

Rating Object	Rating Information
<p>UniCredit Bank GmbH</p> <p>Creditreform ID: 8170002275</p>	<p>Long Term Issuer Rating / Outlook: BBB / positive</p> <p>Short Term: L3</p> <p>Type: Update / Unsolicited</p>
<p>Rating Date: 22 November 2024</p> <p>Monitoring until: withdrawal of the rating</p> <p>Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3"</p>	<p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured (PSU): BBB</p> <p>Non-Preferred Senior Unsecured (NPS): BBB-</p> <p>Tier 2 (T2): BB</p> <p>Additional Tier 1 (AT1): B+</p>
<p>Rating History: www.creditreform-rating.de</p>	

Rating Action

Creditreform Rating upgrades UniCredit Bank GmbH's Long-Term Issuer Rating to BBB (Outlook: positive)

Creditreform Rating (CRA) upgrades UniCredit Bank GmbH's Long-Term Issuer Rating to BBB. The rating outlook is positive.

CRA upgrades UniCredit Bank GmbH's Preferred Senior Unsecured Debt to BBB, Non-Preferred Senior Unsecured Debt to BBB-, Tier 2 Capital to BB and AT1 Capital to B+.

The ratings of UniCredit Bank GmbH are equalized with those of UniCredit S.p.A. (Group).

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Key Rating Drivers

- Rating equalization with UniCredit S.p.A. (Group) due to affiliation to UniCredit S.p.A. (for Key Rating Drivers of the parent entity, see rating report UniCredit S.p.A. from 22 November 2024)

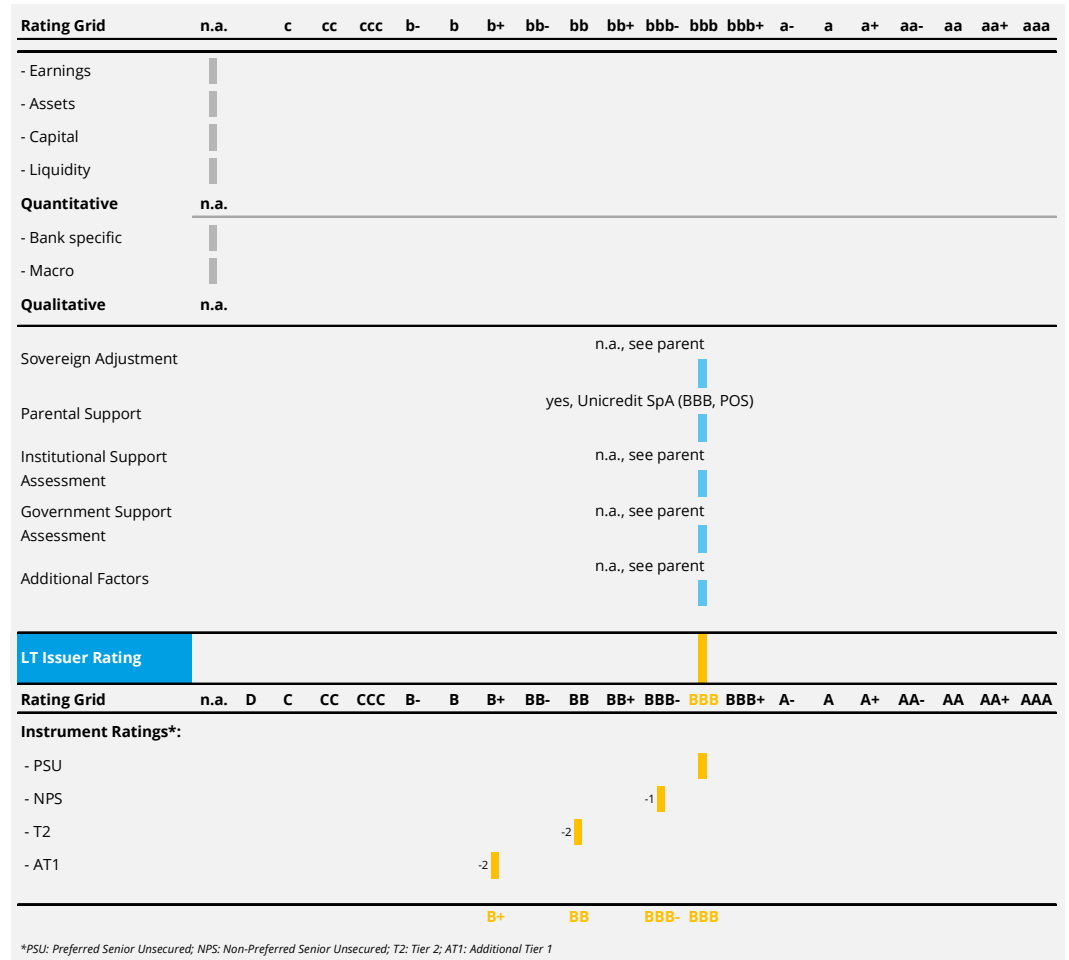
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Executive Summary



