This document constitutes a registration document (the "**Registration Document**") within the meaning of section 12 (1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz* – "**WpPG**") in connection with Art. 14 and Annex XI of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, in the version valid as of the date of the Registration Document (the "**Regulation**").

HypoVereinsbank Member of UniCredit

UniCredit Bank AG

Munich, Federal Republic of Germany

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RISK FACTORS

The following is a disclosure of risk factors (the "Risk Factors") that are material with respect to the ability of UniCredit Bank AG ("HVB", and together with its consolidated subsidiaries, the "HVB Group") to fulfill its obligations under securities issued by it.

Prospective investors should consider these Risk Factors before deciding to purchase securities issued by HVB, especially since in certain cases the investor may lose his entire investment or (substantial) parts of it.

Prospective investors should consider all information provided in the Registration Document and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, prospective investors should be aware that the risk described below may arise individually or cumulatively with other risks and might have mutually reinforcing effects.

Risks relating to the business activity of HVB Group

1. Macroeconomic Risk

Based on the strategic orientation of HVB Group with the business segments Commercial Banking and Corporate & Investment Banking (**CIB**), offering customer-oriented products and concentrating on the core market of Germany, general economic developments in Germany in particular together with developments on the international financial and capital markets are of great importance for the assets, liabilities, financial position, and profit or loss of HVB Group.

According to projections by the IMF, the global economy is likely to grow by around 3.4% in 2017, although the prospects for the individual economies vary. Whereas growth will probably accelerate overall in the USA, the growth rate in Europe is expected to be moderate. The environment and the growth prospects for many emerging and developing countries have brightened somewhat. Initial signs of a pick-up in world trade and a recovery in commodity prices should support this development. In particular, the further increase in oil prices recently is likely to ease the situation for oil-exporting countries such as Russia. The slowdown in economic growth in China is, however, having a negative impact on global growth prospects. Although fiscal stimuli will also assist GDP growth in China in 2017, primarily through further infrastructure projects, the change in economic structures towards more private consumption and services will result in production continuing to lose momentum. In addition, there is still uncertainty about global trade and the global economy due to the yet unforeseeable consequences of the Brexit decision and the election of Donald Trump as the new US president.

Domestic consumption is expected to be the key driver of growth in the German economy in 2017. In addition to the waning fillip to growth from the influx of refugees, the main reasons for this are further increases in pay and pensions and positive stimuli from the construction industry.

In 2017 political uncertainties will hold centre stage and be dominated by elections in the Netherlands, France and Germany, the rejection of the referendum in Italy, the ongoing Brexit negotiations and future US policy. Besides the ongoing effects of the European sovereign debt crisis, there are increasingly political and economic uncertainties relating to the future development of the European Union as a whole. Existing tensions between the European Union and not only Turkey but also Russia, as well as continuing geopolitical conflicts, in Syria in particular, and increasing numbers of terrorist attacks harbour further risks relating to the security, monetary and economic situation throughout Europe.

The backdrop of extremely low interest rates will continue to be one of the main challenges for the financial sector. The measures taken by the ECB have so far contributed to calming the markets. It remains impossible to predict the extent and intensity to which the financial markets will react to all these developments seen as a whole.

As a sound universal bank with excellent customer relationships, HVB Group considers itself fundamentally in good shape to continue operating successfully in this challenging environment. Should, however, the measures taken to stabilise the eurozone fail to have the desired effect, for instance, or economic growth slow or further turmoil roil the financial and capital markets this could have a negative effect on the assets, liabilities, financial position, and profit or loss of HVB Group. Due to the continuing high level of uncertainty in the macropolitical environment and the resulting structural volatility in the financial and capital markets, forward-looking statements regarding future business performance cannot be made with any great degree of confidence.

2. Systemic Risk

HVB Group routinely processes high volumes of transactions with numerous counterparties in the financial services sector, including business with brokers and traders, commercial banks, investment banks and other institutional clients. Financial services institutions that conduct transactions with other such institutions, are linked through trading, investment, clearing and counterparty relationships, among others. Concerns regarding the stability of one or more of these institutions and / or the countries in which they operate could lead to a serious liquidity shortage (up to and including an entirely frozen interbank business), losses or other institutional defaults.

The above-mentioned risks, frequently referred to as "systemic risks", could have detrimental effects on financial intermediaries such as clearing facilities, clearing houses, banks, securities houses and stock exchanges with which HVB Group interacts on a daily basis. This could in turn have negative effects on the ability of HVB Group to procure new funding.

3. Credit Risk

HVB Group is subject to credit risk. Credit risk is defined as the risk that a change in the credit rating of a contracting party (borrower, counterparty, issuer or country) induces a change in the value of the corresponding receivables. This change in value may be due to the default of the contracting party, meaning it is no longer in a position to meet its contractual obligations. Credit risk comprises the following categories:

(i) Credit default risk

Credit default risk is considered to occur with regard to a specific contracting party when one or both of the following criteria are satisfied:

- The bank assumes the contracting party is probably not in a position to meet its contractual obligation towards HVB Group as whole, without having to take recourse to measures like the sale of collateral (where present).
- The contracting party is more than 90 days in arrears in terms of a material receivable..
- This category also encompasses counterparty risk and issuer risk.

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

Issuer risk is defined as credit default risk in the securities holding resulting from the downgraded credit rating or default of an issuer that can lead to a loss of value through to total loss. Issuer risk arises from the purchase of securities in proprietary trading, securities issuance activities, credit derivatives and the placement of securities.

(ii) Country risk:

Country risk is the risk of losses caused by events attributable to actions by government. This includes the repayment of capital in a specific country being prevented by government intervention, which gives rise to various risks (such as transfer risk, expropriation risk, legal risk, tax risk, security risk). It also includes the risk of repayment of capital being prevented by a deterioration in the economic and/or political environment (such as through recession, a currency and/or banking crisis, natural disasters, war, civil war, social unrest). Country risk encompasses sovereign risk (sovereign as counterparty) and transfer and conversion risk.

3.1 Risk from a deterioration of the overall economic situation

The banking and financial services market in which HVB Group operates is subject to the influence of unforeseeable factors, including general economic trends, tax and monetary policies, changes in laws and regulatory requirements, liquidity and expectations of the capital markets, as well as consumer behaviour with regard to investments and saving. Above all the demand for credit in the area of traditional lending activities could slow down during an economic downturn. The general economic trend could have additional negative effects on the solvency of mortgage customers and other borrowers of HVB Group.

Any deterioration in the creditworthiness of major individual customers or counterparties or in the performance of loans and other receivables as well as inaccurate assessments of creditworthiness or country risks could have considerable detrimental effects on the financial situation and the operating results of HVB Group.

3.2 Risks from a decrease in value of credit collateral

A substantial share of loans of HVB Group to corporate and individual borrowers are collateralised with real estate, securities, ships, fixed-term deposits and receivables, among other assets. As mortgage loans comprise one of the most important items for HVB Group, they are highly exposed to developments in the real estate markets.

In trading activities, over-the-counter derivatives, security financing transactions and exchange-traded derivatives are hedged on the basis of the respective contractual provisions with the counterparties.

An economic downturn in countries in which HVB Group does business, a general deterioration of economic conditions in the industries in which its borrowers operate, or in other markets in which it holds collateral may cause the value of the loan collateral to fall below the amount of outstanding capital represented by such loans. The decline in the value of the collateral for these loans or the inability to obtain additional collateral could force HVB Group to arrange for a revaluation of the loan and/or form additional loan-loss provisions and higher reserves. In addition, the fact that HVB Group could be unable to realise the expected value of the collateral in case of debt enforcement could lead to considerable losses for HVB Group.

3.3 Risks from derivative/trading business

In addition to traditional banking activities such as lending and deposits, HVB Group is active in banking areas through which it is exposed to further default and/or counterparty risks. Such additional risks may result, for example, from transactions in securities, derivatives, foreign exchange, commodities or securities lending/repurchase transactions.

They can arise from settlement or performance that is not provided at all or in a timely way by the counterparty as well as from system failures at clearing agencies/houses, stock exchanges or other financial intermediaries (including HVB Group).

Trading counterparties or counterparties that issue securities held by HVB Group units, could possibly fail to meet their obligations due to insolvency, political or economic events, a lack of liquidity, operational losses or other reasons.

Counterparty defaults in a significant extent could have a major negative impact on the operating results of HVB Group and on its business and financial situation.

3.4 Risks from intra-group credit exposures

Some of the risks in the industry group banks, insurance companies (including sovereigns) result from credit exposures to the parent company of HVB Group, UniCredit S.p.A., (together with its consolidated subsidiaries, "**UniCredit**") and other legal entities in the UniCredit. This results from the strategic focus of HVB Group as a group-wide centre of competence for the markets and investment banking business of UniCredit and other business activities. Due to the nature of this business, the intra-Group credit exposure of HVB Group is volatile and can fluctuate widely from day to day.

Moreover, changes in German and international laws and regulations with regard to the amount and weighting of intra-group exposures could have substantial negative effects on the internal funding of HVB Group, the costs of this funding (especially when it must be procured externally) and on the operating results and the business and financial situation of HVB Group.

3.5 Risks from exposures to sovereigns / public sector

In the course of its activities, HVB Group is inter alia exposed to government bonds from the large European countries, but also in other countries outside the eurozone. Apart from this exposure, HVB Group is also exposed to sovereign debt through loans to central governments, central banks and other government bodies (so called "sovereign exposure").

