

UniCredit SpA

October 31, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: a-			Support: +1		Additional factors: -1	
Anchor	bbb+		ALAC support	1	Issuer credit rating	
Business position	Strong	1	GRE support	0	A-/Stable/A-2	
Capital and earnings	Adequate	0	Group support	0	Resolution counterparty rating	
Risk position	Adequate	0	Sovereign support	0	A/--/A-1	
Funding	Adequate	0				
Liquidity	Adequate					
CRA adjustment		0				

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Table 1

Overview

Key strengths	Key risks
Wide geographic diversification and leading market positions in its main markets.	Appetite to grow inorganically, which could put pressure on its capitalization and add managerial challenges.
Robust earnings generation capacity and solid liquidity.	Corporate focus, which could result in pockets of risk in its lending book
Sound asset quality, after a substantial clean-up.	Presence in Russia which, even if residual, still exposes the group to financial, operational and reputational risks.

Strong geographic diversification supports UniCredit's creditworthiness. The group has a solid franchise and leading positions in commercial banking in a number of European countries, including Italy, Germany, and Austria, and several Central and Eastern European (CEE) countries. Its footprint is well balanced, with its presence in low-risk economies offsetting the higher risks embedded in others. As a result, the bank's anchor is stronger than the one applicable to banks

Primary Contact

Elena Iparraguirre
Madrid
34-91-389-6963
elena.iparraguirre
@spglobal.com

Additional Contact

Mirko Sanna
Milan
39027211275
mirko.sanna
@spglobal.com

operating primarily in Italy. UniCredit's wide geographic footprint also supports its resilience and revenue stability, despite the economic cycles of the different markets being somewhat correlated. Its business diversification is somewhat weaker than that of peers, however, following the disposal of important subsidiaries over the difficult years of 2016-2019.

UniCredit has successfully transformed the way it operates, positioning itself well for its next phase. The "UniCredit Unlocked" strategy was successfully implemented over 2022-2024, and has seen the 13 banks that make up the group operate more cohesively and be better aligned. It has also reduced complexity, as processes have been redefined; and has boosted the group's financial profile, setting a good base for phase two of the Unlocked strategy ("Unlock Acceleration"), where the focus will turn more to growth.

UniCredit's profitability and asset quality are set to remain robust. After posting solid results in 2023 and 2024, the group aims to further strengthen its profitability over 2025-2027, targeting a return on tangible equity (RoTE) of more than 20% by 2027, on the back of robust earnings, cost containment, and low credit provisions, which we see as feasible. While net interest income (NII) will fall in 2025 and minimally in 2026 as assets reprice down, the bank's hedging and some lending growth will help contain this decline. The recovery of fees, the contribution of equity accounted income from UniCredit's investments in Commerzbank and Alpha, the additional income from its now fully owned insurance subsidiaries, and cost efficiencies will do the rest.

Furthermore, we expect UniCredit's asset quality will remain sound. In June 2025, the bank reported its lowest nonperforming exposures (NPEs) in years, 2.8% according to our calculations, and comfortable coverage, including €1.7 billion of overlays. This positions it well to deal with potential asset quality deterioration, which could come from its corporate lending exposure to sectors and markets more vulnerable to softer global trade dynamics. We expect, however, any deterioration to be contained, with credit provisions standing at about 20 basis points (bps) of average loans over 2025-2027. The bank's asset quality should benefit from limited lending growth in its core markets in recent years, a massive reduction in Russian exposures, which are now residual, tighter underwriting, and more supportive economic and financing conditions for borrowers.

Inorganic growth and generous shareholder distributions are putting pressure on UniCredit's capitalization, but we expect it will remain adequate. UniCredit was not able to buy Italy-based Banco BPM, but through 2025 it used a large share of its excess regulatory capital to build up stakes of about 29% (both physical and synthetic) in German Commerzbank and Greek Alpha Bank, and fully internalize its life insurance operations (previously joint-ventures with Allianz SE and CNP Assurances S.A.). These transactions, coupled with the distribution to shareholders of the bulk of the profits it generates and our assumption of the eventual write-off of the group's investment in Russia, will result in significant capital erosion, with the bank's risk-adjusted capital (RAC) ratio declining to about 6.5% by end-2025, or 200 bps from the 8.5% we calculated at end-2024 (proforma of Italy's improved economic risk assessment). We expect the RAC ratio will recover moderately thereafter, to 7.0%-7.9% in 2026-2027, which is commensurate with our adequate capital and earnings assessment but leaves little room for further investments, extraordinary distributions of excess regulatory capital, or unexpected events.

