

Presentation to Fixed Income Investors

HypoVereinsbank – UniCredit Bank AG

Munich, January 2022



Banking that matters.



Agenda

- 1 HypoVereinsbank at a glance**
- 2 Update on latest results
- 3 Funding
- 4 Cover pool
- 5 Contacts

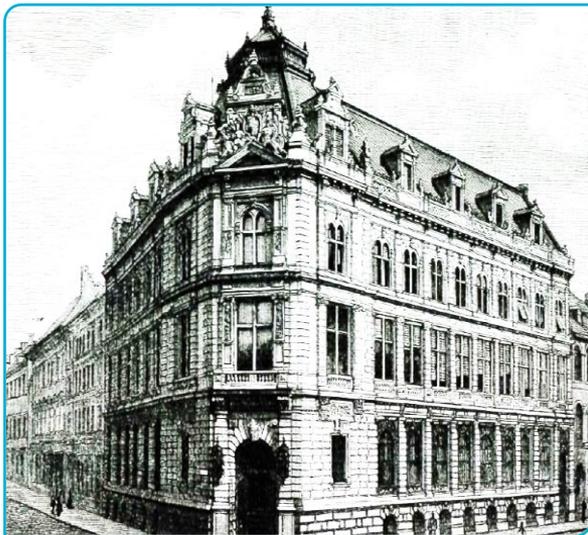


150 Years – from Bayerische Vereinsbank to UniCredit Bank AG

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HypoVereinsbank at a glance

Founded in 1869 as “Bayerische Vereinsbank AG” the business was started in Munich, Bavaria



Headquarter of the Bayerische Vereinsbank in 1884

Since 2016 the HVB Tower has become Headquarter of the UniCredit Bank AG



Part of a simple successful Pan European UniCredit, HypoVereinsbank has an excellent market position in the strong German economy

HypoVereinsbank at a glance

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Excellent market position

Top 3 German private bank¹

Strong operating performance

EUR 617 m profit before tax (HY2021)

Excellent leverage ratio

5.1% (fully loaded, HY2021)

Outstanding capital ratio

18.0% (CET1 fully loaded, HY2021)

Strong balance sheet

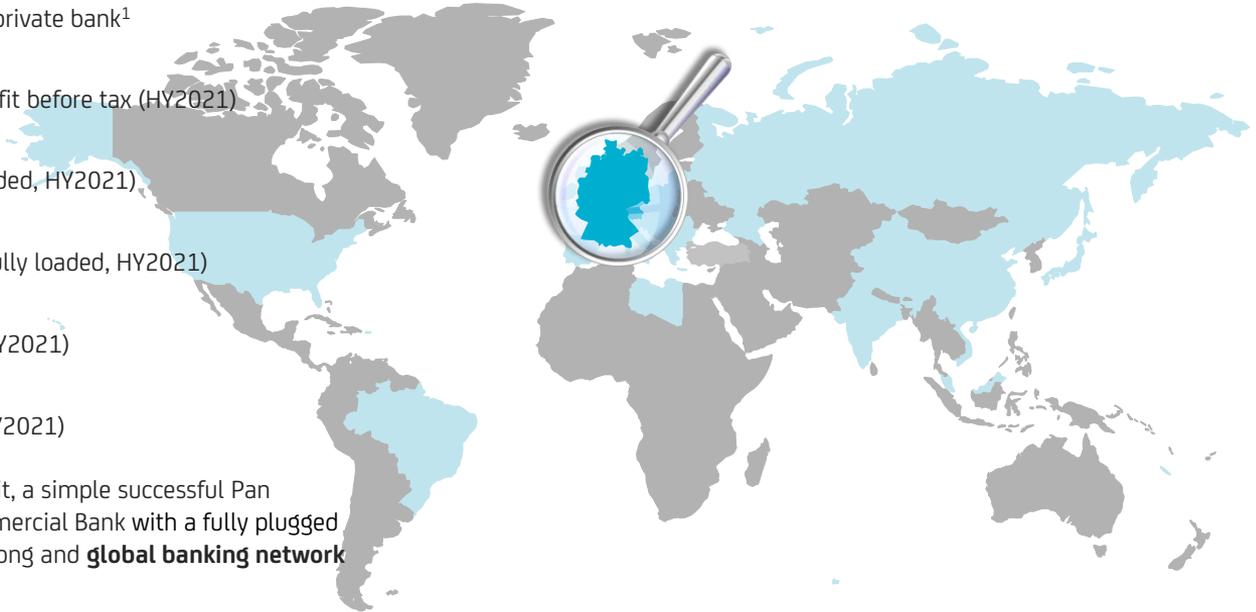
EUR 334 bn (HY2021)

