INTERIM REPORT 2005

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Growing with Europe.

HVB Group

CONTENTS

FINANCIAL HIGHLIGHTS

Key indicators (%)	1/1–9/30/2005	1/1–9/30/2004
Return on equity after taxes[1]	10.2	4.1
Return on equity before taxes[1]	14.5	7.4
Cost-income ratio (based on operating revenues)	65.2	68.0
Operating performance	1/1–9/30/2005	1/1–9/30/2004
Operating profit (€ millions)	1,615	848
Profit (loss) from ordinary activities/		
net income (loss) before taxes (€ millions)	1,574	722
Consolidated profit (loss) (€ millions)	890	277
Earnings per share (€)[1]	1.19	0.58
Balance sheet figures (€ billions)	9/30/2005	12/31/2004
Total assets	495.7	467.4
Total volume of lending	334.1	324.6
Shareholders' equity	16.3	14.0
Key capital ratios compliant with BIS rules	9/30/2005	12/31/2004[2]
Core capital (€ billions)	15.7	15.7
Equity funds (€ billions)	27.6	27.1
Risk assets (€ billions)	250.0	238.6
Core capital ratio (%)	6.3	6.6[3]
Equity funds ratio (%)	9.8	10.4
Share information	1/1–9/30/2005	2004
Share price: Reporting date (€)	23.44	16.70
High (€)	23.65	21.13
Low (€)	16.30	12.86
Market capitalization at reporting date (€ billions)	17.6	12.5
	9/30/2005	12/31/2004
Employees	60,923	57,806
Branch offices	2,263	2,036

[1] 2004 figures adjusted for amortization of goodwill
[2] As per approved financial statements
[3] 6.2% including consolidation and other effects to be incorporated from the start of 2005

Ratings

	Long-term	Short-term	Outlook	Public Pfandbriefs	Mortgage Pfandbriefs
Moody's	A2	P–1	stable	Aa2[1]	Aa3[1]
S&P	A	A–1	negative	AAA	—
Fitch Ratings	A	F1	stable	AAA	AAA

[1] On review for possible upgrade since March 15, 2004

HVB Group and UniCredit join forces to form the first truly European bank …

On June 12, HVB Group and UniCredit announced their intention of combining their operations to form a new force on the European banking market. We already presented details of the business model and the objectives of the new bank in the Interim Report at June 30, 2005. Since then, HVB Group and UniCredit have jointly drawn up a detailed integration plan; based on the first working results of the Integration Office, the two banks are confident of being able to realize the expected synergies and meet the financial targets.

UniCredito Italiano S.p.A., Genoa (UniCredit), published the acquisition offer for all HVB shares on August 26, in which it offered to swap five UniCredit shares for one HVB share.

… full of conviction and with a high level of take-up

On October 8, UniCredit published a modification to the offer, under which UniCredit waived all suspensive conditions regarding antitrust and supervisory approvals not yet issued; excluded from this was the antitrust approval from the EU Commission, which was granted on October 19. The modification to the offer triggered a two-week extension of the period allowed for acceptance. The extended period closed on October 24.

The take-up rate on the part of HVB shareholders totaled 88.14% at this date, thus already clearly exceeding the minimum take-up threshold of 65% required for the successful conclusion of the offer. This underscores the positive response to the combination on the capital market and the very broad acceptance on the part of our shareholders.

The further period for acceptance began on October 29 and is scheduled to close on November 11. This will in all probability result in a further increase in the take-up rate. The new corporate group will start operations before the end of this year, once the necessary steps under company law have been performed and in particular the Supervisory Board and Management Board of HVB have been reconstituted.

Hence a very large number of HVB shareholders share the favorable view and have benefited from the attractive premium on the HVB share. In a few days, they will become shareholders of a new bank which has paid increasing dividends over the last few years and intends to go on raising the dividend in the future.

Thus our shareholders have a stake in a leading European bank with huge potential for growth. Together, HVB Group and UniCredit hold down a strong position in one of the wealthiest and most closely linked regions of Europe, encompassing southern Germany, Austria, and northern Italy. In addition, they will be biggest market player in the dynamic growth regions of central and eastern Europe. The opportunities for the joint group to generate earnings will be much wider spread. A greater proportion of the earnings will come from lines of business such as retail operations and asset management, whereas the percentage share of earnings from what tend to be more volatile segments, capital market and corporate operations, will be lower.

In the final analysis, the shareholders of the new corporate group will also benefit from the strategically convincing objective of the combination. UniCredit and HVB Group are an especially good fit in terms of both geography and business strategy. Their objective is to create a common group offering its customers tailor-made financial services and hence generating lasting value for their shareholders on the basis of constant earnings growth.

General economic trends in the third quarter of 2005

Despite rapidly rising oil prices over the last few months, the global economy has maintained its robust pace of growth. The United States together with China and the emerging economies of Asia remain the drivers of the persistent expansion. The EMU countries have started benefiting from this again in greater measure since the middle of the year. Indications of economic growth are also expected in Germany in the third quarter. Even though private consumption has remained weak, the high level of new orders from outside the country together with rising investment by companies are fueling the recovery. This trend is still being supported by greater demand from the major oil-exporting countries, which are benefiting greatly from the high energy price level.

Special trends affecting the financial services sector in Germany

During the course of the third quarter, the economic fundamentals for the entire German banking industry have improved slightly. Consequently, the financial services sector as a whole was able to record a healthy rise in results. The activities of both institutional and private investors on the capital markets took off again rapidly compared with the second quarter. The equity markets above all were able to follow this trend, with the DAX rising sharply during the course of the third quarter.

Yields on ten-year German Treasury bonds remained at a historically low level. Despite a flat interest structure curve as a result of this, banks were generally able to keep their net interest income stable due to the already successfully completed diversification of their revenue sources together with a further risk-adjusted pricing. The strong demand for capital market products had a positive effect on net commission and trading income.

The slowly brightening mood in Germany helped in part to ensure that there were no significant changes in loan-loss provisions compared with the prior quarter. In the wake of the cost-cutting measures already implemented by German banks over the last few years, general administrative expenses remained stable overall.

We are working on the assumption that the economic recovery will continue to take hold over the rest of fiscal 2005. The moderate pick-up in domestic demand together with the persistent demand for capital market products should have a positive impact on the earnings position of financial service providers in the fourth quarter.

Growing with Europe

Building on our “Growing with Europe” strategic program and in preparation for the integration of HVB Group into the UniCredit Group, we are concentrating this year on the value-driving development of HVB Group. The focus here is on enhancing the profitability of the Germany business segment, accelerating the earnings drives launched last year and optimizing the structure of our cost base with the PRO program, which we have initiated and will pursue independently of the planned combination with UniCredit. We aim to achieve a return on equity after taxes of 8 to 9% in fiscal 2005. We are also seeking to improve our core capital ratio toward the 7% mark by reducing risk assets in the field of real estate finance, paring back the Real Estate Restructuring portfolio, pushing securitization and especially retaining earnings. The financial development in the first nine months of 2005 puts us right on track to hit our targets.

The favorable financial trend of the first half of 2005 continued through the third quarter of the year.

At €1,615 million, the operating profit for the first nine months of 2005 was almost twice as high as the corresponding prior-year figure, while net income after taxes and minority interest nearly tripled compared to the prior year.

When comparing figures, it must be taken into account that as of the Interim Report at September 30, 2005 we have decided to no longer show the deconsolidation effects arising particularly from the complete or partial disposal of fully consolidated companies as other operating income under operating profit. Instead these are reported separate from the operating profit as net income from investments. We have adjusted the respective effects in the comparative periods (see also "Other Information – IFRS basis").

The Outlook in the Financial Review (2004 Annual Report, page 81) stated a target figure between 8 and 9% for the return on equity after taxes in 2005. Having achieved a return on equity after taxes of 10.1% in the first nine months of the current year, we have so far managed to exceed this target.

Details on the reasons for our success are given below:

Operating revenues

Total operating revenues were up 8.2% compared with last year.

With the exception of net interest income, operating revenues were higher in the third quarter of 2005 than in the second quarter in all income categories.

Net interest income rose by 4.3% compared with last year, although it declined by 1.7% over the second quarter of 2005. This is exclusively due to seasonal effects which were more favorable in the second quarter of 2005.

With volumes stagnating, the interest margin based on the average risk assets reported in the balance sheet rose to 2.68% from 2.57% for the first nine months of 2004. The notes include a detailed breakdown of interest income and expense.

Net commission income, at €2,381 million, showed a 14.3% improvement on the prior year level. At the same time, the contribution to profits made by the securities and depositary business rose primarily as a result of sales of innovative financial products such as our Zinsjoker, Zins-Collect, and Zinsmeister bonds, together with the net commission income from international transactions, payments, and lending operations.

