

INVESTOR RELATIONS RELEASE

NOVEMBER 14, 2006

**Nine-month results 2006: good operating business performance -
HVB Group new fully on a road to success**

- **HVB Group new: reporting excluding discontinued operations in Austria and CEE; new income-statement and divisional structure; adjustment of comparative periods**
- **Operating profit (€1,785 million) grows very significantly year-on-year in the first nine months, by 51.5%**
 - **Total revenues increase by 12.4%: net interest income edges down slightly, as expected; net fees and commissions (€1,356 million) advance 4.6%, adjusted for consolidation and currency effects by 7.8%**
 - **Net trading income (€673 million) rises by a factor of almost 2.5**
 - **Operating costs (€2,789 million) decrease by 3.6%**
- **Net write-downs on loans and provisions (€638 million) decline slightly, by 1.1%**
- **Profit before tax (€1,744 million) more than quadruples and more than triples after adjustment for the gain on the disposal of Activest**
- **Net profit (€1.304 million) more than quintuples and more than triples on an adjusted basis**
- **ROE before taxes: 28.1% (adjusted for the gain on the disposal of Activest: 19.5%); ROE after taxes: 23.8% (adjusted 14.1%)**
- **Cost-income ratio clearly improves to 61.0% (09/05: 71.1%).**

Changes in the reporting structure:

Today, HVB Group is presenting its interim report at September 30, 2006. The integration of HypoVereinsbank into the UniCredit Group is reflected in a modified reporting

and segment structure. In addition, the transactions approved by the Shareholders' Meeting of October 25 have an impact on the interim report:

- For the first time, HypoVereinsbank is presenting its interim report in accordance with the income-statement structure used by UCI in its capital-markets communications. An explanation of the key differences compared to the income-statement structure hitherto used by HVB is included in the interim report. In the following, figures referring to HVB prior to the transfer of "discontinued operations" according to IFRS 5 correspond to full HVB Group and after the transfer accordingly to HVB Group new.
- Within the UniCredit Group, HypoVereinsbank will focus on Germany as its core market in the future. In addition, it will bundle all investment banking activities of the UniCredit Group. The transfers of the activities in Austria and CEE, which were decided on by the Management Board and Supervisory Board of HypoVereinsbank on September 12, 2006, and approved by the Extraordinary Shareholders' Meeting on October 25, 2006, result in "discontinued operations" as per IFRS 5. The results of discontinued operations are shown in the income statement only after profit after taxes and minority interests of HVB Group new. **The income statement presented for HVB Group new today does not reflect the potential earning power of the HVB Group new, neither for the past nor for the future.** In the results reported for HVB Group new, the capital tie-up associated with the holdings in entities earmarked for transfer are not offset by adequate revenues (dividends or other primary income from the participations). Going forward, the transaction proceeds generated, however, will give HypoVereinsbank substantial opportunities to expand its business in its core competencies through organic and external growth and thus enhance its earning power and profitability.
- Within the context of the integration into the UniCredit Group, the market-related activities of HypoVereinsbank have been restructured and placed in group-wide operating divisions: Retail, Corporates & Commercial Real Estate Financing, Wealth Management, and Markets & Investment Banking. The newly aligned "Other/Consolidation" division is comprised of the Global Banking Service and Group Corporates Centre activities and consolidation effects. Group Corporates Centre activities include the former RER business segment and the newly defined Special Credit Portfolio (SCP).

Overall, the income statement and segment report can thus no longer be compared with the results published for previous periods, which have been adjusted accordingly. For comparison purposes, adjusted figures have been computed for the preceding quarters, Q1/06 and Q2/06, and for the nine-month comparison of 2005 with 2006. All figures shown below represent the financial performance of HVB Group new, which means excluding the "discontinued operations" according to IFRS 5.

Overview

In the first nine months of 2006, HVB Group new recorded a decidedly pleasing financial trend. Operating profit increased by more than 50% compared to the previous year. This was due to both a noticeable increase in total revenues and successful cost-reduction measures: while net interest income - as expected - edged down slightly by 2.3%, in particular on account of the strategic portfolio reduction in the Real Estate Restructuring segment, net non-interest income grew substantially, with net fees and commissions climbing 4.6% and net trading income increasing by a factor of almost 2.5.

At the same time, operating costs declined 3.6%. This increase of productivity resulted in a very clearly improved cost-income ratio of 10.1%-points to 61.0%. Net write-downs of loans and provisions decreased slightly, by 1.1%, compared to the previous year's level. Profit before tax exceeded its year-earlier level by a factor of 4.4. Net profit quintupled. Return on equity before taxes stood at 28.1%, adjusted for the gain on the disposal of Activest at 19.5%. Thus, HVB was thus fully in line with the ambitious full-year targets.

