HypoVereinsbank

Member of UniCredit Group

Interim Report at September 30, 2007

Disclaimer

This edition of our interim report is prepared for the convenience of our English-speaking readers. It is based on the German original, which takes precedence in all legal respects.

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Markus Prachensky, “Without Title”, 1984, BA-CA collection.

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Financial Highlights

	1/1–30/9/2007[1]	1/1–30/9/2006[1]
Key indicators		
Return on equity after taxes[2]	16.4%	16.8%
Return on equity after taxes, adjusted[2,3]	14.0%	10.4%
Return on equity before taxes[2]	27.9%	22.6%
Return on equity before taxes, adjusted[2,3]	22.4%	16.3%
Cost-income ratio (based on total revenues)	51.4%	61.0%

Operating performance	1/1–30/9/2007[1]	1/1–30/9/2006[1]
Operating profit	€2,590m	€1,785m
Profit before tax	€2,446m	€1,744m
Net profit	€1,447m	€1,304m
Earnings per share	€1.84	€1.74
Earnings per share, adjusted[3]	€1.60	€1.05

Balance sheet figures	30/9/2007	31/12/2006[4]
Total assets	€426.4bn	€358.3bn
Shareholders' equity	€23.4bn	€21.9bn

Key capital ratios compliant with German Banking Act (KWG)	30/9/2007	31/12/2006[4]
Core capital (including inflow to shareholders' equity arising		
from the disposal of discontinued operations)	€22.6bn	€21.6bn
Risk-weighted assets	€142.6bn	€137.4bn
Core capital ratio (including inflow to shareholders' equity		
arising from the disposal of discontinued operations)	15.9%	15.8%
	30/9/2007[1]	31/12/2006[1]
Employees	25,363	25,738
Branch offices	850	785

1 without discontinued operations
2 return on equity relating to 6.8% tied equity capital as a proportion of average risk-weighted assets
3 2007 adjusted for the effect arising from interest payable on the purchase price relating to the sale of discontinued operations, the gains on disposal of Indexchange and Münchener Rückversicherungs-Gesellschaft AG, restructuring costs and tax charges arising from German tax reforms; 2006 adjusted for the gain on disposal of the Activest companies and restructuring costs
4 HVB Group new: pro forma figures of continued operations

SHARE INFORMATION		1/1–30/9/2007	31/12/2006
Share price:	Reporting date	€41.22	€33.03
	High	€43.21	€36.65
	Low	€32.30	€25.52
Market capitalisation at reporting date		€33.1bn	€24.8bn

Ratings

	LONG-TERM	SHORT-TERM	OUTLOOK	FINANCIAL STRENGTH	PFANDBRIEFS PUBLIC	PFANDBRIEFS MORTGAGE	CHANGED/ CONFIRMED
Moody's	A1	P-1	stable	C–	Aa1[1]	Aa1[1]	18/5/2007
S & P	A	A-1	positive	—	AAA	—	2/4/2007
Fitch Ratings	A	F1	positive	C	AAA	AAA	28/9/2006

1 on "review for possible upgrade" since May 14, 2007

Management Report

HYPOVEREINSBANK AS COMPETENCE CENTRE IN GERMANY

Although the world economy entered the summer at a fairly high cruising speed, it was hit by intense turmoil on the financial markets in early August, which triggered serious concerns among market players.

A series of interest rate rises coupled with falling property prices in the United States resulted in defaults on mortgage-backed loans and consequently also to a direct collapse in the value of collateralised securities backed by subprime mortgages. This triggered a sudden decline in willingness on the part of investors to take risk, which led to a liquidity drought on the money market and a rise in market interest rates coupled with a massive widening of the credit spread. A couple of months after the crisis began, the money markets are still under pressure and market players remain uncertain. For more information about the crisis and its effects, please refer to the section entitled “General situation”.

For the European economy, the turmoil on the financial markets is likely to have less of an impact, with no direct effects on the real economy but with some major direct (non-interest income growth) and indirect (lower credit demand and interest margins suffering from the interest rate hikes) effects on banks’ profitability.

In this environment, HVB Group’s profit before tax for the third quarter of 2007 declined noticeably compared to the previous quarter. Despite the banking crisis, we continued with the positive performance of last year through to the end of September 2007. After nine months of 2007, profit before tax surpassed the total reported for the equivalent period last year by 64.8% and profit before tax for the third quarter of 2007 was up a massive 91% on the same quarter last year.

Key milestones on the way to a uniform organisational structure

By the end of September 2007, HypoVereinsbank had succeeded in achieving further significant milestones in aligning its strategic position as the competence centre in Germany and for group-wide investment banking activities.

The investment banking activities of UniCredit Banca Mobiliare (UBM) that were transferred on April 1, 2007 against new ordinary shares of HVB are now fully integrated into the Markets & Investment Banking division. We have successfully aligned the legal, organisational and staffing structures. This integration is a further significant step towards bundling the investment banking operations of the entire UniCredit Group in HypoVereinsbank, thus strengthening our position as one of the leading European investment banks.

Strategic focus on Germany benefits from tailored business models of all four divisions

HypoVereinsbank benefits from various advantages in Germany, which has a large and wealthy banking market. A solid position and unique customer franchise in the corporate segment make it possible to tailor successful projects to market trends. An individualised approach in difficult retail markets is starting to bear fruit, supported by a clear strategy differentiated by tailored customer segments. The Wealth Management unit is taking the chance to leverage the substantial expertise of the UCI fund provider Pioneer Investments. In its role as a corporate competence centre, the Markets & Investment Banking division (MIB) benefits from the reshaping of our operating activities, even if the third quarter was burdened by the global crisis on the capital markets. Our ability to tap the corporate resources of the UniCredit Group will enable us to expand our business models and services in the future while also making them more profitable.

Rebranding of HypoVereinsbank in the context of a pan-European brand

HypoVereinsbank is part of an international banking group with an important European franchise for financial services and a clear profile. In the context of the UniCredit Group rebranding, our brand name "HypoVereinsbank" is being retained in a form that stresses the family feeling within the Group. This also reflects UniCredit Group's active commitment to HypoVereinsbank's identity and to Germany as a vital core market. HypoVereinsbank stands for national strength and competence in regional markets with the additional potential of an international group. All stakeholders, especially our customers, will continue to benefit from clear competence profiles in our four divisions and increasingly see and "feel" the advantages of a growing internationality. The rebranding roll-out will start from the beginning of 2008.

At this point, we would like to thank our staff and their representatives. Their willingness to adapt to change and boost our commercial success – even in a difficult and shaky environment – represents the successful platform on which our business model is built. This is the basis for the self-confidence we need to shape a successful future.

CORPORATE STRUCTURE

Legal corporate structure

Bayerische Hypo- und Vereinsbank Aktiengesellschaft (HVB AG) 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. HVB AG has been an affiliated company of UniCredito Italiano S.p.A. Genoa (UniCredit) since November 2005 and hence a major part of the UniCredit Group from that date as a sub-group.

Legal actions to annul resolutions adopted at the Extraordinary Shareholders' Meeting in 2006

Based on the resolution adopted by the Supervisory Board and the Management Board on September 12, 2006 to sell the shares held by the Bank in Bank Austria Creditanstalt AG (BA-CA) and other units in CEE, which was approved by our shareholders at the Extraordinary Shareholders' Meeting on October 25 last year, the shares in Bank Austria Creditanstalt AG and Joint Stock Commercial Bank Ukraine (HVB Bank Ukraine) were transferred to UniCredit, and the shares in Closed Joint Stock Company International Moscow Bank (IMB) and AS UniCredit Bank (formerly HVB Bank Latvia AS, Riga) to BA-CA in the first quarter of this year; the sale of the HVB AG branches in Tallinn and Vilnius to AS UniCredit Bank was completed in the third quarter of this year.

Various shareholders have started legal actions adopted at the Extraordinary Shareholders' Meeting held by the Company on October 25, 2006, which approved the sale of the shares held by the Company in Bank Austria Creditanstalt AG (BA-CA), Joint Stock Commercial Bank HVB Bank Ukraine (HVB Bank Ukraine), Closed Joint Stock Company International Moscow Bank (IMB), AS UniCredit Bank (formerly HVB Bank Latvia AS, Riga) and the HVB AG branches in Tallinn, Estonia, and Vilnius, Lithuania. At the beginning of November this year, the special representative of HypoVereinsbank entered the proceedings as an intervenor on the part of the plaintiff shareholders. A decision by the court of first instance is expected at the end of January 2008.

Squeeze-out approved on June 27, 2007

On June 27, 2007, a majority of 98.77% of the votes cast at the Company's Annual General Meeting of Shareholders approved the transfer to UniCredit of the shares in HypoVereinsbank held by minority shareholders as part of a squeeze-out procedure for a reasonable cash compensation. The level of cash compensation had already been determined at €38.26 per share by UniCredit based on an expert opinion prepared by the auditing company Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft and confirmed as reasonable by the court-appointed auditor, the auditing company Warth & Klein GmbH Wirtschaftsprüfungsgesellschaft.

More than a hundred shareholders have in the meantime started actions to annul the transfer resolution and further resolutions adopted at the Annual General Meeting of Shareholders on June 27, 2007. Until the completion of the squeeze-out, which takes effect when entered in the commercial register, HVB AG's shares of common stock will continue to be admitted to official trading on all German stock exchanges as well as on the Vienna Stock Exchange, Euronext in Paris and the SWX Swiss Exchange.

Claims for compensation/appointment of special representatives

At the Annual General Meeting of HVB AG on June 27, 2007, a resolution was adopted, upon a motion submitted by shareholders regarding item 10 of the agenda, to assert claims for compensation against current and former members of the Management Board and Supervisory Board of the Company as well as UniCredit S.p.A. and its affiliated companies – including their legal representatives in each case – for asserted financial damage caused as a result of the sale of Bank Austria Creditanstalt AG and for asserted financial damage caused by the Business Combination Agreement (BCA) dated June 12, 2006. A special representative was appointed to assert the claims.

The action to annul the appointment resolution initiated by our majority shareholder, UniCredit, was rejected in the first instance at the start of October 2007; UniCredit intends to appeal against this decision.

As part of temporary injunction proceedings initiated by the special representative, in mid-September Munich District Court granted the special representative wide-ranging rights to inspect and obtain information vis-à-vis HypoVereinsbank, its employees and its governing bodies; HypoVereinsbank has appealed against this decision.

Lawsuit to determine the validity of the 2006 annual financial statement

Various non-German investment fund companies have filed suit against the Company with a view to having the annual financial statements of 2006 declared null and void. This is due to the non-capitalisation by the Company of asserted claims for compensation apparently totalling around €17 million arising from the sale of the Activest companies to Pioneer Global Asset Management S.p.A. (a subsidiary of UniCredit), the sale of the shares held in Bank Austria Creditanstalt AG to UniCredit and International Moscow Bank to Bank Austria Creditanstalt AG, and asserted claims for compensation arising from other actions taken by the Company.

GENERAL SITUATION AND INDUSTRY-SPECIFIC ECONOMIC TRENDS

Macroeconomic situation

The world economy entered the summer at a fairly high cruising speed. However, in late July and early August an unexpected and intense bout of turmoil on the financial markets raised serious concerns over the possibility of transmission to the real economy, and major uncertainty over future prospects. The crisis began with the housing market recession in the United States; suddenly a wide market of products backed by subprime US consumer mortgages simply disappeared, triggering a liquidity drought in the money market and requiring prompt intervention by central banks in an attempt to restore normal conditions. Pressures in the money market and uncertainty are still present. We consider the robust rate cut by the Fed enough to avoid a broader and more harmful credit crunch. Nonetheless, we expect the US economy to slow substantially for the remainder of 2007, but without falling into recession.

Conversely, the turmoil on the financial markets is likely to have less of an impact on the European economy, with no direct effects (apart from on banks' finances). Some of the improvements seen in the past two years in the European economy are structural and will help it to withstand the US slowdown without difficulty. Transmission of the effects will be through lower US demand, which we had already considered likely in the previous scenario. The appreciation of the euro against the dollar will further strengthen this effect. The likelihood of a slight slowdown has already been indicated by a decline in survey figures; specifically, the EU's Economic Sentiment Indicator in September showed the fourth consecutive decline (to 107.1), though remaining at quite a high level (100 = long-term average since January 1990).

