

UniCredit Bank

Issuer View • 15 May 2025

Authors: Alexander Grenner // Lukas Kühne // Dr Frederik Kunze

Ratings

UniCredit Bank GmbH

	Rating	Outlook
Fitch	A-	Stable
Moody's	A2	Positive
S&P	A-	Stable

Homepage

www.hypovereinsbank.de

UniCredit Bank GmbH (formerly UniCredit Bank AG), based in Munich, is one of the largest banks in Germany in terms of total assets (FY/2024: EUR 290bn). It is the parent company of HVB Group and a wholly owned subsidiary of UniCredit S.p.A. (UniCredit). HVB Group has 349 offices worldwide and employs around 9,000 people (FY/2024). HVB Group offers private and corporate customers as well as public-sector organisations, international companies and institutional clients the comprehensive services of a universal bank and also provides access to a network of UniCredit commercial banks spread across 13 countries worldwide. In addition, HVB acts as a centre of competence for UniCredit's investment banking and customer risk management activities. HVB reports in the segments "Retail" (FY/2024: 22.2% of profit before tax), "Corporates" (68.1%) and "Other" (9.7%). With the "UniCredit Unlocked" plan, the HVB Group is pursuing the goal of sustainably increasing profitability and capital efficiency through growth in selected customer segments, increasing efficiency through automation and process optimisation as well as consistent implementation of ESG principles. 56.4% of the funding comes from customer deposits, followed by debt securities (incl. Pfandbriefe; 13.7%), deposits from other banks (9%) and central bank liquidity (8.1%). Since January 2022, HVB has achieved a cumulative green loan volume of EUR 26.9bn, financed among other things by issuing eleven green bonds with a total volume of EUR 6.5bn.

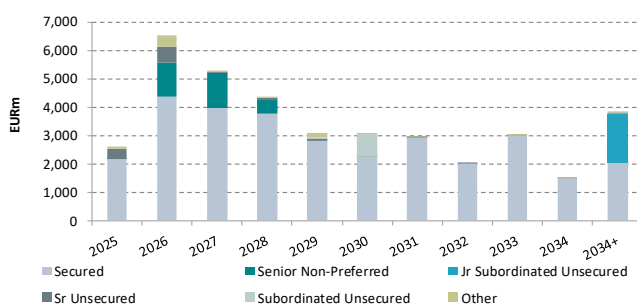
Balance Sheet

(EURm)	2022Y	2023Y	2024Y
Net Loans to Customers	154,875	154,477	162,565
Total Securities	97,887	81,487	92,508
Total Deposits	147,422	139,557	142,609
Tier 1 Common Capital	16,060	15,864	15,733
Total Assets	318,006	283,292	290,230
Total Risk-weighted Assets	82,077	69,767	66,168

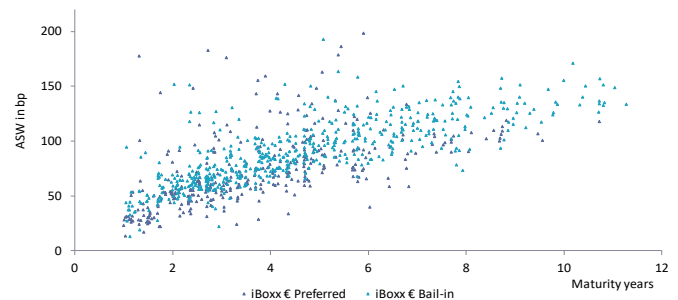
Income Statement

(EURm)	2022Y	2023Y	2024Y
Net Interest Income	2,626	2,739	2,608
Net Fee & Commission Inc.	1,120	1,165	1,206
Net Trading Income	1,110	1,430	1,520
Operating Expense	2,646	2,706	2,386
Credit Commit. Impairment	302	168	270
Pre-tax Profit	1,768	2,139	2,790

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2022Y	2023Y	2024Y	2022Y	2023Y	2024Y	
Net Interest Margin	0.85	0.93	0.92	Liquidity Coverage Ratio	-	-	-
ROAE	6.93	8.75	9.64	IFRS Tier 1 Leverage Ratio	6.06	6.49	6.59
Cost-to-Income	55.76	52.99	43.66	NPL/Loans at Amortised Cost	1.76	1.83	1.83
Core Tier 1 Ratio	19.57	22.74	23.78	Reserves/Loans at Amort. Cost	1.16	1.16	1.03