At €701 million, trading profit was up 24.7% over the prior year. The healthy profit of €278 million we achieved in the third quarter of 2005 was almost three times the total recorded in the second quarter.

General administrative expenses

At €4,846 million, the general administrative expenses of HVB Group were 3.6% higher than last year and remained unchanged compared with the prior quarter. The cost-income ratio (percentage of total operating revenues made up by general administrative expenses) improved to 65.2% compared with last year (September 30, 2004: 68.0%).

Provisions for losses and loans and advances

For the whole of 2005, we continue to expect a substantially lower amount of provisions for losses on loans and advances in comparison to the preceding years. The expected provisions of about €1.3 billion translate into €976 million for the first nine months. This represents a decrease of €374 million, or 27.7%, compared with the figure reported for the same period last year.

Operating profit and net income before taxes

Operating profit rose by 90.4%, or €767 million, compared with the first nine months of last year. In the third quarter of 2005 we achieved the best operating profit this year, at €676 million, a 64.5% improvement over the second quarter. The quarterly results confirm the sustained profitability gains from the 2004 fiscal year and the first half of 2005.

In the third quarter, items shown below operating profit have been inflated by non-recurrent effects which, however, offset each other to a large extent. The positive impact on net income from investments due to the sale of our 28.2% shareholding in Investkredit Bank AG, Vienna, (€130 million) and the deconsolidation effect caused by the reduction of our shareholding in HVB Bank Romania S.A., Bucharest, (€127 million) are balanced by non-recurrent expenditure in connection with the acquisition of real estate from the assets of a property fund managed by our Internationales Immobilien-Institut GmbH (iii-investments) subsidiary (€210 million in net income from investments) and the creation of restructuring provisions at BA-CA AG (€60 million).

The reduction of our shareholding in HVB Bank Romania is related to the acquisition of 50% plus one share in Banca Comerciala Ion Tiriac S.A. (Banca Tiriac), Bucharest (cf. information provided in the section on the group of companies included in consolidation).

Within the framework of a business policy decision, the Management Board of HVB Group has decided to support a restructuring measure at its iii-investments subsidiary. HVB has acquired several German properties from the fund's assets of EURO ImmoProfil via a subsidiary. A conservative re-appraisal of these properties resulted in a one-off burden of €210 million on net income from investments in the third quarter. iii-investments will invest the proceeds from this sale in properties located in other European countries from the euro zone in order to make the fund's profile more international over the medium term. The goal is to achieve a noticeable and sustained improvement in the performance of EURO ImmoProfil through a realignment in the direction of a EUROland fund. This measure will strengthen iii-investments's future contribution to the bank's earnings and thus further enhance HVB's value-generation power.

Net income from investments for the first nine months of this year amounted to €128 million. In addition to the effects described above, this figure is mainly composed of the gain of €34 million from the sale of our shares in Premiere AG in the first quarter of 2005 and the gain of €36 million from the sale of our equity holding in Rhön-Klinikum in the second quarter. The prorated prior year figure contains the gains on the disposal of our BethmannMaffei subsidiary and our shares in Brau und Brunnen and E.ON.

The Managing Board of BA-CA AG has decided to reorganize the SMEs Austria business unit, set up as of 2005, and has informed the works council of this. A restructuring provision of €60 million was created for measures to be taken in this connection. This amount is earmarked for use between 2006 and 2008.

As of January 1, 2005, scheduled amortization is no longer taken on goodwill in compliance with IFRS 3. The 2004 income statement was still burdened by scheduled amortization of goodwill totaling €116 million. No non-scheduled amortization was taken in the first nine months of 2005.

Other income and expenses essentially contains losses assumed for companies allocated to the Real Estate Restructuring segment. Last year, this item included the expense incurred for the risk shield for Hypo Real Estate Group amounting to €98 million.

With net income before taxes of €1,574 million, we have more than doubled the prorated prior year figure.

Consolidated profit

After deducting the minority interest of €303 million (prior year: €194 million) included in net income, we generated a consolidated profit of €890 million, which is more than three times as high as the corresponding figure of €277 million for the first nine months of 2004.

Trends in individual business segments

The contributions of the individual business segments to the operating profit of €1,574 million were as follows:

Germany	€503 million
Austria and CEE	€901 million
Corporates & Markets	€793 million
Real Estate Restructuring	losses of € 89 million
Other/consolidation	losses of €534 million

As a result of the changes to the organizational structure of HVB Group described in the Interim Report at March 31, 2005 (see page 4 of the Interim Report at March 31, 2005), the results of the business segments and business units disclosed in the prior year are no longer comparable with the figures calculated for the first nine months of 2005. Compliant with IAS 14.76, we have adjusted the prior year figures to match the new structure used to present the segment information.

The effects of applying new and revised IFRSs, where they are to be applied retrospectively, have similarly been incorporated in the adjusted prior year values for segment reporting. In addition, we have adjusted the change in disclosure of the gains on disposal of deconsolidated companies in the earlier periods.

Germany business segment

With its operating profit of €513 million, the Germany business segment made a significant contribution to the total operating profit of HVB Group. An operating profit of only €18 million (including the gain of €56 million on the disposal of BethmannMaffei) was reported by the Germany business segment in the 2004 Annual Report for the whole of last year before changes were made to the organizational structure (including RER).

The workout portfolios of the German real estate business managed by the Germany business segment until December 31, 2004 are no longer included in the adjusted prior year comparative figures of the Germany business segment because they have been allocated to the RER segment. In particular, the loan-loss provisions set up for these portfolios in 2004 are no longer shown. By transferring all the workout portfolios of the German real estate business to the RER segment, an atypical trend has occurred in the area of provisions for losses on loans and advances in the Germany business segment compared with the adjusted prior year figures.

At the time when the portfolios were transferred to the RER segment, the Germany business segment had no property portfolios in need of restructuring. Changes in credit ratings do, however, take place in every loan portfolio over the course of time and hence new loan-loss provisions are required as a result of the inevitable risks associated with the lending business.

From a static perspective, the elimination of risk provisioning requirements from the loan-loss provisions in 2004 for the workout portfolios transferred to the RER segment presents a distorted picture of the adjusted loan-loss provisions in the Germany business segment compared with the current fiscal year. This is due to the fact that the portfolio of the 2005 fiscal year is no longer comparable with that of the prior year in economic terms, due to the measure described above. Compliant with IAS 14.76, however, prior year figures presented for comparative purposes must be restated on the basis of the current identification of the segments.

To facilitate the comparison of business development, we have also stated the figures shown in the 2004 consolidated financial statements (see 2004 Annual Report, page 128) alongside the adjusted prior year figures of the Germany business segment in the segment report.

When providing an account of the operating performance of the individual business units in the Germany business segment, we therefore describe the trend in operating profit before loan-loss provisions were made. This enables a transparent picture to be given of the development in the Germany business segment. A comparison with last year's figures for loan-loss provisions, which are only meaningful to a limited extent in an economic sense, would not accurately reflect the actual business development of the business segment.

As of September 30, 2005, the Germany business segment had generated an operating profit before loan-loss provisions of €1,120 million. This represents an increase of a quarter over the prior year. The gain on the disposal of BethmannMaffei of around €56 million last year is not relevant when making a year-on-year comparison because it is included in the net income from investments and is no longer reported under operating profit. The cost-income ratio improved by 5.7% points to reach 63.3%. For the first nine months of 2005, the Germany business segment reports loan-loss provisions of €607 million, reflecting an expected risk provisioning of around €809 million for the whole year. This is slightly above the level of our mid-year expectations (€782 million).

The Private Customers business unit (including asset management and private banking activities) has performed well. At €275 million, the operating profit before loan-loss provisions was more than double the amount reported last year. Over the first nine months of 2005 there was a 5.2% rise in operating revenues, which reached €1,453 million. There was also a 4.0% increase in net interest income. One of the factors contributing to this increase was the pleasing development in volumes realized for the loan product HVB Sofortkredit (+€173 million). Net commission income rose by 7.2%, partly as a result of the continued success in selling innovative investment products. The package of measures launched to optimize processes is having a favorable impact on the cost structure, enabling general administrative expenses to be reduced by around 7.0% in 2005 compared with the first three quarters of 2004. General administrative expenses have also fallen constantly over the course of 2005 (first quarter: €410 million; second quarter: €389 million; third quarter: €379 million). As a result of this and due to the boost in earnings, the cost-income ratio had considerably improved by the end of September, falling 10.6 percentage points to 81.1%. Taking the third quarter in isolation, the cost-income ratio even reached 77.7%.

