

This document constitutes a supplement (the "**Supplement**") to the base prospectuses of UniCredit Bank AG dated 22 June 2011 and 22 June 2012, as supplemented from time to time, pursuant to section 16 paragraph 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

Supplement

**to the Prospectus dated 22 June 2011
for the issuance of
Euro 10,000,000,000 Credit Linked Notes
and Credit Linked Certifictes**

**by
UniCredit Bank AG
Munich, Federal Republic of Germany**

under the

Euro 10,000,000,000 Credit Linked Securities Programme
established by

**UniCredit Bank AG
Munich, Federal Republic of Germany**

and

**to the Prospectus dated 22 June 2012
for the issuance of
Euro 7,000,000,000 Credit Linked Notes
and Credit Linked Certifictes**

**by
UniCredit Bank AG
Munich, Federal Republic of Germany**

under the

Euro 10,000,000,000 Credit Linked Securities Programme
established by

**UniCredit Bank AG
Munich, Federal Republic of Germany**

and

**UniCredit Bank Austria AG
Vienna, Republic of Austria**



**Arranger and Dealer
UniCredit Bank AG**

22 August 2012

This Supplement is to be read and construed in conjunction with the base prospectuses listed above (each a "**Prospectus**" and together the "**Prospectuses**") and in connection with any issue of Securities, with the relevant

Final Terms and/or Terms and Conditions. Therefore, with respect to issues under the Prospectuses references in the Final Terms and/or Terms and Conditions to the Prospectuses are to be read as references to the Prospectuses as amended and supplemented.

UniCredit Bank AG accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that this is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Investors who have already agreed to purchase or subscribe for the Securities before the Supplement is published shall have the right, exercisable within two working days after the publication of the Supplement, to withdraw their acceptances in the event that a new factor or an inaccuracy arose before the final closing of the offer of such Securities to the public and the delivery of the Securities, pursuant to section 16 paragraph 3 of the German Securities Prospectus Act. Such new factor pursuant to Section 16 paragraph 1 of the German Securities Prospectus Act has occurred on 3 August 2012 with the publication of the financial highlights as of 30 June 2012 on 3 August 2012, 5pm.

UniCredit Bank AG, LCI4SS Structured Securities and Regulatory, Arabellastraße 12, 81925 Munich, Germany, fax no.: +49-89-378 33 13944, has been appointed as recipient for the revocation notices according to Section 16 Paragraph 3 in connection with section 8 paragraph 1 sentence 4 of the German Securities Prospectus Act.

This Supplement and the Prospectuses are available during usual business hours on any weekday (except Saturdays and public holidays) at the office of UniCredit Bank AG, LCI4SS Structured Securities and Regulatory, Arabellastraße 12, 81925 Munich, Germany.

UniCredit Bank AG announces the following changes with regard to the Prospectuses:

1. CHANGES TO THE PROSPECTUS FOR THE ISSUANCE OF EURO 10,000,000,000 CREDIT LINKED NOTES AND CREDIT LINKED CERTIFICATES DATED 22 JUNE 2011 UNDER THE EURO 10,000,000,000 CREDIT LINKED SECURITIES PROGRAMME ESTABLISHED BY UNICREDIT BANK AG

1.1 In the section "Summary of the Prospectus – 4. Summary description of the Issuer" the paragraph "Consolidated Financial Highlights as of 31 March 2012" shall be deleted and replaced with the following paragraph:

Consolidated Financial Highlights of HVB Group as of 30 June 2012*

Key performance indicators	1/1 – 30/6/2012	1/1 – 30/6/2011
Net operating profit	€1,411 m	€1,986 m
Cost-income ratio (based on operating income)	51.5%	47.8%
Profit before tax	€1,557 m	€1,920 m
Consolidated profit	€912 m	€1,320 m
Return on equity before tax ¹	13.9%	17.1%
Return on equity after tax ¹	8.3%	11.8%
Earnings per share	€1.11	€1.59
Balance sheet figures	30/6/2012	31/12/2011
Total assets	€392.1 bn	€385.5 bn
Shareholders' equity	€23.3 bn	€23.3 bn
Leverage ratio ²	16.8x	16.5x

Key capital ratios compliant with Basel II	30/6/2012	31/12/2011
Core capital without hybrid capital (core Tier 1 capital)	€19.9 bn	€19.9 bn
Core capital (Tier 1 capital)	€20.3 bn	€20.6 bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€119.8 bn	€127.4 bn
Core capital ratio (Tier 1 ratio) ³	16.9%	16.2%

Core capital ratio without hybrid capital (core Tier 1 ratio) ³	16.6%	15.6%
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* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Interim Report as of 30 June 2012.

1: return on equity calculated on the basis of average shareholders' equity according to IFRS and projected profit before tax at 30 June 2012 for the year as a whole

2: ratio of total assets to shareholders' equity compliant with IFRS

3: calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk

- 1.2 In the section "**Zusammenfassung des Prospekts – 4. Zusammenfassung der Beschreibung der Emittentin**" the paragraph "**Ausgewählte konsolidierte Finanzkennzahlen zum 31. März 2012**" shall be deleted and replaced with the following paragraph:

Ausgewählte konsolidierte Finanzkennzahlen der HVB Group zum 30. Juni 2012*

Kennzahlen der Erfolgsrechnung	1.1.-30.6.2012	1.1.-30.6.2011
Operatives Ergebnis nach Kreditrisikovorsorge	€1.411 Mio.	€1.986 Mio.
Cost-Income-Ratio (gemessen an den operativen Erträgen)	51,5%	47,8%
Ergebnis vor Steuern	€1.557 Mio.	€1.920 Mio.
Konzernüberschuss	€912 Mio.	€1.320 Mio.
Eigenkapitalrentabilität vor Steuern ¹	13,9%	17,1%
Eigenkapitalrentabilität nach Steuern ¹	8,3%	11,8%
Ergebnis je Aktie	€1,11	€1,59

Bilanzzahlen	30.6.2012	31.12.2011
Bilanzsumme	€392,1 Mrd.	€385,5 Mrd.
Bilanzielles Eigenkapital	€23,3 Mrd.	€23,3 Mrd.
Leverage Ratio ²	16,8x	16,5x

Bankaufsichts- rechtliche Kennzahlen nach Basel II	30.6.2012	31.12.2011
Kernkapital ohne Hybridkapital (Core Tier 1-Kapital)	€19,9 Mrd.	€19,9 Mrd.
Kernkapital (Tier 1- Kapital)	€20,3 Mrd.	€20,6 Mrd.
Risikoaktiva (inklusive Äquivalente für das Marktrisiko bzw. operationelle Risiko)	€119,8 Mrd.	€127,4 Mrd.
Kernkapitalquote (Tier 1 Ratio) ³	16,9%	16,2%
Kernkapitalquote ohne Hybridkapital (Core Tier 1 Ratio) ³	16,6%	15,6%

* Die Zahlen in der Tabelle sind ungeprüft und dem konsolidierten Zwischenbericht zum 30. Juni 2012 der Emittentin entnommen.

1: Eigenkapitalrentabilität berechnet auf Basis des durchschnittlichen bilanziellen Eigenkapitals gemäß IFRS und auf das Gesamtjahr hochgerechneten Ergebnisses vor Steuern per 30.6.2012.

2: Verhältnis von Bilanzsumme zu bilanziellem Eigenkapital gemäß IFRS.

3: Berechnet auf der Basis von Risikoaktiva inklusive Äquivalente für das Marktrisiko und für das operationelle Risiko.