The rating of UniCredit Bank GmbH is prepared on the basis of group (UniCredit S.p.A.) consolidated accounts.

The Long-Term Issuer Rating and all Debt and Bank Capital Ratings of Unicredit Bank GmbH are upgraded by one notch each. The rating outlook is raised to positive.

UniCredit Bank GmbH is a subsidiary of Unicredit S.p.A. (Group). Thus, in accordance with our rating methodology, the rating is derived from the Long-Term Issuer Rating of the parent company.

Parental Support

Rating objects which are either fully consolidated in the group or consolidated group of companies and in which the parent company or one of its fully consolidated subsidiaries holds at least 50%+1 of ownership are generally assigned the Long-Term Issuer Rating of the parent company.

As the rating object is fully consolidated in the group and the parent company holds 100% of the capital, it receives the Long-Term Issuer Rating of the parent company (BBB/positive).

Company Overview

UniCredit Bank GmbH (UCB) is a fully-owned banking subsidiary of Italy-based UniCredit Group. With total assets of EUR 283.3bn at year-end 2023, UCB was Germany's fifth largest lending institution. It has 371 branch offices worldwide, thereof 273 in Germany. Prior to the change of its legal form on 15 December 2023, UCB has operated under the name UniCredit Bank AG.

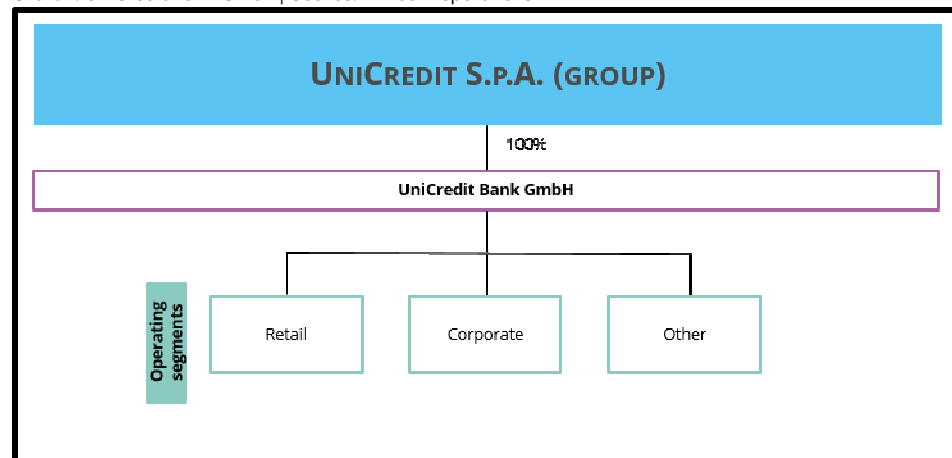
The bank operates as a universal bank and reports its results across three segments. *Retail* is focused on the provision loans to small business and private customers. Besides lending activities, services provided by the *Retail* segment include payment, as well as insurance and investment products.

Corporate comprises lending activities to SME's and large enterprises, including advisory and financing solutions, correspondent banking and payment solutions.

Other consolidates activities not directly related to customers, among others, it includes the bank's treasury and corporate center.

With effect from 15 December 2023, former UniCredit Bank AG changed its legal form to UniCredit Bank GmbH.

