

Presentation to Fixed Income Investors

HypoVereinsbank – UniCredit Bank GmbH

Munich, Jan 2024

Empowering
Communities to Progress. | 



Agenda

- 1 HypoVereinsbank at a glance
- 2 Update on latest results
- 3 Funding
- 4 Cover Pool
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HypoVereinsbank at a glance



150 Years – From Bayerische Vereinsbank to UniCredit Bank GmbH

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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 GmbH



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

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Strong operating performance

EUR 1.398 m net operating profit (HY2023)

Excellent leverage ratio

5.4% (fully loaded, HY2023)

Outstanding capital ratio

21.3% (CET1 fully loaded, HY2023)

Strong balance sheet

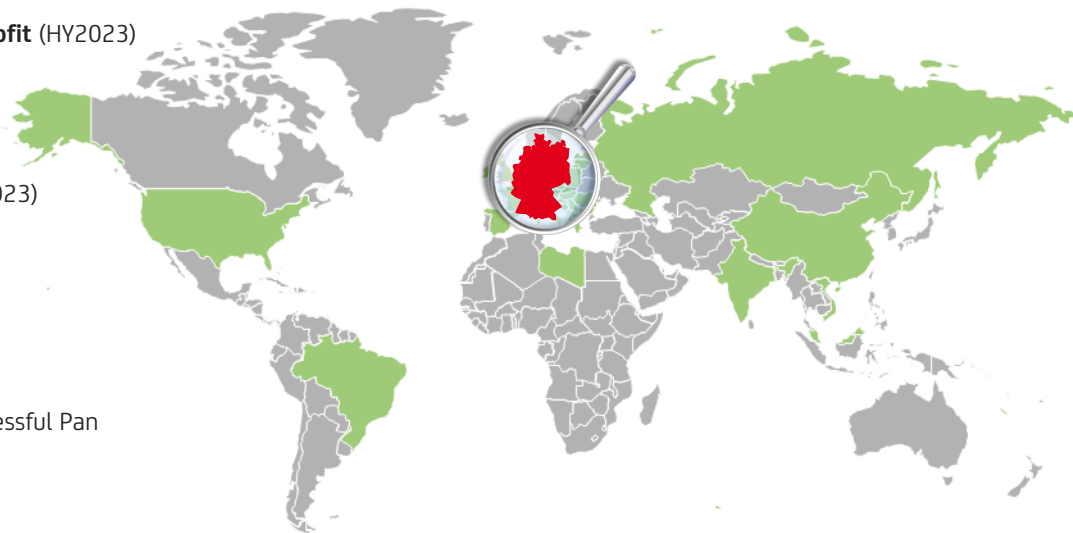
EUR 308 bn (HY2023)

Highly qualified workforce

10,361 FTE (HY2023)

Member of UniCredit Group

Part of UniCredit, a simple successful Pan European Commercial Bank



General remark: Unless stated otherwise "HypoVereinsbank" refers to UniCredit Bank GmbH and its subsidiaries in this document





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Update on latest results



HypoVereinsbank with positive business performance in the extremely challenging market environment in HY2023

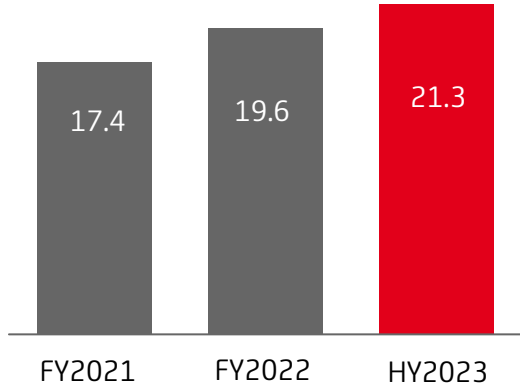
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	30.06.2022	30.06.2023	Δ
Profitability	Operating income	EUR 2,244 m	EUR 2,724 m ↑ +21.4%
	Operating costs	EUR -1,330 m	EUR -1,276 m ↓ -4.1%
	Operating profit	EUR 914 m	EUR 1,448 m ↑ +58.4%
	Net write-down of loans and provisions for guarantees and commitments	EUR -29 m	EUR -50 m ↑ +72.4%
	Net operating profit	EUR 943 m	EUR 1,398 m ↑ +48.3%
	Profit before tax	EUR 939 m	EUR 1,340 m ↑ +42.7%
Balance sheet	Total assets	EUR 318 bn	EUR 308 ↑ -3.1%
	Shareholders' equity	EUR 19.5 bn	EUR 19.7 ↑ +1.0%
	Leverage ratio (Basel III, fully loaded)	5.4%	5.4% ↑ +0 bps
	Common Equity Tier 1 ratio (fully loaded)	19.6%	21.3% ↑ +170 bps
Regulatory ratios	Risk weighted assets (including equivalents for market risk and operational risk)	EUR 82.1 bn	EUR 75.1 bn ↓ -8.5%
	Liquidity Coverage Ratio (LCR)	>100%	>100% → -