Highly qualified workforce

11,537 FTE (HY2021)

Member of UniCredit Group

Part of UniCredit, a simple successful Pan European Commercial Bank with a fully plugged in CIB and a strong and **global banking network**



General remark Unless stated otherwise “HypoVereinsbank” refers to UniCredit Bank AG and its subsidiaries in this document

¹HypoVereinsbank ranked as top 3 German private bank. Peer group “Bankengruppe der Großbanken” as defined by Deutsche Bundesbank. Based on Total Assets as of FY2019



Resilient business model: Well balanced with access to a wide range of national and international clients



Commercial Banking

- **Corporate**
The “go to” bank for the German Mittelstand
- **Retail**
First mover in modernization of branch network with extended digital services
- **Private Banking & Wealth Management**
Solid market position in growing German market

#2 Private sector lender for German mid caps¹

Best Bank in Germany²

Wealth Management & Private Banking: Summa cum laude³

Corporate & Investment Banking

International competence centre for UniCredit Group and fully plugged into Commercial Banking

- **Financing & Advisory (F&A)**
Access to leading capital raising & financing solutions
- **Markets**
Top class solutions across multiple asset classes & channels
- **Global Transaction Banking (GTB)**
Best-in-class cash management, export, trade and supply chain finance as well as securities services

#4 All German syndicated loans: 10.1% market share⁴

#4 German corporate loans: 11.1% market share⁴

#1 All German bonds in EUR: 11.1% market share⁴

¹Source: Internal analysis, ²Source: Euromoney, 15/07/2020, ³Source: Handelsblatt Elite Report 2021, ⁴Source: Dealogic, FY 2020 as of January 4 2021



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HypoVereinsbank with positive business performance in the extremely challenging market environment in HY2021

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[Update on latest results](#)

		30/06/2020	30/06/2021	Δ
Profitability	Operating income	EUR 2,381 m	EUR 2,114 m	↓ -11.2%
	Operating costs	EUR -1,407 m	EUR -1,432 m	↑ +1.8%
	Operating profit	EUR 974 m	EUR 682 m	↓ -30.0%
	Net write-down of loans and provisions for guarantees and commitments	EUR -467 m	EUR 34 m	↓ -
	Net operating profit	EUR 507 m	EUR 716 m	↑ +41.2%
	Profit before tax	EUR 496 m	EUR 617	↑ +24.4%
Balance sheet	Total assets	EUR 318 bn	EUR 334	↑ +5.0%
	Shareholders' equity	EUR 16.0 bn	EUR 18.0	↑ +12.5%
	Leverage ratio (Basel III, fully loaded)	3.9%	5.1%	↑ +120bp
Regulatory ratios	Common Equity Tier 1 ratio (fully loaded)	16.3%	18.0%	↑ +170bp
	Risk weighted assets (including equivalents for market risk and operational risk)	EUR 89.7 bn	EUR 85.2 bn	↓ -5.0%
	Liquidity Coverage Ratio (LCR)	>100%	>100%	→ -



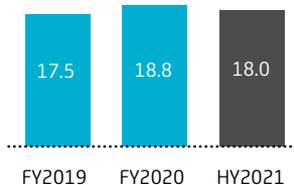
Healthy balance sheet provides sound base for sustainable growth and business continuity

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[Update on latest results](#)

Capital (CET1 fully loaded)

in %



- Continuously excellent capital base by both national and international standards.

Leverage ratio (Basel III, fully loaded)

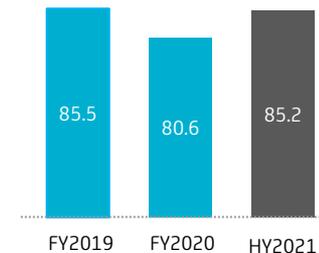
in %



- Leverage ratio on a comfortable level over the last 2 years.