On the back of the described trends, the euro strengthened further against the dollar, temporarily passing 1.40 before closing the third quarter at 1.39, while the bond yield spread between United States and the euro-zone narrowed further, standing at around 30bp at the end of September compared to around 50bp at the end of the second quarter. The third quarter proved to be very volatile for international stock markets, although overall they closed September well above the end-2006 levels.

Specific trends affecting the banking sector in Germany
Expectations of a strong recovery in profitability in 2007 have almost vanished due to the turmoil on the financial markets.

Net interest income drivers have continued to suffer from the relative weakness of lending growth, mainly attributable to the government and the self-employed persons sectors. Also household demand for housing loans remained weak.

Conversely, growth in demand for financial resources from non-financial enterprises was particularly buoyant, offsetting the weaker demand in the other sectors. On the funding side, the increase in deposits continued to outstrip lending growth mainly thanks to time deposits, but also sight deposits showed an accelerating trend in the course of the third quarter. Looking at bank interest rates, due to the prevalence of fixed-rate loans, rates on outstanding loans only marginally increased in the third quarter, while deposit rates kept adjusting strongly upward. The spread (difference between lending and deposit rates) therefore continued to narrow, although the spread calculated on new business rates widened further.

BUSINESS SITUATION AND DEVELOPMENT OF INCOME OF HVB GROUP

The transfers of Bank Austria Creditanstalt AG (BA-CA), Joint Stock Commercial Bank Ukraine (HVB Bank Ukraine), Closed Joint Stock Company International Moscow Bank (IMB), AS UniCredit Bank (previously HVB Bank Latvia AS, Riga) and the HVB AG branches in Tallinn and Vilnius agreed by the Management Board and Supervisory Board on September 12, 2006, which were approved by the Extraordinary Shareholders' Meeting on October 25, 2006, represent a discontinued operation as defined by IFRS 5. Hence the results of the discontinued operations are only shown after the profit after taxes and minorities of the new HVB Group (continued operations) in the income statement.

After the transfer of the companies and sub-groups defined as discontinued operations – the BA-CA Group, IMB, AS UniCredit Bank and HVB Bank Ukraine – in the first quarter of 2007 and their deconsolidation with effect from January 1, 2007, the branches in Tallinn and Vilnius were completely transferred in the third quarter of this year. Hence, the profit from the activities of the Tallinn and Vilnius branches up to the economic completion date of March 1, 2007 are shown in the separate income statement items "Net profit after tax of discontinued operations" and "Minority interest in the net profit of discontinued operations" in the HVB Group income statement in 2007 alongside the gains on the deconsolidation of the transferred sub-groups and companies, including the respective taxes and minority interests, after the profit of the new HVB Group. The comparative figures for the previous year, on the other hand, still contain the profit from the business activities of the transferred companies.

Discontinued operations account for €3,698 million (previous year: €1,244 million) of HVB Group's net profit of €5,145 million (previous year: €2,548 million) after deduction of the minority interest as a result of the gains realised on the deconsolidation of the BA-CA Group, IMB, AS UniCredit Bank, HVB Bank Ukraine and the branches in Tallinn and Vilnius. At €1,447 million, the profit from continued operations (net profit of HVB Group new) increased by 11.0% year-on-year.

Operating profit
The operating profit of HVB Group rose by 45.1% compared to the highly successful equivalent period last year, to reach €2,590 million at September 30, 2007. Despite the unusual turbulence on the financial markets and the impact this had on operations in the third quarter of 2007, operating profit rose by 16.5% year-on-year to €5,327 million in the first nine months. This solid earnings performance, in conjunction with the reduction in operating costs, has produced a significant improvement in the cost-income ratio by 9.6 percentage points to reach 51.4% (percentage of total revenues made up by

operating costs). After the first nine months of 2007, this good operating performance enabled us to easily reach the ambitious targets we mentioned in Management's Discussion and Analysis in the consolidated financial statements at December 31, 2006 (on page 68 of the 2006 Annual Report) for achieving a tangible increase in total revenues and thus an improvement in the cost-income ratio.

Net interest income

Compared to last year, net interest income increased by 20.8% to €2,805 million.

This rise was driven strongly by the inflow of funds from the disposals of discontinued operations. Apart from the inflow of contractually agreed interest payments on the purchase price for the period since the Extraordinary Shareholders' Meeting in October 2006 and the investment of the gains realised on the disposals, this included the cessation of the funding expenses compared to the previous year.

The investment banking activities transferred from UBM have a negative impact on net interest income on account of the refinancing of the trading portfolios. These expenses are directly related to the trading profit arising from these investment banking activities.

This effect of initial consolidation in net interest income was offset by far higher trading-generated interest components in other parts of the Market & Investment Banking division within HVB AG.

Excluding the factors listed above (liquidity advantages arising from the disposal of companies, the effect of initial consolidation arising from the transfer of UBM's investment banking activities and trading-generated interest components), net interest income is at the same level as last year.

Interest income from dividends and similar income from equity investments increased by €78 million to €262 million, mainly as a result of a rise in dividend payouts from private equity funds.

Net fees and commissions

At €1,340 million, net fees and commissions after the first nine months of 2007 almost matched last year's figure (down 1.2%), despite the absence in 2007 of the gains on the disposal of the Activest companies in the middle of 2006 and the sale of Nordinvest and Indexchange in January 2007. Adjusted for currency, initial consolidation and deconsolidation effects, net fees and commissions rose by 2.9% compared to last year. In adjusted terms, all the operating divisions contributed to this increase, even if the previously strong momentum in the Markets & Investment Banking division slackened in the third quarter of 2007 due to the uncertainties on the financial markets and despite the normalisation in the rate of increase in net fees and commissions compared to last year.

Net trading income

At €857 million, net trading income is around one quarter higher than last year's total (€673 million), although the difficult market situation significantly depressed the result achieved in the third quarter of 2007. With a contribution to earnings of €38 million, net trading income in the third quarter was substantially behind the excellent quarterly contributions made in the first half of 2007 (Q1 2007: €350 million; Q2 2007: €469 million).

The inclusion of €285 million from UBM's investment banking activities also helped to boost net trading income as at the end of September. In particular, the year-on-year increase in net income from financial instruments held for trading by one quarter to reach €408 million contributed to the rise in net trading income, even if the rapid expansion of profits slowed in the third quarter as a result of market turmoil. At €321 million, the contribution to dividend income generated by trading operations was roughly the same as last year. In addition, gains on the realisation of private equity have been reported under net trading income since the end of 2006. These gains amounted to €118 million in the first nine months of 2007. (These were still included under net income from investments at September 30, 2006).

Operating costs

Operating costs fell by 1.9%, to €2,737 million, compared to last year. Within operating costs, payroll costs and depreciation on property, plant and equipment decreased while other administrative expenses increased. The decline in payroll costs essentially results from the reduction in the headcount. The rise in the other administrative expenses is attributable in part to the increase in the German VAT rate to 19%. Adjusted for the effects of initial consolidation and deconsolidation, total operating costs fell by 2.8%.

Provisions for risks and charges

Provisions for risks and charges declined from €73 million last year to €32 million after the first nine months of 2007. The total for the current financial year mainly contains provisions in connection with potential repurchase commitments arising under real estate transactions.

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

At €496 million, net write-downs of loans and provisions for guarantees and commitments at the end of September 2007 are 22.3% below last year's figure (€638 million). The favourable total for the third quarter of 2007 in isolation can be attributed to one-off reversals in the Markets & Investment Banking division.

Net income from investments

Net income from investments amounted to €390 million at September 30, 2007. The total includes gains of €219 million realised on the sale of Indexchange Investment AG to Barclays Bank PLC and of €47 million on the sale of Norddeutsche Investment-Gesellschaft mbH (Nordinvest) to the Pioneer Group. In addition, the gain on the sale of the remaining shares in Münchener Rückversicherungs-Gesellschaft AG at €113 million favourably impacted net income from investments. At €689 million in the same period last year, net income from investments essentially contained the gains realised on the sale of the Activest companies (€533 million) and the reduction of our interest in Babcock & Brown Limited (€55 million) and in Deutsche Lufthansa AG (€40 million).

Profit before tax

At €2,446 million, profit before tax increased by around 40% compared to the result for the first nine months of last year (€1,744 million). In this connection, both the result of this financial year and that of last year are marked by non-recurring effects. Adjusted for the favourable effect arising from the interest payable on the purchase price relating to the disposal of discontinued operations (€93 million) and without the gains of €219 million and €113 million realised on the sale of our holdings in Indexchange and Münchener Rückversicherungs-Gesellschaft AG, respectively, and adjusted for restructuring costs, profit before tax of the current financial year, at €2,027 million, exceeds last year's figure of €1,230 million adjusted for the gain on the disposal of the Activest Group (€533 million) and for restructuring expenses by around 65%.

Income tax

The reported income tax of €926 million (previous year: €375 million) includes additional non-recurring income tax of €190 million resulting from write-downs on deferred tax assets made necessary by the 2008 German Act on Corporate Tax Reform which was adopted in the third quarter.

Minorities and net profit

Minorities account for €73 million of the net profit of €1,520 million. After deducting minorities, we generated a profit of €1,447 million, which is 11% higher than the total for the equivalent period last year. Adjusted for the non-recurring effects included in profit before tax and the tax burdens as a result of the German tax reform, there was a sharp increase in net profit, up 59.3% to €1,257 million, compared to the adjusted profit of the previous year (€789 million).

The return on equity of the new HVB Group is reported in accordance with the customary definition in the UniCredit Group (based on 6.8% of the tied equity capital related to the average risk-weighted assets). This involves adjusting the respective profit variable in the numerator of the ratio by the imputed interest on to what is known as the average capital surplus (see also page 14 and following of the Half-yearly Financial Report 2007 for more on this methodology).

In the first nine months of 2007, HVB Group generated a return on equity of 16.4% after taxes and 27.9% before taxes. Adjusted for the non-recurring effects mentioned above, the ratios – at 14.0% after taxes and 22.4% before taxes – are significantly higher than the figures reported in the first nine months of 2006 (September 30, 2006: 16.8% return on equity after taxes, adjusted: 10.4% and 22.6% return on equity before taxes, adjusted: 16.3%).

Developments in the individual divisions

The contributions of the divisions to the profit before tax of the new HVB Group of €2,446 million were as follows:

Retail	€206 million
Wealth Management	€142 million
Corporates & Commercial Real Estate Financing	€578 million
Markets & Investment Banking	€1,399 million
Other/consolidation	€121 million

In the third quarter of 2007, the activities of the following units were pooled in the Corporates Division within the UniCredit Group in order to leverage future growth opportunities: Correspondent Banking, Documentary Business, Forfaiting, Structured Trade and Export Finance & International and Domestic Corporate Payments. Consequently, for the first time at the end of the September these operations are shown separately in the segment report of HVB Group under the new Global Financial Services (GFS) subdivision within the Corporates & Commercial Real Estate Financing division with retroactive effect from January 1, 2007. As the activities involved were previously assigned to the Markets & Investment Banking division, the change has produced shifts between Markets & Investment Banking and Corporates & Commercial Real Estate Finance for the above operations and associated customers in terms of segment allocations and the reporting of business volumes, income and expenses.

At the same time, a number of other, smaller reorganisations have taken place in line with the efforts to give the divisions a clear strategic orientation. This resulted in modified segment allocations in all the segments. The figures for the comparative periods in this and last financial year have been adjusted to reflect these changes.

The income statements for each segment and comments on the performance of the divisions are described in Note 1, "Segment reporting". The components and targets of the divisions are described in detail in the 2006 Annual Report in Note 21, "Notes to segment reporting by division" (pages 125–128).

FINANCIAL SITUATION OF HVB GROUP

Total assets and volume of lending

The total assets of HVB Group amounted to €426.4 billion at September 30, 2007. Compared to the 2006 year-end total, this represents a decline of €81.6 billion or 16.1%. On the assets side, the item assets of discontinued operations or disposal groups held for sale decreased by €164.4 billion. This sharp decline is due to the disposal of the major companies and assets which were still included under this item at December 31, 2006. This concerns the BA-CA Group, IMB, AS UniCredit Bank, HVB Bank Ukraine and the HVB AG branches in Tallinn and Vilnius defined as discontinued operations as well as the companies Indexchange, HVB Payment & Services and Nordinvest still classified as non-current assets or disposal groups held for sale at the end of 2006, and a non-strategic real estate portfolio.

