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UniCredit Bank AG (UCB) is the parent company of the HVB Group and, since September 2008, has been wholly-owned (affiliated company since November 2005) by Italy's UniCredit S.p.A. (global systemically important bank; G-SIB; additional capital buffer: 1.0%). Although Bayerische Hypo- und Vereinsbank AG has changed its name to UCB, the established HypoVereinsbank brand continues to exist. HVB has more than 360 branches around the world, 350 of which are located in Germany. UCB and its subsidiaries offer retail and corporate clients, public bodies, international corporations and institutional clients a comprehensive range of universal bank services. The bank's reporting is based on the segments Commercial Banking, Corporate & Investment Banking (CIB), Group Corporate Center and Other. In the Commercial Banking segment, customers of the Private Client Bank (retail and private banking) and Unternehmer Bank (SMEs, commercial and real estate customers) business units are offered standardised or personalised services and consultancy with a range of banking services. The focus in CIB is on investment banking as well as multinational and major corporate customers who are active in the capital market segment. Within the UniCredit Group (UCG), UCB is one of the key units, as it is not only responsible for the management of UCG's German business but is also the centre of expertise for international investment banking. The four-year strategic plan ("Team 23") also focuses on growth in the Corona-driven environment and is designed to help deliver sustainable returns.

## Ratings

	Rating	Outlook
Fitch	BBB	Negative
Moody's	A2	Negative
S&P	BBB+	Negative

## Homepage

[www.hypovereinsbank.de](http://www.hypovereinsbank.de)

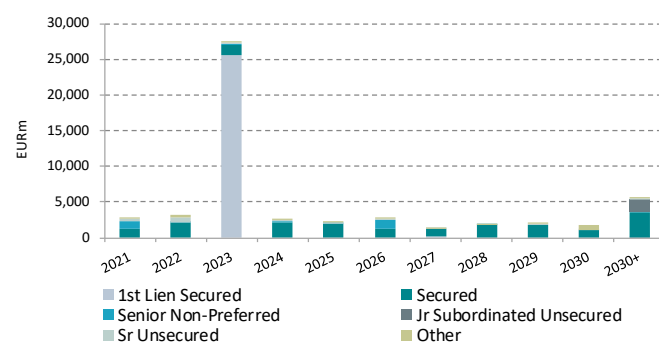
## Balance Sheet

(EURm)	2018Y	2019Y	2020H1
Net Loans to Customers	133,706	139,632	150,377
Total Securities	93,322	100,304	109,051
Total Deposits	121,038	125,394	131,190
Tier 1 Common Capital	16,454	14,987	14,583
Total Assets	287,334	303,598	318,039
Total Risk-weighted Assets	82,592	85,455	89,667

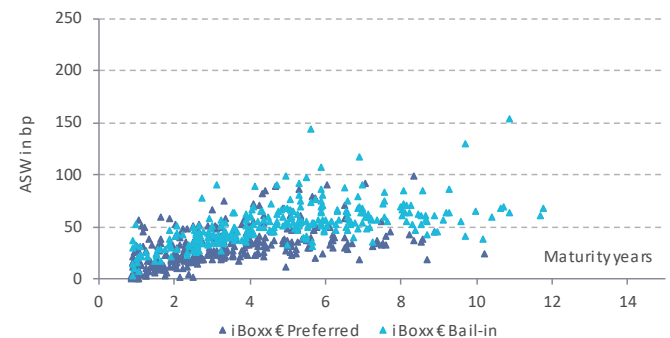
## Income Statement

(EURm)	2018Y	2019Y	2020H1
Net Interest Income	2,484	2,388	1,291
Net Fee & Commission Income	973	973	526
Net Trading Income	635	700	54
Operating Expense	3,927	2,622	1,418
Credit Commitments Impairment	16	115	465
Pre-tax Profit	736	1,361	496

## Redemption Profile



## Senior Unsecured Bonds



## Company Ratios

	2018Y	2019Y	2020H1	2018Y	2019Y	2020H1	
Net Interest Margin	0.87	0.83	0.85	Liquidity Coverage Ratio	-	-	-
ROAE	2.60	4.36	3.77	IFRS Tier 1 Leverage Ratio	6.63	5.77	5.48
Cost-to-Income	78.73	54.49	59.55	NPL/ Loans at Amortised Cost	2.23	1.91	1.85
Core Tier 1 Ratio	19.92	17.54	16.26	Reserves/NPLs	1.43	1.29	1.40