Risk-weighted assets¹

in EUR bn



- The total risk-weighted assets determined in accordance with Basel III requirements amounted to EUR 85.2 billion at end of June 2021 and were thus EUR 4.6 billion higher than year-end 2020.

¹Including equivalents for market risk and operational risk



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Well diversified and centrally coordinated funding and liquidity profile

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Funding

- Italy
- Germany
- Central Europe¹
- Eastern Europe¹



- ✓ **UniCredit SpA** acts as the Group **Holding** as well as the Italian operating bank and is the **TLAC/MREL issuer** under Single-Point-of-Entry (SPE)
- ✓ **Coordinated Group-wide funding and liquidity management** to optimise market access and funding costs
- ✓ **Diversified by geography and funding sources**
- ✓ **All Group Legal Entities to become self-funded** by progressively minimising intragroup exposures

¹ Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia



HypoVereinsbank: Funding and liquidity management

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Funding

- **UniCredit Bank AG**, as the German subsidiary of UniCredit SpA, manages its liquidity and funding on the base of the policies of the Group, exploiting the opportunity to leverage on its unique funding base, also geographical, with a solid mix of instruments.
- The activities are **coordinated Group wide** and are based on a **common framework**, to **optimise market access and funding costs**
- The funding strategy aims at:
 - Covering the bank's needs at limited cost
 - Limiting the maturity mismatch between assets and liabilities
 - Optimising the projected cash flows

UniCredit Bank AG is **active as Issuer** in the following instruments:

- Mortgage and public covered bonds ("Pfandbriefe")
- Private placements
- Retail issues
- Registered notes secured and unsecured (in SP format)
- French CD

A leading Pfandbrief issuer: EUR 22.2bn¹ Covered bonds outstanding

- 88% mortgage covered bonds
- 12% public sector covered bonds

Funding as of 30/09/2021:

- Nearly 66% of the outstanding wholesale funding is issued in covered bonds
- Senior unsecured funding mainly in structured format

¹ Figure as of 30/09/2021 (net volume)



HypoVereinsbank's funding mix: Sustainable, diversified and risk adjusted

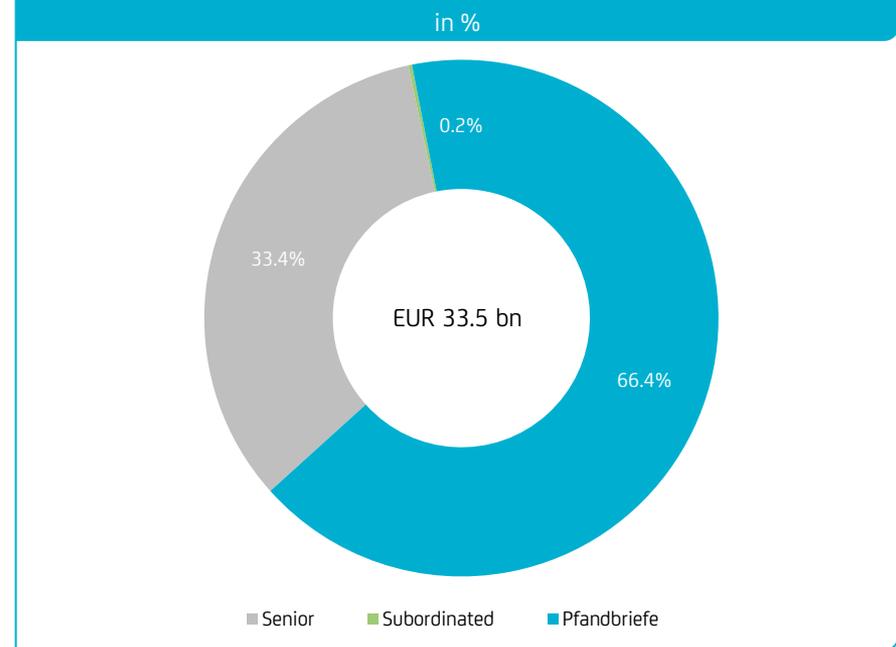
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Funding

Strict three-pillar funding strategy¹:

- **Sustainability**
 - Solid medium/long term funding with constant presence on the debt capital market
 - Declining outstanding issuance volume within a sound balance sheet structure (2010: >EUR 62bn; 3Q/2021: EUR 33.5bn)
- **Diversification**
 - Diversification and activity in all channels to avoid concentration risk especially with regard to seniors
 - Covered bonds ("Pfandbriefe") as important source of funding due to cost-efficiency, first-class credit quality and high degree of safety for investors
- **Risk Management**
 - Maturity diversification to avoid concentration risk

Split of outstanding issuance¹ by instrument type



¹ Figures as of 30/09/2021, net volume of senior, subordinated and covered bonds "Pfandbriefe" of UniCredit Bank AG and their subsidiaries (without own issuances held on own books); Positions within UniCredit Group are excluded, except held for trading purposes

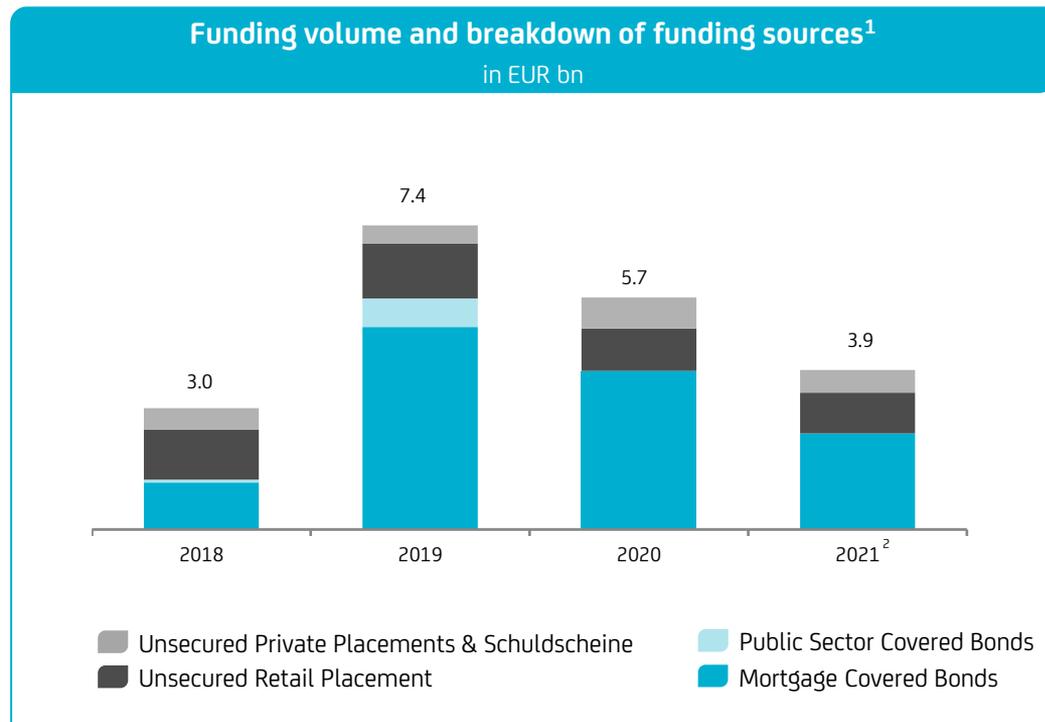


Medium-Long Term Funding: Solid and diversified funding structure



HypoVereinsbank's funding risk continues to remain on a low level due to

- Use of various channels
- Wide range of funding products
- Issuance in multiple asset classes and markets
- Well diversified group of investors



¹ Calculation incl. forward transactions, without Other M/L Term Funding and Promotional (Supranational) Funding

² Executed funding volume as of 30/09/2021



Ratings¹ of HypoVereinsbank reflect robust business model and strong focus on the German market

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MOODY'S

STANDARD
& POOR'S

Fitch
Ratings

Long-term/ Outlook/ Short-term	Counterparty Rating: A1/P-1 Deposits: A2/stable/P-1 Issuer Rating: A2/stable Sen. Unsec.: A2/stable Jr. Sen. Unsec.: Baa2	Resolution Counterparty Rating: A-/A-2 Issuer Credit Rating: BBB+/neg/A-2 Sen. Unsec.: BBB+ Sen. Subord.: BBB	Derivative Counterparty Rating: A-(dcr) Deposits: A-/F2 Issuer Default Rating: BBB+/neg/F2 Sen. Preferred: A-/F2 Non-Preferred Sen. Unsec.: BBB+
Stand-alone Rating	baa2	bbb+	bbb+
Public Sector Covered Bonds/Outlook	Aaa	-	-
Mortgage Covered Bonds/Outlook	Aaa	-	-