A global economic downturn or an economic crisis in individual countries could have a substantial impact, in particular on the quality of the sovereign bonds held by HVB Group and the ability to redeem them as well as the financial resources of its customers holding similar securities.

4. Market Risk

HVB Group is subject to market risks. Market risk is defined as the potential loss arising from on- and off-balance-sheet positions in the trading and banking books that can arise in response to adverse changes in market prices (interest rates, equities, credit spreads, foreign exchange and commodities), other price-influencing parameters (volatilities, correlations) or trading-related events in the form of default or changes in credit ratings of securities (specific price risk for interest net positions).

Market Risk includes interest rate risk, foreign currency risk, stock and commodity risk, credit spread risk and option risk.

4.1 Risk for trading and banking books from a deterioration in market conditions

Although the business activities of HVB Group that entail market risk are profitable under normal circumstances, this business is exposed to elevated risks during difficult market situations. The earnings are relatively volatile and depend on numerous factors that are beyond the control of HVB Group. These include the general market environment, general trading activities, equity prices, interest rates and credit spreads, exchange rate fluctuations and general market volatility.

4.2 Interest rate and foreign currency risk

Interest rate fluctuations in Europe and other markets where HVB Group does business may negatively affect its financial and profit situation. For example, the current low interest rates are causing a decrease in margins, especially on the deposit side, that is having a direct negative impact on earnings. It is impossible to guarantee that there will be no substantial long-term decrease in earnings that would lead to a loss in market value of HVB Group.

As HVB Group earns income outside the eurozone, it is exposed to foreign exchange risks. Moreover, a portion of the transactions of HVB Group are conducted in other currencies than euro. That means that HVB Group is exposed to exchange rate risks and risks pertaining to transactions in foreign currencies. Unfavourable changes in exchange rates could therefore negatively affect the business activities of HVB Group and its financial situation.

5. Liquidity Risk

HVB Group is subject to liquidity risk. Liquidity risk is understood to be the danger that HVB Group is not able to meet its payment obligations on time or in full. However, it is also defined as the risk of not being able to obtain sufficient liquidity when required or that liquidity will only be available at higher interest rates, and the risk that HVB Group will only be able to liquidate assets on the market at a discount.

5.1 Risks from the procurement of liquidity

The European sovereign debt crisis and the resulting financial instability led to a decline in the volume and availability of liquidity and medium-term funding in the market, flanked by increasing dependency on central bank liquidity. In particular, counterparty risk between banks in particular has increased substantially and caused a further decline in interbank business and in the confidence of bank customers. Reduced trust on the part of customers could result in liquidity problems for HVB Group and larger outflows of deposits. This could in turn limit HVB Group's ability to fund its activities and meet its minimum liquidity requirements.

Furthermore, access of HVB Group to liquidity could be impeded as a result of its inadequate access to bond markets, respectively through its inability to issue bonds or collateralise other forms of interbank loans.

Further increases in interbank funding costs, reduced availability and/or higher costs of such funding, combined with reduced access to similar or other forms of funding and/or the inability of HVB Group to dispose of its assets or liquidate its investments could have negative effects on its business activities and have substantial negative effects on its operating results and financial situation.

5.2 Intra-Group liquidity transfers

Transfers of liquidity between units of HVB Group are monitored by the regulatory authorities so that HVB and its subsidiaries could be forced to reduce their lending to other legal entities within UniCredit. This monitoring could impact the ability of HVB Group to meet the liquidity regulations of its subsidiaries through an intra-group transfer of capital, which in turn could have negative effects on the operating results of HVB Group and on its business and financial situation.

5.3 Market liquidity risk

Market liquidity risk relates to the risk that the HVB Group will suffer losses due to the disposal of assets that can only be liquidated on the market at a discount. In the extreme case, HVB Group may not be able to sell such an asset, as the market does not offer enough liquidity or HVB Group holds a position that is too large set against the market turnover.

Greater volatility on the financial markets could also make it more difficult for HVB Group to value some of its assets and exposures. Significant changes to the fair values of such assets and exposures that might prove to be much lower than the present or estimated fair values could be a further consequence. All of these factors could force HVB Group to recognise amortisation charges or impairment losses, which would have a negative effect on its financial position and operating result.

6. Operational Risk

HVB Group is exposed to operational risk, i.e. the risk of losses resulting from inadequate or failed internal processes, people and systems as well as from external events. This definition also includes legal risk but excludes strategic risk or reputational risk.

HVB Group has a group-wide operational risk organisational structure. The individual business segments and each subsidiary of HVB Group are responsible for identifying, analysing and managing operational risk.

Although HVB Group has implemented active processes to limit and mitigate operational risk and the associated negative effects, unforeseen events that are entirely or partly beyond the control of HVB Group cannot be ruled out. Consequently, despite the implemented processes, it cannot be guaranteed that HVB Group will not incur substantial material losses from operational risks in the future.

6.1 IT risks

HVB's IT services are mostly provided by the group company UniCredit Business Integrated Solutions S.C.p.A. (**UBIS**). The information and communication technology (**ICT**) management processes continue to require adjustments to be made to the internal control system for IT to allow for all significant IT risks within the ICT management processes, among other things, to be monitored and managed appropriately. Through the regular identification of potential for improvement and the knowledge gained from audits, the control system is continually adjusted.

Nevertheless, complications and/or unexpected problems may arise in the future that could delay or prevent the successful utilisation of the IT systems.

6.2 Compliance risk

Compliance risk is defined as an existing or future risk to income or capital as a consequence of infringements of or non-compliance with laws, regulations, statutory provisions, agreements, mandatory practices or ethical standards. This may result in fines, compensation for damages and/or contracts being rendered null and void in addition to damaging a bank's reputation.

This includes the risk of being misused for the purposes of money laundering, terrorist financing and other criminal offences. In HVB Group, the Compliance function supports the management and monitoring of Compliance Risks with the main focus on breaching of laws and legal rules and regulations. The Compliance function identifies the Compliance Risk under consideration of environmental circumstances, potential impacts to HVB Group and their business activities and works towards the implementation of effective internal procedures and appropriate measures (including controls) to ensure compliance with the material statutory provisions and requirements for the institution. Dedicated risk analyses are therefore performed on a regular basis and follow the requirements from MaRisk, German Banking Act, Anti Money Laundering Act as well as MaComp. Besides the regular updates of Compliance Risk results, ad hoc assessments are carried out in order to reflect newly arising risks. The opening of a new business line and/or structural changes in HVB Group are examples which could trigger a re-assessment. Risk Results are reported on a quarterly basis to the Management Board on HVB. Based on the risk-results activities within Compliance are steered, inter alia second-level controls, advice activities, subject-specific training courses etc. However, cases of non-compliance (e.g. fraud) could occur in the future and cause financial losses as well as a negative public perception of HVB Group.

6.3 Legal risks

At the date of this registration document HVB and other companies belonging to HVB Group are involved in various legal proceedings.

HVB and other companies belonging to HVB Group are required to deal appropriately with various legal and regulatory requirements. Failure to do so may lead to litigation and administrative proceedings or investigations, and subject HVB and other companies belonging to HVB Group to damage claims, regulatory fines or other penalties.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of possible damages. These cases also include criminal or administrative proceedings by the relevant authority and claims in which the claimant has not specifically quantified the amounts in dispute.. In that regard, HVB Group has processes in place to ensure adequate analysis of procedures and risks as a basis for deciding whether provisions for legal risks must be increased in specific cases or whether they are appropriate under the current circumstances. For ongoing proceedings, HVB Group has created appropriate provisions for legal risks. However, the possibility that the existing provisions are inadequate cannot be ruled out.

As of 31 December 2016, the provisions (included in the 2016 annual report) are equal to €1,263 million. Included in this amount are €798 million, therof "other provisions" of €678 million include legal risks, litigation fees and damage payments.

6.4 Tax risks

At the date of the registration document, external tax audits of HVB and other HVB Group companies are taking place. The possibility cannot be ruled out that the external tax audits of HVB Group will lead to back payments of taxes and interest. Such back payments could have negative effects on the operating results of HVB Group and/or its business performance and financial situation.

Moreover, if a HVB Group company should, contrary to expectations, violate or be alleged to violate tax laws of one or more of the countries in which HVB Group does business, HVB Group could be exposed to additional tax risks and other risks. This would in turn increase the probability of additional tax proceedings and other official proceedings and could result in damage to the reputation of HVB Group.

7. Business Risk

HVB Group defines business risk as losses from unexpected negative changes in the business volume and/or margins that are not attributed to other risk types. It can lead to serious losses in earnings, thereby diminishing the fair value of a company. Business risk can result above all from a serious deterioration in the market environment, changes in the competitive situation or customer behaviour, or changes to the legal framework.

8. Real Estate Risk

Real estate risk covers potential losses resulting from changes in the fair value of the real estate portfolio of HVB Group. Besides the real estate owned by HVB, the HVB Group portfolio also includes the real estate owned by the real estate holding companies and Special Purpose Vehicles (SPVs).

The main risks for the portfolio owned by HVB Group stem mainly from the development of the current fair value, which is always compared with the carrying amount, and the HVB Group’s own usage requirements. The risk drivers are the future usage by HVB Group, property rents/bank rents, market rents, rental contract periods and required investment.