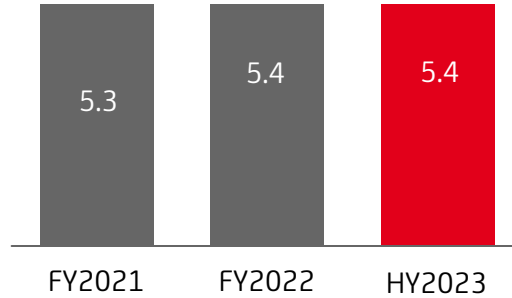
Healthy balance sheet provides sound base for sustainable growth and business continuity

Capital (CET1 fully loaded)
in %



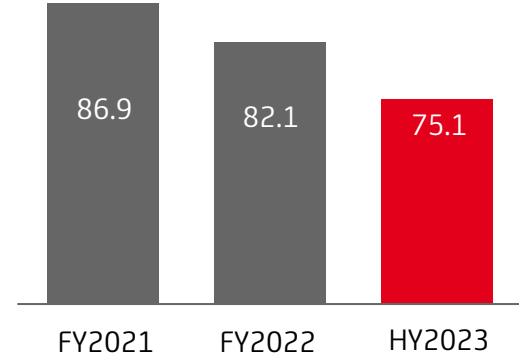
- Continuously excellent capital base by both national and international standards thanks to our organic capital generation.

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 75.1 bn at HY of 2023 and were thus EUR 7.0 bn lower than year-end 2022.

¹Including equivalents for market risk and operational risk



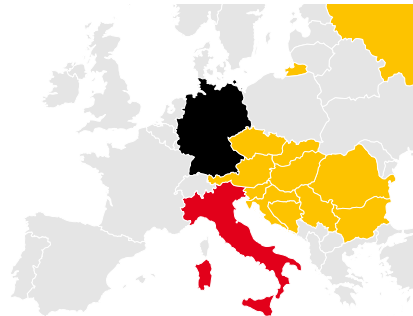


Funding



Funding and Liquidity: 2023 Group Funding Plan

- **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)
- **Geographical diversification** and well-established name with recognition in domestic markets provides **funding diversification**: UniCredit and its subsidiaries are regular issuers in the ESG world leveraging on **Group Sustainability Bond Framework**
- 2023 Funding plan:
 - **~95% of the institutional market already executed** with public issuances out of 5 countries, encountering strong demand, high quality/granular books, limited NIP2 paid and solid performance on the secondary market, **validating investors' appetite**
 - Network issuances following a more linear pattern, **with ~70% already executed**
 - **~90% of the overall budgeted volumes already raised**



- Italy
- Germany
- Central and Eastern Europe¹

	2023 Budget - Volumes (€/bn)							
	Group		Italy		Germany		CE & EE	
	2023 Budget	Already Issued ⁴	2023 Budget	Already Issued ⁴	2023 Budget	Already Issued ⁴	2023 Budget	Already Issued ⁴
Covered Bonds and Securitizations ³	up to 9	~ 10.5	up to 3	~ 3.8	up to 3	~ 3.9	up to 3	~ 2.8
Instruments via networks ⁵	up to 5.5	~ 3.5	up to 3.5	~ 2.4	up to 1.5	~ 1	up to 0.5	~ 0.1
Institutional Senior Pref. and Non Pref. AT1 and T2	up to 3.5	~ 2.1	up to 3	~ 2	up to 0.5	~ 0.1	-	-
Total	up to 19	~ 16.1	up to 10.5	~ 8.2	up to 5	~ 5	up to 3.5	~ 2.9

1. Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia 2. New Issue Premium (NIP) 3. Other secured funding sources like supranational funding not included 4. As of 13 Oct 23 5. Senior Preferred / Non Preferred and Structured Notes



HypoVereinsbank: Funding and liquidity management

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- **UniCredit Bank GmbH**, 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 GmbH is **active as Issuer** in the following instruments:

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



A leading Pfandbrief issuer: EUR 25.4 bn¹ Covered bonds outstanding

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

Funding as of 30/09/2023:

- Nearly 74% of the outstanding wholesale funding is issued in covered bonds
- Senior unsecured funding mainly in structured format

¹Figure as of 30/09/2023 (net volume)

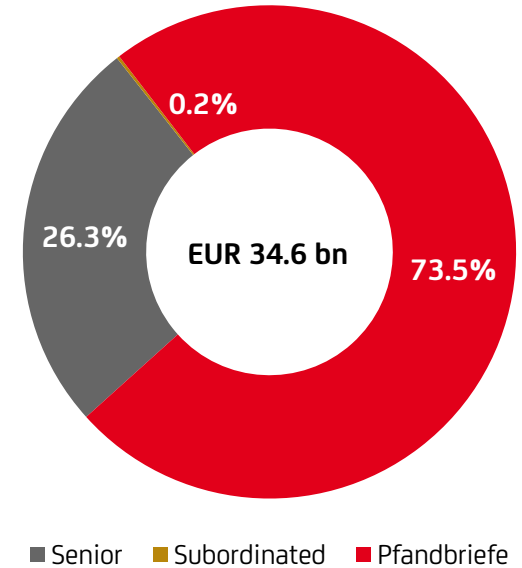


HypoVereinsbank's funding mix: Sustainable, diversified and risk adjusted

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; 3Q/2023: EUR 34.6 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 in %



¹Figures as of 30/09/2023, net volume of senior, subordinated and covered bonds “Pfandbriefe” of UniCredit Bank GmbH and their subsidiaries (without own issuances held on own books); Positions within UniCredit Group are excluded, except held for trading purposes

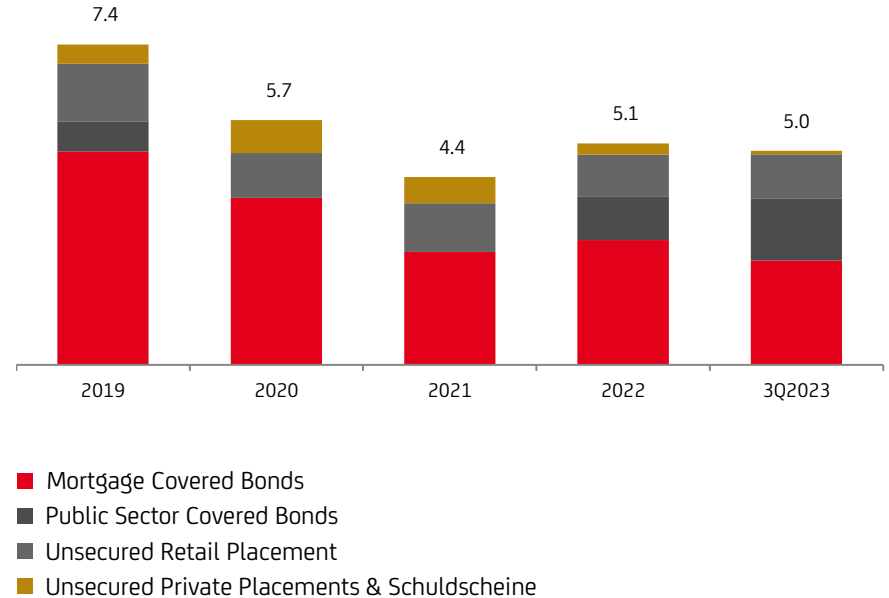


Medium-Long Term Funding: Solid and diversified funding structure

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

Funding volume and breakdown of funding sources¹ in EUR bn



¹Executed funding volume as of 30/09/2023. 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

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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+/stable/A-2
Sen. Unsec.: BBB+
Sen. Subord.: BBB

Derivative Counterparty Rating:
A-(dcr)
Deposits: A-/F2
Issuer Default Rating:
BBB+/stable/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 05/01/2024



