2 years	52	85
from 2 years to 3 years	21	34
from 3 years to 4 years	10	17
from 4 years to 5 years	5	8
from 5 years and over	8	13
Total amount of undiscounted lease payments to be received	154	254
+ Unguaranteed residual value	—	—
= Gross investment in the lease	154	254
- Unrealised finance income	(6)	(11)
= Net investment in the lease (finance lease receivables)	148	243

Other Information

The total amount of undiscounted lease payments comprises the payments to be made in total by the lessee to the lessor under the finance lease including any residual value guarantees.

The unguaranteed residual value is that part of the residual value of the underlying asset whose realisation is not secured by the lessor.

The gross investment in the lease is the sum of the lease payments and the unguaranteed residual value.

Unrealised finance income is the difference between the gross investment in the lease and its present value (net investment). It corresponds to the return implicit in the lease between the reporting date and the end of the lease.

The net investment in the lease (finance lease receivables) is therefore determined by discounting the gross investment at the interest rate on which the lease is based.

80 Fair value hierarchy

The changes in financial instruments measured at fair value and recognised at fair value in the balance sheet are described below, notably with regard to the fair value hierarchy.

This fair value hierarchy is divided into the following levels:

Level 1 contains financial instruments measured using prices of identical assets or liabilities listed on active markets. These prices are incorporated unchanged. This category mainly includes listed equity instruments, bonds and exchange-traded derivatives.

Level 2 shows assets and liabilities whose valuation is derived from input data (valuation parameters) that are directly observable (prices) or indirectly observable (derived from prices). No price can be observed on an active market for the assets and liabilities concerned themselves. As a result of this, we notably show the fair values of interest rate and credit derivatives in this level together with the fair values of ABS bonds, provided a liquid market exists for the asset class in question.

Financial assets or liabilities of €484 million (previous year: €284 million) were transferred from Level 1 to Level 2. At the same time, financial assets or liabilities of €22 million (previous year: €471 million) were transferred from Level 2 to Level 1. Most of the transfers relate to securities and are due to an increase or decrease in the actual trading taking place in the securities concerned and the associated change in the bid-offer spreads and thus in the liquidity of the respective security.

Other Information

The following table shows transfers between Level 1 and Level 2 for financial instruments where fair value is determined on a recurring basis:

€ millions	TO LEVEL 1	TO LEVEL 2
Financial assets held for trading		
Transfer from Level 1	—	477
Transfer from Level 2	22	—
Financial assets at FVTPL		
Transfer from Level 1	—	7
Transfer from Level 2	—	—
Financial assets at FVTOCI		
Transfer from Level 1	—	—
Transfer from Level 2	—	—
Financial liabilities held for trading		
Transfer from Level 1	—	—
Transfer from Level 2	—	—
Financial liabilities at FVTPL		
Transfer from Level 1	—	—
Transfer from Level 2	—	—

31 December is considered the transfer date for instruments transferred between levels within the reporting period (1 January to 31 December). Therefore, the fair value as at 31 December is used as the value recognised for the transfer in levels.

Level 3 relates to assets or liabilities for which the fair value cannot be calculated exclusively on the basis of observable market data (non-observable input data). The amounts involved are stated in Level 2 if the impact of the non-observable input data on the determination of fair value is insignificant. Thus, the respective fair values also incorporate valuation parameters based on model assumptions. This includes derivatives and structured products that contain at least one “exotic” component, such as foreign currency or interest rate derivatives on illiquid currencies, derivatives without standard market terms, structured products with an illiquid underlying as a reference and ABS bonds of an asset class for which no liquid market exists.

Where the value of a financial instrument is based on non-observable valuation parameters, the value of these parameters may be selected from a range of possible appropriate alternatives at the reporting date. Appropriate values are determined for these non-observable parameters and applied for valuation purposes, upon valuation as at 31 December 2025. In addition, individual parameters that cannot be incorporated separately in the valuation model as standalone valuation parameters are taken into account by applying a model reserve.

Other Information

The following measurement methods are applied for the individual classes of financial instrument depending on the product type. The measurements of financial instruments in fair value Level 3 depend upon the following significant parameters that cannot be observed on the market:

PRODUCT TYPE	MEASUREMENT METHOD	SIGNIFICANT NON-OBSERVABLE PARAMETERS	RANGE
Fixed-income securities and other debt instruments	Market approach	Price	1bps - 1,269bps
Equities	Market approach	Price	0% - 3%
Asset-backed securities (ABS)	DCF method	Credit spread curves	35bps - 1,050bps
		Residual value	0% - 100%
		Default rate	0% - 3%
		Prepayment rate	0% - 12%
Commodity/equity derivatives	Option price model	Commodity price volatility/equity volatility	1% - 11%
		Correlation between commodities/equities	2% - 24%
	DCF method	Dividend yields	1% - 26%
Interest rate derivatives	DCF method	Swap interest rate	0bps - 587bps
		Inflation swap interest rate	3bps - 21bps
	Option price model	Inflation volatility	1% - 3%
		Interest rate volatility	0% - 29%
		Correlation between interest rates	0% - 23%
Credit derivatives	Hazard rate model	Credit spread curves	1bps - 16bps
		Residual value	0% - 5%
Currency derivatives	DCF method	Yield curves	0bps - 587bps
	Option price model	FX volatility	0% - 47%

The sensitivity analysis presented below shows the impact of changing reasonable possible alternative parameter values on the fair value of financial instruments classified as Level 3. The level of variation in non-observable parameters reflects the prevailing market conditions regarding the valuation of sensitivities. For holdings at fair value through profit or loss, the positive and negative fair value changes would amount to a plus or minus of €35 million respectively at the reporting date (previous year: a plus or minus of €73 million respectively).

The following table shows the significant sensitivity effects, broken down by the individual classes of financial instrument for the various product types:

€ millions	2025		2024	
	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
Fixed-income securities and other debt instruments	—	—	—	—
Equities	—	—	—	—
Asset-backed securities	—	—	—	—
Commodity/equity derivatives	34	(34)	65	(65)
Interest rate derivatives	1	(1)	4	(4)
Credit derivatives	—	—	2	(2)
Currency derivatives	—	—	2	(2)
Total	35	(35)	73	(73)

For fixed-income securities and other debt instruments as well as asset-backed securities, the credit spread curves were changed in the course of the sensitivity analyses. For equities, the spot price is varied using a relative value.

Other Information

The following non-observable parameters were varied for the sensitivity analysis for equity derivatives included in Level 3: spot prices for hedge funds, implicit volatility, dividends, implicit correlations and assumptions regarding the interpolation between individual parameters observable on the market, such as volatilities. For interest rate products, interest rates, interest rate correlations and implicit volatilities were varied during the sensitivity analysis. For credit derivatives, shifts in the risk premium curves for credit risk were assumed together with changes in implicit correlations and increases in default rates. Foreign currency derivatives were varied in terms of the implicit volatility.

Where trades are executed for which the trade price deviates from the fair value at the trade date and non-observable parameters are employed to a considerable extent in valuation models, the financial instrument concerned is recognised at the trade price. This difference between the trade price and the fair value of the valuation model is defined as the trade date gain/loss. Corresponding gains and losses determined at the trade date are deferred and recognised in the income statement over the term of the trade. As soon as a reference price can be determined for the trade on an active market, or the input parameters are based on observable market data, the deferred trade date gain is taken directly to the income statement in net trading income.

The following table shows a year-on-year comparison of changes in trade date gains and losses that were deferred on account of the application of significant non-observable parameters for financial instruments recognised at fair value:

€ millions	2025	2024
Balance as at 1/1	19	18
New trades during the period	29	15
Write-downs	7	3
Expired trades	2	6
Retroactive change in observability	10	5
Exchange rate changes	—	—
Balance as at 31/12	29	19

The following table shows the allocation of the financial assets and financial liabilities recognised in the balance sheet at fair value to the respective levels of the fair value hierarchy:

€ millions	FAIR VALUE OBSERVED ON AN ACTIVE MARKET (LEVEL 1)		FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
	2025	2024	2025	2024	2025	2024
Financial assets recognised in the balance sheet at fair value						
Financial assets held for trading	14,197	17,261	45,026	49,691	1,528	1,404
of which derivatives	1,724	2,152	32,336	41,928	1,368	1,333
Financial assets at FVTPL	891	971	631	902	550	590
Financial assets at FVTOCI	13,887	13,702	195	194	—	—
Hedging derivatives	—	—	7,093	7,849	63	2
Financial liabilities recognised in the balance sheet at fair value						
Financial liabilities held for trading	4,512	3,709	37,609	43,868	1,875	1,082
of which derivatives	3,627	3,317	34,214	40,470	1,608	906
Financial liabilities at FVTPL	—	—	2,901	3,450	61	113
Hedging derivatives	—	—	8,796	10,285	2	85

Other Information

The following table shows the changes in the financial assets allocated to Level 3 in the fair value hierarchy:

€ millions	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FVTPL	FINANCIAL ASSETS AT FVTOCI	HEDGING DERIVATIVES
Balance as at 1/1/2025	1,404	590	—	2
Additions				
Purchases	667	43	—	62
Realised gains ¹	150	53	—	—
Transfer from other levels	315	—	—	1
Other additions ²	15	—	—	—
Disposals				
Sales	(763)	(79)	—	(2)
Repayment	—	(33)	—	—
Realised losses ¹	(101)	(15)	—	—
Transfer to other levels	(145)	(6)	—	—
Other disposals	(14)	(3)	—	—
Balance as at 31/12/2025	1,528	550	—	63
Balance as at 1/1/2024	1,280	697	—	4
Additions				
Purchases	942	194	—	2
Realised gains ¹	59	17	—	—
Transfer from other levels	72	—	—	—
Other additions ²	21	3	—	—
Disposals				
Sales	(698)	(193)	—	(4)
Repayment	—	(1)	—	—
Realised losses ¹	(143)	(41)	—	—
Transfer to other levels	(123)	(85)	—	—
Other disposals	(6)	(1)	—	—
Balance as at 31/12/2024	1,404	590	—	2

1 In the income statement and shareholders' equity.

2 Also including changes in the group of companies included in consolidation.

The decrease in Level 3 instruments within financial assets at FVTPL is largely due to closed transactions. A noticeable increase was recorded in assets held for trading. The increase in Level 3 instruments within hedging derivatives is primarily due to new transactions.

Other Information

The following table shows the changes in the financial liabilities allocated to Level 3 in the fair value hierarchy:

€ millions	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FVTPL	HEDGING DERIVATIVES
Balance as at 1/1/2025	1,082	113	85
Additions			
Sales	611	—	—
Issues	243	13	—
Realised losses ¹	308	2	1
Transfer from other levels	286	12	—
Other additions ²	11	4	—
Disposals			
Buy-backs	(173)	(2)	(84)
Repayment	(75)	(11)	—
Realised gains ¹	(145)	(1)	—
Transfer to other levels	(264)	(67)	—
Other disposals	(9)	(2)	—
Balance as at 31/12/2025	1,875	61	2
Balance as at 1/1/2024	1,266	244	5
Additions			
Sales	408	—	—
Issues	147	4	82
Realised losses ¹	135	5	—
Transfer from other levels	40	3	—
Other additions ²	11	—	—
Disposals			
Buy-backs	(289)	(6)	—
Repayment	(73)	(6)	—
Realised gains ¹	(119)	—	—
Transfer to other levels	(424)	(131)	(2)
Other disposals	(20)	—	—
Balance as at 31/12/2024	1,082	113	85

¹ In the income statement and shareholders' equity.

² Also including changes in the group of companies included in consolidation.

The decrease in Level 3 instruments within financial liabilities at FVTPL is largely due to net transfers to other levels that are primarily attributable to bonds and notes. These result from the regular review of the fair value levels determined and the materiality of individual non-observable parameters. A significant increase was seen in financial liabilities held for trading. The considerable decrease in Level 3 instruments within hedging derivatives is due to gained profits.

Other Information

81 Fair values of financial instruments compliant with IFRS 7

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is assumed in this context that the transaction is conducted on the primary market for the instrument or the most advantageous market to which the Bank has access.

The calculation of the fair value for performing loans is explained to begin with. The fair value of loans is calculated as the sum total of the discounted, risk-adjusted anticipated cash flows discounted on the basis of the swap curve. Cash flows are determined on the basis of the conditions of the loan agreement (interest and redemption), whereby rights of termination are taken into account. In this context, the anticipated, risk-adjusted cash flows are based on the survival probability and the loss given default. The survival probability is determined on the basis of the risk-neutral probability of default, while the realisation proceeds are determined on the basis of the internal loss given default parameters. The risk-neutral probability of default is determined on the basis of the internally calculated multi-year probability of default covering the lifetime of the financial instrument (as real-world probability of default), the market risk premium and the correlation between the respective loan and the general market risk. The market risk premium represents a factor used to cover the difference between the real-world probability of default and the market's return expectations for the risk assumed. The loan portfolio is divided into five sectors (sovereign loans, loans to banks, corporate loans, syndicated loans and retail loans) in order to take account of the specific features of each sector. For each of these sectors with the exception of retail loans, the market risk premium is first determined on the basis of a portfolio of liquid CDS prices specific to the respective sector. Only for retail loans is the market risk premium derived from the market risk premiums for the other sectors due to the absence of a CDS market (except for syndicated loans). Furthermore, the fair value calculated by the model is calibrated in order to take account of the difference between this value and the fair value upon addition. This is in line with the assumption based on IFRS 13.58 according to which the transaction price reflects the fair value.

The realisation proceeds estimated by the Bank are taken as a basis to determine the fair value of non-performing loans. These already take account of the expected credit default. The maturities of the expected realisation proceeds are determined using model assumptions. These cash flows are discounted at a market interest rate to establish the fair value.

The fair value calculation for loans and receivables is built around the risk-neutral credit spread, which takes account of all relevant factors on the market. Further parameters besides the risk-neutral credit spread and the risk-free return on investment are not included. Provided the markets are liquid and no relevant market disruptions are evident the arbitrage between the markets on which credit risks are traded leads to a narrowing of the credit spreads. The CDS market adjusted by product-specific factors is thus defined as the relevant exit market for loans and receivables. Otherwise, the parameters used to determine the real-world probability of default (PD) and loss given default (LGD) are determined on the basis of internal procedures.

Levels are allocated based on a sensitivity analysis. This involves determining a range for the internal parameters when calculating the respective fair value, within which the internal parameters may fluctuate based on realistic assumptions. To date, in order to calculate the sensitivity, the internal parameter was replaced by the value with the highest deviation in the estimated range, and based on that figure the fair value was recalculated. As long as the deviation of the fair value determined using this method is insignificant compared with the originally determined fair value, the financial instrument is allocated to Level 2; otherwise, it is allocated to Level 3.

Other Information

HVB Group uses the following methods for deriving the fair value levels for loans: a specific adjustment of the parameters (shift under a stress scenario) is simulated for the valuation parameters relating to credit risk (for example, PD, LGD, etc.) and the effects on the fair value are analysed. If the change in the valuation parameters for credit risk result in a significant change in the fair value, the loan concerned is allocated to Level 3 as the valuation parameters used for mapping credit risk are essentially not based on or derived from prices observable on the market.

Investments in joint ventures and associates are accounted for using the equity method, provided they are not of minor significance. Investments in non-consolidated companies and listed companies not accounted for using the equity method are normally carried at their fair value.

Quoted market prices are used for securities and derivatives traded on an exchange as well as for listed debt instruments. These instruments are allocated to Level 1. The fair value of the remaining securities is calculated as the net present value of anticipated future cash flows. The methods used to determine the fair value levels as described in the Note “Fair value hierarchy” are employed for this purpose.

The fair values of single-currency and cross-currency swaps and interest rate futures are calculated on the basis of discounted cash flows. In doing so, the market rates applicable for the remaining maturity of the financial instruments are applied. The fair value of forward exchange transactions is computed on the basis of current forward rates. Options are measured using price quotations or generally accepted models used to calculate the price of options. The common Black & Scholes model and the Bachelier model are used to measure simple European options. For more complex instruments, interest is simulated using term-structure models with the current interest rate structure as well as caps and swaption volatilities as parameters relevant for measurement. The disbursement structure of the equities or indexes for complex instruments is measured using either Black & Scholes or a stochastic volatility model with equity prices, volatilities, correlations and dividend expectations as parameters. The methods used to determine the fair value levels described in the Note “Fair value hierarchy” are employed for this purpose.

Please refer to the Note “Fair value hierarchy” for a description of the methods used to determine the fair value levels for unlisted derivatives.

For liabilities (deposits from banks and customers, and debt securities in issue, provided these are not listed), the anticipated future cash flows are discounted to the present value using current interest rates taking into account internally determined funding premiums. The funding premiums correspond to the parameters that the Bank uses when setting the prices for its own issues. These funding premiums represent internally determined parameters that are essential for determining the fair value; the other liabilities are allocated to Level 3 accordingly.

Other Information

The fair values are calculated using the market information available at the reporting date as well as specific company valuation methods.

€ billions	CARRYING AMOUNT		FAIR VALUE	
	2025	2024	2025	2024
Assets				
Cash and cash balances	6.3	6.9	6.3	6.9
Financial assets held for trading	60.8	68.4	60.8	68.4
Financial assets at FVTPL	2.1	2.5	2.1	2.5
Financial assets at FVTOCI	14.1	13.9	14.1	13.9
Loans and receivables with banks (at cost)	23.7	24.2	23.7	24.2
Loans and receivables with customers (at cost)	169.2	162.6	166.2	159.9
of which finance lease receivables	0.1	0.2	0.1	0.2
Hedging derivatives	7.2	7.9	7.2	7.9
Total	283.4	286.4	280.4	283.7
Liabilities				
Deposits from banks	30.8	30.5	30.3	29.8
Deposits from customers	145.3	142.6	144.9	142.4
Debt securities in issue	33.2	33.6	31.4	32.0
Financial liabilities held for trading	44.0	48.7	44.0	48.7
Financial liabilities at FVTPL	3.0	3.6	3.0	3.6
Hedging derivatives	8.8	10.4	8.8	10.4
Total	265.1	269.4	262.4	266.9

€ billions	FAIR VALUE OBSERVED ON AN ACTIVE MARKET (LEVEL 1)		FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
	2025	2024	2025	2024	2025	2024
Financial assets not carried at fair value in the balance sheet						
Cash and cash balances	—	—	6.3	6.9	—	—
Loans and receivables with banks (at cost)	6.7	5.9	15.6	16.9	1.4	1.4
Loans and receivables with customers (at cost)	18.4	15.7	63.7	55.5	84.1	88.7
of which finance leases	—	—	—	—	0.1	0.2
Financial liabilities not carried at fair value in the balance sheet						
Deposits from banks	—	—	23.5	21.9	6.8	7.9
Deposits from customers	—	—	142.2	138.9	2.7	3.5
Debt securities in issue	18.2	16.1	5.7	7.3	7.5	8.6

At HVB Group, the difference between the fair values and carrying amounts totals minus € 3.0 billion for assets (previous year: minus €2.7 billion) and minus € 2.7 billion for liabilities (previous year: minus €2.5 billion). The net balance of these amounts is minus €0.3 billion (previous year: minus €0.2 billion). When comparing the carrying amounts and fair values of hedged items, it should be noted that part of the hidden reserves/hidden liabilities has already been included in the hedge adjustment.

Other Information

82 Disclosures regarding the offsetting of financial assets and liabilities

The following two tables separately show the recognised financial assets and financial liabilities that have already been netted in the balance sheet in accordance with IAS 32.42 together with the financial instruments that are subject to a legally enforceable master netting arrangement or similar arrangement but that do not satisfy the criteria for offsetting in the balance sheet.

Financial assets that are netted in the balance sheet or subject to a legally enforceable master netting arrangement or similar arrangement:

€ millions	FINANCIAL ASSETS (GROSS)	FINANCIAL LIABILITIES NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL ASSETS (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives ¹	44,240	(1,656)	42,584	(32,035)	(314)	(4,189)	6,046
Reverse repos ²	14,649	(6,086)	8,563	—	(8,108)	—	455
Loans and receivables ³	79,473	(239)	79,234	—	—	—	79,234
Total as at 31/12/2025	138,362	(7,981)	130,381	(32,035)	(8,422)	(4,189)	85,735
Derivatives ¹	53,367	(103)	53,264	(38,731)	(477)	(4,535)	9,521
Reverse repos ²	8,744	(1,796)	6,948	—	(6,799)	—	149
Loans and receivables ³	80,443	(274)	80,169	—	—	—	80,169
Total as at 31/12/2024	142,554	(2,173)	140,381	(38,731)	(7,276)	(4,535)	89,839

1 Derivatives are included in the balance sheet items "Financial assets held for trading" and "Hedging derivatives".

2 Reverse repos are covered in the Notes "Loans and receivables with banks (at cost)" and "Loans and receivables with customers (at cost)". They are also included in financial assets held for trading at an amount of €467 million (previous year: €265 million).

3 Only relates to current accounts, cash collateral or pledged credit balances and other loans and receivables (including cumulative variation margins), as covered in the Notes "Loans and receivables with banks (at cost)" and "Loans and receivables with customers (at cost)".

Financial liabilities that are netted in the balance sheet or subject to a legally enforceable master netting arrangement or similar arrangement:

€ millions	FINANCIAL LIABILITIES (GROSS)	FINANCIAL ASSETS NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL LIABILITIES (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives ¹	49,377	(1,130)	48,247	(32,035)	(252)	(8,798)	7,162
Repos ²	19,584	(6,086)	13,498	—	(13,395)	—	103
Liabilities ³	108,556	(765)	107,791	—	—	—	107,791
Total as at 31/12/2025	177,517	(7,981)	169,536	(32,035)	(13,647)	(8,798)	115,056
Derivatives ¹	55,132	(69)	55,063	(38,731)	(323)	(3,705)	12,304
Repos ²	13,014	(1,796)	11,218	—	(11,039)	—	179
Liabilities ³	104,721	(308)	104,413	—	—	—	104,413
Total as at 31/12/2024	172,867	(2,173)	170,694	(38,731)	(11,362)	(3,705)	116,896

1 Derivatives are included in the balance sheet items "Financial liabilities held for trading" and "Hedging derivatives".

2 Repos are covered in the Notes "Deposits from banks" and "Deposits from customers". They are also included in financial liabilities held for trading at an amount of €0 million (previous year: €0 million).

3 Only relates to current accounts, cash collateral or pledged credit balances and other liabilities (including cumulative variation margins), as covered in the Notes "Deposits from banks" and "Deposits from customers".

Other Information

Compliant with IAS 32.42, financial assets and liabilities with the same counterparty are to be netted and the net amount recognised in the balance sheet if such netting of the amounts recognised at the present date is legally enforceable and the intention is to settle on a net basis during the normal course of business or to realise the asset and settle the liability simultaneously. The tables show a reconciliation from the gross amounts prior to netting via the offset amounts to the net amounts after netting for these offsets in the balance sheet. At HVB Group, the offsets in the balance sheet relate to transactions with central counterparties (CCPs), i.e. OTC derivatives (offset of positive and negative fair values that balance out at currency level) and the receivables and liabilities arising from reverse repos and repos concluded with the same central counterparty. At the same time, nettable receivables and liabilities repayable on demand with the same counterparties in the banking business are also offset in the balance sheet. In addition, cumulative changes in the fair value of derivatives on futures exchanges are netted with the cumulative variation margin payments.

The column “Effects of master netting arrangements” shows the financial instruments that are subject to a legally enforceable bilateral master netting arrangement or similar arrangement, but which are not netted in the balance sheet as they do not satisfy the IAS 32.42 netting requirements as described above. At HVB Group, this includes OTC derivatives and repo transactions with individual counterparties with which legally enforceable master netting arrangements have been concluded allowing an offset in the event of default.

In addition, collateral in the form of financial instruments and cash collateral pledged or received in this connection is presented in the tables. Furthermore, securities lending transactions shown off the balance sheet without cash collateral are not included in the above netting tables.

As part of credit risk management notably with regard to the counterparty risk arising from derivatives, netting arrangements are frequently concluded that, in the event of default by the counterparty, permit all derivatives with this counterparty to be netted and positive and negative fair values of the individual derivatives to be offset to create a net receivable. Such net receivables are normally secured by cash collateral to further reduce the credit risk. This involves the debtor of the net receivable transferring money to the creditor and pledging these cash balances. The amount of the cash collateral is adjusted at regular intervals to reflect the current amount of a potential net receivable, although a receivable from cash collateral provided can become a liability from cash collateral received and vice versa depending on the balance of the potential net receivable.

This cash collateral is shown separately as “Cash collateral and pledged credit balances” in the following notes: loans and receivables with banks (at cost), loans and receivables with customers (at cost), deposits from banks and deposits from customers.

Other Information

83 Undiscounted cash flow

Compliant with IFRS 7.39, we are disclosing the residual maturities for non-derivative and derivative financial liabilities as well as for credit commitments and financial guarantees. The breakdown of residual maturities is based on the contractual due dates. These are crucial for determining the timing of payments. We have thus divided the contractually agreed, undiscounted payments into maturity buckets. The undiscounted cash flows shown here cannot be compared with the carrying amounts, as the latter are based on discounted cash flows.

At the same time, we have broken down the financial assets by residual maturity compliant with IFRS 7.39. These are financial assets that generate the cash flows used to settle financial liabilities.

In the following tables, we have divided the derivative and non-derivative financial assets and liabilities into maturity buckets. In doing so, all the financial liabilities have been allocated to the respective maturity bucket. The derivatives on financial assets held for trading and financial liabilities held for trading have been allocated to the shortest maturity bucket at their fair value. This reflects the fact that the derivatives are subject to an intention to sell in the short term and hence the maturities of the contractual undiscounted cash flows do not adequately reflect the timing of payments actually expected. The remaining financial instruments classified as financial assets held for trading and financial liabilities held for trading have been allocated to the earliest possible maturity bucket with their cash flows. Hedging derivatives used in hedge accounting are allocated to the applicable maturity bucket with their contractually agreed, undiscounted cash flows.

Credit commitments and financial guarantees have been allocated at their maximum amount to the shortest maturity bucket (repayable on demand) in which they can be utilised at the earliest.

For details on the presentation of the Bank's liquidity management, please refer to the section entitled "Liquidity risk" in the Risk Report of the Combined Management Report.

Other Information

Breakdown of financial assets and non-derivative and derivative financial liabilities by maturity bucket:

€ millions	REPAYABLE ON DEMAND	UP TO 1 MONTH	1 MONTH TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	UNDATED
31/12/2025							
Financial assets							
Financial assets held for trading	221	3,009	379	5,904	3,654	1,945	3,107
Derivatives on financial assets held for trading	35,428	—	—	—	—	—	—
Financial assets at FVTPL	41	1	6	251	402	712	272
Financial assets at FVTOCI	—	80	327	990	9,919	4,592	—
Loans and receivables with banks (at cost)	10,862	947	871	3,081	7,280	10,328	1,802
Loans and receivables with customers (at cost)	13,706	13,805	6,064	16,359	56,217	106,473	249
of which finance lease receivables	3	4	11	40	88	8	—
Hedging derivatives	—	775	1,549	6,971	10,765	4,952	—
Non-derivative and derivative financial liabilities							
Deposits from banks	8,226	7,093	3,732	2,945	4,977	5,120	201
Deposits from customers	83,675	27,397	20,159	12,961	877	534	397
Debt securities in issue	13	2,826	3,076	3,506	16,536	12,616	—
Financial liabilities held for trading	—	83	293	808	1,526	233	1,511
Financial liabilities at FVTPL	—	123	130	589	1,690	538	—
Derivatives on financial liabilities held for trading	39,449	—	—	—	—	—	—
Hedging derivatives	—	899	1,798	8,091	12,171	2,955	—
Credit commitments and financial guarantees ¹	67,135	—	—	—	—	—	—
31/12/2024							
Financial assets							
Financial assets held for trading	273	2,287	288	2,788	3,345	2,936	5,229
Derivatives on financial assets held for trading	45,413	—	—	—	—	—	—
Financial assets at FVTPL	1	49	13	255	684	959	70
Financial assets at FVTOCI	—	89	337	614	9,067	5,888	—
Loans and receivables with banks (at cost)	9,575	455	957	3,089	7,265	4,098	200
Loans and receivables with customers (at cost)	13,458	13,227	5,526	14,840	60,304	97,992	132
of which finance lease receivables	5	6	15	57	127	11	—
Hedging derivatives	—	654	1,308	5,887	13,082	2,277	—
Non-derivative and derivative financial liabilities							
Deposits from banks	8,224	3,622	2,923	5,721	5,840	5,586	168
Deposits from customers	79,742	30,020	21,898	9,699	1,251	556	173
Debt securities in issue	15	3,717	2,095	3,102	16,944	13,047	—
Financial liabilities held for trading	2	54	188	782	1,730	232	624
Financial liabilities at FVTPL	—	125	77	606	2,100	777	—
Derivatives on financial liabilities held for trading	44,693	—	—	—	—	—	—
Hedging derivatives	—	744	1,489	6,700	14,835	2,091	—
Credit commitments and financial guarantees ¹	68,751	—	—	—	—	—	—

¹ This item contains irrevocable credit commitments and financial guarantees (mainly loan guarantees and loan collateral guarantees). The previous-year figure has been adjusted.

Other Information

84 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), making it subject to the scope of the CRR (Article 13 (1) and Part 8 CRR) and certain extended regulatory disclosure requirements in accordance with Section 26a KWG (disclosure under Pillar III).

HVB discloses this information in the form of a standalone disclosure report on a sub-consolidated basis (HVB with its subsidiaries consolidated under regulatory law = HVB Group). 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. Interim reports should be published shortly after the publication of any financial reports and 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 - InstitutV) 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 under: www.hvb.de > "About Us" > "Investor Relations" > "Corporate Governance" and under www.hvb.de > "About Us" > "Investor Relations" > "Reports".

85 Key capital ratios (based on IFRS)

HVB Group manages its economic and regulatory capital within the framework of its value-oriented overall bank management strategy. The yield expectations are calculated in accordance with the allocated capital principle that UniCredit employs across its entire organisation. As part of the dual control principle, both regulatory capital in the sense of committed core capital and economic capital are allocated to the operating segments. Both resources are expected to yield an appropriate return, which is derived from the expected return of the capital market. Please refer to the section of the Risk Report entitled "Implementation of overall bank management" for further details on the management of regulatory capital adequacy requirements and economic capital adequacy.

Supervisory ratios

The legal basis is provided by the EU Regulation on Prudential Requirements for Credit Institutions and Investment Firms (CRR), which came into force on 1 January 2014. The supervisory total capital ratio prescribed in the CRR represents the percentage ratio between the own funds determined in accordance with Part 2 CRR and the total amount of risk-weighted assets for counterparty risk, market risk and operational risk (corresponds to the risk-weighted asset equivalent of these risk positions). With the introduction of CRR III, the so-called output floor must additionally be taken into account when determining the relevant risk weighted assets. Under Article 92 CRR, the Tier 1 capital ratio calculated as the ratio of Tier 1 capital to total risk-weighted assets determined as described above must be at least 6.0%.

Own funds underlying the calculation of the total capital ratio in accordance with CRR consist of Tier 1 and Tier 2 capital. Under Article 92 CRR, the total capital ratio calculated as the ratio of own funds to total risk-weighted assets must be at least 8.0%. HVB Group uses internal models in particular to measure market risk positions.

The following table shows own funds based on the approved consolidated financial statements and risk-weighted assets together with the risk equivalents for market risk positions and operational risk at the reporting date:

Other Information

Own funds¹:

€ millions	2025	2024
Tier 1 - Total core capital for solvency purposes	17,511	17,433
Shares of common stock	2,407	2,407
Additional paid-in capital, retained earnings, minority interest, own shares	14,286	14,408
Hybrid capital instruments (silent partnership certificates) without prorated interest	—	—
Other	(454)	(640)
Capital deductions	(428)	(442)
Additional Tier 1 capital	1,700	1,700
Tier 2 - Total supplementary capital for solvency purposes	364	1,253
Unrealised reserves in land and buildings and in securities	—	—
Offsetting reserves for general banking risks	—	—
Cumulative shares of preferred stock	—	—
Participating certificates outstanding	—	—
Subordinated liabilities	272	1,098
Value adjustment excess for A-IRB positions	94	157
Other	—	—
Capital deductions	(2)	(2)
Total own funds	17,876	18,687

¹ Group of consolidated companies and principles of consolidation in accordance with banking supervisory regulations.

Own funds are determined on the basis of IFRS figures in accordance with the CRR/CRD in the version in force at the reporting date.

The following table shows the reconciliation from the equity items shown in the balance sheet prepared in accordance with IFRS:

€ millions	COMMON EQUITY TIER 1 CAPITAL	ADDITIONAL TIER 1 CAPITAL	TIER 2 CAPITAL	TOTAL OWN FUNDS
Shown in IFRS balance sheet				
Shareholders' equity	18,472	1,700	—	20,172
Reconciliation to own funds compliant with the CRR				
Cumulative shares of preferred stock	—	—	—	—
Ineligible profit components	(2,128)	—	—	(2,128)
Ineligible minority interests under banking supervisory regulations	10	—	—	10
Diverging consolidation perimeters	(114)	—	—	(114)
Deduction of intangible assets	(23)	—	—	(23)
Hybrid capital recognised under banking supervisory regulations	—	—	—	—
Eligible portion of subordinated liabilities	—	—	270	270
Value adjustment excess (+) or shortfall (-) for A-IRB positions	—	—	94	94
Adjustments to CET1 due to prudential filters	(142)	—	—	(142)
Deductible deferred tax assets	(4)	—	—	(4)
Capital deductions which can alternatively be subject to a 1,250% risk weight	(4)	—	—	(4)
Transitional adjustments	—	—	—	—
Insufficient coverage for non-performing exposures	(64)	—	—	(64)
Other effects	(191)	—	—	(191)
Own funds compliant with CRR	15,811	1,700	364	17,876

Other Information

€ millions	2025 - CRR	2024 - CRR
Risk-weighted assets from		
on-balance-sheet counterparty risk positions	36,149	35,459
off-balance-sheet counterparty risk positions	12,006	11,718
other counterparty risk positions ¹	409	372
derivative counterparty risk positions	4,419	4,734
other risk exposure amounts	725	1,380
Total credit risk-weighted assets	53,708	53,662
Risk-weighted asset equivalent for market risk positions	3,384	4,204
Risk-weighted asset equivalent for operational risk	12,040	8,302
Total risk-weighted assets	69,132	66,168

1 Primarily including repos and securities lending transactions.

At the respective reporting dates, the key capital ratios (based on the approved consolidated financial statements) were as follows:

in %	2025 - CRR	2024 - CRR
CET1 capital ratio [Common Equity Tier 1 capital excluding hybrid capital/(credit risk-weighted assets + 12.5x market risk positions + 12.5x operational risk)]	22.9	23.8
Tier 1 capital ratio [Tier 1 capital/(credit risk-weighted assets + 12.5x market risk positions + 12.5x operational risk)]	25.3	26.3
Total capital ratio [Own funds/(credit risk-weighted assets + 12.5x market risk positions + 12.5x operational risk)]	25.9	28.2

86 Securities sale and repurchase and securities lending transactions by balance sheet item

€ millions	2025		2024	
	CARRYING AMOUNT	OF WHICH TRANSFERRED AS COLLATERAL	CARRYING AMOUNT	OF WHICH TRANSFERRED AS COLLATERAL
Financial assets held for trading	60,751	1,604	68,356	1,633
Financial assets at FVTPL	2,072	—	2,463	—
Financial assets at FVTOCI	14,082	269	13,896	901
Loans and receivables with banks (at cost)	23,742	—	24,219	—
Loans and receivables with customers (at cost)	169,191	—	162,565	—
Total	269,838	1,873	271,499	2,534

87 Contingent liabilities and other commitments

€ millions	2025	2024
Contingent liabilities ¹	30,624	30,279
Financial guarantees (guarantees and indemnities)	30,624	30,279
Other commitments	108,180	107,330
Irrevocable and revocable credit commitments with default risk	108,175	107,325
Other commitments	5	5
Total	138,804	137,609

1 Contingent liabilities are offset by contingent assets of the same amount.

In addition to irrevocable loan commitments, contingent liabilities from loan commitments also include revocable loan commitments, which are generally subject to credit default risk.

Other Information

A contingent liability exists if an outflow of economic resources is possible (IAS 37.28). The contractual obligation to pay out under the loan commitment granted is irrelevant in this respect. With regard to revocable loan commitments, which are generally subject to credit default risk, such an outflow of funds is possible, as only this subsequently leads to credit default risk.

Financial guarantees and irrevocable/revocable credit commitments are shown at their nominal amount (maximum outflow) less provisions set aside for this purpose. Neither contingent liabilities nor other commitments contain any significant individual items. The financial guarantees listed here essentially reflect guarantees and indemnities that the Bank has provided at the request of customers. Consequently, the Bank has a right of recourse against the customer (contracting party) if it is called upon. An appropriate provision is set aside where such a customer's creditworthiness is doubtful. This takes account of the loss incurred by the Bank if the recourse claim against the contracting party is not considered fully realisable on account of the party's doubtful creditworthiness.