The situation in real estate markets depends on economic trends. If growth should slow down, there will be a corresponding decline in demand for rental properties. This could have negative consequences for the operating results and financial situation of HVB Group.

9. Financial Investment Risk

Financial investment risk arises from equity interests held in companies that are not consolidated by HVB Group under IFRS or included in the trading book. The investment portfolio contains mainly listed and unlisted interests, private equity investments (co and direct investments) and holdings in private equity funds as well as fund investments (special cases, real estate funds).

HVB Group owns a number of material participations in other companies, in some cases through the conversion of debt to equity under restructuring processes. Operational or financial losses or risks to which these companies are exposed could reduce the ability of HVB Group to dispose of the above-mentioned participations and cause substantial decreases in the value of these participations. This could have negative effects on the operating results, business performance and financial results of HVB Group.

As a result of fulfilling guarantees and/or signing agreements on debt restructuring, HVB Group holds controlling or minority interests in companies that are active in areas outside its current spheres of activity, or could acquire such participating interests in the future. These areas require specific competencies that are not part of HVB Group's skill set at present. However, HVB Group could be faced with the necessity of analysing such companies in the course of entering into, holding or disposing of participations. This exposes HVB Group to the risks inherent in the activities of individual companies and their subsidiaries. This could have material negative consequences for the assets, liabilities, financial and profit situation of HVB Group.

10. Reputational Risk

Reputational risk is defined as the risk of a negative effect on the income statement caused by adverse reactions by stakeholders due to a changed perception of HVB Group. This altered perception may be triggered by a primary risk such as credit risk, market risk, operational risk, liquidity risk, business risk, strategic risk or other primary risks. Customers, employees, regulatory authorities, rating agencies and creditors are defined as key stakeholders. The effects of a reputation risk that actually occurs could be reflected in the business risk or liquidity risk, among others.

11. Strategic Risk

Strategic risk results from management either not recognising or not correctly assessing significant developments or trends in the bank’s environment. As a consequence, fundamental management decisions could, in retrospect prove to be disadvantageous in terms of the bank’s long-term goals. In addition, some decisions may be difficult to reverse or cannot be reversed at all. In the worst case, this can negatively impact profitability and risk profile of HVB Group.

11.1 Risks arising from the strategic orientation of HVB Group’s business model

HVB Group is a universal bank that focuses on the regional management of the German market and also acts as the centre of competence for the investment banking activities of UniCredit as a whole. As a consequence, the bank’s business model is built upon several pillars. However, depending on developments on external markets, it cannot always be ruled out that imbalances in earnings contributions could arise. Thus, the business segments are impacted by the persistent low interest rate environment each in their own way.

The modernisation of the retail banking activities coupled with the related transition to a multi-channel bank with comprehensive service, information and advisory offerings intended to enable HVB Group to maintain a stable and profitable retail banking business.

The main strategic objectives are to implement a clearly differentiated service model aimed at upgrading the quality of the advice and service we give customers and to focus clearly on customers holding their main bank account with HVB Group.

The branch will continue to represent the core element of our multi-channel offer, featuring a standard, modernised and upscale appearance. However, it will act more as a point of contact for top-notch advice. It is possible that this strategic adjustment will result in the loss of a few customers, which may have a negative effect on the assets, liabilities, financial position, and profit or loss of HVB Group.

The strategic orientation of the CIB business segment is to generate additional value for clients by offering specific advisory models and a wide variety of products geared to the clients' specific needs. Even though Investment Banking activities are client-driven, revenues are traditionally volatile as customer demand for investment product is influenced by the market environment. Whilst in a normal market environment Investment Banking is very profitable, there are increased risks to assets, liabilities, financial position and profit or loss under difficult market conditions.

11.2 Risks arising from the consolidation of the banking market

Consolidation on the German and international banking and financial markets has been ongoing for many years. Shifting market share could arise that potentially negatively impacts the assets, liabilities, financial position, and profit or loss of HVB Group.

11.3 Risks arising from changing competitive conditions in the German financial sector

The German financial services market, which is HVB Group's core market, is subject to tough competition due in part to its three-pillar structure (public-sector savings banks and Landesbanks, cooperative banks and private banks). Despite some mergers and takeovers, there are still overcapacities on the German market, especially in the retail banking sector. In addition, more and more European and international players as well as Fintech enterprises operating in the retail and corporate banking segment are seeking to enter the German market. The result is intense competition for customers and market share, in which HVB Group is facing fierce trade rivalry.

It cannot be excluded that a further intensification of competitive conditions in the financial sector could have a negative effect on the assets, liabilities, financial position, and profit or loss of HVB Group.

11.4 Risks arising from a change in HVB's rating

HVB has an investment grade rating from the external rating agencies Standard & Poor's (**S&P**), Moody's and Fitch. The implementation of new regulations (Bank Recovery and Resolution Directive (**BRRD**)/Single Resolution Mechanism (**SRM**)) led to numerous reactions by the three rating agencies in 2015 and at the start of 2016. In short, the assumptions regarding state aid in the event of resolution in particular have been fundamentally changed and the changes in German insolvency law incorporated. HVB's ratings were adjusted in response to these factors.

A further downgrade could make funding costs higher for HVB or have a negative impact on the business opportunities of HVB as a counterparty in the interbank market or with rating-sensitive customers. The possibility cannot be excluded that the risk reward profile of business activities affected will alter so significantly that modifications are made to business segments with potentially negative consequences for the assets, liabilities, financial position, and profit or loss of HVB Group. The possible negative effects arising from this risk will depend notably on whether HVB's rating changes less than, the same as or more than that of its competitors.

12. Regulatory Risks

12.1 Risks arising from changes to the regulatory and statutory environment of HVB Group

The activities of HVB Group are regulated and supervised not only by the European Central Bank (**ECB**) but also by the central banks and regulatory authorities in the countries and regions where HVB Group does business.

In response to the financial and sovereign debt crisis, the EU institutions agreed to establish a Banking Union, based on the main cornerstones "**Single Supervisory Mechanism**" and "**Single Resolution Mechanism**" and "**Deposit Guarantee Scheme harmonisation**".

- **Single Supervisory Mechanism (SSM)**

  Within the framework of the SSM, HVB Group falls under ECB supervision. ECB's efforts for a consistent, proactive supervision are clearly noticeable in the cooperation with the ECB.

- **Single Resolution Mechanism (SRM)**

  The SRM is consisting of the national resolution authorities and the Single Resolution Board (**SRB**), which inter alia takes decision on the resolution of banks supervised directly by the ECB, as well as the Single Resolution Fund (**SRF**). Beginning 1 January 2016 the national resolution funds have largely been replaced by the SRF in all member states participating in the SSM and SRM. The SRM is aimed at establishing a systematic resolution scheme for a defaulting European bank to avoid respective limit potential burdens and negative effects for taxpayers and the economy.

  Information relating to the contributions paid by HVB to the bank restructuring fund in connection with the SRF is available in the annual financial report as of 31 December 2016. According to this, HVB has made use of the option to provide some of the annual contribution to the bank restructuring fund in the form of fully secured payment claims (irrevocable payment commitments). The cash collateral provided in this regard amounted to €34 million at 31 December 2016 (31 December 2015: €22 million).

- **Deposit Guarantee Scheme (DGS) harmonisation**

  Under the German Deposit Act (*Einlagensicherungsgesetz*), which became effective on 3 July 2015 and implemented the recast Directive on Deposit Guarantee Scheme into German Law, protections for depositors have been expanded.

  The German statutory deposit protection scheme of HVB is the „*Entschädigungseinrichtung deutscher Banken GmbH*“ ("**EdB**"). The EdB may levy special contributions to settle compensation claims where the funds available to the EdB are not sufficient to cover a compensation case, and there is no absolute limit on such special contributions. In addition, the Deposit Protection Fund of the Association of German Banks (“*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e. V.*”), which is the supplementary voluntary deposit protection scheme of German private banks in which HVB participates, is also funded by annual and special contributions by its participating institutions.

The legal principles of the European Banking Union form the „**Single Rule Book**” that is harmonising the European banking supervision law and ensures a single legal framework throughout the participating countries. Essential elements of this rulebook are:

- **Capital Requirements Directive (CRD IV, Directive 2013/36/EU of 26 June 2013) and the Capital Requirements Regulation (CRR, Regulation (EU) No 575/2013 of 26 June 2013), as amended from time to time, to implement Basel III rules.**

  The period of strong and continuous market crisis has led to the adoption of stricter regimes by international authorities. From 1 January 2014, the regulatory framework has been amended in order to implement the recommendations stemming from Basel III, mainly with the aim of strengthening the capital requirements, reconsidering the use of leverage and introducing policy and rules to counteract liquidity risk in credit institutions. On 23 November 2016, the European Commission published, amonhg other proposals, a proposal to amend the CRD IV/CRR-package.

  In particular, as regards the higher capital requirements, Basel III requires a transitional phase with minimum levels of capitalization gradually growing. As from 2019, these levels for banks contemplate a Common Equity Tier 1 (**CET1**) ratio of at least 7% of risk-weighted assets (CET 1 minimum requirement of 4.5% plus 2.5% capital conservation buffer), a Tier 1 Capital ratio of at least 8.5% (thereof max. 1.5% Additional Tier 1 capital) and a Total Capital ratio of at least 10.5% (thereof max. 2% Tier 2 capital).