- 1.3 Immediately after the section "**General Information - Documents incorporated by reference**" the unaudited consolidated half year report of HVB at 30 June 2012 as laid out in Appendix 1 of this Supplement is inserted as F-Pages.
2. **CHANGES TO THE PROSPECTUS FOR THE ISSUANCE OF EURO 7,000,000,000 CREDIT LINKED NOTES AND CREDIT LINKED CERTIFICATES DATED 22 JUNE 2012 UNDER THE EURO 10,000,000,000 CREDIT LINKED SECURITIES PROGRAMME ESTABLISHED BY UNICREDIT BANK AG AND UNICREDIT BANK AUSTRIA AG**
- 2.1 In the section "**Summary of the Prospectuses – 2. Summary regarding the Issuers – 2.1 UniCredit Bank AG**" the paragraph "**Consolidated Financial Highlights of HVB Group as of 31 March 2012**" shall be deleted and replaced with the paragraph as stated under item 1.1 of this Supplement.
- 2.2 In the section "**German Translation of Summary of the Prospectuses (Zusammenfassung der Prospekte) – 2. Zusammenfassung der Beschreibung der Emittentinnen – 2.1 UniCredit Bank AG**" the paragraph "**Ausgewählte konsolidierte Finanzkennzahlen der HVB Group zum 31. März 2012**" shall be deleted and replaced with the paragraph as stated under item 1.2 of this Supplement.
- 2.3 Immediately after the section "**General Information - Documents incorporated by reference**", the unaudited consolidated half year report of HVB at 30 June 2012 as laid out in Appendix 1 of this Supplement is inserted as F-Pages.

Appendix 1

Consolidated Income Statement

for the period from 1 January to 30 June 2012

Income/Expenses	NOTES	1/1–30/6/2012	1/1–30/6/2011	CHANGE	
		€ millions	€ millions	€ millions	in %
Interest income		3,788	4,312	(524)	(12.2)
Interest expense		(1,992)	(2,199)	+ 207	(9.4)
Net interest	4	1,796	2,113	(317)	(15.0)
Dividends and other income from equity investments	5	62	101	(39)	(38.6)
Net fees and commissions	6	596	690	(94)	(13.6)
Net trading income	7	946	787	+ 159	+ 20.2
Net other expenses/income	8	59	42	+ 17	+ 40.5
Payroll costs		(940)	(917)	(23)	+ 2.5
Other administrative expenses		(752)	(763)	+ 11	(1.4)
Amortisation, depreciation and impairment losses on intangible and tangible assets		(91)	(103)	+ 12	(11.7)
Operating costs		(1,783)	(1,783)	—	—
Net write-downs of loans and provisions for guarantees and commitments	9	(265)	36	(301)	
Provisions for risks and charges	10	76	(174)	+ 250	
Restructuring costs		—	—	—	—
Net income from investments	11	70	108	(38)	(35.2)
PROFIT BEFORE TAX		1,557	1,920	(363)	(18.9)
Income tax for the period		(645)	(600)	(45)	+ 7.5
CONSOLIDATED PROFIT		912	1,320	(408)	(30.9)
attributable to shareholder of UniCredit Bank AG		894	1,274	(380)	(29.8)
attributable to minorities		18	46	(28)	(60.9)

Earnings per share

(in €)

	NOTES	1/1–30/6/2012	1/1–30/6/2011
Earnings per share (undiluted and diluted)	12	1.11	1.59

Consolidated statement of total comprehensive income for the period from 1 January to 30 June 2012

(€ millions)

	1/1–30/6/2012	1/1–30/6/2011
Consolidated profit recognised in the income statement	912	1,320
Components of income and expenses recognised in other comprehensive income		
Changes from foreign currency translation and other changes	30	(66)
Changes from companies accounted for using the equity method	—	—
Actuarial profit on defined benefit plans (pension commitments)	—	—
Assets held for sale	—	—
Change in valuation of financial instruments (AfS reserve)	103	69
Unrealised gains/(losses)	102	77
Gains/(losses) reclassified to the income statement	1	(8)
Change in valuation of financial instruments (hedge reserve)	(10)	(33)
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	(10)	(33)
Taxes on income and expenses recognised in the statement of total comprehensive income	(19)	26
Total income and expenses recognised in equity under other comprehensive income	104	(4)
Total comprehensive income	1,016	1,316
of which:		
attributable to shareholder of UniCredit Bank AG	973	1,324
attributable to minorities	43	(8)

Consolidated Income Statement (CONTINUED)

for the period from 1 April to 30 June 2012

Income/Expenses	1/4–30/6/2012	1/4–30/6/2011	CHANGE	
	€ millions	€ millions	€ millions	in %
Interest income	1,837	2,207	(370)	(16.8)
Interest expense	(959)	(1,127)	+ 168	(14.9)
Net interest	878	1,080	(202)	(18.7)
Dividends and other income from equity investments	40	36	+ 4	+ 11.1
Net fees and commissions	281	323	(42)	(13.0)
Net trading income	139	273	(134)	(49.1)
Net other expenses/income	31	11	+ 20	>+ 100.0
Payroll costs	(468)	(461)	(7)	+ 1.5
Other administrative expenses	(370)	(383)	+ 13	(3.4)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(45)	(51)	+ 6	(11.8)
Operating costs	(883)	(895)	+ 12	(1.3)
Net write-downs of loans and provisions for guarantees and commitments	(175)	163	(338)	
Provisions for risks and charges	75	(116)	+ 191	
Restructuring costs	—	—	—	—
Net income from investments	50	50	—	—
PROFIT BEFORE TAX	436	925	(489)	(52.9)
Income tax for the period	(254)	(286)	+ 32	(11.2)
CONSOLIDATED PROFIT	182	639	(457)	(71.5)
attributable to shareholder of UniCredit Bank AG	187	623	(436)	(70.0)
attributable to minorities	(5)	16	(21)	

Earnings per share

(in €)

	1/4–30/6/2012	1/4–30/6/2011
Earnings per share (undiluted and diluted)	0.23	0.78

Consolidated statement of total comprehensive income for the period from 1 April to 30 June 2012

(€ millions)

	1/4–30/6/2012	1/4–30/6/2011
Consolidated profit recognised in the income statement	182	639
Components of income and expenses recognised in other comprehensive income		
Changes from foreign currency translation and other changes	61	(13)
Changes from companies accounted for using the equity method	—	—
Actuarial profit on defined benefit plans (pension commitments)	—	—
Assets held for sale	—	—
Change in valuation of financial instruments (AfS reserve)	(16)	47
Unrealised gains/(losses)	(19)	41
Gains/(losses) reclassified to the income statement	3	6
Change in valuation of financial instruments (hedge reserve)	(11)	(28)
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	(11)	(28)
Taxes on income and expenses recognised in the statement of total comprehensive income	15	3
Total income and expenses recognised in equity under other comprehensive income	49	9
Total comprehensive income	231	648
of which:		
attributable to shareholder of UniCredit Bank AG	192	643
attributable to minorities	39	5

Consolidated Balance Sheet

at 30 June 2012

Assets

	NOTES	30/6/2012	31/12/2011	CHANGE	
		€ millions	€ millions	€ millions	in %
Cash and cash balances		23,320	4,267	+ 19,053	>+ 100.0
Financial assets held for trading	13	147,248	149,056	(1,808)	(1.2)
Financial assets at fair value through profit or loss	14	20,834	28,045	(7,211)	(25.7)
Available-for-sale financial assets	15	5,538	5,476	+ 62	+ 1.1
Shares in associates accounted for using the equity method and joint ventures accounted for using the equity method	16	52	49	+ 3	+ 6.1
Held-to-maturity investments	17	283	2,463	(2,180)	(88.5)
Loans and receivables with banks	18	46,338	44,277	+ 2,061	+ 4.7
Loans and receivables with customers	19	132,821	136,561	(3,740)	(2.7)
Hedging derivatives		5,894	5,288	+ 606	+ 11.5
Hedge adjustment of hedged items in the fair value hedge portfolio		183	160	+ 23	+ 14.4
Property, plant and equipment		2,875	2,906	(31)	(1.1)
Investment properties		1,646	1,678	(32)	(1.9)
Intangible assets		554	565	(11)	(1.9)
of which: goodwill		418	418	—	—
Tax assets		3,049	3,362	(313)	(9.3)
Current tax assets		458	551	(93)	(16.9)
Deferred tax assets		2,591	2,811	(220)	(7.8)
Non-current assets or disposal groups held for sale		81	131	(50)	(38.2)
Other assets		1,396	1,230	+ 166	+ 13.5
Total assets		392,112	385,514	+ 6,598	+ 1.7