The timing of when the mentioned contingent liabilities and other commitments may result in a cash outflow is subject to considerable uncertainty and can only be estimated to a limited extent. In particular, credit commitments frequently serve as a liquidity reserve for the beneficiary, meaning that in some cases the Bank is not called upon at all and hence there is no outflow of funds. In terms of financial guarantees, it is important to note that these are conditional payment commitments so that the condition must be met (such as default on the guaranteed credit in the case of a credit guarantee or non-compliant delivery in the case of a delivery guarantee and other cases) before the Bank can be called upon. Here, too, it is hard to assess whether and when this will be the case, as financial guarantees in particular are only ever called upon in exceptional circumstances resulting in an outflow of funds.

Securities lending transactions are not recognised in the balance sheet as beneficial ownership remains with the lender. The Bank only becomes the legal owner of the borrowed securities which are returned to the lender when the lending transaction falls due. Obligations of €18,762 million (previous year: €22,015 million) to return securities from securities lending transactions are thus offset by borrowed securities of the same amount, which are not carried as assets on the assets side of the balance sheet.

HVB may incur losses from legal risks, 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 civil-law proceedings and the tendency for rulings to be made in favour of consumers or customers. The risk of loss that is assessed 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 from legal risks, meaning that the amounts are not representative of actual future losses. Such contingent liabilities from legal risks that can be estimated amount to €44 million at year-end 2025 after €54 million at year-end 2024.

Commitments for payments called on shares not fully paid up amounted to €5 million in the reporting year (previous year: €5 million) and similar obligations for shares in cooperatives totalled €1 thousand (previous year: €1 thousand). The Bank was not liable for any defaults on calls for payment under Section 22 (3 and 24) of the German Limited Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG).

Other Information

At the reporting date, we had unlimited personal liability from the ownership of shares in 55 partnerships (previous year: 62).

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.

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

Contingent liabilities payable to related parties

€ millions	2025	2024
Non-consolidated affiliates	2,388	1,959
of which:		
UniCredit S.p.A.	1,562	1,330
sister companies	825	628
subsidiaries	1	1
Joint ventures	—	—
Associates	1	—
Other investees	66	104
Total	2,455	2,063

88 Disclosures regarding structured entities

A structured entity as defined in IFRS 12 is an enterprise (or an economically separate entity) that has been designed so that voting rights or similar rights are not the dominant factor in deciding who controls the entity. Structured entities are frequently characterised by restricted activities, a narrow, well-defined objective, insufficient equity or financing in tranches.

Structured entities may be consolidated or not consolidated, depending on whether HVB Group has control over the entity or not. Transactions involving structured entities can be divided into the following categories using the business model applied by HVB Group:

- ABS vehicles
- Repackaging vehicles
- Funding vehicles for customers
- Some investment funds
- Other structured entities

Financial instruments with unconsolidated structured entities

Financial instruments with unconsolidated structured entities include all contractual relationships from which HVB Group receives variable earnings and exposure to loss from the structured entities, but without gaining control over the structured entity. These might be equity and debt instruments, derivatives, liquidity facilities or guarantees.

Other Information

ABS vehicles

HVB Group invests in ABS vehicles and uses ABS vehicles for its own securitisations. These vehicles buy loans or receivables and refinance themselves by issuing securities on the money or capital market. The securities are backed by the assets purchased. HVB Group can also provide finance for these vehicles in the form of liquidity facilities.

ABS vehicles used for own securitisations are fully consolidated in the consolidated financial statements and are not included in the unconsolidated structured entities shown here. This means that only such ABS vehicles in which HVB Group solely has an interest as an investor are classified as unconsolidated structured entities.

	2025	2024
Number of unconsolidated ABS vehicles (investor positions only)	214	193

Repackaging vehicles

Repackaging vehicles are used to offer customers specific securities and derivatives solutions. These vehicles buy assets (such as securities, loans and receivables, and derivatives) and restructure the cash flows from these assets by incorporating other instruments or securities. The vehicles refinance themselves by issuing custom-packaged securities or derivatives that meet the customer's demands. The funding is normally secured by the acquired assets.

	2025	2024
Number of unconsolidated repackaging vehicles	15	9
Aggregate total assets of unconsolidated repackaging vehicles (€ millions)	831	499
Nominal value of the securities issued by unconsolidated repackaging vehicles (€ millions)	831	499

Funding vehicles for customers

Customers use these vehicles as a source of funding. These funding vehicles buy current receivables or lease receivables from customers and refinance themselves mostly by issuing securities on the capital and money market (mostly commercial paper conduits). HVB Group can also provide funding for these vehicles in the form of liquidity facilities or other lending products. The majority of the vehicles listed below were set up by the customer or by HVB Group on behalf of the customer. These vehicles are not consolidated as HVB Group is not exposed to a majority of the variable income from the vehicles and has no possibility of influencing them.

	2025	2024
Number of unconsolidated funding vehicles for customers	51	52
Aggregate total assets of unconsolidated funding vehicles for customers (€ millions)	5,821	6,777
Nominal value of the securities issued by unconsolidated funding vehicles for customers (€ millions)	5,816	6,771

Other Information

Some investment funds

Investment funds are classified as structured entities if they are not controlled by means of voting or similar rights. Investment funds invest in a range of assets and can also finance themselves through debt capital within the framework of their investment principles alongside the funds provided by investors. Investment funds serve to achieve specifically defined investment goals.

HVB Group offers its customers investment funds under third-party management. Furthermore, we are also mandated by customers to keep investment fund units in custody accounts for third party account. Furthermore, HVB Group holds investment fund units in its own portfolio. These are mostly held in the held-for-trading portfolio and to a much smaller extent also in the portfolio at FVTPL. In addition, we offer typical banking services to investment funds, including derivative and financing solutions and deposit-taking operations.

The number and the aggregated net asset value of investment funds show funds to which HVB Group has an exposure. Regarding the statement of the number of unconsolidated investment funds classified as structured entities, we have separately reported every special purpose entity to which HVB Group has an exposure.

	2025	2024
Number of unconsolidated investment funds classified as structured entities	468	408
Aggregate net asset value (including minority interests) of the investment funds classified as structured entities (€ millions)	1,439,508	750,005

With regard to the aggregate net asset value, it should be noted that our risk is only proportionate to the ratio of the units held by us, the financing extended and derivatives issued to the aggregate fund volume. A risk analysis is provided in the table under "Risks in connection with unconsolidated structured entities".

Other structured entities

This category covers structured entities that cannot be assigned to any of the other categories. For the most part, HVB Group mainly performs lending activities under this category with structured entities set up by customers or by HVB Group on behalf of customers.

These entities are mostly lease vehicles that have only insufficient equity and are controlled economically by the lessee. Some of the lease vehicles were financed through syndicated loans.

	2025	2024
Number of other structured entities	12	4
Aggregate total assets (€ millions)	27,943	325

Other Information

Risks in connection with unconsolidated structured entities

The following tables show the carrying amounts of the assets and liabilities together with the off-balance-sheet risk positions of HVB Group in connection with unconsolidated structured entities:

	ABS VEHICLES (INVESTOR REPACKAGING POSITIONS)	VEHICLES	FUNDING VEHICLES FOR CUSTOMERS	SOME INVESTMENT FUNDS	OTHER STRUCTURED ENTITIES
€ millions					
31/12/2025					
Assets	12,265	200	5,581	5,831	773
Financial assets held for trading	8	200	—	2,626	—
Financial assets at FVTPL	—	—	—	—	—
Financial assets at FVTOCI	18	—	—	30	—
Loans and receivables with banks (at cost)	—	—	—	—	—
Loans and receivables with customers (at cost)	12,238	—	5,581	3,175	773
Hedging derivatives	—	—	—	—	—
Other assets	1	—	—	—	—
Liabilities	113	4	117	2,738	1
Deposits from banks	—	—	—	—	—
Deposits from customers	28	—	116	2,613	—
Debt securities in issue	—	—	—	2	—
Financial liabilities held for trading	83	4	—	117	1
Financial liabilities at FVTPL	—	—	—	—	—
Hedging derivatives	—	—	—	—	—
Other liabilities	2	—	—	6	—
Provisions	—	—	1	—	—
Off-balance-sheet positions	375	—	942	634	363
Irrevocable credit commitments and other commitments	375	—	942	634	363
Guarantees	—	—	—	—	—
Maximum exposure to loss	12,640	200	6,523	6,465	1,136
31/12/2024					
Assets	9,771	116	5,870	6,082	112
Financial assets held for trading	28	116	—	2,650	—
Financial assets at FVTPL	19	—	—	29	—
Financial assets at FVTOCI	—	—	—	—	—
Loans and receivables with banks (at cost)	—	—	—	—	—
Loans and receivables with customers (at cost)	9,723	—	5,870	3,402	112
Hedging derivatives	—	—	—	—	—
Other assets	1	—	—	1	—
Liabilities	104	4	86	1,585	61
Deposits from banks	—	—	—	—	—
Deposits from customers	14	—	84	1,307	60
Debt securities in issue	—	—	—	11	—
Financial liabilities held for trading	89	4	—	266	—
Financial liabilities at FVTPL	—	—	—	—	—
Hedging derivatives	—	—	—	—	—
Other liabilities	1	—	—	1	—
Provisions	—	—	2	—	1
Off-balance-sheet positions	200	—	1,387	556	459
Irrevocable credit commitments and other commitments	200	—	1,387	554	459
Guarantees	—	—	—	2	—
Maximum exposure to loss	9,971	116	7,257	6,638	571

Other Information

The maximum exposure to loss from unconsolidated structured entities arises from the assets and off-balance-sheet risk positions relating to structured entities. This view does not, however, reflect the economic risk, as the collateral received and hedging instruments are not included.

No financial or other support (“implicit support”) was provided to unconsolidated structured entities during the reporting year without having a contractual obligation to do so. Neither are there any specific plans to provide support to unconsolidated structured entities in the future.

Sponsored unconsolidated structured entities

Structured entities are classified as sponsored by HVB Group, if HVB Group was materially involved in setting up the entities. HVB Group has sponsored structured entities through financial instruments without having an interest in these entities. Thus, HVB Group is not exposed to the economic risks from these structured entities.

We only generate income from structured entities without any interest in them through financial instruments to a limited extent. After the intragroup sale of Structured Invest Société Anonyme, Luxembourg in the first half of 2024 no fee and commission income from charges and management fees was generated during the reporting year on investment funds managed by the Bank. In the previous year fee and commission income of €28 million from charges and management fees was generated on investment funds managed by the Bank, of which €19 million was passed on to third parties in trailer fees.

Consolidated structured entities

The largest consolidated structured entity is the multi-seller conduit programme Arabella. Securities with a nominal value of €4,677 million (previous year: €4,746 million) were outstanding as at 31 December 2025. The total assets of the multi-seller conduit Arabella Finance DAC as at the reporting date amounted to €4,682 million (previous year: €4,748 million).

Contractual arrangements that oblige HVB Group to provide financial assistance to consolidated structured entities exist notably in the form of liquidity facilities. These may be drawn by the vehicles to bridge maturity mismatches between the assets purchased and the securities issued.

Financial or other support was provided to consolidated structured entities without a contractual obligation to do so (“implicit support”):

- Where the market conditions prevented the securities issued by the consolidated multi-seller conduit Arabella Finance DAC from being placed, HVB has purchased such issues. Without the purchases of the securities, HVB would have been required to provide liquidity facilities in the same amount to individual Elektra Purchase companies. As at the reporting date, HVB Group held securities issued by Arabella Finance DAC with a nominal value of €2,146 million (previous year: €1,960 million) in its portfolio.
- The following future support arrangements are planned: HVB Group will continue to decide on a case-by-case basis whether to purchase temporarily non-placeable securities issued by the consolidated multi-seller conduit Arabella Finance DAC or utilise the liquidity lines. The volume of securities to be purchased depends on the funding requirement, the prevailing market conditions and the above decision in each case.
- Both contractual financial and other support provided to consolidated structured entities without a contractual obligation to do so are not material for the consolidated financial statements, as these represent intragroup transactions.

Other Information

89 Trust business

€ millions	2025	2024
Trust assets	2,067	2,157
Loans and receivables with banks	—	—
Loans and receivables with customers	180	239
Equity securities and other variable-yield securities	—	—
Debt securities and other fixed-income securities	—	—
Participating interests	—	—
Property, plant and equipment	—	—
Other assets	—	—
Fund shares held in trust	1,887	1,918
Remaining trust assets	—	—
Trust liabilities	2,067	2,157
Deposits from banks	180	239
Deposits from customers	1,887	1,918
Debt certificates including bonds	—	—
Other liabilities	—	—

The carrying amounts for the trust assets are stated here. The trust assets relating to loans and receivables with customers are mainly attributable to the KfW Schnellkredit loan, which HVB granted to its customers as part of the government support measures due to the COVID-19 pandemic. In this context, KfW assumes all the risks (100% guarantee), stipulates the conditions and provides the funds. The KfW Schnellkredit is thus to be classified as a trust loan.

90 Transfer of financial assets

Transferred financial assets are derecognised in accordance with the derecognition criteria set forth in IFRS 9 when substantially all the risks and rewards incident to ownership of the asset are transferred.

HVB Group has no continuing involvement in transferred and derecognised financial assets for which substantially the risks and rewards are neither retained nor transferred.

Transferred, non-derecognised financial assets

However, HVB Group conducts business transactions under which it transfers previously recognised financial assets in accordance with IFRS 9, but substantially retains all the risks and rewards associated with these assets, meaning that such assets are not derecognised. The recognised asset is simultaneously offset by an associated liability for the consideration received, which corresponds to recognition as a secured loan. HVB Group may not use these transferred, non-derecognised assets for other purposes.

Transactions of this type conducted by the Group relate primarily to genuine securities repurchase agreements (repos) and securities lending transactions.

Other Information

The securities (transferred) under repo transactions (cash sale) continue to be carried and measured in the consolidated balance sheet because the Group as seller retains all the credit, share price, interest rate and currency risks associated with the assets and their performance. The payment received from the buyer for whom the transferred security serves as collateral is recognised as a repo liability payable to banks or customers, depending on the counterparty. Upon delivery of the securities, the unrestricted power of disposal passes to the buyer.

Where the Group acts as a lender of securities in securities lending transactions, the securities lent to counterparties continue to be carried in the consolidated balance sheet of the lender.

The transactions are conducted subject to the customary market terms for securities lending and repurchase agreements, under which the counterparty holds a contractual or customary right to resell or repledge the securities received.

At the same time, these transaction types also encompass such examples as the true sale securitisation transactions Rosenkavalier 2008, Rosenkavalier 2015, Rosenkavalier 2020 and Rosenkavalier 2022 (see the Note “Own securitisation”) carried out by HVB Group, under which non-derecognised securitised customer receivables indirectly serve as collateral for repurchase agreements with the ECB.

The following Note “Assets assigned or pledged as collateral for own liabilities” contains details of repo transactions, securities lending transactions and other transactions under which the financial assets transferred as collateral for own liabilities are not derecognised.

91 Assets assigned or pledged as collateral for own liabilities

Examples of own liabilities of HVB Group for which we provide collateral are special credit facilities provided by KfW and similar institutions, which we have passed on as loans in compliance with their conditions. In addition, collateral has been provided for cash borrowings under repurchase agreements on international money markets, for open market transactions with central banks and for securities lending transactions. As a seller under repurchase agreements, HVB Group has entered into sales and repurchase transactions for securities at a carrying amount of €44.9 billion (previous year: €26.9 billion) or transferred them to a collateral pool with the European Central Bank or GC Pooling. It is not always necessary for liabilities to exist in the latter instance. These securities continue to be shown under our assets, and the consideration received in return is stated under liabilities.

The following table shows the breakdown of assets provided as collateral for own liabilities:

€ millions	2025	2024
Financial assets held for trading	5,448	4,859
Financial assets at FVTPL	466	525
Financial assets at FVTOCI	5,587	5,163
Loans and receivables with banks (at cost)	3,622	3,243
Loans and receivables with customers (at cost)	29,772	25,180
Property, plant and equipment	—	—
Unrecognised repledged securities received:		
pledged securities from unrecognised securities lending transactions	11,762	2,218
pledged collateral received	8,620	5,173
Total	65,277	46,361

The collateral pledged from “Loans and receivables with customers (at cost)” relates to special credit facilities provided by KfW and similar institutions.

Other Information

The assets pledged as collateral by HVB Group relate to the following own liabilities:

€ millions	2025	2024
Deposits from banks	41,872	34,782
Deposits from customers	13,603	4,117
Debt securities in issue	—	—
Financial liabilities held for trading	7,618	5,458
Financial liabilities at FVTPL	—	—
Contingent liabilities	40	39
Obligations to return non-expensed, borrowed securities	2,144	1,965
Total	65,277	46,361

Compliant with IFRS 7.14, we are disclosing the carrying amount of the financial assets that we provide as collateral. In addition, figures are disclosed showing the extent to which the collateral provided may be repledged or resold by the collateral assignee.

€ millions	2025	2024
Aggregate carrying amount of assets pledged as collateral	65,277	46,361
of which may be repledged/resold	22,027	15,211

92 Collateral received that HVB Group may resell or repledge

As the collateral taker under genuine repurchase agreements (repos) and collateral agreements for OTC derivatives, HVB Group has received collateral that it may resell or repledge at any time under customary market conditions without the collateral provider having to be in arrears. The fair value of the collateral received is €20.6 billion (previous year: €11.2 billion).

HVB Group has actually repledged or resold €8.6 billion of this amount (previous year: €5.2 billion), for which there is an obligation to return the same type, volume and quality of the collateral received.

The transactions that make it possible to use this collateral were conducted under customary market conditions for securities repurchase and lending transactions.

93 Information on relationships with related parties

Besides the relationships with consolidated affiliates, there are a number of transactions involving UniCredit S.p.A. and other affiliated but not consolidated UniCredit companies as a result of the integration of HVB Group into the UniCredit corporate group. The quantitative information in this regard can be found in the notes to the income statement and the notes to the balance sheet.

Like other affiliates, HVB has outsourced IT activities to UniCredit S.p.A., a company that is affiliated with the Bank. The goal is to exploit synergies and enable the Bank to offer fast, high-quality IT services via a service level agreement. HVB incurred expenses of €456 million for these services in the reporting period (previous-year period: €482 million). This was offset by income of €22 million from services rendered and internal charges (previous-year period: €24 million). Moreover, software products worth €0.7 million were purchased from UniCredit S.p.A. (previous-year period: €0.7 million).

Other Information

Furthermore, HVB Group has transferred certain back office activities to UniCredit S.p.A. In this context, the latter provides settlement services for HVB and other affiliates in line with a standard business and operating model. HVB Group incurred expenses of €149 million for these services (procurement invoice service business and transformation, among others) including restructuring costs in the reporting period (previous-year period: €57 million).

As a result of the entry of the squeeze-out resolution in the Commercial Register on 15 September 2008, HVB is no longer listed on the stock exchange. Therefore, the remuneration paid to members of the Executive Board is not shown on an individualised basis.

Remuneration paid to members of the Executive Board and Supervisory Board:

€ thousands	SHORT-TERM COMPONENTS		LONG-TERM INCENTIVES			TOTAL
	FIXED SALARY	SHORT-TERM PERFORMANCE RELATED CASH REMUNERATION	LONG-TERM PERFORMANCE RELATED CASH REMUNERATION	SHARE-BASED RE-MUNERATION	TERMINATION BENEFITS	
2025						
Members of the Executive Board of UniCredit Bank GmbH	7,131 ¹	567	—	817	—	8,515
Members of the Supervisory Board of UniCredit Bank GmbH for Supervisory Board activities	834	—	—	—	—	834
Members of the Supervisory Board of UniCredit Bank GmbH for activities as employee representatives	651	278	—	—	—	929
Former members of the Executive Board of UniCredit Bank GmbH and their surviving dependants	4	91	292	2,092	3,290	5,769
2024						
Members of the Executive Board of UniCredit Bank GmbH	6,093	427	137	632	1,750	9,039
Members of the Supervisory Board of UniCredit Bank GmbH for Supervisory Board activities	834	—	—	—	—	834
Members of the Supervisory Board of UniCredit Bank GmbH for activities as employee representatives	543	157	—	—	—	700
Former members of the Executive Board of UniCredit Bank GmbH and their surviving dependants	44	209	374	2,732	1,851	5,210

1 Includes all fixed components allocated in 2025 including recalculations for 2024.

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 appropriate 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 variable remuneration. Variable remuneration is normally granted in deferred tranches over several years in the form of cash and shares, with disbursement dependent upon defined corporate targets being achieved in the subsequent years.

Other Information

Pension commitments for nine currently active members of the Executive Board are shown in the table alongside the direct remuneration. Of these members of the Executive Board, five members took part in the employer-financed, fund-linked pension scheme for executives (known as AgfA) in 2025. The Bank will provide/has provided 35% of the fixed salary contributions. Overall, an amount of €1,773 thousand was paid in the reporting year for current and former members of the Executive Board (previous year: €1,591 thousand).

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

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

The provisions for pensions compliant with IFRS for former and retired members of the Executive Board of HVB and their surviving dependants (including the pension commitments transferred to HVB Trust Pensionsfonds AG) amounted to €124,405 thousand (previous-year period: €132,622 thousand).

The remuneration paid to retired members of the Executive Board and their surviving dependants amounted to €9,644 thousand in the reporting year after the transfer of the largest part of the pension commitments to HVB Trust Pensionsfonds AG (previous-year period: €9,350 thousand).

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

SHARES GRANTED TO MEMBERS OF THE EXECUTIVE BOARD OF UNICREDIT BANK GMBH	2025	2024
Number of shares granted	57,750	61,568
Fair value per share on grant date (€)	47.315	30.130

For details of share-based payments, please refer to the disclosures in the Note “Operating costs”, which provides a description of the underlying UniCredit programmes.

The following table shows the payroll costs incurred for members of the Executive Board and Supervisory Board where these are not short-term components:

€ thousands	LONG-TERM INCENTIVES		TERMINATION BENEFITS	TOTAL
	DEFERRED CASH COMPONENT	DEFERRED SHARE-BASED REMUNERATION		
2025				
Members of the Executive Board of UniCredit Bank GmbH	1,576	1,177	1,773	4,526
Members of the Supervisory Board of UniCredit Bank GmbH for Supervisory Board activities	—	—	16	16
Former members of the Executive Board of UniCredit Bank GmbH and their surviving dependants	924	1,323	31,367	33,614
2024				
Members of the Executive Board of UniCredit Bank GmbH	1,049	1,182	1,591	3,822
Members of the Supervisory Board of UniCredit Bank GmbH for Supervisory Board activities	—	—	14	14
Former members of the Executive Board of UniCredit Bank GmbH and their surviving dependants	1,151	1,018	28,926	31,095

Other Information

Related parties – loans and receivables, liabilities and contingent liabilities

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

Loans and receivables due from, and contingent liabilities and liabilities assumed for, related parties at the reporting date were as follows:

€ thousands	2025			2024		
	LOANS AND RECEIVABLES	LIABILITIES	CONTINGENT LIABILITIES ²	LOANS AND RECEIVABLES	LIABILITIES	CONTINGENT LIABILITIES ²
Members of the Executive Board and their related parties	3,132	2,504	168	2,989	2,394	81
Members of the Supervisory Board and their related parties	—	541	48	2,838	5,576	39
Members of the Group Executive Committee ¹ and their related parties	—	—	—	—	22	—
Companies controlled by the persons listed above	—	—	—	—	—	—

1 Excluding members of the Executive Board and Supervisory Board of UniCredit Bank GmbH.

2 Irrevocable and revocable lending commitments are shown under contingent liabilities.

Mortgage loans and a Medium/long term installment loans with interest rates between 0.67% and 4.71% and maturities in the years 2027 to 2047 were granted to members of the management board and the supervisory board and their related family members. In addition, overdraft lines with interest rates ranging from 3.23% to 12.92% were claimed.

94 Fees paid to the independent auditors

The following table shows the breakdown of fees (excluding value-added tax) recognised as an expense in the reporting year, as paid to the independent auditors KPMG AG Wirtschaftsprüfungsgesellschaft, for services provided for HVB Group:

€ millions	2025	2024
Fee for	10	11
Auditing of the financial statements	8	8
Other auditing services	2	3
Tax consulting services	—	—
Other services	—	—

In addition to the audit of the consolidated and annual financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft audited the reporting package as at 31 December submitted to the auditor of the consolidated financial statements of UniCredit S.p.A. and conducted a review in each quarter. Furthermore, KPMG AG Wirtschaftsprüfungsgesellschaft conducted statutory and voluntary audits of annual financial statements for subsidiaries. KPMG AG Wirtschaftsprüfungsgesellschaft was also engaged to conduct an audit pursuant to Section 89 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), a review of the reporting package for publication including the mandatory audit pursuant to Article 8 of the Taxonomy Regulation in connection with the sustainability reporting of UniCredit S.p.A. and provide other auditing services and a maintenance activity.

95 Employees

AVERAGE NUMBER OF PEOPLE EMPLOYED BY US	2025	2024
Employees (excluding trainees)	9,876	10,694
Full-time	7,071	7,629
Part-time	2,805	3,065
Trainees	198	198

Other Information

96 Offices

	ADDITIONS		REDUCTIONS		CHANGE IN CONSOLIDATED GROUP	31/12/2025
	1/1/2025	NEW OPENINGS	CLOSURES	CONSOLI- DATIONS		
Germany						
Baden-Wuerttemberg	12	—	—	—	—	12
Bavaria	196	—	24	3	(6)	163
Berlin	4	—	—	—	—	4
Brandenburg	4	—	1	—	—	3
Bremen	1	—	—	—	—	1
Hamburg	12	1	—	1	(2)	10
Hesse	12	—	2	—	—	10
Lower Saxony	9	—	1	—	—	8
Mecklenburg-Western Pomerania	3	—	—	—	—	3
North Rhine-Westphalia	8	—	—	—	—	8
Rhineland-Palatinate	11	—	1	—	—	10
Saarland	2	—	—	—	—	2
Saxony	5	—	—	—	—	5
Saxony-Anhalt	5	—	1	—	—	4
Schleswig-Holstein	22	—	4	—	—	18
Thuringia	5	—	—	—	—	5
Subtotal	311	1	34	4	(8)	266
Other regions						
Africa	—	—	—	—	—	—
Americas	5	—	—	—	(1)	4
Asia	2	—	1	—	—	1
Europe	31	—	1	—	3	33
Subtotal	38	—	2	—	2	38
Total	349	1	36	4	(6)	304

Other Information

97 List of holdings

The separate list of holdings drawn up in compliance with Section 313 (2) HGB, contains all the affiliates, joint ventures and associates broken down by whether they are included in the consolidated financial statements or not. The list also includes selected holdings pursuant to Section 271 (1) HGB and structured entities included in the consolidated financial statements, with and without an HVB shareholding.

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
1 Controlled companies						
1.1 Controlled by voting rights						
1.1.1 Consolidated subsidiaries						
1.1.1.1 Banks and financial institutions						
---	---	---	---	---	---	---
1.1.1.2 Other consolidated subsidiaries						
Argentaurus Immobilien-Vermietungs- und Verwaltungs GmbH ³⁾	Munich	100.0	100.0	EUR	793	¹⁾
GEMMA Verwaltungsgesellschaft mbH & Co. Vermietungs KG ³⁾	Munich	98.7	98.7	EUR	25,601	907
H.F.S. Leasingfonds Deutschland 7 GmbH & Co. KG ³⁾	Munich	99.4	99.4	EUR	(7,952)	140
H.F.S. Leasingfonds GmbH	Grünwald	100.0	100.0	EUR	579	2
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 4.4 GmbH ³⁾	Munich	100.0	—	EUR	10,025	^{2.2)}
Monnet 8-10 S.à r.l.	Luxembourg	100.0	—	EUR	40,326	134
Omnia Grundstücks-GmbH & Co. Objekt Haidenauplatz KG ³⁾	Munich	100.0	94.0	EUR	26	—
Othmarschen Park Hamburg GmbH & Co. Gewerbepark KG ³⁾	Munich	100.0	100.0	EUR	(44,083)	—
T & P Frankfurt Development B.V. ^{4.1)}	Amsterdam	100.0	100.0	EUR	(5,855)	8
T & P Vastgoed Stuttgart B.V. ^{4.1)}	Amsterdam	87.5	87.5	EUR	(15,488)	2
TERRENO Grundstücksverwaltung GmbH & Co. Entwicklungs- und Finanzierungsvermittlungs KG ³⁾	Munich	75.0	75.0	EUR	(268,681)	64
UniCredit Capital Markets LLC	New York	100.0	100.0	USD	244,329	20,890
UniCredit Direct Services GmbH ³⁾	Munich	100.0	—	EUR	818	^{2.3)}
UniCredit U.S. Finance LLC	Wilmington	100.0	—	USD	118,888	913
Vermietungsgesellschaft mbH & Co. Objekt MOC KG ³⁾	Munich	89.5	89.5	EUR	(94,576)	108
Wealth Management Capital Holding GmbH	Munich	100.0	—	EUR	20,475	^{2.4)}
WealthCap Entity Service GmbH	Munich	100.0	100.0	EUR	1,187	264
WealthCap Equity GmbH	Munich	100.0	100.0	EUR	895	14
WealthCap Equity Management GmbH	Munich	100.0	100.0	EUR	260	5
WealthCap Fonds GmbH	Munich	100.0	100.0	EUR	733	13
WealthCap Immobilien 1 GmbH & Co. KG	Munich	100.0	100.0	EUR	3,188	1,258
WealthCap Immobilien 2 GmbH & Co. KG	Munich	100.0	100.0	EUR	1,890	540
Wealthcap Immobilienankauf Komplementär GmbH	Munich	100.0	100.0	EUR	30	4
WealthCap Immobilienfonds Deutschland 36 Komplementär GmbH	Munich	100.0	100.0	EUR	(411)	119
WealthCap Immobilienfonds Deutschland 38 Komplementär GmbH	Munich	100.0	100.0	EUR	(32)	5
WealthCap Initiatoren GmbH	Munich	100.0	100.0	EUR	245	104
WealthCap Investment Services GmbH	Munich	100.0	90.0	EUR	4,000	¹⁾
WealthCap Investorenbetreuung GmbH	Munich	100.0	100.0	EUR	155	¹⁾
WealthCap Kapitalverwaltungsgesellschaft mbH ⁷⁾	Grünwald	100.0	100.0	EUR	18,116	¹⁾
WealthCap Leasing GmbH	Grünwald	100.0	100.0	EUR	242	242

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
WealthCap Management Services GmbH	Munich	100.0	100.0	EUR	(5,131)	249
Wealthcap Objekt-Vorrat 35 GmbH & Co. KG	Munich	100.0	100.0	EUR	(25,129)	227
Wealthcap Objekt-Vorrat 37 GmbH & Co. KG	Munich	100.0	100.0	EUR	(16,794)	334
WealthCap PEIA Komplementär GmbH	Grünwald	100.0	100.0	EUR	14	32
WealthCap PEIA Management GmbH	Munich	100.0	94.0	EUR	1,263	790
WealthCap Real Estate Management GmbH	Munich	100.0	100.0	EUR	108	1)
WealthCap Vorrats-2 GmbH	Munich	100.0	100.0	EUR	29	20
Weicker S.à r.l.	Luxembourg	100.0	—	EUR	26,263	4,423
1.1.2 Non-consolidated subsidiaries ⁵⁾						
ARRONDA Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	35,826	—
Atlanterra Immobilienverwaltungs GmbH	Munich	90.0	90.0	EUR	32,562	—
A&T-Projektentwicklungs GmbH & Co. Potsdamer Platz Berlin KG	Munich	100.0	100.0	EUR	37,257	3
Aufbau Dresden GmbH	Munich	100.0	100.0	EUR	22,994	—
BIL Immobilien Fonds GmbH	Munich	100.0	100.0	EUR		
Blue Capital Metro Amerika Inc.	Atlanta	100.0	100.0	USD		
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Alpha Management KG	Munich	100.0	100.0	EUR	22,880	—
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Beta Management KG	Munich	100.0	100.0	EUR	53,477	—
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Gamma Management KG	Munich	100.0	100.0	EUR	59,493	—
Food & more GmbH	Munich	100.0	—	EUR	100	2.5)
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	—
Grundstücksaktiengesellschaft am Potsdamer Platz (Haus Vaterland)	Munich	98.2	98.2	EUR	4,495	1)
H.F.S. Immobilienfonds Deutschland 12 Komplementär GmbH	Munich	100.0	100.0	EUR		
H.F.S. Immobilienfonds Deutschland 15 Komplementär GmbH	Munich	100.0	100.0	EUR		
H.F.S. Immobilienfonds GmbH	Munich	100.0	100.0	EUR	26	1)
H.F.S. Zweitmarktfonds Deutschland 1 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
H.F.S. Zweitmarktfonds Deutschland 2 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Hofgarten Real Estate B.V. (share of voting rights 50.5%)	Amsterdam	47.2	47.2	EUR	49,338	2
HVB Secur GmbH	Munich	100.0	—	EUR	126	2.6)
Landos Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR		
Life Verwaltungs Erste GmbH i.L.	Munich	100.0	100.0	EUR		
Life Verwaltungs Zweite GmbH i.L.	Grünwald	100.0	100.0	EUR		
Motion Picture Production GmbH i.L.	Grünwald	51.2	51.2	EUR		
Omnia Grundstücks-GmbH	Munich	100.0	100.0	EUR	26	1)
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	5,693	—
Rolin Grundstücksplanungs- und -verwaltungsgesellschaft mbH	Munich	100.0	100.0	EUR		
Roncasa Immobilien-Verwaltungs GmbH	Munich	100.0	100.0	EUR	31,420	—
Simon Verwaltungs-Aktiengesellschaft i.L.	Munich	<100	—	EUR	3,008	72
Sirius Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	143,836	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)

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
TERRENO Grundstücksverwaltung GmbH	Munich	75.0	75.0	EUR		
TERRENO Grundstücksverwaltung GmbH & Co. Objektgesellschaft Grillparzerstraße KG	Munich	75.0	—	EUR	3,002	3
Terronda Development B.V.	Amsterdam	100.0	100.0	EUR	14,932	9
VCI Volta Center Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	16,347	—
V.M.G. Vermietungsgesellschaft mbH	Munich	100.0	100.0	EUR	26	¹⁾
WealthCap Canadian Management Inc.	Toronto	100.0	100.0	CAD		
Wealthcap Erneuerbare Energien 2 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Fondsportfolio Immobilien International 1 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Immobilien Deutschland 39 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Immobilien Nordamerika 16 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Immobilien Nordamerika 17 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Immobilien 40 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Immobilien 41 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Immobilien 42 Komplementär GmbH	Munich	100.0	100.0	EUR	977	1,002
Wealthcap Immobilien 43 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Immobilien 44 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Immobilien 46 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Immobilienfonds Deutschland 37 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Investments, Inc.	Wilmington	100.0	100.0	USD	1,410	64
WealthCap Los Gatos 121 Albright Way GP, Inc.	Wilmington	100.0	100.0	USD		
WealthCap Management, Inc.	Wilmington	100.0	100.0	USD		
Wealthcap Objekt Stuttgart III GmbH & Co. KG	Munich	100.0	100.0	EUR	6,680	868
Wealthcap Objekt-Vorrat 36 GmbH & Co. KG	Munich	100.0	100.0	EUR		
WealthCap Portfolio 3 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Portfolio 4 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Portfolio 5 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Portfolio 6 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Private Equity 19 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Private Equity 20 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Private Equity 21 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Private Equity 22 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Private Equity 23 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Private Equity 24 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Private Equity 25 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Private Equity 26 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
WealthCap Real Estate GmbH	Munich	100.0	100.0	EUR		
WealthCap Real Estate Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Real Estate Sekundär GmbH	Munich	100.0	100.0	EUR		
WealthCap SachWerte Portfolio 2 Komplementär GmbH	Grünwald	100.0	100.0	EUR		
Wealthcap Spezial Büro 6 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Spezial Büro 7 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Spezial Immobilien 9 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap Spezial Portfolio Immobilien 1 Komplementär SARL	Luxembourg-Findel	100.0	100.0	EUR		
Wealthcap Spezial Portfolio Private Equity 1 Komplementär SARL	Luxembourg-Findel	100.0	100.0	EUR		
Wealthcap Spezial Wohnen 1 Komplementär GmbH	Munich	100.0	100.0	EUR		