  Following the Supervisory Review and Evaluation Process (**SREP**), ECB notified in December 2016 UniCredit S.p.A. and further belonging subsidiaries (inter alia HVB) on capital requirements for 2017. These requirements as well as capital buffer requests for other systemically important institutions (Section 10g Banking Act) for HVB Group were already fulfilled on 31 December 2016.

  The SRB will set an institution-specific ratio for the regulatory capital and eligible liabilities to be maintained at a minimum for institutions directly supervised by the ECB (Minimum Requirements on Eligible Liabilities –**MREL**). Risks relating to non-compliance with the MREL requirement lie in the ongoing discussions of the European supervisory authorities regarding the qualitative requirements for eligible liabilities and regarding the calibration and definition of MREL.

  With regard to liquidity, Basel III provides, *inter alia*, the introduction of a short term indicator (Liquidity Coverage Ratio, **LCR**), whose aim is to create and maintain a liquidity buffer which allows the survival of a bank for a time period of at least 30 days in the event of severe stress, and a structural liquidity indicator (Net Stable Funding Ratio, **NSFR**) with a timeframe of one year and above introduced to ensure that assets and liabilities have a sustainable maturity. Finally, the CRDIV/CRR package sets out a non-risk-based minimum leverage ratio. While the CRR does not require banks immediately to comply with a specific leverage ratio, banks are required to report and publish their leverage ratios for future assessment and calibration of the leverage ratio. The final calibration of the leverage ratio is intended to be completed in 2017 and it is expected that banks will be required to fully comply with the leverage ratio starting in 2018. In relation to the indicators, it has to be noted that:

- For the LCR indicator, it has been requested a minimum of 80% as from 1 January 2017, with a progressive increase up to reach 100% from 1 January 2018 according to Regulation of the European Commission No. 61/2015 (which integrates the CRR);
- For the NSFR indicator, although the proposal of the Basel Committee anticipated a minimum threshold of 100% to be complied with as from 1 January 2018, the CRR for the time being does not provide for a regulatory limit on the structural liquidity.

- **Bank Recovery and Resolution Directive (BRRD, Directive 2014/59/EU of 15 May 2014)** establishing a framework for the recovery and resolution of credit institutions and investment firms (for details please refer to section "12.2 Risks in connection with potential resolution measures or a reorganisation proceeding"). The BRRD had been implemented in Germany on 18 December 2014 with the BRRD-Umsetzungsgesetz and supplemented at the EU level through the provisions of the SRM Regulation (Regulation (EU) No. 806/2014 of 15 July 2014). On 23 November 2016, a draft law package amending BRRD was published.
- **Deposit Guarantee Schemes Directive (DGSD), Directive 2014/49/EU of 16 April 2014** is already implemented in Germany by the German Deposit Protection Act, details for Germany see above under “Deposit Guarantee Scheme (DGS) harmonization”. Additionally a package of proposals by the European Commission has been published in November 2015 with a view to create a uniform euro-area wide harmonised deposit guarantee scheme for bank deposits (also referred to as **EDIS)**. If, when and how this will be established, is currently highly debated on EU level and unclear but would in any case have relevant effects on current national statutory scheme of Deposit Guarantee Scheme in Germany.
- **Technical standards and delegated acts**, issued by the European Commission, on the basis of the aforementioned directives and regulations (current and future).
- **Guidelines and recommendations of the European Banking Authority (EBA)**

  EBA published its final guidelines on the Supervisory Review and Evaluation Process (SREP) in December 2014. These guidelines form the common framework for the EU supervisory authorities for the assessment of risks in the business models of banks and their solvency and liquidity under common European banking supervision.

Differences in the regulatory, statutory or tax requirements as well as accounting principles between countries/regions could lead to considerable distortions of competition. Generally, changes to the regulatory and statutory provisions, tax regulations and/or accounting principles in one state could yield further obligations for the HVB Group companies (further examples to the aforementioned requirements are the global bank separation efforts respective measures or the introduction of a European Financial Transaction Tax, **EUFTT**).

Besides a possible impact on the business model, the need for additional capital to meet the own funds, other capital or different prudential requirements or for other funding sources to meet liquidity requirements and the necessary adjustments of the IT systems could also accrue for HVB Group. These could have a negative impact on the assets, liabilities, financial and profit situation of HVB Group, and on the products and services it offers. We assume that the trend towards more stringent regulatory provisions will persist.

The failure of HVB or one of its affiliates to comply fully with regulatory requirements of the supervisory authorities could lead to the responsible authority imposing sanctions or even withdrawing permits. Further, this may have other material adverse effects on the HVB's business, results of operations or financial condition such as restrictions on the business activities of HVB or its subsidiaries.

12.2. Risks in connection with potential resolution measures or a reorganisation proceeding

Through the implementation of the EU framework legislation to regulate the recovery and resolution of credit institutions and investment firms (BRRD, Directive 2014/59/EU of 15 May 2014), implemented in Germany on 18 December 2014 with the BRRD-Umsetzungsgesetz and supplemented at the EU level through the provisions of the SRM Regulation (Regulation (EU) No. 806/2014 of 15 July 2014), the legal conditions for the recovery and resolution of banks have also changed in Germany. The BRRD provides in particular for a so-called bail-in tool pursuant to which claims for payment of principal, interest or other amounts under the instruments may be subject to a permanent reduction, including to zero, some other variation of the terms and conditions of the instruments in other aspects or a conversion into one or more instruments that constitute CET 1 instruments by intervention of the competent resolution authority ("**bail-in tool**"**).** The responsible resolution authorities can further order claims to payments of capital, interest or other amounts arising from equity and debt instruments issued by HVB – referred to below as "**capital instruments**" – or the nominal value of the capital instruments to be written down permanently, in whole or in part, or converted into CET 1 instruments (such as ordinary core Tier 1 shares) ("**power to write down and convert**"). The responsible resolution authority has the power to issue such an order if it or the responsible regulatory authority determines that the conditions defined in the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**SAG**") or other applicable laws are met, for example if HVB or an affiliated institution is (considered to be) failing or likely to fail or require state aid or similar extraordinary public financial support (referred to below as "**conditions for resolution**").

If the conditions for resolution are met, the responsible resolution authorities can, in addition to the measures specified in the above paragraph, take other resolution measures, including the transfer of the capital instruments to another entity, amending the terms and conditions (e.g. by extending the maturity of a debt instrument), or cancelling or devaluing the capital instruments. All of the above measures, including the bail-in of creditors, are referred to below as "resolution measures". Resolution measures are binding for the holders of capital instruments. No claims against HVB or other rights accrue to the holders of capital instruments as a result of the resolution measures, and, depending on the resolution measure imposed, the payment obligations of HVB from the capital instruments may be deemed to be fulfilled. However if the resolution measure leads to a holder of capital instruments being in a worse position than would have been the case in regular insolvency proceedings of the bank, this will give rise to a claim for settlement of the holders of capital instruments against the fund set up for resolution purposes (Single Resolution Fund, "**SRF**").

The responsible resolution authority is the responsible authority at the European and/or national level which, on the basis of the provisions of the SAG or the SRM Regulation, would order the resolution measures or implement the resolution of an institution established in a member state of the European Economic Area (**EEA**). Effective 1 January 2016, the authority to initiate resolution measures for institutions, including those supervised by the ECB, such as HVB, was transferred to the European SRB. Under the SRB Regulation, the SRB works in close consultation with the national authorities. In Germany, this is the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung or **FMSA**), which, among other functions, orders and implements resolution measures initiated by the SRB under the provisions of the SAG.

When applying the bail-in tool, the resolution authorities must exercise their authority as follows: (i) first, by ordering the write-down of CET 1 instruments (such as HVB common stock) in proportion to the losses (ii) next, the permanent write-down of the principal amount of other subordinate capital instruments (Additional Tier 1 instruments) and Tier 2 instruments, or their conversion into CET 1 instruments according to their ranking and, finally (iii) the write-down or conversion into CET 1 instruments of eligible liabilities (e.g. claims from and in connection with capital instruments which are not subordinate bonds) according to the ranking of the claims defined for the case of an insolvency. In individual cases the resolution authorities can, under certain conditions, exclude eligible liabilities from the write-down or conversion (in particular in cases in which these actions cannot be carried out effectively), which may result in a greater share of the losses being borne by the creditors of other eligible liabilities. In respect of the risk to HVB it must be said that such hierarchy of claims may be subject to change.

Whether and to what extent the capital instruments are subject to resolution measures or affect the payment obligations of HVB from capital instruments depends on various factors, including factors beyond the control of HVB. It is therefore difficult, if not impossible, to predict whether, when and, if at all, to what extent resolution measures will be initiated by the responsible resolution authority and whether and to what extent such measures would affect the payment obligations of HVB with regard to capital instruments. In particular, the implementation of resolution measures does not result in a right to cancel or give notice of termination for the capital instruments.

Potential investors should be aware that extraordinary public financial support for troubled banks, if any, would only potentially be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution measures, including the bail-in tool. Also, potential investors should bear in mind the risks that may result from resolution measures, and in particular that, in case such measures are initiated (and thus before an insolvency takes place), they may lose their entire investment, including the principal plus the accrued interest. Moreover, there is a risk that the terms and conditions of the capital instruments may be subject to changes and that the instruments may be transferred to another entity or be subject to other resolution measures.