The decline in the total assets as a result of these sales as described was partially compensated by the increase in volumes from the transfer of UBM's investment banking activities to HVB AG. At September 2007, the volume of assets of the transferred activities stood at €73.3 billion (initial consolidation effect). In particular, this caused the financial assets held for trading to rise by €73.4 billion to €181.1 billion.

In addition, the main increase on the assets involved a rise of €5.3 billion in loans and receivables with banks.

In the same way as on the assets side, the decline in total liabilities was also largely attributable to the deconsolidation of the companies and operations included under the item "liabilities of discontinued operations and of disposal groups held for sale". This item fell by €152.9 billion. This decline was compensated in part by the initial consolidation effect caused by the investment banking operations transferred from UBM. This essentially helped financial liabilities held for trading to rise by €60.6 billion to €121.3 billion. At the same time, deposits from customers increased by €13.0 billion while deposits from banks and debt securities in issue decreased by €3.1 billion and €3.2 billion, respectively.

The €3.4 billion rise in shareholders' equity to €23.4 billion can be attributed primarily to the net profit of about €5.1 billion generated in the period from January 1 to September 30, 2007, impacted by the gain of €3.7 billion on the disposal of the companies and sub-groups defined as discontinued operations. Likewise, the minority interest is down by €2.5 billion on account of the deconsolidation of the companies and sub-groups defined as discontinued operations. At the same time, shareholders' equity rose by €1,061 million on account of the capital increase implemented in the course of the transfer of the investment banking activities for a contribution in kind (subscribed capital up €155 million, additional paid-in capital up €906 million). Furthermore, the other reserves increased by €1.1 billion, whilst the reserves arising from the change in valuation of financial instruments decreased by a total of €0.8 billion.

On June 27, 2007, the Annual General Meeting of Shareholders adopted a resolution to pay a dividend out of the net profit for 2006 (€622 million) at an amount of €301 million. This is equivalent to a dividend of €0.40 per share of common stock and per share of preferred stock, and an advance dividend of €0.064 per share of preferred stock. The remaining amount of €321 million was transferred to other reserves in compliance with the resolution adopted by the Annual General Meeting of Shareholders.

Risk-weighted assets, key capital ratios and liquidity of HVB Group

At €142.6 billion, the risk-weighted assets (without market risks) compliant with the German Banking Act (KWG) were down around €1.6 billion on the 2007 half-year total. The reduction in risk-weighted assets compliant with the German Banking Act resulting from the current ABS transactions stood at €21 billion at the end of September. Market risk positions rose by €82 million to reach €1.1 billion.

At the reporting date of September 30, 2007, the core capital of HVB Group compliant with the German Banking Act amounted to €16.1 billion and equity funds to €22.6 billion. This results in a core capital ratio of 11.3% (excluding market risk positions) and an equity funds ratio of 14.4%. If the market risk positions in the core capital ratio are also taken into account, it stood at 10.3%. A pro forma view including the equity inflow from the disposal of discontinued operations gives rise to a core capital ratio of 15.9% and a core capital ratio including market risk positions of 14.5%.

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, the figure averaged 1.2 in the first nine months of 2007 (annual average in 2006: 1.2).

OTHER INFORMATION

IFRS basis

The present interim report has been prepared in accordance with the regulations defined in the International Financial Reporting Standards (IFRS) and complies with IAS 34, which covers interim reporting.

Listed below are the changes to the standards to be applied for the first time in the 2007 financial year, which essentially affect our Bank.

IFRS 7 "Financial Instruments: Disclosures", the application of which has been obligatory since January 1, 2007, has amended the reporting of financial instruments. IFRS 7 replaces IAS 30 completely and IAS 32 partially.

Among other things, this involves showing balance sheet disclosures and the contributions to income of financial instruments separately in accordance with the IAS 39 valuation categories. We have already made significant changes to the selected notes to the balance sheet and income statement in the present interim report.

The IFRIC 7, 8, 9 and 10 interpretations to be applied for the first time in the 2007 financial year have had no material consequences for accounting and valuation. Starting in 2007, HVB has used the fair value hedge permitted by IFRS for interest rate risks at portfolio level for the first time, for a limited portfolio of liabilities.

Furthermore, we have now completed the standardisation of external financial reporting begun last year (with the change in the income statement structure) as part of the integration of HypoVereinsbank into UniCredit. In the present interim report we have revised the balance sheet and notes structure to match the usual capital market communications practised by UniCredit for many years. The respective previous year figures have been adjusted accordingly.

Please refer to the 2006 Annual Report starting on page 115 for information on other accounting and valuation principles.

Segment reporting

A number of segment assignments have been changed as a result of the bundling of activities in the Global Financial Services (GFS) subdivision which is being shown separately within the Corporates & Commercial Real Estate Financing division for the first time in the third quarter of 2007 together with further minor reorganisations (please refer to the description in the section entitled "Business situation and development of income of HVB Group"; segment reporting). The figures for the comparative periods in the present and previous financial year have been adjusted to reflect the changes listed above.

Furthermore, in the segment reporting the standardised uniform capital allocation to divisions used in previous years was changed at the start of 2007 to a system of individual core capital allocation for each division in the case of companies assigned to several divisions. This involves allocating core capital to the divisions over a range between 5.9% and 6.8% of risk-weighted assets. The percentage used to assess the equity capital allocated to the companies assigned to several divisions (HVB AG, HVB Banque Luxembourg) stood at 3.4% in the 2006 financial year. This rate, which equals the 3-month EURIBOR plus a premium in the amount of the average 5-year UniCredit spread, is set for one year as part of the budgeting process. The percentage rate changed from 3.4% to 3.8% in connection with the new rules laid down for the 2007 financial year. Neither change has any material net effect. This is why we have dispensed with restating the previous periods.

Changes in the group of companies included in consolidation

Among others, the following companies have been included in the group of consolidated companies of the new HVB Group for the first time during 2007:

– PlanetHome AG, Munich
– PlanetHome GmbH, Mannheim
– Enderlein & Co. GmbH, Bielefeld
– Wealth Management Capital Holding GmbH, Munich
– HVB Alternative Advisors LLC
– HVB Asset Management Holding GmbH

Furthermore, the investment banking operations of UniCredit Banca Mobiliare, Milan, have been transferred to HVB AG. This transaction has the same effect as initial consolidation on the comparison of results with the first nine months of 2006 as well as the balance sheet at December 31, 2006.

The following companies, among others, have left the group of companies consolidated by the new HVB Group in 2007:
– Indexchange Investment AG (Indexchange), Munich
– Norddeutsche Investment-Gesellschaft mbH (Nordinvest), Hamburg
– HVB Payments & Services GmbH (PAS), Aschheim

Indexchange was sold to Barclays Bank PLC for around €240 million on February 8, 2007. On January 31, 2007, Nordinvest was transferred to Pioneer Global Asset Management S.p.A. as part of the measure taken to bundle the asset management activities in the UniCredit Group. PAS was sold to Postbank with effect from January 1, 2007.

When comparing figures with the results achieved in the first nine months of 2007, the companies which were deconsolidated in the 2006 financial year also had an impact on the figures. Essentially, this concerns Activest Investmentgesellschaft mbH, Activest Investmentgesellschaft Luxembourg S.A. and Westfalenbank Bochum, all of which left the group of companies included in consolidation at July 1, 2006.

The following companies, which had been defined as discontinued operations at December 31, 2006, were deconsolidated with retroactive effect from January 1, 2007:
– Bank Austria Creditanstalt AG including all companies included in the BA-CA sub-group
– AS UniCredit Bank, Riga
– Closed Joint Stock Company International Moscow Bank (IMB), Moscow
– Joint Stock Commercial Bank Ukraine (HVB Bank Ukraine), Kiev

The branches in Tallinn, Estonia, and Vilnius, Lithuania, were sold to AS UniCredit Bank, Riga during the third quarter of 2007 (economic completion date of March 1, 2007). Thus the discontinued operations item in the income statement only contains the results of operations of the branches in Tallinn, Estonia, and Vilnius, Lithuania, up until March 1, 2007 together with the gains on their disposal and the gains on disposal of the sold companies listed above.

Events after September 30, 2007

No events requiring reporting have taken place since September 30, 2007.

OUTLOOK

General economic trends

In our scenario, US GDP growth is expected to decline to around 1.5% this year from an average of 2.9% in 2006, with, in particular, households' propensity to consume expected to slow substantially for the remainder of 2007. GDP in the euro zone should just marginally moderate its pace of growth this year, posting a 2.4% y/y increase, down from 2.7% in 2006, still driven by a robust increase in corporate capital spending. In Germany, GDP should show a growth rate of 2.4% in 2007 (2.8% in 2006). The buoyancy in the corporate sector, in fact, should continue to push the investment activity, notwithstanding an expected softening in the last part of the year due to the financial turmoil.

The European Central Bank (ECB) raised interest rates twice in the first nine months of 2007, taking the key interest rate to 4.0% in June. Given the scenario outlined above, it might make only one further move in response to rising inflation towards the end of 2007, with a last hike of 25bp, thereby running the risk of adopting an overly aggressive policy (a risk that is inherent in its mandate). The dollar will remain weak until news on the US economy improves towards mid-2008. Long bonds should reflect the weakening macroeconomic picture with the US ten-year Treasury benchmark expected to reach 4.60% at the end of 2007 (from a current 4.41%) and the euro equivalent expected to close the year at 4.25% (from a current 4.19%).

Earnings performance of HVB Group

In the Half-yearly Financial Report at June 30, 2007, HVB Group as a risk-bearing entity published detailed observations regarding risks in the banking sector, notably regarding individual risk types, and the management of such risks under the sophisticated risk management system. The statements made in that Risk Report are still valid. In the third quarter of 2007, however, the present financial crisis in the housing sector emanating from the United States, which is also having an impact on the European financial markets, had a limited impact on the course of business and performance of HVB Group.

Compared with the second quarter of 2007, the Markets & Investment Banking (MIB) division suffered from declines notably in structured loans recorded in net trading income in the third quarter of 2007, although this was more than offset by positive developments in other MIB products. This means that MIB can report a profit overall. Direct repercussions from the subprime crisis for HVB Group are unlikely at present, on account of the Bank's limited subprime exposures in this area. This can be attributed in particular to the conservative lending policy that has been implemented in the UniCredit Group. On account of the differing structure of real estate markets in the core regions of HVB Group compared with the Anglo-Saxon markets, it remains unlikely that the crisis will spread to these sectors. Indirect effects arising from generally greater volatility, notably including spreads for traded credit products, could lead to greater price fluctuations in these trading products in the future. Given the present market situation and developments, it is not currently possible to predict the extent to which the financial crisis could expand further throughout Europe and potentially also extend to other market segments. Should the banking crisis turn into a global crisis on the financial markets, which would also have a sustained impact on business activity and hence the real economy, this might have a lasting effect on the net assets, financial and earnings position of the Bank.

As already reported in Management's Discussion and Analysis in the consolidated financial statements at December 31, 2006 (on page 68 of the 2006 Annual Report) we are planning for a tangible increase in total revenues for the 2007 financial year, with only a slight rise in operating costs.

This will consequently give rise to a planned improvement in the cost-income ratio.

Thanks to the sharp rise in total revenues coupled with a slight increase in operating costs, we have met our internal targets. Consequently we believe we are well on the way to meeting the targets we have set for 2007 as a whole, even if, given the market trend after June 30, 2007, we do not at the present time expect to be able to repeat the results recorded for total revenues for the first half of 2007 in the second half of the year.

From today's standpoint, we anticipate that net write-downs of loans and provisions for guarantees and commitments will probably be much lower than last year's level at year-end 2007.