Liabilities

	NOTES	30/6/2012	31/12/2011	CHANGE	
		€ millions	€ millions	€ millions	in %
Deposits from banks	22	57,701	57,858	(157)	(0.3)
Deposits from customers	23	118,279	107,442	+ 10,837	+ 10.1
Debt securities in issue	24	36,707	42,667	(5,960)	(14.0)
Financial liabilities held for trading		142,327	140,775	+ 1,552	+ 1.1
Hedging derivatives		2,643	2,324	+ 319	+ 13.7
Hedge adjustment of hedged items in the fair value hedge portfolio		2,689	2,417	+ 272	+ 11.3
Tax liabilities		2,560	2,296	+ 264	+ 11.5
Current tax liabilities		795	555	+ 240	+ 43.2
Deferred tax liabilities		1,765	1,741	+ 24	+ 1.4
Liabilities of disposal groups held for sale		52	—	+ 52	
Other liabilities		3,917	4,304	(387)	(9.0)
Provisions	25	1,938	2,113	(175)	(8.3)
Shareholders' equity		23,299	23,318	(19)	(0.1)
Shareholders' equity attributable to shareholder of UniCredit Bank AG		22,448	22,492	(44)	(0.2)
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		9,400	9,389	+ 11	+ 0.1
Change in valuation of financial instruments	26	(44)	(112)	+ 68	+ 60.7
AfS reserve		(65)	(134)	+ 69	+ 51.5
Hedge reserve		21	22	(1)	(4.5)
Consolidated profit 2011		—	1,017	(1,017)	(100.0)
Net profit 1/1 – 30/6/2012 ¹		894	—	+ 894	
Minority interest		851	826	+ 25	+ 3.0
Total shareholders' equity and liabilities		392,112	385,514	+ 6,598	+ 1.7

¹ attributable to shareholder of UniCredit Bank AG

Statement of Changes in Shareholders' Equity

at 30 June 2012

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES	
			TOTAL	OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at 1 January 2011	2,407	9,791	9,485	(189)
Recognised income and expenses				
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Income and expenses recognised in equity				
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation and other changes	—	—	(16)	—
Total income and expenses recognised in equity				
under other comprehensive income⁴	—	—	(16)	—
Total income and expenses recognised	—	—	(16)	—
Other changes recognised in equity				
Dividend payouts	—	—	—	—
Changes in group of consolidated companies	—	—	5	—
Total other changes in equity	—	—	5	—
Shareholders' equity at 30 June 2011	2,407	9,791	9,474	(189)
Shareholders' equity at 1 January 2012	2,407	9,791	9,389	(197)
Recognised income and expenses				
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Income and expenses recognised in equity				
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation and other changes	—	—	11	—
Total income and expenses recognised in equity				
under other comprehensive income⁴	—	—	11	—
Total income and expenses recognised	—	—	11	—
Other changes recognised in equity				
Dividend payouts	—	—	—	—
Changes in group of consolidated companies	—	—	—	—
Total other changes in equity	—	—	—	—
Shareholders' equity at 30 June 2012	2,407	9,791	9,400	(197)

1 The Annual General Meeting of Shareholders of 18 May 2011 resolved to distribute the 2010 consolidated profit in the amount of €1,270 million as a dividend to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.58 per share.

The Annual General Meeting of Shareholders of 10 May 2012 resolved to distribute the 2011 consolidated profit in the amount of €1,017 million as a dividend to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.27 per share.

2 attributable to shareholder of UniCredit Bank AG

3 UniCredit Bank AG (HVB)

4 see Consolidated statement of total comprehensive income

(€ millions)

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS		CONSOLIDATED PROFIT ¹	PROFIT 1/1 – 30/6 ²	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDER OF HVB ³	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
AFS RESERVE	HEDGE RESERVE					
(141)	54	1,270	—	22,866	804	23,670
—	—	—	1,274	1,274	46	1,320
95	—	—	—	95	1	96
(11)	(23)	—	—	(34)	—	(34)
—	—	—	—	—	—	—
5	—	—	—	(11)	(55)	(66)
89	(23)	—	—	50	(54)	(4)
89	(23)	—	1,274	1,324	(8)	1,316
—	—	(1,270)	—	(1,270)	(17)	(1,287)
—	—	—	—	5	—	5
—	—	(1,270)	—	(1,265)	(17)	(1,282)
(52)	31	—	1,274	22,925	779	23,704
(134)	22	1,017	—	22,492	826	23,318
—	—	—	894	894	18	912
70	—	—	—	70	6	76
(1)	(1)	—	—	(2)	—	(2)
—	—	—	—	—	—	—
—	—	—	—	11	19	30
69	(1)	—	—	79	25	104
69	(1)	—	894	973	43	1,016
—	—	(1,017)	—	(1,017)	(18)	(1,035)
—	—	—	—	—	—	—
—	—	(1,017)	—	(1,017)	(18)	(1,035)
(65)	21	—	894	22,448	851	23,299

Cash Flow Statement (abridged version)

(€ millions)

	2012	2011
Cash and cash equivalents at 1 January	4,267	3,065
Cash flows from operating activities	18,894	6,585
Cash flows from investing activities	2,314	245
Cash flows from financing activities	(2,155)	(1,975)
Effects of exchange rate changes	—	—
Less disposal groups held for sale and discontinued operations	—	—
Cash and cash equivalents at 30 June	23,320	7,920

Selected Notes

1 Accounting and valuation principles

IFRS basis

The present Half-yearly Financial Report has been prepared in accordance with the regulations defined in the International Financial Reporting Standards (IFRS) and complies with IAS 34, which covers interim reporting. Thus, the present Half-yearly Financial Report meets the requirements of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for the half-yearly financial reporting of capital-market-oriented companies.

We have applied the same accounting, valuation and disclosure principles in 2012 as in the consolidated financial statements for 2011 (please refer to the HVB Group Annual Report for 2011, starting on page 116).

The following standards and interpretations revised by the IASB are applicable for the first time in the 2012 financial year:

- Amendments to IFRS 7 “Financial Instruments: Disclosures – Transfer of Financial Assets”
- Amendments to IAS 12 “Deferred Tax: Recovery of Underlying Assets”.

These amendments have not had any material impact on HVB Group. The amendments to IFRS 7 give rise to disclosures regarding transfers of financial assets (such as collateralisations) that we will include in the consolidated financial statements.

We have made minor structural adjustments to our income statement as of the 2012 financial year. The income items “Operating income”, “Operating profit” and “Net operating profit” are no longer shown. No changes have been made to the composition of the remaining individual income statement items. Compliant with IFRS 8.23, we continue to show the income items listed above in our segment reporting in accordance with the management approach.

We did not avail ourselves of the possibility of reviewing the present local Half-yearly Financial Report of HVB Group compliant with Section 37w (5) of the German Securities Trading Act (WpHG).

Segment reporting

In segment reporting, the market-related activities of HVB Group are divided into the following globally active divisions: Corporate & Investment Banking (CIB), Family & SME (F&SME) and Private Banking (PB).

Also shown is the “Other/consolidation” segment that covers Global Banking Services and Group Corporate Centre activities and the effects of consolidation.

The same principles are being applied in the 2012 financial year as were used at year-end 2011. We use risk-weighted assets compliant with Basel II as the criterion for allocating used equity capital. The interest rate used to assess the equity capital allocated to companies assigned to several divisions (HVB, UniCredit Luxembourg) was 4.08% in 2011. This interest rate was redetermined for 2012 and has been 3.70% since 1 January 2012.

Starting in the first quarter of 2012, the expenses for the bank levies previously assigned to the Other/consolidation segment have been allocated to the operating divisions and the costs for the pension fund spread across all the segments. In addition, there were minor adjustments in the area of administrative expenses in the second quarter of 2012.

Last year’s figures and those of previous quarters have been adjusted accordingly to reflect the changes described above.

2 Companies included in consolidation

The following company was added to the group of companies included in consolidation in the first half of 2012:

- Chiyoda Fudosan GK, Tokyo.

