

Presentation to Fixed Income Investors

HypoVereinsbank – UniCredit Bank AG

Munich, May 2022

Empowering
Communities to Progress. | 



Agenda

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





HypoVereinsbank at a glance



150 Years – from Bayerische Vereinsbank to UniCredit Bank AG

1 2 3 4 5

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



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

1 2 3 4 5

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

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

#2 Private sector lender for German mid caps¹

Best Bank in Germany²

#4 All German syndicated loans:
10.1% market share⁴

#4 German corporate loans:
11.1% market share⁴

Wealth Management & Private Banking: Summa cum laude³

#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 4 January 2021





2

Update on latest results



HypoVereinsbank with positive business performance in the extremely challenging market environment in FY2021

1 2 3 4 5

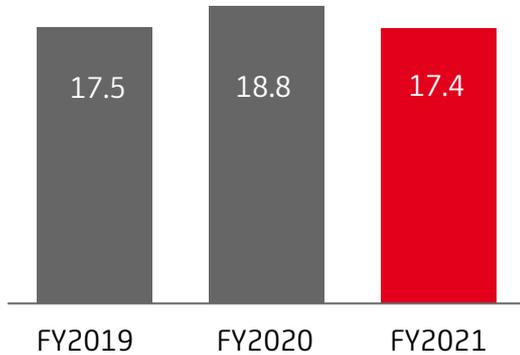
		31/12/2020	31/12/2021	Δ
Profitability	Operating income	EUR 4,641 m	EUR 4,248 m	↓ -8.5%
	Operating costs	EUR -2,808 m	EUR -2,806 m	→ -
	Operating profit	EUR 1,833 m	EUR 1,442 m	↓ -21.3%
	Net write-down of loans and provisions for guarantees and commitments	EUR -733 m	EUR -114 m	↓ -84.4%
	Net operating profit	EUR 1,100 m	EUR 1,328 m	↑ +20.7%
	Profit before tax	EUR 1,072 m	EUR 545 m	↓ -49.2%
Balance sheet	Total assets	EUR 338 bn	EUR 312	↓ -7.7%
	Shareholders' equity	EUR 17.9 bn	EUR 17.7	↓ -1.1%
	Leverage ratio (Basel III, fully loaded)	4.9%	5.3%	↑ +40bp
Regulatory ratios	Common Equity Tier 1 ratio (fully loaded)	18.8%	17.4%	↓ -140bp
	Risk weighted assets (including equivalents for market risk and operational risk)	EUR 80.6 bn	EUR 86.9 bn	↑ +7.8%
	Liquidity Coverage Ratio (LCR)	>100%	>100%	→ -



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

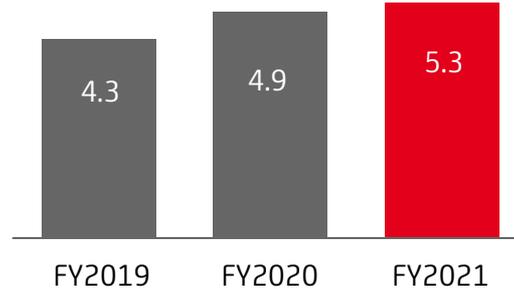
1 2 3 4 5

Capital (CET1 fully loaded)
in %



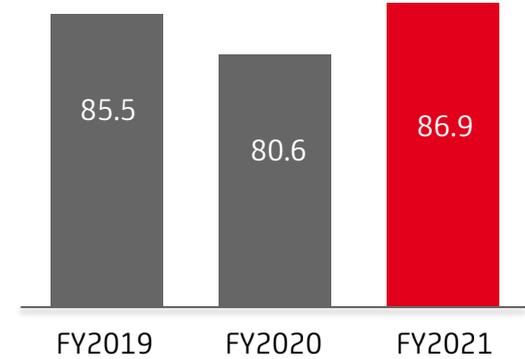
- Continuously excellent capital base by both national and international standards.

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 86.9 bn at the end of 2021 and were thus EUR 6.3 bn higher than year-end 2020.