In the Corporate Customers and Professionals business unit we were able to boost operating revenues by 8.6%. This represents a constantly stable development at a high level, despite a difficult market environment. Net commission income rose 35.6% notably as a result of increased sales in the derivatives business involving customers, higher income in the securities and depositary business, and the continued successful placement of innovative subordinated business (e.g. PREPs). This facilitated a 2.1% improvement in the cost-income ratio, which reached 47.0%, despite a slight increase in general administrative expenses. The operating profit before loan-loss provisions increased by 13.2%, to €688 million.

In the Real Estate business unit net interest income rose by around 1.5%, while net commission income sharply increased by almost one third due to higher income from advisory services for structured loans. Despite the strategic streamlining of the portfolio that has been initiated, we almost succeeded in keeping operating revenues at the same level. With an increase in general administrative expenses, the operating profit before loan-loss provisions declined by 9.2% to €157 million.

Austria and CEE business segment

The Austria and CEE business segment achieved an operating profit of €713 million in the first nine months of 2005, which is €165 million or almost one third more than in the same period last year. Net income before taxes practically doubled to €901 million, also as a result of the gains realized on the sale of Investkredit and the gains on deconsolidations, particularly HVB Bank Romania in connection with the acquisition of Banca Tiriac, Bucharest, reported under net income from investments. A restructuring provision of €60 million for the reorganization of the SMEs Austria business unit set up as of 2005, depressed net income before taxes.

Due to the 10.3% rise in operating revenues, the cost-income ratio improved to 62.6% while general administrative expenses rose slightly. Despite the volume-induced 8.2% increase in loan-loss provisions, operating profit climbed a healthy 30.1%.

Operating revenues in the Private Customers Austria business unit of the Austria and CEE business segment rose by a total of 3.8% as a result of a favorable trend in net commission income, notably from the securities and depositary business. With general administrative expenses remaining unchanged, the cost-income ratio improved to 77.0%. The business unit reported a 17.9% improvement in operating profit despite a 16.7% rise in loan-loss provisions.

In the SMEs Austria business unit operating revenues remained unchanged at the same level as last year. The slight decrease reported in net interest income was compensated by the increase in net commission income. With general administrative expenses unchanged, the cost-income ratio also remained stable. Due to the decline in loan-loss provisions of 12.6%, or €20 million, the operating profit rose by almost triple the amount, to €30 million.

In the Large Corporates and Real Estate business unit the operating profit, at €169 million, is up 4.3% over the prior year figure. This increase is a result of a 3.4% decline in general administrative expenses and unchanged operating revenues. The cost-income ratio improved by 1.7 percentage points to 51.2%.

In the Central and Eastern Europe (CEE) business unit, operating revenues rose by more than one quarter, mainly due to the favorable trend in net interest income and net commission income (€1,071 million compared with €845 million last year). Despite a 14.6% rise in general administrative expenses, the cost-income ratio improved by around 6 percentage points to 55.0%. In all, the operating profit rose by 43.6% to €382 million with a €35 million increase in loan-loss provisions.

Including the results from Corporates & Markets and from the Other/consolidation segment, together with the Group-specific items such as the funding expense of goodwill, the Bank Austria Creditanstalt Group made an overall contribution of €1,017 million to the net income before taxes reported by HVB Group. The segment reporting structure employed by HVB Group involves allocating all income and expenses to the business segments in line with causation. This takes place irrespective of whether they accrue directly at a Group company or need to be considered at corporate level, as is the case with the Group-specific items mentioned. Consequently, the earnings contribution made by the Bank Austria Creditanstalt Group and all other Group companies with Group-specific items do not, from the Group point of view, match their primary earnings. The primary net income before taxes reported by the Bank Austria Creditanstalt Group of €1,111 million is published separately by Bank Austria Creditanstalt.

Corporates & Markets business segment

In the Corporates & Markets business segment we were able to surpass last year's operating profit by a clear 27.0%. Net income before taxes was boosted by 68.4%, to €793 million, mainly due to the gains realized on selling part of our holding of Premiere AG shares and shares in Rhön-Klinikum which are included in net income from investments (€121 million after a loss of €27 million last year).

At €351 million, operating profit developed very healthily in the Markets business unit, up almost one quarter. At the same time, operating revenues rose by 6.2% to €919 million, particularly as a result of the strong increase in trading profit of around one third. In conjunction with the 2.2% reduction in general administrative expenses, this led to an improvement of 5.4 percentage points in the cost-income ratio to 61.8%.

The Corporates business unit also reported a strong increase in operating profit to €321 million, compared with €245 million in the previous year. The 11.9% rise in operating revenues to €715 million can be attributed mostly to the increase in net interest income and net commission income. As a result of this trend in earnings, the cost-income ratio improved by 2.4 percentage points to 51.6%, although general administrative expenses increased by 7%. Due to the sharp 49.0% decline in loan-loss provisions to €25 million, the business unit achieved a 31.0% increase in operating profit.

Real Estate Restructuring business segment

In the Real Estate Restructuriung (RER) business segment, there was a slight decline in operating revenues compared with the adjusted prior year figures, while general administrative expenses increased. As no further loan-loss provisions were to be made for the loan portfolios allocated to this segment in 2005, the segment reported an operating profit of €11 million after posting an operating loss of €702 million last year.

Due to the losses assumed from real estate subsidiaries in the HVB Immobilien AG subgroup totaling €100 million reported under other income and expenses, a loss of €89 million is shown for net income before taxes.

Other/consolidation segment

The Other/consolidation segment contains the non-recurring expenditure arising in conjunction with the acquisition of real estate from the assets of a real estate fund managed by our Internationales Immobilien-Institut GmbH (iii-investments) subsidiary. This serves to depress net income from investments by €210 million.

Total assets and volume of lending

The total assets of HVB Group amounted to €495.7 billion at September 30, 2005, which represents an increase of €28.4 billion or 6.1% over the 2004 year-end total. International Moscow Bank, fully consolidated for the first time in May 2005, accounts for €4.1 billion of this growth. The increase in total assets can also be attributed primarily to a rise in assets held for trading purposes of €12.0 billion; placements with, and loans and advances to, other banks of €8.9 billion; loans and advances to customers of €3.4 billion; and investments of €2.5 billion.

The volume of lending rose by €9.5 billion to €334.1 billion after we had disclosed a decline of €13.8 billion for 2004 as a whole. Most of the increase can be attributed to a rise of €5.0 billion in contingent liabilities together with a €4.2 billion increase in loans and advances to customers. Placements with, and loans and advances to, other banks, on the other hand, remained practically unchanged, up €0.3 billion.

On the liabilities side, the biggest increases are in deposits from other banks, up €9.4 billion; amounts owed to other depositors, up €11.9 billion; and liabilities held for trading purposes, up €7.3 billion. This is offset by a decline of €3.0 billion in promissory notes and other liabilities evidenced by paper.

The shareholders' equity shown in the balance sheet amounts to €16.3 billion, including minority interest of €3.1 billion. The €2.3 billion increase in shareholders' equity results primarily from the profit generated in the first nine months of the year, the change of €0.7 billion in valuation of financial instruments, and the increase of €0.6 billion in minority interest due partly to the full consolidation of International Moscow Bank.

Risk assets, key capital ratios and liquidity

After the first nine months of 2005, risk assets as per BIS rules increased by €11.4 billion, to €250 billion, compared with the level at year-end 2004, primarily reflecting an expansion of our business activities in the Austria and CEE, and Corporates & Markets business segments. This was also due to the first-time consolidation of banks, notably International Moscow Bank.

In addition, the synthetic transaction Geldilux 2002-1, which involved a lending volume of €3 billion and a reduction of €2.3 billion in risk assets, came to an end in the second quarter. The true sale transaction Geldilux-TS-2005 was concluded at the same time to compensate this. The volume of lending launched on the capital market in this connection stands at €5.5 billion and has led to a €5.2 billion decline in risk assets compliant with BIS. A further reduction in risk assets through securitization measures is planned by the end of the year.

The core capital of HVB Group at September 30, 2005 totaled €15.7 billion. This gives rise to a core capital ratio of 6.3% and an equity funds ratio of 9.8%.

A bank's liquidity is evaluated using the liquidity ratio defined in Principle II of the German banking supervisory regulations. This figure is the ratio of cash and cash equivalents available within a month to the payment obligations falling due in this period. Liquidity is considered adequate if the ratio is at least 1.0. At HVB AG, the figure averaged 1.2 in the first three quarters of 2005 (at the end of 2004: 1.2).

IFRS basis

The present interim report has been prepared in accordance with IAS 34. With the exception of the new and revised IFRSs and the changes to figures reported for the gains realized on the sale of deconsolidated companies, we have applied the same accounting and valuation principles as in the consolidated financial statements for 2004.

Deconsolidation effects affecting reported net income, which generally arise through the complete or partial sale of fully consolidated companies, are no longer reported as other operating income under operating profit. As of the Interim Report at September 30, 2005, these are shown separately from operating profit and are included in net income from investments. We have adjusted the corresponding effects in the comparative periods.