The following companies left the group of companies included in consolidation in the first half of 2012 due to absorption or liquidation:

- Cosima Purchase No. 13 Ltd., St. Helier
- Cosima Purchase No. 14 Ltd., Dublin
- Cosima Purchase No. 15 Ltd., Dublin
- Cosima Purchase No. 6 S.A. – Compartment 3, Luxembourg
- Elektra Purchase No. 27 Limited, Dublin
- Elektra Purchase No. 50 Limited, Dublin
- HVB International Asset Leasing GmbH, Munich
- HVB Capital LLC VIII, Wilmington
- HVB Funding Trust VIII, Wilmington
- SKB VTMK International Issuer Ltd. – Series 2011-1, Dublin.

Notes to the Income Statement

3 Segment reporting

Income statement broken down by segment for the period from 1 January to 30 June 2012

(€ millions)

INCOME/EXPENSES	CORPORATE & INVESTMENT BANKING	FAMILY & SME	PRIVATE BANKING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	1,107	547	46	96	1,796
Dividends and other income from					
equity investments	54	4	3	1	62
Net fees and commissions	237	284	69	6	596
Net trading income	835	—	(1)	112	946
Net other expenses/income	(17)	5	1	70	59
OPERATING INCOME	2,216	840	118	285	3,459
Payroll costs	(308)	(317)	(39)	(276)	(940)
Other administrative expenses	(493)	(479)	(42)	262	(752)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(5)	(9)	(1)	(76)	(91)
Operating costs	(806)	(805)	(82)	(90)	(1,783)
OPERATING PROFIT	1,410	35	36	195	1,676
Net write-downs of loans and provisions					
for guarantees and commitments	(384)	(14)	(1)	134	(265)
NET OPERATING PROFIT	1,026	21	35	329	1,411
Provisions for risks and charges	55	20	(7)	8	76
Restructuring costs	(1)	—	—	1	—
Net income from investments	13	6	—	51	70
PROFIT BEFORE TAX	1,093	47	28	389	1,557

Income statement broken down by segment for the period from 1 January to 30 June 2011

(€ millions)

INCOME/EXPENSES	CORPORATE & INVESTMENT BANKING	FAMILY & SME	PRIVATE BANKING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	1,304	611	52	146	2,113
Dividends and other income from					
equity investments	85	3	3	10	101
Net fees and commissions	309	290	82	9	690
Net trading income	780	2	—	5	787
Net other expenses/income	(44)	12	1	73	42
OPERATING INCOME	2,434	918	138	243	3,733
Payroll costs	(316)	(301)	(37)	(263)	(917)
Other administrative expenses	(470)	(491)	(41)	239	(763)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(6)	(9)	(1)	(87)	(103)
Operating costs	(792)	(801)	(79)	(111)	(1,783)
OPERATING PROFIT	1,642	117	59	132	1,950
Net write-downs of loans and provisions					
for guarantees and commitments	8	(20)	(3)	51	36
NET OPERATING PROFIT	1,650	97	56	183	1,986
Provisions for risks and charges	(155)	(12)	1	(8)	(174)
Restructuring costs	—	—	—	—	—
Net income from investments	60	1	(1)	48	108
PROFIT BEFORE TAX	1,555	86	56	223	1,920

Notes to the Income Statement (CONTINUED)

Income statement of the Corporate & Investment Banking division

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/2012	1/1 – 30/6/2011	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net interest	1,107	1,304	553	554	552	581	668
Dividends and other income from equity investments	54	85	33	21	13	33	25
Net fees and commissions	237	309	92	145	131	157	142
Net trading income	835	780	53	782	(492)	(119)	271
Net other expenses/income	(17)	(44)	(7)	(10)	(23)	(16)	(21)
OPERATING INCOME	2,216	2,434	724	1,492	181	636	1,085
Payroll costs	(308)	(316)	(143)	(165)	(111)	(160)	(158)
Other administrative expenses	(493)	(470)	(260)	(233)	(282)	(232)	(240)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(6)	(3)	(2)	(3)	(4)	(3)
Operating costs	(806)	(792)	(406)	(400)	(396)	(396)	(401)
OPERATING PROFIT/(LOSS)	1,410	1,642	318	1,092	(215)	240	684
Net write-downs of loans and provisions for guarantees and commitments	(384)	8	(313)	(71)	(227)	(97)	97
NET OPERATING PROFIT/(LOSS)	1,026	1,650	5	1,021	(442)	143	781
Provisions for risks and charges	55	(155)	81	(26)	30	(79)	(101)
Restructuring costs	(1)	—	(1)	—	(63)	—	—
Net income from investments	13	60	(1)	14	(48)	—	4
PROFIT/(LOSS) BEFORE TAX	1,093	1,555	84	1,009	(523)	64	684
Cost-income ratio in %	36.4	32.5	56.1	26.8	218.8	62.3	37.0

Development of the Corporate & Investment Banking division

The Corporate & Investment Banking division generated operating income of €2,216 million in the difficult market environment of the first half of 2012, which represents a decline of 9.0%, or €218 million, compared with the equivalent period last year (€2,434 million). After taking account of the slight rise in operating costs of €806 million (up 1.8% or €14 million compared with the first half of 2011), the operating profit totalled €1,410 million, which is €232 million lower than the same period last year (€1,642 million).

The decline in operating income is mainly due to the lower net interest (€1,107 million compared with €1,304 million in the same period last year, down 15.1% or €196 million). Last year, the Multinational Corporates unit had posted a large, non-recurring positive effect. Due to the persistently low interest rates, the deposit-taking operations this year were weighed down by much lower margins. Dividend income fell on account of lower dividend payments by private equity funds (€54 million compared with €85 million in the equivalent period last year, down 36.5% or €31 million). Net fees and commissions were unable to match the good year-ago figure, particularly in credit-related operations (€237 million compared with €309 million in the equivalent period last year, down 23.3% or €72 million).

The division generated net trading income of €835 million in the first half of 2012, thus exceeding last year's figure (€780 million) by €55 million. This development was chiefly assisted by the reversal of the credit value adjustments in the first quarter of 2012 that it had become necessary to take in 2011. In total, the division posted positive effects of €327 million from credit value adjustments in the first half of 2012 compared with last year. In addition, the Rates & FX (interest- and currency-related products) and Equities (equity and index products, and certificates) trading units in particular contributed to the pleasing net trading income but were unable to repeat the excellent year-ago result.

The small increase in operating costs can be attributed to a rise in other administrative expenses caused by inflation and other factors while payroll costs as well as amortisation, depreciation and impairment losses on intangible and tangible assets fell slightly. The cost-income ratio of this division amounts to a good 36.4% (2011: 32.5%).

Net write-downs of loans and provisions for guarantees and commitments reached a very favourable figure historically in this period last year with a net reversal of €8 million. A net addition of €384 million to net write-downs of loans and provisions for guarantees and commitments became necessary in the first half of 2012. The largest individual item within this net addition relates to a loan exposure of €104 million in connection with the construction of an offshore wind farm. As sufficient provision for this exposure had already been made in provisions for risks and charges last year, this resulted in a net gain of €55 million in provisions for risks and charges (first half of 2011: net expense of €155 million) due to the reversal of the corresponding provision. Together with the net income from investments of €13 million (first half 2011: €60 million), the division generated a good profit before tax of €1,093 million in the first half of 2012. Last year's very strong result of €1,555 million was generated under far more favourable conditions and is therefore ultimately not fully comparable.