The HVB Share

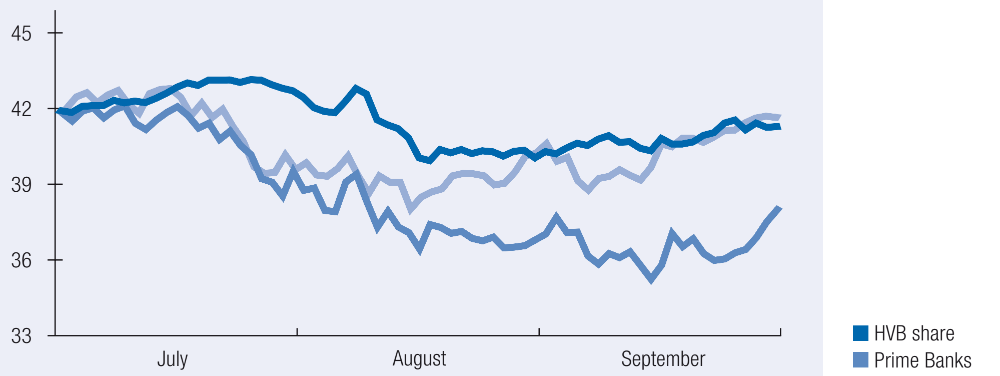
The price of the HVB share rose by 23.22% in the first nine months of 2007, from €33.45 at the start of 2007 to €41.22 at the end of September. The share price has been impacted by the squeeze-out procedure announced by UniCredit in January 2007, offering to transfer the shares held by minority shareholders to UniCredit against a suitable cash settlement. The cash settlement was set at €38.26 per share. The transfer was approved by 98.77% of the votes cast at this year's Annual General Meeting of Shareholders of HypoVereinsbank held on June 26 and 27.

During the same period, the benchmark Prime Banks index fell by 8.4% whereas the Prime All Share index climbed by 16.3%. A standalone view of the third quarter of 2007 shows that the HVB share price has suffered a moderate decline of only 1.8%, despite the current credit crisis on the financial markets, to close at €41.22 on September 29, 2007. At the end of September, the HVB share was weighted at 1.97% in the Prime Banks index and 0.15% in the Prime All Share index.

With a remaining free float of 4.6%, the average daily turnover of the HVB share fell considerably compared with the second quarter, by more than 57%, to 134,217 shares.

Investor Relations again kept analysts, institutional investors, rating agencies and private shareholders up to date on the Bank's development and strategic decisions in the third quarter of 2007.

HVB share relative to Prime Banks and Prime All Share from June 30 to September 30, 2007 (€)



Results

Consolidated Income Statement

for the period from January 1 to September 30, 2007

Income/expenses	NOTES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	CHANGE € millions	CHANGE in %
Net interest		2,805	2,322	+ 483	+ 20.8
Dividends and other income from equity investments		262	184	+ 78	+ 42.4
Net interest income	2	**3,067**	**2,506**	**+ 561**	**+ 22.4**
Net fees and commissions	3	1,340	1,356	(16)	(1.2)
Net trading income	4	857	673	+ 184	+ 27.3
Net other expenses/income	5	63	39	+ 24	+ 61.5
Net non-interest income		**2,260**	**2,068**	**+ 192**	**+ 9.3**
TOTAL REVENUES		**5,327**	**4,574**	**+ 753**	**+ 16.5**
Payroll costs		(1,601)	(1,699)	+ 98	(5.8)
Other administrative expenses		(953)	(867)	(86)	+ 9.9
Amortisation, depreciation and impairment losses on intangible and tangible assets		(183)	(223)	+ 40	(17.9)
Operating costs		**(2,737)**	**(2,789)**	**+ 52**	**(1.9)**
OPERATING PROFIT		**2,590**	**1,785**	**+ 805**	**+ 45.1**
Provisions for risks and charges		(32)	(73)	+ 41	(56.2)
Write-down on goodwill		—	—	—	—
Restructuring costs		(6)	(19)	+ 13	(68.4)
Net write-downs of loans and provisions for guarantees and commitments	6	(496)	(638)	+ 142	(22.3)
Net income from investments	7	390	689	(299)	(43.4)
PROFIT BEFORE TAX		**2,446**	**1,744**	**+ 702**	**+ 40.3**
Income tax for the period		(926)	(375)	(551)	>+ 100.0
PROFIT AFTER TAX		**1,520**	**1,369**	**+ 151**	**+ 11.0**
Minorities		(73)	(65)	(8)	+ 12.3
NET PROFIT OF HVB GROUP NEW		**1,447**	**1,304**	**+ 143**	**+ 11.0**
Net profit after tax of discontinued operations		3,698	1,762	+ 1,936	>+ 100.0
Minority interest in the net profit of discontinued operations		—	(518)	+ 518	(100.0)
NET PROFIT OF FULL HVB GROUP		**5,145**	**2,548**	**+ 2,597**	**>+ 100.0**

Earnings per share (€)	1/1–30/9/2007	1/1–30/9/2006
Earnings per share of full HVB Group	6.55	3.39
Earnings per share of HVB Group new	1.84	1.74
Earnings per share of HVB Group new (adjusted)[1]	1.60	1.05

1 2007 adjusted for the effect arising from interest payable on the purchase price relating to the sale of discontinued operations, the gains on disposal of Indexchange and Münchener Rückversicherungs-Gesellschaft AG, restructuring costs and tax charges arising from German tax reforms; 2006 adjusted for the gain on disposal of the Activest companies and restructuring costs

Since no conversion rights or option rights on conditional capital existed at September 30, 2007, there is no calculation of diluted earnings per share.

Consolidated Income Statement

for the period from July 1 to September 30, 2007

Income/expenses	1/7–30/9/2007 € millions	1/7–30/9/2006 € millions	CHANGE € millions	CHANGE in %
Net interest	892	766	+ 126	+ 16.4
Dividends and other income from equity investments	31	37	(6)	(16.2)
Net interest income	**923**	**803**	**+ 120**	**+ 14.9**
Net fees and commissions	365	371	(6)	(1.6)
Net trading income	38	191	(153)	(80.1)
Net other expenses/income	14	(4)	+ 18	
Net non-interest income	**417**	**558**	**(141)**	**(25.3)**
TOTAL REVENUES	**1,340**	**1,361**	**(21)**	**(1.5)**
Payroll costs	(452)	(558)	+ 106	(19.0)
Other administrative expenses	(327)	(289)	(38)	+ 13.1
Amortisation, depreciation and impairment losses on intangible and tangible assets	(60)	(72)	+ 12	(16.7)
Operating costs	**(839)**	**(919)**	**+ 80**	**(8.7)**
OPERATING PROFIT	**501**	**442**	**+ 59**	**+ 13.3**
Provisions for risks and charges	(7)	(27)	+ 20	(74.1)
Write-down on goodwill	—	—	—	—
Restructuring costs	(3)	(16)	+ 13	(81.3)
Net write-downs of loans and provisions for guarantees and commitments	(106)	(226)	+ 120	(53.1)
Net income from investments	7	551	(544)	(98.7)
PROFIT BEFORE TAX	**392**	**724**	**(332)**	**(45.9)**
Income tax for the period	(309)	(60)	(249)	>+ 100.0
PROFIT AFTER TAX	**83**	**664**	**(581)**	**(87.5)**
Minorities	(30)	(14)	(16)	>+ 100.0
NET PROFIT OF HVB GROUP NEW	**53**	**650**	**(597)**	**(91.8)**
Net profit after tax of discontinued operations	8	297	(289)	(97.3)
Minority interest in the net profit of discontinued operations	—	(105)	+ 105	(100.0)
NET PROFIT OF FULL HVB GROUP	**61**	**842**	**(781)**	**(92.8)**

Earnings per share (€)	1/7–30/9/2007	1/7–30/9/2006
Earnings per share of full HVB Group	0.00	1.12
Earnings per share of HVB Group new	0.04	0.87
Earnings per share of HVB Group new (adjusted)[1]	0.30	0.18

1 2007 adjusted for restructuring costs and tax charges arising from German tax reforms; 2006 adjusted for the gain on disposal of the Activest companies and restructuring costs.

Balance Sheet

at September 30, 2007[1]

Assets	NOTES	30/9/2007	31/12/2006	CHANGE	
		€ millions	€ millions	€ millions	in %
Cash and cash balances		444	508	(64)	(12.6)
Financial assets held for trading	11	181,064	107,628	+ 73,436	+ 68.2
Financial assets at fair value through profit or loss		13,533	11,728	+ 1,805	+ 15.4
Available-for-sale financial assets	12	7,740	6,504	+ 1,236	+ 19.0
Held-to-maturity investments		2,649	471	+ 2,178	>+ 100.0
Loans and receivables with banks	13	49,172	43,847	+ 5,325	+ 12.1
Loans and receivables with customers	14	163,552	164,031	(479)	(0.3)
Hedging derivatives		518	842	(324)	(38.5)
Investments in associates, joint ventures and					
non-consolidated subsidiaries		384	688	(304)	(44.2)
Property, plant and equipment		1,849	1,993	(144)	(7.2)
Intangible assets		759	808	(49)	(6.1)
of which: Goodwill		421	422	(1)	(0.2)
Tax assets		2,252	2,745	(493)	(18.0)
Assets of discontinued operations and non-current assets					
or disposal groups held for sale	15,16	21	164,451	(164,430)	(100.0)
Other assets		2,480	1,789	+ 691	+ 38.6
Total assets		**426,417**	**508,033**	**(81,616)**	**(16.1)**

1 new balance sheet structure; see Note 10, "Note on the adjustments of the balance sheet to match the UniCredit Group structure"

Liabilities	NOTES	30/9/2007 € millions	31/12/2006 € millions	CHANGE € millions	in %
Deposits from banks	17	83,475	86,571	(3,096)	(3.6)
Deposits from customers	18	105,752	92,751	+ 13,001	+ 14.0
Debt securities in issue	19	84,319	87,568	(3,249)	(3.7)
Financial liabilities held for trading		121,331	60,768	+ 60,563	+ 99.7
Hedging derivatives		465	764	(299)	(39.1)
Changes in fair value of portfolio hedged items		71	—	+ 71	+ 100.0
Tax liabilities		1,717	1,378	+ 339	+ 24.6
Liabilities of discontinued operations and of disposal groups held for sale	20, 21	23	152,920	(152,897)	(100.0)
Other liabilities		4,389	3,891	+ 498	+ 12.8
Provisions	22	1,439	1,434	+ 5	+ 0.3
Shareholders' equity		23,436	19,988	+ 3,448	+ 17.3
Shareholders' equity attributable to shareholders of HVB AG		22,614	16,690	+ 5,924	+ 35.5
Subscribed capital		2,407	2,252	+ 155	+ 6.9
Additional paid-in capital		9,791	8,885	+ 906	+ 10.2
Own shares		(2)	(2)	0	0.0
Other reserves		5,166	4,061	+ 1,105	+ 27.2
Change in valuation of financial instruments		107	872	(765)	(87.7)
AfS reserve		665	1,195	(530)	(44.4)
Hedge reserve		(558)	(323)	(235)	(72.8)
Consolidated profit 2006		—	622	(622)	(100.0)
Net profit 1/1–30/9/2007		5,145	—	+ 5,145	+ 100.0
Minority interest		822	3,298	(2,476)	(75.1)
Total shareholders' equity and liabilities		**426,417**	**508,033**	**(81,616)**	**(16.1)**

Statement of Changes in Shareholders' Equity

at September 30, 2007 (abridged version)

€ millions	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OWN SHARES	OTHER RESERVES	OF WHICH: PENSION AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at Jan. 1, 2006 before initial application of new and revised IFRSs	**2,252**	**9,126**	**2**	**864**	**—**
Effect of initial application of new and revised IFRSs	—	—	—	(806)	(806)
Shareholders' equity at Jan. 1, 2006 after initial application of new and revised IFRSs	**2,252**	**9,126**	**2**	**58**	**(806)**
Change from capital increase	—	—	—	—	—
Change from capital reductions	—	—	—	—	—
Change in valuation of financial instruments	—	—	—	—	—
Change in net income (loss)	—	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—	—
Change in holdings of, and net income from, own equity instruments	—	—	(3)	—	—
Dividend payouts	—	—	—	—	—
Changes in group of consolidated companies and reserve arising from foreign currency translation and other changes	—	—	—	(39)	—
Shareholders' equity at September 30, 2006	**2,252**	**9,126**	**(1)**	**19**	**(806)**
including:					
shareholders' equity of discontinued operations and disposal group held for sale	—	—	—	(17)	(3)
Shareholders' equity at Jan. 1, 2007	**2,252**	**8,885**	**(2)**	**4,061**	**(814)**
Change from capital increase	155	906	—	—	—
Change from capital reductions	—	—	—	—	—
Change in valuation of financial instruments	—	—	—	—	—
Change in net income (loss)	—	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—	—
Change in holdings of, and net income from, own equity instruments	—	—	—	—	—
Dividend payouts[1]	—	—	—	—	—
Transfers from net income	—	—	—	321	—
Changes in group of consolidated companies and reserve arising from foreign currency translation and other changes	—	—	—	784	559
Shareholders' equity at September 30, 2007	**2,407**	**9,791**	**(2)**	**5,166**	**(255)**
including:					
shareholders' equity of discontinued operations and disposal group held for sale	—	—	—	—	(2)

1 The Annual General Meeting on June 27, 2007 decided to pay a dividend of €301 million from the profit generated in 2006 (€622 million). This is equivalent to a dividend of €0.40 per share of common stock and per share of preferred stock and an advance dividend of €0.064 per share of preferred stock. The remaining amount of €321 million has been transferred to retained earnings.