As of 15.05.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Franchise in German corporate banking
- Capitalisation
- Liquidity

Risks / Weaknesses

- Risks due to connection to the UniCredit
- Volatile business areas
- Moderate dependence on capital market funding

Covered Bonds

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Represented in the iBoxx EUR Covered with 19 issues from two Pfandbrief programmes

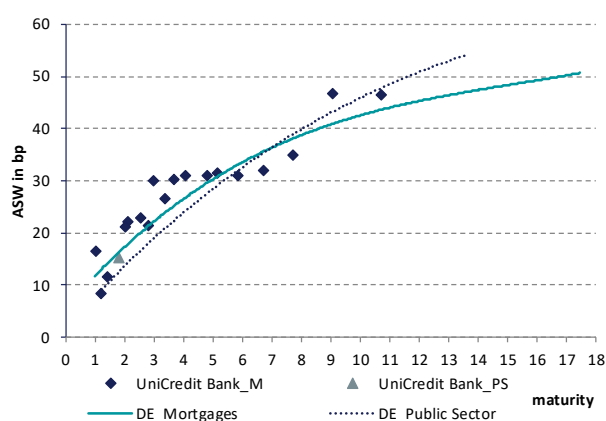
UniCredit Bank has both a programme for placing Mortgage Pfandbriefe and a programme for issuing Public Pfandbriefe. As at 31 March 2025, EUR 26.5bn in mortgage-backed Pfandbriefe and EUR 6.8bn in public sector Pfandbriefe were outstanding. With over-collateralisation ratios of 30.0% (mortgage Pfandbriefe) and 57.6% (public sector Pfandbriefe), the statutory requirement of 2% over-collateralisation is met. The Bank is represented in the current composition of the iBoxx EUR Covered with 19 issues (one Public Sector Pfandbrief, 18 Mortgage Pfandbriefe). In addition, the bank has three benchmark issues that are no longer included in the iBoxx EUR Covered due to their residual maturities (<1y).

Programme data

31 March 2025	Mortgage	Public Sector
Covered bonds outstanding	EUR 26.520bn	EUR 6.813bn
Cover pool volume	EUR 34.477bn	EUR 10.736bn
Current OC (nominal / legal)	30.0% / 2.0%	57.6% / 2.0%
Type primary cover	71.6% Residential	52.5% Regional Auth.
Main country	100% Germany	96.6% Germany
Main region	41.8% Bavaria	28.1% Berlin
Number of loans	121,347	1,414
Share top 10 exposures	9.5%	48.5%
NPL	0.00%	0.00%
Fixed interest (Cover Pool / CBs)	82.3% / 99.8%	89.0% / 100%
WAL (Cover Pool / CBs)	6.7y / 5.3y	14.3y / 5.8y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -	- / Aaa / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Germany



Cover assets almost exclusively located in Germany

While the mortgage cover pool assets are located exclusively in Germany, the German share of the public pool is an impressive 96.6%. At 71.6%, the majority of the mortgage pool is made up of residential assets – of which the largest share is accounted for by the category of detached and semi-detached houses with a volume of EUR 10.3bn. Commercial cover comprises EUR 9.5bn (share of primary cover assets: 28.4%) The share of the ten largest exposures in residential cover is 5.5%, while the "top 10" in terms of exposures in commercial property financing account for a share of 4.0%. The public sector cover pool comprises cover assets with a volume of EUR 10.7bn, almost equally comprising receivables from regional authorities (share of primary cover: 52.5%) and receivables from local authorities (38.5%). Neither the public cover pool nor the mortgage pool contains non-performing loans.

Rating and regulatory treatment

Moody's rates both of UniCredit Bank's Pfandbrief programmes with the top rating of Aaa. In our opinion, the bank's EUR benchmark issues fulfil the necessary requirements to be used as Level 1 assets in the context of LCR management. Pfandbriefe placed by the issuer from 8 July 2022 can bear the "European Covered Bond (Premium)" label. In addition, the issuer's Pfandbriefe benefit from a risk weight of 10% in accordance with CRR due to the rating and are also eligible for ECB repos.

Appendix

Contacts at NORD/LB

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