Income statement of the Family & SME division

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/2012	1/1 – 30/6/2011	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net interest	547	611	269	278	314	316	307
Dividends and other income from equity investments	4	3	4	—	—	—	4
Net fees and commissions	284	290	150	134	124	138	135
Net trading income	—	2	—	—	(4)	(2)	1
Net other expenses/income	5	12	3	2	4	19	8
OPERATING INCOME	840	918	426	414	438	471	455
Payroll costs	(317)	(301)	(164)	(153)	(155)	(163)	(151)
Other administrative expenses	(479)	(491)	(231)	(248)	(248)	(245)	(247)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(9)	(9)	(5)	(4)	(5)	(4)	(5)
Operating costs	(805)	(801)	(400)	(405)	(408)	(412)	(403)
OPERATING PROFIT	35	117	26	9	30	59	52
Net write-downs of loans and provisions for guarantees and commitments	(14)	(20)	—	(14)	8	(18)	4
NET OPERATING PROFIT/(LOSS)	21	97	26	(5)	38	41	56
Provisions for risks and charges	20	(12)	2	18	(22)	1	(11)
Restructuring costs	—	—	—	—	(15)	—	—
Net income from investments	6	1	4	2	(1)	(1)	1
PROFIT BEFORE TAX	47	86	32	15	—	41	46
Cost-income ratio in %	95.8	87.3	93.9	97.8	93.2	87.5	88.6

Development of the Family & SME division

At €47 million, the profit before tax of the Family & SME division in the first half of 2012 was down €39 million on the equivalent period last year. This decline can be attributed primarily to a decrease of €78 million in operating income to €840 million. In the process, net interest fell by €64 million to €547 million, chiefly in deposit-taking operations on account of the low level of interest rates. At €284 million, net fees and commissions almost matched the excellent level recorded in the first half of 2011 (€290 million) despite ongoing restraint on the part of investors. The substantial increase over the first quarter of 2012 can be attributed to the successful sale of innovative, demand-compliant products. In addition, the building-society business and the sale of unit-linked pension policies developed well.

At €805 million, operating costs remained almost constant compared with the first half of 2011 (€801 million) owing to consistent cost management. Net write-downs of loans and provisions for guarantees and commitments declined by around 30% to €14 million over the first half of last year. After positive effects from provisions for legal risks and the net income from investments have been taken into account, the Family & SME division generated a profit before tax of €47 million in the first half of 2012 (2011: €86 million).

Notes to the Income Statement (CONTINUED)

Income statement of the Private Banking division

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/2012	1/1 – 30/6/2011	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net interest	46	52	21	25	26	30	27
Dividends and other income from equity investments	3	3	2	1	1	1	1
Net fees and commissions	69	82	35	34	34	33	40
Net trading income	(1)	—	(1)	—	—	—	—
Net other expenses/income	1	1	—	1	1	—	1
OPERATING INCOME	118	138	57	61	62	64	69
Payroll costs	(39)	(37)	(20)	(19)	(19)	(19)	(19)
Other administrative expenses	(42)	(41)	(20)	(22)	(22)	(20)	(21)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1)	(1)	—	(1)	(1)	(1)	—
Operating costs	(82)	(79)	(40)	(42)	(42)	(40)	(40)
OPERATING PROFIT	36	59	17	19	20	24	29
Net write-downs of loans and provisions for guarantees and commitments	(1)	(3)	—	(1)	1	1	(3)
NET OPERATING PROFIT	35	56	17	18	21	25	26
Provisions for risks and charges	(7)	1	(7)	—	(25)	(1)	—
Restructuring costs	—	—	—	—	—	(3)	—
Net income from investments	—	(1)	—	—	—	—	(1)
PROFIT/(LOSS) BEFORE TAX	28	56	10	18	(4)	21	25
Cost-income ratio in %	69.5	57.2	70.2	68.9	67.7	62.5	58.0

Development of the Private Banking division

The Private Banking division generated a profit before tax of €28 million in the first half of 2012, failing to match the good total recorded in the equivalent period last year. The main reason for this is a decline of €20 million in operating income to €118 million. Within operating income the €69 million recorded for net fees and commissions in particular failed to match the high figure in 2011 on account of generally weak customer demand. Net interest fell by €6 million to €46 million as a result of the sharp decline in interest margins.

The 3.8% increase in operating costs to €82 million can be attributed to a rise in payroll costs and higher other administrative expenses as a result of the allocation of higher indirect costs. The cost-income ratio amounted to 69.5% after 57.2% in the same period last year.

Income statement of the Other/consolidation segment

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/2012	1/1 – 30/6/2011	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net interest	96	146	35	61	74	67	78
Dividends and other income from equity investments	1	10	1	—	(1)	2	6
Net fees and commissions	6	9	4	2	3	(2)	6
Net trading income	112	5	87	25	47	(27)	1
Net other expenses/income	70	73	35	35	26	38	23
OPERATING INCOME	285	243	162	123	149	78	114
Payroll costs	(276)	(263)	(141)	(135)	(135)	(140)	(133)
Other administrative expenses	262	239	141	121	100	119	125
Amortisation, depreciation and impairment losses on intangible and tangible assets	(76)	(87)	(37)	(39)	(37)	(41)	(43)
Operating costs	(90)	(111)	(37)	(53)	(72)	(62)	(51)
OPERATING PROFIT	195	132	125	70	77	16	63
Net write-downs of loans and provisions for guarantees and commitments	134	51	138	(4)	30	—	65
NET OPERATING PROFIT	329	183	263	66	107	16	128
Provisions for risks and charges	8	(8)	(1)	9	47	(28)	(4)
Restructuring costs	1	—	1	—	3	(30)	—
Net income from investments	51	48	47	4	(8)	(11)	46
PROFIT/(LOSS) BEFORE TAX	389	223	310	79	149	(53)	170
Cost-income ratio in %	31.6	45.7	22.8	43.1	48.3	79.5	44.7

Development of the Other/consolidation segment

The operating income of this segment amounted to €285 million in the first half of 2012 (first half of 2011: €243 million). While net interest fell by €50 million to €96 million, there was a rise of €42 million in operating income, mainly as a result of the €107 million improvement in net trading income to €112 million. The increase in net trading income was due particularly to gains generated in connection with the buy-back of hybrid capital instruments and supplementary capital.

Operating costs declined by €21 million overall as result of the bank levy in Austria that is no longer payable (expenses for bank levy in 2011: €24 million). Consequently, operating profit increased by €63 million in the first half of 2012 to €195 million (first half of 2011: €132 million).

In the first half of 2012, a net reversal of €134 million was recorded in net write-downs of loans and provisions for guarantees and commitments after a net reversal of €51 million had been posted in the previous year. With hardly any change year-on-year in net income from investments at €51 million (first half of 2011: €48 million), the profit before tax totalled €389 million, which is €166 million higher than the year-ago total.

Notes to the Income Statement (CONTINUED)

4 Net interest

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Interest income from	3,788	4,312
lending and money market transactions	2,667	2,945
other interest income	1,121	1,367
Interest expense from	(1,992)	(2,199)
deposits	(653)	(761)
debt securities in issue and other interest expenses	(1,339)	(1,438)
Total	1,796	2,113

5 Dividends and other income from equity investments

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Dividends and other similar income	57	95
Companies accounted for using the equity method	5	6
Total	62	101

6 Net fees and commissions

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Management, brokerage and consultancy services	297	345
Collection and payment services	88	85
Lending operations	203	245
Other service operations	8	15
Total	596	690

This item comprises the balance of fee and commission income of €816 million (2011: €980 million) and fee and commission expenses of €220 million (2011: €290 million).

7 Net trading income

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Net gains on financial assets held for trading ¹	1,006	710
Effects arising from hedge accounting	(51)	63
Changes in fair value of hedged items	(587)	394
Changes in fair value of hedging derivatives	536	(331)
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option) ²	(67)	10
Other net trading income	58	4
Total	946	787

¹ including dividends on financial assets held for trading

² also including the valuation results of derivatives concluded to hedge financial assets through fair value at profit or loss

The effects arising from hedge accounting include the hedge results of the fair value hedge.

The net gains on holdings at fair value through profit or loss (held-for-trading portfolio and fair value option) generally only contain the changes in fair value disclosed in the income statement. The interest income from held-for-trading portfolios is normally disclosed under net interest. To ensure that the full contribution of these activities to profits is disclosed, the interest cash flows are only carried in net trading income for the interest rate swap trading book, which exclusively contains interest rate derivatives.