In addition, in case of a threat to the viability as a going concern, a reorganisation plan put in place for a reorganisation process in accordance with the German Bank Reorganisation Act (*Kreditinstitute-Reorganisationsgesetz*) may stipulate measures that affect the creditors of the credit institution and thus the holders of the capital instruments in a similar manner, including a reduction of their claims or a suspension of payments.

13. Pension Risk

HVB Group has undertaken to provide a range of different pension plans to current and former employees, which are largely financed by various forms of investment, some of which are external. Pension risk may arise in connection with the pension plans on both the assets side and the liabilities side (pension commitments). This may be caused by a decline in the fair value of plan assets on the assets side due to disadvantageous changes in market prices as well as an increase in the obligations on the liabilities side, due for instance to a reduction in the discount rate. Furthermore, actuarial risks, such as longevity risk (changes to the mortality tables) may arise on the obligation side. In this context, pension risk is the risk that the pension provider will have to provide additional capital to service the vested pension commitments.

Low interest rates continue to be seen as the main negative factor for both the amount of the pension commitments disclosed and the amount of the income that can be generated from the plan assets with acceptable risk. It is perfectly conceivable that, in the current low interest rate environment, the discount rate will have to be lowered further, thus causing the pension obligations to rise further.

Changes in the actuarial assumptions (for example, pension increases, salary increases, career trends and life expectancy) could influence the amount of the pension obligations, resulting in significant increases. Moreover, turmoil in the capital markets and the low interest rate environment could lead to losses in the plan assets of the various pension plans or prevent the achievement of the respective return targets. As a result, funding levels of the individual pension plans may be seriously compromised. All of the detrimental factors can have negative effects on the business results and the capital position of HVB Group, and thus on its financial situation.

14. Risks arising from outsourcing activities

Outsourcing risk is considered a cross-risk-type risk at HVB Group and is not treated as a separate risk type. Outsourcing activities affect the following risk types in particular: operational risk, reputational risk, strategic risk, business risk, and credit, market and liquidity risk. Those risks that are identified and assessed in an in-depth risk analysis are managed as part of the respective risk type. Specific risks arising from outsourcing activities that cannot be assigned directly to a specific risk type are managed by the unit responsible for the outsourcing in question.

Outsourcing involves the transfer of activities and processes to external service providers. This involves the transfer of some of the liability for operational risk, while contractual risks arising from the outsourcing arrangement remain within HVB or a subsidiary of HVB Group.

Errors in the risk assessment or in defining the risk-mitigating measures could have negative effects on the operating results of HVB Group and/or its business performance and financial situation.

15. Risks from concentrations of risk and earnings

Concentrations are accumulations of risk positions that react similarly to specific developments or events. Concentrations may have an impact within a risk type or equally across risk types. They indicate increased potential losses resulting from an imbalance of risk positions held in customers and products or specific industries and countries. In addition, the concentration of earnings in individual customers, business segments, products, industries or regions represents a business-strategy risk for HVB Group.

16. Risks from the stress testing measures imposed on HVB Group

HVB and HVB Group are subject to stress testing measures introduced by the German financial supervisory authorities, the German Federal Financial Supervisory Authority (BaFin), and the Deutsche Bundesbank, the European Banking Authority (**EBA**) and/or the European Central Bank (**ECB**) as well as by the supervisory authorities in the countries in which HVB and HVB Group operate.

Due to the fact that ECB has classified UniCredit as a systemically important bank, HVB and HVB Group, as a part of UniCredit, were subject to the ECB Comprehensive Assessment in 2014, comprised of an asset quality review (**AQR**) and the corresponding stress test. In 2016 UniCredit was subject to the 2016 EU-wide stress test carried out by EBA. As this stress test was run at the highest level of consolidation, HVB and HVB Group were subject to the 2016 EU-wide stress test only as part of UniCredit., but not on stand-alone level.

HVB and HVB Group, as a part of UniCredit, may be subject to similar measures in the future. In addition, HVB and HVB Group are required to conduct regularly stress tests based on macroeconomic scenarios or on ad-hoc basis. The results of these stress tests are provided to the top management of HVB and relevant subsidiaries within HVB Group as well as to Deutsche Bundesbank.

The business performance of HVB and HVB Group could be negatively affected and it may be required to comply with additional prudential requirements or to take remedial actions (such as raising own funds) in case of poor stress test results or deficiencies being identified in the course of stress testing measures by HVB, HVB Group, UniCredit or one of the financial institutions with which they do business.

17. Risks from inadequate risk measurement models

HVB and HVB Group have the necessary structures, processes and personnel resources in place for the development of risk management guidelines, procedures and measurement models in connection with its activities. They are in line with the proven industry methods applied within the market. The underlying models undergo constant development and improvement, the appropriateness of which is ensured through regular validation.

Nevertheless, it is possible that the internal models of HVB and HVB Group could be rated as inadequate following investigations or verification through the regulatory authorities, or that they could underestimate existing risks. This could have negative effects on HVB and HVB Group, in particular with regard to the calculation of capital requirements.

18. Unidentified/unexpected risks

After a baseline analysis of the risks incurred, since 2013 HVB and HVB Group have been conducting a risk inventory on an annual basis to identify risks not previously recognised. In this regard, methods and models were developed in order to identify risks and implement risk-mitigating measures.

These methods and strategies may not be sufficient, however, for monitoring and managing certain risks, for example the risk pertaining to financial products traded in unregulated markets (such as over-the-counter (OTC) derivatives). As a result, HVB and HVB Group could incur greater losses than those calculated with the current methods or losses previously left out of its calculations entirely. Moreover, unforeseen events with negative effects on the markets in which HVB and HVB Group operate and previously not covered by its risk management could harm the operating results of HVB and HVB Group as well as its business performance and financial situation. These risks and their effects could be exacerbated by the complexity of the task of integrating risk management guidelines into the acquired units of HVB Group.

PERSONS RESPONSIBLE

UniCredit Bank AG having its registered office at Arabellastrasse 12, 81925 Munich (acting through its head office or one of its foreign branches) accepts responsibility for the information contained in this Registration Document. UniCredit Bank AG declares that the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and that no material information has been omitted.

STATUTORY AUDITORS

The independent auditors (*Wirtschaftsprüfer*) of UniCredit Bank AG for the financial years 2016 and 2015 have been Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 Munich. Deloitte is a member of the Chamber of German Public Accountants, an institution incorporated under public law (*Wirtschaftsprüferkammer, Anstalt des Öffentlichen Rechts*), Rauchstrasse 26, 10787 Berlin.

UNICREDIT BANK AG

Information about HVB, the parent company of HVB Group

UniCredit Bank AG, formerly Bayerische Hypo- und Vereinsbank Aktiengesellschaft ("**HVB**", and together with its consolidated subsidiaries, the "**HVB Group**") was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. It is the parent company of HVB Group, which is headquartered in Munich, Federal Republic of Germany. HVB has been an affiliated company of UniCredit S.p.A., Rome, Italy ("**UniCredit S.p.A.**" and together with its consolidated subsidiaries, "**UniCredit**") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of HVB's share capital.

HVB's legal name is UniCredit Bank AG, the brand name is "HypoVereinsbank".

HVB has its registered office at Arabellastrasse 12, 81925 Munich and is registered with the Commercial Register at the Local Court (*Amtsgericht*) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of the Federal Republic of Germany. It can be reached via telephone under +49-89-378-0 or via www.hvb.de.

Programme Transform 2019

The persistently challenging conditions for the banking sector and the huge downward pressure on profitability and costs this entails is making a further adjustment of bank structures and processes necessary. HVB therefore established the 2017-2019 Strategy Plan to ensure a successful future for the bank going forward. The now updated strategic planning is embedded in the group-wide Transform 2019 programme. This programme is based on proactive action which, in addition to the increased realisation of cross-selling potential, also focuses on a further optimisation of the cost structure by streamlining the organisation and processes. At the same time, another adjustment of the staffing levels is planned. In this context, more jobs will be shed at HVB overall by 2019. The job cuts will affect all areas of the bank. By exploiting normal staff fluctuation and continuing existing programmes to create new employment perspectives, HVB is seeking to implement the job cuts in a socially responsible manner.

BUSINESS OVERVIEW

Principal Activities

As a universal bank, HVB with its subsidiaries is one of the leading providers of banking and financial services in Germany. It offers a comprehensive range of banking and financial products and services to private, corporate and public-sector customers, international companies and institutional customers. This range extends from mortgage loans, consumer loans, savings-and-loan and insurance products, and banking services for retail customers through to business loans and foreign trade financing and investment banking products for corporate customers.

In the private banking and wealth management customer segments, HVB offers comprehensive financial and asset planning with needs-based advisory services by generalists and specialists.

HVB Group continues to be the centre of competence for the international markets and investment banking operations of the entire UniCredit. In addition, the Corporate & Investment Banking ("**CIB**") business segment acts as a product factory for customers in the Commercial Banking business segment.

Business segments of HVB Group

The activities of HVB Group are divided into the following business segments:

- Commercial Banking
- Corporate & Investment Banking
- Other/consolidation

Segment reporting is based on the internal organisation and management structure together with internal financial reporting.