Given an isolated view of the third quarter 2006, the dynamics of the very high financial performance of the previous quarters weakened, as was expected, also due to seasonal effects. Net interest income decreased compared to the second quarter. Net trading income increased slightly, whereas net fees and commissions stayed slightly shy of the very strong previous quarter. General administrative expenses edged up only marginally in the third quarter. Net write-downs of loans and provisions increased. Due to the gain on the disposal of Activest, HVB achieved the highest quarterly results of this year so far in profit before tax and net profit.

Dr. Wolfgang Sprissler, Board Spokesman of HVB Group: "The results of the first nine months, which were driven by good development of total revenues, exceeded our expectations. We see ourselves well on our way towards achieving the targets we have set for full-year 2006, even though the third quarter did not fully match the outstanding trend witnessed in the first half of the year. All in all, in view of the strategic course HypoVereinsbank has adopted, I am very confident that we will clearly and sustainably increase our profitability in the German market."

Detailed breakdown of the results:

Compared to the second quarter (€851 million), net interest income decreased 5.6% in the third quarter, to €803 million. The decline is largely due to seasonally higher dividend income in the second quarter. By contrast, net interest income after adjustment for dividend income climbed 1.9%, to €766 million. After nine months, net interest income stood at €2,506 million and was thus 2.3% below the previous year's level (€2,565 million). The decline is mainly due to the strategically planned volume reduction in real estate loans, in particular in the Real Estate Restructuring segment (which has now been incorporated in "Other/Consolidation" division in the new structure).

In the third quarter, net fees and commissions of €371 million came in below (-17.0%) the very pleasing result recorded in the second quarter (€447 million), the reason being seasonal effects, a temporary influence on profit due to the impact of the divisional reorganisation and the deconsolidation of the Activest companies. Adjusted for the deconsolidation of the Activest companies, the decline was 10%. At €1,356 million after nine months, they significantly exceeded the previous year's level (€1,296 million) by a pleasing 4.6%, reflecting substantially higher income contributions from the securities and custodian business (8.5%) and thereby also the sale of innovative financial products. Also other service lines likewise recorded favourable performance, e.g. the lending business (+8.8%). Adjusted for consolidation effects (mainly the deconsolidation of the Activest companies) and currency effects, total net fees and commissions increased by 7.8%. Net trading income delivered, after a record result in the first quarter 2006 (€297 million) given the very friendly capital market environment, also stable earnings contributions in the second quarter (€185 million) and third quarter (€191 million). In the nine-

month comparison, net trading income of €673 million more than doubled versus the year-earlier level of €249 million.

Compared to the figure posted for the second quarter (€-16 million), net other income/expenses declined only marginally, to €-4 million. At the end of September 2006, the positive balance amounted to €39 million, after a negative balance of €-75 million had been recorded in the previous year due to absorbed losses associated with HVB Immobilien AG. In the third quarter, total revenues declined 9.2%, to €1,361 million compared to the previous quarter (€1,499 million), also because of the fact that fee and commission income, which was additionally affected by the deconsolidation of the Activest companies, was somewhat less buoyant for seasonal and integration-related reasons. On a year-on-year basis, total revenues advanced by a pleasing 12.4%, from €4,071 million to €4,574 million.

At €919 million, operating costs edged up slightly by 1.4%, in the third quarter, due, among other things, to an increase in other administrative expenses versus the previous quarter. In a nine-month comparison, operating costs of €2,789 million were 3.6% below the year-earlier level (€2,893 million). The increase in payroll costs (+6%), which was mainly attributable to higher provisions for performance-related bonus payments in Markets & Investment Banking, was more than offset by a substantial decline in other administrative expenses (-11.9%) and significantly lower amortisation and depreciation on tangible and intangible assets (-28.1%). On balance, first-time consolidation and currency effects still increased costs, whereby the effects of the first-time consolidation of the HVB Immobilien AG sub-group were partly offset by those resulting from the deconsolidation of the Activest companies. The cost-income ratio improved to 61.0% (9M/2005: 71.1%).

Net write-downs of loans and provisions for HVB Group new came to €638 million in the first nine months of 2006 and are fully in line with our expectation. Following the conversion of loan-loss provisions as of the interim report at June 30, 2006, the quarterly figures can now be subject to fluctuations: in HVB Group new, the third quarter thus saw a quarter-on-quarter increase of 11.9%, while a nine-month comparison shows a slight decline of 1.1%, to €638 million (9M/05: €645 million).