For the time being, UniCredit sees Commerzbank and Alpha Bank as strategic financial investments providing a boost to earnings, but we do not disregard the possibility that these could evolve into larger deals over the medium term. Equally, we think that UniCredit will remain attentive to inorganic growth opportunities in Italy to reinforce its franchise in the north, where it is underrepresented, or in certain business lines such as asset management.

A potential merger of Commerzbank and HVB (UniCredit's German subsidiary) would make strategic sense for UniCredit as it would strengthen its franchise and profitability prospects in Germany, while on a group basis it would also help to balance its footprint in riskier economies. Integrating the two banks, operationally and culturally, will require time and effort, however, and, depending on the terms of the deal, it could be a source of further pressure on UniCredit's capitalization. Limited support from public authorities is an additional hurdle the bank would have to contend with.

Its presence in Russia, even if residual, still exposes the bank to financial, operational, and reputational risks. The group has meaningfully reduced its cross-border exposures and the scale of its local operations in Russia, with total assets in the Russian subsidiary of €6.3 billion or 0.7% of the group's consolidated assets as of June 2025. That said, it has not managed to sell its subsidiary, which means that it remains exposed to financial, operational, and reputational risks (even if much less so than in the past), and that it has an about €3 billion capital investment trapped in the country.

A large buffer of subordinated bail-inable instruments would protect senior debt holders in a resolution scenario. UniCredit's additional loss-absorbing capacity (ALAC) buffer, comprising €10.1 billion in senior nonpreferred debt and €6.3 billion in subordinated debt at end-2024, reached 320 bps of S&P Global Ratings risk-weighted assets (pro forma our improved economic risk assessment for Italy). Over the next three years, we expect the ALAC will strengthen to 350 bps, remaining sustainably above the 300 bps threshold we deem commensurate with a one notch uplift of the issuer credit rating (ICR).

Our long-term ICR on UniCredit now stands one notch above our long-term sovereign rating on Italy. This is because we consider that, to some extent, UniCredit would be able to withstand the financial stress generated by a hypothetical default of its home sovereign, Italy. This is thanks to the bank's geographic diversification outside of Italy and its going- and gone-concern loss-absorption buffers. However, we think that there would still be a substantial effect on the bank's franchise and financial standing if the Italian sovereign were to default. Therefore, we restrict our ICR on UniCredit to a maximum of one notch above the sovereign rating on Italy.

In a hypothetical sovereign default scenario, the bank would face substantial credit losses—arising principally from its home sovereign bond portfolio and domestic loan book—and liquidity outflows, both of which will most likely trigger the bank's resolution. The latter would lead to the write-down of all outstanding capital instruments and the bail-in of senior nonpreferred debt instruments, which would be sufficient to restore the bank to an acceptable level of capitalization, while the authorities would also ensure access to funding during the resolution process.

Outlook

The stable outlook on UniCredit mirrors the stable outlook on our long-term sovereign rating on Italy. Over the next 18-24 months we expect Unicredit will continue delivering robust profitability and will gradually strengthen its capitalization, while maintaining sound asset quality, liquidity, and its buffer of subordinated bail-inable debt. Despite the bank's inorganic growth ambitions, our current ratings cannot anticipate future developments.

Downside scenario

The most likely trigger for a negative rating action on UniCredit would be a negative action on our long-term sovereign credit rating on Italy, given that at the current level our ratings on UniCredit

are constrained by the sovereign credit rating. Indeed, if we saw a weakening of UniCredit's stand-alone creditworthiness (for example, if its ambitious inorganic plans were to result in an excessive erosion of its capital or returns, or in a footprint with higher economic risks, or were to pose high managerial challenges), the ICRs (and senior and hybrid debt ratings) would likely remain unchanged provided that the bank maintained its buffer of bail-inable subordinated instruments.

Upside scenario

An upgrade is contingent on us raising our long-term sovereign rating on Italy and UniCredit preserving its rating strengths.