¹Including equivalents for market risk and operational risk





Funding



Well diversified and centrally coordinated funding and liquidity profile

1 2 3 4 5

- **UniCredit S.p.A.** 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**



HypoVereinsbank: Funding and liquidity management

1 2 3 4 5

- **UniCredit Bank AG**, as the German subsidiary of UniCredit S.p.A., 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 22.7 bn¹ Covered bonds outstanding

- 86% mortgage covered bonds
- 14% public sector covered bonds

Funding as of 31/03/2022:

- Nearly 68% of the outstanding wholesale funding is issued in covered bonds
- Senior unsecured funding mainly in structured format

¹Figure as of 31/03/2022 (net volume)



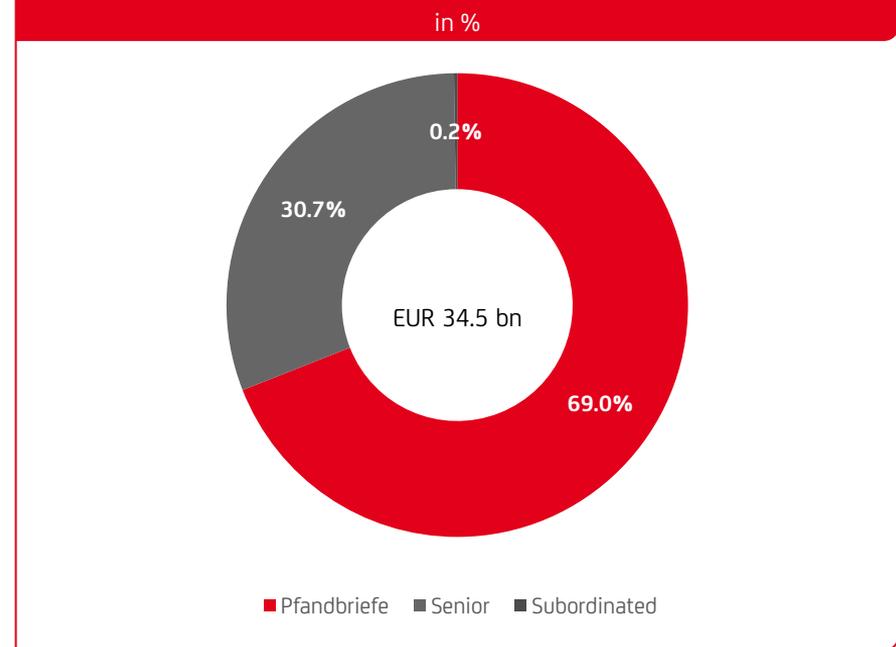
HypoVereinsbank's funding mix: Sustainable, diversified and risk adjusted

1 2 3 4 5

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 62 bn; 1Q/2022: EUR 34.5 bn)
- **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



¹Figures as of 31/03/2022, 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



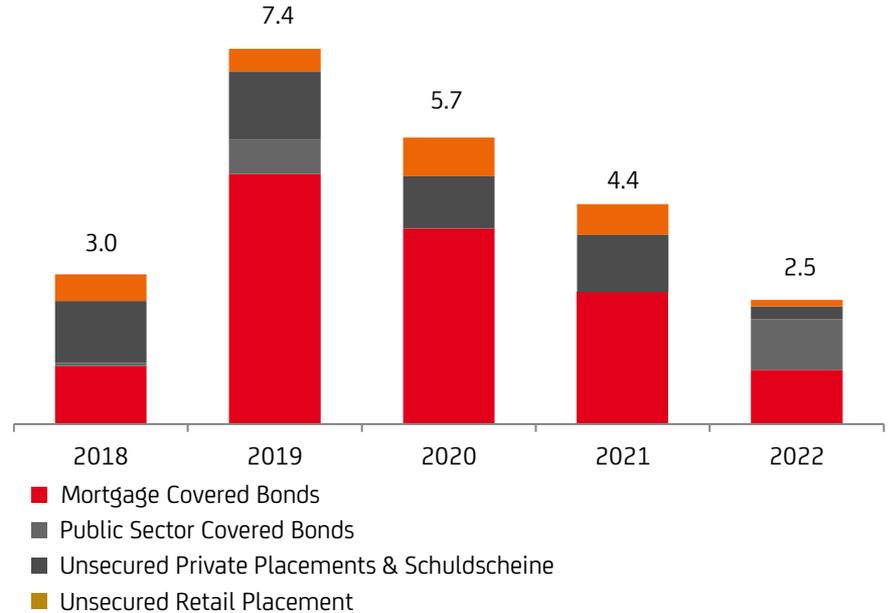
Medium-Long Term Funding: Solid and diversified funding structure

