

March 10, 2022

**Rating Object**

UniCredit S.p.A.  
UniCredit Bank AG  
UniCredit Bank Austria AG

**LT Issuer Rating incl. Outlook / Watch,**

BBB- / UNW,  
BBB- / UNW,  
BBB- / UNW,

**Issue Ratings PSU / NPS / T2 / AT1**

BBB- / BB+ / BB- / B (UNW)  
BBB- / BB+ / BB- / B (UNW)  
BBB- / BB+ / BB- / - (UNW)

**Date of Inception / Disclosure to Rated Entity / Maximum Validity:**

**Rating Object**

UniCredit S.p.A.  
UniCredit Bank AG  
UniCredit Bank Austria AG

**Date of Inception**

10.03.2022  
10.03.2022  
10.03.2022

**Disclosure to Rated Entity**

10.03.2022  
10.03.2022  
10.03.2022

**Maximum Validity**

until withdrawn  
until withdrawn  
until withdrawn

There occurred a change after the communication of the rating to the rating object.

**Rating Summary:**

UniCredit S.p.A. is present in the Russian Federation through its subsidiary UniCredit Bank Russia and has additional cross-border exposures. The impact of a potential total loss, as outlined in a press release dated March 8, 2022 by UniCredit, is unlikely to affect the current long-term issuer ratings; however, the possible uncontrolled loss of access to the Russian subsidiary and the unpredictable risks of the subsidiary's business environment is noteworthy. Therefore, in the wake of the Russian-Ukrainian war, the "stable" outlook is withdrawn and "watch (unknown)" status is assigned in light of this development. The LT issuer rating is confirmed. All issuer ratings (AT1, T2, NPS, PSU) are also assigned the status "watch (unknown)".

**Primary Key Rating Driver:**

- The sanctions imposed on Russia in response to the Russian-Ukrainian war have far-reaching implications for financial actors doing business in Russia.
- UniCredit has a risk exposure through its Russian subsidiary and additional cross-border exposure.
- The impact of the sanctions on the ease of doing business, credit worthiness and general access to the Russian market cannot yet be fully estimated and remain subject to further developments.
- The possible uncontrolled loss of access to the Russian subsidiary and the unpredictable risks of the subsidiary's business environment is noteworthy.

**Rating Scenarios:**

*Please note: The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.*

Best-case scenario: BBB

In a scenario analysis, the bank is able to reach a "BBB" rating in the "best case" scenario and a "BB" rating in the "worst case" scenario. The ratings of bank capital and senior unsecured debt would behave similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade UniCredit S.p.A. (Group) long-term issuer credit rating and its bank capital and debt instruments if see an upgrade of the rating of the Italian Republic (current CRA rating: BBB-/stable) due to the dependency on the home market and on the wellbeing of the Italian market of UniCredit.

Worst-case scenario: BB

By contrast, a downgrade of the Group's long-term issuer credit rating and its bank capital and debt instruments is likely if we see declining capital ratios as well as a declining profitability. In particular, we will observe the ongoing Corona pandemic impact on UniCredit's asset quality and its business activities in general. Moreover, we see a close economic relation to the Italian nation, which is a burden for UniCredit's rating.

**Environmental, Social and Governance (ESG) Score Card**

UniCredit SpA has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the corporate governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor was downgraded to neutral due to the turbulences relating the bank's top management, the resulting unclear new direction of the bank as well as due to the clearly negative economic development. On the other hand, UniCredit sets ambitious goals with regard to its ESG policies.
- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated positive due to the role as a joint bookrunner for a large number of green bonds issues in addition to increasing lending to the sustainable energy sector. However, Corporate Behaviour is rated negative due the bank's misconduct in in relation with US sanctions and money laundering.

**ESG Score**

3,5 / 5

ESG Score Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2021	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	4	( )
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated negative in terms of the CRA ESG criteria.	3	( - )
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
( - )	Negative
( - - )	Strong negativ

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

A general valid description of Creditreform Rating AG, as well as a valid description of bank ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found here: <https://www.creditreform-rating.de/de/wir-ueber-uns/regulatorische-anforderungen.html?file=files/content/downloads/Externes%20Rating/Regulatorische%20Anforderungen/DE/Ratingmethoden%20DE/The%20Impact%20of%20ESG%20Factors%20on%20Credit%20Ratings.pdf>

**Analysts / Person Approving (PAC):**

Name	Funktion	Email Address
Felix Schürmann	Lead-Analyst	f.schuermann@creditreform-rating.de
Philipp J. Beckmann	Analyst	p.beckmann@creditreform-rating.de
Artur Kapica	PAC	a.kapica@creditreform-rating.de