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS		CONSOLIDATED PROFIT	PROFIT 1/1–30/9	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF HVB AG	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
AfS RESERVE	HEDGE RESERVE					
871	**(142)**	**191**	**—**	**13,164**	**3,219**	**16,383**
—	—	—	—	(806)	(166)	(972)
871	**(142)**	**191**	**—**	**12,358**	**3,053**	**15,411**
—	—	—	—	—	37	37
—	—	—	—	—	—	—
272	116	—	—	388	(4)	384
—	—	—	2,548	2,548	583	3,131
—	—	—	—	—	—	—
—	—	—	—	(3)	—	(3)
—	—	(191)	—	(191)	(151)	(342)
(1)	(1)	—	—	(41)	(37)	(78)
1,142	**(27)**	**—**	**2,548**	**15,059**	**3,481**	**18,540**
43	—	—	—	26	5	31
1,195	**(323)**	**622**	**—**	**16,690**	**3,298**	**19,988**
—	—	—	—	1,061	—	1,061
—	—	—	—	—	—	—
(126)	(370)	—	—	(496)	—	(496)
—	—	—	5,145	5,145	73	5,218
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	(301)	—	(301)	(33)	(334)
—	—	(321)	—	—	—	—
(404)	135	—	—	515	(2,516)	(2,001)
665	**(558)**	**—**	**5,145**	**22,614**	**822**	**23,436**
—	—	—	—	—	—	—

Cash Flow Statement

(abridged version)

€ millions	2007 HVB GROUP NEW	2006 FULL HVB GROUP
Cash and cash equivalents at January 1[1]	**508**	**1,053**
Cash flows from operating activities	**(2,509)**	**(1,991)**
Cash flows from investing activities[2]	**3,016**	**2,201**
Cash flows from financing activities	**(550)**	**(169)**
Effects of exchange rate changes	(21)	(43)
Less disposal group held for sale and discontinued operations	—	—
Cash and cash equivalents at September 30	**444**	**1,051**

1 The cash and cash equivalents are identical to the cash and cash balances shown in the balance sheet including balances with central banks that are repayable on demand. The other balances with central banks are carried under loans and receivables with banks and hence no longer form part of cash and cash equivalents

2 The net cash flow (€3,698 million) from the disposal of discontinued operations is included in the cash flows from investing activities for 2007

Notes

NOTES TO THE INCOME STATEMENT

1 Segment reporting

Income statement broken down by division for the period from January 1 to September 30, 2007

€ millions	RETAIL	WEALTH MANAGEMENT	CORPORATES & COMMERCIAL REAL ESTATE FINANCING	MARKETS & INVESTMENT BANKING	OTHER/ CONSOLI-DATION	HVB GROUP NEW	DISCONTINUED OPERATIONS[2]	FULL HVB GROUP[2]
TOTAL REVENUES								
1/1–30/9/2007	1,338	350	1,121	2,016	502	5,327	1	5,328
1/1–30/9/2006	1,341	417	1,096	1,631	89	4,574	3,959	8,533
Operating costs								
1/1–30/9/2007	(1,035)	(209)	(397)	(897)	(199)	(2,737)	(1)	(2,738)
1/1–30/9/2006	(1,084)	(263)	(407)	(803)	(232)	(2,789)	(2,211)	(5,000)
OPERATING PROFIT								
1/1–30/9/2007	303	141	724	1,119	303	2,590	—	2,590
1/1–30/9/2006	257	154	689	828	(143)	1,785	1,748	3,533
Net write-downs of loans								
and provisions for guarantees								
and commitments								
1/1–30/9/2007	(95)	(6)	(139)	42	(298)	(496)	—	(496)
1/1–30/9/2006	(130)	(2)	(180)	(2)	(324)	(638)	(419)	(1,057)
Other items[1]								
1/1–30/9/2007	(2)	7	(7)	238	116	352	3,782	4,134
1/1–30/9/2006	(5)	537	(3)	58	10	597	689	1,286
PROFIT BEFORE TAX								
1/1–30/9/2007	206	142	578	1,399	121	2,446	3,782	6,228
1/1–30/9/2006	122	689	506	884	(457)	1,744	2,018	3,762

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, restructuring costs, net income from investments and other non-operating expenses

2 contains the gains on the disposal of discontinued operations in other items (net income from investments)

Income statement of the Retail division

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**809**	**836**	**269**	**269**	**271**	**262**	**285**
Net fees and commissions	518	489	151	172	195	140	139
Net trading income	2	—	1	—	1	(1)	(1)
Net other expenses/income	9	16	4	2	3	(10)	—
Net non-interest income	**529**	**505**	**156**	**174**	**199**	**129**	**138**
TOTAL REVENUES	**1,338**	**1,341**	**425**	**443**	**470**	**391**	**423**
Payroll costs	(434)	(435)	(139)	(142)	(153)	(136)	(142)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(601)	(649)	(198)	(197)	(206)	(212)	(226)
Operating costs	**(1,035)**	**(1,084)**	**(337)**	**(339)**	**(359)**	**(348)**	**(368)**
OPERATING PROFIT	**303**	**257**	**88**	**104**	**111**	**43**	**55**
Restructuring costs	—	(2)	—	—	—	(5)	(1)
Net write-downs of loans and provisions for guarantees and commitments	(95)	(130)	(15)	(13)	(67)	(43)	(50)
Net income from investments and other items[1]	(2)	(3)	(2)	—	—	(6)	(5)
PROFIT BEFORE TAX	**206**	**122**	**71**	**91**	**44**	**(11)**	**(1)**
Cost-income ratio in %	77.4	80.8	79.3	76.5	76.4	89.0	87.0

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Retail division

In the first nine months of 2007, the Retail division generated a 17.9% increase in total revenues over last year, reaching €303 million.

This pleasing development contributed to an improvement of 3.4 percentage points in the cost-income ratio to 77.4%.

At the same time, operating costs declined by a sharp 4.5% despite the initial consolidation of the PlanetHome Group, one of the leading providers of property finance specialising in the provision and financing of residential property. Whereas payroll expenses decreased by 0.2% to remain at the same level as last year despite the initial consolidation of the PlanetHome Group, other administrative expenses, including depreciation of property, plant and equipment, declined by a significant 7.4%, particularly as a result of the continuing strict cost management.

At €1,338 million, total revenues remained at the same level as last year despite the decline in net interest income (down 3.2%). Net interest income decreased largely as a result of strategic changes in the case of real estate loans together with a decline in volumes of lending for overdraft facilities, whereby the restrained demand for credit from business customers is particularly noticeable on the market. This development was offset in part by the higher margins on the deposit-taking side and the increase in volumes for demand and term deposits. The change in net interest income was compensated above all by a year-on-year increase of 5.9% in net fees and commissions, which can be attributed in part to the consolidation of the PlanetHome Group. Alongside “KombiAnlage plus”, one of our core products in securities and custodial services, the continued successful distribution of innovative investment products with a nominal sales volume of around €2.5 billion made a major contribution to the development of the fees and commissions business. Key products in this connection include “HVB 6% Zins Ass”, “HVB Best of Fonds Zertifikate”, “HVB Zukunftszertifikat II”, “HVB 8% Favorit Anleihe”, “Favorit Express Zertifikat” and “HVB Relax Express Continental Star”.

The good operating performance, coupled with much lower net write-downs of loans and provisions for guarantees and commitments (down 26.9%), resulted in a profit before tax of €206 million, which is almost 70% higher than the result for the first nine months of last year.

Income statement of the Wealth Management division

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**122**	**116**	**45**	**40**	**37**	**47**	**40**
Net fees and commissions	236	311	70	79	87	86	62
Net trading income	(7)	(12)	1	(7)	(1)	(1)	1
Net other expenses/income	(1)	2	(1)	—	—	2	(1)
Net non-interest income	**228**	**301**	**70**	**72**	**86**	**87**	**62**
TOTAL REVENUES	**350**	**417**	**115**	**112**	**123**	**134**	**102**
Payroll costs	(69)	(91)	(22)	(24)	(23)	(26)	(24)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(140)	(172)	(45)	(46)	(49)	(56)	(45)
Operating costs	**(209)**	**(263)**	**(67)**	**(70)**	**(72)**	**(82)**	**(69)**
OPERATING PROFIT	**141**	**154**	**48**	**42**	**51**	**52**	**33**
Restructuring costs	—	(2)	—	—	—	(5)	(2)
Net write-downs of loans and provisions for guarantees and commitments	(6)	(2)	—	(2)	(4)	(8)	(2)
Net income from investments and other items[1]	7	539	1	5	1	10	533
PROFIT BEFORE TAX	**142**	**689**	**49**	**45**	**48**	**49**	**562**
Cost-income ratio in %	59.7	63.1	58.3	62.5	58.5	61.2	67.6

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Wealth Management division

As part of the pooling of asset management activities in the UniCredit Group, the Activest Group (Activest Investmentgesellschaft mbH, Munich, Activest Investmentgesellschaft Luxembourg S.A., Luxembourg and Activest Investmentgesellschaft Schweiz AG, Berne) were transferred to Pioneer Global Asset Management S.p.A. with effect from July 1, 2006 along with Nordinvest in January 2007. Moreover, the depositary banking activities of HVB Banque Luxembourg S.A. were assigned away from the Wealth Management division with effect from January 1, 2007. The primary profit contributions of the Activest companies (only until mid-2006), Nordinvest and the profits from the depositary banking activities of HVB Banque Luxembourg from the quarters of last year are still included in the above income statement. To make it easier to compare the performance of our Wealth Management operations, we are showing below an income statement for the Wealth Management division, in which the quarterly figures for 2006 have been adjusted for the deconsolidation effects and the profits from the depositary banking activities of HVB Banque Luxembourg.

Adjusted income statement of the Wealth Management division

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**122**	**112**	**45**	**40**	**37**	**46**	**39**
Net fees and commissions	236	216	70	79	87	73	53
Net trading income	(7)	(12)	1	(7)	(1)	(1)	1
Net other expenses/income	(1)	1	(1)	—	—	2	(1)
Net non-interest income	**228**	**205**	**70**	**72**	**86**	**74**	**53**
TOTAL REVENUES	**350**	**317**	**115**	**112**	**123**	**120**	**92**
Payroll costs	(69)	(67)	(22)	(24)	(23)	(23)	(23)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(140)	(140)	(45)	(46)	(49)	(54)	(43)
Operating costs	**(209)**	**(207)**	**(67)**	**(70)**	**(72)**	**(77)**	**(66)**
OPERATING PROFIT	**141**	**110**	**48**	**42**	**51**	**43**	**26**
Restructuring costs	—	(2)	—	—	—	2	(2)
Net write-downs of loans and provisions for guarantees and commitments	(6)	(2)	—	(2)	(4)	(8)	(2)
Net income from investments and other items[1]	7	3	1	5	1	(3)	—
PROFIT BEFORE TAX	**142**	**109**	**49**	**45**	**48**	**34**	**22**
Cost-income ratio in %	59.7	65.3	58.3	62.5	58.5	64.2	71.7

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

The Wealth Management division encompasses the Wealth Management Sales of HVB AG ("WEM HVB AG"), the DAB Bank Group, the private banking activities of HVB Banque Luxembourg and Wealth Management Capital Holding GmbH, Munich, which was consolidated for the first time in the second quarter of 2007 and encompasses participating interests in HVB Fonds Finance GmbH, Blue Capital GmbH and H.F.S. Hypo-Fondsbeteiligungen für Sachwerte GmbH, Munich.