1 2 3 4 5

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

Funding volume and breakdown of funding sources¹ in EUR bn



¹Executed funding volume as of 31/03/2022. Calculation incl. forward transactions, without Other M/L Term Funding and Promotional (Supranational) Funding



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

1 2 3 4 5

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

-

-

¹Ratings as of 23/05/2022





Cover pool



From the first Communal Obligation in 1871 to the Green Pfandbrief

- 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

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

1998

Merger of Bayerische Hypotheken- und Wechsel Bank and Bayerische Vereinsbank

HypoVereinsbank becomes part of UniCredit Group

2005



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

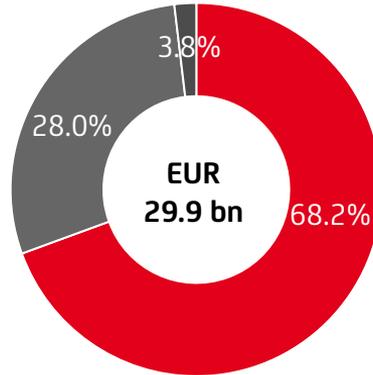
As of 31/03/2022	Mortgage	Public
Pool type	Dynamic	
Cover pool (EUR m)		
Nominal value ¹	29,384	6,310
Net present value	31,017	6,592
Substitute assets	0,557	0
Total number of loans	140,528	1,607
Fixed rate loans	82.0%	71.7%
Floating rate loans	18.0%	28.3%
Outstanding issues (EUR m)		
Nominal value	25,458	5,296
Net present value	24,974	5,442
Overcollateralisation²	17.6%	19.1%

¹Excluding substitute assets

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

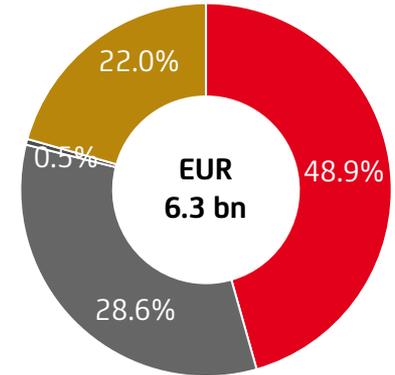
Total cover pool – Split mortgage and public sector (1Q2022)

Mortgage pool



- Residential
- Commercial
- Substitute assets

Public sector pool



- Local authorities
- Regional authorities
- Other
- State

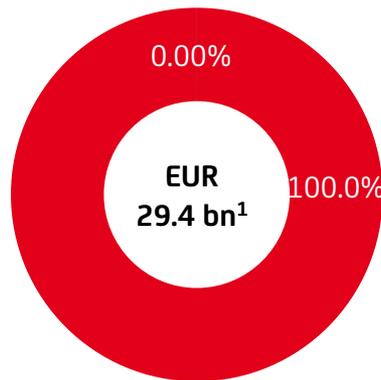


Mortgage cover pool with purely German assets

- As one of the oldest Pfandbrief players in Germany, HypoVereinsbank is well acquainted with the characteristics of the highly regulated German market
- With exclusively German assets in the mortgage cover pool, HypoVereinsbank benefits from the country's solid and reliable economic situation
- With 17%, the non-German exposure of the members of the Association of German Pfandbrief Banks (vdp) is substantially higher compared to HypoVereinsbank