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
WealthCap Spezial 3 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Spezial 4 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Spezial 5 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap Spezial-AIF 1 Komplementär GmbH	Munich	100.0	100.0	EUR		
WealthCap ZweitmarktWerte 5 GP S.à r.l.	Senningerberg	100.0	100.0	EUR		
WealthCap 39 Komplementär GmbH	Munich	100.0	100.0	EUR		
Wealthcap 45 Komplementär GmbH	Munich	100.0	100.0	EUR		

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in %	CURRENCY	SUBSCRIBED CAPITAL in thousands
1.2 Fully consolidated structured entities with or without shareholding				
Arabella Finance DAC	Dublin	—	EUR	<1
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
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. 66 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
Elektra Purchase No. 82 DAC	Dublin	—	EUR	<1
Elektra Purchase No. 83 DAC	Dublin	—	EUR	<1
Elektra Purchase No. 84 DAC	Dublin	—	EUR	<1
Elektra Purchase No. 85 DAC	Dublin	—	EUR	<1
H.F.S. Leasingfonds GmbH & Co. Deutschland 8 KG, Ebersberg (mittelbar gehalten) ^{6.1)}	Ebersberg	0.10	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 9 KG, Ebersberg (mittelbar gehalten) ^{6.2)}	Ebersberg	0.10	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 10 KG, Ebersberg (mittelbar gehalten) ^{6.3)}	Ebersberg	0.10	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 11 KG, Ebersberg (mittelbar gehalten) ^{6.4)}	Ebersberg	0.10	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 12 KG, Ebersberg (mittelbar gehalten) ^{6.5)}	Ebersberg	0.10	EUR	—
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	—

Other Information

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

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
3 Associates						
3.1 Associates valued at equity						
Comtrade Group GmbH ^{4.1)}	Zug	21.1	—	EUR	149,754	8,396
3.2 Minor associates ⁵⁾						
MOC Verwaltungs GmbH	Munich	23.0	23.0	EUR		
MOC Verwaltungs GmbH & Co. Immobilien KG	Munich	23.0	23.0	EUR	1,899	539

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
4 Further holdings according to Section 271 (1) HGB ⁵⁾						
4.1 Banks and financial institutions						
AKA Ausfuhrkredit-Gesellschaft mbH ⁷⁾	Frankfurt am Main	15.4	—	EUR	300,921	13,200
BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin	3.2	—	EUR	13,915	226
BGG Bayerische Garantiegesellschaft mit beschränkter Haftung für mittelständische Beteiligungen	Munich	10.5	—	EUR	63,365	394
BÜRGSCHAFTSBANK BRANDENBURG GmbH	Potsdam	7.8	—	EUR	44,573	3,910
Bürgschaftsbank Hamburg GmbH	Hamburg	10.5	—	EUR	27,749	67
Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin	9.2	—	EUR	18,036	244
Bürgschaftsbank Niedersachsen GmbH	Hannover	3.0	—	EUR	38,020	1,052
Bürgschaftsbank Nordrhein-Westfalen GmbH Kreditgarantiegemeinschaft	Düsseldorf	0.6	—	EUR	44,219	1,303
Bürgschaftsbank Rheinland-Pfalz GmbH	Mainz	1.4	—	EUR	17,874	182
Bürgschaftsbank Saarland Gesellschaft mit beschränkter Haftung, Kreditgarantiegemeinschaft für den Handel, Handwerk und Gewerbe	Saarbrücken	1.3	—	EUR	4,545	245
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	8.9	—	EUR	18,032	475
Bürgschaftsbank Sachsen GmbH (share of voting rights 5.4%)	Dresden	4.7	—	EUR	45,416	351
Bürgschaftsbank Schleswig-Holstein GmbH	Kiel	5.4	—	EUR	43,060	389
Bürgschaftsbank Thüringen GmbH	Erfurt	8.7	—	EUR	29,157	447
MCB Bank Limited	Lahore	>0	—	PKR	270,259,340	57,614,510
Saarländische Investitionskreditbank Aktiengesellschaft	Saarbrücken	2.2	—	EUR	70,464	484
4.2 Other companies						
ABE Clearing S.A.S.	Paris	2.1	—	EUR	56,868	4,568
Acton GmbH & Co. Heureka II KG	Munich	8.9	—	EUR	68,742	3,341
Amstar Liquidating Trust (share of voting rights 0.0%)	New York	>0	>0	USD		
Babcock & Brown Limited	Sydney	3.2	—			
BayBG Bayerische Beteiligungsgesellschaft mbH ⁸⁾	Munich	22.5	—	EUR	278,690	9,431
Bayerischer BankenFonds GbR ⁸⁾	Munich	25.6	—			

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
Blue Capital Equity I GmbH & Co. KG i.L.	Munich	>0	>0	EUR	1,312	29
Blue Capital Equity II GmbH & Co. KG i.L.	Munich	>0	>0	EUR	1,217	34
Blue Capital Equity III GmbH & Co. KG (share of voting rights >0%)	Munich	0.8	0.8	EUR	1,544	62
Blue Capital Equity IV GmbH & Co. KG	Munich	>0	>0	EUR	2,983	158
Blue Capital Equity IX GmbH & Co. KG (share of voting rights 0.6%)	Munich	0.7	0.7	EUR	2,377	19
Blue Capital Equity V GmbH & Co. KG (share of voting rights >0%)	Munich	0.1	0.1	EUR		
Blue Capital Equity VI GmbH & Co. KG	Munich	>0	>0	EUR	2,356	20
Blue Capital Equity VII GmbH & Co. KG	Munich	>0	>0	EUR	1,998	18
Blue Capital Equity VIII GmbH & Co. KG (share of voting rights >0%)	Munich	0.7	0.7	EUR	4,012	59
Blue Capital Metro Amerika Fund, L.P.	Wilmington	0.1	0.1	USD	55,357	27,058
Blue Capital Metropolitan Amerika GmbH & Co. KG	Munich	0.1	0.1	EUR	51,884	20,184
Carlyle Partners V, L.P. (share of voting rights 0.0%)	Wilmington	>0	>0	USD	861,760	3,584
Carlyle U.S. Equity Opportunity Fund, L.P. (share of voting rights 0.0%)	Wilmington	0.9	0.9	USD	2,850	—
CLS Group Holdings AG	Luzern	1.2	—	GBP	347,906	22,074
CME Group Inc.	Wilmington	>0	—	USD	26,486,900	3,525,800
Einkaufsgalerie Roter Turm Beteiligungs GmbH & Co. KG	Munich	>0	>0	EUR	7,441	535
Einkaufsgalerie Roter Turm Chemnitz GmbH & Co. KG	Munich	>0	>0	EUR	39,655	2,549
EURO Kartensysteme GmbH	Frankfurt am Main	6.0	—	EUR	13,219	301
Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG i.L.	Grünwald	11.1	11.1	EUR	17,413	1,295
H.F.S. Immobilienfonds Bahnhofspassagen Potsdam GmbH & Co. KG i.L.	Munich	6.0	6.0	EUR	6,217	108
H.F.S. Immobilienfonds Deutschland 10 GmbH & Co. KG i.L.	Munich	1.4	1.4	EUR	6,851	102
H.F.S. Immobilienfonds Deutschland 12 GmbH & Co. KG	Munich	3.9	3.9	EUR	47,493	1,068
H.F.S. Immobilienfonds Deutschland 15 GmbH & Co. KG	Munich	0.1	0.1	EUR	6,765	2,564
H.F.S. Zweitmarktfonds Deutschland 1 GmbH & Co. KG	Grünwald	0.1	0.1	EUR	6,714	484
H.F.S. Zweitmarktfonds Deutschland 2 GmbH & Co. KG	Grünwald	>0	>0	EUR	39,784	3,214
HVB Trust Pensionsfonds AG (share of voting rights 0.0%) ⁹⁾	Munich	100.0	—	EUR	4,249	104
HVBFF Life Britannia GmbH & Co Erste KG i.L.	Grünwald	>0	>0	EUR	1,638	28
IGEPA Gewerbepark GmbH & Co Vermietungs KG	Munich	2.0	2.0	EUR	59,829	73,534
JBG/BC Investor, L.P.	Chevy Chase	0.5	0.5	USD	38,474	609
Kepler Cheuvreux S.A. (share of voting rights 8.9%) ⁷⁾	Paris	10.6	—	EUR	111,349	20,212
Kreditgarantiegemeinschaft der freien Berufe Baden-Württemberg Verwaltungs-GmbH	Stuttgart	1.3	—	EUR		
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	—	EUR		
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 Verwaltungs-GmbH	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 i.L.	Munich	>0	>0	EUR	9,321	1,004

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
Life GmbH & Co. Zweite KG i.L.	Grünwald	>0	>0	EUR	5,526	520
LME Holdings Limited (share of voting rights 0.0%)	London	>0	—	USD	57,691	32
Martin Schmälzle Grundstücksgesellschaft Objekt Wolfsburg GmbH & Co. KG i.L.	Munich	>0	>0	EUR	1,779	60
MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung	Stuttgart	5.0	—	EUR	117,981	10,078
MBG Mittelständische Beteiligungsgesellschaft Hamburg mbH	Hamburg	13.6	—	EUR	5,828	94
MBG Mittelständische Beteiligungsgesellschaft Rheinland-Pfalz mbH (share of voting rights 11.1%)	Mainz	9.8	—	EUR	17,751	286
MBG Mittelständische Beteiligungsgesellschaft Schleswig-Holstein mbH	Kiel	3.6	—	EUR	53,216	1,530
Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg GmbH	Potsdam	11.6	—	EUR	28,764	968
Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern mbH	Schwerin	15.4	—	EUR	20,335	127
Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mit beschränkter Haftung	Hannover	8.2	—	EUR	17,353	254
Mittelständische Beteiligungsgesellschaft Sachsen-Anhalt (MBG) mbH	Magdeburg	12.7	—	EUR	26,232	63
Mittelständische Beteiligungsgesellschaft Sachsen mbH	Dresden	11.8	—	EUR	49,995	12
Mittelständische Beteiligungsgesellschaft Thüringen mbH	Erfurt	13.4	—	EUR	30,701	682
Motion Picture Production GmbH & Co. Erste KG i.L. (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	3,290	164
Mühoga Münchner Hochgaragen Gesellschaft mit beschränkter Haftung ⁸⁾	Munich	25.0	—	EUR	7,594	1,291
PICIC Insurance Ltd.	Karachi	>0	—	PKR		
ProAreal GmbH i.L.	Wiesbaden	10.0	—	EUR	98,618	16
REF IV Corporation Ltd Acqua CIV S.C.S. ⁸⁾	Luxembourg	38.5	—	EUR		
Rocket Internet Capital Partners (Euro) SCS (share of voting rights 0.0%)	Luxembourg	4.4	—	EUR	451,323	157,800
Saarländische Kapitalbeteiligungsgesellschaft mit beschränkter Haftung (share of voting rights 8.8%)	Saarbrücken	8.7	—	EUR	8,495	360
Social Venture Fund GmbH & Co. KG i.L. (share of voting rights 0.0%)	Munich	9.6	—	EUR		
Social Venture Fund II GmbH & Co. KG (share of voting rights 0.0%)	Munich	4.5	—	EUR	5,994	4,042
SwanCap FLP II SCS (share of voting rights 37.5%) ¹⁰⁾	Senningerberg	—	—	EUR	38	798
SwanCap FLP SCS (share of voting rights 37.5%) ¹⁰⁾	Senningerberg	—	—	EUR	29	1,069
SwanCap TB II SCS (share of voting rights 0.0%) ¹¹⁾	Senningerberg	>0	—	EUR	416	192
S.W.I.F.T. SC	La Hulpe	0.3	—	EUR	871,200	132,900
True Sale International GmbH	Frankfurt am Main	7.7	—	EUR	4,557	21
VISA Inc. (share of voting rights 0.0%)	Wilmington	>0	—	USD	37,909,000	20,025,000
WealthCap Aircraft 25 GmbH & Co. KG	Grünwald	>0	>0	EUR	30,353	28,677
WealthCap Aircraft 26 GmbH & Co. KG	Grünwald	>0	>0	EUR	32,674	26,714
WealthCap Aircraft I GmbH & Co. KG	Munich	>0	>0	EUR	1,625	50
Wealthcap Büro Spezial-AIF 6 GmbH & Co. geschlossene Investment KG	Munich	14.0	14.0	EUR	71,720	23,114
Wealthcap Fondsportfolio Immobilien International 1 GmbH & Co. geschlossene Investment KG	Grünwald	17.6	17.6	EUR	17,914	87
WealthCap Fondsportfolio Private Equity 21 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	69,494	3,134
WealthCap Fondsportfolio Private Equity 22 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	23,361	1,125
Wealthcap Fondsportfolio Private Equity 23 GmbH & Co. geschlossene Investment KG	Grünwald	0.1	0.1	EUR	29,522	166
Wealthcap Fondsportfolio Private Equity 24 GmbH & Co. geschlossene Investment KG	Grünwald	0.1	0.1	EUR	23,249	405

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
Wealthcap Fondsportfolio Private Equity 25 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2	EUR	910	581
Wealthcap Fondsportfolio Private Equity 26 GmbH & Co. geschlossene Investment KG	Grünwald	0.6	0.6	EUR	377	224
WealthCap Immobilien Deutschland 38 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	131,263	1,071
WealthCap Immobilien Deutschland 39 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	153,159	3,213
WealthCap Immobilien Deutschland 40 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	71,936	608
WealthCap Immobilien Deutschland 41 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	116,627	267
Wealthcap Immobilien Deutschland 42 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	77,697	2,972
Wealthcap Immobilien Deutschland 44 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	50,426	2,673
Wealthcap Immobilien Deutschland 45 GmbH & Co. geschlossene Investment KG	Munich	1.6	1.6	EUR	22,657	25
Wealthcap Immobilien Deutschland 46 GmbH & Co. geschlossene Investment KG	Munich	2.0	2.0	EUR	8,818	2,402
WealthCap Immobilienfonds Deutschland 30 GmbH & Co. KG	Munich	>0	>0	EUR	46,097	2,077
WealthCap Immobilienfonds Deutschland 31 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	44,328	170
WealthCap Immobilienfonds Deutschland 32 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	46,873	6,594
WealthCap Immobilienfonds Deutschland 33 GmbH & Co. KG	Munich	>0	>0	EUR	63,025	4,611
WealthCap Immobilienfonds Deutschland 34 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	52,763	4,228
WealthCap Immobilienfonds Deutschland 35 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	225,235	32,465
WealthCap Immobilienfonds Deutschland 37 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	163,327	10,002
WealthCap Immobilienfonds Donauwörth 1 GmbH & Co. KG	Munich	>0	>0	EUR	15,390	1,993
WealthCap Immobilienfonds Donauwörth 2 GmbH & Co. KG (share of voting rights 0.0%)	Munich	>0	>0	EUR	5,732	739
WealthCap Immobilien Nordamerika 16 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	1,184	4
WealthCap Immobilien Nordamerika 17 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	42,765	6,630
WealthCap Infrastructure Fund I GmbH & Co. KG	Munich	>0	>0	EUR	1,412	184
WealthCap Infrastruktur Amerika GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR		
WealthCap Leasing 1 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	24,637	2,812
WealthCap Leasing 2 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	24,481	2,842
WealthCap Leasing 3 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	22,971	2,640
WealthCap Leasing 4 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	21,151	2,547
WealthCap LebensWert 1 GmbH & Co. KG (share of voting rights 0.3%)	Grünwald	>0	>0	EUR	3,320	3,397
WealthCap LebensWert 2. GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	8,161	7,779
WealthCap Life USA 4. GmbH & Co. KG i.L.	Grünwald	>0	>0	EUR	5,371	1,006
WealthCap Los Gatos 121 Albright Way L.P.	Wilmington	>0	>0	USD	37,512	9,667
WealthCap Objekt Berg-am-Laim GmbH & Co. KG	Munich	5.2	5.2	EUR	100,336	10,320
Wealthcap Objekt Berg-am-Laim II GmbH & Co. KG	Munich	10.1	10.1	EUR	61,910	814
Wealthcap Objekt Berlin I GmbH & Co. KG	Munich	10.1	10.1	EUR	31,630	3,090
WealthCap Objekt Berlin II GmbH & Co. KG	Munich	10.1	10.1	EUR	46,464	768

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
Wealthcap Objekt Berlin III GmbH & Co. KG	Munich	10.1	10.1	EUR	21,723	5,590
WealthCap Objekt Bogenhausen GmbH & Co. KG	Munich	>0	>0	EUR	102,240	6,068
Wealthcap Objekt Dresden GmbH & Co. KG	Munich	10.1	10.1	EUR	43,546	7,718
Wealthcap Objekte Grasbrunn und Ismaning GmbH & Co. KG	Munich	10.1	10.1	EUR	29,679	29,027
WealthCap Objekt Essen GmbH & Co. KG	Munich	5.2	5.2	EUR	19,403	2,228
Wealthcap Objekt Essen II GmbH & Co. KG	Munich	10.1	10.1	EUR	28,233	9,103
WealthCap Objekte Südwest GmbH & Co. KG	Munich	5.1	5.1	EUR	49,650	3,331
WealthCap Objekt Frankfurt GmbH & Co. KG	Munich	5.2	5.2	EUR	38,995	4,628
Wealthcap Objekt Freiburg GmbH & Co. KG	Munich	10.1	10.1	EUR	28,234	1,235
Wealthcap Objekt Fürstenfeldbruck GmbH & Co. KG	Munich	10.1	10.1	EUR	8,488	517
WealthCap Objekt Hackerbrücke GmbH & Co. KG	Munich	5.2	5.2	EUR	32,848	1,268
WealthCap Objekt Hamburg GmbH & Co. KG	Munich	10.1	10.1	EUR	17,411	1,131
WealthCap Objekt Hannover Ia GmbH & Co. KG	Munich	5.2	5.2	EUR	12,420	968
WealthCap Objekt Hannover Ib GmbH & Co. KG	Munich	5.2	5.2	EUR	3,405	317
WealthCap Objekt Hannover II GmbH & Co. KG	Munich	5.2	5.2	EUR	13,189	472
WealthCap Objekt Hufelandstraße GmbH & Co. KG	Munich	5.2	5.2	EUR	11,089	556
Wealthcap Objekt Ludwigsburg GmbH & Co. KG	Munich	10.1	10.1	EUR	24,745	5,040
Wealthcap Objekt Mainz GmbH & Co. KG	Munich	10.1	10.1	EUR	12,355	19,980
Wealthcap Objekt Nürnberg GmbH & Co. KG	Munich	10.1	10.1	EUR	28,459	1,407
Wealthcap Objekt Ottobrunn GmbH & Co. KG	Munich	10.1	10.1	EUR	9,740	380
WealthCap Objekt Riem GmbH & Co. KG	Munich	5.2	5.2	EUR	28,292	1,621
WealthCap Objekt Riem II GmbH & Co. KG	Munich	5.2	5.2	EUR	33,397	1,111
WealthCap Objekt Schwabing GmbH & Co. KG	Munich	5.2	5.2	EUR	23,975	1,810
WealthCap Objekt Sendling GmbH & Co. KG	Munich	5.2	5.2	EUR	50,890	2,287
WealthCap Objekt Stuttgart Ia GmbH & Co. KG	Munich	>0	>0	EUR	14,520	1,341
WealthCap Objekt Stuttgart Ib GmbH & Co. KG	Munich	>0	>0	EUR	15,978	1,528
WealthCap Objekt Stuttgart II GmbH & Co. KG	Munich	5.2	5.2	EUR	20,949	1,041
WealthCap Objekt Theresienhöhe GmbH & Co. KG	Munich	5.2	5.2	EUR	33,140	24,632
Wealthcap Objekt Trudering GmbH & Co. KG	Munich	10.2	10.2	EUR	991	3,767
Wealthcap Objekt Tübingen GmbH & Co. KG	Munich	0.1	0.1	EUR	13,109	1,128
WealthCap Photovoltaik 1 GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	27,501	4,767
WealthCap Portfolio 3 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	60,809	570
Wealthcap Portfolio 4/5 GmbH & Co. KG	Grünwald	>0	>0	EUR	61,761	1,158
Wealthcap Portfolio 4 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	64,563	2,523
Wealthcap Portfolio 5 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2	EUR	10,483	410
Wealthcap Portfolio 6 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2	EUR	19,446	117
WealthCap Private Equity 10 GmbH & Co. KG	Munich	>0	>0	EUR	972	448
WealthCap Private Equity 11 GmbH & Co. KG	Munich	>0	>0	EUR	865	157
WealthCap Private Equity 12 GmbH & Co. KG	Grünwald	>0	>0	EUR	3,053	340
WealthCap Private Equity 13 GmbH & Co. KG	Grünwald	>0	>0	EUR	27,619	6,580
WealthCap Private Equity 14 GmbH & Co. KG	Grünwald	>0	>0	EUR	15,290	3,902
WealthCap Private Equity 15 GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	2,275	335
WealthCap Private Equity 16 GmbH & Co. KG (share of voting rights 0.3%)	Grünwald	>0	>0	EUR		
WealthCap Private Equity 17 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	6,519	598

Other Information

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL in thousands	NET PROFIT in thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
WealthCap Private Equity 18 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	4,703	427
WealthCap Private Equity 19 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	69,196	3,342
WealthCap Private Equity 20 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	21,164	1,091
WealthCap SachWerte Portfolio 1 GmbH & Co. KG	Grünwald	>0	>0	EUR	9,557	179
WealthCap SachWerte Portfolio 2 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	68,654	916
WealthCap Spezial-AIF 1 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	190,894	4,903
WealthCap Spezial-AIF 2 GmbH & Co. geschlossene Investment KG	Munich	5.2	5.2	EUR	73,887	499
WealthCap Spezial-AIF 3 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	271,214	19,822
WealthCap Spezial-AIF 4 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	163,754	64,233
WealthCap Spezial-AIF 5 GmbH & Co. geschlossene Investment KG	Munich	10.1	10.1	EUR	356,987	7,928
Wealthcap Spezial-AIF Büro 7 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	61,305	13,073
Wealthcap Spezial-AIF Immobilien 9 GmbH & Co. geschlossene Investment KG	Munich	0.2	0.2	EUR	152	2,984
Wealthcap Spezial Portfolio Immobilien 1 SCS SICAV-SIF	Luxembourg-Findel	>0	>0	EUR	36,136	3,537
Wealthcap Spezial Portfolio Private Equity 1 SCS SICAV-SIF	Luxembourg-Findel	>0	>0	EUR	4,330	170
WealthCap US Life Dritte GmbH & Co. KG i.L. (share of voting rights >0%)	Grünwald	0.1	0.1	EUR	3,556	803
Wealthcap Wohnen 1a GmbH & Co. KG	Munich	10.1	10.1	EUR	30,369	1,026
Wealthcap Wohnen 1b GmbH & Co. KG	Munich	10.1	10.1	EUR	24,127	771
Wealthcap Wohnen 1 GmbH & Co. KG	Munich	10.1	10.1	EUR	49,641	509
Wealthcap Wohnen Spezial-AIF 1 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	116,861	2,642
WealthCap Zweitmarkt 3 BASIS GmbH & Co. KG	Grünwald	>0	>0	EUR	17,929	442
WealthCap Zweitmarkt 3 PLUS GmbH & Co. KG	Grünwald	>0	>0	EUR	2,101	80
WealthCap ZweitmarktWerte Immobilien 4 GmbH & Co. KG	Munich	>0	>0	EUR	4,057	67
Wohnungsbaugesellschaft der Stadt Röthenbach a. d. Pegnitz mit beschränkter Haftung	Röthenbach an der Pegnitz	5.2	—	EUR	5,630	370

Other Information

Exchange rates for 1 euro at the reporting date

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

UK	1 EUR =	0.8726	GBP
Pakistan	1 EUR =	328.78	PKR
USA	1 EUR =	1.1750	USD

Notes and comments to the list of holdings

Percentages marked < or > are rounded up or down to no decimal place. Thus <100% corresponds, for example, to 99.99% or >0%, for example, to 0.01%.

1 Profit and loss transfer to shareholders and partners

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

Company	Profit/(loss) transferred € thousands
2.1 HVB Immobilien AG, Munich	(16,961)
2.2 HVB Verwa 4.4 GmbH, Munich	(13)
2.3 UniCredit Direct Services GmbH, Munich	2,441
2.4 Wealth Management Capital Holding GmbH, Munich	(5,925)
of which relating to 2024	787
2.5 Food & more GmbH, Munich	(923)
2.6 HVB Secur GmbH, Munich	188

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

4 Figures from the previous years' annual accounts are indicated for this consolidated company.

4.1 Figures from the 2024 annual accounts

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 €6,076 thousand and the net profit/loss to €5 thousand.
- 6.2 Equity capital amounts to minus €6,321 thousand and the net profit/loss to €5 thousand.
- 6.3 Equity capital amounts to minus €4,742 thousand and the net profit/loss to €4 thousand.
- 6.4 Equity capital amounts to minus €4,109 thousand and the net profit/loss to €3 thousand.
- 6.5 Equity capital amounts to minus €5,230 thousand and the net profit/loss to €4 thousand.

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

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.

Other Information

98 Members of the Supervisory Board¹

Andrea Orcel	Chairman
Florian Schwarz	Deputy Chairman
Dr Bernd Metzner	Deputy Chairman
Dr Michael Diederich until 25 March 2025	Member - Shareholder representative
Sabine Eckhardt until 25 March 2025	Member - Shareholder representative
Sabine Heimbach	Member - Shareholder representative
Marcus Kramer since 25 March 2025	Member - Shareholder representative
Fiona Melrose	Member - Shareholder representative
Tanja Münchrath since 25 March 2025	Member - Employee representative
Sonia Nassar until 25 March 2025	Member - Employee representative
Angelika Plauk since 25 March 2025	Member - Shareholder representative
Claudia Richter	Member - Employee representative
Oliver Skrbot	Member - Employee representative
Christian Staack	Member - Employee representative
Gregor Völkl until 25 March 2025	Member - Employee representative
Lisa Wolf since 25 March 2025	Member - Employee representative

¹ As at 31 December 2025.

Other Information

99 Members of the Executive Board¹

Marion Höllinger	Spokeswoman of the Executive Board (CEO)
René Babinsky	Head of Private Clients
Marion Bayer-Schiller	Head of Large Corporates
Martin Brinckmann	Head of Small and Medium Corporates
Artur Gruca	Chief Digital & Operating Officer (CDOO)
Marco Iannaccone	Head of Client Solutions
Georgiana Lazar-O'Callaghan	Head of People & Culture (including Labour and Social Affairs pursuant to Section 27 (2) 2 MgVG)
Pierpaolo Montana	Chief Risk Officer (CRO)
Ljubisa Tesić	Chief Financial Officer (CFO)

¹ As at 31 December 2025.

Munich, 27 February 2026

UniCredit Bank GmbH
Executive Board

René Babinsky

Marion Bayer-Schiller

Martin Brinckmann

Artur Gruca

Marco Iannaccone

Marion Höllinger

Georgiana Lazar-O'Callaghan

Pierpaolo Montana

Ljubisa Tesić

Responsibility Statement by the Executive Board

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

Munich, 27 February 2026

UniCredit Bank GmbH
The Executive Board

René Babinsky

Marion Bayer-Schiller

Martin Brinckmann

Artur Gruca

Marco Iannaccone

Marion Höllinger

Georgiana Lazar-O'Callaghan

Pierpaolo Montana

Ljubisa Tesić

Auditor's Report

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

Independent Auditor's Report

To UniCredit Bank GmbH, Munich

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

Opinions

We have audited the consolidated financial statements of UniCredit Bank GmbH, Munich, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of UniCredit Bank GmbH for the financial year from January 1 to December 31, 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated 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 those components of the combined management report specified in the "Other Information" section of the auditor's report.

Auditor's Report

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated 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 Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities 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 consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Determination of Stage 1 and 2 loss allowances provisions for credit losses on loans and receivables with customers (at amortized cost)

The significant accounting policies and significant accounting judgments are described in Note 14 in the notes to the consolidated financial statements. For information on impairment under IFRS 9, please refer to Notes 55 and 74 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2025, UniCredit Bank GmbH reported loans and receivables with customers (at amortized cost) amounting to EUR 169,191 million (PY: EUR 162,565 million) in its consolidated financial statements. In addition, the Bank reported loss allowances for loans and receivables with customers (at amortized cost) of EUR 84 million (PY: EUR 136 million) for Stage 1 and EUR 316 million (PY: EUR 374 million) for Stage 2.

The determination of impairment is based on expected credit losses and therefore also includes expectations about the future. Expected credit losses are recognized pursuant to IFRS 9 using a three-stage process to calculate impairment.

Auditor's Report

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

Calculating the allowance for expected credit losses in Stages 1 and 2 requires the use of complex models.

This includes considering various value determinants, such as the determination of statistical default probabilities and loss rates, the possible amount due on default, the stage transfer criteria related to a significant change in borrowers' credit risk (significant increase in credit risk, SICR), as well as the calculation of future cash flows. 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 overlay adjustments.

There is considerable judgment with regard to the PD models used to determine the probability of default, internal ratings, selection of macroeconomic scenarios and determination of the overlay.

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 to support our audit opinion. We tested the design, setup and effectiveness of the relevant controls used to determine the loss allowance.

Among other controls, our audit included controls regarding:

- Determination of parameter-based loan loss provisioning in Steps 1 and 2
- Validation of the models used for this purpose and the application of parameters
- Rating determination and approvals
- Determination of the geopolitical overlay

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 loss allowances and the accounting policies for the loss allowances
- Evaluation of significant model modifications
- 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 a risk basis, and assessment of the criteria used to identify a significant increase in credit risk

Auditor's Report

- Recalculation of the parameter-based loss allowance calculation
- Assessment of the appropriateness of the macroeconomic variables, scenarios and their weighting
- Assessment of the assumptions, calculation and implementation of overlays
- Benchmarking of key elements of the methodology and assumptions against institutions of similar size and complexity

OUR OBSERVATIONS

The models used to determine the allowance for expected credit losses in Stages 1 and 2 from loans and receivables with customers (at amortized costs) were applied appropriately in accordance with the applicable accounting standards. The parameters underlying the calculation are appropriate.

Determination of the Stage 3 loss allowance provision for credit losses on loans and receivables with customers (at amortized cost)

The significant accounting policies and significant accounting judgments are described in Note 14 in the notes to the consolidated financial statements. For information on impairment under IFRS 9, please refer to Notes 55 and 74 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2025, UniCredit Bank GmbH reported loans and receivables with customers (at amortized cost) amounting to EUR 169,191 million (PY: EUR 162,565 million) in its consolidated financial statements. Moreover, the Bank reported loss allowances for loans and receivables with customers (at amortized cost) of EUR 1,152 million (PY: EUR 1,175 million) for Stage 3.

The determination of impairment is based on expected credit losses and therefore also includes expectations about the future. Expected credit losses are recognized pursuant to IFRS 9 using a three-stage process to calculate impairment.

Stage 3 loss allowances concern credit-impaired financial instruments and take into account all expected credit losses from default events for the entire remaining term.

The measurement of provisions for expected credit losses in Stage 3 is generally based on probability-weighted scenarios. Judgment is to be exercised to a material extent when determining scenarios by number and content, deriving expected cash flows in the respective scenario and assessing the probabilities of occurrence.

The majority of risk provisioning for financial instruments with credit-impaired ratings relate to loss allowances for loans of significant amounts.

For the purpose of our audit, it was therefore important that appropriate criteria for identifying credit-impaired exposures were defined and that a process is in place to ensure that these exposures are identified. In addition, it was relevant for our audit that appropriate assumptions are made regarding the amount of the contractual cash flows still expected and/or the amount of the cash flows to be expected from the realization of the loan collateral provided when calculating the expected credit loss allowances in Stage 3.

Auditor's Report

The financial statement risk in the case of risk provisioning for expected credit losses in Stage 3 is that credit-impaired exposures are not identified and that incorrect assumptions about the amount of expected cash flows and/or the realization of loan collateral provided lead to the counterparty credit risks not being appropriately taken into account and the loans and advances are therefore incorrectly measured.

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 loss allowance.

Among other controls, our audit included controls regarding:

- Identification of credit-impaired exposures
- Determination of the individual loss allowances in Stage 3 for loans of significant amounts

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:

- Impairment testing of loans and receivables using a deliberate sample of individual exposures from a materiality and risk perspective.
 - Examination whether criteria indicating a requirement for specific loan loss provisioning are met for the selected exposures.
 - Assessing the consistency between the recovery or resolution strategy underlying the measurement and the actual circumstances, as well as its verifiability in the case of impaired exposures, including probability-weighted scenarios.
 - Assessing the assumptions on the anticipated contractual cash flows and/or the anticipated cash flows from the realization of the collateral provided.
 - Verifying the legal status and recoverability of the collateral provided on which the measurement of the loan and receivable is based. In this context, assessment of appraisals prepared by independent experts – insofar as relevant to the facts of the situation and significant for assessing recoverability – based on publicly available information as to whether their assumptions were appropriately derived from suitable internal and external sources
 - Verifying whether the required specific loan loss provisioning had been correctly calculated.
- Assessing a sample of individual exposures that were not part of our deliberate selection to determine whether the criteria for identifying credit-impaired exposures were appropriately applied to the individual cases and, where necessary, led to the recognition of a provision for expected credit losses in Stage 3.

OUR OBSERVATIONS

The criteria for identifying credit-impaired exposures as well as assumptions regarding the amount of contractual cash flows still to be expected and/or regarding the amount of cash flows expected from the realization of the pledged loan collateral provided were selected

Auditor's Report

appropriately and used in accordance with the accounting standards applicable to the measurement of risk provisioning for expected credit losses in Stage 3.

Determination of fair value of Level 2 and Level 3 financial instruments with equity components

The significant accounting policies are described in Notes 9 to 12 as well as 22 to 23 in the notes to the consolidated financial statements. For information on the fair value categories with regard to Level 2 and Level 3 financial instruments, please refer to Note 80 in the notes to consolidated financial statements.

THE FINANCIAL STATEMENT RISK

Financial instruments of fair value Levels 2 and 3 under IFRS 13 are largely securities and derivatives measured at fair value according to IFRS 9 for which there is no quoted price on an active market and for which valuation methods are used based on observable and unobservable market data.

As of the reporting date, the Group reported under assets Level 2 and Level 3 financial instruments totaling EUR 55 billion (PY: EUR 61 billion), which are measured at fair value. This corresponds to 65.5% (PY: 65.5%) of financial assets measured at fair value and 19.2% (PY: 20.9%) of total assets, representing a significant item within the assets shown in the consolidated balance sheet.

Level 2 and Level 3 financial instruments of EUR 51 billion (PY: EUR 59 billion) measured at fair value are included under liabilities. This corresponds to 91.9% (PY: 94.1%) of financial liabilities measured at fair value and 17.9% (PY: 20.3%) of total equity and liabilities, representing a significant item within the liabilities shown in the consolidated balance sheet.

These items include a significant portion of securities and derivatives with equity components, 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 valuation methods used may be based on complex models and include assumptions subject to judgment, especially for unobservable parameters.

There is the risk for the financial statements that the Level 2 and Level 3 financial instruments with equity components are measured using inappropriate valuation models as well as inappropriate inputs and that these financial instruments are thus reported in an inaccurate amount.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we developed an audit approach which encompasses both control testing as well as substantive audit procedures. We tested the design, setup and effectiveness of the relevant controls used to determine the fair values for Level 2 and Level 3 financial instruments with equity components.

Among other controls, our audit included controls regarding:

- Validation or independent verification of observable and unobservable market data/prices
- Validation of the measurement methods and models

Auditor's Report

- Recording of trading transactions as well as the measurement of relevant trade data in the IT systems

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

As of December 31, 2025, we carried out (among other things) the following substantive audit procedures for Level 2 and Level 3 financial instruments with equity components selected based on risk:

- Remeasurement of fair values using independent valuation methods, inputs and models with the involvement of KPMG's internal valuation experts
- Inspection of the functional design and documentation as well as remeasurement of adjustments – which were selected based on risk – for determining fair value, and
- Assessment of appropriateness of the own credit spread and funding spread curve used to measure financial liabilities.

OUR OBSERVATIONS

The valuation models and inputs used to determine the fair value of Level 2 and Level 3 financial instruments with equity components are appropriate.

Balance sheet presentation of the transfer of the trading operations

The significant accounting policies are described in Note 29 in the notes to the consolidated financial statements. Please refer to Notes 40, 51, 57, 68 and 70 in the notes to the consolidated financial statements for information on the affected items in the consolidated balance sheet and the consolidated income statement.

THE FINANCIAL STATEMENT RISK

In financial year 2023, a decision was made to transfer the trading activities within UniCredit Group to the parent company UniCredit S.p.A., Milan, in future and to discontinue UniCredit Bank GmbH's proprietary trading on the market.

In this context, both the transfer of the holdings of the respective portfolios in several tranches and the sale of the trading business to the parent company were agreed.

The corresponding jobs are also being transferred to the parent company.

The portfolio holdings associated with trading activities in foreign currency products, credit derivatives and commodities were contractually transferred to the parent company in 2025.