We have adjusted the prior year figures on the basis of the new and revised IFRSs which must be applied retrospectively as a basic principle. We have described these effects and the adjustments to the balance sheet at December 31, 2004 and to the income statement for the whole of 2004 in detail in the section entitled "Effects of applying new and revised IFRSs" in the Interim Report at March 31, 2005.

We have adjusted the income statement at September 30, 2004 and the third quarter of 2004 as follows:

	1/1–9/30/2004	1/1–9/30/2004	7/1–9/30/2004	7/1–9/30/2004
	after adjustment	before adjustment	after adjustment	before adjustment
	€ millions	€ millions	€ millions	€ millions
Net interest income	4,185	4,181	1,444	1,443
Provisions for losses on loans and advances	1,350	1,363	455	459
Net interest income after provisions for losses on loans and advances	2,835	2,818	989	984
Net commission income	2,084	2,084	691	691
Trading profit	562	555	113	111
General administrative expenses	4,676	4,676	1,563	1,563
Balance of other operating income and expenses	43	117	16	26
Operating profit (loss)	**848**	**898**	**246**	**249**
Net income from investments	252	123	(7)	(16)
Amortization of goodwill	116	116	39	39
Balance of other income and expenses	(262)	(262)	(86)	(86)
Profit (loss) from ordinary activities/ net income (loss) before taxes	**722**	**643**	**114**	**108**
Taxes on income	251	237	39	38
Net income (loss) after taxes	**471**	**406**	**75**	**70**
Minority interest in net income (loss)	(194)	(192)	(65)	(64)
Net income (loss) adjusted for minority interest	**277**	**214**	**10**	**6**

For information on the other accounting and valuation principles, please refer to the HVB Group Annual Report, starting on page 117.

In the reporting on segment results, the prior year comparative figures have been adjusted compliant with IAS 14.76. We have explained the reasons for the adjustment in detail in the section entitled "Trends in individual business segments."

Changes in the group of companies included in consolidation

We added BPH Leasing S.A., Warsaw, to the group of companies included in consolidation on January 1, 2005, to reflect the dynamic development of the leasing business in Poland and the increasing significance for the leasing profits of Bank BPH S.A.

The deconsolidation of Austria Finanza S.p.A., Treviso, and Austrolease S.p.A., Bolzano, took place at the end of February. Bank Austria Creditanstalt Leasing GmbH sold both of these companies to Fortis Lease Group S.A. for a cash payment of €32 million. This resulted in a non-recurring gain of €17 million.

Bank Austria Creditanstalt Group purchased 99.91% of Hebros Bank, Plovdiv. Of this share, 89.92% is allotted to Bank Austria Creditanstalt AG (BA-CA) and 9.99% to Biochim Bank, Sofia (a 99.7% subsidiary of BA-CA). The purchase price of €124 million was paid in cash. After the closing, we consolidated the company for the first time. The purchase of Hebros Bank has led to Bank Austria Creditanstalt Group reporting goodwill of €80 million.

As a result of the capital increase carried out at International Moscow Bank (IMB), Moscow, on April 21, 2005, our share of voting rights has increased from 46% to 53%. For this reason we fully consolidated IMB with effect from May 1, 2005. Until that time, IMB was valued at equity.

In September the acquisition of Banca Tiriac, Bucharest, was concluded through a purchase of shares and a share swap. This bank is to be combined with HVB Bank Romania.

BA-CA AG acquired a 9.09% interest in Banca Tiriac (1,827,783 shares) at a provisional purchase price of €42.5 million.

At the same time, BA-CA acquired 8,225,010 shares in Banca Tiriac (equivalent to 40.91%) through a share swap involving 50% less one share in HVB Bank Romania.

In connection with this transaction, BA-CA made a payment to a company operated jointly with Mr. Tiriac in which it holds a 30% share. This payment is basically tantamount to a non-repayable shareholder contribution of €40 million.

After the conclusion of the transaction, BA-CA received and now holds 10,052,793 shares in Banca Tiriac (equivalent to 50% plus one share).

In total, this results in a provisional purchase price of €248 million for the entire transaction including the incidental acquisition costs.

Events after September 30, 2005

The acquisition offer published by UniCredito Italiano S.p.A., Genoa (UniCredit) on August 26, 2005 expired on October 24 after an extension due to a modification made to the offer.

After the further period for acceptance expires on November 11, 2005, and after the decision of the Administrative Board of UniCredit to release the shares offered, which still depends on the confirmation of an independent expert and is scheduled for the third week in November, the HVB shareholders making the swap will receive shares in return.

UniCredit will also then have the shares in HVB AG at its disposal.

Bayerische Hypo- und Vereinsbank Aktiengesellschaft will therefore become an affiliated company of UniCredito Italiano S.p.A., Genoa, probably in the second half of November.

General economic trends

The currently favorable economic trend in the euro area is likely to continue in the fourth quarter. In particular the tail-off expected in the global property boom, notably in the United States, will probably lead to a slow-down in the dynamic growth of the global economy at the beginning of next year. This applies especially to the euro area since persistently high energy prices and unemployment should continue to curb private consumption next year also.

Earnings performance of HVB Group

The risks associated with the future development of HVB Group as described in last year's Risk Report (2004 Annual Report, pp. 82–105) have not changed during the course of the year to date. This description does not take into account that HVB Group might be required to set up a restructuring provision in the fourth quarter of 2005 in connection with the combination of HVB and UniCredit. The amount of this provision is not yet certain.

As already mentioned in the Management's Discussion and Analysis of the consolidated financial statements at December 31, 2004 (on page 81 of the 2004 Annual Report), we are planning to return to a much lower level of loan-loss provisions in 2005 compared with recent years, and we continue to anticipate that return on equity after taxes will total between 8 and 9% for the year as a whole (before allowing for a restructuring provision possibly to be set up in connection with the combination of HVB and UniCredit). This means that we aim to post at least €1 billion in net income after taxes and after minority interest for the whole of 2005.

The results for the first three quarters of 2005 mean that we are well on the way to achieving these targets.

We continue to expect a core capital ratio of toward 7% at year-end which will have increased appreciably compared with today. One of the ways we want to ensure that we achieve this goal is by reinvesting profits and releasing equity capital.

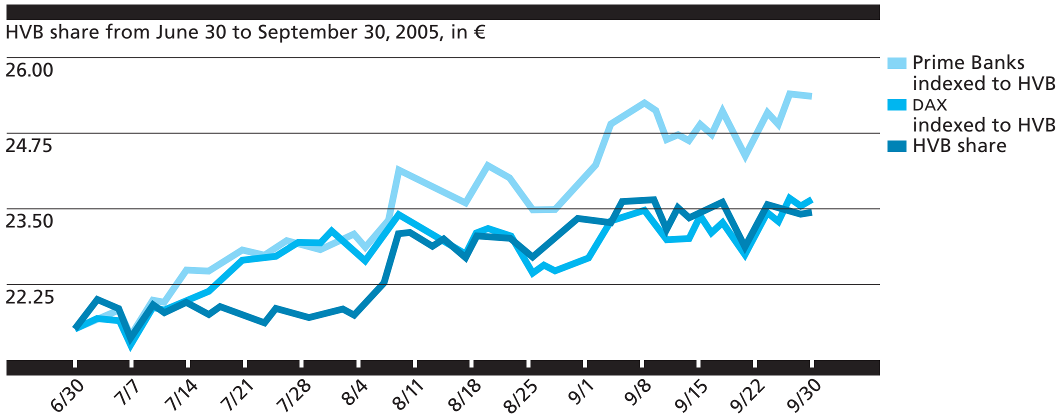
The performance of the HVB share in the third quarter was clearly influenced by the combination of HVB Group and UniCredit. The prices of both shares have run largely parallel since June 12, 2005, the date on which the intended combination of the two companies was announced.

After its excellent performance in the second quarter, our share performed somewhat weaker than the overall stock market and lost 1.0% against the DAX in the comparative period. But the HVB share has outperformed both of the other benchmark indices DAX (+ 21.8%) and Prime Banks index (+ 11.0%) over the year as a whole.

UniCredit is offering HVB shareholders five UniCredit shares for one HVB share. The offer to swap shares has been open since August 26. By the time the period for acceptance expired on October 24, 88.14% of the shareholders had swapped their shares. This means that the minimum take-up rate of 65% has been achieved for the combination to take place. The further period for acceptance runs until the end of November 11. A free hotline has been set up to answer any questions that our private shareholders may have on the swap and on the new banking group. Our institutional investors were informed of the combination mainly during roadshows and one-on-ones. The combination has met with a largely favorable response on the part of equity analysts and investors.