At €442 million, third-quarter operating profit came in 25.5% below the good result recorded in the second quarter (€593 million). Although the quarterly results in 2006 show an - expected - decline, starting from the record level posted in the first quarter, all figures in the current financial year are still significantly above the average quarterly profit of the entire previous year. After nine months, operating profit stood at €1,785 million and thus increased substantially by more than half, versus the previous-year level (€1,178 million). This means that the sustained earnings improvement discernible in financial year 2005 also continued during the first nine months of 2006.

In the third quarter, net income from investments of €551 million included the gain on the disposal of the three Activest companies of €533 million. After nine months, net income from investments amounted to €689 million. This figure also takes account of gains from the disposal of shares in Babcock & Brown Ltd. (€55 million) in the first quarter and the gain on the sale of Lufthansa shares of €40 million in the second quarter. The previous year's result of €-120 million was, among other things, burdened by one-time expenses associated with the acquisition of properties from the fund assets of a real estate subsidiary. Non-scheduled impairments on goodwill were not necessary up to the end of September 2006.

Profit before tax of HVB Group new stood at €724 million in the third quarter, which corresponds to a further increase of 75.7% versus the result of the second quarter (€412 million). After adjustment for the gain on the disposal of the Activest companies of €533 million, it came to €191 million. With €1,744 million after nine months, it more than quadrupled compared to the previous-year level (€400 million). Even excluding the gain on the disposal of Activest companies, profit before tax nearly tripled. After taxes and minority interests, HVB Group new generated net profit of €650 million in the third quarter - which thus more than doubled versus the already strong previous quarter (€262 million). After adjustment for the Activest disposals, net profit was comparably lower than in the strong previous quarter, coming to €117 million. Net profit after nine months stood at €1,304 million for the HVB Group new, which corresponds to five times the level recorded in the previous year (€241 million); after adjustment for Activest, net profit still tripled year-on-year.

Segment reporting of the restructured operating divisions at September 30, 2006 of HVB Group new:

Compared to the results for the first nine months of 2005, all four operating divisions recorded significant advances in their profit before tax. The individual divisions made the following contributions to profit before tax of €1,744 million in the HVB Group new:

Retail	€127 million
Corporates & Commercial Real Estate Financing	€454 million
Markets & Investment Banking	€947 million
Wealth Management	€691 million
(including the gain on the disposal of Activest of €533 million)	
Other/Consolidation	€-475 million.

The repositioned Retail division recorded successful business performance in the first nine months of 2006, with operating profit almost doubling versus the previous year. In this context, revenues rose by €28 million, or 2.1%, mainly driven by the increase in net fees and commissions of 4.9%, which resulted from continued successful sale of innovative investment products. Net interest income increased slightly, by 1.3% year on year, also because of the growth recorded in consumer finance and volume and margin increases in the deposit business. Operating profit thus increased to €261 million. In addition to the growth of operating revenues, operating costs strongly declined by 7.7%, which, despite a slight increase in payroll costs, could be reduced significantly among others thanks to the PRO efficiency-enhancement program. This resulted in a significant improvement in the cost-income ratio, to 80.5%. After having reported a negative profit before tax previously, this division has seen a clear earnings turnaround by now reaching a profit before tax of €127 million.

Following the re-organisation, the Corporates & Commercial Real Estate Financing division is comprised of the Corporates sub-division and the Commercial Real Estate Financing sub-division.

Starting from the high level already reached in the previous year, the Corporates sub-division, which focuses on the small and medium-sized corporate customers ("Mittelstand"), increased its profit before tax by 39%, to €385 million. Apart from the fact that

net write-downs of loans and provisions were about one fourth lower, the significant increase in operating profit, by 13.6% to €509 million, contributed to this performance. Thanks to stringent cost management, operating costs declined by 13%. The growth in operating revenues was mainly due to a 5.4% increase in net fees and commissions. Net interest income went up 0.5%. Together, revenue growth and cost reductions resulted in a significant improvement in the cost-income ratio, which stood at 39.2%.

In 2006, the Commercial Real Estate Financing sub-division continued its restructuring program initiated in 2005, in particular the reduction of unprofitable portfolios. At €69 million, profit before tax corresponded to three times the level recorded in the previous year. Apart from a 35% reduction net write-downs of loans and provisions, the 13.4% increase in operation profit played a role in this context. Operating costs decreased by approximately one fourth. Against the background of relatively stable quarterly contributions, operating revenues edged up slightly, by 1.2%, with both net fees and commissions and net interest income showing increases.