8 Net other expenses/income

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Other income	168	149
Other expenses	(109)	(107)
Total	59	42

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

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Additions/releases	(290)	(93)
Allowances for losses on loans and receivables	(261)	(79)
Allowances for losses on guarantees and indemnities	(29)	(14)
Recoveries from write-offs of loans and receivables	25	132
Gains on the disposal of impaired loans and receivables	—	(3)
Total	(265)	36

In gross terms, the expenses of €745 million for additions in the first half of 2012 (2011: €750 million) were partly offset by releases and recoveries from write-offs of loans and receivables amounting to €480 million (2011: €786 million). At €104 million, the largest individual addition in the reporting period relates to our loan exposure in connection with the construction of an offshore wind farm. Adequate provision for this had already been made under provisions for risks and charges in 2011, meaning that a corresponding net release could be recognised in provisions for risks and charges.

10 Provisions for risks and charges

A net gain of €76 million was recorded from net reversals of provisions for risks and charges during the reporting period. An amount of €104 million relating to the offshore wind farm mentioned above is the largest individual item in these net reversals. This is offset mainly by additions to provisions for risks and charges which chiefly relate to legal risks. A net addition of €174 million was reported in the first half of 2011.

11 Net income from investments

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Available-for-sale financial assets	14	118
Shares in affiliated companies	—	2
Companies accounted for using the equity method	—	(7)
Held-to-maturity investments	5	(4)
Land and buildings	49	—
Investment properties ¹	2	(1)
Other	—	—
Total	70	108

¹ impairments and write-ups together with fair value fluctuations for investment properties measured at market value

Notes to the Income Statement (CONTINUED)

Net income from investments breaks down as follows:

(€ millions)

	1/1 – 30/6/2012	1/1 – 30/6/2011
Gains on the disposal of	84	111
available-for-sale financial assets	22	110
shares in affiliated companies	—	2
companies accounted for using the equity method	—	(7)
held-to-maturity investments	5	(4)
land and buildings	49	—
investment properties ¹	8	10
Write-downs, value adjustments and write-ups on	(14)	(3)
available-for-sale financial assets	(8)	8
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties ¹	(6)	(11)
Total	70	108

¹ impairments and write-ups together with fair value fluctuations for investment properties measured at market value

12 Earnings per share

	1/1 – 30/6/2012	1/1 – 30/6/2011
Consolidated profit attributable to shareholder (€ millions)	894	1,274
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	1.11	1.59

Notes to the Balance Sheet

13 Financial assets held for trading

(€ millions)

	30/6/2012	31/12/2011
Balance sheet assets	26,462	30,103
Fixed-income securities	14,443	17,444
Equity instruments	3,240	3,578
Other financial assets held for trading	8,779	9,081
Positive fair value from derivative financial instruments	120,786	118,953
Total	147,248	149,056

The financial assets held for trading include €190 million (31 December 2011: €228 million) in subordinated assets at 30 June 2012.

14 Financial assets at fair value through profit or loss

(€ millions)

	30/6/2012	31/12/2011
Fixed-income securities	19,368	26,103
Equity instruments	—	—
Investment certificates	2	2
Promissory notes	1,464	1,940
Other financial assets at fair value through profit or loss	—	—
Total	20,834	28,045

The financial assets at fair value through profit or loss include €316 million (31 December 2011: €308 million) in subordinated assets at 30 June 2012.

15 Available-for-sale financial assets

(€ millions)

	30/6/2012	31/12/2011
Fixed-income securities	3,917	3,727
Equity instruments	654	648
Other available-for-sale financial assets	229	299
Impaired assets	738	802
Total	5,538	5,476

At 30 June 2012, available-for-sale financial assets include financial instruments of €1,284 million (31 December 2011: €1,402 million) valued at cost.

The available-for-sale financial assets contain a total of €738 million (31 December 2011: €802 million) in impaired assets at 30 June 2012 for which impairments of €13 million (30 June 2011: €12 million) were taken to the income statement during the period under review. None of the non-impaired debt instruments are financial instruments past due.

The available-for-sale financial assets include €209 million (31 December 2011: €227 million) in subordinated assets at 30 June 2012.

Notes to the Balance Sheet (CONTINUED)

16 Shares in associated companies accounted for using the equity method and joint ventures accounted for using the equity method

(€ millions)

	30/6/2012	31/12/2011
Associated companies accounted for using the equity method	52	49
of which: goodwill	37	35
Joint ventures accounted for using the equity method	—	—
Total	52	49

17 Held-to-maturity investments

(€ millions)

	30/6/2012	31/12/2011
Fixed-income securities	283	2,463
Impaired assets	—	—
Total	283	2,463

The held-to-maturity investments include a total of €10 million (31 December 2011: €11 million) in subordinated assets at 30 June 2012.

Held-to-maturity investments at 30 June 2012 include no impaired assets, neither did held-to-maturity investments at 31 December 2011 include any impaired assets.

18 Loans and receivables with banks

(€ millions)

	30/6/2012	31/12/2011
Current accounts	18,926	17,412
Repos ¹	9,111	5,738
Reclassified securities	2,332	3,154
Other loans to banks	15,969	17,973
Total	46,338	44,277

¹ repurchase agreements

The loans and receivables with banks include €651 million (31 December 2011: €651 million) in subordinated assets at 30 June 2012.

19 Loans and receivables with customers

(€ millions)

	30/6/2012	31/12/2011
Current accounts	10,684	10,228
Repos ¹	2,011	5,728
Mortgage loans	44,361	46,097
Finance leases	1,985	1,982
Reclassified securities	4,134	4,737
Non-performing loans and receivables	4,174	4,216
Other loans and receivables	65,472	63,573
Total	132,821	136,561

¹ repurchase agreements

The loans and receivables with customers include €1,591 million (31 December 2011: €1,753 million) in subordinated assets at 30 June 2012.

20 Application of reclassification rules defined in IAS 39.50 et seq.

No further assets held for trading have been reclassified as loans and receivables in 2012. The intention to trade no longer exists for the assets reclassified in 2008 and 2009, since the markets in these financial instruments had become illiquid as a result of the extraordinary circumstances created by the financial crisis through to the time of reclassification. Given the high quality of the assets concerned, HVB intends to retain the assets for a longer period. HVB has not reclassified any assets from the available-for-sale portfolio.

The following table shows the development of the reclassified holdings:

(€ billions)

RECLASSIFIED ASSET-BACKED SECURITIES AND OTHER DEBT SECURITIES	CARRYING AMOUNT OF ALL RECLASSIFIED ASSETS ¹	FAIR VALUE OF ALL RECLASSIFIED ASSETS	NOMINAL AMOUNT OF ALL RECLASSIFIED ASSETS
Reclassified in 2008			
Balance at 31/12/2008	13.7	11.8	14.6
Balance at 31/12/2009	9.0	8.0	9.7
Balance at 31/12/2010	6.5	5.9	7.0
Balance at 31/12/2011	4.7	4.0	5.0
Balance at 30/6/2012	3.9	3.4	4.2
Reclassified in 2009			
Balance at 31/12/2009	7.3	7.4	7.4
Balance at 31/12/2010	4.6	4.5	4.6
Balance at 31/12/2011	3.2	3.2	3.3
Balance at 30/6/2012	2.6	2.5	2.6
Balance of reclassified assets at 30/6/2012	6.5	5.9	6.8

¹ before accrued interest

The fair value of the financial instruments reclassified as loans and receivables with banks and customers amounts to a total of €5.9 billion at 30 June 2012. If these reclassifications had not been carried out in 2008 and 2009, mark-to-market valuation (including realised disposals) would have given rise to a net gain of €174 million in net trading income in the first half of 2012. A net gain of €96 million (2011), €416 million (2010) and €1,159 million (2009) would have arisen in net trading income in the financial years 2011, 2010 and 2009 while a net loss of €1,792 million would have accrued in net trading income from the reclassified holdings in 2008. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification.