For the transfer of risks from the customer and hedge derivatives allocated to this portfolio, new derivatives were concluded back-to-back with the parent company and novations were agreed with the external counterparties.

Securities allocated to the portfolios were sold to the parent company at fair market value on the respective transfer date.

The net fair value of all transfers amounting to EUR 6.8 billion was reimbursed by the parent company to UniCredit Bank GmbH in the form of a compensation payment.

Auditor's Report

The valuation of the transferred financial instruments and commodities on which the compensation payment is based is subject to judgment.

The further gradual transfer of the remaining trading activities, including portfolio holdings, will take place as scheduled by 2026.

Due to the high number of transactions and the complex structure of the individual transfer steps, there are increased operational risks.

There is the risk for the financial statements that the presentation of these significant transactions between affiliated companies, which are unusual in terms of their size and complexity, and the measurement of the corresponding financial instruments and commodities have not been carried out in accordance with the contractual basis and the applicable accounting principles.

OUR AUDIT APPROACH

We obtained an understanding of the transactions and assessed the resulting risks using the contractual documents and the internal documentation of UniCredit Bank GmbH.

We then obtained an understanding of the Bank's quality assurance measures aimed at the correct execution of these non-routine transactions.

On this basis, we performed (among others) the following key audit procedures:

- Performing a remeasurement of the fair values of entire portfolios as well as deliberately selected samples of the transferred financial instruments and risk exposures from other transferred portfolios using independent valuation methods, parameters and models by KPMG's internal valuation experts in order to test the market conformity of the recognized fair values
- Comparison of the individual transactions carried out as part of the transfers with the contractual agreements
- Verification of the mathematical calculation of the compensation payments as the balance of the positive and negative fair values of the individual transferred risk exposures and transferred financial instruments
- Verification of the compensation payments made using proof of payments

OUR OBSERVATIONS

The procedure for presenting the transactions and measuring the corresponding financial instruments and the commodities is in line with the contractual basis and the applicable accounting principles.

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 included in the section entitled "Corporate governance statement pursuant to Section 289f (4) HGB" of the combined management report.

Auditor's Report

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

Our opinions on the consolidated 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 consolidated 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 Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, management is responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated 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 Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Group's position and, in all material respects, is consistent with the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and of arrangements and measures 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 the Group's internal control or of these arrangements and measures.
- 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 Group'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 consolidated 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by

Auditor's Report

the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

Auditor's Report

- 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 consolidated 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 Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "unicreditbankgmbh-2025-12-31-0-de.zip" (SHA256-Hashwert: 67943d7c1a6f99260723c4a039ad570f224a67a12245f5b29913523c5b01ed23) 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 consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated 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 consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance

Auditor's Report

opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated 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 in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that 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.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

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.

Auditor's Report

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on March 25, 2025. We were engaged by the Supervisory Board on August 1, 2025. We have been the auditor of the consolidated financial statements of UniCredit Bank GmbH 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).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German company register [Unternehmensregister] – are merely electronic renderings of the audited consolidated 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 made available in electronic form.

Auditor's Report

German Public Auditor Responsible for the Engagement

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

Munich, February 27, 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Pfeiffer
Wirtschaftsprüfer
[German Public Auditor]

Geiger
Wirtschaftsprüfer
[German Public Auditor]

List of Executives and Outside Directorships

Supervisory Board¹

Name, occupation, place of residence	Positions on other statutory supervisory boards of German companies	Positions on comparable boards of German and foreign companies
Andrea Orcel Group Chief Executive Officer and Head of Italy of UniCredit S.p.A., Milan Chairman		EIS Group Inc., San Francisco (USA)
Florian Schwarz Employee of UniCredit Bank GmbH, Munich Deputy Chairman		
Dr Bernd Metzner since 1 September 2025 Member of the Executive Board (Chief Financial Officer) of Unternehmensgruppe Theo Müller S.e.c.s., (until 31 August 2025 Member of the Management Board (Chief Financial Officer) of Gerresheimer AG), Munich Deputy Chairman	Gerresheimer Bünde GmbH, Bünde (Deputy Chairman) until 31 August 2025 Gerresheimer Regensburg GmbH, Regensburg (Deputy Chairman) until 31 August 2025 Gerresheimer Tettau GmbH, Tettau (Deputy Chairman) until 31 August 2025	Gerresheimer Glass Inc., Vineland (USA) until 31 August 2025 Centor US Holding Inc., Perrysburg (USA) until 31 August 2025 Centor Inc., Perrysburg (USA) until 31 August 2025 Centor Pharma Inc., Perrysburg (USA) until 31 August 2025 Sensile Medical AG, Olten (Switzerland) until 31 August 2025
Dr Michael Diederich until 25 March 2025 Member of the Management Board (Chief Financial Officer) and Deputy Chairman of the Management Board of FC Bayern München AG, Riemerling	Ehrmann SE, Oberschönnegg	akf bank GmbH & Co KG, Wuppertal Bundesliga International GmbH, Frankfurt am Main
Sabine Eckhardt until 25 March 2025 Supervisory Board member and advisor (former CEO Central Europe Jones Lang LaSalle SE and member of the Executive Board of ProSiebenSat.1 Media SE), Munich	CECONOMY AG, Düsseldorf Edel SE & Co. KGaA, Hamburg (Chairwoman)	
Sabine Heimbach Political and communications consultant (former Managing Director and Member of the Board of Bayerischer Bankenverband e.V., Deputy Spokesperson of the former Federal Government), Anzing		
Marcus Kramer since 25 March 2025 Former Member of Management Board (Chief Risk Officer) of BayernLB, Starnberg		
Fiona Melrose Head of Group Strategy and ESG of UniCredit S.p.A., Milan		
Tanja Münchrath since 25 March 2025 Employee of UniCredit Bank GmbH Milan Branch, Milan		

List of Executives and Outside Directorships

Name, occupation, place of residence	Positions on other statutory supervisory boards of German companies	Positions on comparable boards of German and foreign companies
Sonia Nassar until 25 March 2025 Employee of UniCredit Bank GmbH, Paris		
Angelika Plauk since 25 March 2025 Former Head of Internal Audit of UniCredit Bank AG, Grünwald		
Claudia Richter Employee of UniCredit Bank GmbH, Fürth		
Oliver Skrbot Employee of UniCredit Bank GmbH, Buttenwiesen		
Christian Staack Employee of UniCredit Bank GmbH, Hamburg		
Gregor Völkl until 25 March 2025 District Trade Secretary of Vereinte Dienstleistungsgewerkschaft ver.di FB 1 unit – Financial Services Munich district, Munich	Generali Deutschland AG, Munich	
Lisa Wolf since 25 March 2025 Union Secretary of Vereinte Dienstleistungsgewerkschaft ver.di, Bavaria, Nordendorf		

1 As at 31 December 2025.

List of Executives and Outside Directorships

Supervisory Board committees^{1, 2}

Audit Committee

Dr Bernd Metzner, Chairperson
Fiona Melrose
Angelika Plauk (since 28 March 2025)
Oliver Skrbot

Former member in the reporting year
Sabine Eckhardt (until 25 March 2025)

Nomination Committee

Fiona Melrose, Chairperson
Sabine Heimbach (since 28 March 2025)
Angelika Plauk (since 28 March 2025)
Florian Schwarz

Former members in the reporting year
Dr Michael Diederich (until 25 March 2025)
Sabine Eckhardt (until 25 March 2025)

Remuneration Control Committee

Fiona Melrose, Chairperson
Marcus Kramer (since 28 March 2025)
Angelika Plauk (since 28 March 2025)
Florian Schwarz

Former members in the reporting year
Sabine Eckhardt (until 25 March 2025)
Sabine Heimbach (until 25 March 2025)

Risk Committee

Marcus Kramer, Chairperson (Member since 28 March 2025, Chairperson since 31 March 2025)
Sabine Heimbach
Fiona Melrose
Christian Staack

Former member in the reporting year
Dr Michael Diederich, Chairperson (until 25 March 2025)

¹ As of 31 December 2025.

² See also the Report of the Supervisory Board.

List of Executives and Outside Directorships

Trustees¹

Trustees for Pfandbrief operations pursuant to Section 7 of the German Pfandbrief Act

Robert Saliter

Ministerialdirigent (Director General) in the Bavarian State Ministry of Finance and Homeland Affairs, Munich

Deputies

Dr Frank Hils

Ministerialrat (Director General) in the Bavarian State Ministry of Finance and Homeland Affairs, Munich

Dominik Kazmaier

Ministerialdirigent (Director General) in the Bavarian State Ministry of Finance and Homeland Affairs,
Fürstenfeldbruck

¹ As of 31 December 2025.

List of Executives and Outside Directorships

Executive Board¹

Name	Positions on other statutory supervisory boards of German companies	Positions on comparable boards of German and foreign companies
Marion Höllinger born 1972 Spokeswoman of the Executive Board (CEO)		ESMT European School of Management and Technology GmbH, Berlin Kreditanstalt für Wiederaufbau (KfW), Frankfurt am Main
René Babinsky born 1978 Head of Private Clients		
Marion Bayer-Schiller born 1976 Head of Large Corporates	HVB Immobilien AG, Munich ²	
Martin Brinckmann born 1980 Head of Small and Medium Corporates		
Artur Gruca born 1979 Chief Digital & Operating Officer (CDOO)	HVB Immobilien AG, Munich, (Deputy Chairman) ²	
Marco Iannaccone born 1970 Head of Client Solutions	WealthCap Kapitalverwaltungsgesellschaft mbH, Grünwald (Chairman) ²	Wealth Management Capital Holding GmbH, Munich (Chairman) ²
Georgiana Lazar-O'Callaghan born 1980 Head of People & Culture (incl. Human Capital/Labour & Social Affairs pursuant to Section 27 (2) s. 2 MgVG)		UniCredit Hungary Zrt., Budapest (Hungary), since 13 November 2025
Pierpaolo Montana born 1967 Chief Risk Officer (CRO)	HVB Immobilien AG, Munich (Chairman since 1 May 2025) ² WealthCap Kapitalverwaltungsgesellschaft mbH, Grünwald (Deputy Chairman) ²	Wealth Management Capital Holding GmbH, Munich (Deputy Chairman) ²
Ljubisa Tesić born 1976 Chief Financial Officer (CFO)		

¹ As at 31 December 2025.

² Group directorship.

List of Executives and Outside Directorships

List of employees and outside directorships

Name	Positions ¹ on statutory supervisory boards of other companies
Dr. Fackler, Stephan	HVB Trust Pensionsfonds AG, Munich
Iliev, Nikolay	HVB Trust Pensionsfonds AG, Munich
Dr. Jungemann, Lars	HVB Trust Pensionsfonds AG, Munich
Löhr, Jochen	HVB Trust Pensionsfonds AG, Munich
Postler, Oliver	HVB Trust Pensionsfonds AG, Munich
Schielke, Brigitte	HVB Trust Pensionsfonds AG, Munich
di Stasi, Salvatore	Kepler Cheuvreux S.A.
Stipkovic, Sven	WealthCap Kapitalverwaltungsgesellschaft mbH ²
Weidenhöfer, Peter	WealthCap Kapitalverwaltungsgesellschaft mbH ²
Woisetschläger, Herbert	WealthCap Kapitalverwaltungsgesellschaft mbH ²
Zeigherman, Patrik	Eintracht Frankfurt Fußball Aktiengesellschaft

1 As at 31 December 2025.

2 Group directorship.

Report of the Supervisory Board

In the reporting year, the Supervisory Board of UniCredit Bank GmbH (hereinafter: “HVB” or “Bank”) discharged the responsibilities incumbent on it by law, the Articles of Association, and its By-laws. Within that framework, it advised the Executive Board on the conduct of the Bank’s affairs, continuously monitored its management activities and thus satisfied itself that these were lawful and proper.

The Executive Board informed the Supervisory Board regularly, promptly, and comprehensively of business policies and the business strategy along with fundamental issues concerning corporate management and planning as well as the economic position of the individual business units. The Supervisory Board thoroughly examined the financial development of the Bank and HVB Group, especially their profitability and earnings situation, liquidity and capital management, and the risk situation. The Executive Board also submitted comprehensive reports on significant transactions, legal risks, including legal disputes, and compliance topics that were discussed at length by the Supervisory Board. These reports were provided primarily at the meetings of the Supervisory Board and its committees, but also outside of meetings in written form. Furthermore, important topics and pending decisions were addressed at regular meetings between the Spokeswoman of the Executive Board and the Chairman of the Supervisory Board. The Supervisory Board was directly consulted at an early stage on decisions of fundamental importance for the Bank, engaged in comprehensive consultations on the matters at hand, and, insofar as this was indicated, voted on the same after conducting diligent reviews. Resolutions of the Supervisory Board were also passed outside of meetings as required. Where necessary, meetings were held or individual items on the agenda were discussed even without the participation of the Executive Board. Potential conflicts of interest of individual Supervisory Board members were disclosed and taken into account where these existed.

Meetings and other resolutions of the full Supervisory Board

In the 2025 financial year, the Supervisory Board held six regular meetings and two extraordinary meetings as well as the constituent meeting of the newly elected Supervisory Board subsequent to the Annual Shareholders’ Meeting on 28 March 2025.

The Supervisory Board addressed the following subjects in particular:

At the first meeting of the year on **27 February 2025**, the Supervisory Board confirmed that the total amount proposed as variable remuneration for the year 2024 for Executive Board members and HVB Group employees was appropriate.

On 5 March 2025, the Supervisory Board adopted resolutions outside of meetings on the personnel changes in the positions of Chief Compliance Officer – including the functions of MaRisk and MaComp Compliance Officer and Anti-Money Laundering Officer – and the Head of Internal Audit with effect from 1 April 2025.

At the strategy and accounts meeting on **13 March 2025**, the Supervisory Board discussed the 2024 annual and consolidated financial statements including the combined management report for UniCredit Bank GmbH and HVB Group with the independent auditor, KPMG AG Wirtschaftsprüfungsgesellschaft (hereinafter “KPMG”) and approved them at the recommendation of the Audit Committee following its own in-depth review. The Supervisory Board also approved the report of the Supervisory Board for the 2024 financial year. As part of the report from the Audit Committee, the Supervisory Board was then briefed on compliance with banking supervisory regulations and discussed the implementation of the 2024 audit plan by Internal Audit. Another key topic of the meeting was the “2025 Business and Risk Strategies” of HVB Group, taking climate and environmental risks and goals into account. In this context, the Supervisory Board also discussed the 2025 budget and the 2026 – 2027 projections of HVB Group. In addition, the Supervisory Board discussed the implementation of the overall risk appetite and risk strategy with the Executive Board. The results of the Supervisory Review and Evaluation Process (SREP) were

Report of the Supervisory Board

also discussed in detail. With regard to strategy implementation, the Supervisory Board was briefed on individual projects and passed votes thereon where necessary. In particular, it heard an update on a strategic project for the further development of securities services. A further project concerned the internal investigation associated with the search at HVB on 5 December 2024. It relates to a case from the past involving a single customer and several European banks. HVB had previously reported the case to the authorities. The Supervisory Board received comprehensive information on the status of the investigations.

At the meeting on **24 March 2025**, the Supervisory Board reviewed the appropriateness of the structure of the 2025 Group Incentive System for the Bank, the rules of determining the variable remuneration for risk takers as defined by the German Regulation on the Supervisory Requirements for Institutions' Remuneration Systems (Institutsvergütungsverordnung – InstitutsVergV) and adopted this for the Executive Board members. The Supervisory Board monitored the appropriateness of the approach and methodology for the implementation of a group-wide one-off measure aimed at compensating the Group Material Risk Takers (GMRT) for the reduction in the economic value of their variable remuneration paid in shares after regulatory clarifications by the EBA and adopted the required resolutions. Furthermore, the Supervisory Board passed resolutions on the variable remuneration for Executive Board members, including former Executive and Management Board members, for the 2024 financial year as well as the 2025 targets set for Executive Board members. In addition, the Supervisory Board monitored the appropriateness and customary nature of the 2025 remuneration packages for the Executive Board members and approved adjustments of the remuneration packages of individual members of the Executive Board. At the recommendation of the Nomination Committee, the Supervisory Board adopted resolutions on the fit and proper assessments for shareholder representatives performed within the framework of the regular election of Supervisory Board members. The Supervisory Board also adopted a resolution on its resolution proposals for the individual items on the agenda of the Shareholders Meeting, especially with respect to the election of the shareholder representatives among the members of the Supervisory Board and – taking account of the Audit Committee's recommendation – on the election of the independent auditor of the Bank and the Group for the 2025 financial year.

On **28 March 2025**, the constituent meeting of the Supervisory Board was held, where the Chairperson and the Deputy Chairpersons of the Supervisory Board as well as the members of its committees were elected.

At the meeting on **30 April 2025**, the Supervisory Board was briefed on the current situation of HVB Group, in particular the progress made in individual projects within the framework of the implementation of the business strategy and the 2024 People and Culture Report. In addition, the Supervisory Board discussed the quarterly figures as at 31 March 2025 with the Executive Board. The voluntary 2024 Sustainability Report of HVB Group was also discussed.

At the extraordinary meeting on **25 June 2025**, the Supervisory Board heard a further update on the internal investigation project associated with the search at HVB on 5 December 2024 (see the meeting on 13 March 2025).

At the meeting on **21 July 2025**, the Supervisory Board was briefed on the current situation of HVB Group, in particular the progress made in individual projects within the framework of the implementation of the business strategy. In particular, it heard an update on the planned partnerships with BNP Paribas S.A. (BNP Paribas) and FNZ Group Technologies Limited (FNZ), which aim at further developing the securities services. In addition, the Executive Board provided information on the Supervisory Dialogue and the Supervisory Review and Evaluation Process (SREP). The Supervisory Board discussed the figures published in the Half-Yearly Financial Report of HVB Group as at 30 June 2025 with the Executive Board. Furthermore, it addressed the ongoing litigations associated with sanctions against Russia, the risks arising therefrom, and the actions taken. The Supervisory Board also deliberated on monitoring the appropriateness of the 2024 remuneration for the heads of the Risk Controlling function and the Compliance function as well as risk takers, the procedure used in 2024 for identifying risk takers within HVB Group, the appropriateness of the structure of the 2025 Group Remuneration Policy for HVB Group employees and its implementation for members of HVB's Executive Board as well as the

Report of the Supervisory Board

appropriateness of the structure of the 2025 remuneration systems of HVB Group. In addition, the Supervisory Board approved an amendment of its By-laws and granted the audit engagement for the 2025 financial year to KPMG. Furthermore, the Supervisory Board was heard on the Executive Board's proposal for the appointment of a Deputy Remuneration Officer in accordance with Section 23 of the InstitutsVergV.

On 23 July 2025, the Supervisory Board adopted a resolution outside of meetings on the reappointment of Mr Artur Gruca as member of the Executive Board and the prolongation of his managing director employment contract.

At the extraordinary meeting on **17 October 2025**, the Supervisory Board discussed HVB Group's figures as at 30 September 2025 with the Executive Board.

At the meeting on **11 December 2025**, the Supervisory Board discussed HVB Group's business strategy with the Executive Board. In addition, the Executive Board informed the Supervisory Board about the strategic partnerships with BNP Paribas in the area of custodian services and with FNZ for the introduction of a cloud-based platform for post-trade securities services and about ongoing supervisory exercises, especially the 2025 SREP cycle. The Supervisory Board approved fee adjustments for the audits of the 2024 and 2025 annual financial statements and an amendment to the engagement letter with KPMG. In addition, the Supervisory Board reviewed the principles of the Executive Board for the selection and appointment of senior management and discussed the results of the annual evaluation of the Executive Board and the Supervisory Board. Furthermore, the Supervisory Board addressed the topic of succession planning for the Executive Board and the Supervisory Board, including setting a target for the proportion of women on the Supervisory Board, and adopted the relevant resolutions. It approved the amicable termination of the appointment of Mr Pierpaolo Montana as Executive Board member, appointed Mr Wolfgang Schilk as Executive Board member with effect from 1 April 2026 – after establishing his individual suitability – and approved his managing director employment contract including his remuneration package. The Supervisory Board also confirmed the collective suitability of the Executive Board in its future composition. Lastly, the Supervisory Board was informed about the adjustment of the remuneration for Supervisory Board members that had been approved by the Shareholders' Meeting.

Supervisory Board committees

To efficiently perform its tasks, the Supervisory Board set up a Nomination Committee, a Remuneration Control Committee, a Risk Committee, and an Audit Committee from among its members. The composition of the committees is shown in the "Supervisory Board" list in this Annual Report. The responsibilities of each of the committees are defined in the By-laws of the Supervisory Board.

Cooperation between and the sharing of content among the individual committees are ensured by at least one member of each committee sitting on another committee. Furthermore, the chairpersons of the committees coordinated inter-committee topics with the member of the Executive Board responsible in each case and also among one another. They also exercised their rights to information. As far as necessary, the committees adopted resolutions or gave recommendations to the Supervisory Board for adopting resolutions, also outside of meetings. The chairpersons of all the committees reported at the next respective plenary meeting or in writing to the full Supervisory Board on the topics of the committees' discussions, the outcome of these deliberations, and the resolutions passed by the committees.

Report of the Supervisory Board

Nomination Committee

The Nomination Committee met four times in the past year and in particular performed its duties as defined in Section 25d (11) of the German Banking Act (Kreditwesengesetz – KWG). It prepared the regular election of new members of the Supervisory Board including fit and proper assessments, the appointment of one new member of the Executive Board (including fit and proper assessment) as well as the re-appointment of one further member of the Executive Board. The Nomination Committee supported the Supervisory Board in its review of the Executive Board's principles for selecting and appointing individuals to senior management level including key function holders. In addition, the Nomination Committee prepared the succession planning for the Executive Board and the Supervisory Board (which included job descriptions with applicant profiles). It also monitored HVB's conflict of interest policy and potential conflicts of interest of the members of the Executive Board and the Supervisory Board. With the support of an external, independent consultant (auditing company), the Nomination Committee moreover prepared the annual evaluation of the Executive Board and the Supervisory Board.

Remuneration Control Committee

In the past year, the Remuneration Control Committee met five times. In particular, this committee performed the tasks defined in Section 25d (12) of the KWG and in the InstitutsVergV. It discussed the 2024 Remuneration Control Report of the Remuneration Officer and, on the basis of this report, reviewed the effects of the remuneration systems on the risk, capital, and liquidity situation of the Bank and HVB Group, ensuring that the remuneration systems comply with the requirements set out in Section 4 of the InstitutsVergV.

In addition, the Remuneration Officer presented her 2025 annual plan to the Remuneration Control Committee and advised it on all its monitoring and structuring tasks relating to employee remuneration systems. The committee discussed the appropriateness of the total amount proposed as variable remuneration for the year 2024 for Executive Board members and HVB Group employees. It analysed the performance of Executive Board members, the determination of their respective variable remuneration for the 2024 financial year, and the targets set for the individual members of the Executive Board for the 2025 financial year, then giving corresponding recommendations to the Supervisory Board. The Remuneration Control Committee monitored the appropriateness of the approach and methodology for the implementation of a group-wide one-off measure aimed at compensating the Group Material Risk Takers (GMRT) for the reduction in the economic value of their variable remuneration paid in shares after regulatory clarifications by the EBA and recommended to the Supervisory Board to implement this approach for the Executive Board members.

The committee prepared the draft resolution of the Supervisory Board on the appropriateness of the remuneration in 2024 for the risk takers of the Risk Controlling function and the Compliance function as well as the other risk takers and on the process for identifying risk takers. It also discussed the appropriateness of the structure of the 2025 Group Remuneration Policy for employees and the 2025 Group Incentive System and recommended to the Supervisory Board to implement this approach for the Executive Board members.

The committee prepared the draft resolution of the Supervisory Board on the appropriateness of the 2025 remuneration systems of HVB Group, on the structure of the 2025 remuneration packages for the Executive Board members, and on adjustments of individual remuneration packages and submitted corresponding recommendations to the Supervisory Board.

Report of the Supervisory Board

Furthermore, the committee discussed the managing director employment contracts in connection with the appointment and re-appointment of Executive Board members and submitted corresponding recommendations to the Supervisory Board. Independent external legal advisers were consulted in individual cases. The Remuneration Control Committee was heard on the proposal of the Executive Board for the appointment of a Deputy Remuneration Officer in accordance with Section 23 of the InstitutsVergV and submitted a corresponding recommendation to the Supervisory Board.

Risk Committee

The Risk Committee met four times for regular meetings in the past year and held one joint meeting with the Audit Committee. In particular, the Risk Committee dealt with the current and future overall risk appetite and risk strategy of HVB Group and their implementation by the Executive Board on a regular basis.

In compliance with the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement - MaRisk) for banks, the Risk Committee received monthly risk reports. The Chief Risk Officer used the integrated risk reports in the meetings to explain the development of the ICAAP for HVB Group, credit risk, financial and non-financial risk, and strategic risk as well as the integration of ESG factors.

The Risk Committee also addressed macroeconomic and geopolitical developments and their impact on the Bank at regular intervals at its meetings. Further subjects of intensive deliberations were the review of the effectiveness of the risk management system (RMS) and the quarterly reports of the Internal Audit and Compliance functions.

The committee monitored the compliance of financial products and services with the Bank's business model and risk structure. The Risk Committee dealt with the rating and estimation processes pursuant to Article 189 of the EU Capital Requirements Regulation (CRR) and was briefed on the performance of the rating systems of UniCredit Bank GmbH in the 2025 financial year.

In addition, the Risk Committee heard in-depth reports on the Bank's real-estate risk profile, on the fair value assessment of financial instruments including risk mitigation measures, and on interest rate risk in the banking book (IRRBB) with a focus on the control framework and measurement methodology.

Furthermore, it addressed legal risks and ongoing litigation, including those associated with sanctions against Russia, the risks arising therefrom, and the actions taken.

In addition, the committee received a report on the credit organisation and development of resources in Risk Management. At the joint meeting with the Audit Committee, among other occasions, the Risk Committee was briefed on the Bank's outsourcings and its IT security management and IT organisation, including the use of artificial intelligence (AI).

The committee solicited regular reports on the status and progress of the work carried out to remedy the relevant internal and external audit findings of the Internal Audit function, the Compliance function, the independent auditor, and the supervisory authorities. Moreover, the committee heard information on stress-test scenarios and the results of HVB Group's stress tests.

Report of the Supervisory Board

Furthermore, the Risk Committee addressed regulatory requirements, including contributions to the Group Recovery Plan of UniCredit S.p.A.

Based on the 2024 Remuneration Control Report, the Risk Committee assessed whether the incentives created by the remuneration system take into account the company's risk, capital, and liquidity structure as well as the probability and due dates of income, as stipulated by Section 25d (8) of the German Banking Act (Kreditwesengesetz – KWG).

The Head of Internal Audit and the Chief Compliance Officer attended the committee meetings; representatives of the independent auditor attended individual committee meetings to provide expert advice and information.

Audit Committee

In the reporting year, the Audit Committee convened for five meetings and one joint meeting with the Risk Committee. Representatives of the independent auditor and particularly also persons from whom the Audit Committee has a right to obtain information directly (such as the Head of Internal Audit and the Chief Compliance Officer, among others) attended all committee meetings to provide expert advice and information. The key responsibilities of the Audit Committee are to monitor the financial reporting process, the effectiveness of the risk management system (RMS), particularly the internal control system (ICS) including the Compliance function and the internal audit system, and the audit of the financial statements. The Audit Committee also reviews the internal governance framework based on EBA guidelines.

During its meetings in the reporting year, the committee looked at the preliminary audit of the 2024 annual and consolidated financial statements and the audit of the voluntary 2024 Sustainability Report, prepared draft resolutions for the Supervisory Board on these matters, and discussed the 2025 Half-yearly Financial Report and the figures as at 31 March and 30 September 2025. In this context, the Audit Committee also reviewed compliance with regulatory indicators.

In its supporting activities for the Supervisory Board, the Audit Committee moreover solicited reports from the independent auditor on the main outcome of the latter's reviews to monitor the financial reporting process.

Furthermore, the Audit Committee gave extensive consideration to the effectiveness of the risk management system (RMS), particularly the internal control system (ICS), the compliance management system, and the internal audit system. The effectiveness of the individual systems was discussed with the Executive Board, the Internal Audit function, the Compliance function, and the independent auditor. In this context, the chairperson of the Risk Committee also reported to the Audit Committee on the Risk Committee's assessment of the audit of risk management effectiveness. The Audit Committee discussed the quarterly reports of the Internal Audit and the Compliance functions on a regular basis at its meetings. The committee was also provided with the annual plan of the Internal Audit and the Compliance functions. It heard regular reports on the status of and progress made in the remediation of relevant internal and external findings of the Internal Audit function, the Compliance function, the independent auditor, and the supervisory authorities along with the key results of inspections by the supervisory authorities. As part of this regular reporting, the Audit Committee also took over from the Supervisory Board the subsequent reports on the progress of the investigation related to the search at HVB on 5 December 2024. Furthermore, the committee also considered the independent auditor's report on the annual securities trading and custody services audit pursuant to Section 89 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), the report of the Data Protection Officer, and the annual report of the Legal department on the Bank's legal risks including an additional status update. It also requested reports on the liquidity situation each quarter.

Report of the Supervisory Board

In addition, the committee prepared the election of the independent auditor for 2025 by the Shareholders' Meeting and the granting of the audit engagement for the audit of the 2025 financial statements by the Supervisory Board. Furthermore, the committee monitored the audit-related non-audit services approved according to the service catalogue.

Regarding the topics discussed at the joint meeting with the Risk Committee, reference is made to the foregoing remarks on the Risk Committee.

Training and education

The members of the Supervisory Board independently undertook the training and continuing education measures required for the proper fulfilment of their duties. In the process, they were appropriately supported by HVB. Training events in the year under review particularly included workshops on the topics of "Cyber Security in the Context of Artificial Intelligence", "ESG", "Current Insights in Banking Supervision", and "Financial Sanctions and Anti-money Laundering".

2025 annual financial statements

KPMG audited the annual financial statements prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB), the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and the combined management report for UniCredit Bank GmbH and HVB Group for the 2025 financial year. The independent auditor issued an unqualified opinion in each case.

The financial statements listed above were provided to the Supervisory Board along with the proposal of the Executive Board for the appropriation of the distributable profit and the independent auditor's audit reports. The Audit Committee examined these documents in great detail during its preliminary audit. The lead auditor of the independent auditor reported on the key findings of the audit at the preparatory meeting of the Audit Committee and at the subsequent meeting of the Supervisory Board devoted to the annual financial statements. In accordance with Section 171 (1) of the German Stock Corporation Act (Aktiengesetz – AktG), the topics addressed in particular included the internal control system (ICS) and the risk management system (RMS) relating to the financial reporting process. Questions of members of the Supervisory Board were answered in detail and in full. During the meeting of the Audit Committee, the independent auditor also reported on the work performed by the independent auditor in addition to the audit of the financial statements and stated that there were no circumstances speaking against their independence. The chairperson of the Audit Committee reported to the full Supervisory Board on the results of the audit. At the recommendation of the Audit Committee, the Supervisory Board approved the results of the audit by the independent auditor after checking and discussing in depth all the documents submitted and finding them to be orderly, validated, and complete. On the basis of its own examination of the annual financial statements, the consolidated financial statements, and the combined management report for UniCredit Bank GmbH and HVB Group as well as the proposal for the appropriation of the distributable profit, the Supervisory Board determined that no objections were to be raised. The Supervisory Board therefore approved the annual financial statements and the consolidated financial statements prepared by the Executive Board. Consequently, the annual financial statements were adopted. The Supervisory Board also concurred with the proposal of the Executive Board for the appropriation of the distributable profit.

As the German CSRD Implementation Act ("CSRD-Umsetzungsgesetz") was not adopted in 2025, UniCredit Bank GmbH is not legally required to publish a standalone CSRD Report (Sustainability Report) as part of its 2025 Annual Report. The Executive Board has therefore decided not to issue a separate sustainability report. The contribution of UniCredit Bank GmbH will instead be included in the group-wide sustainability reporting of UniCredit S.p.A.

Report of the Supervisory Board

Personnel

At the Annual Shareholders' Meeting of HVB on 25 March 2025, the shareholder representatives on the Supervisory Board were newly elected for their regular terms of office with effect from the end of said Shareholders' Meeting.

Mr Marcus Kramer and Ms Angelika Plauk were elected as new members of the Supervisory Board of HVB (shareholder representatives). The incumbent members of the Supervisory Board Mr Andrea Orcel, Dr Bernd Metzner, Ms Sabine Heimbach, and Ms Fiona Melrose were re-elected for another term of office.

In accordance with the regulations of the German Act on Employee Participation in Cross-Border Mergers (Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung – MgVG), Ms Tanja Münchrath and Ms Lisa Wolf were moreover elected as new members of the Supervisory Board (employee representatives) for a regular term of office; Mr Florian Schwarz, Ms Claudia Richter, Mr Oliver Skrbot, and Mr Christian Staack were re-elected for another term of office. Their term of office likewise commenced on 25 March 2025 with effect from the end of the Annual Shareholders' Meeting.

Dr Michael Diederich, Ms Sabine Eckhardt, Ms Sonia Nassar, and Mr Gregor Völkl resigned from the Supervisory Board at the end of their regular term of office with effect from the end of the Annual Shareholders' Meeting on 25 March 2025.

At the constituent meeting of the Supervisory Board on 28 March 2025, Mr Andrea Orcel was elected as the Chairman of the Supervisory Board, Mr Florian Schwarz as the first Deputy Chairman, and Dr Bernd Metzner as a further Deputy Chairman of the Supervisory Board.

The Supervisory Board thanks the members who have resigned from the Supervisory Board for their dedicated and professionally skilled service and also for their constructive support of the Bank.

The Supervisory Board thanks the Executive Board, the employees, and the employee representatives for their extraordinary commitment and hard work in the 2025 financial year.

Munich, 11 March 2026

The Supervisory Board

Andrea Orcel
Chairman

Summary of Annual Financial Data

OPERATING PERFORMANCE (€ millions)	2025	2024	2023	2022	2021
Net interest	2,775	2,608	2,739	2,626	2,516
Dividends and other income from equity investments	35	33	30	31	28
Net fees and commissions	1,190	1,206	1,165	1,120	1,115
Net trading income	1,109	1,405	1,564	932	655
Net gains/(losses) on financial assets and liabilities at fair value	235	107	(117)	149	85
Net gains/(losses) on derecognition of financial instruments measured at amortised cost	46	8	(17)	29	(9)
Net other expenses/income	132	101	(255)	(138)	(61)
OPERATING INCOME	5,522	5,468	5,109	4,749	4,329
Payroll costs	(1,170)	(1,225)	(1,334)	(1,415)	(1,485)
Other administrative expenses	(918)	(1,006)	(1,045)	(1,087)	(1,202)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(75)	(87)	(150)	(109)	(119)
Operating costs	(2,163)	(2,318)	(2,529)	(2,611)	(2,806)
OPERATING PROFIT	3,359	3,150	2,580	2,138	1,523
Net write-downs of loans and provisions for guarantees and commitments	(223)	(270)	(167)	(299)	(114)
NET OPERATING PROFIT	3,136	2,880	2,413	1,839	1,409
Provisions for risks and charges	11	27	32	11	(153)
Restructuring costs	(109)	(114)	(309)	(80)	(617)
Net gains/losses on disposals on investments	2	(3)	3	(2)	(13)
PROFIT BEFORE TAX	3,040	2,790	2,139	1,768	626
Income tax for the period	(914)	(870)	(404)	(467)	(300)
PROFIT AFTER TAX	2,126	1,920	1,735	1,301	326
attributable to the shareholder of UniCredit Bank GmbH	2,126	1,920	1,736	1,301	325
attributable to minorities	—	—	(1)	—	1
Cost-income ratio in % (ratio of operating costs to operating income, since 2022 based on segmented P&L)	38.2	40.6	44.3	49.9	64.8
Earnings per share of full HVB Group (in €)	2.65	2.39	2.16	1.62	0.41
Balance sheet figures (€ billions)	2025	2024	2023	2022	2021
Total assets	286.3	290.2	283.3	318.0	312.3
Shareholders' equity	20.2	19.9	19.9	19.7	17.8
Key capital ratios compliant with CRR (in accordance with approved financial statements)	2025	2024	2023	2022	2021
Common Equity Tier 1 capital (€ billions)	15.8	15.7	15.9	16.1	15.2
Core capital (Tier 1 capital) (€ billions)	17.5	17.4	17.6	17.8	16.9
Risk-weighted assets (€ billions) (including equivalents for market risk and operational risk)	69.1	66.2	69.8	82.1	86.9
Common Equity Tier 1 capital ratio (%)	22.9	23.8	22.7	19.6	17.4
Core capital ratio (Tier 1 ratio) (%)	25.3	26.3	25.2	21.6	19.4
Employees / Branch offices	2025	2024	2023	2022	2021
Employees (in full-time equivalents)	8,421	9,052	9,620	10,866	11,406
Branch offices	304	349	371	430	461

Explanations of the individual items/key figures can be found in the respective annual report.