The Markets & Investment Banking (MIB) division increased its profit before tax by 42.6% year-on-year in the first nine months of 2006. This performance was almost exclusively due to the improvement in operating profit, which was driven by an increase in operating revenues by €342 million, or 24.6%. In particular, net trading profit was extraordinarily strong, nearly doubling versus the previous year. In addition, net fees and commissions increased by 18.2%. Although operating costs went up due to higher performance-related bonus payments, the cost-income ratio improved to 48.4%.

The Wealth Management division, which is reporting results for the first time, generated an operating profit of €156 million and thus exceeded the corresponding previous-year figure (€132 million) by 18.2%. Net interest income was the key driver. At -0.7%, operating revenues were slightly below the year-earlier level of €417 million. Operating costs decreased by 9.4%, to €261 million. This translates into a cost-income ratio of 62.6%. Profit before tax was shaped by the disposal gain of €533 million resulting from the sale of the Activest companies to Pioneer. In this context, it should be noted that income contributions from the disposed Activest companies are lacking in the third quarter 2006 in the comparison to both the previous quarter and Q3 2005. After adjustment for the disposal gain, profit before tax came to €158 million at the end of September 2006. This corresponds to an increase of 17%.

The restructured Other/Consolidation division is comprised of the Global Banking Services and Group Corporate Centre sub-segments, including the income contribution from the newly established Special Credit Portfolio and the hitherto separately reported Real Estate Restructuring segment, which have been incorporated into this division. After the first nine months, the operating revenues of this division amounted to €86 million, after €36 million in the previous year. This earnings improvement is largely due to the burdens resulting from absorbed losses associated with the Immobilien AG sub-group in the previous year, which have decreased significantly this year, as expected. The operating profit improved by €105 million year-on-year, to €160 million. Profit before tax was strongly impacted by net write-downs of loans and provisions for the newly created Special Credit Portfolio of €323 million.

Risk-weighted assets and capital ratios of HVB Group new

Risk-weighted assets compliant with the German Banking Act (KWG) of HVB Group new amounted to €154.1 billion (€159.6 billion at December 31, 2005). The core capital ratio as measured under KWG stood at 10.0% incl. market risk positions (9.6% incl. market risk positions at December 31, 2005).

Overall operating performance of total HVB Group (old)

The full HVB Group (also including discontinued operations) continued to build strongly on its good operating performance through the nine months of 2006. The operating profit rose a sharp €1,096 million, or 45%, to €3,533 million compared to the same period last year. This growth in earnings was due to the 16.7% rise in total revenues. Hence, we have comfortably met the targets of achieving a significant rise in total revenues and a substantial improvement in our cost-income ratio. We were able to improve the cost-income ratio to 58.6% as a result of the growth in revenues (September 30, 2005: 66.7%).

The results below the operating profit line benefited strongly from the gain of €669 million realized on the disposal of HVB Splitska banka, part of the BA-CA sub-group, in the second quarter of 2006 and the gain of €533 million from the sale of three Activest companies (Activest Investmentgesellschaft mbH, Activest Investmentgesellschaft Schweiz AG and Activest Investmentgesellschaft Luxembourg S.A.) to Pioneer Global

Asset Management S.p.A., which was posted in the third quarter of 2006. Net income from investments rose to €1.387 million, primarily as a result of the disposal gains of HVB Splitska banka and the Activest companies. At €3,762 million, profit before tax rose by a factor of 1.4 over the corresponding figure for the previous year and, at almost €2,548 million, net profit tripled after deducting minorities. After nine months of 2006, return on equity stands at 29.8%. Thus, we easily met our expectations for return on equity after taxes – even when adjusted for the gains on the disposal of HVB Splitska banka and the Acitvest companies – at 17.6% after 10.4% at September 30, 2005.

The interim report at September 30, 2006, will be made available for download on our website at <http://www.hvb.com/ir>. A conference call will be held on Tuesday, November 14, 2006, at 3:30 p.m. (CET). An analyst presentation can be downloaded from our website.

Dial-in numbers from

Germany:	+49 (0) 69 9897 2633
U.K.:	+44 (0) 20 7138 0816
Italy:	+39 026 963 3535
USA:	+1 718 354 1171

The conference call will be recorded and can be accessed until 11:59 p.m. (CET) under the following phone numbers:

Germany:	+49 (0) 69 22222 0418
U.K.:	+44 (0) 20 7806 1970
Italy:	+39 026 968 2247
USA:	+1 718 354 1112

(replay pass-code: 3359947#)

Subsequently, the conference call will be accessible via our homepage.