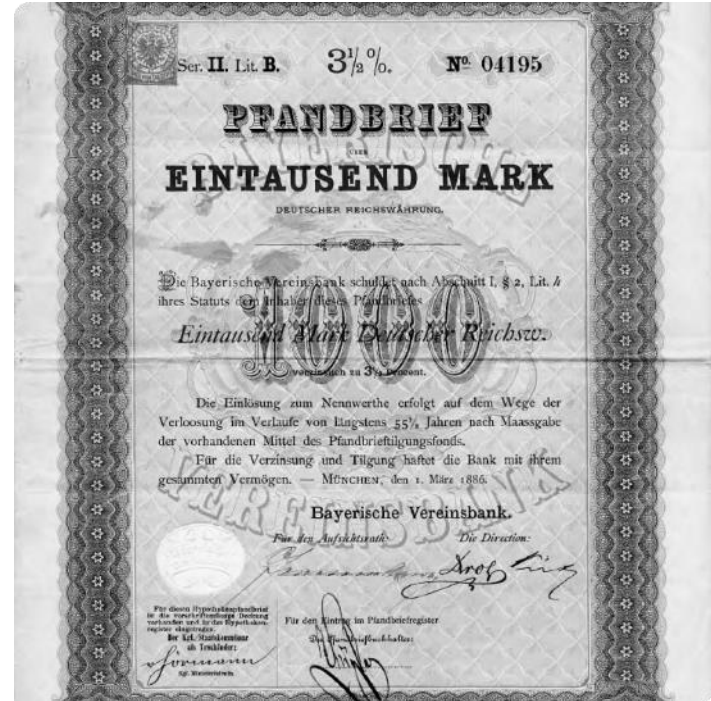


Cover pool



From the first Communal Obligation in 1871 to the Green Pfandbrief

- In **1869** the “**Bayerische Vereinsbank**” received the permission to issue Pfandbrief
- 1871 the first communal obligation was issued
- 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



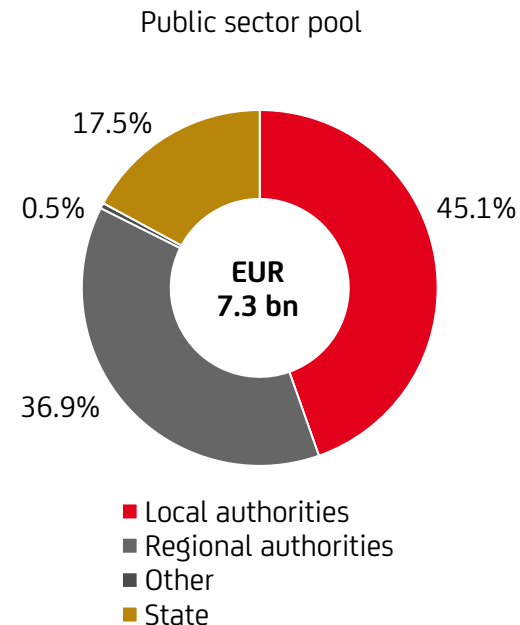
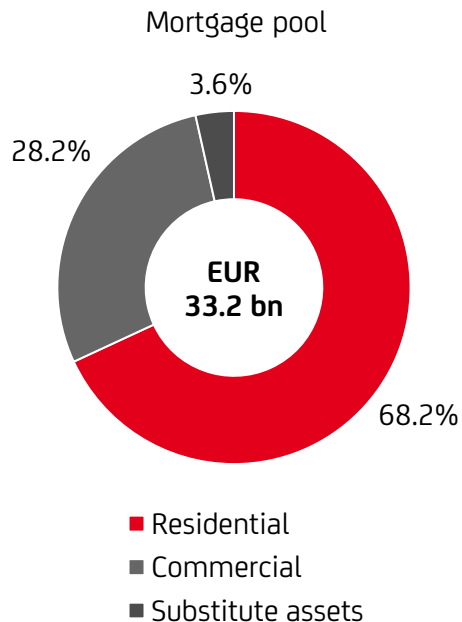
HypoVereinsbank's cover pool at a glance: A strong Pfandbrief house

As of 30.09.2023	Mortgage	Public
Pool type	Dynamic	
Cover pool (EUR m)		
Nominal value ¹	32,005	7,323
Net present value	30,695	7,121
Substitute assets	1,164	0
Total number of loans	129,500	1,501
Fixed rate loans	82.0%	77.3%
Floating rate loans	18.0%	22.7%
Outstanding issues (EUR m)		
Nominal value	26,644	4,099
Net present value	24,021	4,011
Overcollateralisation²	24.5%	78.7%

¹Excluding substitute assets

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

Total cover pool – Split mortgage and public sector (3Q2023)