We took write-downs of loans of €2 million on the reclassified assets in the first six months of 2012 (whole of 2011: €3 million, 2010: €8 million, 2009: €80 million, 2008: €63 million). The fair value at the date when the reclassification takes effect represents the new acquisition cost, which in some cases is considerably less than the nominal value. Accordingly, this difference (discount) is to be amortised over the remaining term of the reclassified financial assets. This together with the reclassified securities that had matured or been partially repaid gives rise to an effect of €35 million (whole of 2011: €100 million, 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A gain of €22 million (whole of 2011: €14 million, 2010: €19 million, 2009: €83 million) on reclassified securities that had been sold was recognised in the income statement in the first six months of 2012.

In the first half of 2012, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €119 million lower. Between the date when the reclassifications took effect and the reporting date, the cumulative net impact on the income statement from the reclassifications already carried out totalled €559 million before tax (first half of 2012: minus €119 million, whole of 2011: plus €15 million, 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

Notes to the Balance Sheet (CONTINUED)

21 Allowances for losses on loans and receivables with banks and customers

Analysis of loans and receivables

(€ millions)

Balance at 1 January 2011	5,059
Changes affecting income ¹	82
Changes not affecting income	
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(305)
Effects of currency translation and other changes not affecting income	20
Non-current assets or disposal groups held for sale	—
Balance at 30 June 2011	4,856
Balance at 1 January 2012	4,743
Changes affecting income ¹	261
Changes not affecting income	
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(304)
Effects of currency translation and other changes not affecting income	11
Non-current assets or disposal groups held for sale	(15)
Balance at 30 June 2012	4,696

¹ the changes affecting income include the gains on the disposal of impaired receivables

22 Deposits from banks

(€ millions)

	30/6/2012	31/12/2011
Deposits from central banks	9,747	5,507
Deposits from banks	47,954	52,351
Current accounts	15,029	10,356
Reverse repos ¹	13,232	21,619
Term deposits	9,375	9,995
Other liabilities	10,318	10,381
Total	57,701	57,858

¹ repurchase agreements

23 Deposits from customers

(€ millions)

	30/6/2012	31/12/2011
Current accounts	58,902	52,881
Savings deposits	13,624	13,797
Reverse repos ¹	13,431	8,989
Term deposits	23,931	22,916
Other liabilities	8,391	8,859
Total	118,279	107,442

¹ repurchase agreements

24 Debt securities in issue

(€ millions)

	30/6/2012	31/12/2011
Bonds	35,652	42,174
Other securities	1,055	493
Total	36,707	42,667

25 Provisions

(€ millions)

	30/6/2012	31/12/2011
Provisions for pensions and similar commitments	48	47
Allowances for losses on guarantees and commitments	225	201
Restructuring provisions	129	156
Actuarial provisions	28	35
Other provisions	1,508	1,674
Total	1,938	2,113

26 Change in valuation of financial instruments

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled minus €44 million at 30 June 2012 (31 December 2011: minus €112 million). While the hedge reserve declined a slight €1 million to €21 million compared with year-end 2011, the positive development in the reserves arising from changes in the valuation of financial instruments recognised in equity can be attributed almost exclusively to the €69 million increase in the AfS reserve to minus €65 million. This results primarily from positive fair value fluctuations of fixed-income securities classified as available for sale.

27 Subordinated capital

The following table shows the breakdown of subordinated capital included in deposits from banks and customers and debt securities in issue: (€ millions)

	30/6/2012	31/12/2011
Subordinated liabilities	2,154	2,496
Participating certificates outstanding	—	155
Hybrid capital instruments	402	804
Total	2,556	3,455

Other Information

28 Contingent liabilities and other commitments

(€ millions)

	30/6/2012	31/12/2011
Contingent liabilities¹	19,967	21,050
Guarantees and indemnities	19,967	21,050
Other commitments	36,613	40,634
Irrevocable credit commitments	36,159	40,180
Other commitments ²	454	454
Total	56,580	61,684

1 contingent liabilities are offset by contingent assets to the same amount

2 without commitments arising from leases

29 Notes to selected structured products

Additional information regarding selected structured products is given below in order to provide greater transparency. Assets of fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles are shown alongside tranches retained by HVB Group and holdings of asset-backed securities (ABS) transactions issued by third parties, broken down by various criteria.

ABS portfolio

In a securitisation transaction, above all the originator transfers credit receivables and/or credit risks to third parties. The securitisation itself is usually performed via special purpose vehicles (SPVs). In order to refinance the acquisition of receivables, these SPVs issue securities on the capital market that are secured by the receivables acquired. This serves to transfer the associated credit risks to investors in the form of asset-backed securities. The securities issued by SPVs are generally divided into tranches which differ above all in terms of seniority in the servicing of claims to repayment and interest payments. These tranches are generally assessed by rating agencies.

Depending on the underlying assets in a securitisation transaction, the following types of security among others are distinguished in ABS transactions:

- residential mortgage-backed securities (RMBS) relating to mortgage loans in the private sector (residential mortgage loans)
- commercial mortgage-backed securities (CMBS) relating to mortgage loans in the commercial sector (commercial mortgage loans)
- collateralised loan obligations (CLO) relating to commercial bank loans
- collateralised bond obligations (CBO) relating to securities portfolios.

Besides this, consumer loans, credit card receivables and lease receivables are also securitised.

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by rating class (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately)

(€ millions)

CARRYING AMOUNTS	30/6/2012				31/12/2011
	SENIOR	MEZZANINE	JUNIOR	TOTAL	TOTAL
Positions retained from own securitisations	—	114	—	114	322
Positions in third-party ABS transactions	3,540	1,437	32	5,009	4,829
Residential mortgage-backed securities (RMBS)	1,633	457	—	2,090	2,139
thereof:					
US subprime	2	—	—	2	2
US Alt-A	2	—	—	2	2
Commercial mortgage-backed securities (CMBS)	914	300	—	1,214	993
Collateralised debt obligations (CDO)	31	77	—	108	145
thereof:					
US subprime	—	—	—	—	—
US Alt-A	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	628	407	29	1,064	1,134
Consumer loans	214	122	3	339	184
Credit cards	—	—	—	—	—
Leases	118	57	—	175	212
Others	2	17	—	19	22
Total					
	30/6/2012	3,540	1,551	32	5,123
	31/12/2011	3,596	1,522	33	5,151
Synthetic collateralised debt obligations (CDO) (derivatives)¹					
	30/6/2012	5	26	15	46
	31/12/2011	27	37	17	81

¹ the amounts shown in the table represent the carrying amount (fair value)

The positions are classified as senior, mezzanine and junior on the basis of external ratings, or internal ratings where no external rating exists. Only those tranches with the best rating are carried as senior tranches. Only tranches with low ratings (worse than BB- in external ratings) and unrated tranches (known as first loss pieces) are carried as junior tranches; all other tranches are grouped together as mezzanine tranches.

Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by region (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately) (€ millions)

CARRYING AMOUNTS	30/6/2012					TOTAL
	EUROPE	USA	ASIA	OTHER REGIONS		
Positions retained from own securitisations	114	—	—	—	114	
Positions in third-party ABS transactions	4,134	652	25	198	5,009	
Residential mortgage-backed securities (RMBS)	1,916	10	23	141	2,090	
thereof:						
US subprime	—	2	—	—	2	
US Alt-A	—	2	—	—	2	
Commercial mortgage-backed securities (CMBS)	1,047	165	2	—	1,214	
Collateralised debt obligations (CDO)	24	84	—	—	108	
thereof:						
US subprime	—	—	—	—	—	
US Alt-A	—	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	729	278	—	57	1,064	
Consumer loans	243	96	—	—	339	
Credit cards	—	—	—	—	—	
Leases	157	18	—	—	175	
Others	18	1	—	—	19	
Total	4,248	652	25	198	5,123	
	30/6/2012					
	31/12/2011	4,245	671	31	5,151	
Synthetic collateralised debt obligations (CDO) (derivatives)¹	6	40	—	—	46	
	30/6/2012					
	31/12/2011	29	52	—	81	

¹ the amounts shown in the table represent the carrying amount (fair value)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by remaining maturity (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately)

(€ millions)