Financial Highlights – HVB Group¹⁾ (old)

Key indicators (in %)	1/1–9/30/2006	1/1–9/30/2005
RoE after taxes, adj. for the gain on disposal of HVB Splitska banka and Activest comp.	17.6 %	--
Return on equity after taxes	29.8 %	10.4 ²⁾ %
RoE before taxes, adj. for the gain on disposal of HVB Splitska banka and Activest comp.	23.3 %	--
Return on equity before taxes	34.2 %	14.8 ²⁾ %
Cost-Income-Ratio (based on operating revenues)	58.6 %	66.7 %
Operating performance	1/1–9/30/2006	1/1–9/30/2005
Operating profit (€ millions)	3,533	2,437
Profit before tax (€ millions)	3,762	1,574
Net profit attributable to HVB Group old (€ millions)	2,548	890
Earnings per share, adjusted for the gain on disposal of HVB Splitska banka and Activest companies (€)	2.00	--
Earnings per share (€)	3.39	1.19
Balance sheet figures (€ billions)	12/31/2006	12/31/2005
Total assets	495.1	493.7 ²⁾
Total volume of lending	322.9	332.6
Shareholders' equity	18.5	15.4 ²⁾
Key capital ratios compliant with KWG rules	12/31/2006	12/31/2005 ³⁾
Core capital (€ billions)	17.1	17.1
Equity funds (€ billions)	25.6	26.0
Risks assets (€ billions)	236.0	232.5
Core capital ratio (%)	7.3 %	7.3 %
Equity funds ratio (%)	10.4 %	10.6 %
Share information	1/1–9/30/2006	2005
Share price: Reporting date (€)	34.50	25.61
High (€)	35.13	26.85
Low (€)	25.52	16.30
Market capitalization at reporting date (€ billions)	25.9	19.2
	12/31/2006	12/31/2005
Employees	60,881	61,251
Branch offices	2,378	2,316

¹⁾ Based on full HVB Group including the figures for discontinued operations

²⁾ Previous-year figures adjusted to reflect application of the modified IAS 19 (see also "IFRS basis" in the section entitled "Other information")

³⁾ As per approved financial statements

Income Statement from January 1 to September 30, 2006 – HVB Group (new)

Income/expenses	1/1/–9/30/2006	1/1/–9/30/2005	Change	
	in € m	in € m	in € m	in %
Net interest	2,322	2,406	(84)	- 3.5 %
Dividends and other income from equity investments	184	159	25	15.7 %
Net interest income	2,506	2,565	(59)	- 2.3 %
Net fees and commissions	1,356	1,296	60	4.6 %
Net trading, hedging and fair value income	673	285	388	>+100 %
Net other expenses/income	39	(75)	114	
Net non-interest income	2,068	1,506	562	37,3 %
TOTAL REVENUES	4,574	4,071	503	12.4 %
Payroll costs	1,699	1,599	100	6.3 %
Other administrative expenses	867	984	(117)	- 11.9 %
Amortisation, depreciation and impairment losses on intangible and tangible assets	223	310	(87)	- 28.1 %
Operating costs	2,789	2,893	(104)	- 3.6 %
OPERATING PROFIT	1,785	1,178	607	51.5 %
Provisions for risks and charges	73	13	60	>+100 %
Write-down on goodwill	0	0	0	0,0%
Integration costs	19	0	19	>+100 %
Net write-down of loans and provisions for guarantees and commitments	638	645	(7)	- 1.1 %
Net income from investments	689	(120)	809	
PROFIT BEFORE TAX	1,744	400	1,344	>+100 %
Income tax for the period	375	162	213	>+100 %
NET PROFIT	1,369	238	1,131	>+100 %
Minorities	(65)	3	(68)	
NET PROFIT TO HVB GROUP NEW¹⁾	1,304	241	1,063	>+100 %
Net profit (loss) after tax of discontinued operations	1,762	955	807	84.5 %
Minority interest in the net profit (loss) of discontinued operations	(518)	(306)	(212)	- 69.3 %
NET PROFIT OF FULL HVB GROUP	2,548	890	1,658	>+100 %

¹⁾ Without the income and expenses of companies to be defined as discontinued operations compliant with IFRS 5 (= Bank Austria Creditanstalt Group, IMB, HVB Latvia, HVB Ukraine and HVB AG branches in Vilnius and Tallinn)

Income Statement from January 1 to September 30, 2006 – Full HVB Group¹⁾ (old)