Contact

Contacts

Should you have any questions about the annual report or our half-yearly financial report, please contact Media Relations by calling +49 (0)89 378-25801, You can call up important company announcements as soon as they have been published by visiting our website at www.hvb.de

Publications

Annual Report (English/German)
Half-yearly Financial Report (English/German)
You can obtain PDF files of all reports on our website:
www.hvb.de

Corporate information

Board of Directors, Audit Committee and External Auditors as at 31 December 2025

Board of Directors

Chairman Pietro Carlo Padoan

Deputy Vice Chair Elena Carletti

CEO Andrea Orcel

Directors Paola Bergamaschi, Paola Camagni, Vincenzo Cariello, Antonio Domingues, Julie B. Galbo, Jeffrey Alan Hedberg, Doris Honold, Beatriz Lara Bartolomé, Maria Pierdicchi, Marco Rigotti, Francesca Tondi, Gabriele Villa

Secretary of the Board of Directors

Paola Maria Di Leonardo

Audit Committee

Chairman Marco Rigotti

Members Paola Camagni, Julie B. Galbo, Gabriele Villa

Manager charged with preparing the financial reports

Bonifacio Di Francescantonio

External Auditors

KPMG S.p.A.

The following conventional symbols have been used in the tables:

- > a dash (-) indicates that the item/figure is non-existent;
- > "n.m." when the figures do not reach the minimum considered significant or are not meaningful.

Any discrepancies between data disclosed in this report are solely due to the effect of rounding.

This document, PDF format, does not fulfil the obligations deriving from Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "ESEF Regulation" – European Single Electronic Format) for which a dedicated XHTML format has been prepared.

UniCredit has chosen not to print official copies of this report, leading by example in our efforts to protect the environment.

Please view the digital version of the report below, available via the following link:

➔ [Read more: unicreditgroup.eu/en/investors/financial-reporting.html](https://unicreditgroup.eu/en/investors/financial-reporting.html)

Designed and produced by Brunswick Group and UniCredit S.p.A.
www.brunswickgroup.com/investor-brand
 February 2026

UniCredit Unlocked to UniCredit Unlimited

UniCredit is a pan-European leader and commercial bank providing best-in-class solutions and services across **Italy, Germany, Austria, and Central and Eastern Europe.**

With our structural advantages and network of empowered banks, leveraged at scale, we set a new benchmark for banking with our winning operating model, keeping our clients at the centre and unlocking the potential of our people.

UniCredit Unlocked transformed our Bank – proving what disciplined execution, empowered and motivated people and a unified operating model can achieve.

We now shift decisively from Unlocked to Unlimited – a new phase defined by greater ambition and a fundamental rethinking of how a European bank should operate.

Strategic Review

308	UniCredit at a glance
310	2025 highlights
312	Letter from the Chairman
314	Letter from the Chief Executive Officer
317	Why UniCredit
319	Strategic framework
332	Acceleration in 2025
338	Acceleration in action

Financial Review

365	Financial Review

ESG Review

369	ESG Review



UNICREDIT AT A GLANCE

Our unique winning proposition. Group scale, local reach.

One core belief: an unmatched potential inherent within our bank that needed to be unlocked by leveraging our structural advantages.



>20m

Clients¹ with >60% revenue from SMEs, Private and Affluent

#1 rated

Bank in Europe and across our geographies each year since 2022²

Leading market share

In Group Trade & Correspondent Banking with top 3 positions in every UniCredit country

Attractive geographic mix

We are the only truly pan-European bank: with 13 banks + 1 embedded across Europe, with top three positions in 90% of our markets.

This gives us scale, diversification, stability, limited Foreign Exchange (FX) dispersion and lower geopolitical concentration compared with other cross border models, and it provides strategic optionality across 13+1 markets.

High-quality client mix

We have more than 20 million primary, longstanding client relationships, skewed towards Private, Affluent and Small and Medium Enterprises (SMEs), where returns are structurally more attractive driven by a higher Return on Allocated Capital (RoAC), cross-selling and cross-over ratio.

Targeted product mix

Our Group factories combined with our granular local reach provide a breadth and depth of offering that local competitors cannot match. We harness scale only where it genuinely creates advantage – product factories, technology, data & AI, procurement – unlocking synergies and raising effectiveness across the Group.

A unique proposition rooted in Group scale and local reach



Clients truly at the centre, unifying the organisation around one common Vision, Purpose, Strategy and Culture.



Empowered banks and people within a clear Group framework, ensuring they are as independent as possible within one clear Group Strategy and framework.



Focused the centre on what truly adds value and benefits from scale.



A bottom-up, execution-driven culture that is delivering exceptional results.

This federal model enhances the entire system: the Group provides platforms, capabilities and direction, while empowered local banks deliver for clients and drive superior performance.

1. UniCredit clients c.17.5m (o/w 15m active) and Alpha clients 3.7m.

2. Awarded Bank of the Year in 2025 by The Banker in Italy, Austria, Bosnia and Herzegovina, Bulgaria, Croatia and Romania; Best Bank in Europe by Euromoney in 2025; Global Best Bank by The Banker in 2023 and 2024; Global Bank of the Year by International Financing Review in 2024.

UNICREDIT AT A GLANCE » CONTINUED

An unmatched federation of leading banks

13+1

Leading banks, including partnership with Alpha Bank

75,000

Talented colleagues¹

>20m

Clients with primary relationship connected across Europe

4

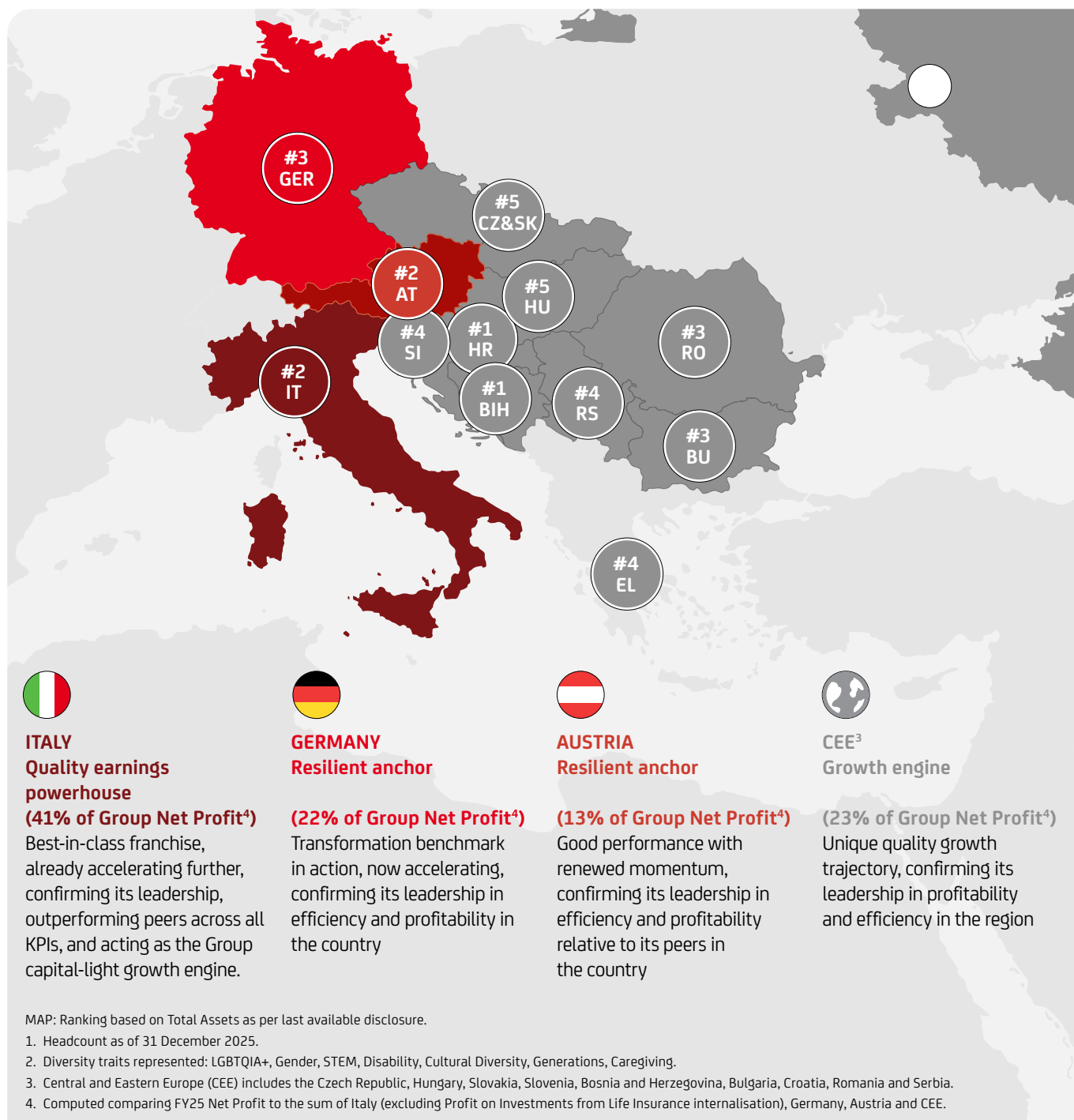
Coverage regions

3

Product factories

1,000+

Employee Networks active members²



2025 HIGHLIGHTS

Record FY25, crowning five years of excellence

We have delivered a record full year and 20 consecutive quarters of quality profitable growth, reflecting five years of disciplined execution. This strong momentum is broad-based across all KPIs – delivering today while building for tomorrow.

Financial highlights

TOP-LINE GROWTH

€24.5bn

Gross Revenue
Flat¹ (FY/FY)

BOTTOM-LINE GROWTH

€10.6bn²

Net Profit
+14% (FY/FY)

RoTE

19.2%

+1.5 p.p. (FY/FY)

TOP LINE QUALITY

36%

Fees & Net Insurance/Net Revenue
+2 p.p. (FY/FY)

OPERATIONAL EFFICIENCY

38.5%

Best-in-class Cost/Income ratio
Flat costs (FY/FY), down -2%
excluding new perimeter

ASSET QUALITY

15bps

CoR
+1bp (FY/FY)

PER SHARE GROWTH

+20% EPS

+31% DPS³

+19% TBVPS⁴

TOTAL DISTRIBUTIONS⁵

€9.5bn

+6% (FY/FY)

SOUND NPE RATIO

1.6%

1. Gross revenues are flat FY/FY when adjusted for circa negative €240 million trading impact related to the hedging of our strategic portfolio, booked in 4Q25, to protect and optimise its return, or circa -1% FY/FY otherwise.
2. Stated net profit adjusted for impacts from DTAs tax loss carry forward ("TLCF").
3. FY25 DPS calculated as €1.4282 interim DPS paid in November 2025, plus €1.7205 preliminary final DPS, calculated as of 6 February 2026, based on the best estimate of the expected number of shares eligible for dividend payment. The definitive final DPS will be communicated according to the ordinary procedure.
4. FY25 interim dividend paid in November 2025 of €1.4282, or +11% FY/FY without it.
5. Subject to supervisory, board of directors and shareholders' approval. FY25 total distribution at €9.5 billion, of which €4.75 billion is a cash dividend (of this, €2.2 billion has already been paid as interim dividend in November 2025 and the remaining €2.58 billion corresponds to a preliminary final DPS of €1.7205).

Leading by example

Thanks to our strong foundations, in 2025 we continued to make progress on our Environmental, Social and Governance (ESG) KPIs.

Sustainability highlights



Environment

ESG lending, sustainable bonds and Net Zero commitments.

We grew our ESG lending and sustainable bonds, reaching a total of €11.3 billion in environmental lending and €5.9 billion in sustainable bond issuance since January 2025.

→ Read more on [page 379](#)

€11.3bn
Environmental lending

€5.9bn
Sustainable bonds issued



Social

Social financing and contribution to support our communities.

Our social financing reached €5.5 billion in 2025, enabling micro-credit, impact financing and loans to disadvantaged areas. We also provided c.€71 million in social contribution through dedicated initiatives.

→ Read more on [page 380](#)

c. €71m
Social contribution

c.15,600
Hours dedicated to volunteering
by our colleagues



Governance

ESG-aligned remuneration, solid risk and policy framework.

We built a solid ESG governance through top management remuneration, ESG representation within the Group Executive Committee, and robust credit and policy frameworks. Enabled by our strong commitment to diversity, equity and cultivating an inclusive culture across the bank.

→ Read more on [page 381](#)

53%
Women represented on
the Board of Directors

c.1%
Gender Pay Gap in
comparable roles

LETTER FROM THE CHAIRMAN

The next phase of our transformation and growth

“

We are ready to take the necessary steps to realise our ambition, delivering sustainable results for our shareholders and empowering communities to progress.

Pietro Carlo Padoan
Chairman UniCredit S.p.A.



LETTER FROM THE CHAIRMAN » CONTINUED

Dear Stakeholders,

It is a pleasure to write to you as the Chairman of the UniCredit Board.

We begin this year navigating a world that is changing in fundamental ways. Throughout my time at UniCredit, previous iterations of this letter have often referenced an unprecedented global macroeconomic environment. What is increasingly clear, however, is that we are no longer dealing with a sequence of exceptional events, but instead with a lasting shift in how economic, geopolitical and security dynamics interact.

In this context, uncertainty is not a temporary condition to be weathered, but a structural feature of the environment in which institutions must operate. The challenge today is therefore not simply to wait for clarity to return, but to ensure we are continually adapting how we think, invest and grow to suit this dynamic operating environment.

Europe's response will shape its competitiveness for years to come. Against this backdrop, the case for further integration is no longer a policy choice but a strategic imperative. Completing the Capital Markets Union and advancing the Banking Union are essential steps in mobilising capital to finance the investment we need. At a time when scale and coordination matter more than ever, fragmentation and national silos serve only to limit our competitiveness and weaken our resilience. Undoubtedly, Europe is strongest when it is united, and in an increasingly contested world, strength is exactly what we need to project.

At UniCredit, we see the benefits of the federal model every day. While many financial institutions are starting to talk about these imperatives, we are already delivering concrete action towards a more integrated banking system. Our pan-European network allows us to leverage the identities and experiences of our individual banks, while benefitting from the reach and scale of a single regional platform that operates seamlessly across the continent.

Our increased stake in Alpha Bank illustrates this ambition in action. It strengthens our presence in key European markets with strong growth potential, enhances our ability to serve clients' cross-border needs and delivers value for shareholders, while supporting Alpha Bank's strategic objectives and franchise strength. This collaboration, supported by the Greek government, offers Greek companies access to our pan-European network and enhances the country's role as a key player in European banking integration.

While celebrating these milestones, organic growth remains the primary engine of the Group's Strategy. As ever, our focus remains on deepening client relationships, expanding activity in our core markets and continuing to improve the quality and sustainability of our earnings. This disciplined strategy, in tandem with a proactive approach to expansion and further integration, ensures that growth is resilient, repeatable and aligned with the long-term interests of our shareholders.

Andrea's tenure as UniCredit CEO has thus far been about unlocking the Group's potential by establishing the foundations for a new phase of disciplined growth and value creation. As our strategy evolves towards a further acceleration from this strong base, growing emphasis will be placed on identifying and activating new sources of value that can generate greater dynamism across the entire Group. This endeavour is underpinned by sustained investment in our people, in advanced technologies such as artificial intelligence, and in the continued integration of our pan-European network.

Throughout this next phase of transformation and growth, the Board of Directors will continue to work in close partnership with the Management team and CEO, providing oversight, support and constructive challenge. This strong alignment between the Board and executive leadership is a key strength of the UniCredit Group structure and an important foundation for sustainable value creation.

As we look ahead to Europe's future, there are real causes for optimism. Though we are being challenged on many fronts, these pressures have also delivered clarity across the continent about what is required to strengthen our competitiveness and resilience. There is sustained momentum building towards a more integrated Europe – one that leverages our inherent advantages and acts with greater coordination and scale.

UniCredit approaches this next phase with clarity of purpose and confidence in our Vision. We have built a resilient and dynamic model capable of navigating wider macroeconomic headwinds, which will ensure we can remain firmly by our clients' side no matter the circumstances. As we enter a new phase with UniCredit Unlimited, we are ready to take the bold steps necessary to deliver on this ambition, delivering sustainable results for our shareholders and empowering communities to progress across the continent.

As ever, our greatest asset will be our people. They truly embody our Values of Integrity, Ownership and Care. It is their dedication and passion that drives us forward every day, and this is reflected in our most recent results. I wish to congratulate them and thank all of them for their continued hard work.

We look ahead to the rest of this year with confidence in our strategy and a firm belief that UniCredit is well positioned to shape its next phase of growth.



Thank you,

Pietro Carlo Padoan
Chairman UniCredit S.p.A.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

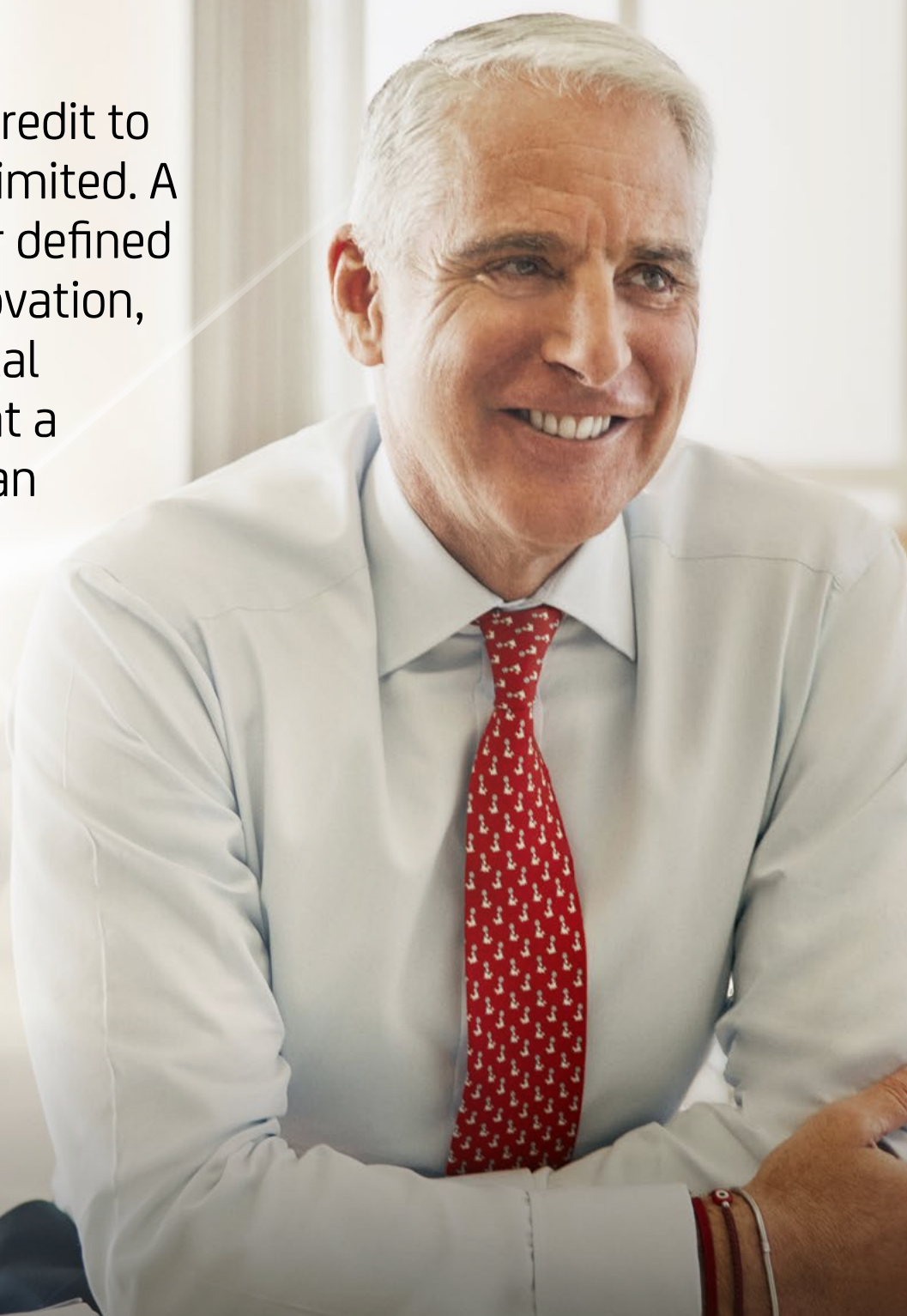
A new path for a new era of European banking

“

It is time for UniCredit to become truly unlimited. A bold new chapter defined by ambition, innovation, and a fundamental rethinking of what a European bank can and should be.

Andrea Orcel

Chief Executive Officer UniCredit S.p.A.





UniCredit honoured with multiple achievements across Europe



UniCredit enters single-A territory as Fitch upgrades issuer rating to A-



UniCredit receives its second single-A rating



UniCredit obtains its third single-A rating as Moody's upgrades the issuer rating to A3



Named Bank of the Year in six countries

Dear Stakeholders,

In recent years, UniCredit has established a track record of excellent performance across a range of economic conditions. In an environment shaped by volatility and structural change, we have delivered high-quality earnings, robust capital generation and disciplined growth; all underscored by the Group's outstanding efficiency and RoTE. These outcomes reflect deliberate choices about how we allocate capital and manage risk, demonstrating an ingrained resilience and sustainability within our strategy.

When I arrived at UniCredit in 2021, the Group faced significant challenges and required a decisive change in direction. Through our UniCredit Unlocked Strategy, we fundamentally reshaped the Bank, establishing the foundations needed to unlock its untapped potential by unifying our people around a single Vision, Strategy and Culture. This was accompanied by a fundamental overhaul of our operating model – transforming our efficiency while simultaneously investing in our people, digital capabilities, product platforms and distribution. This transformation enabled us to create an environment rooted in empowerment, allowing our teams to deliver exceptional results with clarity and purpose.

Together, we have moved the Group from laggard to leader in our sector, enabling us to deliver like never before for our clients, and empower communities to progress across the continent. Now, it is time to go even further by launching UniCredit Unlimited, an ambitious new chapter that will transcend traditional boundaries and rewrite what is possible within the financial sector – built on the same foundation of trust and empowerment that has guided our progress so far.

Another year of record-breaking results

Our 2025 results again mark the strongest performance in UniCredit's history, and our 20th consecutive quarter of profitable growth.

Net Profit reached €10.6 billion, up 14% year-on-year, while RoTE increased to 19.2%, underscoring the strength of our disciplined, capital-generative model.

These results were delivered notwithstanding €1.4 billion of extraordinary charges, deliberately frontloaded to further strengthen our medium-term trajectory. We closed the year with a robust CET1 ratio of 14.7% and announced a leading shareholder distribution of €9.5 billion, including €4.75 billion in cash dividends.

Operational efficiency remained best-in-class, with a cost-income ratio of 38.5%, reflecting continued discipline in execution.

Looking ahead, our ambition is to deliver approximately €13 billion of Net Profit and a RoTE above 23% in 2028, with further improvement through 2030. We remain focused on consistent outperformance through the cycle and confident in our ability to sustain profitable, capital-generative growth and superior distributions over the coming years.

A changing financial industry

Despite another year of excellent performance, we cannot afford to stand still. The world around us continues to change at remarkable pace, and the second quarter of this century will likely represent the greatest transformation our sector has experienced for a generation. Advances in artificial intelligence, data and digital infrastructure are not simply enhancing existing models, but redefining how financial services are produced, distributed and consumed. In this context, banks cannot rely on legacy advantages or incremental improvement. Remaining competitive will instead require a willingness to constantly evolve to keep pace with a rapidly changing financial ecosystem.

As a result, client expectations are already shifting. Our businesses and communities increasingly expect financial services to mirror the speed, simplicity and personalisation they experience in other parts of their lives.

LETTER FROM THE CHIEF EXECUTIVE OFFICER » CONTINUED



AI is transforming interactions from onboarding and credit assessment to advice and servicing, while digital adoption and enhanced data integration enable faster, better-informed decisions. Simultaneously, fintech entrants and platform-based providers continue to raise expectations around user experience and digital responsiveness.

UniCredit Unlimited

Against this backdrop, it is time for UniCredit to become truly unlimited. This bold new chapter will be defined by ambition, innovation, and a fundamental rethinking of what a European bank can and should be. Our goal remains to build the Bank for Europe's future. To achieve this, we must anticipate how people will live, work and interact with financial services, and act before these changes become expectations.

This means reimagining how capital, expertise, and technology can work together to create value for clients, communities, and our people. By combining the strength of a traditional bank, the agility of a fintech and the dynamism of a technology company, we will deliver solutions that are faster and more intuitive than ever before. In doing so, we will create a personalised offer that truly puts the client of today and tomorrow at the centre of all that we do – strengthening the trust that underpins every interaction.

UniCredit Unlimited reflects our unwavering belief in the potential of our people, our clients and our communities. I am inspired every day by the talent and dedication of colleagues across the Group, and I know they will embrace the next step of our journey with the energy and creativity required. Together, we'll elevate empowerment to an even higher level and set new standards for European banking, enabling each of us to deliver growth, service and impact without limits.

UniCredit Unlocked was a remarkable transformation for the Bank.

The plan we are launching now is even more ambitious, but we are moving forward with a proven track record of delivery and a powerful confidence in our abilities. I am convinced that this time we can go even further, taking UniCredit to new heights and delivering on our ambition to build the Bank for Europe's Future.

Yours,

Andrea Orcel

Chief Executive Officer UniCredit S.p.A.

WHY UNICREDIT

Unmatched structural advantages

Leveraging our structural strengths to propel our acceleration and the next phase of growth.

Attractive geographic mix

- > Unique pan-European footprint
- > Access to high GDP growth and high stability
- > Limited exposure to FX and geopolitical risk



Quality client mix

- > Primary client relationships
- > Exposure to more profitable client segments
- > European network effect for our SMEs and our people



Best-in-class product mix

- > Deployment of capital at high RoAC
- > Capital-light revenue, diversified and growing faster than capital heavy
- > Ongoing internalisation increasing retained value on all products



Attractive geographic mix

Truly pan-European Group with 13+1 banks across Europe, with top 3 positions in 90% of our markets, giving scale and diversification.

13+1

Banks embedded in the fabric of Europe

>95%

Presence in EU¹ with fewer geopolitical and limited FX risks

5x

Higher, more profitable cross-border vs. domestic share

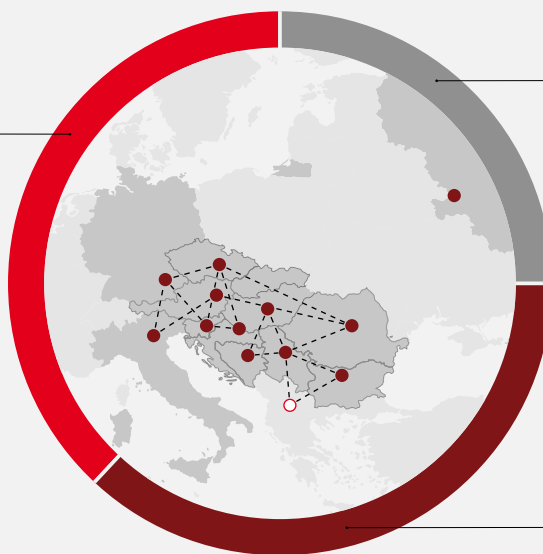
Top 3

Market share in 90% of our markets

Group Net Profit share² 2028

38%

Italy
Standing as our capital-light engine



25%

CEE & Greece
2x GDP growth vs. EU

37%

GER & AUT
With GER set to benefit from fiscal stimulus

1. Share of Customer Loans in countries part of the European Union.

2. Summing expected divisional Net Profit 2028. Commerzbank equity contribution – net of hedges – allocated to GER and CEE & Greece proportionally to CBK excluding mBank and mBank share, respectively. Alpha equity contribution allocated to CEE & Greece.

WHY UNICREDIT >> CONTINUED

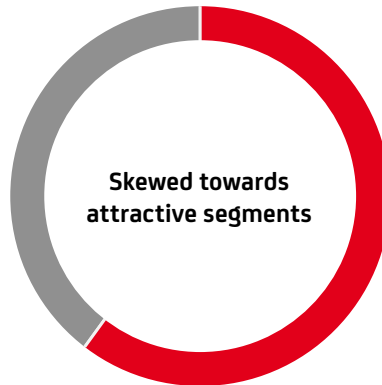


Quality client mix

More than 20 million longstanding client relationships, with strong focus on Private, Affluent and SMEs.

>20m

Clients with primary relationship connected across Europe



60%

Revenue from Private, Affluent and SMEs

>35%
RoAC

c.45%
Fees & Net Insurance / Net Revenue



Best-in-class product mix

Group product factories combined with local reach.

3

Group product factories

Group Fees & Net Insurance share 2028

46%

Individual

28%

Payments

26%

Corporate

High-quality lending

#1
NII RoAC

- > Microbusiness lending
- > UCX Consumer
- > Trade Finance
- > UCX Micro
- > UCX SMEs

Capital-light revenue

increased weight

Top-Tier
Fees & Net Insurance / Net Revenue

Best-in-class products

- > Cross-border payments
- > Investments
- > Insurance
- > Advisory
- > CRM



STRATEGIC FRAMEWORK

Evolving and accelerating our winning Strategy

Four years on from UniCredit Unlocked – a proven, winning strategy – we have continued to evolve. 2025 was marked by acceleration and proved we can translate potential into results. Now we are positioned to enter a bold new phase.



1

United by one Vision, one Purpose, one Culture and one Strategy.

→ Read more on [pages 320-322](#)

2

Leveraging our scale while empowering our banks and our people.

→ Read more on [pages 323-325](#)

3

Transcending the benchmark by daring to disrupt, innovate and rethink.

→ Read more on [pages 326-329](#)



Executing our Strategy across all ESG dimensions.

→ Read more on [page 330](#)

STRATEGIC FRAMEWORK » CONTINUED

1 One unifying direction

Unified and empowered to deliver for all our stakeholders:

One inspiring Purpose

Our Purpose is to Empower Communities to Progress, while ensuring long-term, sustainable growth and delivering value to all our stakeholders.

By operating with the right Principles and Purpose, we have the power to deliver outstanding value for our clients and communities, our people, our stakeholders and investors.

We are a principles-driven organisation, and we actively engage with and extensively listen to all our stakeholders equally.

At UniCredit, we are committed to maintaining high standards of integrity, transparency, professionalism and cooperation in managing our relations with regulators and EU authorities, and in performing advocacy activities.

We engage with national, European and international regulators to improve the EU sustainable finance framework and facilitate the transition to a low-carbon economy. Contributing to discussions held by EU institutions and participating in the development of a sustainable financial framework is central to fostering long-term economic growth for all our stakeholders.



STRATEGIC FRAMEWORK > CONTINUED

Our stakeholders



Our shareholders

c.350

Institutions met during 2025

€9.5bn¹

2025 distribution

€36bn

2021 – 2025 cumulative distributions

As a unique pan-European champion, we leverage Group synergies to provide superior capital generation and shareholder distributions.

Our UniCredit Unlocked Strategy has been consistently delivering unmatched value, quality lending and investing to secure sustainable, quality growth and remuneration.

We maintain open and transparent communication with our investors through regular updates, financial disclosures and proactive engagement. Through annual general meetings, investor calls and roadshows, we provide platforms for dialogue, addressing queries and fostering mutual understanding.

We also engage with investors on Environmental, Social and Governance (ESG) topics, highlighting our sustainability initiatives and aligning our practices with investor interests in responsible growth.



Our clients

c.15k

Group-wide business hires since 2021

c.90%

Branches refurbished in Italy

22

Net Promoter Score, +4 increase vs. 2024 on a recasted basis

Our clients are at the heart of everything we do.

We build our business around their needs, providing choice through best-in-class products and innovative solutions.

Our teams deliver exceptional service and personalised support, forging strong relationships and consistently exceeding expectations. Through our service model, we leverage a range of distribution channels – physical and remote branches, call centres, internet and mobile – accessible to our clients anytime, anywhere.

We continuously invest in technology and data to anticipate emerging needs and deliver increasingly seamless experiences. By listening closely to our clients, we refine our approach and evolve our services to ensure we remain their trusted financial partner over time.



Our people

35,000

People involved in Culture Day in 2025 and Unlocking Excellence Roadshows

c.36

Hours of training per employee per annum

c.1%

Gender Pay Gap in comparable roles

Our people are our greatest asset.

We listen to them and are committed to fostering an environment where they feel valued, trusted, empowered and accountable, so they can focus on bringing value to client-facing activities and achieving excellence.

With our shared Vision and clear Culture, our teams are united and inspired to drive our business forward, aligning individual aspirations with organisational goals. We invest in professional growth through training, and clear career paths that recognise and reward performance.

With a shared belief in our Purpose, we take pride in who we are and in the collective impact we can make.

1. Subject to supervisory, board of directors and shareholders' approval.

STRATEGIC FRAMEWORK >> CONTINUED

One winning Culture

At UniCredit we have created a new benchmark for banking, keeping our clients truly at the centre and unlocking the potential of our people.

Our Culture is key to our success in unifying and inspiring our people to work as a team and achieve excellence

in the right way. Our Culture is fuelled by passion and enthusiasm, spreading positive behavioural change throughout our bank.

Collectively, we are working to achieve our Vision to be the Bank for Europe's Future as one team of people in true

partnership with our clients. A better bank, creating better outcomes; strongly grounded in our Principles and Values; and delivering sustainable, quality growth and value.

Values

Integrity

- > We act in the best interests of our customers.
- > We are honest, straightforward and transparent.
- > We do the right thing – even when no one is watching.



Our Values are the foundation of our identity – what we pass down to our people and what our people share and deliver through their actions.

Our people are at the heart of our decision-making, ensuring we deliver for our clients in a straightforward and transparent way. We are committed to helping our customers, communities and each other by treating everyone with respect and valuing our differences.

Our Employer Value Proposition brings our Values to life and ensures everyone at UniCredit is motivated to actively contribute to Unlocking a Better Tomorrow.

Through a single voice, we are building a shared narrative across the Group and increasing the awareness and attractiveness of our brand.

Ownership

- > We deliver on our promises and take accountability for our actions and commitments.
- > We are empowered to make decisions and learn from failure.
- > We speak up – to express an idea, an opinion or when we see something wrong.



Caring

- > We care about our customers, communities and each other.
- > We are eager to help one another and for our people to thrive.
- > We treat each other with respect and value our differences.



Nurturing our diverse talent base

We have long recognised that an equitable, inclusive and diverse workforce is vital to the success of our business and creates a fair and positive working environment. We believe that when Diversity, Equity and Inclusion (DE&I) work in harmony, great things happen.

International mindset

40%

International presence in the Board of Directors

38%

International presence¹ in the Leadership team²

Female representation

53%

Board of Directors

58%

Across the Group

62%

International presence in the Group Executive Committee

46%

Across the Group Executive Committee

32%

In the Leadership team²

1. International presence refers to people originating from countries outside of Italy.

2. Leadership team refers to Group Executive Committee and its first reporting line.

STRATEGIC FRAMEWORK > CONTINUED

2 An empowered pan-European business model

Sustainable growth and competitive advantage built on strong foundations – our 13+1 leading and empowered banks, supported by the scale of the Group.

Decision-making moving us closer to clients and communities, within the Group strategic framework.

Enhancing our product offering: three global product factories



Corporate Solutions

Empowering corporates to progress.