Commercial Banking

The Commercial Banking business segment covers customers in Germany with standardised or individual service and advice across a wide range of banking services in the Private Clients Bank and Unternehmer Bank business units, applying service models in line with the needs of various customer groups, i.e. retail customers, business/ corporate customers and commercial real estate customers. The private side of wealthy clients is serviced by a dedicated joint venture between the two aforementioned business units: Private Banking & Wealth Management. It is covering the private wealthy individuals with its three service models: private banking, wealth management and family office, and for those corporate clients, who require support/service on their private investments, the joint venture offers investment advice to corporate owners and entrepreneurs. Growth is especially triggered by an intensive cooperation with Unternehmer Bank and focused acquisition activities.

Unternehmer Bank

HVB's Unternehmer Bank covers all corporate clients in Germany excluding multinational corporate clients, which are served in the Corporate & Investment Banking business segment. Clients of the Unternehmer Bank are divided into the following strategic groups: Key Account (larger enterprises), Mid Cap (medium enterprises), Small Cap (small enterprises incl. the remote coverage concept Business Easy) and Commercial Real Estate. Unternehmer Bank positions itself as a core bank and strategic business partner and serves the individual needs of its customers with a wide service range, from standardised products to tailor-made solutions. The main aim is to secure further growth via new business and increased cross-selling by solving operational and strategic client needs. In order to achieve this, the Unternehmer Bank continues to invest in its client coverage network as well as advisory and product know-how. Furthermore, it is fully committed to support the growth and internationalisation of its clients.

As specialists for asset-based financing, the UniCredit Leasing Group (**UCLG**) is responsible for the German market as a product specialist. It comprises of UniCredit Leasing GmbH (100 % subsidiary of UniCredit Bank AG) and its 100% owned subsidiaries UniCredit Leasing Finance GmbH, Structured Lease GmbH and UniCredit Aviation GmbH. As an "integrated leasing company" for mobile assets, UCLG is one of Germany's leading, non-captive leasing companies. As part of Unternehmer Bank, UCLG focuses on the classic commercial and corporate customer segment.

UniCredit Luxembourg S.A. (**LUX**) is a 100 per cent. owned subsidiary of UniCredit Bank AG. Organizationally, LUX provides services to several business segments. For the Unternehmer Bank, LUX provides EGON loans and deposits, which are short-term loans and deposits referred by the Unternehmer Bank business units online to LUX. Additionally, LUX supports the Unternehmer Bank as well as the the Corporate & Investment Banking segment with the documentation, administration and monitoring of structured finance and syndicated transactions.

Private Clients Bank

The Private Clients Bank serves private clients in the business segments "**Retail Customers**" and "**Private Banking**", covering all banking needs. Specific sales channels and responsibilities take into account the sometimes divergent and individual needs of these customer segments, promoting the transition of wealthy investment customers into Private Banking while making efficient use of shared specialist, management and support units. Private Banking is operated within the Commercial Bank in a joint venture "**Private Banking & Wealth Management**" with joint responsibility of the board members of Private Clients Bank and Unternehmer Bank.

The two subsidiaries WealthCap, and UniCredit Direct Services are supporting this strategy: WealthCap is a product factory for closed end funds, with the focus on real estate and private equity funds. UniCredit Direct Services is the customer call and service center of HVB Group. The primary focus of the service and sales activities is on customer relationship management by telephone, e-mail and the internet. In March 2016 HVB agreement was reached with Bremer Kreditbank AG on the sale of Bankhaus Neelmeyer AG, previously a 100% subsidiary of the HypoVereinsbank. The transaction was completed ("**Closing**") on 31 March 2017.

The successful route adopted with the modernisation of the private clients business will now be continued with consistent digitalisation and by positioning as a top-quality provider for discerning clients seeking advice. In this target group, the market share is to be actively extended in order to optimise the profitability of the private clients business. This should be achieved by standing out clearly from our competitors with top individual consulting expertise, a modern multi-channel offering, loyalty programme and our premium market presence, including our modern 341 branches and our network of specialists.

Private Banking follows a clear growth strategy with the objective to accompany customers sustainably and in a spirit of mutual trust and confidence; the 360° product spectrum is to be used to determine the needs that contribute towards boosting the prosperity of clients on a sustainable basis.

Corporate & Investment Banking (CIB)

HVB supports the growth and internationalization of corporate, institutional and public sector clients, creating sustainable value for all stakeholders.

HVB aims to build stable, strategic business partnerships by providing services and solutions in both commercial and investment banking. Based on its sector-specific expertise, HVB aims at actively driving and shaping strategic issues in close dialogue with its clients.

HVB serves local clients as well as international clients through its extensive network. The CIB business segment is active in the European markets and is also presenting the top financial centres worldwide such as New York, Hong Kong, Singapore and Tokyo.

HVB Capital Partners AG, a 100 per cent. owned subsidiary of UniCredit Bank AG, is assigned to the Corporate & Investment Banking business segment. Activities are the acquisition, holding, management and sale of direct and indirect participations in companies of all kinds.

UniCredit Luxembourg S.A., a 100 per cent. owned subsidiary of UniCredit Bank AG, is assigned to several segments, i.e. it is also active in the Corporate & Investment Banking segment.

CIB Product Lines

Besides the coverage of corporate and institutional clients, the Corporate & Investment Banking business segment is home to three product lines: Global Transaction Banking ("**GTB**"), Financing & Advisory ("**F&A**") and Markets. Through close collaboration between the CIB product specialists and the coverage units of CIB and Unternehmer Bank, CIB products are being delivered to a broad client range from small and medium size enterprises to large and multinational corporate clients as well as institutional clients and financial sponsors.

GTB bundles HVB's competencies (product development and services) in e-business, cash management and foreign trade financing.

As a financing powerhouse, **F&A**'s diversified product range stretches from plain vanilla and core banking relationship products to highly sophisticated structured finance and capital markets solutions as well as M&A advisory services.

Markets comprises products and services with regard to: Corporate Treasury Sales, FX, Rates, Equity Derivatives, Credit Markets and Research. With its institutional and wholesale distribution, HVB services institutional investors and wholesale clients.

Other/consolidation

The "**Other/consolidation**" business segment encompasses Global Banking Services business unit, Group Corporate Centre activities and consolidation effects.

Global Banking Services

The Global Banking Services business unit acts as a central internal service provider for customers and employees and particularly covers purchasing, organisation, corporate security, logistics and facility management, cost management and production functions for credit, accounts, foreign exchange, money market and derivatives, as well as in-house consulting. Payments, securities settlement, IT application development and IT operation have been outsourced. Strategic real estate management at HVB is also the responsibility of Global Banking Services and is carried out by HVB Immobilien AG and its subsidiaries. The Data Governance unit, which is tasked with the further development and operation of a data warehouse for financial and risk figures, was set up in 2016.

Group Corporate Centre

The Group Corporate Centre pools the competence lines of HVB Group. They contain the organisations of the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**), the Chief Risk Officer (**CRO**) and the Chief Operating Officer (**COO**) including Human Resources Management (**HR**). The Group Corporate Centre encompasses profit contributions that do not fall within the responsibilities of the Commercial Banking or CIB business segments. Among other items, this includes the profits and losses of consolidated subsidiaries and of non-consolidated holdings, provided they are not assigned to other business segments. In addition, contributions to earnings are reflected in this segment that arise within the scope of the management of HVB Group as a whole.

Principal Markets

In the opinion of HVB Group, it has a developed network of branches in Germany, particularly in Bavaria and the greater Hamburg area, which was modified to accommodate changed patterns of customer behaviour. As of 31 December 2016, HVB Group had 579 offices around the world (including 352 HVB branches in Germany) and 14,748 employees (in full-time equivalents, **FTE**s) (2015: 16,310).

MANAGEMENT AND SUPERVISORY BODIES

Like all German stock corporations, UniCredit Bank AG has a two-tier board system. The Management Board (*Vorstand*) is responsible for management and the representation of HVB with respect to third parties. The

Supervisory Board (*Aufsichtsrat*) appoints and removes the members of the Management Board and supervises the Management Board's activities.

In accordance with Section 24 (1) sent. 2 of the German Act on the Co-determination of Employees in Connection with a Cross-border Merger (MgVG) in conjunction with Section 95 sent. 1 and 3 and Section 96 of the German Stock Corporation Act (*AktG*) and Section 8 of the Articles of Association, the Supervisory Board consists of 12 members, comprising an equal number of employee and shareholder representatives in accordance with the co-determination provisions. When new members of the Supervisory Board are appointed, care is taken to ensure that they have the required knowledge and skills and do not serve on governing bodies or perform advisory functions for key competitors. The members of the Supervisory Board are obliged to act in the interests of the company. Under the Supervisory Board's by-laws, any conflicts of interest must be disclosed to the Supervisory Board.

The Management Board is directly responsible for managing the company and works with the other bodies of the company and the employee representatives in the interests of the company. It develops the strategic orientation of the company, coordinates this with the Supervisory Board and is responsible for putting it into practice.

The members of the Management Board and the Supervisory Board of HVB may be reached at its business address (UniCredit Bank AG, Arabellastrasse 12, 81925 Munich, Germany).