Income/expenses	1/1–9/30/2006	1/1–9/30/2005	Change	
	in € m	in € m	in € m	in %
Net interest	4,348	4,198	150	3.6%
Dividends and other income from equity investments	360	340	20	5.9%
Net interest income	4,708	4,538	170	3.7%
Net fees and commissions	2,677	2,352	325	13.8%
Net trading, hedging and fair value income	1,060	496	564	>+100%
Net other expenses/income	88	(74)	162	
Net non-interest income	3,825	2,774	1,051	37.9%
TOTAL REVENUES	8,533	7,312	1,221	16.7%
Payroll costs	2,966	2,701	265	9.8%
Other administrative expenses	1,618	1,664	(46)	- 2.8%
Amortisation, depreciation and impairment losses on intangible and tangible assets	416	510	(94)	- 18.4%
Operating costs	5,000	4,875	125	2.6%
OPERATING PROFIT	3,533	2,437	1,096	45.0%
Provisions for risks and charges	79	12	67	>+100%
Write-down on goodwill	0	0	0	0.0%
Integration costs	22	60	(38)	- 63.3%
Net write-down of loans and provisions for guarantees and commitments	1,057	974	83	8.5%
Net income from investments	1,387	183	1,204	>+100%
PROFIT BEFORE TAX	3,762	1,574	2,188	>+100%
Income tax for the period	631	381	250	65.6%
NET PROFIT	3,131	1,193	1,938	>+100 %
Minorities	(583)	(303)	(280)	- 92.4 %
NET PROFIT ATTRIBUTABLE TO THE HVB GROUP OLD	2,548	890	1,658	>+100 %

¹⁾ Including the income and expenses of companies to be defined as discontinued operations compliant with IFRS 5 (=Bank Austria Creditanstalt Group, IMB, HVB Latvia, HVB Ukraine and the HVB AG branches in Vilnius and Tallinn)

Consolidated balance sheet as of September 30, 2006 Full HVB Group

Assets	9/30/2006 in € m	9/30/2005 in € m	Change	
			in € m	in %
Cash reserve	6,704	7,757	(1,053)	- 13.6 %
Assets held for trading purposes	103,217	103,519	(302)	- 0.3 %
Placements with, and loans and advances to, other banks	70,669	57,229	13,440	23.5 %
Loans and advances to customers	264,996	274,643	(9,647)	- 3.5 %
Allowances for losses on loans and advances	(10,292)	(12,511)	2,219	17.7 %
Investments	44,424	45,419	(995)	- 2.2 %
Property, plant and equipment	2,704	2,723	(19)	- 0.7 %
Intangible assets	2,708	2,776	(68)	- 2.4 %
Income tax assets	3,347	3,291	56	1.7 %
Other assets	4,994	5,573	(579)	- 10.4 %
Non-current assets or disposal groups held for sale ¹⁾	1,634	3,240	(1,606)	- 49.6 %
Total assets	495,105	493,659	1,446	0.3 %

¹⁾ Adjusted for companies defined as discontinued operations.

Consolidated balance sheet as of September 30, 2006 Full HVB Group (continued)

Shareholders' equity and liabilities	9/30/2006 in € m	9/30/2005 in € m	Change	
			in € m	in %
Deposits from other banks	118,785	113,739	5,046	4.4 %
Amounts owed to other depositors	160,783	158,421	2,362	1.5 %
Promissory notes and other liabilities evidenced by paper	102,502	105,982	(3,480)	- 3.3 %
Liabilities held for trading purposes	61,108	63,638	(2,530)	- 4.0 %
Provisions	5,778	5,672	106	1.9 %
Income tax liabilities	2,155	1,891	264	14.0 %
Other liabilities	8,578	9,406	(828)	- 8.8 %
Subordinated capital	16,794	17,612	(818)	- 4.6 %
Liabilities of disposal groups held for sale ¹⁾	82	1,887	(1,805)	- 95.7 %
Shareholders' equity	18,540	15,411	3,129	20.3 %
Shareholders' equity attributable to shareholders of HVB AG	15,059	12,358	2,701	21.9 %
Subscribed capital	2,252	2,252	0	0.0 %
Additional paid-in capital	9,125	9,128	(3)	0.0 %
Other reserves	19	58	(39)	- 67.2 %
Change in valuation of financial instruments	1,115	729	386	52.9 %
AfS reserve	1,142	871	271	31.1 %
Hedge reserve	(27)	(142)	115	81.0 %
Net profit 2005	0	191	(191)	- 100.0 %
Net profit (loss) 1/1 – 30/9	2,548	0	2,548	100.0 %
Minority interest	3,481	3,053	428	14.0 %
Total shareholders' equity and liabilities	495,105	493,659	1,446	0.3 %

¹⁾ Adjusted for companies defined as discontinued operations.