As of: 01.03.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

## Strengths / Opportunities

- Capitalisation
- Liquidity

## Risks / Weaknesses

- Link to parent impacts ratings
- Volatility of earnings

# Covered Bonds

Author: Henning Walten, CIIA

## Two programmes for the issuance of Pfandbriefe

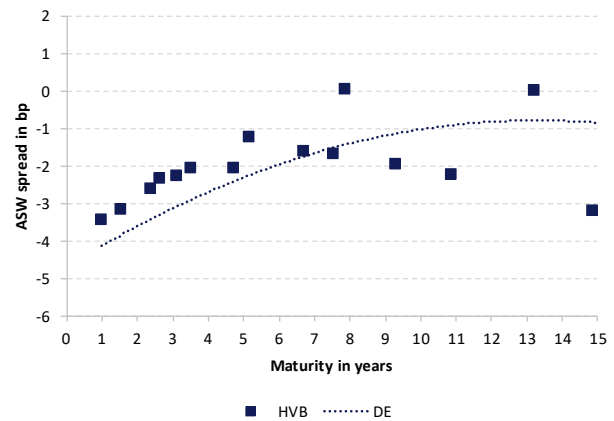
UniCredit Bank has both mortgage and public sector Pfandbriefe outstanding. With a volume of EUR 22.0 bn, Mortgage Pfandbriefe clearly dominate those of the Public Sector (EUR 3.2 bn). Accordingly, the cover pool for Hypothekenpfandbriefe is almost six times larger than the cover pool for public sector Pfandbriefe. UniCredit Bank is currently represented in the iBoxx EUR Covered by 15 mortgage Pfandbriefe with a total volume of EUR 12 bn.

### Programme data

31 December 2020	Mortgage	Public sector
Covered bonds outstanding	EUR 22.011bn	EUR 3.205bn
Cover pool volume	EUR 29.557bn	EUR 5.106bn
Current OC (nominal / legal)	34.3% / 2.0%	59.3% / 2.0%
Type	68.5% Residential	46.2% Local authorities
Main country	100% Germany	91.7% Germany
Main region	43.5% Bavaria	24.3% Berlin
Number of loans	150,235	1,681
Share of 10 largest exposures	8.24%	34.5%
Fixed interest (Cover Pool / CBs)	80.6% / 95.3%	99.8% / 64.9%
WAL (Cover Pool / CBs)	6.8y / 6.9y	5.5y / 4.9y
NPL	0.03%	0.00%
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -	- / Aaa / -

Source: Issuer, Rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

### Spread overview (BMK) – Germany



### Mortgage cover pool with high residential asset share

UniCredit Bank's cover pool for mortgage Pfandbriefe is composed of 97.8% mortgage assets and 2.2% substitute cover assets. Within the primary cover assets, 70.0% are residential assets, while 30.0% are commercial assets. 24.3% of the primary cover assets are allocated to the category "multi-family assets". In total, the cover pool comprised 150,235 loans against over 114,202 borrowers as at 31 December 2020. Geographically, all assets are located in Germany. Regionally, Bavaria dominates (43.5%), followed by Berlin (11.7%) and North Rhine-Westphalia (9.1%). The remaining 35.7% are accounted for by the remaining 13 federal states. The average loan volume in the residential sector is EUR 142,246, while in the commercial sector it is EUR 1,091,317. Around half of the residential properties are owner-occupied. Among the commercial assets, more than half of the loan volume (53.0%) is accounted for by office properties, 31.3% by retail. The NPL ratio is 0.03%. All cover assets and issues are denominated in EUR.

### Rating and regulatory treatment

Both the mortgage and public Pfandbriefe are rated Aaa by Moody's. Accordingly, they benefit from a preferred risk weight of 10% according to CRR. Bonds in benchmark format also benefit from classification as a Level 1 asset in the LCR context, according to our assessment. Furthermore, UniCredit Bank Pfandbriefe are eligible for purchase under the two purchase programmes CBPP3 and PEPP and can also be pledged as collateral under repo transactions with the Eurosystem.

# Appendix

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### Markets Strategy & Floor Research



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Sales MM/FX	+49 511 9818-9460
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