Chart 1: UniCredit Bank GmbH | Source: Annual Report 2023



Due to UCB's bank capital and debt structure, the Group's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, UCB's Non-Preferred Senior Unsecured debt is rated BBB-. UCB's Tier 2 Capital is rated BB based on the UCB's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated B+, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

Outlook

The outlook of the Long-Term Issuer Rating of UniCredit Bank GmbH is positive in line with that of its parent UniCredit S.p.A. (Group).

Best-case scenario: BBB+

Worst-case scenario: BBB-

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.

Scenario Analysis

Best- and Worst-Case-Scenario are in line with that of the parent UniCredit S.p.A. (Group).

Appendix

Bank ratings UniCredit Bank GmbH

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **BBB / positive / L3**

Bank Capital and Debt Instruments Ratings UniCredit Bank GmbH

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **BBB**
 Non-Preferred Senior Unsecured (NPS): **BBB-**
 Tier 2 (T2): **BB**
 Additional Tier 1 (AT1): **B+**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Long-Term Issuer Rating	Rating Date	Result
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
Rating Update	30.08.2022	BBB- / stable / L3
Rating Update	07.09.2023	BBB- / stable / L3
Rating Update	22.11.2024	BBB / positive / L3
Bank Capital and Debt Instruments	Rating Date	Result
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)
PSU / NPS / T2 / AT1	30.08.2022	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	07.09.2023	BBB- / BB+ / BB- / B
PSU / NPS / T2 / AT1	22.11.2024	BBB / BBB- / BB / B+

Tables UniCredit Bank GmbH

Figure 2: Income statement¹ | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	2.739	+4,3	2.626	2.516	2.413
Net Fee & Commission Income	1.165	+4,0	1.120	1.115	1.007
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	1.430	+28,8	1.110	731	581
Equity Accounted Results	2	-33,3	3	12	19
Dividends from Equity Instruments	28	+0,0	28	16	18
Other Income	161	-14,8	189	215	250
Operating Income	5.525	+8,8	5.076	4.605	4.288
Expense					
Depreciation and Amortisation	150	+37,6	109	119	126
Personnel Expense	1.334	-5,7	1.415	1.485	1.451
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-32	> +100	-11	153	-11
Other Expense	1.770	+18,5	1.494	2.121	1.480
Operating Expense	3.222	+7,1	3.007	3.878	3.046
Operating Profit & Impairment					
Operating Profit	2.303	+11,3	2.069	727	1.242
Cost of Risk / Impairment	167	-44,1	299	114	733
Net Income					
Non-Recurring Income	3	-	0	42	593
Non-Recurring Expense	-	-	2	29	30
Pre-tax Profit	2.139	+21,0	1.768	626	1.072
Income Tax Expense	404	-13,5	467	300	404
Discontinued Operations	-	-	-	-	-
Net Profit	1.735	+33,4	1.301	326	668
Attributable to minority interest (non-controlling interest)	-1	-	-	1	-
Attributable to owners of the parent	1.736	+33,4	1.301	325	668

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	58,32	-0,92	59,24	84,21	71,04
Cost Income Ratio ex. Trading (CIRex)	78,68	+2,86	75,82	100,10	82,17
Return on Assets (ROA)	0,61	+0,20	0,41	0,10	0,20
Return on Equity (ROE)	8,70	+2,11	6,59	1,83	3,74
Return on Assets before Taxes (ROAbT)	0,76	+0,20	0,56	0,20	0,32
Return on Equity before Taxes (ROEbT)	10,73	+1,77	8,96	3,52	6,00
Return on Risk-Weighted Assets (RORWA)	2,47	+0,85	1,62	0,40	0,90
Return on Risk-Weighted Assets before Taxes (RORWAbT)	3,05	+0,85	2,20	0,77	1,45
Net Financial Margin (NFM)	1,50	+0,30	1,19	1,06	0,90
Pre-Impairment Operating Profit / Assets	0,81	+0,16	0,65	0,23	0,37