The following description of developments relates to the adjusted income statement.

With profit before tax of €142 million, the Wealth Management division recorded an increase of 30.3% in the first nine months of 2007 over the equivalent figure for the corresponding period last year.

The newly implemented business model of providing service tailored specifically to the target group of very wealthy customers is beginning to have an impact at WEM HVB AG. In contrast to its competitors, WEM HVB AG is positioned as a generalist offering its clientele credit facilities from a single source alongside the typical wealth management investment products. The revenues for the third quarter of 2007 were more than 20% up on the same quarter last year, which was still dominated by the divisionalisation of HVB and the transfer of customers to the new Wealth Management service model. WEM HVB AG currently serves a good 39,000 customers.

One of the strategic priorities in Wealth Management is to expand mandated operations. The revenues from these activities rose significantly compared to last year. The volume of assets under management increased by more than 30% year-on-year to a good €2 billion. In terms of real assets, private equity holdings in particular were successfully placed.

With 2.7 million transactions in the third quarter, the DAB Bank Group recorded 16% more customer operations than in the equivalent quarter last year, despite uncertain capital markets. Revenues in the third quarter were also up 17% year-on-year; on a cumulative basis, the year-on-year growth is almost 8%.

The very strong increase in the operating profit of the Wealth Management division (up 28.2% year-on-year) was driven by the 10.4% rise in total revenues to €350 million. Net fees and commissions proved particularly dynamic, expanding 9.3% compared to this point last year. Net interest income also rose a sharp 8.9% on the back of higher dividend income.

The moderate 1.0% increase in operating costs reflects the deliberate expansion of the sales force, which is intended to generate more sustained organic growth. Targeted measures to permanently enhance efficiency were taken in terms of non-payroll costs. The cost-income ratio improved by 5.6 percentage points to 59.7% on the back of higher total revenues.

Income statement of the Corporates & Commercial Real Estate Financing division, Corporates subdivision

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**617**	**589**	**199**	**218**	**200**	**208**	**183**
Net fees and commissions	253	233	74	81	98	63	76
Net trading income	(1)	2	(1)	(1)	1	2	4
Net other expenses/income	6	7	3	2	1	(4)	—
Net non-interest income	**258**	**242**	**76**	**82**	**100**	**61**	**80**
TOTAL REVENUES	**875**	**831**	**275**	**300**	**300**	**269**	**263**
Payroll costs	(134)	(127)	(46)	(42)	(46)	(44)	(41)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(192)	(203)	(66)	(64)	(62)	(74)	(69)
Operating costs	**(326)**	**(330)**	**(112)**	**(106)**	**(108)**	**(118)**	**(110)**
OPERATING PROFIT	**549**	**501**	**163**	**194**	**192**	**151**	**153**
Restructuring costs	—	(1)	—	—	—	—	(1)
Net write-downs of loans and provisions for guarantees and commitments	(145)	(127)	(44)	(61)	(40)	(74)	(48)
Net income from investments and other items[1]	(3)	4	(6)	4	(1)	(15)	(4)
PROFIT BEFORE TAX	**401**	**377**	**113**	**137**	**151**	**62**	**100**
Cost-income ratio in %	37.3	39.7	40.7	35.3	36.0	43.9	41.8

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Corporates subdivision

In operations involving small and medium-sized customers, the Corporates subdivision increased its operating profit to €549 million in the first nine months of 2007, which represents a major gain of 9.6% year-on-year.

Taken together, higher total revenues (up 5.3%) and lower operating costs (down 1.2%) resulted in an improvement of 2.4 percentage points in the cost-income ratio to an outstanding 37.3%. Within total revenues, net fees and commissions rose by 8.6% as a result of highly successful derivatives operations and higher contributions from payments activities. At the same time, net interest income increased by 4.8%, despite the intense competition on the German market. The 1.2% reduction in operating costs year-on-year is attributable to much lower other administrative expenses and amortisation, depreciation and impairment losses.

The strong operating performance led to a significant rise in profit before tax, up 6.4% from €377 million to €401 million year-on-year, despite a 14.2% increase in net write-downs of loans and provisions for guarantees and commitments.

Income statement of the Corporates & Commercial Real Estate Financing division, Global Financial Services subdivision

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**55**	**55**	**18**	**18**	**19**	**19**	**18**
Net fees and commissions	33	43	10	12	11	14	15
Net trading income	—	—	—	—	—	—	—
Net other expenses/income	1	—	1	—	—	—	—
Net non-interest income	**34**	**43**	**11**	**12**	**11**	**14**	**15**
TOTAL REVENUES	**89**	**98**	**29**	**30**	**30**	**33**	**33**
Payroll costs	(13)	(14)	(3)	(5)	(5)	(4)	(5)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(25)	(24)	(9)	(8)	(8)	(7)	(8)
Operating costs	**(38)**	**(38)**	**(12)**	**(13)**	**(13)**	**(11)**	**(13)**
OPERATING PROFIT	**51**	**60**	**17**	**17**	**17**	**22**	**20**
Restructuring costs	—	—	—	—	—	—	—
Net write-downs of loans and provisions for guarantees and commitments	(1)	(1)	(1)	—	—	—	—
Net income from investments and other items[1]	—	—	—	—	—	—	—
PROFIT BEFORE TAX	**50**	**59**	**16**	**17**	**17**	**22**	**20**
Cost-income ratio in %	42.7	38.8	41.4	43.3	43.3	33.3	39.4

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Global Financial Services subdivision

The Global Financial Services subdivision, which is being shown separately for the first time in the interim report at September 30, 2007, provides products and services for corporate customers and international financial institutions above all in the field of foreign trade and payments. Its operating profit, which was previously allocated to the Markets & Investment Banking segment, declined by €9 million, or 15.0%, year-on-year to €51 million.

Total revenues declined by 9.2% overall, although net interest income remained stable. The 23.3% decrease in net fees and commissions results from lower contributions from the foreign branches and activities involving foreign guarantees. Operating costs remained constant, as the slight decline in payroll costs was offset overall by higher other administrative expenses and amortisation, depreciation and impairment losses. The cost-income ratio rose by 3.9 percentage points, but remains at a healthly 42.7%.

Profit before tax declined by €9 million, or 15.3%, to €50 million, as a result of the weaker operating performance.

Income statement of the Corporates & Commercial Real Estate Financing division, Commercial Real Estate Financing subdivision

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**121**	**134**	**37**	**42**	**42**	**26**	**42**
Net fees and commissions	35	30	11	13	11	8	10
Net trading income	—	—	—	—	—	—	—
Net other expenses/income	1	3	—	1	—	(2)	—
Net non-interest income	**36**	**33**	**11**	**14**	**11**	**6**	**10**
TOTAL REVENUES	**157**	**167**	**48**	**56**	**53**	**32**	**52**
Payroll costs	(7)	(9)	(2)	(3)	(2)	(3)	(3)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(26)	(30)	(9)	(8)	(9)	(9)	(12)
Operating costs	**(33)**	**(39)**	**(11)**	**(11)**	**(11)**	**(12)**	**(15)**
OPERATING PROFIT	**124**	**128**	**37**	**45**	**42**	**20**	**37**
Restructuring costs	—	—	—	—	—	—	—
Net write-downs of loans and provisions for guarantees and commitments	7	(52)	8	10	(11)	(11)	(30)
Net income from investments and other items[1]	(4)	(6)	(3)	(1)	—	5	(6)
PROFIT BEFORE TAX	**127**	**70**	**42**	**54**	**31**	**14**	**1**
Cost-income ratio in %	21.0	23.4	22.9	19.6	20.8	37.5	28.8

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Commercial Real Estate Financing subdivision

The operating profit of the Commercial Real Estate Financing subdivision fell a slight 3.1%, to €124 million, as a result of the further strategic reduction in volumes. At the same time, greater progress on expanding service operations had a positive effect.

The continued elimination of unprofitable portfolios led to a decline of 9.7% in net interest income, and consequently to a decrease of 6.0% in total revenues. This was partially offset by higher volumes in the deposit-taking business. Net fees and commissions benefited from the successful expansion of interest-derivative and advisory operations, beating the previous year total by a significant 16.7%. Operating costs declined by a tangible 15.4% on account of lower payroll costs arising from the elimination of positions associated with the reduction of volumes together with lower other administrative expenses. Consequently, the cost-income ratio improved by 2.4 percentage points to 21.0%.

The positive development of net write-downs of loans and provisions for guarantees and commitments (up €59 million year-on-year) reflects the improvement in the quality of the portfolio brought about by the successful implementation of the restructuring program. This resulted in a massive 81.4% rise in profit before tax to €127 million.

Income statement of the Markets & Investment Banking division

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
Net interest income	**901**	**752**	**226**	**283**	**392**	**344**	**248**
Net fees and commissions	272	218	54	139	79	92	58
Net trading income	844	658	26	463	355	79	193
Net other expenses/income	(1)	3	(9)	6	2	2	(7)
Net non-interest incom	**1,115**	**879**	**71**	**608**	**436**	**173**	**244**
TOTAL REVENUES	**2,016**	**1,631**	**297**	**891**	**828**	**517**	**492**
Payroll costs	(432)	(368)	(78)	(196)	(158)	(141)	(117)
Other administrative expenses, amortisation, depreciation and impairment losses on intangible and tangible assets	(465)	(435)	(163)	(169)	(133)	(172)	(139)
Operating costs	**(897)**	**(803)**	**(241)**	**(365)**	**(291)**	**(313)**	**(256)**
OPERATING PROFIT	**1,119**	**828**	**56**	**526**	**537**	**204**	**236**
Restructuring costs	—	—	—	—	—	(1)	—
Net write-downs of loans and provisions for guarantees and commitments	42	(2)	44	(1)	(1)	19	(5)
Net income from investments and other items[1]	238	58	16	7	215	(220)	16
PROFIT BEFORE TAX	**1,399**	**884**	**116**	**532**	**751**	**2**	**247**
Cost-income ratio in %	44.5	49.2	81.1	41.0	35.1	60.5	52.0

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Markets & Investment Banking division

As part of the reorganisation of the divisions, the Global Financial Services (GFS) unit previously operating under the Markets & Investment Banking division has been assigned to the Corporates & Commercial Real Estate Financing division. All the previous periods have been adjusted accordingly to ensure that the performance of the Markets & Investment Banking division is presented properly.

The Markets & Investment Banking division continued its successful, sustainable results trend in the current year, increasing its profit before tax year-on-year by a healthy 58.3% in the first nine months of 2007. This means that, in absolute figures, profit increased by €515 million to stand at €1,399 million.

This good performance can be primarily attributed to the substantial rise of €291 million in operating profit and the gain of €219 million realised on the disposal of Indexchange recognised in net income from investments and other items.

Total revenues were up by a total of €385 million, or 23.6%. This increase includes the revenues from UBM's investment banking activities, which have been incorporated since April 1, 2007. But even when the revenues from UBM's investment banking activities are not included in the figures, total revenues posted a healthy year-on-year rise of 13.7%.

Net trading income improved by 28.3% year-on-year, benefiting from the initial consolidation of UBM with net trading income of €285 million. Compared to last year, the net income from financial instruments held for trading rose by around a quarter.

Net fees and commissions and net interest income, which both benefited from the excellent performance in the Financing, Equity Derivatives and Equities units, also recorded a substantial increase. Much higher dividends from private equity investments were also recorded in net interest income.

As a result of the turmoil on the markets, total revenues shrank markedly in the third quarter of 2007, to €297 million, compared with the unusually successful previous quarters (Q1 2007: €828 million; Q2 2007: €891 million). The division was nevertheless able to generate an operating profit on account of its diversified line-up, although higher funding costs and the depressed net trading income from structured credit products had a negative impact on account of the illiquid market. This was offset, however, by very good results in the other business lines. FICC (Fixed Income, Commodities and Currencies) in particular again recorded strong profits in the third quarter of 2007.

The 11.7% rise in operating costs is attributable primarily to the first-time inclusion of UBM's investment banking activities. The cost-income ratio improved by a significant 4.7 percentage points, to 44.5%, compared to the first nine months of 2006, on the back of the strong earnings performance.