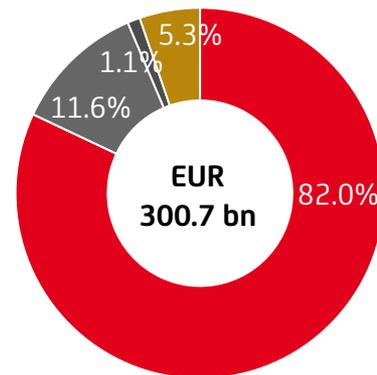
Total mortgage cover pool – Split by country of asset location (1Q2022)

Cover pool HypoVereinsbank² (1Q2022)



■ Germany

Cover pool all vdp-members² (3Q2021)



■ Germany
■ EUR Core
■ EUR Periphery
■ Rest of world

¹Without further cover assets

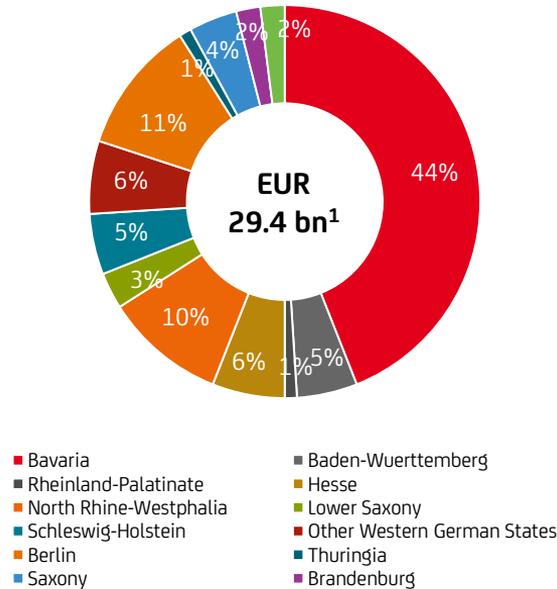
²EUR Core: B, DK, F, FIN, GB, LUX, NL, AUT, PL, S, CZ, IIE, EU; EUR Periphery: BUL, EST, GR, IT, IRL, LET, LIT, MALT, PORT, RO, SLO, SK, ESP, HU, CY ; Rest of world: ISL, NOR, CH, JAP, CAN, USA



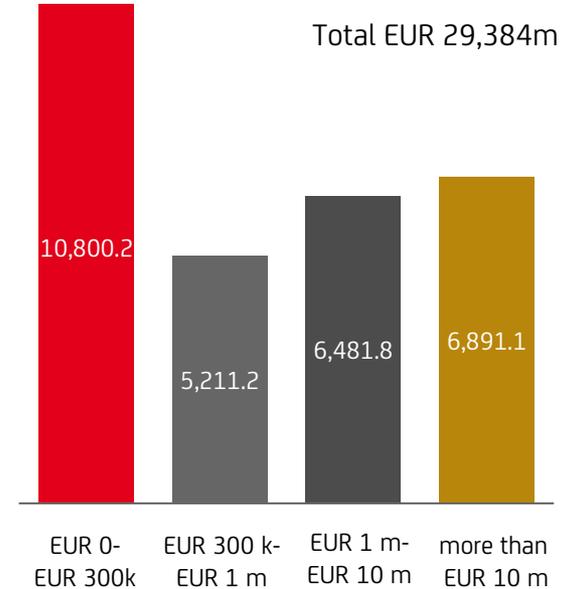
Mortgage cover pool with solid foothold in economically strong Bavaria

- 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% of the entire mortgage cover pool basing it on a wide and solid foundation