¹ Ratings as of 31/12/2021



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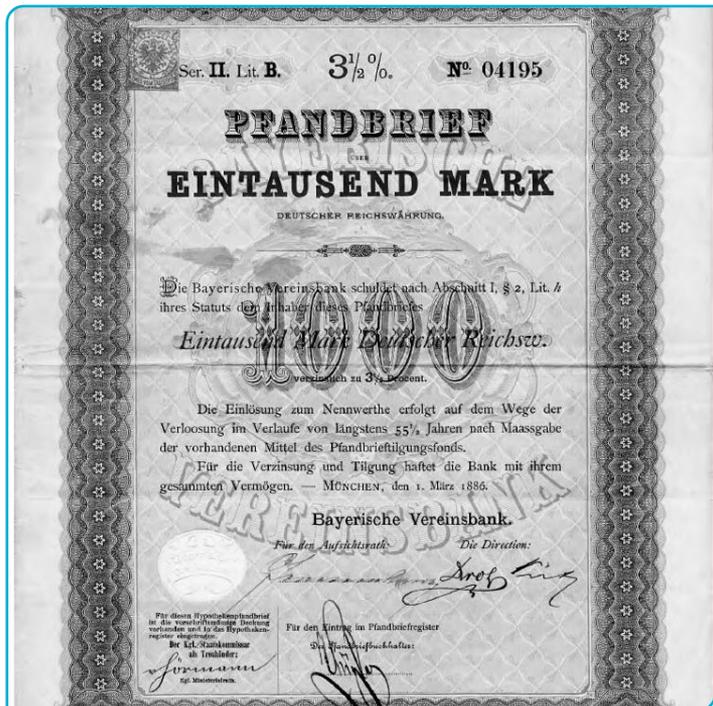
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From the first Communal Obligation in 1871 to the Green Pfandbrief

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Cover pool



- In **1869** the “**Bayerische Vereinsbank**” received the permission to issue Pfandbrief
- Since this time the Pfandbrief has always been one of the **main refinancing instruments** of the bank and HVB has established itself as a permanent issuer in the Capital markets
- **2019** first **USD** denominated Public Pfandbrief benchmark issue
- **2021** HVB has committed to the Minimum Standards of the VdP for the “**Green Pfandbrief**”



HypoVereinsbank and its Pfandbrief History

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Cover pool

King Frederick II decreed the first mortgage bond in Germany, referred to as "Pfandbrief"

1769



King Max II introduced the modern Pfandbrief system in Bavaria

1864

Foundation of Bayerische Vereinsbank

1869



Formation of a powerful mortgage bank: HypoVereinsbank
Merger of Bayerische Hypotheken- und Wechsel Bank and Bayerische Vereinsbank