Key Metrics

Table 2

UniCredit SpA--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31 --				
	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	18.0	5.4	(0.5)-(1.0)	3.8-4.6	2.0-2.5
Growth in customer loans	-5.5	-1.5	1.8-2.2	1.8-2.2	1.8-2.2
Growth in total assets	-8.5	-0.1	9.0-10.0	0.9-1.1	1.2-1.5
Net interest income/average earning assets (NIM)	2.1	2.2	1.9-2.1	1.8-1.9	1.8-2.0
Cost-to-income ratio	40.2	37.9	37.5-39.0	36.5-38.0	36.0-38.0
Return on average common equity	17.2	17.6	17.5-19.5	18.0-20.0	18.0-20.0
Return on assets	1.2	1.2	1.1-1.4	1.2-1.4	1.2-1.4
New loan loss provisions/average customer loans	0.13	0.15	0.15-0.20	0.15-0.25	0.20-0.25
Gross nonperforming assets/customer loans	2.9	2.8	2.8-3.0	2.6-2.9	2.5-2.8
Net charge-offs/average customer loans	-0.2	-0.4	0.25	0.25	0.25
Risk-adjusted capital ratio	8.1	8.0	6.3-6.6	7.0-7.4	7.5-7.9

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: Recently revised up to 'bbb+'

Reflecting easing economic risks in Italy, we improved the starting point for our ratings on UniCredit to 'bbb+'. We revised the blended economic risks of the several countries in which the group operates to '3' from '4'. Our industry risk assessment for Italy, its home market, was improved to '4' in April 2025.

UniCredit's operations in Germany and Austria (both with an economic risk of '2'), accounting for 30% and 15% of the group's lending exposures, help partly offset higher risks in other geographies, namely Italy (economic risk of '4'), less than 40% of total lending exposures, and several CEE countries (economic risk ranging from '6' to '7') at over 15% of exposures. This leads us to a higher anchor for UniCredit than what we assign to Italian peers. At 'bbb+' UniCredit's anchor is aligned with that of other European banks that also run operations in CEE countries, like Erste Group Bank AG, Raiffeisen Banking Group, KBC Group N.V., or ING Groep, and stands above that of BBVA, which has a larger exposure to emerging economies (see chart 1).

UniCredit's anchor aligns with European peers' with operations in developing markets

Anchor	bbb+	bbb+	bbb+	bbb+	bbb+	bbb+	bbb	bbb
	Italy (40%) Austria (15%) Germany (30%) CEE (15%)	Austria (62%) Southern Europe (15%) Czechia (8%) Germany (6%) Slovakia (5%) Romania (4%)	Netherlands (30%) APAC, US & UK (20%) Eastern & Southern Europe (20%) Belgium & Luxembourg (15%) Germany (15%)	Belgium (55%) Czechia (20%) Slovakia, Bulgaria & Hungary (15%) Europe (5%) World (5%)	Austria (40%) Czechia (20%) Slovakia (10%) Romania (5%) Poland (15%) Croatia, Hungary & Serbia (5%) World (5%)	Spain (25%) UK (25%) US (10%) Europe (10%) Brazil (10%) Germany (5%) Portugal (5%) Mexico (5%) Chile (5%)	Spain (43%) Mexico (21%) World (13%) Turkey (12%) South America (11%)	Italy (70%) EU (15%) World (10%) Central Europe (5%)
	UniCredit	Raiffeisen	ING	KBC	Erste*	Santander*	BBVA	Intesa



UniCredit benefits from a strong, profitable franchise across Europe, serving 15 million clients through 13 local bank subsidiaries. It is the second-largest bank in Italy, its home market, with a 9% market share after Intesa Sanpaolo SpA, and has a solid domestic footprint in Germany (particularly in corporate banking), Austria (holding a 12% loan market share), and several CEE