**Mortgage cover pool by location¹
(1Q2022)**



**Mortgage cover pool by size¹
(1Q2022 in EUR m)**



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

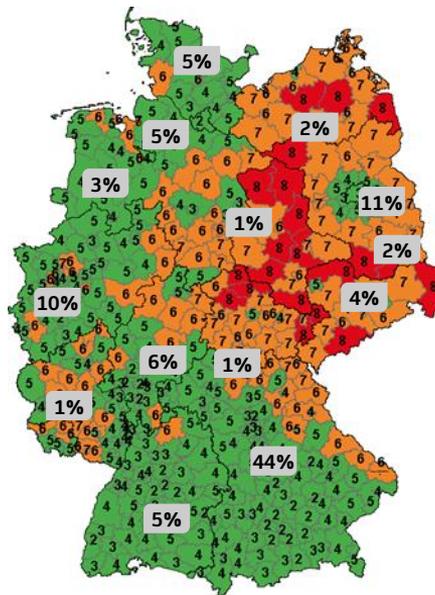


Mortgage cover pool with solid foothold in economically strong Bavaria

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 1Q2022

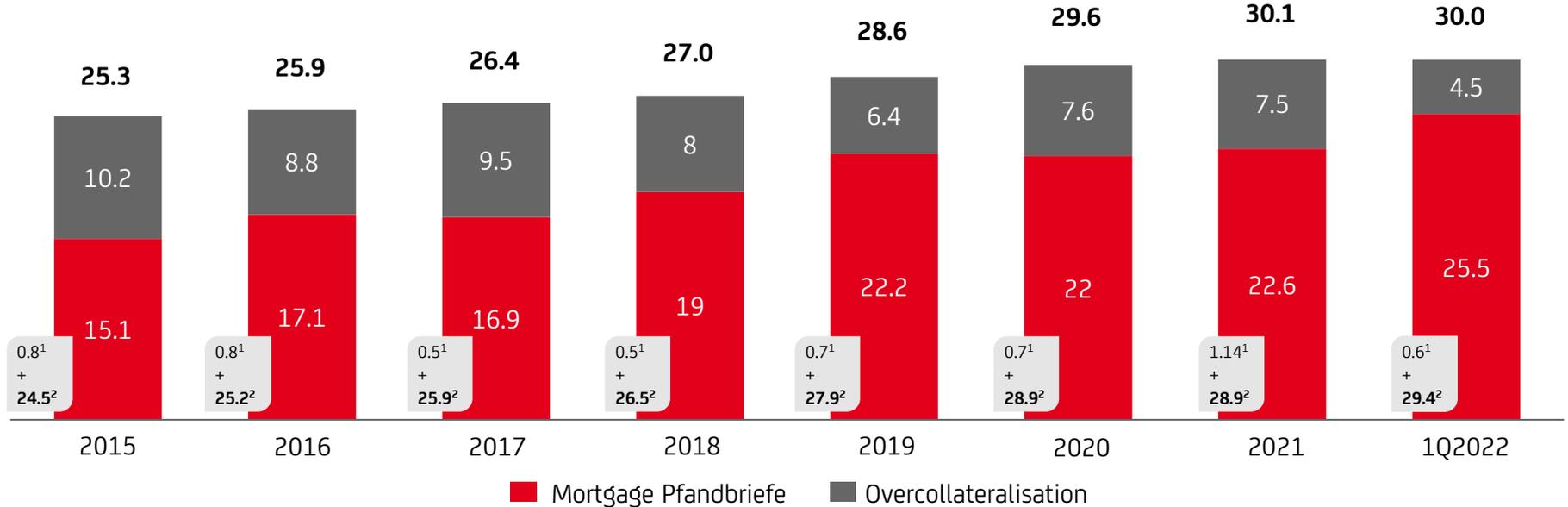
²Loan-to-value limits are calculated on the basis of market values derived from internal calculations (System Wertweiser, KRQ and on-site visit)



Investors benefit from high level of overcollateralisation of outstanding Pfandbriefe

1 2 3 4 5

Total mortgage cover pool development and nominal overcollateralisation in historical comparison (in EUR bn)