At the end of September 2005, the HVB share was contained in the DAX with a weighting of 2.59% and in the Prime Banks index with a weighting of 17.34%. At the end of October 2005, the equity analysts of 26 banks and brokerage firms rated the HVB share as follows: more than half (54%) of equity analysts recommend holding the share, while 23% recommend “underweighting” and 23% recommend “overweighting” the share.

The HVB share relative to DAX and Prime Banks



RESULTS

INCOME STATEMENT
FROM JANUARY 1 TO SEPTEMBER 30, 2005

The prior year figures shown below include the effects of applying new and revised IFRSs.

Income/expenses	Notes	1/1–9/30/2005 € millions	1/1–9/30/2004 € millions	Change € millions	Change in %
Interest and similar income		12,744	12,885	(141)	(1.1)
Interest expense and similar charges		8,379	8,700	(321)	(3.7)
Net interest income	(2)	4,365	4,185	+ 180	+ 4.3
Provisions for losses on loans and advances	(3)	976	1,350	(374)	(27.7)
Net interest income after provisions for losses on loans and advances		3,389	2,835	+ 554	+ 19.5
Fee and commission income		2,816	2,564	+ 252	+ 9.8
Fee and commission expenses		435	480	(45)	(9.4)
Net commission income	(4)	2,381	2,084	+ 297	+ 14.3
Gains less losses arising from trading securities (trading profit)	(5)	701	562	+ 139	+ 24.7
General administrative expenses	(6)	4,846	4,676	+ 170	+ 3.6
Balance of other operating income and expenses	(7)	(10)	43	(53)	
Operating profit (loss)		**1,615**	**848**	**+ 767**	**+ 90.4**
Net income from investments		128	252	(124)	(49.2)
Amortization of goodwill		0	116	(116)	(100.0)
Addition to restructuring provisions		60	0	+ 60	>+ 100.0
Balance of other income and expenses	(8)	(109)	(262)	+ 153	+ 58.4
Profit (loss) from ordinary activities/ net income (loss) before taxes		**1,574**	**722**	**+ 852**	**>+ 100.0**
Taxes on income		381	251	+ 130	+ 51.8
Net income (loss) after taxes		**1,193**	**471**	**+ 722**	**>+ 100.0**
Minority interest in net income (loss)		(303)	(194)	(109)	(56.2)
Consolidated profit (loss)		**890**	**277**	**+ 613**	**>+ 100.0**

	Notes	1/1–9/30/2005 €	1/1–9/30/2004 €
Earnings per share[1]	(9)	1.19	0.41

[1] 2004 figures adjusted for amortization of goodwill: €0.58

Since no conversion rights or option rights on conditional capital existed at September 30, 2005, there is no calculation of diluted earnings per share.

INCOME STATEMENT FROM JULY 1 TO SEPTEMBER 30, 2005

Income/expenses	7/1–9/30/2005 € millions	7/1–9/30/2004 € millions	Change € millions	Change in %
Interest and similar income	4,201	4,254	(53)	(1.2)
Interest expense and similar charges	2,733	2,810	(77)	(2.7)
Net interest income	1,468	1,444	+ 24	+ 1.7
Provisions for losses on loans and advances	327	455	(128)	(28.1)
Net interest income after provisions for losses on loans and advances	1,141	989	+152	+ 15.4
Fee and commission income	993	850	+143	+ 16.8
Fee and commission expenses	133	159	(26)	(16.4)
Net commission income	860	691	+169	+ 24.5
Gains less losses arising from trading securities (trading profit)	278	113	+165	>+100.0
General administrative expenses	1,623	1,563	+ 60	+ 3.8
Balance of other operating income and expenses	20	16	+ 4	+ 25.0
Operating profit (loss)	**676**	**246**	**+430**	**>+100.0**
Net income from investments	23	(7)	+ 30	
Amortization of goodwill	0	39	(39)	(100.0)
Addition to restructuring provisions	60	0	+ 60	>+100.0
Balance of other income and expenses	(36)	(86)	+ 50	+ 58.1
Profit (loss) from ordinary activities/ net income (loss) before taxes	**603**	**114**	**+489**	**>+100.0**
Taxes on income	114	39	+ 75	>+100.0
Net income (loss) after taxes	**489**	**75**	**+414**	**>+100.0**
Minority interest in net income (loss)	(165)	(65)	(100)	>(100.0)
Consolidated profit (loss)	**324**	**10**	**+314**	**+100.0**

	7/1–9/30/2005 €	7/1–9/30/2004 €
Earnings per share[1]	0.44	0.00

[1] 2004 figures adjusted for amortization of goodwill: €0.05

BALANCE SHEET AT SEPTEMBER 30, 2005

Assets	Notes	9/30/2005 € millions	12/31/2004 € millions	Change € millions	Change in %
Cash reserve		6,910	6,903	+ 7	+ 0.1
Assets held for trading purposes	(10)	103,715	91,711	+ 12,004	+ 13.1
Placements with, and loans and advances to, other banks	(11)	56,417	47,479	+ 8,938	+ 18.8
Loans and advances to customers	(12)	278,469	275,119	+ 3,350	+ 1.2
Allowances for losses on loans and advances	(14)	(13,153)	(13,404)	+ 251	+ 1.9
Investments	(15)	47,024	44,483	+ 2,541	+ 5.7
Property, plant and equipment		2,761	2,855	(94)	(3.3)
Intangible assets		2,834	2,627	+ 207	+ 7.9
Income tax assets		3,980	4,157	(177)	(4.3)
Other assets		6,784	5,455	+ 1,329	+ 24.4
Total assets		**495,741**	**467,385**	**+ 28,356**	**+ 6.1**

Shareholders’ equity and liabilities	Notes	9/30/2005 € millions	12/31/2004 € millions	Change € millions	Change in %
Deposits from other banks	(16)	112,998	103,606	+ 9,392	+ 9.1
Amounts owed to other depositors	(17)	156,352	144,451	+11,901	+ 8.2
Promissory notes and other liabilities evidenced by paper	(18)	106,553	109,562	(3,009)	(2.7)
Liabilities held for trading purposes		67,094	59,831	+ 7,263	+ 12.1
Provisions	(19)	4,701	4,460	+ 241	+ 5.4
Income tax liabilities		3,153	3,030	+ 123	+ 4.1
Other liabilities		10,596	10,015	+ 581	+ 5.8
Subordinated capital	(20)	17,991	18,454	(463)	(2.5)
Shareholders’ equity		16,303	13,976	+ 2,327	+ 16.6
Shareholders’ equity attributable to shareholders of HVB AG		13,173	11,467	+ 1,706	+ 14.9
Subscribed capital		2,250	2,252	(2)	(0.1)
Additional paid-in capital		9,101	9,103	(2)	0.0
Retained earnings		—	—	—	—
Reserve arising from currency and other changes		309	227	+ 82	+ 36.1
Change in valuation of financial instruments		623	(115)	+ 738	
AfS reserve		739	354	+ 385	>+100.0
Hedge reserve		(116)	(469)	+ 353	+ 75.3
Consolidated profit 2004		—	—	—	—
Consolidated profit (loss) 1/1–9/30		890	0	+ 890	>+100.0
Minority interest		3,130	2,509	+ 621	+ 24.8
Total shareholders’ equity and liabilities		**495,741**	**467,385**	**+28,356**	**+ 6.1**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ millions	2005	2004
Shareholders' equity at January 1	**13,976**	**10,312**
Shareholders' equity attributable to shareholders of HVB AG at 1/1		
before initial application of new and revised IFRSs	—	10,312
Effect of initial application of new and revised IFRSs	—	(7)
Shareholders' equity attributable to shareholders of HVB AG at 1/1		
after initial application of new and revised IFRSs	11,467	10,305
Changes 1/1–9/30		
Subscribed capital		
Change from capital increase against cash contribution		643
Change in holdings of, and net income from, treasury stock	(2)	
Additional paid-in capital		
Change from capital increase against cash contribution		2,362
Deduction of costs from capital increase		(62)
Change in holdings of, and net income from, treasury stock	(2)	17
Retained earnings		
Other changes	—	—
Reserve arising from currency and other changes	82	89
Change in valuation of financial instruments	738	(403)
Consolidated profit (loss) 1/1–9/30	890	277
Shareholders' equity attributable to shareholders of HVB AG at 9/30	13,173	13,228
Minority interest at 1/1 before initial application of new and revised IFRSs	2,509	2,476
Effect of initial application of new and revised IFRSs	—	(10)
Minority interest at 1/1 after initial application of new and revised IFRSs	2,509	2,466
Change in minority interest 1/1–9/30	621	34
Minority interest at 9/30	3,130	2,500
Shareholders' equity at September 30	**16,303**	**15,728**