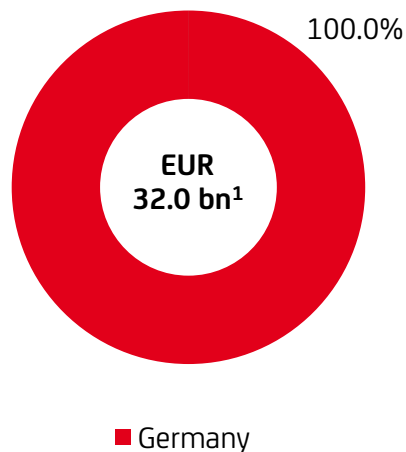


Mortgage cover pool with purely German assets

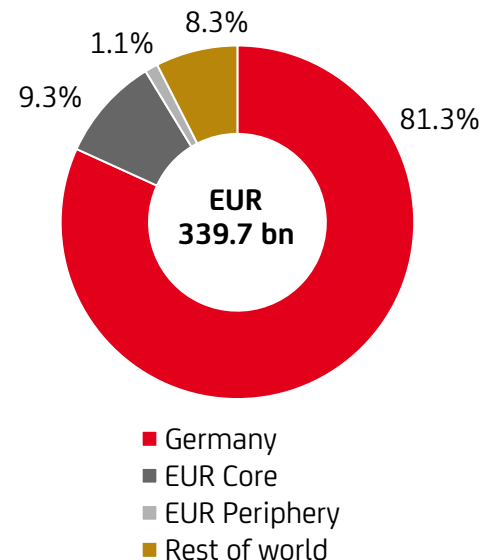
- As one of the oldest Pfandbrief players in Germany, HypoVereinsbank is well acquainted with the characteristics of the highly regulated German market
- With exclusively German assets in the mortgage cover pool, HypoVereinsbank benefits from the country's solid and reliable economic situation
- With 18%, 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

Cover pool HypoVereinsbank² (3Q2023)



Cover pool all vdp-members² (3Q2023)



¹Without further cover assets

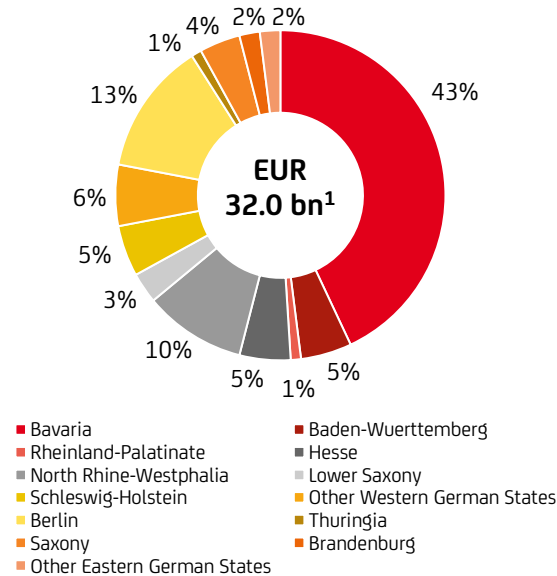
²EUR Core: B, DK, F, FIN, LUX, NL, AUT, PL, S, CZ, IIE, EU; EUR Periphery: BUL, EST, GR, IT, IRL, LET, LIT, MALT, PORT, RO, SLO, SK, ESP, HU, CY; Rest of world: ISL, NOR, CH, JAP, CAN, USA, GB



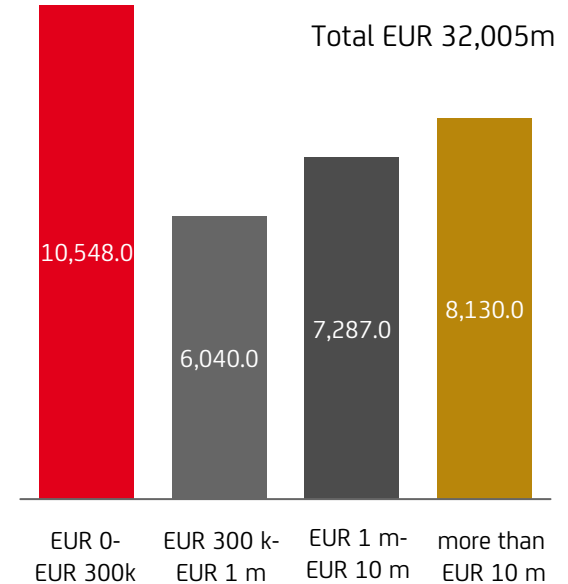
Mortgage cover pool with solid foothold in economically strong Bavaria

- HypoVereinsbank'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 33% of the entire mortgage cover pool basing it on a wide an solid foundation