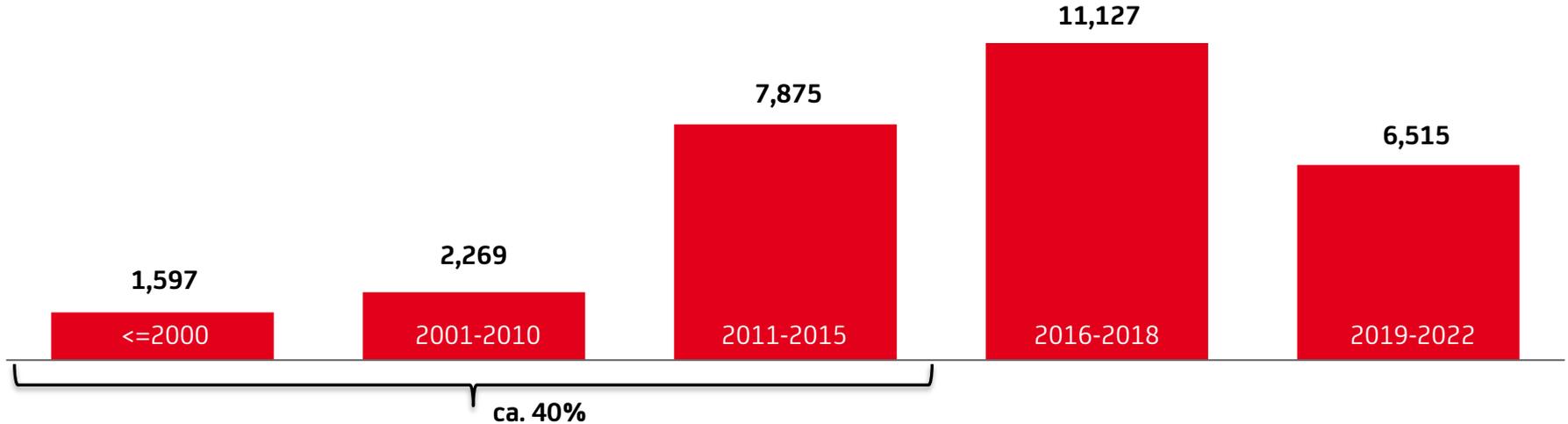
¹Further cover assets in accordance with section 19 (1) German Pfandbrief Act

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



High percentage of long lasting client relationship minimizes risk

Cover pool mortgages (nominal) per closing date 1Q2022 (in EUR m)



- Roughly 40% of HypoVereinsbank's cover pool mortgages date back to more than five years
- Reliable and predictable customer base due to long term client relationship

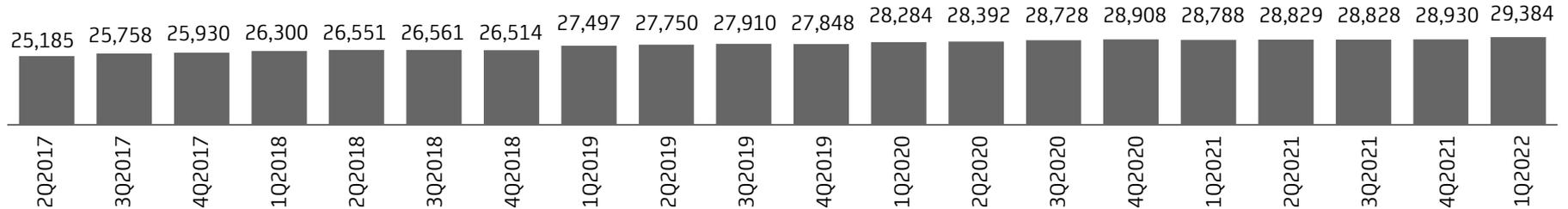


Excellent payment discipline: Arrear ratio¹ below 0.004% for years

Payments in Arrears – in EUR m and % share of the mortgage cover pool (arrear ratio)



Total mortgage cover pool (in EUR m)