CASH FLOW STATEMENT

€ millions	2005	2004
Cash and cash equivalents at January 1	**6,903**	**5,708**
Cash flows from operating activities	1,698	(7,174)
Cash flows from investing activities	(1,203)	4,876
Cash flows from financing activities	(530)	2,114
Effects of exchange rate changes on cash and cash equivalents	42	45
Cash and cash equivalents at September 30	**6,910**	**5,569**

1

Segment reporting

Income statement from January 1 to September 30, 2005, broken down by business segment

€ millions	Germany	Austria and CEE	Corporates & Markets	Real Estate Restructuring	Other/ consolidation	HVB Group
Net interest income						
1/1–9/30/2005	1,985	1,732	705	90	(147)	4,365
1/1–9/30/2004	1,929	1,584	728	89	(145)	4,185
Provisions for losses on loans and advances						
1/1–9/30/2005	607	331	25	—	13	976
1/1–9/30/2004	265	306	49	731	(1)	1,350
Net commission income						
1/1–9/30/2005	1,054	1,025	299	3	—	2,381
1/1–9/30/2004	909	911	250	7	7	2,084
Trading profit (loss)						
1/1–9/30/2005	2	31	662	—	6	701
1/1–9/30/2004	1	51	495	—	15	562
General administrative expenses						
1/1–9/30/2005	1,934	1,748	940	79	145	4,846
1/1–9/30/2004	1,992	1,678	920	64	22	4,676
Balance of other operating income and expenses						
1/1–9/30/2005	13	4	(29)	(3)	5	(10)
1/1–9/30/2004	49	(14)	25	(3)	(14)	43
Operating profit (loss)						
1/1–9/30/2005	513	713	672	11	(294)	1,615
1/1–9/30/2004	631	548	529	(702)	(158)	848
Net income from investments						
1/1–9/30/2005	(7)	251	121	—	(237)	128
1/1–9/30/2004	51	(16)	(27)	—	244	252
Amortization of goodwill						
1/1–9/30/2005	—	—	—	—	—	—
1/1–9/30/2004	16	63	30	—	7	116

Segment reporting

Income statement from January 1 to September 30, 2005, broken down by business segment (continued)

€ millions	Germany	Austria and CEE	Corporates & Markets	Real Estate Restructuring	Other/ consolidation	HVB Group
Addition to restructuring provisions						
1/1–9/30/2005	—	60	—	—	—	60
1/1–9/30/2004	—	—	—	—	—	—
Balance of other income and expenses						
1/1–9/30/2005	(3)	(3)	—	(100)	(3)	(109)
1/1–9/30/2004	(6)	(2)	(1)	(156)	(97)	(262)
Profit (loss) from ordinary activities/ net income (loss) before taxes						
1/1–9/30/2005	503	901	793	(89)	(534)	1,574
1/1–9/30/2004	660	467	471	(858)	(18)	722
including:						
Bank Austria Creditanstalt Group						
1/1–9/30/2005	—	901	115	—	1	1,017
1/1–9/30/2004	—	467	77	—	1	545

Key ratios, broken down by business segment

in %	Germany	Austria and CEE	Corporates & Markets	Real Estate Restructuring[1]	Other/ consolidation[1]	HVB Group
Return on equity before taxes[2]						
1/1–9/30/2005	11.8	27.4	30.8	—	—	14.5
1/1–9/30/2004[3]	15.1	16.8	18.4	—	—	7.4

[1] Figures have no informative value

[2] Net income before taxes as a proportion of average shareholders' equity (excluding change in valuation of financial instruments) including minority interest

[3] 2004 figures adjusted for amortization of goodwill

Income statement by business unit
Germany business segment

€ millions	Private Customers	Corporate Customers and Professionals	Real Estate	Consolidation	Total
Operating revenues					
September 30, 2005	1,453	1,298	306	(3)	3,054
September 30, 2004 (reorganized)[1]	1,381	1,195	311	1	2,888
September 30, 2004 (before reorganization)	1,453[3]	1,235	351	1	3,040[2]
Loan-loss provisions					
September 30, 2005	172	287	148	—	607
September 30, 2004 (reorganized)[1]	83	179	3	—	265
September 30, 2004 (before reorganization)	165	433	318	—	916[2]
General administrative expenses					
September 30, 2005	1,178	610	149	(3)	1,934
September 30, 2004 (reorganized)[1]	1,266	587	138	1	1,992
September 30, 2004 (before reorganization)	1,278	611	167	1	2,057[2]
Operating profit (loss)					
September 30, 2005	103	401	9	—	513
September 30, 2004 (reorganized)[1]	32	429	170	—	631
September 30, 2004 (before reorganization)	10[3]	191	(134)	—	67[2]
for information: operating profit before loan-loss provisions					
September 30, 2005	275	688	157	—	1,120
September 30, 2004 (reorganized)[1]	115	608	173	—	896
September 30, 2004 (before reorganization)	175[3]	624	184	—	983
Cost-income ratio					
September 30, 2005	81.1%	47.0%	48.7%	—	63.3%
September 30, 2004 (reorganized)[1]	91.7%	49.1%	44.4%	—	69.0%
September 30, 2004 (before reorganization)	88.0%[3]	49.5%	47.6%	—	67.7%

[1] Reorganized for initial application of revised IFRSs, organizational changes, and the changes to figures reported for the gains on the sale of deconsolidated companies
[2] As disclosed in 2004 Annual Report
[3] Including the gain of €56 million on the disposal of BethmannMaffei

Austria and CEE business segment

€ millions	Private Customers Austria	SMEs Austria	Large Corporates and Real Estate	CEE	Consolidation	Total
Operating revenues						
September 30, 2005	879	451	391	1,071	—	2,792
September 30, 2004	847	449	391	845	—	2,532
Loan-loss provisions						
September 30, 2005	70	139	22	100	—	331
September 30, 2004	60	159	22	65	—	306
General administrative expenses						
September 30, 2005	677	282	200	589	—	1,748
September 30, 2004	675	282	207	514	—	1,678
Operating profit						
September 30, 2005	132	30	169	382	—	713
September 30, 2004	112	8	162	266	—	548
Cost-income ratio						
September 30, 2005	77.0%	62.5%	51.2%	55.0%	—	62.6%
September 30, 2004	79.7%	62.8%	52.9%	60.8%	—	66.3%

Corporates & Markets business segment

€ millions	Markets	Corporates	Consolidation	Total
Operating revenues				
September 30, 2005	919	715	3	1,637
September 30, 2004	865	639	(6)	1,498
Loan-loss provisions				
September 30, 2005	—	25	—	25
September 30, 2004	—	49	—	49
General administrative expenses				
September 30, 2005	568	369	3	940
September 30, 2004	581	345	(6)	920
Operating profit				
September 30, 2005	351	321	—	672
September 30, 2004	284	245	—	529
Cost-income ratio				
September 30, 2005	61.8%	51.6%	—	57.4%
September 30, 2004	67.2%	54.0%	—	61.4%

Income statement by business segment
Quarterly figures

€ millions	Germany	Austria and CEE	Corporates & Markets	Real Estate Restructuring	Other/ consolidation	HVB Group
Net interest income						
Q1 2005	663	548	224	32	(63)	1,404
Q2 2005	682	590	238	41	(58)	1,493
Q3 2005	640	594	243	17	(26)	1,468
Provisions for losses on loans and advances						
Q1 2005	164	110	47	—	2	323
Q2 2005	227	107	(16)	—	8	326
Q3 2005	216	114	(6)	—	3	327
Net commission income						
Q1 2005	364	322	68	2	1	757
Q2 2005	341	327	98	—	(2)	764
Q3 2005	349	376	133	1	1	860
Trading profit (loss)						
Q1 2005	—	18	304	—	—	322
Q2 2005	1	10	91	—	(1)	101
Q3 2005	1	3	267	—	7	278
General administrative expenses						
Q1 2005	654	575	309	23	39	1,600
Q2 2005	653	582	304	31	53	1,623
Q3 2005	627	591	327	25	53	1,623
Balance of other operating income and expenses						
Q1 2005	(6)	—	(18)	(1)	(7)	(32)
Q2 2005	12	5	—	(1)	(14)	2
Q3 2005	7	(1)	(11)	(1)	26	20
Operating profit (loss)						
Q1 2005	203	203	222	10	(110)	528
Q2 2005	156	243	139	9	(136)	411
Q3 2005	154	267	311	(8)	(48)	676
Net income from investments						
Q1 2005	—	13	41	—	20	74
Q2 2005	(3)	(5)	38	—	1	31
Q3 2005	(4)	243	42	—	(258)	23
Amortization of goodwill						
Q1 2005	—	—	—	—	—	—
Q2 2005	—	—	—	—	—	—
Q3 2005	—	—	—	—	—	—