**Mortgage cover pool by location¹
(3Q2023)**



**Mortgage cover pool by size¹
(3Q2023 in EUR m)**



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

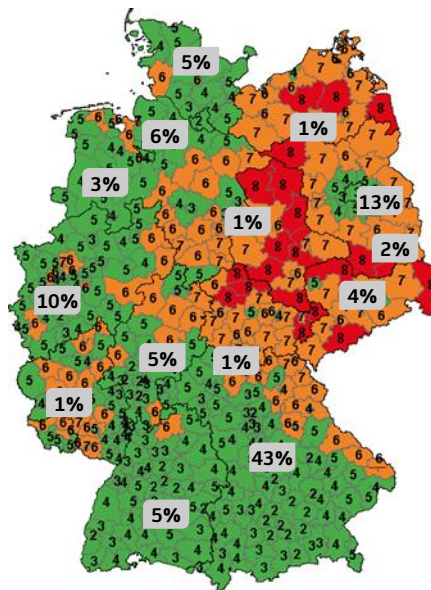


Mortgage cover pool with solid foothold in economically strong Bavaria

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%

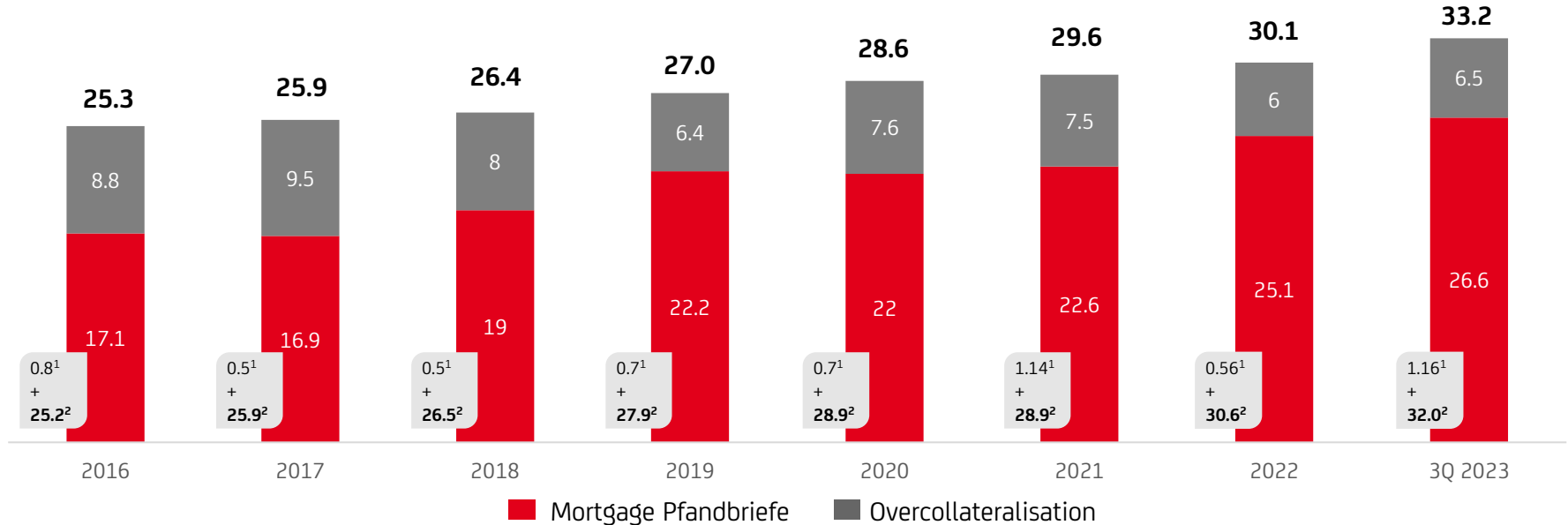
¹As of 3Q2023

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

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



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

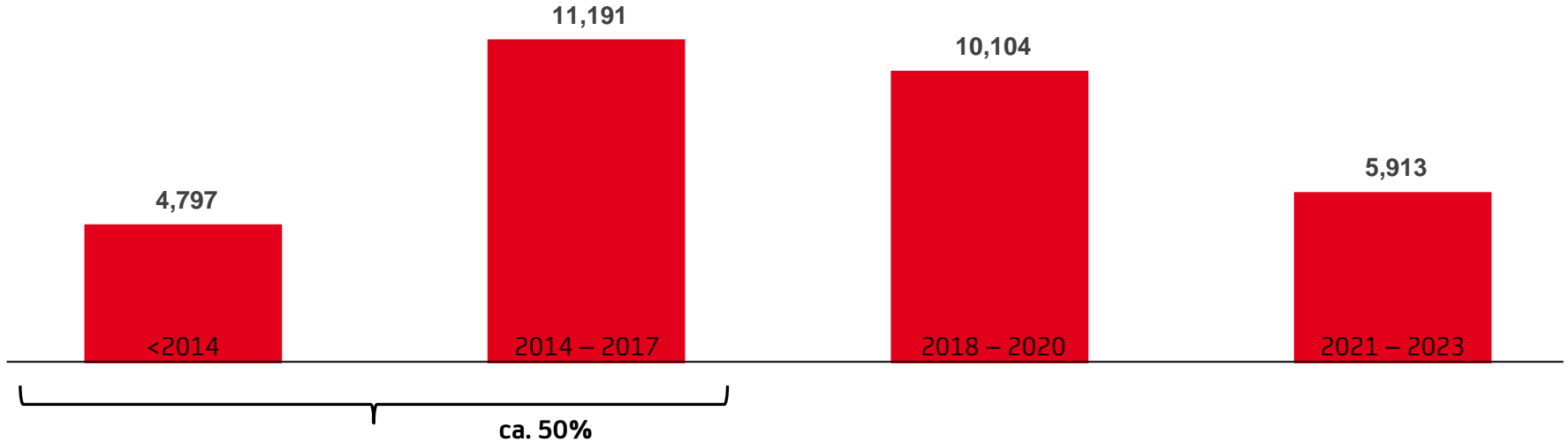
²Mortgage cover assets: There are no derivatives and foreign currency assets used as cover for Mortgage Pfandbriefe