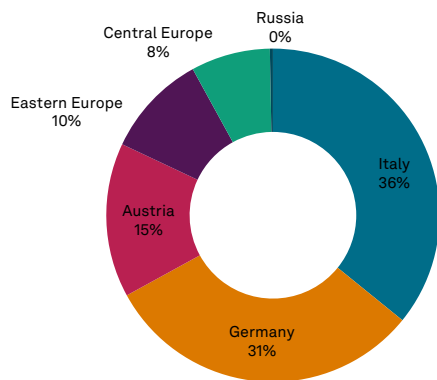
countries, particularly in the Czech Republic and Slovakia (ranking fifth, with an almost 9% loan market share), Croatia (ranking first, 24.5% loan market share), Bulgaria (ranking third, 20.1% loan market share) and Romania (following the merger with Alpha Romania, it became number three, with a 12% loan market share). Its presence in other countries in CEE (like Hungary, Slovenia, Bosnia, or Serbia) is less relevant in the group context, and some of these markets are also quite small, but it offers UniCredit a platform to leverage the regions' trade flows and serve clients with operations across them.

UniCredit's large footprint translates into significant revenue diversification by geographies (see charts 2 and 3), although there is some economic correlation among its countries of operation, leaving the group somewhat exposed to the impact of similar economic cycles.

Chart 2

UniCredit's footprint is widely diversified across Europe

Net loan exposure as of Dec. 31, 2024



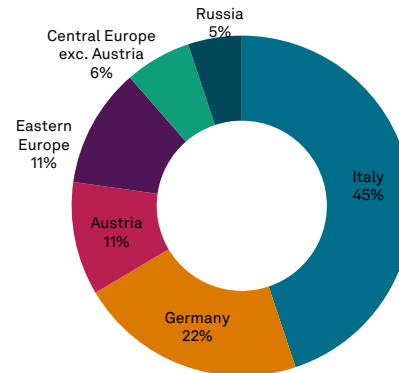
Central Europe is Czech Republic, Hungary, Slovakia, and Slovenia. Eastern Europe is Bosnia and Herzegovina, Bulgaria, Croatia, Romania, and Serbia. Sources: UniCredit's Divisional Database, S&P Global Ratings.

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Chart 3

Wide geographic diversification supports earnings stability

Revenue breakdown by geography as of Dec. 31, 2024



*Excludes the corporate center. Central Europe is Czech Republic, Hungary, Slovakia, and Slovenia. Eastern Europe is Bosnia and Herzegovina, Bulgaria, Croatia, Romania, and Serbia. Sources: UniCredit's divisional database, S&P Global Ratings.

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In its main geographies, UniCredit offers a wide range of products, but with a greater focus on corporates and SMEs. Compared to peers, it lags in product diversification, as it had to dispose important subsidiaries (Pioneer and Fineco, for example) over the difficult years of 2016-2019. But it has become a highly profitable and efficient bank in recent years. Its RoTE reached 17.7% in 2024, while its cost-to-income was outstanding at 38%.

Three-and-a-half years after the start of the war in Ukraine, UniCredit has not been able to exit Russia because finding a non-sanctioned buyer is proving difficult. Therefore, it remains exposed to financial, operational, and reputational risks. Risks, however, are more contained now, as its subsidiary, AO UniCredit Bank, has significantly scaled down its operations. Its net domestic loan book and deposits have declined by almost 90% over this time, standing at just €800 million and €1 billion respectively as of June 2025. Cross-border payments have also fallen meaningfully. Relative to the group, Russian assets (€6.3 billion as of June 2025 or just 0.7% of the group's consolidated assets) look more manageable now. And while about €3 billion of capital remains trapped in Russia despite the bank receiving some dividend payments, UniCredit has managed to reduce the financial cost of an exit in a worst-case scenario to 78 bps of CET1 capital, down from its initial estimate of 128 bps.

After a deep balance sheet clean up over 2016-2021 and the successful implementation of the 2022-2024 UniCredit Unlocked strategic plan, led by CEO Andrea Orcel, the bank is now undertaking phase two of the Unlock strategy: Unlock Acceleration. The new strategic plan aims at leveraging the bank's strengths to grow, taking advantage of its franchise across a number of