Income statement of the Other/consolidation division

INCOME/EXPENSES	1/1–30/9/2007 € millions	1/1–30/9/2006 € millions	Q3 2007 € millions	Q2 2007 € millions	Q1 2007 € millions	Q4 2006 € millions	Q3 2006 € millions
TOTAL REVENUES	**502**	**89**	**151**	**150**	**201**	**2**	**(4)**
Operating costs	**(199)**	**(232)**	**(59)**	**(39)**	**(101)**	**(22)**	**(88)**
OPERATING PROFIT	**303**	**(143)**	**92**	**111**	**100**	**(20)**	**(92)**
Restructuring costs	(6)	(14)	(3)	(3)	—	(30)	(12)
Net write-downs of loans and provisions for guarantees and commitments	(298)	(324)	(98)	(114)	(86)	(178)	(91)
Net income from investments and other items[1]	122	24	(6)	79	49	(36)	(10)
PROFIT BEFORE TAX	**121**	**(457)**	**(15)**	**73**	**63**	**(264)**	**(205)**

1 contains the following income statement items: provisions for risks and charges, write-down on goodwill, net income from investments and other non-operating expenses

Developments in the Other/consolidation division

The Other/consolidation segment encompasses the Global Banking Services and the Group Corporate Centre subsegments together with the profit contributions from the Special Credit Portfolio, the Real Estate Restructuring portfolio and consolidation effects.

The total revenues of this segment rose sharply, from €89 million last year to €502 million in the first nine months of 2007. This development results almost exclusively from net interest income, which benefited from the interest effects arising from the inflow of funds in conjunction with the disposal of the discontinued operations. This effect was reinforced by the return on the purchase price (generated in the first quarter of 2007) together with the investment of the gains on disposal and the omission of the refinancing costs on the carrying amounts of the investments in the discontinued operations that were included last year. Operating costs declined by €33 million, or 14.2%, compared to last year, essentially as a result of strict cost management in the internal service units and the associated downsizing. Net write-downs of loans and provisions for guarantees and commitments, which relate primarily to the Special Credit Portfolio, fell by 8.0%, to €298 million. At the same time, the gain of €47 million on the disposal of Nordinvest and the gain of €113 million on the disposal of Münchener Rückversicherungs-Gesellschaft in particular led to the higher profit contribution from net income from investments and other items. Last year, this item included the gain of €55 million on the disposal of Babcock & Brown and €40 million on the disposal of Lufthansa. Profit before tax improved to €121 million after the first nine months of the present financial year after a loss of €457 million in the equivalent period last year.

2 Net interest income

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Interest income from		
lending and money market transactions	8,489	7,987
other interest income	4,358	2,447
Interest expense from		
deposits	(4,496)	(3,641)
debt securities in issue and		
other interest expenses	(5,546)	(4,471)
Net interest	**2,805**	**2,322**
Dividends and other income		
from equity investments		
Dividends and other similar income	256	178
Companies accounted for using the equity method	6	6
Total	**3,067**	**2,506**

3 Net fees and commissions

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Management, brokerage and consultancy services	681	688
Collection and payment services	180	185
Lending and other service operations	479	483
Total	**1,340**	**1,356**

This item comprises the balance of fee and commission income of €1,823 million (2006: €1,663 million) and fee and commission expense of €483 million (2006: €307 million). In terms of the year-on-year change in net fees and commissions, the profit contributions made by the sold Activest companies (up to June 30, 2007 only), Indexchange and Nordinvest are only included in net fees and commissions for 2006, which has a negative effect when compared to 2006. In contrast, the initial consolidation of UBM's investment banking activities and the PlanetHome Group has a positive impact. When adjusted for initial consolidation, deconsolidation and currency effects, last year's level was exceeded by 2.9%.

4 Net trading income

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Net gains on financial instruments held for trading	408	327
Dividends on financial instruments held for trading	321	325
Private equity realisation gains[1]	118	—
Other net trading income	10	21
Total	**857**	**673**

1 the gains on the disposal of actively managed holdings in the private equity business are recorded here. The gains of around €27 million realised in the previous year have not been adjusted. They are shown under net income from investments

5 Net other expenses/income

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Other operating income	210	148
Other operating expense	(147)	(109)
Net other expenses/income	**63**	**39**

6 Net write-downs of losses and provisions for guarantees and commitments

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Additions	(1,198)	(1,307)
Reversals	643	588
Recoveries from write-offs of loans and receivables	59	81
Total	**(496)**	**(638)**

7 Net income from investments

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Gains on the disposal of	**436**	**710**
available-for-sale financial assets and		
held-to-maturity investments	158	171
investments in associates, joint ventures and		
non-consolidated subsidiaries	1	12
consolidated subsidiaries	264	521
land and buildings	13	6
Write-downs and value adjustments on	**(46)**	**(21)**
available-for-sale financial assets and		
held-to-maturity investments	(42)	(19)
land and buildings	(4)	(2)
Total	**390**	**689**

The gains of €264 million on the disposal of consolidated subsidiaries include the gains realised on the disposal of Indexchange amounting to €219 million and Nordinvest amounting to €47 million.

The gains on the disposal of the available-for-sale financial assets can be attributed essentially to the €113 million realised on the disposal of Münchener Rückversicherungs-Gesellschaft AG.

8 Income statement and earnings per share of discontinued operations

In 2007, the gains on disposal of the BA-CA Group, IMB, AS UniCredit Bank, HVB Bank Ukraine and the HVB AG branches in Tallinn and Vilnius amounting to €3,782 million before tax are included under net income from investments in the income statement. Compliant with IFRS, the gains on disposal account for a total of €84 million in taxes. In addition, the income and expenses of the HVB AG branches in Tallinn and Vilnius up to the economic completion date of March 1, 2007 are disclosed in 2007. The previous-year figures, on the other hand, also include the income and expenses of the business activities of all the companies and branches defined as discontinued operations.

Income statement of discontinued operations:

€ millions	1/1–30/9/ 2007	1/1–30/9/ 2006
Net interest income	1	2,202
Net fees and commissions	—	1,321
Net trading income	—	387
Net other income/expenses	—	49
TOTAL REVENUES	**1**	**3,959**
Operating costs	(1)	(2,211)
OPERATING PROFIT	**—**	**1,748**
Provisions for risks and charges	—	(6)
Write-down on goodwill	—	—
Restructuring costs	—	(3)
Net write-downs of loans and provisions		
for guarantees and commitments	—	(419)
Net income from investments	3,782	698
Other non-operating expenses	—	—
PROFIT BEFORE TAX	**3,782**	**2,018**
Income tax for the period	(84)	(256)
PROFIT AFTER TAX	**3,698**	**1,762**
Minorities	—	(518)
NET PROFIT	**3,698**	**1,244**

Earnings per share of discontinued operations

Earnings per share (€)	1/1–30/9/ 2007	1/1–30/9/ 2006
	4.71	1.65

9 Earnings per share

FULL HVB GROUP	1/1–30/9/ 2007	1/1–30/9/ 2006
Net profit (€ millions)	5,145	2,548
Average number of shares	785,155,495	750,699,140
Earnings per share (€)	6.55	3.39

HVB GROUP NEW	1/1–30/9/ 2007	1/1–30/9/ 2006
Net profit (€ millions)	1,447	1,304
Net profit (adjusted[1], € millions)	1,257	789
Average number of shares	785,155,495	750,699,140
Earnings per share (€)	1.84	1.74
Earnings per share (adjusted[1], €)	1.60	1.05

1 2007 figures adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations, the gain on disposal of Indexchange and Münchener Rückversicherungs-Gesellschaft AG, restructuring costs and tax charges arising from German tax reforms; 2006 adjusted for the gain on disposal of the Activest companies and restructuring costs

NOTES TO THE BALANCE SHEET

10 Note on the adjustments of the balance sheet to match the UniCredit Group structure

The process that was started last year of aligning our external financial reporting with the normal structure used by UniCredit in its capital market communications for years has been continued in the present interim report with the revision of the balance sheet.

New balance sheet structure

Assets	31/12/2006 € millions
Cash and cash balances	508
Financial assets held for trading	107,628
Financial assets at fair value through profit or loss	11,728
Available-for-sale financial assets	6,504
Held-to-maturity investments	471
Loans and receivables with banks	43,847
Loans and receivables with customers	164,031
Hedging derivatives	842
Investments in associates, joint ventures and non-consolidated subsidiaries	688
Property, plant and equipment	1,993
Intangible assets	808
of which: Goodwill	422
Tax assets	2,745
Assets of discontinued operations and non-current assets or disposal groups held for sale	164,451
Other assets	1,789
Total assets	**508,033**

Old balance sheet structure

Assets	31/12/2006 € millions
Cash reserves	3,211
Assets held for trading purposes	107,211
Placements with, and loans and advances to, other banks	41,264
Loans and advances to customers	169,998
Allowances for losses on loans and advances	(6,068)
Investments	19,845
Property, plant and equipment	1,547
Intangible assets	808
Income tax assets	2,745
Other assets	3,021
Assets of discontinued operations and non-current assets or disposal groups held for sale	164,451
Total assets	**508,033**

New balance sheet structure

Liabilities	31/12/2006 € millions
Deposits from banks	86,571
Deposits from customers	92,751
Debt securities in issue	87,568
Financial liabilities held for trading	60,768
Hedging derivatives	764
Changes in fair value of portfolio hedged items	0
Tax liabilities	1,378
Liabilities of discontinued operations and	
of disposal groups held for sale	152,920
Other liabilities	3,891
Provisions	1,434
Shareholders' equity	19,988
Shareholders' equity attributable to shareholders of HVB AG	16,690
Subscribed capital	2,252
Additional paid-in capital	8,885
Own shares	(2)
Other reserves	4,061
Change in valuation of financial instruments	872
AfS reserve	1,195
Hedge reserve	(323)
Consolidated profit 2006	622
Minority interest	3,298
Total shareholders' equity and liabilities	**508,033**

Old balance sheet structure

Liabilities	31/12/2006 € millions
Deposits from other banks	85,672
Amounts owed to other depositors	92,136
Promissory notes and other liablilities evidenced by paper	76,938
Liabilities held for trading purposes	59,962
Provisions	1,683
Income tax liabilities	1,378
Other liabilities	5,214
Subordinated capital	12,142
Liabilities of discontinued operations and	
of disposal groups held for sale	152,920
Shareholders' equity	19,988
Shareholders' equity attributable to shareholders of HVB AG	16,690
Subscribed capital	2,252
Additional paid-in capital	8,883
Other reserves	4,061
Change in valuation of financial instruments	872
AfS reserve	1,195
Hedge reserve	(323)
Consolidated profit 2006	622
Minority interest	3,298
Total shareholders' equity and liabilities	**508,033**

The main differences between the balance sheet structure in accordance with UniCredit practice and the previous HVB structure are as follows:

– Cash and cash reserves now only contains the cash on hand and balances with central banks that are repayable on demand. Other balances with central banks are carried under loans and receivables with banks.

– The respective write-downs have been eliminated from loans and receivables with banks and customers (net disclosure).

– Alongside a number of other minor reallocations, the former balance sheet item "Investments" has essentially been allocated to the following balance sheet items in line with the IFRS holding categories:

  – Financial assets at fair value through profit and loss,
  – Available-for-sale investments, and
  – Held-to-maturity investments.

– Hedging derivatives, which HVB previously disclosed under other assets/liabilities, are now shown in separate balance sheet items.

– The subordinated capital, which was previously shown separately in the HVB structure, has now been allocated to the balance sheet items "Debt securities in issue", "Deposits from banks" and "Deposits from customers".