Income statement by business segment
Quarterly figures (continued)

€ millions	Germany	Austria and CEE	Corporates & Markets	Real Estate Restructuring	Other/ consolidation	HVB Group
Addition to restructuring provisions						
Q1 2005	—	—	—	—	—	—
Q2 2005	—	—	—	—	—	—
Q3 2005	—	60	—	—	—	60
Balance of other income and expenses						
Q1 2005	(1)	—	—	(33)	(3)	(37)
Q2 2005	(2)	(2)	—	(34)	2	(36)
Q3 2005	—	(1)	—	(33)	(2)	(36)
Profit (loss) from ordinary activities/ net income (loss) before taxes						
Q1 2005	202	216	263	(23)	(93)	565
Q2 2005	151	236	177	(25)	(133)	406
Q3 2005	150	449	353	(41)	(308)	603
including:						
Bank Austria Creditanstalt Group						
Q1 2005	—	216	42	—	(14)	244
Q2 2005	—	236	34	—	17	287
Q3 2005	—	449	39	—	(2)	486

2

Net interest income

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Interest and similar income from		
Lending and money market transactions	11,070	11,230
Fixed-income securities and government-inscribed debt	1,038	1,053
Equity securities and other variable-yield securities	154	138
Subsidiaries	61	98
Companies valued at equity	65	64
Participating interests	67	36
Investment property	19	21
Interest expense and similar charges for		
Deposits	4,355	4,376
Promissory notes and other liabilities evidenced by paper	3,126	3,449
Subordinated capital	754	738
Income (expense) from hedging relationships as a result of		
Hedge accounting	(4)	(4)
Fair value option for financial assets	—	—
Net income from lease operations	**130**	**112**
Total	**4,365**	**4,185**

Interest margin

in %	9/30/2005	9/30/2004
Based on average risk assets (BIS)	2.68	2.57
Based on average volume of business	1.51	1.41

3

Provisions for losses on loans and advances

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Additions	1,667	2,199
Allowances for losses on loans and advances	1,619	2,049
Allowances for losses on guarantees and indemnities	48	150
Releases	(637)	(814)
Allowances for losses on loans and advances	(562)	(733)
Allowances for losses on guarantees and indemnities	(75)	(81)
Recoveries from write-offs of loans and advances	(54)	(35)
Total	**976**	**1,350**

Provisions for losses on loans and advances are calculated in the Interim Report on a pro rata basis on the basis of the presumed annual requirements.

4

Net commission income

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Securities and custodial services	941	835
Foreign trade operations/ money transfer operations	835	734
Lending operations	391	335
Brokerage of third-party products	97	73
Other service operations	117	107
Total	**2,381**	**2,084**

5

Gains less losses arising from trading securities (trading profit)

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Equity contracts	214	143
Interest rate and currency contracts	487	419
Total	**701**	**562**

This item includes interest and dividend income totaling €756 million and refinancing costs totaling €436 million resulting from the balance of assets and liabilities held for trading purposes.

6

General administrative expenses

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Personnel expense	2,702	2,628
Other administrative expenses	1,664	1,604
Depreciation and amortization on intangible assets and property, plant and equipment	480	444
Total	**4,846**	**4,676**

7

Balance of other operating income and expenses

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Other operating income	198	180
Other operating expenses	208	137
Balance of other operating income and expenses	**(10)**	**43**

8

Balance of other income and expenses

€ millions	1/1–9/30/ 2005	1/1–9/30/ 2004
Other income	**—**	**—**
Other expenses	**109**	**262**
of which:		
Other taxes	5	2
Absorbed losses	104	162
Risk shield	—	98
Balance of other income and expenses	**(109)**	**(262)**

9

Earnings per share

	1/1–9/30/ 2005	1/1–9/30/ 2004
Consolidated profit (loss) adjusted for minority interest (€ millions)[1]	890	277
Average number of shares	750,699,140	679,228,993
Earnings per share (€)[1]	**1.19**	**0.41**

[1] 2004 figures adjusted for amortization of goodwill: €0.58

10

Assets held for trading purposes

€ millions	9/30/2005	12/31/2004
Debt securities and other fixed-income securities	39,944	37,398
Equity securities and other variable-yield securities	9,765	5,481
Positive fair values from derivative financial instruments	48,338	44,958
Other assets held for trading purposes	5,668	3,874
Total	**103,715**	**91,711**

11

Placements with, and loans and advances to, other banks, broken down by maturity

€ millions	9/30/2005	12/31/2004
Repayable on demand	17,077	10,352
With agreed maturities	39,340	37,127
Total	**56,417**	**47,479**

12

Loans and advances to customers, broken down by maturity

€ millions	9/30/2005	12/31/2004
Repayable on demand	26,878	25,623
With agreed maturities	251,591	249,496
up to 3 months	34,922	33,282
from 3 months to 1 year	20,340	18,961
from 1 year to 5 years	53,912	55,669
from 5 years and over	142,417	141,584
Total	**278,469**	**275,119**

13

Total volume of lending

By content

€ millions	9/30/2005	12/31/2004
Placements with, and loans and advances to, other banks	22,573	22,299
Loans and advances to customers	275,213	270,979
Contingent liabilities	36,352	31,315
Total	**334,138**	**324,593**

14

Allowances for losses on loans and advances

Analysis of allowances for losses on loans and advances

€ millions	2005	2004
Balance at January 1 before initial application of new and revised IFRSs	**—**	**11,361**
Initial application of new and revised IFRSs	—	110
Balance at January 1 after initial application of new and revised IFRSs	**13,404**	**11,471**
Changes affecting income		
Gross additions	+ 1,619	+ 2,049
Releases	– 562	– 733
Changes not affecting income		
Changes due to make-up of group of consolidated companies	+ 31	– 71
Use of existing loan-loss allowances	– 1,313	– 1,161
Effects of currency translation and other changes not affecting income	– 26	+ 109
Balance at September 30	**13,153**	**11,664**

15

Investments

€ millions	9/30/2005	12/31/2004
Held-to-maturity investments		
Debt securities and other fixed-income securities	7,847	8,417
Available-for-sale investments	16,513	16,207
Non-consolidated subsidiaries	1,857	1,777
Participating interests	1,670	1,475
Debt securities and other fixed-income securities	7,813	7,672
Equity securities and other variable-yield securities	5,173	5,283
Fair-value-option investments	21,282	18,203
Debt securities and other fixed-income securities	19,518	16,266
Equity securities and other variable-yield securities	1,764	1,937
Companies valued at equity	1,042	1,224
of which:		
Goodwill	83	83
Investment property	340	432
Total	**47,024**	**44,483**

16

Deposits from other banks, broken down by maturity

€ millions	9/30/2005	12/31/2004
Repayable on demand	17,361	10,249
With agreed maturities	95,637	93,357
Total	**112,998**	**103,606**

17

Amounts owed to other depositors, broken down by maturity

€ millions	9/30/2005	12/31/2004
Savings deposits and home-loan savings deposits	37,253	36,508
Other liabilities	119,099	107,943
Repayable on demand	61,802	52,721
With agreed maturities	57,297	55,222
Total	**156,352**	**144,451**

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Promissory notes and other liabilities evidenced by paper, broken down by maturity

€ millions	9/30/2005	12/31/2004
With agreed maturities		
up to 3 months	12,833	10,103
from 3 months to 1 year	17,627	20,406
from 1 year to 5 years	47,437	47,914
from 5 years and over	28,656	31,139
Total	**106,553**	**109,562**

19
Provisions

€ millions	9/30/2005	12/31/2004
Provisions for pensions and similar obligations	2,857	2,881
Restructuring provisions	331	299
Allowances for losses on guarantees and indemnities	574	505
Other provisions	939	775
Total	**4,701**	**4,460**

20
Subordinated capital

€ millions	9/30/2005	12/31/2004
Subordinated liabilities	12,379	12,802
Participating certificates outstanding	1,839	1,987
Hybrid capital instruments	3,773	3,665
Total	**17,991**	**18,454**

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Treasury stock

The purchase of treasury stock during the reporting period was carried out on the basis of the authorization issued under the resolutions passed at the Annual General Meeting of Shareholders of HVB AG on April 29, 2004 and May 12, 2005 in accordance with Section 71 (1) No. 7 of the German Stock Corporation Act.

For the purposes of securities trading as permitted under Section 71 (1) No. 7 of the German Stock Corporation Act, a total of 54,909,013 shares of HVB AG stock were purchased by the Bank and its controlled or majority-owned companies at the respective current market prices and 54,123,970 shares of HVB AG stock were sold at the respective current market prices.

The shares were purchased at an average price of €19.41 per share, and resold at an average price of €19.39 per share. The shares purchased during the reporting period amount to the equivalent of €165 million, or 7.3% of capital stock.