Change in %-Points

¹ Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	23.293	-36,8	36.833	27.692	47.531
Net Loans to Banks	12.401	-11,3	13.976	14.541	14.784
Net Loans to Customers	153.467	-0,2	153.703	147.686	139.370
Total Securities	25.152	-2,6	25.822	35.348	36.246
Total Derivative Assets	46.324	-24,7	61.524	48.306	56.794
Other Financial Assets	18.186	-13,7	21.076	33.159	38.088
Financial Assets	278.823	-10,9	312.934	306.732	332.813
Equity Accounted Investments	17	+30,8	13	12	11
Other Investments	254	-27,6	351	360	352
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	67	> +100	13	695	778
Tangible and Intangible Assets	2.056	-13,6	2.380	2.458	2.533
Tax Assets	893	-10,4	997	909	1.031
Total Other Assets	1.182	-10,3	1.318	1.138	606
Total Assets	283.292	-10,9	318.006	312.304	338.124

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	54,17	+5,84	48,33	47,29	41,22
Risk-weighted Assets ¹ / Assets	24,79	-0,53	25,32	25,89	0,00
NPL ² / Loans to Customers ³	2,18	+0,13	2,05	2,35	2,66
NPL ² / Risk-weighted Assets ¹	3,60	+0,46	3,14	3,42	4,05
Potential Problem Loans ⁴ / Loans to Customers ³	-	-	-	-	-
Reserves ⁵ / NPL ²	63,93	-1,46	65,39	67,55	66,79
Cost of Risk / Loans to Customers ³	0,14	-0,10	0,24	0,10	0,65
Cost of Risk / Risk-weighted Assets ¹	0,24	-0,12	0,36	0,13	0,91
Cost of Risk / Total Assets	0,06	-0,04	0,09	0,04	0,22

Change in %-Points

1 RWA: Pillar 3, EU CR1

2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	32.909	-32,0	48.367	57.517	58.100
Total Deposits from Customers	138.468	-5,9	147.198	132.412	133.703
Total Debt	34.274	+10,1	31.140	32.180	31.743
Derivative Liabilities	38.914	-26,6	53.036	45.170	50.322
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	14.476	+3,5	13.993	21.234	40.051
Total Financial Liabilities	259.041	-11,8	293.734	288.513	313.919
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	13	-	0	565	631
Tax Liabilities	1.178	-14,8	1.382	988	1.173
Provisions	1.650	-7,4	1.781	2.751	2.878
Total Other Liabilities	1.470	+7,3	1.370	1.697	1.648
Total Liabilities	263.352	-11,7	298.267	294.514	320.249
Total Equity	19.940	+1,0	19.739	17.790	17.875
Total Liabilities and Equity	283.292	-10,9	318.006	312.304	338.124

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	7,0	+0,83	6,2	5,7	5,3
Leverage Ratio ¹	5,7	+0,30	5,4	5,3	4,9
Common Equity Tier 1 Ratio (CET1) ²	22,7	+3,10	19,6	17,4	18,8
Tier 1 Ratio (CET1 + AT1) ²	25,2	+3,60	21,6	19,4	20,9
Total Capital Ratio (CET1 + AT1 + T2) ²	27,1	+3,70	23,4	21,0	22,5
CET1 Minimum Capital Requirements ¹	9,6	-	-	-	-
Net Stable Funding Ratio (NSFR) ¹	118,5	+2,88	115,6	112,2	-
Liquidity Coverage Ratio (LCR) ¹	148,0	+6,00	142,0	153,0	-

Change in %-Points

1 Pillar 3 EU KM1

2 Regulatory Capital Ratios: Pillar 3 EU KM1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	Yes
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.3\)](#)
- [Rating of bank capital and unsecured debt instruments \(v2.2\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.1\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 22 November 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to UniCredit Bank GmbH, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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 Bank GmbH (Group) 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

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Creditreform Rating AG ensures that the provision of ancillary services does not present conflicts of interest with its credit rating activities and discloses in the final ratings reports any ancillary services provided for the rated entity or any related third party. The following ancillary services were provided for the rated entity or for third parties associated with the rated entity:

- Rating ancillary service(s) for the rated entity or/and for the related third party
- Credit Service ancillary service(s) for the rated entity or/and related third party.
- No ancillary services in the regulatory sense were carried out for this rating object.

For the complete list of provided rating and credit service ancillaries please refer to the Creditreform Rating AG's website: <https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html#non-core-business-activities>.

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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 rating report or 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 in the rating report or the „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.

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