Income statement by division January 1 to September 30, 2006

<i>in € m</i>	Retail	Wealth Management	Corporates & Comm. Real Estate Financing	Markets & Investment Banking	Others/Consolidation	HVB Group new	Discontinued operations	HVB Group old
TOTAL REVENUES								
1/1/ - 9/30/2006	1,338	417	1,003	1,730	86	4,574	3,959	8,533
1/1/ - 9/30/2005	1,310	420	989	1,388	(36)	4,071	3,241	7,312
Change in %	2.1 %	- 0.7 %	1.4 %	24.6 %	>+100 %	12.4 %	22.2 %	16.7 %
Operating costs								
1/1/ - 9/30/2006	1,077	261	367	838	246	2,789	2,211	5,000
1/1/ - 9/30/2005	1,167	288	429	780	229	2,893	1,982	4,875
Change in %	- 7.7 %	- 9.4 %	- 14.5 %	7.4 %	7.4 %	- 3.6 %	11.6 %	2.6 %
OPERATING PROFIT								
1/1/ - 9/30/2006	261	156	636	892	(160)	1,785	1,748	3,533
1/1/ - 9/30/2005	143	132	560	608	(265)	1,178	1,259	2,437
Change in %	82.5 %	18.2 %	13.6 %	46.7 %	39.6 %	51.5 %	38.8 %	45.0 %
Net write-downs of loans and provisions for guarantees and commitments								
1/1/ - 9/30/2006	130	2	179	4	323	638	419	1,057
1/1/ - 9/30/2005	174	1	248	39	183	645	329	974
Change in %	- 25.3 %	>+100 %	- 27.8 %	- 89.7 %	76.5 %	- 1.1 %	27.4 %	8.5 %
Other items¹⁾								
1/1/ - 9/30/2006	(4)	537	(3)	59	8	597	689	1,286
1/1/ - 9/30/2005	9	4	(13)	95	(228)	(133)	244	111
Change in %	>+100 %	>+100 %	76.9 %	- 37.9 %	>+100 %	>+100 %	>+100 %	>+100 %
PROFIT BEFORE TAX								
1/1/ - 9/30/2006	127	691	454	947	(475)	1,744	2,018	3,762
1/1/ - 9/30/2005	(22)	135	299	664	(676)	400	1,174	1,574
Change in %	>+100 %	>+100 %	51.8 %	42.6 %	29.7 %	>+100 %	71.9 %	>+100 %

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill, integration costs and net income from investments

Income statement of the Retail division

<i>Income/expenses</i>	1/1/ - 9/30/2006 in € m	1/1/ - 9/30/2005 in € m	Q3/2006 in € m	Q2/2006 in € m	Q1/2006 in € m
Net interest income	835	824	285	270	280
Net fees and commissions	489	466	139	154	196
Net trading, hedging and fair value income	0	1	(1)	2	(1)
Net other expenses/income	14	19	(2)	11	5
Net non-interest income	503	486	136	167	200
TOTAL REVENUES	1,338	1,310	421	437	480
Payroll costs	425	412	139	145	141
Other administrative expenses	652	755	227	210	215
Operating costs	1,077	1,167	366	355	356
OPERATING PROFIT	261	143	55	82	124
Integration costs	2	0	1	1	0
Net write-downs of loans and provisions for guarantees and commitments	130	174	50	51	29
Net income from investments and other items ¹⁾	(2)	9	(4)	1	1
PROFIT BEFORE TAX	127	(22)	0	31	96
Cost-Income-Ratio in %	80.5	89.1	86.9	81.2	74.2

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

Income statement of the Wealth Management division

<i>Income/expenses</i>	1/1/ - 9/30/2006 in € m	1/1/ - 9/30/2005 in € m	Q3/2006 in € m	Q2/2006 in € m	Q1/2006 in € m
Net interest income	116	106	40	40	36
Net fees and commissions	311	315	62	114	135
Net trading, hedging and fair value income	(12)	(7)	1	(8)	(5)
Net other expenses/income	2	6	(1)	3	0
Net non-interest income	301	314	62	109	130
TOTAL REVENUES	417	420	102	149	166
Payroll costs	91	95	25	34	32
Other administrative expenses	170	193	43	65	62
Operating costs	261	288	68	99	94
OPERATING PROFIT	156	132	34	50	72
Integration costs	2	0	2	0	0
Net write-downs of loans and provisions for guarantees and commitments	2	1	2	(4)	4
Net income from investments and other items ¹⁾	539	4	533	4	2
PROFIT BEFORE TAX	691	135	563	58	70
Cost-Income-Ratio in %	62.6 %	68.6 %	66.7 %	66.4 %	56.6 %