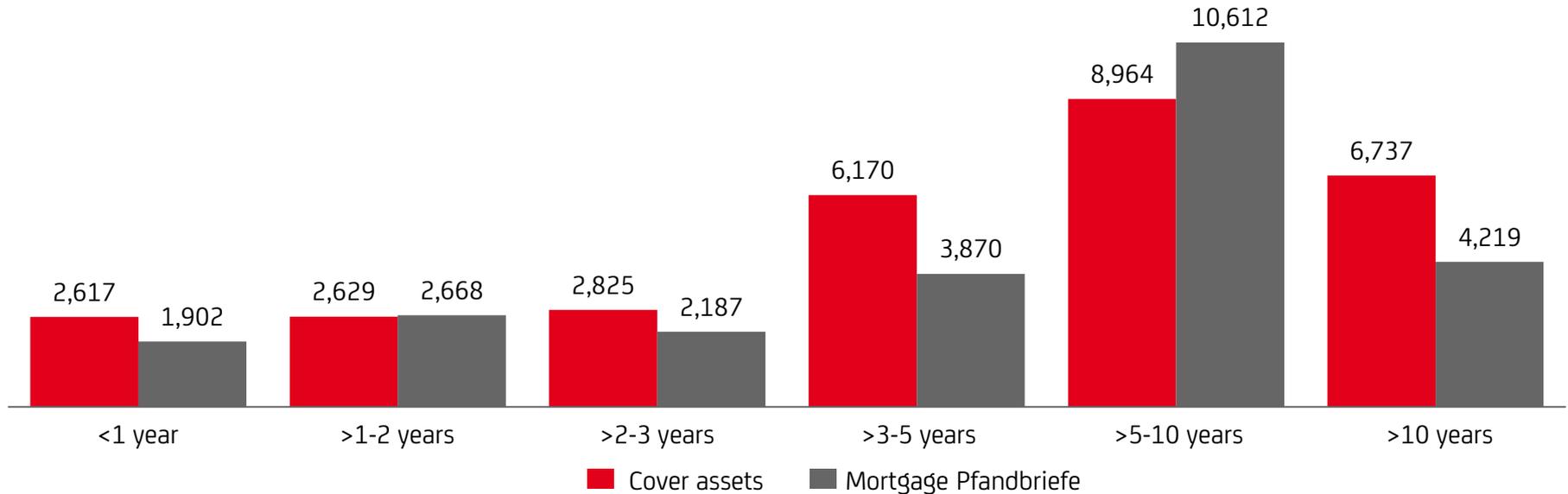


¹Payments more than 90 days overdue in relation to mortgage receivables



Well matching maturity profiles of mortgages and Pfandbrief issues

Maturity structure of outstanding mortgage Pfandbriefe versus related cover assets 1Q2022 (in EUR m)



Overview of benchmark issues since 2020

1 2 3 4 5

Pfandbrief Type	Initial Tenor and Interest Type	Issued Volume	Issue Date	Maturity	Spread
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-21	Sep-26	Midswap -2bps
TAP Mortgage Pfandbrief	12Y. FXD Rate	EUR 0.25 bn	Nov-21	Jan-32	Midswap -1bp
Mortgage Pfandbriefe	11Y. FXD Rate	EUR 1.00 bn	Jan-22	Jan-33	Midswap flat
Public Sector Pfandbrief	5Y. FXD Rate	EUR 1.00 bn	Feb-22	Feb-27	Midswap -1bp

as of 29th of March





Contacts



Contact Page

Corporate & Individual Solutions

Holger Oberfrank
Co-Head of Treasury
Tel. +49 89 378-15100
Holger.Oberfrank@unicredit.de

Corporate & Individual Solutions

Claudio Volpi
Head of Finance
Tel. +49 89 378-13040
ClaudioVittorio.Volpi2@unicredit.de

Publication of Cover Pool data according to § 28 Pfandbriefact:

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

Imprint

Corporate & Individuals Solutions
UniCredit Bank AG
Arabellastrasse 12
81925 Munich



Disclaimer

This publication is presented to you by:
Corporate & Individual Solutions
UniCredit Bank AG
Arabellastr. 12
D-81925 Munich