1998

HypoVereinsbank becomes part of UniCredit Group

2005

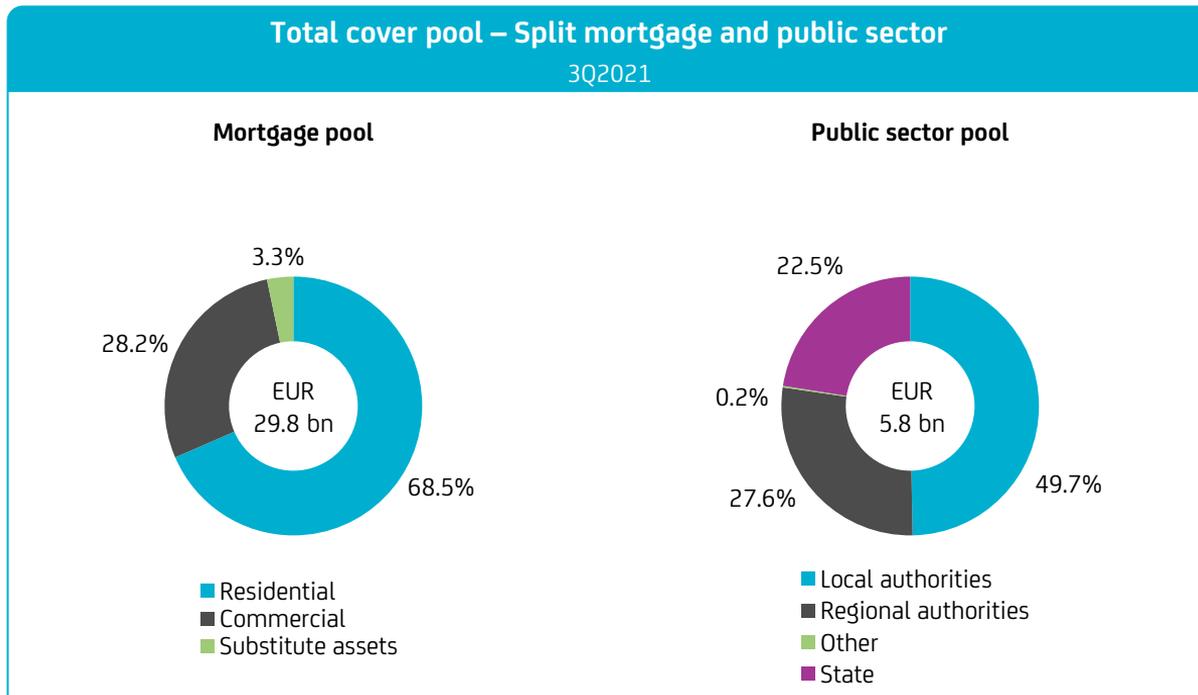


HypoVereinsbank's cover pool at a glance: A strong Pfandbrief house

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Cover pool

As of 30/09/2021	Mortgage	Public
Pool type	Dynamic	
Cover pool (EUR m)		
Nominal value ¹	28,828	5,818
Net present value	32,786	6,383
Substitute assets	966	0
Total number of loans	144,337	1,633
Fixed rate loans	81.7%	68.6%
Floating rate loans	18.3%	31.4%
Outstanding issues (EUR m)		
Nominal value	22,609	3,170
Net present value	23,733	3,450
Overcollateralisation²	31.8%	83.5%