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

Income statement of the Corporates & Commercial Reals Estate Financing division

Corporates sub-division

<i>Income/expenses</i>	1/1/ - 9/30/2006 <i>in € m</i>	1/1/ - 9/30/2005 <i>in € m</i>	Q3/2006 <i>in € m</i>	Q2/2006 <i>in € m</i>	Q1/2006 <i>in € m</i>
Net interest income	596	593	185	202	209
Net fees and commissions	234	222	76	73	85
Net trading, hedging and fair value income	2	1	4	(2)	0
Net other expenses/income	5	9	(1)	5	1
Net non-interest income	241	232	79	76	86
TOTAL REVENUES	837	825	264	278	295
Payroll costs	125	115	41	43	41
Other administrative expenses	203	262	69	65	69
Operating costs	328	377	110	108	110
OPERATING PROFIT	509	448	154	170	185
Integration costs	1	0	1	0	0
Net write-downs of loans and provisions for guarantees and commitments	127	168	48	35	44
Net income from investments and other items ¹⁾	4	(3)	(4)	1	7
PROFIT BEFORE TAX	385	277	101	136	148
Cost-Income-Ratio in %	39.2	45.7	41.7	38.8	37.3

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

Income statement of the Corporates & Commercial Real Estate Financing

Commercial Real Estate Financing sub-division

<i>Income/expenses</i>	1/1/ - 9/30/2006 in € m	1/1/ - 9/30/2005 in € m	Q3/2006 in € m	Q2/2006 in € m	Q1/2006 in € m
Net interest income	133	130	40	44	49
Net fees and commissions	30	29	11	11	8
Net trading, hedging and fair value income	0	0	0	0	0
Net other expenses/income	3	5	0	2	1
Net non-interest income	33	34	11	13	9
TOTAL REVENUES	166	164	51	57	58
Payroll costs	11	15	4	3	4
Other administrative expenses	28	37	10	8	10
Operating costs	39	52	14	11	14
OPERATING PROFIT	127	112	37	46	44
Integration costs	0	0	0	0	0
Net write-downs of loans and provisions for guarantees and commitments	52	80	30	4	18
Net income from investments and other items ¹⁾	(6)	(10)	(6)	0	0
PROFIT BEFORE TAX	69	22	1	42	26
Cost-Income-Ratio in %	23.5	31.7	27.5	19.3	24.1

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

Income statement of the Markets & Investment Banking (MIB) division

<i>Income/expenses</i>	1/1/ - 9/30/2006 in € m	1/1/ - 9/30/2005 in € m	Q3/2006 in € m	Q2/2006 in € m	Q1/2006 in € m
Net interest income	810	803	268	256	286
Net fees and commissions	260	220	72	86	102
Net trading, hedging and fair value income	658	357	193	171	294
Net other expenses/income	2	8	(8)	5	5
Net non-interest income	920	585	257	262	401
TOTAL REVENUES	1,730	1,388	525	518	687
Payroll costs	378	320	120	120	138
Other administrative expenses	460	460	147	162	151
Operating costs	838	780	267	282	289
OPERATING PROFIT	892	608	258	236	398
Integration costs	0	0	0	0	0
Net write-downs of loans and provisions for guarantees and commitments	4	39	5	(16)	15
Net income from investments and other items ¹⁾	59	95	16	16	27
PROFIT BEFORE TAX	947	664	269	268	410
Cost-Income-Ratio in %	48.4	56.2	50.9	54.4	42.1

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

Income statement of the Others division

<i>Income/expenses</i>	1/1/ - 9/30/2006 in € m	1/1/ - 9/30/2005 in € m	Q3/2006 in € m	Q2/2006 in € m	Q1/2006 in € m
TOTAL REVENUES	86	(36)	(2)	60	28
Operating costs	246	229	94	51	101
OPERATING PROFIT	(160)	(265)	(96)	9	(73)
Integration costs	14	0	12	2	0
Net write-downs of loans and provisions for guarantees and commitments	323	183	91	132	100
Net income from investments and other items ¹⁾	22	(228)	(11)	2	31
PROFIT BEFORE TAX	(475)	(676)	(210)	(123)	(142)

¹⁾ Contains the following income statement items: provisions for risks and charges, write-down on goodwill and net income from investments

HVB Investor Relations-Team:

Regine.Angermeyer-Naumann@hvb.de
Head of Investor Relations

☎ +49-89-378 27602

Susan.Eckenberg@hvb.de

☎ +49-89-378 29185

Ilaria.Ranucci@hvb.de

☎ +49-89-378 26024

Dinah.Reiss@hvb.de

☎ +49-89-378 21935

Richard.Speich@hvb.de

☎ +49-89-378 31063

Fax

☎ +49-89-378 24083

Web Site:

<http://www.hvb.com/ir>

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