11 Financial assets held for trading

€ millions	30/9/2007	31/12/2006
Balance-sheet assets		
Debt securities	64,891	49,248
Equity instruments	16,133	16,494
Other financial assets held for trading	38,319	6,355
Positive fair value from derivative financial instruments	**61,721**	**35,531**
Total	**181,064**	**107,628**

12 Available-for-sale financial assets

€ millions	30/9/2007	31/12/2006
Debt securities	3,274	2,720
Equity instruments	2,946	2,690
Other financial assets available for sale	1,520	1,094
Total	**7,740**	**6,504**

13 Loans and receivables with banks

€ millions	30/9/2007	31/12/2006
Loans to central banks	551	3,162
Loans to banks	48,621	40,685
Current accounts and demand deposits	9,516	8,433
Other loans to banks	39,105	32,252
Total	**49,172**	**43,847**

14 Loans and receivables with customers

€ millions	30/9/2007	31/12/2006
Current accounts	11,497	17,949
Other loans and receivables with customers	152,055	146,082
Total	**163,552**	**164,031**

15 Assets of discontinued operations

Assets	30/9/2007 € millions	31/12/2006 € millions
Cash and cash balances		2,246
Financial assets held for trading		17,188
Financial assets at fair value through profit or loss		487
Available-for-sale financial assets		9,724
Held-to-maturity investments		5,962
Loans and receivables with banks		33,314
Loans and receivables with customers		85,757
Hedging derivatives		1,207
Investments in associates, joint ventures and non-consolidiated subsidiaries		1,588
Property, plant and equipment		1,450
Intangible assets		1,984
Tax assets		1,022
Other assets		1,518
Total assets		**163,447**

All the companies and branches defined at December 31, 2006 as discontinued operations had been sold or transferred as of the reporting date at September 30, 2007, being the BA-CA Group, IMB, AS UniCredit Bank and HVB Bank Ukraine in the first quarter of 2007 and the HVB AG branches in Tallinn and Vilnius in the third quarter of 2007.

16 Non-current assets or disposal groups held for sale

Compliant with IFRS 5, non-current assets held for sale and the assets of a disposal group held for sale are shown separately in the balance sheet. The main component of this item at September 30, 2007 is Financial Markets Service Bank GmbH (FMS-Bank). Under the terms of an agreement dated July 3, 2007, HVB will transfer securities processing and custodial operations to the French financial services provider CACEIS. The sale is to take place by the end of 2007.

17 Deposits from banks

€ millions	30/9/2007	31/12/2006
Deposits from central banks	**10,899**	**16,320**
Deposits from banks	**72,576**	**70,251**
Current accounts and demand deposits	15,106	6,433
Other deposits from banks	57,470	63,818
Total	**83,475**	**86,571**

18 Deposits from customers

€ millions	30/9/2007	31/12/2006
Current accounts and demand deposits	34,899	37,120
Other deposits from customers	70,853	55,631
Total	**105,752**	**92,751**

19 Debt securities in issue

€ millions	30/9/2007	31/12/2006
Listed securities	**60,266**	**63,551**
Bonds	57,809	61,369
Other securities	2,457	2,182
Unlisted securities	**24,053**	**24,017**
Bonds	23,557	23,759
Other securities	496	258
Total	**84,319**	**87,568**

20 Liabilities of discontinued operations

The following table shows the breakdown of the liabilities of discontinued operations:

€ millions	30/9/2007	31/12/2006
Deposits from banks	—	50,495
Deposits from customers	—	59,957
Debt securities in issue	—	25,485
Financial liabilities held for trading	—	5,237
Financial liabilities at fair value through profit or loss	—	1,731
Hedging derivatives	—	1,440
Tax liabilities	—	655
Other liabilities	—	2,157
Provisions	—	4,521
Total liabilities	**—**	**151,678**

For information regarding changes in this balance sheet item, please refer to note 15, “Assets of discontinued operations”.

21 Liabilities of disposal groups held for sale

For information regarding changes in this balance sheet item, please refer to note 16, “Non-current assets or disposal groups held for sale”.

22 Provisions

€ millions	30/9/2007	31/12/2006
Provisions for pensions and similar commitments	136	190
Other provisions	1,303	1,244
Total	**1,439**	**1,434**

Other provisions include restructuring provisions of €227 million (previous year: €243 million).

23 Own shares

In the period under review, own shares were purchased on the basis of the authorization granted through the resolution adopted by the Annual General Meeting of HVB AG on May 23, 2006 and June 27, 2007 pursuant to 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 1,112,842 own shares of treasury stock were purchased by HVB AG and controlled or majority-owned companies at the respective current market prices as part of normal securities trading, and a total of 1,137,102 own shares of treasury stock were sold at the respective current market prices.

The own shares were purchased at an average price of €38.63 per share and resold at an average price of €38.48 per share. The shares purchased during the period under review amounted to an equivalent of €3.3 million, or 0.1% of capital stock.

The highest number of own shares of treasury stock held by the Bank on any given day during the reporting period was 23,858, equivalent to €0.07 million or 0.003% of capital stock.

Within the scope of lending operations, the Bank and its controlled or majority-owned companies had, in accordance with Section 71e (1) 2 of the German Stock Corporation Act, received a total of 77,025 own shares as collateral as of September 30, 2007. This represents €0.2 million, or 0.01% of capital stock.

OTHER INFORMATION

24 Contingent liabilities and other commitments

€ millions	30/9/2007	31/12/2006
Contingent liabilities from guarantees and indemnities	28,401	24,977
Irrevocable credit commitments	48,404	45,243
Other commitments	15,716	13,055
Total HVB Group new	**92,521**	**83,275**
Discontinued operations and disposal		
group held for sale	—	23,622
Full HVB Group	**92,521**	**106,897**

25 Derivatives (derivative transactions)

The following table shows the breakdown of derivative transactions outstanding at the reporting date by interest rate, foreign exchange, equity/index, other and credit derivatives. Besides counterparty risk, the derivatives are exposed primarily to market risk arising from changes in interest rates, exchange rates or equity prices.

The significant increase in the volume of derivative transactions compared with year-end 2006 is primarily attributable to the absorption of UBM's investment banking activities by HVB AG effective April 1, 2007.

Without taking risk-reducing effects into account, the maximum counterparty risk at September 30, 2007 for the new HVB Group (excluding add-on) totalled €62.2 billion (December 31, 2006: €36.4 billion). In accordance with the Solvency Ordinance of the German banking supervisory regulations (formerly: Principle I), and taking into account the risk-reducing effects of existing netting agreements and the provision of collateral by borrowers, credit equivalents (counterparty risk including add-on) totalled €34.1 billion (full HVB Group[1] at December 31, 2006: €20.1 billion); and the remaining risk after risk-weighting amounted to €9.0 billion (full HVB Group[1] at December 31, 2006: €5.9 billion).

1 full HVB Group at December 31, 2006, i.e. without pro forma consolidation of UBM

€ millions	Nominal amount		Positive fair value		Negative fair value	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Interest rate derivatives	3,187,680	1,467,841	34,065	19,062	33,495	20,502
Foreign exchange derivatives	484,551	259,269	5,836	3,872	5,083	3,679
Equity/index derivatives	296,683	205,253	18,949	10,396	19,402	10,602
Credit derivatives	368,310	252,068	2,939	2,748	3,831	3,231
Other transactions	4,191	3,071	450	295	346	291
Total, HVB Group new	**4,341,415**	**2,187,502**	**62,239**	**36,373**	**62,157**	**38,305**

26 Potential market risk of trading activities

Market risk arises from changes in the market prices of interest rate, foreign exchange, equity and index products, including associated derivatives. We measure the potential market risk of our trading activities using the value-at-risk (for the method of calculation, please refer to page 89 and following of the HVB Group Annual Report 2006).

Value-at-risk[1]

€ millions	30/9/2007	31/12/2006
Interest rate positions (incl. credit spread risks)	14	12
Foreign exchange positions	3	3
Equity/index positions	9	4
Diversification effect	(10)	(6)
Total	**16**	**13**

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Summary of Quarterly Financial Data

HVB Group

Operating performance (€ millions)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Net interest income	923	1,003	1,141	893	803
Net fees and commissions	365	488	487	397	371
Net trading income	38	469	350	95	191
Net other expenses/income	14	22	27	(7)	(4)
TOTAL REVENUES	**1,340**	**1,982**	**2,005**	**1,378**	**1,361**
Operating costs	(839)	(943)	(955)	(906)	(919)
OPERATING PROFIT	**501**	**1,039**	**1,050**	**472**	**442**
Provisions for risks and charges	(7)	(19)	(6)	(91)	(27)
Write-down on goodwill	—	—	—	—	—
Restructuring costs	(3)	(3)	—	(41)	(16)
Net write-downs of loans and provisions					
for guarantees and commitments	(106)	(181)	(209)	(295)	(226)
Net income from investments	7	113	270	(18)	551
Other non-operating expenses	—	—	—	(153)	—
PROFIT BEFORE TAX	**392**	**949**	**1,105**	**(126)**	**724**
Income tax for the period	(309)	(326)	(291)	500	(60)
PROFIT AFTER TAX	**83**	**623**	**814**	**374**	**664**
Minorities	(30)	(22)	(21)	(38)	(14)
NET PROFIT OF HVB GROUP NEW	**53**	**601**	**793**	**336**	**650**
Profit after tax of discontinued operations	8	1	3,689	1,695	297
Minorities in profit of discontinued operations	—	—	—	(159)	(105)
NET PROFIT OF FULL HVB GROUP	**61**	**602**	**4,482**	**1,872**	**842**
Earnings per share (€)[1], HVB Group new	0.30	0.60	0.70	0.45	0.18

1 Q3 2007 adjusted for restructuring costs and tax charges arising from German tax reforms; unadjusted earnings per share total €0.04
Q2 2007 figure adjusted for the gain on disposal of Münchener Rückversicherungs-Gesellschaft AG and restructuring costs; unadjusted earnings per share total €0.74
Q1 2007 figure adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations and for the gain on disposal of Indexchange; unadjusted earnings per share total €1.06
Q4 2006 figure adjusted for restructuring costs, special effect of write-downs of loans and provisions for guarantees and commitments, gains on disposal of Münchener Rückversicherungs-Gesellschaft AG, valuation expenses for the announced disposal of a portfolio of non-strategic real estate and other non-operating expenses; unadjusted earnings per share total €0.44
Q3 2006 figure adjusted for restructuring costs and the gain on disposal of the Activest companies; unadjusted earnings per share total €0.87

HVB Group

	30/9/2007	30/6/2007	31/3/2007	31/12/2006	30/9/2006
Key indicators (%)					
Return on equity after taxes, adjusted[2]	14.0	17.5	18.6	11.1	10.4
Return on equity after taxes	16.4	25.0	29.4	15.9	16.8
Cost-income ratio (based on total revenues)	51.4	47.6	47.6	62.1	61.0
Balance sheet figures (€ billions)					
Total assets	426.4	437.6	362.9	508.0	495.1
Shareholders' equity	23.4	23.4	22.6	20.0	18.5
Key capital ratios compliant with German Banking Act (KWG)					
Core capital (€ billions)	22.6[3]	22.8[3]	21.3[3]	18.3	17.1
Risk-weighted assets (€ billions)	142.6	144.2	139.4	219.3	236.0
Core capital ratio (%)	15.9[3]	15.8[3]	15.3[3]	8.4	7.3
Share information					
Share price (€)	41.22	41.98	39.78	33.03	34.50
Market capitalisation (€ billions)	33.1	33.7	29.9	24.8	25.9
Employees	25,363	24,967[1]	24,861[1]	50,659	60,881
Offices	850	847[1]	788[1]	1,877	2,378

1 without discontinued operations

2 figure at September 30, 2007 adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations, the gains on disposal of Indexchange and Münchener Rückversicherungs-Gesellschaft AG, restructuring costs and tax charges arising from German tax reforms
figure at June 30, 2007 adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations, the gains on disposal of Indexchange and Münchener Rückversicherungs-Gesellschaft AG and restructuring costs
figure at March 31, 2007 adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations and for the gain on disposal of Indexchange
figure at December 31, 2006 adjusted for restructuring costs, special effect of write-downs of loans and provisions for guarantees and commitments, gains on disposal of Activest companies and Münchener Rückversicherungs-Gesellschaft AG, valuation expenses for the announced disposal of a portfolio of non-strategic real estate and other non-operating expenses
figure at September 30, 2006 adjusted for restructuring costs and the gain on disposal of Activest companies

3 core capital ratio at March 31, 2007, June 30, 2007 and September 30, 2007 including inflow to shareholders' equity arising from the disposal of discontinued operations

Financial Calendar

IMPORTANT DATES 2007

Third-quarter interim report	November 14, 2007

IMPORTANT DATES 2008

Publication of the 2007 annual results	March 13, 2008
First-quarter interim report	May 8, 2008
Half-yearly Financial Report	August 5, 2008

Contacts

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