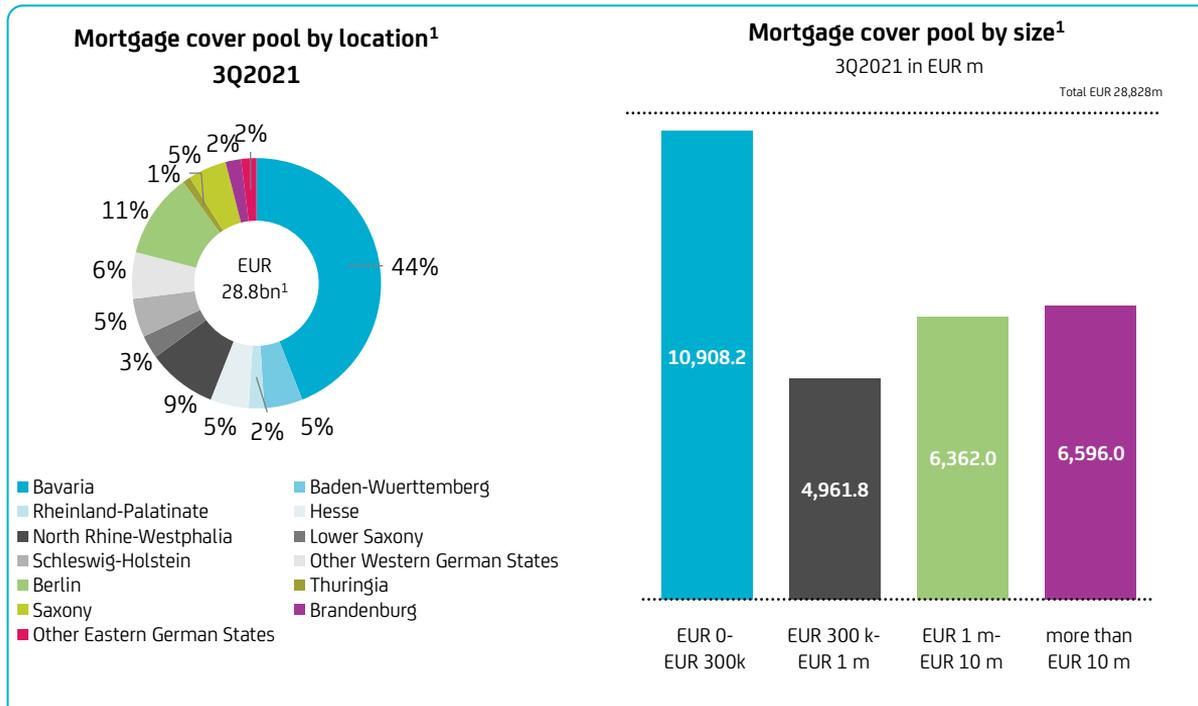
¹ Excluding substitute assets

² OC calculated with nominal values of cover pool and outstanding issues



Mortgage cover pool with solid foothold in economically strong Bavaria

- UniCredit Bank AG's mortgage cover pool is mostly concentrated in economically strong federal state Bavaria where the bank has strongest presence
- The non-Bavarian mortgage cover pool is well diversified between the capital Berlin and the remaining federal states
- Mortgages of up to three hundred thousand Euros account for almost 40 percent of the entire mortgage cover pool basing it on a wide and solid foundation



¹Without further cover assets in accordance with section 19 (1) PfandBG



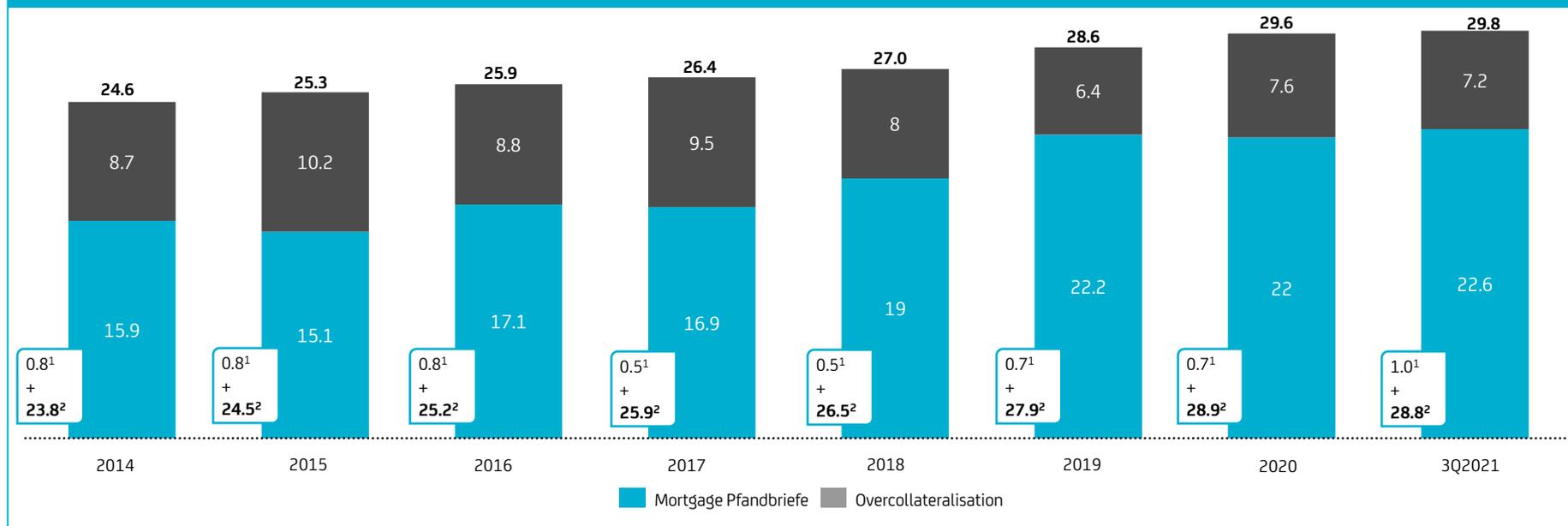
Investors benefit from high level of overcollateralization of outstanding Pfandbriefe

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Cover pool

Total mortgage cover pool development and nominal overcollateralization in historical comparison

in EUR bn



¹ Further cover assets in accordance with section 19 (1) German Pfandbrief Act

² Mortgage cover assets: There are no derivatives and foreign currency assets used as cover for Mortgage Pfandbriefe