Individual Solutions

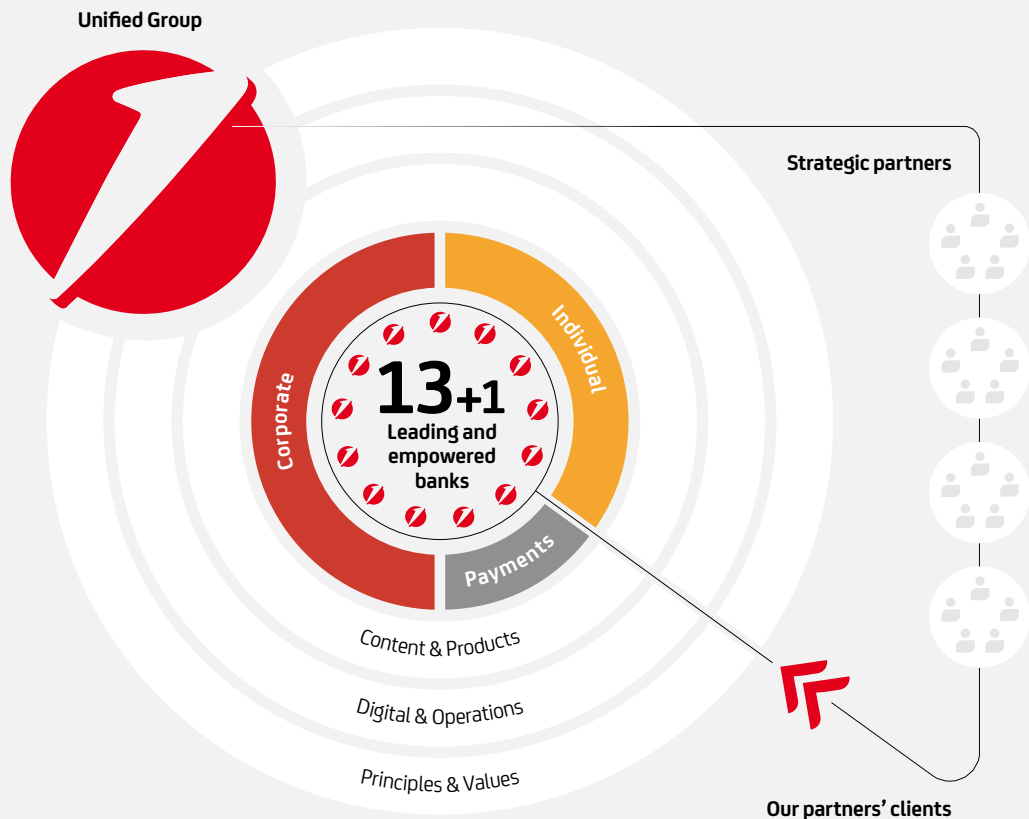
Advising clients to achieve their investment and insurance objectives.



Payments Solutions

Every European client's first choice for payments.

HOW WE CREATE VALUE



STRATEGIC FRAMEWORK > CONTINUED

Best-in-class product factories reaching clients global players don't

Our banks are close to their clients and leverage common strengths: three high-quality product platforms supported by an ecosystem of strategic partners, a centralised and efficient Group Procurement function – all streamlined and simplified by our Digital and Operations team.

Our clients access our services through local banks and the offering from our three global product factories – Corporate, Individual and Payments Solutions – comprehensively meeting their needs. Each of these platforms delivers best-in-class solutions, developed in-house or through our dynamic ecosystem of trusted partners.

Group scale



Local reach

- ✓ Best-in-class products
- ✓ Ecosystem of strategic partners
- ✓ Diversified product portfolio

Corporate



Advisory & Financing Solutions

Highly specialised advice and access to capital markets; a market leader offering tailor-made financing solutions.

Group Trade & Correspondent Banking

Wide range of Trade Finance and Working Capital Solutions as well as Securities in CEE.

Client Risk Management

Providing top-tier solutions across multiple asset classes and channels.

Individual



Group Insurance

Best-in-class Insurance Products and Services offered across all countries through constant dialogue with partners and other factories.

Group Investment Product Solutions

State-of-the-art investment solutions built in-house or jointly with external asset managers for all Group clients.

Group Investment Strategy

Long-standing macroeconomic research and unified Group investment strategy, bringing expert investment insight to our networks and to our clients.

Payments



Group Payments Solutions

Leading Cash Management, Payments, Acquiring and Issuing Solutions.

Empowered to execute and deliver for all our stakeholders

We have empowered our people and banks within a clear Group framework, underpinned by a culture of trust, ownership and excellence.

The result is a truly united pan-European commercial bank, with local coverage close to our 20m+ clients.

We have leveraged this reach to achieve targeted acceleration across geographies, clients and products, while further enhancing our operational and capital excellence.



STRATEGIC FRAMEWORK > CONTINUED

Digital and Operations

Strengthening our operating machine and becoming more efficient and resilient above benchmark.

1

Leaner corporate centre,
converging Digital & Data

+17%

FTEs on Change – as
Run becomes leaner

Zero

Major Cyber Security, Fraud
and Asset & Personnel
Protection incidents

➔ Read more about Digital & Data on **pages 359-363**

One Procurement

Taking back control and safeguarding our long-term interest.

1

Procurement office

>100

Vendors discontinued

-30%

Average cost avoidance
of contracts negotiated

A trusted ecosystem of partners

helping us meet every client need with precision and innovation.



Google



ALPHA BANK

Allianz

BlackRock



PICTET
1805

STRATEGIC FRAMEWORK > CONTINUED

3 A bold new strategic phase

2025, the culmination of five years of excellence, has positioned us to enter the next phase of growth.

A bold new era for our bank – defined by unlimited possibility, bold ambition, and a fundamental rethinking of what a pan-European bank should be.



UniCredit Unlocked

Set the benchmark
2021-2025

Winning proposition

Structural advantages combined with relentless execution have delivered 20 consecutive quarters of quality profitable growth, leading across all KPIs.

Strong momentum

Strong operating performance allowing absorption of one-off costs to prepare for the future, accelerating further into 2026.

UniCredit Unlimited

Transcending
our benchmark
2026-2030

Winning strategy

A strategy to deliver quality growth beyond peers while re-setting the efficiency frontier, elevating our long-term targets.

Superior equity story

Unmatched trajectory offering the best combination of profitable growth and distributions in the sector.

Accelerating towards
a decade of excellence



STRATEGIC FRAMEWORK > CONTINUED

UniCredit Unlocked (2021-2025)

UniCredit Unlocked released our potential, transforming us from laggard to a leader and **setting a new benchmark for banking**. With unmatched momentum, we are now leading the way in all metrics, including profitable growth and distributions.



STRATEGIC FRAMEWORK > CONTINUED

UniCredit Unlimited (2026-2030)

If UniCredit Unlocked freed up our bank's potential and set the benchmark, UniCredit Unlimited is about transcending it – enabling us to lead in a new competitive environment and push beyond the boundaries constraining legacy banks.

UniCredit Unlimited will provide a new blueprint that blends the strength of a traditional bank, the agility of a fintech and the dynamism of a technology company, to create a personalised offer that truly puts the client of today and tomorrow at the centre of all that we do.

Our people remain the linchpin across the two phases; they are dynamic, driven by excellence, and are continuously upskilling. They are able to adapt to the changing needs of our clients and the environment – delivering faster decisions, better service and more creative solutions.

We have the momentum, the strength and the Strategy. We are doubling down on our transformation and challenging every assumed limit of what UniCredit can be.

This is the start of a bold new era for our bank.

Winning Strategy

Unlimited Acceleration

Gaining quality profitable revenue and market share.



Unlimited Transformation

Re-setting the efficiency frontier.



STRATEGIC FRAMEWORK > CONTINUED



Unlimited Acceleration



Our People

They remain the engine of our success, delivering impact through a shared vision and winning culture, combined with relentless execution.



Our Factories

We continue to strengthen the connectivity between our product factories and our distribution that closely interprets our clients' needs.



Our Channels

We leverage a superior omnichannel model: physical, remote and digital – with AI elevating speed, accuracy and personalisation.



Digital, Data & AI

We are accelerating AI adoption across Client Service and Advisory, Technology and Operations – using it to deepen relationships, improve efficiency, increase speed and unlock new value.

Unlimited Transformation



Capital

- > Deploying capital only where returns justify it, redirecting it to the right geographies, the right clients and the right products.
 - > **Maximise our lending profitability;**
 - > **Increase capital-light revenue.**
- > Delivering the best combination of capital-light revenue growth and profitable NII.



Operational

- > **2021 – 2025:** Simplification and streamlining within traditional boundaries:
 - > Simplified and streamlined our bank;
 - > Fixed what was inherited and built a model capable of outperforming peers.
- > **2026 – 2030:** Reinventing and automating, testing new boundaries:
 - > We are automating at scale, embedding AI into every critical workflow – accelerating execution across Risk, Compliance, Finance, Operations, HR – removing friction and eliminating repetitive tasks.

STRATEGIC FRAMEWORK > CONTINUED

Our ESG Strategy

At UniCredit we are committed to embedding sustainability in everything we do. We lead by example, which is why ESG (Environmental, Social and Governance) is at the heart of our strategic framework.

Our Purpose is to Empower Communities to Progress, guided by three Principles:



Holding ourselves to the highest possible standards to do the right thing for clients and communities.



Being fully committed to playing our part in supporting our clients in a just and fair transition.



Respecting and balancing the perspectives and priorities of all our stakeholders throughout our business and decision-making.

The context in which we operate is rapidly changing, influencing the regulatory agenda and the global sustainable finance market. However, despite shifts against ESG, Europe has reaffirmed its climate commitments and at the same time has become more flexible and business oriented.

We remain committed to our ESG Principles and are evolving our strategy to ensure we are delivering targeted, tangible impact, with an even sharper focus on customers and communities.

We are focusing on ESG where it matters by:



Environment

Driving value for our clients in the transition

We are matching our clients' evolving demands on transition with a dedicated business approach, while continuing to develop our environmental framework beyond decarbonisation.



Social

Championing Social: backing our communities, our people and our society

We are backing our communities with social financing and dedicated social projects combining volunteering and philanthropy, while supporting our people with focus on well-being and training.



Governance

Evidencing accountability and transparency, along with a robust ESG framework

We are providing transparency on our disclosure progress while strengthening our ESG governance and risk framework.



Read more on page 378

STRATEGIC FRAMEWORK > CONTINUED

ESG Day 2025

Our ESG Strategy is more than a framework; it is a commitment to active engagement. Our flagship event, ESG Day, serves as a key platform where our strategy meets action, and we bring key stakeholders to discuss concrete solutions.



Our third ESG Day entitled “A New World: Shaping the future of ESG” brought together colleagues, clients, partners and leading experts to confront the challenges and complexities of the green transition amid shifting global dynamics.

Against the backdrop of COP30, it focused on moving from rhetoric to action, exploring how banks can drive the sustainable transition, manage trade-offs and rebuild ESG on stronger, more credible foundations. The forum consisted of six distinct high-impact sessions, featuring a diverse mix of formats to engage our audience and featured renowned expert speakers from academia, business and policy, who shared insights on regulation, innovation and practical solutions for businesses.

Collaboration between banks and businesses was a key theme, highlighted by a panel on UniCredit’s new partnership with Ivy Decarb to accelerate decarbonisation in the textile industry.

➔ [Read more on page 370](#)

Social impact also featured prominently, with discussions on the role of banks in driving progress and investing in education. We also showcased the achievements of the Skills for Transition Programme, and the Foundation’s flagship social projects.

➔ [Read more on page 374](#)

10

Countries participated

>10,000

Participants (online and in-person), including over 6,000 UniCredit employees

67%

Of attendees at the live event were key clients and strategic partners



ACCELERATION IN 2025

Acceleration in 2025

Together, every change we make, every month of the year, across all our businesses and geographies, drives our acceleration and transforms potential into unlimited possibility.

-  Clients
-  Geographies
-  People & Culture
-  Organisation & Processes
-  Digital & Data
-  Finance
-  ESG
-  UniCredit Foundation

Our 2023 achievements

See how we unlocked transformation in our 2023 Annual Reports and Accounts.

[Read more here](#)



2023

2024

Our 2024 achievements

See how we set the benchmark for excellence in banking in our 2024 Annual Reports and Accounts..

[Read more here](#)



2025

JANUARY



Revamped Culture and Strategy Roadshow

2025 edition of the roadshow kicks off, engaging more than 27,000 colleagues across 18 visits in 11 countries.

UniCredit named Top Employer

For the ninth consecutive year, UniCredit has been recognised as a Top Employer in Europe.



Launch of UniCredit for CEE 2025

Expanding our support for micro and small enterprises across CEE.

UniCredit Bulbank goes digital

Bulbank Mobile launches fully digital investment services for clients.



ACCELERATION IN 2025 » CONTINUED

- Clients
- Geographies
- People & Culture
- Organisation & Processes
- Digital & Data
- Finance
- ESG
- UniCredit Foundation

FEBRUARY

**New partnership with Quant>ICO**

Unlocking new investment opportunities in high-potential Italian businesses.

Shaping the future of payments in Austria

Bank Austria elevates payments with new technology for customers and clients.

**UniCredit leads Slovakia's largest ever corporate refinancing**

Landmark financing package worth €3.6 billion.

MARCH

**Completed the acquisition of Aion Bank and Vodeno**

UniCredit takes a bold step in digital banking.

Setting a new benchmark for corporate credit approvals in Slovenia

Further streamlining our processes to deliver a faster, simpler and more efficient services to our clients.

**A year of partnership with Scuderia Ferrari HP**

Bound by Passion. United in Excellence.



APRIL

Next-generation call centre launched in Hungary

Improving service and efficiency for customers.



ACCELERATION IN 2025 » CONTINUED

- Clients
- Geographies
- People & Culture
- Organisation & Processes
- Digital & Data
- Finance
- ESG
- UniCredit Foundation

Landmark €2.4 billion FlixTrain transaction

UniCredit supports transformative growth in European mobility and technology.



Fast-tracking credit decisions in Serbia

Streamlined processes drive improved customer satisfaction.

Embedding innovation with Banxware

Partnership combines banking expertise with fintech innovation to transform SME financing.



MAY

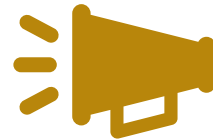


UniCredit's inaugural Longevity Forum
Leading Europe's conversation on longevity.



UniCredit launches partnership with Google Cloud

Accelerating digital transformation across our core markets.



1Q25 Group Results

Best quarter in our history.
Execution of our winning strategy, underpinning record results.

JUNE



Successfully launched U Share
Employee Share Ownership Plan empowers employees.



Completing the internalisation of our life insurance business in Italy
Creating a leader in the market and driving efficiency, product innovation and quality of service.

ACCELERATION IN 2025 » CONTINUED

- Clients
- Geographies
- People & Culture
- Organisation & Processes
- Digital & Data
- Finance
- ESG
- UniCredit Foundation

JULY

**UniCredit partners with Wise**

Delivering faster, smarter international payments.

**Supporting historic green bond issuance in Romania**

Largest issuance of green, corporate and non-financial bonds for Electrica Group, totalling €500 million.

**Innovative student banking solution in the Czech Republic**

UniCredit launches new student account to support the next generation.

**New housing loan for non-residents in Bosnia and Herzegovina**

Empowering citizens abroad to invest.

**Major hiring initiative in Italy launched**

Building the workforce of tomorrow with the "Follow Your Talent" campaign.

**DealSync: Our AI-powered M&A platform**

Using AI to democratise M&A for SMEs.

**2Q25 and 1H25 Group Results**

Record 2Q completes our best 1H ever. Another milestone in our acceleration.

**Merger with Alpha Bank Romania completed**

UniCredit's market position and corporate and retail segments strengthened with over 300 branches strategically located for customer convenience.

ACCELERATION IN 2025 » CONTINUED

- Clients
- Geographies
- People & Culture
- Organisation & Processes
- Digital & Data
- Finance
- ESG
- UniCredit Foundation

SEPTEMBER

**Stablecoin initiative launched**

UniCredit unites with European banks to launch a MiCAR-compliant Euro Stablecoin.

**20 years of UniCredit and HypoVereinsbank**

More than 5,000 colleagues celebrate historic milestone together.

OCTOBER

A transformative chapter for the UniCredit Foundation

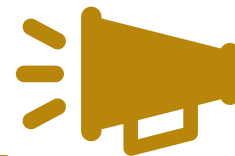
From shared vision to systemic impact, the UniCredit Foundation continues its journey of transformation.



€550m

Leading largest corporate financing deal in Croatia

UniCredit and Zagrebačka banka finalise a refinancing agreement for Fortenova Group, securing €550 million in debt refinancing.

**3Q25 and 9M25 Group Results**

Record 3Q completes our best 9M ever, reinforcing our unique equity story.

**Increased stake in Alpha Bank Greece**

Strengthened our strategic partnership with Alpha Bank, increasing stake to c.29.5%.

BancoSmart 2.0 introduced

Advancing our digital transformation with a faster, simpler and more sustainable ATM experience.



ACCELERATION IN 2025 » CONTINUED

- Clients
- Geographies
- People & Culture
- Organisation & Processes
- Digital & Data
- Finance
- ESG
- UniCredit Foundation

NOVEMBER

Security Days

Strengthening security awareness across the Group with two days of interactive sessions.



UniCredit hosts ESG Day 2025

Over 10,000 participants came together for insightful panels and speeches about the future of social and environmental strategy.

20 years of the Carta Etica Fund

€47 million allocated for social initiatives since 2005.

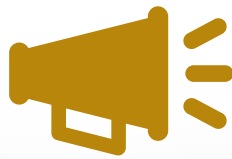
DECEMBER

onemarkets Funds
surpasses €30bn in AUM

A significant milestone that reflects the strength of our product factories and the trust of our clients.

CULTUREDAYS
UniCredit hosts Culture Day 2025

Fourth edition brings together colleagues to celebrate shared Values and UniCredit's Culture evolution.

**4Q25 and FY25 Group Results**

From UniCredit Unlocked to UniCredit Unlimited. Accelerating towards a decade of excellence.

2026 – 2030

UniCredit Unlimited

Transcending our benchmark

- > A winning strategy to deliver quality growth beyond peers while re-setting the efficiency frontier and elevating our long-term targets.
- > Unmatched trajectory offering the best combination of profitable growth and distributions in the sector.

ACCELERATION IN ACTION



Clients at the centre

Disciplined focus on high-value client segments and strengthening our best-in-class product factories. Clients choose where, when and how they interact with us – and we adapt.

Building out our asset and wealth management offering



DECEMBER



Group

PRODUCTS AND SERVICES

Our unwavering client focus, unified market view, and a steady pipeline of innovative equity, multi-asset, thematic, systematic and alternative products are powering our next phase of asset management growth. This is as onemarkets reaches over €30 billion in AUM, since its launch in 2022.

We are always focused on keeping our clients at the centre of everything we do – and asset management is no different. In 2025, we sought to embed this principle further within the business, which we continue to build and round out with new elements.

At the beginning of the year, we established The Investment Institute, which aligns the market views of our Research and Group Investment Strategy teams to provide a single, coherent view to our clients that can inform their investment decisions. The Investment Institute specialises in producing accessible, digestible and relevant content to help decode complexity and unlock opportunities for our investor clients.

From concept to pan-European presence

This principle of keeping clients at the centre has also driven rapid growth in our onemarkets Funds. Launched from scratch in 2022, they reached €30 billion in AUM across our Group countries in 2025 – underscoring the strength of our product factories and our ability to deliver best-in-class, client-centric solutions at scale.

Starting in Italy, Germany and Austria, our onemarkets offering quickly expanded to Central and Eastern Europe, Greece (via our partnership with Alpha Bank)

and beyond. Today, onemarkets Funds are available in 11 countries. This rapid growth reflects our ability to combine local distribution strength with global investment capabilities, ensuring clients have access to high-quality, diversified solutions.

We have also taken another major step forward in Central and Eastern Europe, with the expansion of the onemarkets offering to Slovenia in June, followed by Serbia in December.



ACCELERATION IN ACTION » CONTINUED

Driving growth through innovation

Over the course of 2025, our asset management platform continued to evolve, introducing new strategies to meet changing market dynamics and client expectations. Recent roll-outs include:

- > Longevity-themed funds, addressing the demographic trend towards longer lifespans and adapting to changing wealth planning needs;
- > Target maturity and guaranteed solutions to provide stability and predictability;
- > European Equity Stars, leveraging our regional insights and ESG expertise.

These innovations have been complemented by UniCredit Premium One, our first in-house life insurance solution, which channels investments into dedicated onemarkets insurance funds – showcasing the integration of asset management, insurance and private banking and wealth management to deliver holistic wealth solutions.

We have also increased our focus on alternative assets. As part of this, we brought the Franklin Lexington PE Secondaries Fund (FLEX-I), the first evergreen private equity fund focused on the secondaries market, to our wealth clients in Italy. The fund is positioned against a backdrop of strong growth in the secondary private equity market, which is expected to exceed \$5 trillion over the next five years.

Furthermore, we have established a new strategic partnership with Quant>ICO, which provides successful Italian family business owners with access to high-potential mid-sized Italian companies through an innovative club deal model – combining capital, expertise and entrepreneurial networks to support corporate growth.

In 2025, we made our ambition clear: to unlock further growth by strengthening our client focus, doubling down on providing high-quality content to clients, deepening our presence in existing markets and expanding into new ones – all while rolling out new solutions in line with client priorities.

Internalising our life insurance business in Italy



JUNE



Italy

PRODUCTS AND SERVICES

A milestone in our journey to create a leading life insurance company in Italy.

In June 2025, we completed the internalisation of our life bancassurance business in Italy, acquiring full control of our joint ventures with CNP Assurances and Allianz, and renaming them UniCredit Life Insurance and UniCredit Vita Assicurazioni, respectively.

This move is also in line with our ongoing strategy to internalise key parts of the product value chain, having also begun the process of internalising our back office for securities services in Italy and Germany at the beginning of the year. The new internalised life insurance entities are expected to substantially contribute to the €0.4 billion growth in insurance annual revenues targeted by FY 2027, compared to FY 2024.

Under the leadership of Alessandro Santoliquido, who was appointed CEO of both companies alongside his role as Head of Group Insurance, the two companies are expected to merge in 2026. This represents a significant expansion of our Client Solutions factories, holding a leadership position in high-value segments such as unit-linked and term life policies.

With these joint ventures internalised, we are now building an efficient company in a fee-based sector where we are already one of the leading players. At the same time, we are drawing on synergies to further strengthen our service levels, improve the value for money we offer to customers, and drive a substantial growth of the business.



ACCELERATION IN ACTION » CONTINUED

€2.4 billion FlixTrain transaction supports transformative growth in European mobility and technology



MAY



Germany

PRODUCTS AND SERVICES

At UniCredit, we are committed to enabling growth and transformation in Europe's most strategic sectors – a commitment reflected in HypoVereinsbank (HVB)'s pivotal role in a landmark transaction for FlixTrain.

In May 2025, HVB financed a major deal for FlixTrain, a subsidiary of global travel tech company Flix SE. The company ordered 65 new European high-speed trains from Spanish manufacturer Talgo to meet the growing demand for fast and affordable rail travel. The total order volume, including certain maintenance services, is worth up to €2.4 billion, of which more than €1 billion has already been committed.

By assuming a significant share of debt capital in the first tranche, we supported the structuring of the deal and achieved

the first major financing milestone. This contribution enables Flix to accelerate its transformation and expand its presence in the high-speed rail market, significantly improving the availability of private long-distance trains in Germany and Europe.

In this transaction, we leveraged the expertise of our Infrastructure and Export Financing team in European rail transport and our Tech Coverage team's understanding of the needs of a fast-growing, venture capital-backed travel tech platform. Together, these capabilities demonstrate the strength of UniCredit as a pan-European group and our ability to deliver tailored solutions for clients driving innovation and sustainability.

For more than a decade, our Berlin-based Tech Coverage team has been at the forefront of supporting innovative and fast-growing technology companies across Germany and Europe. Acting as an integral part of the Tech Industry Network, the team connects founders, venture capital firms and advisers to foster a dynamic European tech ecosystem and create new international champions such as Flix. According to the EY Startup Barometer, 75% of the 200 most funded tech companies benefit from the expertise and support of our Tech Coverage team.

This leadership position underscores our commitment to enabling growth and transformation in one of Europe's most strategic sectors.



ACCELERATION IN ACTION » CONTINUED

Shaping the future of payments in Austria



YEAR ROUND



Austria

PRODUCTS AND SERVICES

Advancing our ambition to bring smarter, more flexible payment solutions to clients across all segments.

In 2025, Bank Austria took significant steps to strengthen its payments business, transforming the payments experience for customers and clients.

In September, we completed the sale of UniCredit Bank Austria's 50.1% stake in card complete Service Bank AG, which was key in bringing the full payments value chain in-house and strengthening our position in the Austrian payments market.

UniCredit Bank Austria is now directly offering credit card issuing and acquiring products, and in turn, bringing important areas of the business back in-house. In March, it introduced a modern, next-generation credit card, equipped with the latest technology and functions. The new Bank Austria credit card enables simple and secure payments to over 100 million merchants worldwide, improved travel insurance cover, and all functions are seamlessly integrated into the MobileBanking app. It is also compatible with Apple Pay and Google Pay.

In July, even more features were added, enabling customers to take control of their finances more than ever before via the app. Now they can autonomously block cards, order replacements, change limits, activate/deactivate e-commerce and view wallet tokens.

The Touch Card

As we transform payments, we're not just innovating – we're making them more inclusive. Around 253 million people worldwide live with visual impairments, and in February, UniCredit Bank Austria partnered with Mastercard to launch the Touch Card – the first payment card in Austria designed for tactile recognition.

With distinctive notches for debit and credit cards and designed in collaboration with organisations such as the Royal National Institute of Blind People (RNIB) and VISIONS, the Touch Card enables visually impaired customers to identify their cards quickly and independently, enhancing accessibility and convenience.

This innovation anticipated the Accessibility Act, which came into force on 28 June 2025, and goes beyond compliance to set a new benchmark for accessible banking.

In Austria, this commitment extends to the branch network. One hundred percent of its branches are barrier-free and have tactile guidance systems for people with visual impairments, mobile induction devices for people with hearing impairments and self-service devices that are suitable for wheelchair users and have a keyboard with voice output. The bank also offers comprehensive barrier-free online service.

Brand-new point-of-sale terminals

For businesses, July brought the launch of a brand-new acquiring solution with its point-of-sale (POS) terminals and e-commerce capabilities on a futureproof state-of-the-art omnichannel platform. This is designed to enable business clients to accept a broader range of payment methods quickly, easily and securely, while establishing a direct relationship with UniCredit rather than relying on third-party providers.

This is a major step in our ambition to bring smarter, more flexible payment solutions to our clients across all segments. This new service gives businesses more control, better support, and direct access to card schemes and digital wallets.

Initially targeted at micro and small businesses – segments where demand is high and growth potential is considerable – the solution provides access to a premium product that was previously available only to larger enterprises. The service is now fully rolled out to all client segments in Austria, creating new opportunities for both clients and the bank.

For our bank, this initiative is strengthening client relationships through end-to-end payment solutions, expanding market reach, and ensuring that customer interactions remain entirely within the bank.



ACCELERATION IN ACTION » CONTINUED

Leading Croatia's largest private corporate refinancing



OCTOBER



Croatia

PRODUCTS AND SERVICES

Demonstrating our leadership in the Croatian corporate banking market.

In October 2025, Zagrebačka banka and UniCredit Group finalised a refinancing agreement for Fortenova Group, securing €550 million in debt refinancing. This transaction is the largest private corporate financing arranged by a single banking group in Croatia, reinforcing Fortenova Group's financial position and supporting its continued growth and stability.

As Croatia's largest company and a major employer in Southeast Europe with more than 45,000 employees, Fortenova Group plays a crucial role in the regional economy. This refinancing marks a significant milestone in Fortenova Group's ongoing restructuring, operational improvements and strategic vision for sustainable growth. It enables continued investment in operations and contributes to the development of Croatia's economy and the wider Southeast Europe region.

Through this deal, we have demonstrated our strong commitment to supporting key players in the region with tailored financial solutions. It reflects our leadership in the Croatian corporate banking market, focus on fostering strong European businesses, and position as a trusted partner in driving the long-term success of major corporate clients.

Leading €3.6 billion corporate refinancing in Slovakia



FEBRUARY



Slovakia

PRODUCTS AND SERVICES

Combining our local expertise and pan-European reach to deliver complex financing solutions.

In 2025, UniCredit Bank played a leading role in Slovakia's largest-ever corporate refinancing, supporting Slovenské elektrárne with a landmark €3.6 billion financing package.

Acting as Global Coordinator and Facility Agent, we structured and managed the transaction, which comprised a three-year amortising loan, a five-year bullet loan and a two-year revolving facility.

The refinancing delivers significant benefits, including reduced interest costs, the release of company assets from collateral and strengthened long-term financial stability for Slovakia's leading energy producer.

Our role in this transaction underscores our strong commitment to the region and its ability to deliver complex financing solutions for strategic industries with our local expertise and pan-European reach.



ACCELERATION IN ACTION » CONTINUED

New housing loan for non-residents of Bosnia and Herzegovina



JULY



Bosnia and Herzegovina Mostar

PRODUCTS AND SERVICES

Providing tailored financial solutions that meet the needs of clients across all our markets.

In July, we launched a new housing loan for non-resident citizens of Bosnia and Herzegovina (BiH) who live and work abroad but wish to invest in real estate in their home country.

Eligible clients are those who have resided abroad for more than one year and have been with their current

employer for at least one year. The loan is intended exclusively for the purchase of real estate within Bosnia and Herzegovina.

The loan offers a fixed interest rate throughout the entire repayment period, giving clients security and predictability when planning monthly obligations. UniCredit Bank also waives the processing fee, reducing costs and simplifying the path to real estate investment.

As a reliable financial partner, we are continually developing offers that meet clients' needs. This housing loan for non-residents reflects our commitment to supporting BiH citizens who, although physically distant, continue to invest in their homeland – fully aligned with our strategy to deliver tailored solutions for customers and clients across all markets.

Leading Europe's conversation on longevity



MAY



Group

PRODUCTS AND SERVICES

A foundation for our work on demographic change, supporting clients as they navigate Europe's longevity transformation.

In 2025, we hosted the inaugural UniCredit Longevity Economic Forum, which brought together policymakers, business leaders and Nobel laureates, to explore how increasing lifespans are reshaping society, the economy and the future needs of our clients.

The discussions throughout the event highlighted a shared understanding: longevity is not only about living longer but also about enabling people to thrive throughout extended lives. Shifts in work, consumption, education and personal well-being were central themes, underscoring the profound changes already influencing households, businesses and financial decision-making.

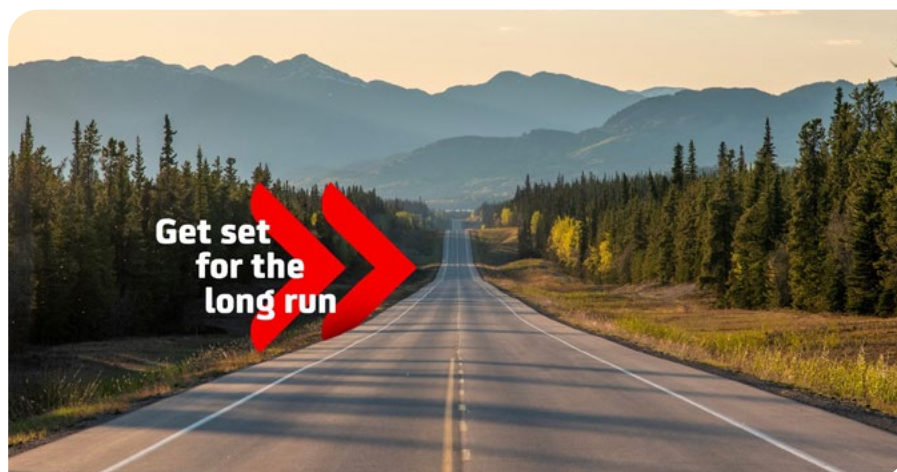
To support this evolving landscape and the needs of our clients, we launched a comprehensive research platform designed to help us understand and

respond to longevity's long-term implications. This includes the UniCredit Longevity Index, the Empowered Living Indicator, and a series of thematic Observatories, developed with the UK's National Innovation Centre for Ageing and Fidelity International.

These tools assess how well countries support longer, healthier lives across factors such as individual behaviour, healthcare systems, physical

environments and social conditions – insights that enable us to provide better-informed guidance and solutions to clients planning their futures.

The Forum has become a foundation of our work on demographic change, strengthening our role as a bank that anticipates future needs and supports clients as they navigate Europe's longevity transformation.



ACCELERATION IN ACTION » CONTINUED

Introducing fully digital investment services in Bulgaria



JANUARY



Bulgaria

CHANNELS

Advancing our strategy to expand high-value financial services through our digital channels.

In 2025, we introduced a new “Investments” feature in Bulbank Mobile, offering both Investment Plans and Direct Investments, enabling individual users in Bulgaria to seamlessly invest in onemarkets Funds directly from their smartphones.

Customers can now choose from top-tier global investment funds under the onemarkets umbrella, including renowned names such as BlackRock, J.P. Morgan and Fidelity. They can also opt for recurring monthly investment through Investment Plans or make a one-time contribution via Direct Investment.

With just a few taps, they can build their investment portfolio without visiting a branch.

This initiative marks a significant milestone in our strategy to expand high-value financial services through digital channels.

It reflects our commitment to transparency, flexibility and technological excellence – making investing smarter and more inclusive.

Following the launch of the end-to-end investment process, digital sales now account for 65% of all investment transactions. Bulbank Mobile has

become the preferred banking channel, with over 98% of customer operations conducted digitally. Users perform more than 1.3 million payments monthly, totalling over BGN 1 billion – a powerful demonstration of how our Digital Strategy is delivering results and transforming the way we serve our clients.



Enhancing digital accessibility and expanding payment options in Bosnia and Herzegovina



JULY



Bosnia and Herzegovina Banja Luka

CHANNELS

Making banking more accessible, more secure and improving the everyday client experience.

In Bosnia and Herzegovina, we continued to respond to our clients' needs by improving the digital solutions they rely on every day. At UniCredit Bank Banja Luka, we have enhanced our m_bank mobile application to promote greater digital accessibility and to include a range of improvements – including TalkBack functionality, improved colour contrast,

enhanced readability, larger icons and an optimised button layout. These changes are all designed to simplify navigation and create a more user-friendly experience and also support clients with visual or accessibility challenges.

2025 was also the year we brought Apple Pay to our clients in Bosnia and Herzegovina, becoming one of the first banks on the local market to do so. By introducing this modern, secure and convenient payment method, we have

demonstrated our ability to innovate and respond to evolving client expectations in all markets.

These initiatives demonstrate our continued commitment to strengthening digital services for our clients – making banking more accessible, more secure and improving the everyday banking experience. Together we are meeting the real needs of clients and customers and setting benchmarks for our competitors.

ACCELERATION IN ACTION » CONTINUED

Advancing our digital transformation through BancoSmart 2.0



OCTOBER



Italy

CHANNELS

Delivering faster, simpler and more sustainable self-service banking.

In 2025, we took a major step forward in our digital transformation with the launch of BancoSmart 2.0, a new interface for UniCredit ATMs. Designed to deliver a faster, simpler and more sustainable experience, BancoSmart 2.0 sets a new benchmark for self-service banking.

Through the following enhancements, we are simplifying the everyday banking experience:

- > Quick withdrawals where the last withdrawn amount is immediately visible after card insertion;

- > Digital receipts, an option to receive receipts via email or opt out of non-mandatory ones to reduce paper usage;
- > More visible and intuitive functions, directly accessible from the main menu;
- > Graphic style aligned with other UniCredit digital channels, like the Mobile Banking app;
- > Guided processes, to facilitate the experience for even less experienced users.

The complete release of BancoSmart 2.0 is progressive. In 2025, it was already available on cash withdrawal-only ATMs, and it is being distributed to advanced

ATMs (those with deposit functions). Its arrival on Quick Cash Desks is expected in 2026.

This is a part of our broader investment programme to modernise our self-service infrastructure and branch network. To date, almost 90% of UniCredit branches have been upgraded, creating a truly omnichannel experience for clients. In parallel, we are implementing a major ATM renewal plan, replacing more than half of our machines with latest-generation models by 2027.

With our investments in self-service banking, we are accelerating the digital transformation of our branch network, creating a distinctive, sustainable, and truly omnichannel experience for our clients.



ACCELERATION IN ACTION » CONTINUED

Uniting with European banks to launch a Euro-denominated stablecoin



SEPTEMBER



Group

CHANNELS

Paving the way for a new standard in the digital asset space that will support Europe's growth.

In September 2025, we joined forces with nine major European banks – ING, BNP Paribas, Banca Sella, KBC, Danske Bank, DekaBank, SEB, CaixaBank and Raiffeisen Bank International – to launch a Euro-denominated stablecoin.

This digital payment instrument, built on blockchain technology, aims to become a trusted European payment standard within the digital ecosystem. By using blockchain, stablecoins enable fast, secure and low-cost transactions, making them an attractive option for both retail and corporate users in the evolving landscape of digital finance.

For UniCredit, this partnership is a chance to help define the digital finance ecosystem. Stablecoins will enable 24/7 access to efficient cross-border payments, programmable payments, and improvements in supply chain management and digital asset settlements, which can vary from securities to cryptocurrencies.

The stablecoin will be regulated by the EU's "Markets in Crypto-Assets Regulation" (MiCAR) and is expected to be first issued in the second half of 2026.

The stablecoin consortium, with its founding members, has formed a dedicated entity, Qivalis, which has been set up in the Netherlands and has submitted an application for an electronic money licence with the Dutch Central Bank.

The initiative will provide a real European alternative to the US-dominated stablecoin market, contributing to Europe's strategic autonomy in payments.

By supporting a trusted, regulated solution for on-chain payments and settlement, UniCredit is helping to pave the way for a new standard in digital assets – one that underpins Europe's growth and financial sovereignty.