High percentage of long lasting client relationship minimises risk

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Cover pool mortgages (nominal) per closing date 3Q2023 (in EUR m)



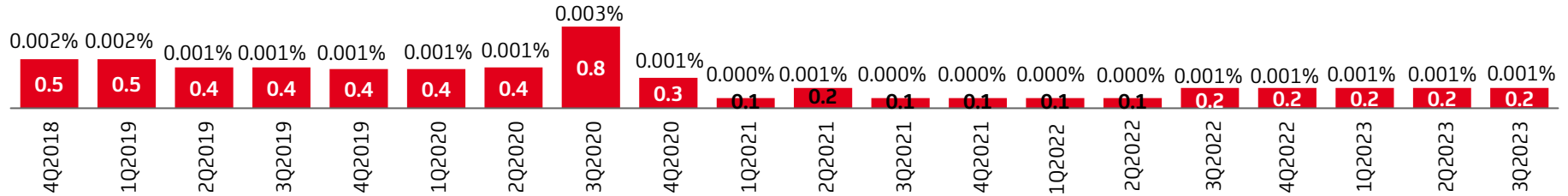
- Roughly 50% of HypoVereinsbank's cover pool mortgages date back to more than six years
- Reliable and predictable customer base due to long term client relationship



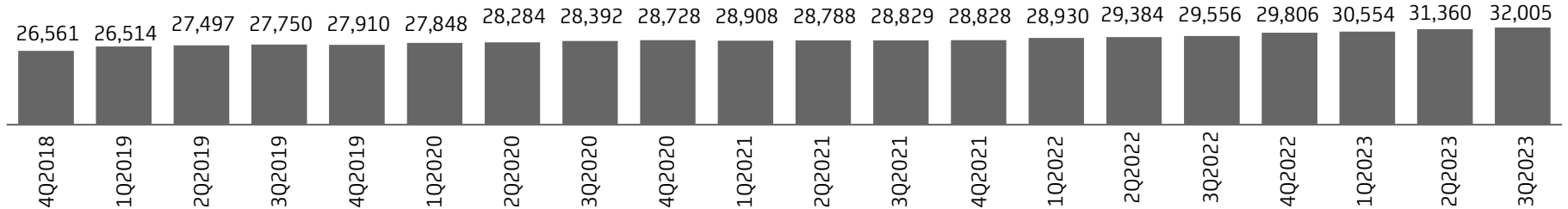
Excellent payment discipline: Arrear ratio¹ below 0.004% for years

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



Total mortgage cover pool (in EUR m)