The information in this publication is based on carefully selected sources believed to be reliable. However we do not make any representation as to its accuracy or completeness. Any opinions herein reflect our judgement at the date hereof and are subject to change without notice. Any investments presented in this report may be unsuitable for the investor depending on his or her specific investment objectives and financial position. Any reports provided herein are provided for general information purposes only and cannot substitute the obtaining of independent financial advice. Private investors should obtain the advice of their banker/broker about any investments concerned prior to making them. Nothing in this publication is intended to create contractual obligations. Corporate & Investment Banking of UniCredit consists of UniCredit Bank AG, Munich, UniCredit Bank Austria AG, Vienna, UniCredit S.p.A., Rome and other members of the UniCredit. UniCredit Group and its subsidiaries are subject to regulation by the European Central Bank. In addition UniCredit Bank AG is regulated by the Federal Financial Supervisory Authority (BaFin), UniCredit Bank Austria AG is regulated by the Austrian Financial Market Authority (FMA) and UniCredit S.p.A. is regulated by both the Banca d'Italia and the Commissione Nazionale per le Società e la Borsa (CONSOB).

Note to UK Residents:

In the United Kingdom, this publication is being communicated on a confidential basis only to clients of Corporate & Investment Banking of UniCredit (acting through UniCredit Bank AG, London Branch). The information is directed only to (i) professional clients or eligible counterparties as defined in the rules of the Financial Conduct Authority and is not intended for distribution to, or use by, retail clients or (ii) "investment professionals" falling within Article 19(5) of the Financial and Services Markets Act 2000 (Financial Promotions) Order 2005, as amended, and to persons to whom it may otherwise be lawful to communicate (all such persons in (i) and (ii) together being referred to as "Relevant Persons"). Any investment or activity to which the information relates is available only to, and will be engaged in only with, Relevant Persons. Other persons should not rely or act upon the information. UniCredit Bank AG London Branch, Moor House, 120 London Wall, London, EC2Y 5ET, is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Notwithstanding the above, if this publication relates to securities subject to the Prospectus Regulation (EU 2017/1129) it is sent to you on the basis that you are a qualified investor for the purposes of the Prospectus Regulation and it must not be given to any person who is not a qualified investor.

Note to US Residents:

The information provided herein or contained in any report provided herein is intended solely for institutional clients of Corporate & Investment Banking of UniCredit acting through UniCredit Bank AG, New York Branch and UniCredit Capital Markets LLC (together "UniCredit") in the United States, and may not be used or relied upon by any other person for any purpose. It does not constitute a solicitation to buy or an offer to sell any securities under the Securities Act of 1933, as amended, or under any other US federal or state securities laws, rules or regulations. Investments in securities discussed herein may be unsuitable for investors, depending on their specific investment objectives, risk tolerance and financial position.

In jurisdictions where UniCredit is not registered or licensed to trade in securities, commodities or other financial products, any transaction may be effected only in accordance with applicable laws and legislation, which may vary from jurisdiction to jurisdiction and may require that a transaction be made in accordance with applicable exemptions from registration or licensing requirements.

UniCredit may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in any report provided herein. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. Past performance should not be taken as an indication or guarantee of further performance, and no representation or warranty, express or implied, is made regarding future performance. The information contained in any report provided herein may include forward-looking statements within the meaning of US federal securities laws that are subject to risks and uncertainties. Factors that could cause a company's actual results and financial condition to differ from its expectations include, without limitation: Political uncertainty, changes in economic conditions that adversely affect the level of demand for the company's products or services, changes in foreign exchange markets, changes in international and domestic financial markets, competitive environments and other factors relating to the foregoing. All forward-looking statements contained in this report are qualified in their entirety by this cautionary statement.

This product is offered by UniCredit Bank AG who is solely responsible for the Product and its performance and/or effectiveness.

Corporate & Individual Solutions

UniCredit Bank AG
as of 24 May, 2022