The highest number of shares of treasury stock held by the Bank on any given day during the reporting period was 1,212,135, equivalent to €3.6 million or 0.2% of capital stock.

Within the scope of its lending operations, the Bank and its controlled or majority-owned companies had received a total of 3,895,908 shares of treasury stock at September 30, 2005 as collatoral in accordance with Section 71 e (1) 2 of the German Stock Corporation Act. This represents €12 million, or 0.5% of capital stock.

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Contingent liabilities and other commitments

€ millions	9/30/2005	12/31/2004
Contingent liabilities	36,373	31,334
of which:		
Guarantees and indemnity agreements	36,352	31,315
Other commitments	58,848	55,742
of which:		
Irrevocable credit commitments	49,682	46,865
Total	**95,221**	**87,076**

Futures contracts (derivatives)

The following derivative contracts were still outstanding at the reporting date. These figures include credit derivatives in addition to interest rate, foreign exchange, equity and index-related futures contracts. In addition to counterparty risk, derivatives are in particular subject to price risk arising from changes in interest rates, exchange rates and equity prices.

Without taking risk-reducing effects into account, the maximum counterparty risk (excluding add-on) totaled €52.0 billion (December 31, 2004: €48.1 billion). Compliant with Principle I of the German banking supervisory regulations, taking into account existing netting agreements and collateral received, this gives rise to total risk assets (counterparty risk including add-on) of €18.8 billion (December 31, 2004: €18.2 billion); €5.2 billion remains after weighting for credit weighting (December 31, 2004: €4.7 billion).

€ millions	Nominal amount		Positive fair values		Negative fair values	
	9/30/2005	12/31/2004	9/30/2005	12/31/2004	9/30/2005	12/31/2004
Interest rate derivatives	2,092,099	2,055,621	42,980	36,698	43,889	37,399
Foreign exchange derivatives	321,903	296,109	4,510	7,835	5,130	9,851
Equity/index derivatives	174,043	139,341	3,981	3,263	4,426	3,113
Credit derivatives	105,230	53,353	634	411	1,545	1,206
Other transactions	1,208	355	34	15	34	13
Total	**2,694,483**	**2,544,779**	**52,139**	**48,222**	**55,024**	**51,582**

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Potential market risk of trading activities (value-at-risk)

Market price risks arise when prices of interest rate, foreign exchange and equity/index products, and their related derivatives, change. The Bank assesses the potential market risk of trading positions on a value-at-risk basis (see HVB Group Annual Report 2004, starting on page 84).

Value-at-risk[1]

€ millions	9/30/2005	12/31/2004
Interest rate positions	21	13
Foreign exchange positions	7	25
Equity/index positions	15	74
Diversification effect	(12)	—
Total	**31**	**112**

[1] Due to the correlation effect between the types of risk, the overall risk is lower than the total amount of the individual risks

The reduction in market risk results from the integration of HVB AG's equity risk in the Internal Model.

EXECUTIVE BOARDS

Members of the Supervisory Board*

Dr. Albrecht Schmidt**
Chairman

Peter König
Deputy chairman

Dr. Hans-Jürgen Schinzler**
Deputy chairman

Dr. Manfred Bischoff
until July 27, 2005

Dr. Mathias Döpfner**

Volker Doppelfeld**

Klaus Grünewald

Anton Hofer

Max Dietrich Kley**

Friedrich Koch

Hanns-Peter Kreuser

Dr. Lothar Meyer

Dr. Diether Münich**
since July 28, 2005

Herbert Munker

Gerhard Randa
since May 12, 2005

Dr. Siegfried Sellitsch
until May 12, 2005

Professor Wilhelm Simson**

Professor Hans-Werner Sinn

Maria-Magdalena Stadler

Ursula Titze

Jens-Uwe Wächter

Helmut Wunder

Management Board***

Johann Berger
Germany business segment,
Corporate Customers and Professionals,
and Real Estate business units,
since April 1, 2005

Dr. Stefan Jentzsch
Corporates & Markets
business segment

Dr. Michael Kemmer
Chief Risk Officer (CRO)

Christine Licci
Germany business segment,
Private Customers business unit,
since January 17, 2005

Michael Mendel
Germany business segment,
until May 12, 2005
Austria & Central and Eastern Europe
business segment,
since May 12, 2005

Dieter Rampl
Board Spokesman,
Human Resources Management

Gerhard Randa
Austria & Central and Eastern Europe
business segment,
Chief Operating Officer (COO),
until May 12, 2005

Dr. Wolfgang Sprissler
Chief Financial Officer (CFO)

*After September 30, 2005, Gerhard Randa resigned from the Supervisory Board with immediate effect in connection with the acquisition offer made by UniCredit

The members of the Supervisory Board marked with ** have resigned from office in compliance with the one month's notice period required in Article 11 of the Articles of Incorporation. Their term of office will end with effect from November 28, 2005 at the latest

***Dr. Jentzsch, Ms. Licci, and Mr. Mendel have made use of the change of control clause in their contracts

QUARTERLY FIGURES

	Q3 (2005)	Q2 (2005)	Q1 (2005)	Q4 (2004)	Q3 (2004)
Operating performance (€ millions)					
Net interest income	1,468	1,493	1,404	1,477	1,444
Provisions for losses on loans and advances	327	326	323	445	455
Net interest income after provisions for losses on loans and advances	1,141	1,167	1,081	1,032	989
Net commission income	860	764	757	761	691
Trading profit	278	101	322	166	113
General administrative expenses	1,623	1,623	1,600	1,442	1,563
Balance of other operating income and expenses	20	2	(32)	(20)	16
Operating profit (loss)	**676**	**411**	**528**	**497**	**246**
Net income from investments	23	31	74	(238)	(7)
Amortization of goodwill	—	—	—	49	39
Addition to restructuring provisions	60	—	—	250	—
Allocation to special provisions for bad debts	—	—	—	2,500	—
Balance of other income and expenses	(36)	(36)	(37)	(95)	(86)
Profit (loss) from ordinary activities/ net income (loss) before taxes	**603**	**406**	**565**	**(2,635)**	**114**
Taxes on income	114	107	160	(27)	39
Net income (loss) after taxes	**489**	**299**	**405**	**(2,608)**	**75**
Minority interest in net income (loss)	(165)	(69)	(69)	(94)	(65)
Consolidated profit (loss)	**324**	**230**	**336**	**(2,702)**	**10**
Earnings per share (€)[1]	**0.44**	**0.30**	**0.45**	**0.12**	**0.05**

[1] 2004 quarterly figures adjusted for amortization of goodwill; Q4 additionally adjusted for addition to restructuring provisions and allocation to special provisions for bad debts

	9/30/2005	6/30/2005	3/31/2005	12/31/2004	9/30/2004
Key indicators (%)					
Return on equity after taxes[1]	10.2	9.7	11.6	3.9	4.1
Cost-income ratio (based on profit from ordinary activities)	65.5	66.5	64.3	72.0	69.3
Cost-income ratio (based on operating revenues)	65.2	67.0	65.3	66.1	68.0
Ratio of net commission income to operating revenues	32.0	31.6	30.9	30.7	30.3
Balance sheet figures (€ billions)					
Total assets	495.7	492.7	469.9	467.3	460.5
Total volume of lending	334.1	333.3	326.2	324.6	329.1
Shareholders' equity	16.3	15.4	14.6	13.9	15.7
Key capital ratios compliant with BIS rules					
Core capital (€ billions)	15.7	15.7	15.4	15.7	17.5
Equity funds (€ billions)	27.6	27.8	27.2	27.1	29.7
Risk assets (€ billions)	250.0	246.5	242.0	238.6	241.3
Core capital ratio (%)	6.3	6.4	6.4	6.6[2]	7.2
Equity funds ratio (%)	9.8	10.0	10.2	10.4	11.3
Share information					
Share price (€)	23.44	21.51	18.87	16.70	15.46
Market capitalization (€ billions)	17.6	16.1	14.2	12.5	11.6

Employees	60,923	59,294	57,437	57,806	57,973
Branch offices	2,263	2,190	2,085	2,036	2,055

[1] 2004 figures adjusted for amortization of goodwill; figures at 12/31/2004 additionally adjusted for addition to restructuring provisions and allocation to special provisions for bad debts

[2] 6.2% including consolidation and other effects to be incorporated from the start of 2005

Important dates 2006	
Preliminary annual results	February 23, 2006
Publication of the 2005 annual results	March 16, 2006
Annual General Meeting of Shareholders	May 24, 2006
ICM International Congress Center Munich	
Neue Messe Munich-Riem, 81823 Munich, Germany	
First-quarter earnings	May 10, 2006
Second-quarter earnings	July 26, 2006
Third-quarter earnings	October 26, 2006

Contacts

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