Unlocking high-potential investment opportunities through partnership with Quant>ICO



FEBRUARY



Italy

PARTNERSHIPS

Strategic partnership supporting high-potential businesses, empowering entrepreneurs and creating long-term value for investors.

In February 2025, we launched a strategic partnership with Quant>ICO, an independent club deal company, with the aim of offering selected investors privileged access to high-potential investment opportunities in Italian mid-sized enterprises.

Through this collaboration, we are acting as Quant>ICO's exclusive partner in identifying family offices, entrepreneurs

and professionals interested in joining the initiative. With our multi-product platform, international network and deep knowledge of investment banking, we are supporting high-potential businesses with highly credible development and growth plans.

The project brings together some of Italy's most prominent entrepreneurial families, with plans to invest in approximately 10 to 12 transactions over four to five years. Each deal will involve equity tickets ranging from €30 million to €80 million per target company.

This innovative and flexible investment model is designed to empower entrepreneurs and create long-term value for investors. By combining capital with expertise, the initiative aims to strengthen Italy's mid-sized corporate sector and foster sustainable growth.

The partnership with Quant>ICO complements our already consolidated offering in co-investments in club deals, where, thanks to several milestone transactions, we are considered among the leaders in Italy.

ACCELERATION IN ACTION » CONTINUED

A year of partnership between UniCredit and Scuderia Ferrari HP



YEAR ROUND



Group

PARTNERSHIPS

Bound by Passion, United in Excellence. In 2025, our multi-year partnership with Scuderia Ferrari HP continued to evolve, uniting two renowned Italian brands that share a passion for high performance and excellence.

Guided by the banner “Bound by Passion. United in Excellence”, the partnership has opened up new banking opportunities and exclusive experiences for our customers, clients and colleagues, and has brought our bank closer to the global community of Ferrari fans.

Building a global community

From international moments to landmark events such as the Drivers' Presentation in Milan's Piazza Castello, which gathered more than 20,000 fans and 5,000 UniCredit employees, and through numerous local initiatives across Europe, the partnership – which began in September 2024 – has turned motorsport into a shared experience for Ferrari fans, and our clients and customers.

Across the year we brought this to life in the communities and markets we serve, with local activations, branding, displays and events in our bank branches.

Through live events, original videos and exclusive content, we amplified the Scuderia Ferrari HP and UniCredit brand across Europe, and our shared Values of excellence, performance and innovation to a new community of customers and clients. Stories, behind-the-scenes moments and the voices of those who live and breathe the paddock every day made the partnership more tangible, authentic and engaging. These campaigns contributed to deeper engagement with younger and digitally active audiences and millions of Ferrari fans.



Additionally, thanks to our partnership with Teach for Italy, the first pilot edition of the UniCredit and Scuderia Ferrari HP Summer School was launched in July 2025, helping fellows and students in educationally disadvantaged areas build skills in science, technology, engineering and mathematics (STEM).

UniCredit Scuderia Ferrari Metal Card

A major milestone in our partnership was the launch of the UniCredit Scuderia Ferrari Metal Card at an exclusive event in Milan with F1 drivers Lewis Hamilton and Charles Leclerc. This premium Mastercard credit card crafted from metal in the iconic Ferrari Mugello Red and engraved with the legendary shield and provides customers in Italy with exclusive benefits.

Developed through our collaboration with Ferrari, the card offers clients broad spending capacity, zero foreign currency fees and a suite of elite services, including:

- > Fast Track security access at major airports;
- > Priority Pass entry to more than 1,700 airport lounges;
- > 24/7 concierge services;
- > Exclusive Mastercard Priceless, Reserved and Travel Rewards benefits.

Cardholders have been able to enjoy access to the dedicated Ferrari Benefits Catalogue, featuring curated Ferrari

products, limited-edition merchandise and unique experiences available exclusively through the partnership.

Creating unique client experiences across Europe

Throughout 2025, we collaborated with Scuderia Ferrari HP to develop exclusive experiences and storytelling that brought our clients closer to the world of Formula 1.

This included special invitations to 12 of the most exclusive Grand Prix events taking place in Europe and worldwide in 2025 and visits to iconic motorsport locations such as Scuderia Ferrari's state-of-the-art headquarters in Maranello in Italy, where clients from Italy, Germany, Austria, Bulgaria, Croatia and Client Solutions received an exclusive tour and were able to enjoy the famous test track in a Ferrari sports car.

We also brought our partnership to life at major international industry conferences, featuring Ferrari replicas at UniCredit-branded stands at events such as Sibos in Germany, Euroconference in Hungary and Salone dei Pagamenti in Italy – all of which attract tens of thousands of visitors. Alongside this, we hosted successful local initiatives across UniCredit premises, from the Bank Austria Forum in Vienna and the car displays in the Italian branches of Imola, Monza, Milan and Verona.

ACCELERATION IN ACTION » CONTINUED

Partnering with Banxware to transform SME financing



JUNE



Germany

PARTNERSHIPS

Milestone in our Strategy to combine the trust of a universal bank with the agility of a fintech.

In 2025, UniCredit advanced its platform strategy through HypoVereinsbank's partnership with Berlin-based fintech Banxware, delivering fast, digital credit solutions for small and medium enterprises (SMEs).

SMEs are the backbone of the German economy and a key client segment for UniCredit. In 2025, we strengthened our commitment to this sector through HypoVereinsbank's partnership with Banxware, a leading fintech specialising in embedded lending technology. Together, we are redefining how SMEs access financing – seamlessly, digitally, and directly within the platforms they use every day.

Banxware provides state-of-the-art embedded lending capabilities, while UniCredit brings financial strength, regulatory expertise and decades of corporate banking experience. This combination enables businesses to secure funding without lengthy, paper-based processes. Applications can be completed in minutes, with decisions typically within 24–72 hours and funds available within days,¹ giving entrepreneurs the agility to act when opportunities arise.

Our joint offering includes:

- > Banxware Sofortfinanzierung, an instant term loan up to €250,000 for short-term needs;
- > HVB FlexFinanzierung credit lines up to €5 million for companies with strong growth ambitions.

This partnership is more than a product launch – it represents a strategic shift towards embedded finance. By integrating lending into leading online platforms, we meet customers where they do business and remove traditional barriers. The result is faster, more flexible financing aligned with the digital economy.

For UniCredit, this cooperation marks a key milestone in our broader platform strategy. Together with Banxware, we are shaping the future of corporate banking – combining the trust and reliability of a universal bank with the agility and innovation of a fintech.

¹ Banxware Sofortfinanzierung is paid out within 24 hours, HVB FlexFinanzierung within 3 days.



ACCELERATION IN ACTION » CONTINUED



Faster, smarter international payments with Wise



JULY



Group

PARTNERSHIPS

International payments are a cornerstone of our strategy, as we aim to become every European's first choice for payments.

This ambition is embedded in our multi-year acceleration plan, where we aim for payments to contribute €0.4 billion to our total €1.4 billion target for fee growth by 2027. Our approach focuses on capital-light, scalable, fee-based services that deliver tangible benefits for clients.

Building on a strong foundation

The foundation of our international payments offering, UC PayFX, was launched in 2021 and expanded to retail clients in 2022. Enabling them to send wire transfers from their Euro accounts into a huge range of currencies, including exotic currencies such as the South-Korean Won and Egyptian Pound, it has helped us double the number of active retail accounts and grow retail transaction volumes by more than 50%. Our adoption of Swift GPI in 2024 added to the offering, enabling real-time tracking and fast settlement for cross-border transfers.

These achievements earned us considerable industry recognition, including Euromoney's Best Cash Management Bank for two consecutive years in 2024 and 2025, and the TMI Award for Best Solution Innovation in Payments in 2025.

The next step: near-real-time international retail payments

In 2025, we became the first major European bank to launch a faster international payments service for retail and private clients, in partnership with Wise Platform and other financial institutions. This new solution allows clients to:

- > Transfer money abroad as quickly as a domestic payment in 10 major currencies, including USD, GBP, CHF, HKD, SGD and INR;
- > Access real-time exchange rates and transparent pricing, with no hidden fees;
- > Enjoy a mobile-first, guided user experience.

We aim to extend coverage to all European retail clients by 2027, adding more currencies and geographies.

Impact and outlook

This innovation directly benefits retail and private clients, offering speed, cost efficiency and transparency. It also strengthens UniCredit's position as a leader in payments, supporting our strategic goal of sustainable fee growth. Looking ahead, we will continue to expand this service, integrate additional partners and enhance user experience – ensuring UniCredit remains at the forefront of payment innovation in Europe.

ACCELERATION IN ACTION » CONTINUED

Driving innovation and growth through our Mastercard partnership



YEAR ROUND



Group

PARTNERSHIPS

Our strategic partnership with Mastercard has been instrumental in strengthening our position in the European market and advancing our Vision to become the first choice for payments across Europe.

In 2023, we formed this multi-market partnership with Mastercard and since then we have launched new products in 12 European markets, enabling cards to perform e-commerce transactions in each of our banks.

By leveraging Mastercard's global expertise and advanced payment technologies, we deliver secure, reliable and innovative solutions to our customers – ensuring operational excellence and differentiated services.

Delivering tangible innovation for clients

This collaboration has enabled UniCredit to enrich its offering with cutting-edge features that meet evolving customer needs:

- > Click-to-Pay and Digital Wallet integration, providing seamless, secure payment experiences;
- > Access to Mastercard's Priceless platform, creating exclusive experiences and benefits for customers;
- > Harmonised payment solutions across pan-European markets, improving operational efficiency and card acceptance worldwide;
- > Introduction of sustainable card materials, reinforcing UniCredit's ESG commitments.



Impact and stakeholders

The partnership provides direct benefits for our clients, who enjoy modern, frictionless payment experiences, and communities, through sustainable product innovation. It also supports colleagues, enabling consistent delivery of advanced solutions across markets.

It is also delivering tangible results. Since the partnership started in 2023, it has increased card transactions by 20% and the Mastercard ecosystem has helped drive the digitalisation of payments by increasing card usage to a 2:3 ratio versus cash across Group transaction volumes, with further growth potential ahead.

Looking ahead, UniCredit will continue to scale these innovations across Europe, integrating marketing initiatives and sustainability features to deepen customer relationships and strengthen our competitive position in the payments space.



Geographies

Capital and investments redirected to geographies offering the strongest opportunities.

Strengthening our market position through merger with Alpha Bank Romania



AUGUST



Romania

A pivotal moment in our growth story as we build a stronger, more profitable bank.

On 18 August 2025, we completed the merger of UniCredit Bank Romania and Alpha Bank Romania – a major step forward in strengthening our position in one of our most important growth markets.

This has brought together two institutions with deep Romanian market expertise and long-standing client relationships, bolstering our market position across corporate and our retail banking and sustainable growth strategy. At the point of completion, we held 11% of banking assets, 13% of loans and

11% of customer deposits – a significant milestone demonstrating UniCredit's capacity for rapid, effective integration at scale.

As a result, Alpha Bank Romania customers can now benefit from an enhanced banking experience as a part of UniCredit with an expanded range of products and services, a larger branch and ATM network, and leading banking technology.

The new UniCredit Bank Romania operates approximately 300 branches strategically located for customer convenience, ensuring efficient access to various financial solutions. Customers can access a comprehensive network of

900 ATMs nationwide. The combined bank employs over 4,800 staff, including former Alpha Bank Romania colleagues.

Alpha's long-standing presence in Romania, which continues via its 9.9% stake in UniCredit Bank Romania, reinforces our strategic role in Eastern Europe, a region in continuous development.

Looking back from 2026, the merger stands out as a pivotal moment in our growth story. We have created a stronger bank that is better positioned to unlock new potential and drive accelerated, profitable growth both for our bank and our customers.



ACCELERATION IN ACTION » CONTINUED

Unlocking growth through our strategic partnership with Alpha Bank Greece



OCTOBER



Group

Unlocking growth and delivering beyond expectations with Alpha Bank. Cementing our position as a leading pan-European bank.

In 2025, we strengthened our strategic partnership with Alpha Bank, increasing its stake to approximately 29.5%. This move reflects our commitment to growth through partnerships that combine local strength with UniCredit's pan-European capabilities. Greece, with its robust recovery investments in energy and infrastructure, offers significant potential, and Alpha Bank's strong regional presence makes it an ideal partner for cross-border business.

Delivering tangible results for clients

By connecting Alpha Bank to UniCredit's global product factories, we have been able to extend our advanced solutions

in trade finance, payments, brokerage and asset management to its clients. This collaboration has already delivered beyond expectations:

- > Securing €1 billion in Assets under Management for onemarkets Funds in Greece, representing over 10% of Alpha Bank's total AUM;
- > Enabling us to support the majority of Alpha Bank's European emission allowance trades, with projected volumes of up to €12 billion in 2025;
- > Facilitating joint transactions such as the EBRD's €161 million sale of a stake in Bank of Cyprus and coordinated coverage for Greek and CEE clients;
- > Prompting over 30 knowledge-sharing sessions on compliance, operations and client experience – strengthening collaboration between teams.

This partnership delivers clear benefits for clients, who gain access to best-in-class products and cross-border expertise, and for colleagues, who benefit from shared knowledge and integrated operations. It also supports regional economic growth, reinforcing our role as a trusted partner in a rapidly evolving market.

The next phase will focus on deepening cooperation with international clients, leveraging UniCredit's network to support Greek investors abroad and international clients seeking opportunities in Greece. This cross-border approach will unlock further growth and cement our position as a leading pan-European bank.

Launch of UniCredit for CEE 2025



JANUARY



Group

We have taken another major step forward in the expansion of onemarkets in Central and Eastern Europe.

The onemarkets Fund combines UniCredit's deep client knowledge with the expertise of leading global asset managers – including Amundi, Allianz Global Investors, BlackRock, Fidelity, J.P. Morgan, Pictet and PIMCO – offering a broad range of bond-weighted and equity-weighted balanced products to meet diverse investor needs.

In June 2025, we expanded our onemarkets Fund offering to Slovenia and in December to Serbia. This follows successful launches in Italy, Germany and Austria in 2022, and subsequent rollouts in Greece, Czech Republic, Slovakia,

Bulgaria, Hungary, Romania and Bosnia and Herzegovina. With this latest addition, our bespoke investment solutions are now available in 13 European countries, and clients have already entrusted around €30 billion in assets under management to the onemarkets platform.

This expansion is part of our strategic plan focused on extending our reach and delivering high-quality, targeted solutions to private clients across CEE.

At the same time, we introduced a holistic umbrella framework for micro and small businesses in the region, with the opportunity to provide up to €2.3 billion in favourable financing solutions alongside accounts management and advisory services. This initiative builds on the success of UniCredit for CEE 2024,

which delivered more than €2 billion in financing and supported over 9,300 micro and small corporate clients across CEE.

These achievements reflect our commitment to driving growth and innovation in the region – helping businesses thrive and giving private clients access to world-class investment opportunities.





People & Culture

Investing in our people and winning Culture. The linchpin of our success.

When Strategy meets Culture to power innovation and growth



YEAR ROUND



Group

Our Culture & Strategy Roadshow and Culture Day brought colleagues together across our bank in 2025 to shape our future through shared Values and bold ideas.

Culture & Strategy Roadshow

The Roadshow returned with a fresh format and new stops, creating even more opportunities for colleagues to connect directly with UniCredit's leadership. Over 27,000 participants came together to explore strategy, strengthen our Culture and celebrate collective achievements.

In 2025, it made 18 visits to 11 countries across Europe. This included key markets in Central and Eastern Europe, as well as Germany and Austria, and for the first time it visited all seven Italian regions and Holding.

Originally launched to deepen understanding of UniCredit's core Values, the Roadshow has evolved into a dynamic platform for strategic dialogue, innovation and local insights. It is a local lens into local opportunities and challenges, offering colleagues the chance to pitch their ideas to the Group CEO and Leadership team and shape our bank's future success.

With more than 1,700 ideas shared across Europe, the Roadshow is not just a conversation – it is driving excellence across UniCredit.

Culture Day

This was supported by Culture Day, which returned with its fourth edition in December, bringing together 8,000 colleagues and senior leaders across the Group to celebrate the remarkable individuals shaping our Culture evolution and reflect on the key pillars of our progress.

Leaders from across the bank shared their insights on themes such as driving innovation, embedding ideation into our Culture, fuelling growth, reimagining

client service, and scaling ideas beyond borders. This included innovations such as the Virtual Mortgage Center, Smarter ATM Interface and Portfolio Reporting Tool, as well as the Innovation Hub, the Problem-solving Hackathon and many more.

Culture Day was a celebration of extraordinary people who have brought UniCredit's Values to life and a springboard into a new year and a future of even greater impact.



ACCELERATION IN ACTION » CONTINUED



Well-being Focus: Building a culture of care and connection



Reinforcing our commitment to building a safe, supportive and healthy workplace for all.

From 7 to 11 April, we hosted our first Well-being Focus, a week dedicated to inspiring, educating and empowering colleagues across all our countries to embrace a culture of care and connection in everyday life.

Over 16,000 people joined online and in-person over the five days, with strong engagement across internal and external platforms.

Well-being is the foundation for everything we do at UniCredit – driving productivity, creativity and the energy we bring to the workplace.

Throughout the week, we opened dialogues across all five pillars of well-being – physical, social, career, financial and mental – reinforcing our commitment to a safe, supportive and healthy workplace for all.

Colleagues heard personal stories and insights from renowned speakers and UniCredit's leaders, and had the opportunity to participate and engage in the following sessions:

- > A panel discussion featuring five of our senior leaders which focused on our holistic approach to well-being and reaffirmed our Group-wide commitment;
- > A motivational keynote from former basketball player Riccardo Pittis, who emphasised the direct link between personal well-being and professional excellence;
- > A Social Well-being Talk led by Group Strategy & ESG, which focused on volunteering opportunities at UniCredit and our bank's role in driving collective action and social impact;
- > A Career Well-being Talk featuring historian and lecturer Dr Eliza Firby, which explored intergenerational dynamics at work, generational differences and work-life balance;
- > A Financial Well-being Talk led by Group Client Solutions, which shared essential financial habits – from advice on smart saving and investment to debt management and how to build lasting financial security;
- > A powerful Mental Well-being Talk hosted by Andrea Bariselli, clinical psychologist and neuroscientist, on boosting motivation, resilience and productivity to support both personal and professional performance.

ACCELERATION IN ACTION » CONTINUED



20 years together: HypoVereinsbank and UniCredit celebrate historic milestone



SEPTEMBER



Germany

In 2025, HypoVereinsbank (HVB) marked two decades within UniCredit Group – a journey defined by transformation, excellence and shared success.

Over these two decades, HVB has evolved into Germany's most profitable, efficient and best-capitalised universal bank – a cornerstone of the Group and a trusted partner for clients across industries and borders.

The merger in 2005 was the largest cross-border banking integration in Europe at the time, laying the foundation for our shared success. Today, Germany contributes around 20% of our Net Profit, reflecting HVB's capacity for transformation, operational efficiency and strong customer focus.

This is particularly evident in rising satisfaction among medium-sized enterprises – a segment where HVB continues to deliver tailored solutions and sustainable growth.

Together, we have built more than a bank – we have built a legacy. The positive impact of our actions can be felt across communities and markets, thanks to the dedication and resilience of HVB employees. Their commitment is at the heart of the "Together" campaign launched in 2025, which featured a series of internal and external initiatives to celebrate this anniversary, engage employees and strengthen the sense of belonging across the organisation.

This included the Culture Summer Lounge, regional running activities in 10 cities, promoting health and team spirit, and a dedicated exhibition at HVB Tower. The campaign culminated in Unlocking Excellence, an event held on 22 September which brought together over 5,000 colleagues to reflect on the key milestones in HypoVereinsbank and UniCredit's history, and honour outstanding contributions from employees through the Excellence Awards. It also included a pitch session, where colleagues shared forward-looking ideas for the future.

At the heart of these celebrations was a clear message: #TogetherWeBelong. The day demonstrated the excellence which defines HypoVereinsbank and the foundations we have built for even greater growth, innovation and success in the future.

ACCELERATION IN ACTION » CONTINUED



Building the workforce of tomorrow – investing in talent across UniCredit



JULY



Italy

People are the engine of our success. By empowering talent, we are building a stronger, future-ready UniCredit.

As part of our Strategic Plan, we have continued to invest in our people and in 2025 we launched a major hiring initiative in Italy.

Under the campaign “Follow Your Talent. It Will Lead You to Us”, launched in July, we set out to recruit 1,000 new colleagues, with a strong focus on young talent for our Italian commercial network.

Our recruiting strategy introduced a new career path specifically for young talent in junior advisory roles within the Italian commercial network. This path begins with a three-month internship, either curricular or extracurricular, followed by an apprenticeship. We also launched dedicated campaigns for professional profiles, supported by local UniCredit colleagues, and strengthened recruitment channels through partnerships with universities, schools

and regional stakeholders, besides a referral campaign dedicated to specific roles. This campaign highlights our commitment to creating an environment where people can grow, unlock their potential and contribute to the success of our clients and communities.

This is a part of wider efforts to invest in talent in Italy and across the Group. Since 2021, we have welcomed c.5,000 new team members in Italy, strengthening our workforce and Commercial Network with new talent and fostering cross-generational collaboration. The percentage of colleagues under 35 in Italy has nearly doubled in four years, rising from 7.7% to 15%.

In addition, in 2025, we welcomed over 4,000 new colleagues across the Group as a part of our ambition to accelerate commercial growth, strengthen client relationships and build new capabilities. More than half of these hires were under 30 years old – reinforcing our view that

the bank’s future will be powered and shaped by the next generation and the capabilities they can bring in areas such as Data and AI.

Over 80% of these under-30 hires joined our Business and Digital areas, underscoring our focus on technology and efficiency. Of these, more than 90% were in Business roles, strengthening a core area essential for growing the bank and delivering greater value to clients.

At UniCredit, when we talk about talent, we mean going beyond the traditional search for talented individuals and focusing on recognising, developing and nurturing the talent within each person through dedicated mapping, development and training programmes.

This is a deliberate investment in talent and new hires to drive our next phase of growth. By empowering new talent, we are building a stronger, future-ready UniCredit.

ACCELERATION IN ACTION » CONTINUED



Organisation & Processes

Simplifying and streamlining. A leaner, faster, more agile bank.

Setting a new benchmark for corporate credit approvals in Slovenia



FEBRUARY



Slovenia

Further streamlining our processes to deliver a faster, simpler and more efficient service for our clients.

In February 2025, UniCredit Banka Slovenija introduced the Fast Track initiative to optimise credit approval processes for corporate clients, reinforcing our commitment to operational excellence and putting clients at the centre.

The initiative is designed to simplify processes, leverage automation, and embed partially data-driven decisioning, significantly reducing time to approval and delivering faster, more transparent and predictable outcomes.

By enhancing speed, consistency and ease of application through a streamlined questionnaire, the initiative improves client experience while strengthening operational efficiency and risk management. Ultimately, it positions UniCredit to build deeper client trust, accelerate growth and set a new benchmark for a modern, client-first credit process.

The Fast Track initiative focuses on credit exposures up to €0.5 million, upgrading and simplifying the existing credit process and introducing a delegated approval model within the Corporate Banking division. The process is based on predefined criteria that ensure consistency and compliance, with selected steps automated to accelerate

decision-making. By standardising the process and leveraging automation where applicable, our bank is reducing processing times, improving efficiency and enhancing transparency.

As a result, time to approval for credit proposals meeting the pre-set criteria decreased by four days in 2025. Looking ahead, the focus will be on analysing cases that do not meet the criteria and identifying opportunities to process more clients through the simplified and fast-track approach.

The benefits of this project are twofold – enhancing client service through an easy-to-complete questionnaire and reduced paperwork, and equipping colleagues with a streamlined tool to process applications faster and deliver more consistent, predictable results. This dual benefit strengthens client relationships while ensuring efficiency and compliance with our bank's standard.



ACCELERATION IN ACTION » CONTINUED

Fast-tracking credit decisions in Serbia



JUNE



Serbia

Transforming our approach to credit decisions, offering the right products to our clients at the right time.

In the standard credit process, more than 20 documents are required for a final decision, involving multiple bank structures and often leaving clients waiting several weeks for feedback.

To change this, at UniCredit Bank Serbia we introduced a new approach: leveraging internal and external data, processing it in advance and applying defined criteria to create a list of customers eligible for fast-track actions and maximum credit limits.

This includes both existing and potential clients, boosting acquisition and cross-selling opportunities.

With analysis of the data in advance, preparing a credit application now takes less than one hour, requires fewer than 10 documents, and decisions are typically made within one to two days.

This has freed up capacity across several teams, improved standard processes and customer satisfaction.

We have also extended this approach to the annual review process. Now almost 40% of existing borrowing customers benefit from fast reviews, with the opportunity to access additional products – such as working capital, IRS, factoring, FX forward, credit cards and overdrafts – without extra effort.

The benefits are clear: smarter data analysis and streamlined processes mean better targeting and the ability to offer the right products to our most valuable customers.





Digital & Data

Accelerating the adoption of AI. Turning scale and innovation into competitive advantage.

Accelerating digital transformation through our Google Cloud partnership



MAY



Group



In 2025, we took an important step forward in our digital transformation journey by entering into a strategic partnership with Google Cloud.

Under this agreement, UniCredit will migrate large sections of its application landscape – including legacy systems – onto Google Cloud's secure and scalable platform. This transition will cover all 13 banks across our Group, providing a unified foundation that enhances agility, scalability and operational resilience. The move positions UniCredit to adapt quickly to future market expansions or acquisitions, ensuring we remain competitive in a rapidly evolving financial landscape.

The deal stands as a major milestone on our digital transformation journey. Securing a high-level deal with a top cloud services provider and laying the foundation for a single AI platform across the Group, it delivers on some of the key ambitions we identified when we updated our Digital Strategy in 2024.

These are central to our Vision to become the Bank for Europe's Future – enabling us to modernise our technology, accelerate AI adoption and create new business opportunities, while maintaining the highest standards of security and resilience.

A unified foundation for growth: harnessing AI to transform banking

Beyond cloud migration, the partnership establishes Google Cloud as UniCredit's primary platform for AI workloads, leveraging advanced technologies such as Vertex AI and Gemini models. These capabilities will empower us to:

- > Develop and refine new service offerings;
- > Drive internal efficiencies;
- > Create industry-leading customer experiences.

Potential practical applications include AI-driven insights for investment banking, enhanced customer interactions, operational process optimisation, financial crime prevention and the development of new AI-powered financial products.

This AI-first approach will enable UniCredit to create industry-leading customer experiences and unlock new revenue streams, reinforcing our position as a digital innovator.

Strategic alignment and future opportunities

The partnership goes beyond infrastructure. It lays the groundwork for broader collaboration with Google, including potential integration of other Google services, such as the Google Maps platform, to enrich customer journeys and optimise operations.

Impact and outlook

This partnership represents a step-change in UniCredit's technology footprint, advancing critical areas such as AI, data and infrastructure across our core markets. Looking ahead, this collaboration will serve as a catalyst for future innovation, while strengthening resilience and supporting sustainable growth.



ACCELERATION IN ACTION » CONTINUED



DealSync: Leveraging AI to democratise M&A for SMEs



JULY



Group

Across the bank, we are focused on using digital tools to expand our support to new client segments in a standardised and accessible way.

This is particularly valuable in helping us reach small and medium-sized enterprises (SMEs) that might otherwise not be able to access our services.

Mergers and acquisitions is one example of a space that has traditionally been the preserve of large corporates when it comes to bank support, with smaller businesses typically working with boutique advisories with limited networks. Our DealSync platform is changing that. Designed for SMEs with EBITDA between €1 million and €20 million and active in seven countries, DealSync leverages artificial intelligence to make M&A advisory accessible, scalable and profitable for this vital segment of the economy.

The opportunity here is significant. SMEs make up 99% of all European companies and in Germany and Italy alone, there are around 3,500 M&A transactions annually, totalling €140 billion – of which €50-60 billion are smaller deals with an enterprise value below €50 million.

A digital marketplace for growth

DealSync acts as a digital marketplace, matching buyers and sellers across UniCredit's client base and beyond. It aggregates M&A interest, screens opportunities and supports introductions at scale. The platform uses machine learning to assess the likelihood of successful deals, while automating key processes such as document generation for pitches, teasers and contracts. This low-touch model enables UniCredit to serve a market worth an estimated €50 billion in total M&A transaction value across Italy and Germany – and more once you add Central and Eastern Europe.

Since launch, DealSync has delivered impressive results:

- > 450 signed mandates and 3,000+ leads across Italy, Germany, Austria and Romania;
- > First transaction completed in July 2025: D.M. Barone S.p.A.'s acquisition of Re Roberto S.p.A., creating Sicily's leading independent pharmaceutical distributor. UniCredit supported both sides, while providing financing to the buyer and wealth management services to the seller.

DealSync's success has also attracted industry attention, winning an ABI Award for Innovation in 2025 and ranking as a finalist for Gartner's Eye on Innovation Award for EMEA.

What's next

DealSync exemplifies UniCredit's commitment to digital transformation and client-centric innovation. By combining AI-driven efficiency with relationship banking, we are unlocking new growth opportunities for SMEs and creating fresh revenue streams for the Group. The next phase will focus on expanding the platform's reach, enhancing predictive analytics and integrating additional financing solutions – cementing UniCredit's role as a trusted partner for businesses of all sizes.

ACCELERATION IN ACTION » CONTINUED

A bold step in digital banking: Our acquisition of Aion Bank and Vodeno



MARCH



Group

An investment in strengthening our technological capabilities and accelerating the growth of our business.

On 6 March, we closed the acquisition of Aion Bank, an innovative digital bank, and Vodeno, the flexible, cloud-based technology platform that underpins it, in a move that marks the beginning of a new era of quality growth powered by investment.

The closing of this transaction – first announced on 24 July 2024 – has laid the technological foundation for establishing a full-scale bank in Poland and a banking model that combines the agility of a fintech with the strength, trust and competence of a European universal bank.

This is perfectly aligned with the next acceleration phase of our Strategy, enabling us to accelerate our organic growth by entering new markets, businesses and client segments. It also further demonstrates our discipline and strong execution in the M&A space and our laser focus on investments that enhance our ability to support clients and communities across Europe.

The transaction also marks an acceleration of our activity in the digital banking space, standing as one of the first moves by a bank to acquire full ownership of a new technology (without any dependencies on third-party core banking providers), ensuring strong differentiation from pure technology providers, neobanks and incumbents undergoing digital transformation.

Since the acquisition, we have already returned to the Polish market, bringing a new and distinctive banking experience that balances the trust and stability of a traditional bank with the innovation and advanced customer experience of a fintech. As a next step, we also plan to expand this unique platform into several Western European countries.



ACCELERATION IN ACTION » CONTINUED

The Poland platform features an all-in-one mobile app encompassing all daily banking and investment solutions, supported by an omnichannel model with flagship branches, which we are expanding by 2026, a modern investment product platform, and dedicated teams within Wealth Management and Client Solutions. The bank started operations across all business lines, including Retail and Private banking, alongside a decisive move into the fast-growing large corporates and investment banking space, and expanded focus on serving SMEs.

Poland now serves as UniCredit's innovation and digital hub, supporting the Group's pan-European expansion.

This new acquisition also positions us well to offer Embedded Finance solutions, expanding Aion Bank and Vodeno's existing banking-as-a-service (BaaS) offering across Europe, with local IBANs already available in Belgium, Germany, Poland and Sweden. These enable us to offer regular services such as payments, credit and investment products, but also, crucially, to embed our services – ranging from account access and deposits to lending, payments and loyalty programmes – directly into non-banking digital platforms, facilitating seamless customer experiences.

Next-generation capabilities

Through the combined capabilities of Aion and Vodeno, we now have access to an innovative, scalable, and flexible cloud-based platform, based on API connectivity and with smart contract technology built in – all of which can be integrated with the processes and procedures of a fully-fledged bank. This is the foundation for a digital offering that combines the high-quality user experience of a neobank with the financial strength, trustworthy brand and regulatory oversight of a traditional player.



To facilitate this growth, we are investing up to €200 million, on an iterative basis, with payback expected in under two years.

Strategic benefits

Thanks to the acquisition, UniCredit now owns a next-generation core banking technology, with a cloud-based, fully operational and scalable digital banking platform and a comprehensive range of products for high-value segments (including key targets such as SMEs and high net worth individuals). It also has the capabilities to:

- > Further enhance in-house technological expertise, leveraging a separate team of expert technologists and developers, enhancing our capability to innovate, adapt swiftly to market changes and dramatically reduce time to market;
- > Obtain a separate innovation and testing hub, to develop, test and launch new solutions and functionalities;
- > Pursue new targeted client segments and market expansion through a flexible platform, enabling a more viable and profitable entrance into new European markets, by leveraging a primarily digital banking model that minimises costs, accelerating time-to-market and integration of new solutions;
- > Bolster our embedded finance proposition, delivering new services to marketplaces, e-commerce, and retailers as well as providing banking-as-a-service for select fintechs;
- > Enhance the proposition for individuals and SMEs, fostering our competitive edge in the digital banking landscape for SMEs and individuals, positioning UniCredit as a leader in innovation and customer experience.

ACCELERATION IN ACTION » CONTINUED

Next-generation call centre system improves customer service and efficiency



APRIL



Hungary

Advancing our strategy to simplify operations and deliver innovative digital solutions.

In 2025, we introduced a new cloud-based call centre system in Hungary as part of the Genesys Project, designed to enhance customer service, improve efficiency and enable the implementation of more digital solutions such as AI-based voicebots and digital assistants. The project started in December 2023 and reached commercial go-live in April 2025, with all automated services available from August 2025.

The new platform, Genesys, was implemented first in Hungary following our decision to adopt a single Group-level platform.

Alongside this, we have replaced the previous core-based system with a new telephone banking interface, to help execute transfer orders and view service history for identified customers.

The redesigned IVR (Interactive Voice Response) menu structure now routes calls more efficiently, reducing waiting times and speeding up processing. Authenticated customers can access automated services without an agent, while agents benefit from immediate visibility of customer data, shortening conversations. The IVR is fully editable, allowing quick updates for new messages and menu items to manage ad-hoc events and improve customer notifications.

Automation was a key focus, with new services including a “panic button” that instantly blocks all digital channels and bank cards to prevent fraud. This feature was also added to the mBanking app in December 2024. Four additional automated functions were introduced: unblocking eBanking, sending new eBanking passwords, and issuing activation codes for mBanking and mToken.

This marks another step in our strategy to simplify operations and deliver innovative digital solutions that enhance customer experience across the Group.

AI Track 2025: Adopting new, innovative ways of working



OCTOBER



Group

Continuing to accelerate the adoption of AI – a core pillar of our Digital Strategy.

We have been providing ongoing training and education in how to make the most out of AI.

Over the course of 2025, our dedicated AI Track has helped thousands of colleagues across UniCredit gain a solid foundation in artificial intelligence. Through nine dedicated modules, the programme has helped build and enrich our teams' common understanding of AI and how it can empower them in their everyday work – with over 5,000 connections to our live sessions, and over 800 colleagues already certified via AI Track since October.

The programme was complemented by a series of webinars dedicated to Generative AI. These sessions sparked lively discussions and provided answers



to colleagues' most pressing questions about prompting and productivity. Engagement was overwhelming – with almost 25,000 connections across sessions in Italian and English.

Adoption of AI will remain at the heart of our Digital Strategy in 2026. We are already working on the next phase of our learning journey, designed to deepen knowledge and expand practical applications across the Group.

ACCELERATION IN ACTION » CONTINUED



UniCredit Foundation

Purpose in action: From shared vision to systemic impact

A transformative chapter for the UniCredit Foundation.

2025 was a pivotal year for the UniCredit Foundation as it continued its journey of transformation.

Renewed governance

In October, the UniCredit Foundation's Board was streamlined from nine to five members to become even more impactful, cohesive and effective. Moving beyond geographical representation, the new Board unites strong and complementary expertise that reinforces governance and strengthens alignment with the Foundation's mission.

Strengthening education through strategic action

In 2025, the renewed Board announced a **€30 million budget for education** – in line with 2024 – reinforcing its long-term commitment to unlocking the potential of the next generation.

Of this amount, €11.4 million was dedicated to supporting grassroots initiatives, including the €6 million Edu Fund Platform, designed to identify programmes capable of addressing the multidimensional nature of educational poverty and generating long-lasting impact across the 13 UniCredit countries, including Poland.

An additional €5.2 million was invested in the future of outstanding students and researchers in STEM, Economics, and Finance, providing scholarships, fellowships, and research grants at all academic levels – from bachelor's to postdoctoral.

These opportunities enable talent to thrive and contribute meaningfully to shaping the society of tomorrow.

Furthermore, €1.3 million was committed to engaging UniCredit employees in meaningful social initiatives, strengthening the Group's core value of care and reinforcing its bond with local communities. Activities such as matching employee donations and supporting communities in times of crisis or need bring this commitment to life, demonstrating that positive change is most powerful when created together.