CARRYING AMOUNTS	30/6/2012			TOTAL
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	
Positions retained from own securitisations	15	99	—	114
Positions in third-party ABS transactions	507	3,105	1,397	5,009
Residential mortgage-backed securities (RMBS)	188	869	1,033	2,090
thereof:				
US subprime	—	1	1	2
US Alt-A	—	2	—	2
Commercial mortgage-backed securities (CMBS)	137	980	97	1,214
Collateralised debt obligations (CDO)	—	36	72	108
thereof:				
US subprime	—	—	—	—
US Alt-A	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	52	845	167	1,064
Consumer loans	82	230	27	339
Credit cards	—	—	—	—
Leases	45	129	1	175
Others	3	16	—	19
Total	522	3,204	1,397	5,123
	31/12/2011	726	2,756	5,151
Synthetic collateralised debt obligations (CDO) (derivatives)¹	1	45	—	46
	31/12/2011	—	67	81

¹ the amounts shown in the table represent the carrying amount (fair value)

Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by class as per IAS 39 (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately) (€ millions)

CARRYING AMOUNTS	30/6/2012					TOTAL
	HELD FOR TRADING	FAIR VALUE OPTION	LOANS & RECEIVABLES	HELD TO MATURITY	AVAILABLE FOR SALE	
Positions retained from own securitisations	15	—	—	—	99	114
Positions in third-party ABS transactions	466	43	4,125	94	281	5,009
Residential mortgage-backed securities (RMBS)	44	15	1,956	3	72	2,090
thereof:						
US subprime	—	—	1	1	—	2
US Alt-A	—	1	1	—	—	2
Commercial mortgage-backed securities (CMBS)	90	7	1,082	—	35	1,214
Collateralised debt obligations (CDO)	17	5	67	19	—	108
thereof:						
US subprime	—	—	—	—	—	—
US Alt-A	—	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	266	12	602	62	122	1,064
Consumer loans	28	—	302	9	—	339
Credit cards	—	—	—	—	—	—
Leases	21	—	102	—	52	175
Others	—	4	14	1	—	19
Total	481	43	4,125	94	380	5,123
	31/12/2011	564	72	3,876	96	5,151
Synthetic collateralised debt obligations (CDO) (derivatives)¹	46	—	—	—	—	46
	31/12/2011	81	—	—	—	81

¹ the amounts shown in the table represent the carrying amount (fair value)

Fully consolidated commercial paper conduits and other consolidated special purpose vehicles

Alongside the directly held portfolios of own and external ABS transactions, further structured products are held through commercial paper conduits (SPVs that issue short-term commercial paper to refinance their assets) and other fully consolidated special purpose vehicles that are managed by HVB. Essentially, these involve credit receivables of third parties that are securitised by HVB using the services of the commercial paper conduits. Positions in hedge funds and customer receivables held by fully consolidated special purpose entities are also shown. An amount of €158 million out of the total €1,079 million disclosed under "Other" relates to investments under which HVB passes on all the risks and rewards to customers.

Positions held by fully consolidated commercial paper conduits and other consolidated special purpose vehicles, broken down by product category and rating class

CARRYING AMOUNTS	30/6/2012				31/12/2011
	SENIOR	MEZZANINE	JUNIOR	TOTAL	TOTAL
Residential mortgage loans/ residential mortgage-backed securities (RMBS)	—	1,245	376 ¹	1,621	1,722
Commercial mortgage loans/ commercial mortgage-backed securities (CMBS)	—	—	—	—	992
Collateralised debt obligations (CDO)	—	—	—	—	3
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	—	—	—	—	95
Consumer loans	366	—	—	366	599
Credit cards	—	—	—	—	—
Leases	931	—	—	931	553
Other (including hedge fund investments)	424	372	283 ²	1,079	1,726
Total	30/6/2012	1,721	1,617	659	3,997
	31/12/2011	2,771	1,767	722	5,260

¹ these assets are impaired

² the volume shown here relates to investment and hedge funds with no rating and are hence disclosed under Junior

The positions are classified as senior, mezzanine and junior on the basis of external ratings, or internal ratings where no external ratings exist. Only those tranches with the best rating are carried as senior tranches. Only tranches with low ratings (worse than BB- in external ratings) and unrated tranches (known as first loss pieces) are carried as junior tranches; all other tranches are grouped together as mezzanine tranches.

Other Information (CONTINUED)

Positions held by fully consolidated commercial paper conduits and other consolidated special purpose vehicles, broken down by product category and region

(€ millions)

CARRYING AMOUNTS	30/6/2012				TOTAL
	EUROPE	USA	ASIA	OTHER REGIONS	
Residential mortgage loans/ residential mortgage-backed securities (RMBS)	1,407	—	214	—	1,621
Commercial mortgage loans/ commercial mortgage-backed securities (CMBS)	—	—	—	—	—
Collateralised debt obligations (CDO)	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	—	—	—	—	—
Consumer loans	366	—	—	—	366
Credit cards	—	—	—	—	—
Leases	931	—	—	—	931
Other (including hedge fund investments)	643	179	36	221	1,079
Total					
	30/6/2012	3,347	179	250	3,997
	31/12/2011	4,435	331	266	5,260

Positions held by fully consolidated commercial paper conduits and other consolidated special purpose vehicles, broken down by product category and remaining maturity

(€ millions)

CARRYING AMOUNTS	30/6/2012			TOTAL
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	
Residential mortgage loans/ residential mortgage-backed securities (RMBS)	376	—	1,245	1,621
Commercial mortgage loans/ commercial mortgage-backed securities (CMBS)	—	—	—	—
Collateralised debt obligations (CDO)	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	—	—	—	—
Consumer loans	366	—	—	366
Credit cards	—	—	—	—
Leases	931	—	—	931
Other (including hedge fund investments)	1,075	4	—	1,079
Total				
	30/6/2012	2,748	4	3,997
	31/12/2011	3,383	634	5,260

Positions held by fully consolidated commercial paper conduits and other consolidated special purpose vehicles,
broken down by product category and class as per IAS 39

(€ millions)

CARRYING AMOUNTS	30/6/2012						TOTAL
	HELD FOR TRADING	FAIR VALUE OPTION	LOANS & RECEIVABLES	HELD TO MATURITY	AVAILABLE FOR SALE		
Residential mortgage loans/ residential mortgage-backed securities (RMBS)	—	—	1,621	—	—	1,621	
Commercial mortgage loans/ commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—	
Collateralised debt obligations (CDO)	—	—	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	—	—	—	—	—	—	
Consumer loans	—	—	366	—	—	366	
Credit cards	—	—	—	—	—	—	
Leases	—	—	931	—	—	931	
Other (including hedge fund investments)	283	—	796	—	—	1,079	
Total	283	—	3,714	—	—	3,997	
	31/12/2011	318	4,942	—	—	5,260	

Other Information (CONTINUED)

30 Members of the Supervisory Board and Management Board

Supervisory Board

Federico Ghizzoni **Chairman**

Peter König **Deputy Chairmen**
Dr Wolfgang Sprissler

Aldo Bulgarelli **Members**
Beate Dura-Kempf
Klaus Grünewald
Werner Habich
Dr Lothar Meyer
Marina Natale
Klaus-Peter Prinz
Jens-Uwe Wächter
Dr Susanne Weiss

Management Board

Peter Buschbeck	Family & SME division
Jürgen Danzmayr	Private Banking division
Lutz Diederichs	Corporate & Investment Banking division
Peter Hofbauer	Chief Financial Officer (CFO)
Heinz Laber	Human Resources Management, Global Banking Services
Andrea Umberto Varese	Chief Risk Officer (CRO)
Dr Theodor Weimer	Board Spokesman

Munich, 31 July 2012

UniCredit Bank AG
The Management Board



Buschbeck



Danzmayr



Diederichs



Hofbauer



Laber



Varese



Dr Weimer

Declaration by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Management Report 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 for the remaining months of the financial year.

Munich, 31 July 2012

UniCredit Bank AG
The Management Board



Buschbeck



Danzmayr



Diederichs



Hofbauer



Laber



Varese



Dr Weimer

UniCredit Bank AG
Kardinal-Faulhaber-Strasse 1
80333 Munich

Signed by
Katrin Felix Bettina Rödl