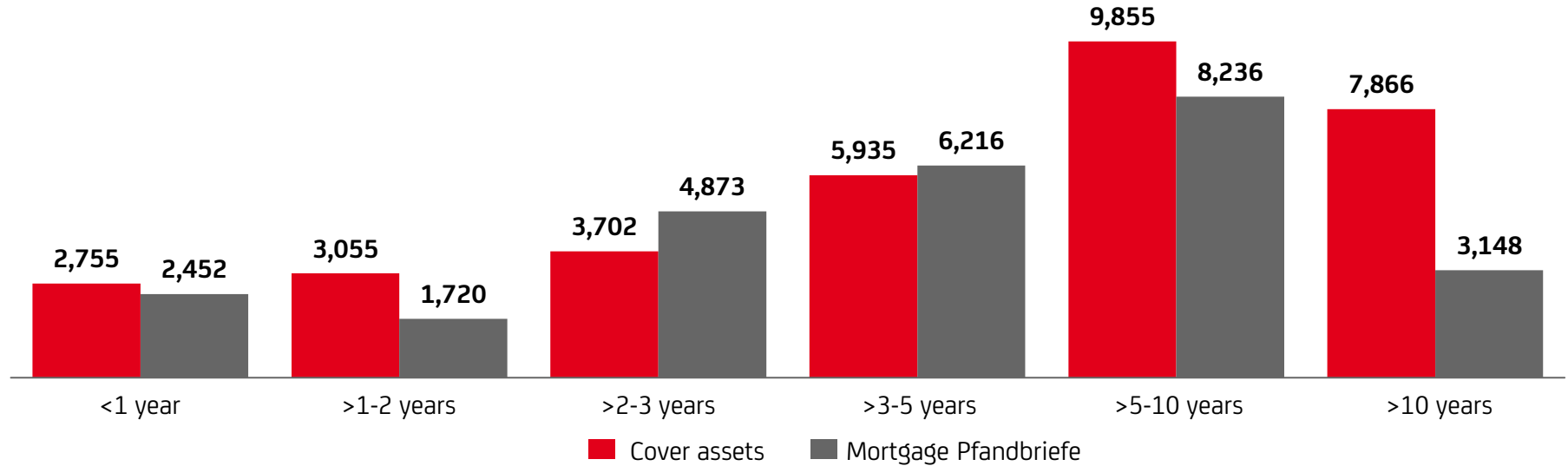
¹Payments more than 90 days overdue in relation to mortgage receivables



Well matching maturity profiles of mortgages and Pfandbrief issues

1 2 3 4 5

Maturity structure of outstanding mortgage Pfandbriefe versus related cover assets 3Q2023 (in EUR m)



Overview of benchmark issues since 2021

1 2 3 4 5

Pfandbrief Type	Initial Tenor and Interest Type	Issued Volume	Issue Date	Maturity	Spread
Mortgage Pfandbriefe	15Y. FXD Rate	EUR 0.50 bn	Jan 21	Jan 36	Midswap +3 bps
Mortgage Pfandbriefe	10Y. FXD Rate	EUR 0.75 bn	Mar 21	Mar 31	Midswap +1 bp
Mortgage Pfandbriefe	8Y. FXD Rate	EUR 0.5 bn	May 21	May 29	Midswap -1 bp
GREEN Mortgage Pfandbriefe	5Y. FXD Rate	EUR 0.5 bn	Sep 21	Sep 26	Midswap -2 bps
TAP Mortgage Pfandbrief	12Y. FXD Rate	EUR 0.25 bn	Nov 21	Jan 32	Midswap -1 bp
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 -1 bp
Mortgage Pfandbriefe	5Y. FXD Rate	EUR 0.5 bn	Jun 22	Jun 27	Midswap flat
GREEN Mortgage Pfandbriefe	5.5Y. FXD Rate	EUR 0.5 bn	Sep 22	Apr 28	Midswap flat
Mortgage Pfandbriefe	3.25Y. FXD Rate	EUR 0.75 bn	Nov 22	Feb 26	Midswap +2 bp
Mortgage Pfandbriefe	3.5Y. FXD Rate	EUR 1.00 bn	Jan 23	Jul 26	Midswap +3 bp
Public Sector Pfandbriefe	2.5Y. FXD Rate	EUR 1.25 bn	Feb 23	Aug 25	Midswap -7 bp
Mortgage Pfandbriefe	4Y. FXD Rate	EUR 0.75 bn	May 23	May 27	Midswap +7 bp

as of 2 Jan





Contacts



Contact Page

Corporate & Individual Solutions

Attilio Napoli
Head of Medium Long Term Interest Rate
Management
Tel. +39 02 88620674
attilio.napoli@unicredit.eu

Group Investor Relations

Christian Kuhner
Tel. +39 02 88622850
christianulrich.kuhner@unicredit.eu

Imprint

Corporate & Individuals Solutions
UniCredit Bank GmbH
Arabellastrasse 12
81925 Munich

CFO Finance

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>



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Client Solutions
UniCredit Bank GmbH
Arabellastr. 12
D-81925 Munich

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