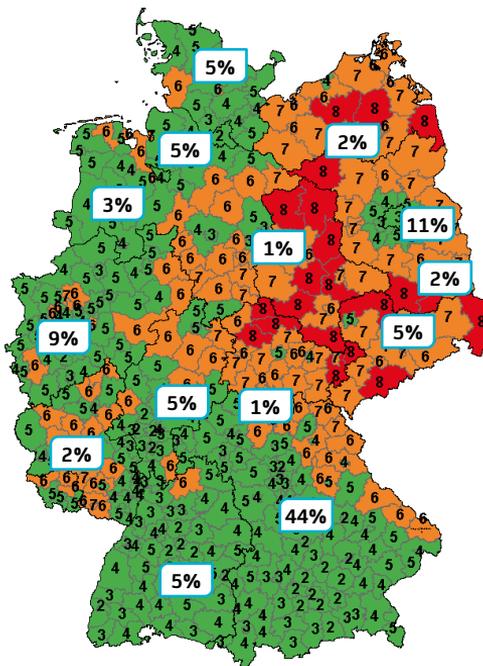


High quality mortgage cover pool due to consistent risk management

Consistent risk management

- Internal risk map based on empirical data from decades serves as basis for Loan-to-value (LTV) limits
- Focus areas of HypoVereinsbank's mortgage cover pool in low risk regions
- Majority of the mortgage cover pool with a LTV <100%

Risk map residential real estate¹



Loan-to-value limits

for retail and private banking clients

Division	Risk color	LTV limit ²	
		Owner-occupied	Buy to let
Retail		95%	80%
Retail		85%	70%
Retail		70%	no financing
Private Banking		100%	100%
Private Banking		70%	70%

¹As of 3Q2021

²Loan-to-value limits are calculated on the basis of market values derived from internal calculations (System Wertweiser, KRQ and on-site visit)



Overview of benchmark issues since 2019

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Cover pool

Pfandbrief Type	Initial Tenor and Interest Type	Issued Volume	Issue Date	Maturity	Spread
Mortgage Pfandbriefe	10Y. FXD RATE	EUR 0.50 bn	Jan-19	Jan-29	midswap +15bps
Mortgage Pfandbriefe	Tap 10Y. FXD RATE	EUR 0.50 bn	Feb-19	Jan-29	midswap +11bps
Mortgage Pfandbriefe	15Y. FXD RATE	EUR 1.00 bn	May-19	May-34	midswap +8bps
Public Sector Pfandbriefe	3Y. FXD Rate	USD 0.50 bn	Jul-19	Jul-22	Libor +32
Mortgage Pfandbriefe	5Y. FXD Rate	EUR 0.75 bn	Sep-19	Sep-24	midswap +3bps
Mortgage Pfandbriefe	8Y. FXD Rate	EUR 1.00 bn	Nov-19	Nov-27	midswap +4bps
Mortgage Pfandbriefe	12Y. FXD Rate	EUR 1.25 bn	Jan-20	Jan-32	midswap +6bps
Mortgage Pfandbriefe	10Y. FXD Rate	EUR 1.00 bn	Jun-20	Jun-30	midswap +10bps
Mortgage Pfandbriefe	8Y. FXD Rate	EUR 1.00 bn	Sep-20	Sep-28	midswap +7bps
Mortgage Pfandbriefe	15Y. FXD Rate	EUR 0.50 bn	Jan-21	Jan-36	midswap +3bps
Mortgage Pfandbriefe	10Y. FXD Rate	EUR 0.75 bn	Mar-21	Mar-31	midswap +1bp
Mortgage Pfandbriefe	8Y. FXD Rate	EUR 0.5 bn	May-21	May-29	midswap -1bp
GREEN Mortgage Pfandbriefe	5Y. FXD Rate	EUR 0.5 bn	Sep-28	Sep-26	Midswap -2bps
TAP Mortgage Pfandbrief	12Y. FXD Rate	EUR 0.25 bn	Nov-21	Jan-32	Midswap -1bp

as of 5th of January



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Publication of Cover Pool data according to § 28 Pfandbriefact:

<https://www.hypovereinsbank.de/hvb/ueberuns/investor-relations-en/emissions-collateral/data-on-collateral-pool>

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as of 7 January, 2022