**Rating History:**

Bank Issuer Rating	Rating Date	Result
LT / Outlook / Short-Term (Initial)	12.01.2018	BB+ / stable / NEL
Rating Update	03.08.2018	BBB- / stable / L3
Rating Update	16.10.2019	BBB- / stable / L3
Monitoring	24.03.2020	BBB- / NEW / L3
Rating Update	01.10.2020	BBB- / stable / L3
Rating Update	03.12.2021	BBB- / stable / L3
Monitoring	10.03.2022	BBB- / UNW / L3
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	12.01.2018	BB+ / B / B-
Senior Unsecured / T2 / AT1	03.08.2018	BBB- / BB- / B
PSU / NPS / T2 / AT1	16.10.2019	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	24.03.2020	BBB- / BB+ / BB- / B (NEW)
PSU / NPS / T2 / AT1	01.10.2020	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	03.12.2021	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	10.03.2022	BBB- / BB+ / BB- / B (UNW)
Subsidiaries of the Bank	Rating Date	Result
<b>UniCredit Bank Austria AG</b>		
LT / Outlook / Short-Term (Initial)	03.08.2018	BBB- / stable / L3
Rating Update	16.10.2019	BBB- / stable / L3
Monitoring	24.03.2020	BBB- / NEW / L3
Rating Update	01.10.2020	BBB- / stable / L3
Rating Update	03.12.2021	BBB- / stable / L3
Monitoring	10.03.2022	BBB- / UNW / L3
<b>Bank Capital and Debt Instruments of UniCredit Bank Austria AG</b>		
Senior Unsecured / T2 / AT1 (Initial)	03.08.2018	BBB- / BB- / B
PSU / NPS / T2 / AT1	16.10.2019	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	24.03.2020	BBB- / BB+ / BB- / B (NEW)
PSU / NPS / T2 / AT1	01.10.2020	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	03.12.2021	BBB- / BB+ / BB- / n.r.
PSU / NPS / T2 / AT1	10.03.2022	BBB- / BB+ / BB- / - (UNW)
<b>UniCredit Bank AG</b>		
LT / Outlook / Short-Term (Initial)	03.08.2018	BBB- / stable / L3
Rating Update	16.10.2019	BBB- / stable / L3
Monitoring	24.03.2020	BBB- / NEW / L3
Rating Update	01.10.2020	BBB- / stable / L3

Rating Update	03.12.2021	BBB- / stable / L3
Monitoring	10.03.2022	BBB- / UNW / L3
Bank Capital and Debt Instruments of UniCredit Bank AG		
Senior Unsecured / T2 / AT1 (Initial)	03.08.2018	BBB- / BB- / B
PSU / NPS / T2 / AT1	16.10.2019	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	24.03.2020	BBB- / BB+ / BB- / B (NEW)
PSU / NPS / T2 / AT1	01.10.2020	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	03.12.2021	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	10.03.2022	BBB- / BB+ / BB- / B (UNW)

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

**Status of Solicitation and Information Basis:**

The present rating is an **unsolicited** rating. The rating object participated in the creation of the rating as follows:

With rated entity or related third party participation	Yes
With access to internal documents	No
With access to management	No

**Rating Methodology:**

Rating Methodology	Version	Website
<a href="#">Rating Methodology Bank Ratings</a>	3.0	<a href="https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html">https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html</a>
<a href="#">Rating Methodology Bank Capital and Unsecured Debt Instruments</a>	2.0	<a href="https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html">https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html</a>
<a href="#">Methodology Environmental, Social and Governance Score for Banks</a>	1.0	<a href="https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html">https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html</a>
<a href="#">Rating Criteria and Definitions</a>	1.3	<a href="https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html">https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html</a>

## **Regulatory requirements:**

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of UniCredit S.p.A. and its subsidiaries was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

## **Conflict of interests**

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, Creditreform Rating AG will disclose all ancillary services in the credit rating report.

## **Rules on the presentation of credit ratings and rating outlooks**

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes.

Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

## Disclaimer

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report's overall assessment. Excerpts may only be used with the ex-press consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

## Contact Information

Creditreform Rating AG  
Europadamm 2-6  
D-41460 Neuss

Phone +49 (0) 2131 / 109-626  
Fax +49 (0) 2131 / 109-627

E-Mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
[www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch

Chairman of the Board: Michael Bruns  
HR Neuss B 10522