As of the date of this Registration Document, the composition of the Management Board and of the Supervisory Board of HVB and the functions and major activities performed by members of the Management Board outside HVB Group and the principal occupations of the members of its Supervisory Board are as follows:

Management Board

Name	**Areas of Responsibility**	**Major activities outside HVB Group**
Peter Buschbeck	Commercial Banking/Private Clients Bank	Wüstenrot & Württembergische AG, Stuttgart (Member of the Supervisory Board)
Dr Michael Diederich	Corporate & Investment Banking	PORR AG, Vienna (Member of the Supervisory Board),
		Bayerische Börse Aktiengesellschaft, Munich, (Deputy Chairman of the Supervisory Board),
		ESMT European School of Management and Technology GmbH, Berlin (Member of the Supervisory Board)
Heinz Laber	Chief Operating Officer, Global Banking Services	HVB Trust Pensionsfonds AG, Munich (Chairman of the Supervisory Board),
		BVV Versicherungsverein des Bankgewerbes a.G., Berlin (Chairman of the Supervisory Board),
		BVV Versorgungskasse des Bankgewerbes e.V., Berlin (Chairman of the Supervisory Board),
		UniCredit Business Integrated Solutions S.C.p.A., Milan (Member of “Consiglo di amministrazione” – Adivsory Board)
Robert Schindler	Commercial Banking/ Unternehmer Bank	-
Andrea Umberto Varese	Chief Risk Officer	-
Dr Theodor Weimer	Board Spokesman Human Resources Management	FC Bayern München AG, Munich, (Member of the Supervisory Board)
		Thyssen´sche Handelsgesellschaft mit beschränkter Haftung, Mülheim an der Ruhr (Member of the Supervisory Board)
Guglielmo Zadra	Chief Financial Officer	-

Supervisory Board

Name	Principal Occupation
Gianni Franco Papa, Vienna, Chairman	General Manager of UniCredit S.p.A., Milan
Florian Schwarz, Munich, Deputy Chairman[(1)]	Employee of UniCredit Bank AG
Dr Wolfgang Sprissler, Sauerlach, Deputy Chairman	Former Board Spokesman of UniCredit Bank AG
Paolo Cornetta, Milan	Head of Group Human Resources of UniCredit S.p.A.
Beate Dura-Kempf, Litzendorf[(1)]	Employee of UniCredit Bank AG
Francesco Giordano, Milan	Co-Chief Operating Officer of UniCredit S.p.A., Milan
Klaus Grünewald, Gröbenzell[(1)]	FB1 unit manager in the Bavarian division of Vereinte Dienstleistungsgewerkschaft, Munich
Werner Habich, Mindelheim[(1)]	Employee of UniCredit Bank AG
Professor Dr Annette G. Köhler, Düsseldorf	University Professor and Chair of Accounting, Auditing and Controlling, University of Duisburg-Essen, Faculty for Business Administration - Mercator School of Management, Duisburg
Dr Marita Kraemer, Frankfurt am Main	Former Member of the Management Board of Zurich GI Management Aktiengesellschaft (Deutschland), Frankfurt am Main, and former Member of the Management Board of Zurich Service GmbH, Bonn
Klaus-Peter Prinz, Trier[(1)]	Employee of UniCredit Luxembourg S.A., Luxembourg
Jens-Uwe Wächter, Himmelpforten[(1)]	Employee of UniCredit Bank AG

[(1)] Representative of Employees

As at the date of this Registration Document, there are no potential conflicts of interest between the duties to HVB of the above-mentioned members of the Management Board and members of the Supervisory Board of HVB and their private interests and/or other duties.

MAJOR SHAREHOLDERS

UniCredit S.p.A. holds directly 100% of HVB's share capital.

FINANCIAL STATEMENTS OF HVB

The audited consolidated financial statement in respect of the fiscal year ended 31 December 2015 of HVB and the audited unconsolidated financial statement of HVB as at 31 December 2015 (*HGB*) are incorporated by reference into this Registration Document (see "General Information – Information incorporated by reference" below). The audited consolidated financial statement in respect of the fiscal year ended 31 December 2016 and the audited unconsolidated financial statement of HVB as at 31 December 2016 (*HGB*) are laid down as F-Pages of this Registration Document.

AUDITORS

Deloitte, the independent auditors of HVB for the financial years 2016 and 2015 have audited the consolidated financial statements of HVB Group and the unconsolidated financial statements of HVB as of and for the years ended 31 December 2016 and 31 December 2015 and have issued an unqualified audit opinion thereon.

LEGAL AND ARBITRATION PROCEEDINGS

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

HVB and other companies belonging to HVB Group are required to deal appropriately with various legal and regulatory requirements. Failure to do so may lead to litigation and administrative proceedings or investigations and subject HVB and other companies belonging to HVB Group to damage claims, regulatory fines or other penalties. In many cases, there is a substantial uncertainty regarding the outcome of the proceedings and the amount of possible damages. These cases include criminal or administrative proceedings by the relevant authority and claims in which the petitioner has not specifically quantified the amounts in dispute. In all proceedings where it is possible to reliably estimate the amount of possible losses, and the loss is considered likely, appropriate provisions have been set up based on the circumstances and consistent with IFRS accounting principles applied by HVB Group.

Medienfonds and other closed-ended-funds legal proceedings

Various investors in VIP Medienfonds 4 GmbH & Co. KG brought legal proceedings against HVB. HVB did not sell shares of the VIP 4 Medienfonds fund, but granted loans to all private investors for a part of the amount invested in the fund; furthermore, HVB assumed specific payment obligations of certain film distributors with respect to the fund. The granted loans as well as the assumed payment obligations were due on 30 November 2014. The loans were paid back to HVB and the assumed payment obligations were paid to the fund by HVB.

The investors in the Medienfonds fund initially enjoyed certain tax benefits, which were later revoked by the tax authorities. An outstanding final decision with respect to the question of HVB's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz*), which was referred back to Munich Higher Regional Court by the German Federal Court of Justice (*Bundesgerichtshof*), will affect only a few pending cases since a general settlement has already been reached with the vast majority of the investors. However, the German Federal Court of Justice overruled significant findings of the first instance court and set the barriers for a liability on the part of HVB because of an allegedly incorrect prospectus at a very high level. In the fiscal proceedings initiated by the fund, which are pending alongside the civil proceedings and concern the tax declaration of the fund for the 2004 financial year, no final decision has been issued regarding whether the tax benefits were revoked rightfully.

Furthermore, there are a number of separate lawsuits from investors pending regarding other closed-end funds (media funds, but also other asset classes). With regard to media funds the changed view of the fiscal authorities regarding tax benefits granted earlier often represents the economic background to the respective litigation. Among other things, the plaintiffs base their claims on alleged inadequate advice and/or on supposed errors in the prospectus. With their claims, the investors demand restitution of their equity contribution and offer in return the transfer of the related fund share to HVB.

Relating to one retail fund with investment target in heating plants, a number of investors brought legal proceedings against HVB pursuant to the Capital Markets Test Case Act. Munich Higher Regional Court has ordered several court expert opinions to be obtained in order to assess the question of an alleged prospectus liability.

Real estate finance/financing of purchases of shares in real estate funds

In various cases, customers dispute their obligation to repay their property loan agreements. According to the law and the opinion on this subject expressed in the German Federal Court of Justice's established practice, the customer has to prove the conditions for the lapse of his repayment obligation or alleged violations of obligations to give information and advice on the part of HVB. Based on the experience gained to date, HVB can assume that noteworthy legal risks will not arise from these cases.

If a bank finances the purchase of shares in real estate funds for the borrower with a loan not secured by a real property lien, the borrower can – if the transaction is a so-called related transaction – contest the claim of the financing bank to repayment on the basis of objections which the borrower is entitled to assert against the seller or agent in the fund transaction on account of having received incorrect advice. From today's standpoint, HVB expects these circumstances to apply, if at all, only in exceptional cases.

Legal proceedings related to financial instruments

On account of the unstable conditions on the financial markets, customers who invested in securities that have been negatively affected by the financial crisis have filed complaints; even though the number is declining, such complaints continue to be filed. Some customers have taken legal action with respect to losses from securities transactions based on information that was allegedly not suitable for the relevant investor or on investment advice that was allegedly inappropriate with respect to the relevant investment.

Proceedings related to derivative transactions

The number of complaints and lawsuits by German customers whose derivative transactions have suffered losses or currently have a negative market value has decreased slightly. Among other things, the arguments produced are that HVB allegedly did not sufficiently inform the customer with respect to the relevant investment and potential risks related to such transactions. Generally, there has been a trend for customer-friendly judgements with respect to derivative-related lawsuits. The German Federal Court of Justice affirmed for instance the duty to inform about an initial negative market value of an interest rate swap, unless the interest rate swap is in a certain way related to a loan agreement ("**Konnex**"). In this context, the German Federal Court of Justice also stated that the established obligations to provide investor-oriented and investment-specific advice have been joined by the obligation to disclose concealed conflicts of interest on the part of the advisor. Latest rulings also confirm that the characteristics of the relevant product and the individual circumstances of each case are decisive. In particular, the statute of limitations, the client´s economic experience and risk tolerance, and the actual investment advice given may be relevant aspects.