Digital evolution

Complementing these strategic steps, the Foundation unveiled a completely redesigned website – a modern, intuitive platform that reflects its evolved identity and commitment to tackling educational poverty across Europe.

➔ [Visit the new UniCredit Foundation website here](#)



FINANCIAL REVIEW

Accelerating towards a decade of excellence

Entering 2026 with strong momentum and sizeable buffers, aiming to double-down on transformation, deliver a superior investment proposition and accelerate towards a decade of outperformance.

UniCredit Unlocked
Set the benchmark
2021-2025

QUALITY TOP-LINE GROWTH

Top-tier

Supported by rising rates – while laying the foundations for the future

Net Revenue

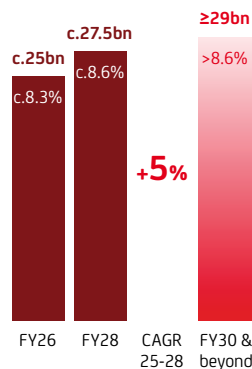
Net Rev. / RWA (%)

€16.3bn

FY21, 5.0%

€23.9bn

FY25, 8.3%



UNMATCHED OPERATIONAL EFFICIENCY

Best-in-class

Transformation within traditional boundaries

Costs

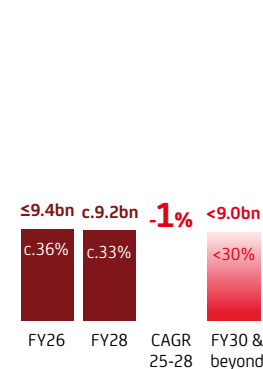
Cost income (%)

€9.8bn

FY21, 54%

€9.4bn

FY25, 38%



PROFITABLE BOTTOM-LINE GROWTH

Maximising profitability

While preserving top-line growth

Net Profit

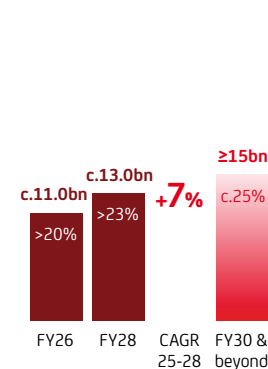
RoTE (%)

€1.5bn

FY21, 7%

€10.6bn

FY25, 19%



BEST-IN-CLASS OCG SUPPORTING DISTRIBUTIONS

Unmatched

Allowing for superior per share growth and distributions

Cumulative distribution

€36bn
FY21-25

c.€30bn¹
FY26-28

80%
Ordinary
Pay-out

c.€50bn¹
FY26-30

>4.5bn excess capital to be deployed to further improve our organic or inorganic growth or **returned**, evaluated yearly

UniCredit Unlimited
Transcending our benchmark
2026-2030

Capturing quality market share while maintaining NII RoAc at c.20% and growing capital light as % of revenues

Redefining best-in-class transformation, transcending boundaries and stepping up to a class of our own

Maximising profitable growth through quality growth while taking efficiency to the next level

Unmatched per share growth and best-in-class distributions with excess capital returns evaluated yearly

1. Distribution ambitions are calculated assuming the current 80% ordinary payout and subject to the achievement of Plan targets, including organic capital generation. Potential additional distributions from excess capital return or deployment to be assessed annually. All distributions are subject to supervisory, board of directors and shareholders' approvals.

FINANCIAL REVIEW » CONTINUED

2021-2025

We maximised efficiency, both operational and capital, while reigniting quality top line growth, delivering unmatched returns on tangible equity and sector-leading distribution growth.

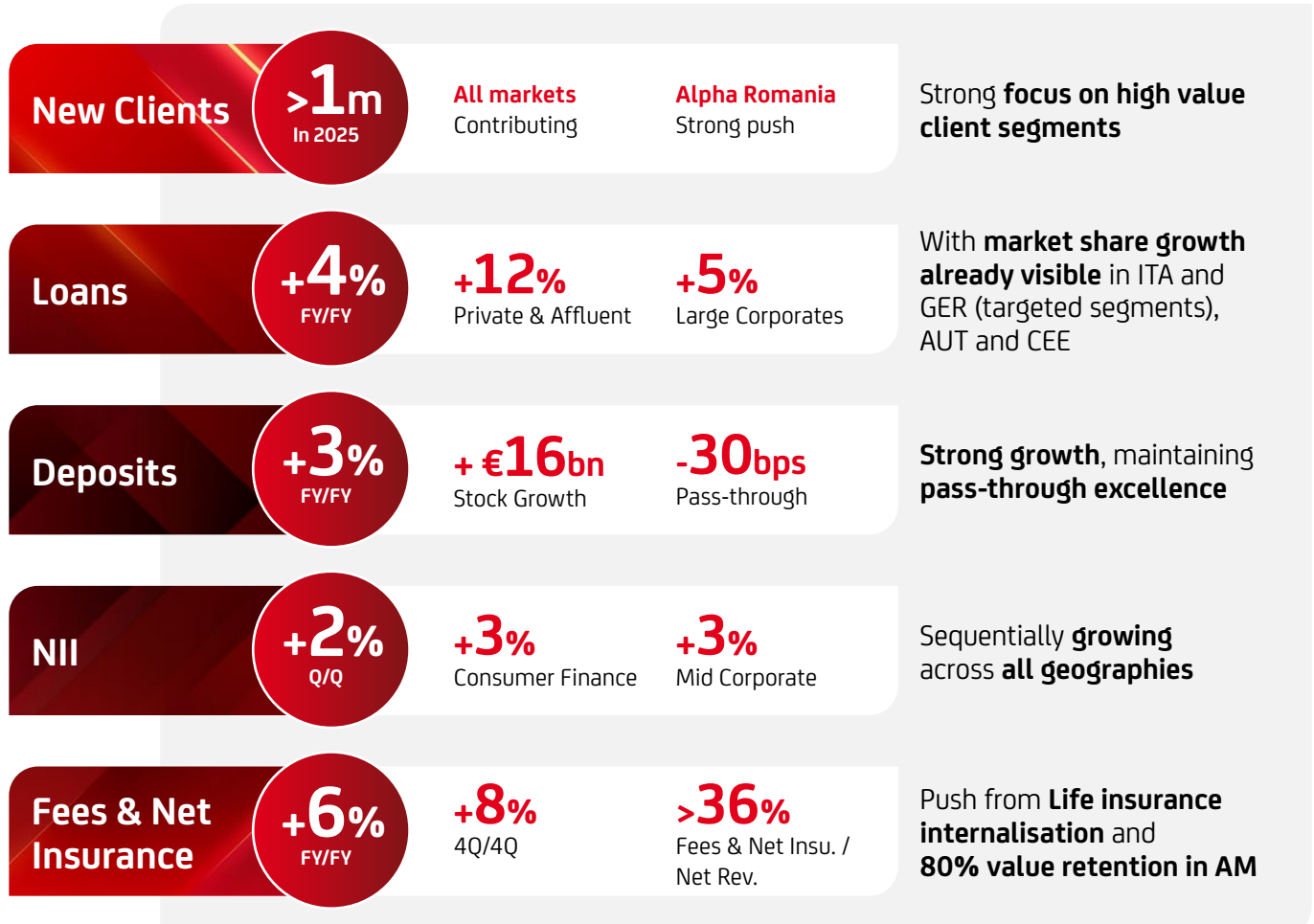
We laid strong foundations for the future, leveraging a supportive rates and Cost of Risk environment.

We are closing 2025 with record results – and entering the new year with strong momentum and a stronger underlying run rate than expected.

We were able to take 1.4 billion in extraordinary charges which together with our overlays of 1.7 billion – that remain intact – and our Excess Capital greater than 4.5 billion, further protect and strengthen our future trajectory.



Commercial acceleration already in flight



FINANCIAL REVIEW » CONTINUED

2026-2030: Further upgrading our profitable growth trajectory

We will change gears, striving to transcend the boundaries of service, productivity and efficiency that still constrain legacy banks.

Trajectory underpinned by quality profitable growth, operational excellence, and capital excellence.

On top line, we aim to grow more than the peer group both in absolute terms and in quality, with a stable and controlled Cost of Risk.

On costs, we aim to reset efficiency frontier, shifting transformation from simplification to reinvention.

On capital, we aim to deliver the best combination of profitable NII and rising capital light revenues, maintaining one of the strongest balance sheets in Europe.

Continuing a disciplined approach to our three financial levers

OPERATIONAL EXCELLENCE

Superior risk-adjusted top-line growth

Growing in absolute terms and with higher-quality growth, driven by capital-light investments that more than offset Russia, with a rather stable Cost of Risk

CAPITAL EXCELLENCE

Cost base well under control
Re-setting the efficiency frontier with upgraded cost ambition while transforming and investing

QUALITY PROFITABLE GROWTH

Continued capital excellence
Re-setting the efficiency frontier, delivering the best combination of capital-light revenue growth and profitable NII

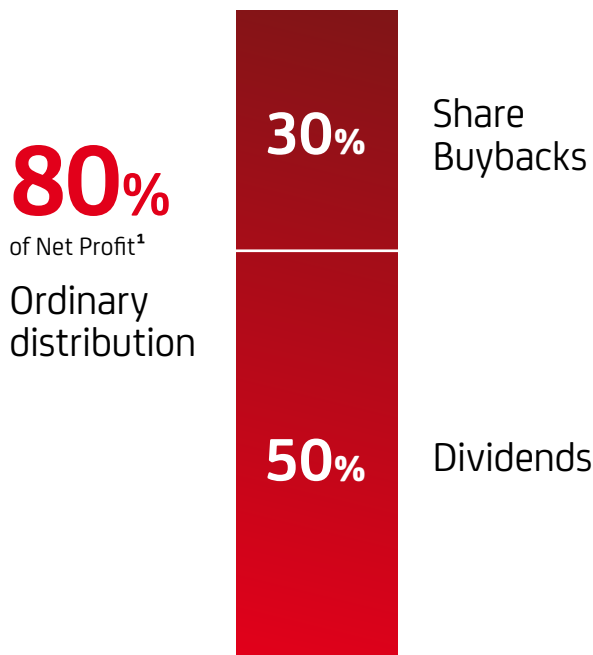


FINANCIAL REVIEW » CONTINUED

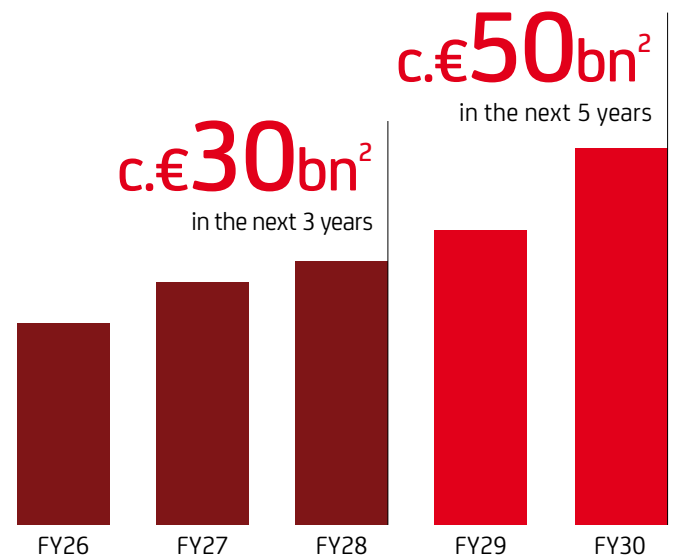
Confirming outsized distributions trajectory

Continuous focus on driving excellent results, leading to top tier shareholder remuneration. A distribution policy which reflects confidence in the sustainability and quality of our earnings.

Confirming ordinary distributions



Aiming for an attractive ordinary **distribution and dividend trajectory, with further upside through** excess capital deployment or return



Excess Capital to 12.5-13% CET1r Target

> €4.5bn

to be deployed to further improve our organic or inorganic growth or returned, evaluated yearly

+ €9.5bn²
Planned 2025 distribution

1. Net profit means stated net profit adjusted for impacts from DTAs and tax loss carry forward ("TLCF") resulting from sustainability test.

2. Distribution ambitions are calculated assuming the current 80% ordinary payout and subject to the achievement of Plan targets, including organic capital generation. Potential additional distributions from excess capital return or deployment to be assessed annually. All distributions are subject to supervisory, board of directors and shareholders' approvals.

ESG REVIEW



Environment

Driving value for our clients in the transition

At UniCredit, we are committed to meeting our clients' evolving transition needs with a focused, dedicated approach. At the same time, we are developing our environmental framework beyond decarbonisation.

Through our dedicated **Green Finance offer** we are:



Supporting clients on key deals with our sectoral and ESG expertise.



Developing innovative sustainable financial solutions aligned with evolving clients' needs.



Simplifying and standardising ESG products for SMEs.

Financing the transition to green steel in Germany



Germany

UniCredit acted as the sole ECA (Export Credit Agency) coordinator and agent structuring financing of over €1.7 billion for one of Europe's largest decarbonisation initiatives, Stahl-Holding-Saar Group's transformation project Power4Steel. The financing is complemented by substantial equity contributions and €2.6 billion in subsidies from the federal government and the state of Saarland and includes two ECA-backed tranches from Oesterreichische Kontrollbank AG (OeKB) and Italy's SACE. The project will gradually replace blast furnaces with a direct reduction plant and two electric arc furnaces. Hydrogen-based steel production will reduce CO₂ emissions for SHS by around 55% by 2030, with climate neutrality planned by 2045.



ESG REVIEW » CONTINUED

Supporting the energy transition by:



Enhancing client dialogue on transition with dedicated engagement initiatives.



Expanding our capabilities and evaluation of clients' Transition Plans.



Strengthening partnerships to scale up our approach to small businesses.

Driving textile supply chain decarbonisation with Ivy Decarb



Italy

UniCredit is partnering with Ivy Decarb to accelerate the decarbonisation of the Italian textile sector – a key driver of the economy, and enhance supply chain resilience.

This collaboration aims to drive investment in energy-efficient machinery for Italian textile manufacturers, supported by tailored advisory and financing solutions on Ivy Decarb's digital marketplace.

The marketplace helps manufacturers identify how they can reduce their carbon footprint and engage with producers that make the necessary machinery and equipment. With UniCredit plugged into the marketplace, textile manufacturers can also benefit from tailored advisory and financing solutions to fund these investments – ensuring they remain adaptable and resilient while driving long-term value creation.

The marketplace is also designed to be scalable and will enable future expansion across other sectors and UniCredit's core markets.



Accelerating ESG adoption in Romania



Romania

Over 1,300 companies across 12 cities joined our national awareness programme ESG Journey. By securing 75% C-level participation we have ensured that sustainability is recognised as a strategic priority at the highest levels of corporate leadership.

To move from theory to execution we launched the ESG Lab, an intensive eight-week accelerator for large SMEs. The 2025 cohort represented a combined €1.1 billion in turnover and 5,700 employees, providing these high-impact businesses with the tools to decarbonise.

The programmes' success is reflected in a top-tier Net Promoter Scores (NPS) of 83 for ESG Journey and 94 for ESG Lab, underscoring UniCredit's role as a trusted partner in the green transition.

ESG REVIEW » CONTINUED

Committing to our **Net Zero ambition** through:



Our Transition Plan, through which we continuously strengthen our support for clients, accelerating their transition.



Continuous improvement in line with requests from external stakeholders and compliance with key regulatory requirements as expected for a systemic bank.



Evolving our Net Zero approach, by benchmarking our methodologies against peers' practices and addressing stakeholders' requests.

Supporting a historic green bond issuance in Romania



Romania

Electrica Group is a leading player in Romania's electricity distribution, supply and production market, and one of the country's most important energy service providers. It made its debut in the EUR International Debt Capital Markets in July 2025 with the largest green, corporate and non-financial bond issuance on the Romanian capital market, totalling €500 million.

As one of the mandated joint bookrunners and acting as roadshow coordinator, UniCredit played a key role

in this landmark transaction. The deal reinforces our ESG commitments and strengthens our position as the bank of choice to support clients in a just and fair transition.

This success was made possible through close collaboration between local coverage in Bucharest, Central and Eastern Europe, Debt Capital Markets, and the Corporate IG Bond Syndicate team, delivering a high-profile mandate that highlights UniCredit's ability to combine local expertise with regional capabilities.



Supporting Nature by:



Developing new products and solutions that help our clients understand, manage and respond to nature-related risk and opportunities.



Enhancing our risk framework to include clients' nature-related considerations.



Fostering our knowledge on Nature by engaging with relevant external stakeholders and associations.



Raising awareness about the importance of biodiversity across our bank and among our key stakeholders.

One4Planet: Promoting the sustainable use of water in Italy



Italy

Our One4Planet range of ESG loans, intended for exclusive green projects, was strengthened with a new solution designed for Corporate businesses looking to invest in projects that promote the sustainable use of water. The loans provide two possible areas of intervention:

- > Water management: interventions in the distribution network aimed at reducing drinking water waste.
- > Reuse treatments: construction, maintenance and modernisation of plants for the collection, treatment and purification of wastewater

From November 2025, these products were made available in our ESG product catalogue, expanding the One4Planet

range and enriching solutions for Small and Medium Corporate businesses (excluding micro-enterprises).

Water is a resource that is essential for our economy and this is a topic we have featured during our ESG Tech Days – which have connected Corporate and Large Corporate clients with innovative start-ups driving ESG transformation.



Social

Championing Social: backing our communities, our people and our wider society

We have a dedicated social financing offer, contribute to social projects via volunteering and donations, and support our people with our focus on well-being and training.

Our **social financing offer** is focused on:



Providing support via micro-credit, impact financing and loans to disadvantaged areas.



Supporting our communities with programmes promoting sustainable business practices for SMEs.



Progressing our social strategy to better support youth.



ESG REVIEW » CONTINUED

Our **social contribution** is composed of voluntary initiatives with a tangible social impact on communities, which go beyond our core banking business:



We carry out targeted social initiatives at Group and country level to address specific community needs (e.g., Austria Social Awards).



We strengthen our social impact by engaging in strategic partnerships that promote cultural heritage and territorial development.



We provide additional social support to communities through sponsorships and donations.



We promote employee volunteering and financial education projects to support our communities.



The UniCredit Foundation has a mission to ensure students in Europe have equal access to education.

- It fights educational poverty, leveraging dedicated international partnerships, grassroots initiatives and research projects
- Empowers talent and promotes scholarship programmes and research pathways



Scaling impact through the Edu-Fund Platform



UniCredit Foundation

In November 2025, the UniCredit Foundation launched the second edition of the UCF Edu-Fund Platform, an initiative designed to tackle educational poverty and promote equal access to quality education in the European countries where our bank operates.

This was an important step, further reinforcing the Foundation's commitment to unlocking the potential of young people and building on the success of the first edition with 30 high-impact funded programmes.

- > Up to €6 million will be dedicated to programmes targeting lower and upper secondary school students (aged 11 to 19).
- > 13 countries across Europe will address key educational challenges such as preventing school dropouts and preparing students for the labour market (vs 12 last year).

The Platform is open to non-profit organisations with proven experience in education and offers three funding streams – small, mid and large-scale. Grants range from €100,000 to over €1 million, supporting local, national and transnational programmes.

The second edition of the UCF Edu-Fund Platform followed the UnConference, a two-day event at UniCredit's headquarters that brought together 100 participants, among whom the winning organisations from the first edition. Five roundtables set out to build strong alliances between schools, key partners and communities, by addressing institutional gaps and areas for development.

Through the Edu-Fund, the UniCredit Foundation is not only funding projects, it is also building a stronger, more inclusive future for education across Europe.

 [Find out more here](#)

ESG REVIEW » CONTINUED

Building skills for a just and fair transition



Skills for Transition is a social programme, fully funded by our bank, to provide strategic training for young people – including students and those not in education, employment or training (NEETs) – and companies expected to be impacted by the green transition.

By providing participants with the skills they need to meet the demands of a changing world, this initiative supports our strong commitment to promoting a just and fair transition, as well as its consistent support for education – a key driver for Europe's future.

In 2025, the programme completed its first edition across six Group countries: Italy, Germany, Bulgaria, Czech Republic, Slovakia and Romania, and the following three streams.

Skills for Workers: over 300 companies from the Group's six countries enrolled their employees in training courses targeted at the Agri-food, Real Estate and Construction, and Transportation and Storage sectors.

> Over 12,000 hours of training completed

Skills for NEETs: through targeted upskilling and reskilling initiatives, this stream was launched in April 2025 to empower NEETs to enter the labour market and pursue specialised training in green sectors. This was developed by the social cooperative Glocal Factory S.C.S. and its European partners.

> Approximately 15,000 hours of training completed

Skills for Students: developed by Politecnico di Milano (POLIMI) Graduate School of Management, it offered students two educational paths: a master's programme for recent graduates and a four-month bootcamp for students and graduates.

> Over 33,000 hours of training completed



Carta Etica Fund: 20 years of solidarity and impact



In November 2025, UniCredit celebrated the 20th anniversary of the Carta Etica Fund – an initiative that has transformed a simple, everyday gesture into a powerful driver of social change and solidarity.

The concept is simple: for every purchase made with our “ethical” cards, we allocate 0.2% to the Carta Etica Fund, at no cost to the customer. These contributions support projects that address community needs, enhance local areas, and promote the inclusion of vulnerable people:

- > Over €47 million allocated since 2005 (as of December 2025)
- > 1,500 social initiatives carried out

These projects have tackled a wide range of social issues across Italy, including educational poverty, homelessness, student well-being and education, diversity and inclusion in sport, and accessibility.

The impact of the Carta Etica Fund continues to grow:

- > 80 third-sector organisations received €1.6 million for local projects (in 2024)
- > 157 projects received €3.1 million (2024-2025)
- > 120% increase in contributions to the Fund reflecting the strength of our customers' commitment and UniCredit's dedication to creating lasting change (2020-2024)

Carta Etica is a key part of our broader commitment to sustainable development and Purpose to Empower Communities to Progress. It demonstrates how small, everyday actions can deliver extraordinary results.



ESG REVIEW » CONTINUED

Supporting **our people** by:



Ensuring positive working conditions.



Granting equal opportunities and strive for the highest working standards, across the key pillars of education, work – life balance and DE&I.



Fostering ESG knowledge and understanding, for example through our internal quarterly newsletter ‘Our Voice from ESG’, and dedicated ESG trainings.

Advancing our commitment to sustainable mobility in Italy



Italy

We have reinforced our commitment to sustainable mobility and collectively reducing our environmental impact through a number of initiatives.

As a result, in 2025, the emissions avoided by colleagues, working in the main offices across Italy, travelling to and from their workplace, amounted to approximately 150 tons – the equivalent of 37 hectares of forest or 55 football fields.

On 17 September, we launched “Muoviamo il Futuro”, where colleagues were encouraged to choose sustainable transport options for their daily commute. As a part of European Sustainable Mobility Week, we hosted the event in all of Italy’s seven regions – creating a unique moment of engagement and awareness.

Participants who registered sustainable journeys through the app received a special gift at the “Go for Green” corner, managed by the ESG Italy team.

The initiative was also celebrated on our social media channels, with many colleagues sharing photos and comments using the hashtags #GoForGreen and #MuoviamollFuturo. A small gesture yet a big step toward a greener future.





Governance

Evidencing accountability and transparency, along with a robust ESG framework

At UniCredit, we are providing transparency on our disclosure progress, while strengthening our ESG governance and risk framework.

Making progress on **our ESG disclosure** by:



Improving it over the years in line with evolving market standards.



Embedding our annual sustainability disclosure, into our Management Report in alignment with CSRD requirements.

To strengthen **our risk framework** we are:

- > Integrating ESG risk into our risk management processes and procedures, in alignment with EBA guidelines on managing ESG risk
- > Progressively enhancing our comprehensive policy framework to manage environmental and social risks in controversial sectors

Our **ESG governance** includes clear ESG Product Guidelines, which were introduced in 2022, and we enhance them continuously to align with the highest standards with the aim of preventing greenwashing and social washing risks.

- > The Guidelines establish a consistent and comprehensive methodology for the classification and reporting of our ESG offering and serve as a basis to build on our sustainability ambitions and metrics.

- > This includes a methodology to classify financial products and services offered by UniCredit Group as Green, Social, Transition or Sustainability-linked. ESG products include different product categories considering Environmental, Social and Governance characteristics. The policy specifies the classification logic, the eligibility criteria, the applicable environmental and social requirements.

- > The Guidelines cover the Group's Legal Entities and business lines: lending products, bonds, investment products, hedging products, capital market products, transactional products and insurance products. They are regularly reviewed to amend or include additional qualifying activities and/or criteria based on market trends or business needs and to comply with regulatory requirements.



ESG REVIEW » CONTINUED

Our Total Tax Contribution

At UniCredit, we believe that transparency in our contribution to public finances is essential. We therefore provide a clear overview of our Total Tax Contribution for FY 2025.

We use the cash basis criterion, which is the sum of actual payments made in the year net of refunds obtained, as opposed to the accrual principle usually followed in ordinary financial statements. In the case of compensation with tax credits due to an overpayment in previous years, the net amount of taxes actually paid has been considered, while tax credits granted by specific tax rules do not offset the amount of taxes paid.

Social and pension contributions are not included.

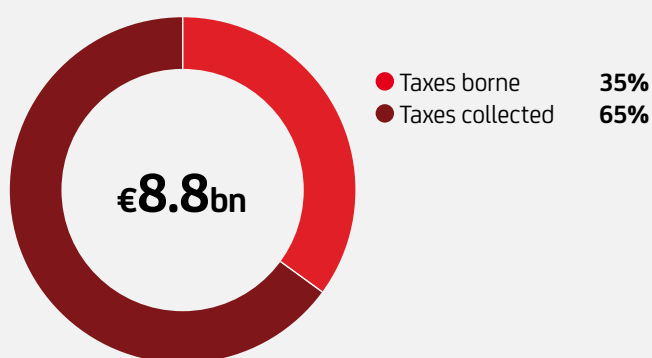
The information covers main legal entities and branches including main Italian and foreign controlled legal entities of UniCredit S.p.A. (representing over 99% of total revenues based on CbCR).

Total Tax Contribution in 2025 is equal to **€8.8 billion** (2024: €7.3bn) of which:

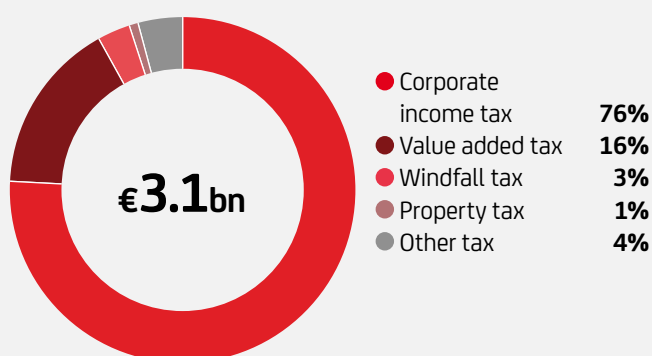
> **€3.1 billion** (2024: €2.0bn) **taxes borne** that constitute a cost for the Group and are paid to the tax authorities among the various jurisdictions on its income or property.

> **€5.7 billion** (2024: €5.3bn) **taxes collected** that the Group collects from other parties on behalf of governments.

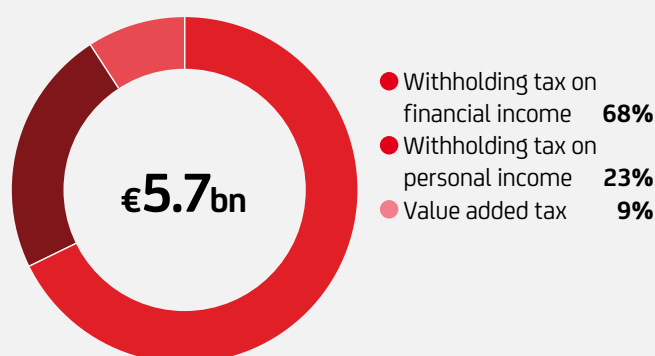
Total Tax Contribution



Taxes borne



Taxes collected



Executing our Strategy across all ESG dimensions

In 2025, we recorded a solid performance and successfully met all our ESG targets.

Solid performance achieving our 2025 ESG targets

ESG penetration

● FY25 Actual ● FY25 Target



ESG lending¹

Environmental lending of €11.3bn and social lending of €5.5bn in 2025.

19%

15%

ESG investment products²

ESG penetration rate remains stable at 50% (c. €107bn stock).

50%

50%

Sustainable bonds³

€5.9bn issuance in 2025 with a focus on corporates and financial institutions in alignment with Group Strategy.

15%

15%

Environment

ESG lending, sustainable bonds and Net Zero commitments

→ Read more
on page 379



Social

Social financing and contribution to support our communities

→ Read more
on page 380



Governance

ESG aligned remuneration, solid risk and policy framework

→ Read more
on page 381



1. KPI calculated as ESG new production Including Environmental, Social and Sustainability linked lending, divided by MLT loans new production in given period

2. Penetration rate over total stock, based on Art. 8 and 9 SFDR regulation

3. LT Credit. KPI calculated as ESG All regions' bonds, including sustainability linked bonds, divided by all regions' bonds in given period

ESG REVIEW » CONTINUED

Environment

We continued to advance our sustainability ambitions, bringing **environmental lending to €11.3 billion** in 2025 and reducing emissions baselines across all Net Zero sectors.

Over the past few years, we have strengthened our client engagement through dedicated partnerships (**Open-es, Fondo Ambiente Italiano**) to support clients in their transition and innovation efforts.

In 2021, we launched Open-es, an inclusive and collaborative ecosystem committed to achieving ESG targets and implementing innovative solutions. This involves more than 40,000 companies and 30 partners. **Building on this, in 2025, we launched Open-es Connecting Innovation by UC Start Lab, a digital format for companies active on Open-es.** This allows us to showcase UC Start Lab startups through sector-based sessions (first event on the Circular Economy)

We also launched **a new collaboration with Ivy Decarb** to support the decarbonisation of Italy's textile sector and its supply chains.

We are also working to **expand our action beyond climate** by engaging with relevant external stakeholders and associations:

- > In line with the Finance for Biodiversity Pledge (which we joined in 2022 as the first Italian Bank), in 2025 we started to **disclose our progress against each pledge commitment through an official repository.**
- > We collaborated with UNEP FI, contributing to the drafting of the pilot PRB Nature Impact Target Setting for Banks Guidelines. We also provided feedback on an ongoing initiative on the Circular Economy–Nature nexus.
- > To broaden our ESG offering beyond climate-related topics, **we launched One4Planet – Water Management in Italy** – a new ESG-linked innovative loan designed to support investments aimed at reducing water waste and enhancing water reuse.



Throughout 2025, we continued to pursue our ambition to become a **Net Zero bank**:



Our Transition Plan supports our ambition through 2030 interim Net Zero targets on six sectors, including Oil & Gas, Power Generation, Automotive, Steel, Shipping and Commercial Real Estate.

With revised metrics introduced in 2025 for Oil & Gas and Power Generation, we have broadened our target coverage.



The Group continued to progress versus its Net Zero targets, with a positive evolution of Net Zero emissions across all sectors relative to previous year and initial baseline.



We also launched dedicated local initiatives such as “ESGeht doch!” in Germany, to support SMEs in developing their Transition Plans, and the “Salotti Energia” series in Italy, to engage with corporate clients on sustainability topics.

ESG REVIEW » CONTINUED

Social

Since January 2025, we have provided **€5.5 billion in social financing** via micro-credit, impact financing and lending to disadvantaged areas.

In 2025, we continued to strengthen our commitment to supporting people and communities across our markets.

Our **social financing reached €5.5 billion**, enabling microcredit, impact financing and loans to disadvantaged areas. We are also developing a strategy to improve Financial Health and Inclusion as per our Principles for Responsible Banking (PRB) Commitment.

→ [Read more on our website](#)

We provided **c.€71 million in social contribution** through dedicated initiatives (including more than **15,000 hours of employee volunteering**). Notably, over the past three years **the Foundation has deployed €80 million** to tackle educational poverty, through international partnerships, grassroots initiatives and dedicated research projects. All these initiatives have reached and impacted more than 750,000 students, 10,000 schools and 18,000 teachers across all Group territories. Additionally, over the past three years, more than 300 scholarships and grants were awarded to students and researchers to **nurture talent and foster knowledge creation**.

We have also invested in **financial education and ESG awareness initiatives, reaching 292,000 beneficiaries** across our countries.

Our **Banking Academy in Italy** has contributed to these results through two new projects, Conta per Me, targeted at primary schools, and a new fraud prevention course.

Our **Skills for Transition Programme** continued to scale up, delivering 60,000 training hours (c.33,000 students, c.12,000 workers and c.15,000 NEETs) to support young people and businesses in acquiring the skills required for the ongoing transition.

We further supported our communities through **dedicated partnerships** (e.g., FAI, Rise Europe, Venice Sustainability Foundation) and through **local initiatives** such as the UniCredit Bank Austria Social Awards, which, through 300 projects awarded, have distributed €1.5 million to local communities since 2010.

We also continued to foster ESG awareness among our employees by launching a dedicated biodiversity training for all colleagues and an 'ESG outlook' training for Executives, which assessed macro trends and industry impacts with a specific focus on agriculture. Online training courses for all UniCredit employees also cover Natural Capital and Circular Economy topics.



1. Gross monetary amount paid in support of communities and projects, including Sponsorship & Donation (calculations based on B4SI framework).

ESG REVIEW » CONTINUED

Governance

The solid ESG governance built in the past few years, supported our ESG results and significant DE&I achievements.

Over the years, we have built a solid ESG governance, promoting accountability through the inclusion of **sustainability KPIs in CEO and top management remuneration, ESG representation within the Group Executive Committee, and robust credit and policy frameworks**, together with clear **product Guidelines**.

In 2025, this enabled **significant DE&I achievements**:

- > **Gender Pay Gap** in comparable roles at c.1%
- > **Strong representation of women**
 - 53% on the Board of Directors (BoD)
 - 58% across the Group
 - 46% in the Group Executive Committee (GEC)
 - 32% in the Leadership Team (GEC & direct reports)

> **Strong international presence**

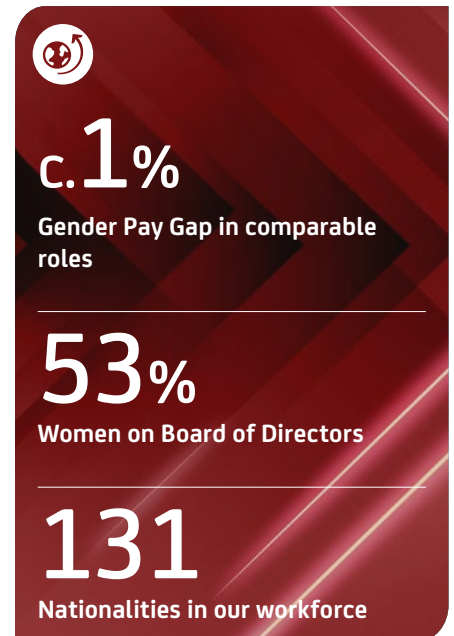
- 40% on the BoD
- 55% across the Group
- 62% in the GEC
- 38% in the Leadership Team

> **Multicultural diversity**

- Global workforce of 131 nationalities
- Representation across 4 generations

Over the past few years, we have also strengthened our shared Culture through dedicated roadshows, which brought together 27,000 colleagues across 11 countries, and our annual Culture Day.

[➔ Read more about Culture Day here](#)



DOUBLE MATERIALITY ASSESSMENT

Strengthening our Sustainability Statements and Double Materiality Assessment

This year marks our second reporting cycle under the Corporate Sustainability Reporting Directive (CSRD), a transition that continues to shape and strengthen the way we understand, manage and communicate our sustainability performance as a **pan-European banking group supporting the real economy.**

Building on the robust foundations laid in 2024, we have further refined our Sustainability Statements to reflect deeper integration of the European Sustainability Reporting Standards (ESRS) into our business processes, risk management frameworks and strategic planning **across our activities and value chain.**

Throughout 2025, we advanced the maturity of our Double Materiality Assessment, enhancing both the granularity of our impact analysis and the clarity with which we disclose financial and non-financial opportunities.

This process confirmed the continued relevance of our core sustainability priorities, while enabling targeted refinements to reflect evolving regulatory expectations, stakeholder perspectives and risk dynamics. This edition incorporates improved data quality, strengthened internal controls, and shows a number of quantitative indicators, enabling stakeholders to better appreciate not only what we have achieved, but also how the identification of material impacts, risks and opportunities informs our decisions, and our long-term ambitions.

As we continue our journey with the CSRD framework, our commitment remains unchanged: to provide transparent, meaningful and decision-useful information, reinforcing trust and supporting our mission to generate sustainable value for our customers, investors, employees and the communities we serve.

The Sustainability Statements set out in detail the outcomes of this process and the related disclosures prepared in accordance with the ESRS.