Proceedings related to German tax credits

As long ago as in 2011, HVB had initiated investigations into securities transactions performed in 2005 to 2008 and around the dividend record date (with indications of previously agreed short selling) in the expectation of receiving withholding tax credits on dividends from German shares ("**cum/ex trades**"). HVB had brought these investigations of its own that related both to an HVB customer's transactions and the bank's proprietary trades to a conclusion in July 2014. The results of the investigations performed by renowned international law firms show that, in some instances and to different extents, the proprietary trades that HVB was involved in from 2005 to 2008 demonstrated similarities to the cum/ex trades of a customer. According to the findings of the internal investigation, there are no indications that such cum/ex trades continued to be performed from 2009 onwards The results of the inquiry indicate misconduct by individuals in the past. The Supervisory Board has demanded compensation for damages from individual former Management Board members. The Supervisory Board sees no reason to take action against current members of the Management Board.

With regard to the customer transactions, General Public Prosecutor (*Generalstaatsanwaltschaft*) Frankfurt am Main started a Preliminary Investigation (*Ermittlungsverfahren*) against the customer of HVB and others (including former and current employees of HVB) in 2012 in connection with the cum/ex trades carried out. The proceedings against HVB for an administrative fine initiated in this context pursuant to the German Administrative Offences Act (*Ordnungswidrigkeitengesetz – OWiG*) were closed in February 2016 by payment of a fine of €5 million.

The above-mentioned proprietary transactions that were performed around the dividend record date and for which withholding tax was credited or for which reimbursement was applied for had been reviewed by HVB, with the aid of external advisors and the relevant information was made available to the tax authorities. Furthermore, HVB informed foreign tax authorities to the extent that there were potential implications for transactions with domestic and foreign shares (equity derivatives).

The aforementioned proprietary transactions are subject to a regular tax audit covering 2005 to 2008, which has not yet been formally finalized. Further financial exposures on the part of HVB vis-à-vis (domestic or foreign) tax authorities in connection with these cum/ex trades are not to be expected since HVB has insofar already repaid the respective taxes (including interest thereon), withdrawn refund requests and received amended tax assessments.

The Munich tax authorities are currently performing a regular tax field audit for 2009 to 2012 which also covers transactions with equities. Furthermore, the bank had entered into securities lending transactions with various domestic counterparties in the past that also included transactions with securities performed around the dividend record date. The question as to whether and under what circumstances taxes can be credited or refunded in the case of certain transactions around the dividend record date in all years still open and what further consequences may arise if the assumed tax treatment is rejected remains unanswered.

The Cologne Public Prosecutor (*Staatsanwaltschaft Köln*) had opened a preliminary investigation against former employees of HVB in connection with the proprietary transactions and applications for refunds vis-à-vis the Central Federal Tax Authority (*Bundeszentralamt für Steuern*). These proceedings were concluded by a ruling by Cologne District Court dated 17 November 2015. Following the payment of an administrative fine (including profit claw back) of 9.8 million, these proceedings have now been brought to a final conclusion.

The Munich Public Prosecutor (*Staatsanwaltschaft München*) has also opened a preliminary investigation against former and current employees of the bank in connection with the withholding tax credits and has also opened proceedings against HVB for an administrative fine pursuant to the German Administrative Offences Act. HVB is also fully cooperating with the prosecutors and competent authorities in all of these cases.

The implications of the ongoing investigations by the Munich Public Prosecutor remain largely unclear. It is conceivable that HVB will face financial penalties, fines and profit claw backs, and other consequences in this connection. At this time, it is impossible to assess the timing, scope and extent or the implications of any rulings. Furthermore, it cannot be ruled out that HVB might be exposed to third-party claims under civil law.

HVB is in constant communication with the relevant authorities regarding these matters.

Lawsuit for consequential damages

A customer filed an action against HVB with Frankfurt Regional Court (*Landgericht*) for consequential damages of €51.7 million for the following reasons: In 2010, HVB was ordered by Frankfurt Higher Regional Court (*Oberlandesgericht*) to pay damages in the amount of €4.8 million to the plaintiff due to the faulty handling of a bill of exchange and in addition to compensate further damages suffered by the plaintiff as a result of earlier such deficiencies. In 2011, the plaintiff filed an action against HVB with Frankfurt Regional Court for alleged consequential damages in the amount of €33.7 million stating that he suffered such losses as a consequence of not being able to profitably invest the amount of the bill of exchange. He also extended his claim to the amount of €51.7 million. HVB is of the view that the claim is unfounded and the allegations raised by the plaintiff are unreasonable and fallacious. It can, however, not be ruled out that the court will take a different view on some of the points in dispute.

Proceedings in connection with financial sanctions

In the past, violations of US sanctions have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various US authorities, including the US Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the US Department of Justice ("**DOJ**"), the New York State District Attorney ("**NYDA**"), the US Federal Reserve ("**Fed**") and the New York Department of Financial Services ("**DFS**") depending on the individual circumstances of each case.

In March 2011, HVB received a subpoena from the NYDA relating to historic transactions involving certain Iranian entities, designated by OFAC, and their affiliates. In June 2012, the DOJ opened an investigation of OFAC-related compliance by HVB and its subsidiaries more generally. HVB Group is cooperating with various US authorities and is updating other relevant non-US authorities as appropriate. Although we cannot at this time determine the form, extent or timing of any resolution with any relevant authorities, the investigation costs, remediation required and/or payment or other legal liability incurred can lead to liquidity outflows and could potentially have a material adverse effect on the net assets and operating results of HVB.

Investigation into tax evasion

In mid-March 2015, the Cologne Public Prosecutor (*Staatsanwaltschaft Köln*) opened an investigation alleging reasonable suspicion that individual employees of HVB and/or its subsidiary in Luxembourg assisted tax evasion committed from 2004 to 2010 by several of their private banking customers. The Cologne Public Prosecutor furthermore initiated a proceeding against HVB and the relevant subsidiary for an administrative fine according to the German Administrative Offences Act. The proceedings were concluded with legal effect in May 2016 with the imposition of a fine and a profit claw back.

PROCEEDINGS RELATED TO ACTIONS BY THE REGULATORY AUTHORITIES

Various regulators are exercising oversight of operations of HVB. The main authorities are the German Federal Financial Supervisory Authority ("*BaFin*") and German Central Bank ("*Bundesbank*") and, from November 4, 2014, responsibility for banking supervision was transferred from BaFin to the ECB under the scope of the Single Supervisory Mechanism ("**SSM**"). Besides this, the foreign branches of HVB are subject to the supervision of the respective locally competent Regulatory Authorities.

If there are any findings during the inspections conducted by these authorities, HVB will implement the corrective measures in compliance with the mitigation plans and the time scales agreed with the Authorities and provide these Authorities with information about the implementation status of the corrective measures on a quarterly basis or when requested.

GENERAL INFORMATION

Documents on Display

Copies of the articles of association of HVB, the consolidated annual reports in respect of the fiscal years ended 31 December 2016 and 31 December 2015 of HVB, the unconsolidated annual financial statements of HVB in respect of the fiscal years ended 31 December 2016 and 31 December 2015 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of HVB. For the life of this Registration Document, all documents from which information has been incorporated by reference herein will be available for collection in the English language, free of charge, at the office of HVB (Arabellastrasse 12, 81925 Munich).

Significant Changes in HVB Group's Financial Position and Trend Information

The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2017 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 31 December 2016, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2016, the date of its last published audited financial statements (Annual Report 2016).

Information incorporated by reference

The information specified below under "Audited consolidated financial statements at 31 December 2015" set out on pages F-1 to F-162 of the Registration Document of UniCredit Bank AG dated 22 April 2016 and under "Audited unconsolidated financial statements (HGB) at 31 December 2015" set out on pages F-163 to F-244 of the Registration Document of UniCredit Bank AG dated 22 April 2016, shall be deemed to be incorporated in, and to form part of, this Registration Document in accordance with section 11 (1) sentence 1 of the WpPG. Parts of such documents which are not incorporated by express reference are not relevant for potential investors.

Audited consolidated financial statements at 31 December 2015	**Extracted from the Registration Document of HVB dated 22 April 2016**	**Inserted in this Registration Document on the following pages:**
- Consolidated Income Statement	- p. F-1 to F-2	- p. - 19 -
- Consolidated Balance Sheet	- p. F-3 to F-4	- p. - 19 -
- Statement of Changes in Consolidated Shareholders' Equity	- p. F-5 to F-6	- p. - 19 -
- Consolidated Cash Flow Statement	- p. F-7 to F-8	- p. - 19 -
- Notes to the Consolidated Financial Statements	- p. F-9 to F-160	- p. - 19 -
- Declaration by the Management Board	- p. F-161	- p. - 19 -
- Auditors' Report	- p. F-162	- p. - 19 -
Audited unconsolidated financial statements (HGB) at 31 December 2015	**Extracted from the Registration Document of HVB dated 22 April 2016**	**Inserted in this Registration Document on the following pages:**
- Income Statement	- p. F-163 to F-164	- p. - 19 -
- Balance Sheet	- p. F-165 to F-170	- p. - 19 -
- Notes	- p. F-171 to F-242	- p. - 19 -
- Declaration by the Management Board	- p. F-2243	- p. - 19 -
- Auditors' Report	- p. F-244	- p. - 19 -

Copies of the documents from which information has been incorporated herein by reference will be available, free of charge, at the office of HVB (Arabellastrasse 12, 81925 Munich).

UniCredit Bank AG
Arabellastrasse 12
81925 Munich

Signed by

Michael Furmans Michaela Karg