European countries (with the 13 banks that make up the group now operating more cohesively and in a better aligned way), and its improved operating model following significant simplification and streamlining. Clients will remain at the center and the bank will continue to offer value-added products (centralized at the clients' solutions division, which serves the networks). The bank will target more profitable segments (namely SMEs and private and affluent clients), will continue expanding capital-light businesses (notably asset management and insurance—indeed, it recently completed the internationalization of its two life insurance subsidiaries, previously joint-ventures with Allianz and CNP), and progressing in its digital and sustainability agenda. Inorganic growth to reinforce its presence in the countries where it operates remains on the agenda, despite the recent failure of its attempt to acquire Banco BPM (see “UniCredit SpA’s Underlying Credit Fundamentals Remain Supportive Despite The Withdrawal of Banco BPM Offer,” July 24, 2025). The bank, however, has increased its physical interest in German Commerzbank to 26% and holds derivatives for an additional 3%, becoming the bank’s largest shareholder, in a move that could potentially evolve into a merger with HVB (UniCredit’s subsidiary in Germany), while its physical stake in Greece-based Alpha Bank could also achieve 29.5% in due course (the bank just received regulatory authorization from the ECB).

The financial targets of the bank’s strategic plan are ambitious, but achievable, in our view, with UniCredit aiming to reach €11 billion in net profits by 2027 (equivalent to RoTE in excess of 20%), which will enable it to maintain generous distributions to shareholders. Its regulatory capital position, however, will also converge to its target level by then.

Capital And Earnings: Excess Regulatory Capital To Be Largely Deployed In 2025

We expect UniCredit’s capitalization to materially decline in 2025, as the bank invests its excess regulatory capital and continues distributing most of the organic capital it generates. We are therefore projecting the bank’s RAC to fall toward 6.5% by the end of 2025, down from the 8.5% we calculated at end-2024 (pro forma Italy’s improved economic risk assessment). It should moderately recover thereafter, however, exceeding 7% in 2026 and reaching 7.5%-7.9% in 2027. At this level the RAC is still commensurate with our adequate capital and earnings assessment but leaves little room for further investments or extraordinary distributions, or to unexpected events.

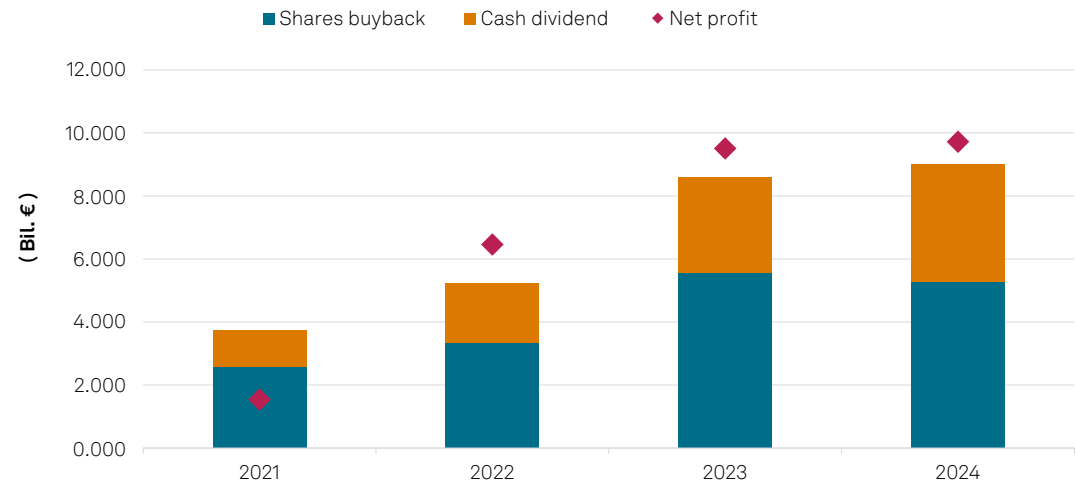
Our forecasts take into account:

- The higher book value of its investment in insurance subsidiaries (€1.8 billion), following the acquisition from its joint-venture partners CNP and Allianz of a 51% stake in CNP UniCredit Vita and UniCredit Vita Assicurazioni and the revaluation of its previous stake, as well as the €800 million goodwill that these transactions generated. We deduct both amounts fully from the bank’s capital base.
- An increase in Commerzbank’s investment of about €6 billion, on top of the €1.7 billion reported at end-2024 (which were revalued afterward), to get to a 26% stake.
- The acquisition of an additional 20% of Greece-based Alpha Bank for about €1.3 billion.
- The write-off of its investment in Russia (€3 billion).
- The generation of average annual bottom-line results of about €10.8 billion over 2025-2027, which we expect will be largely distributed via cash dividends and share buy-backs, with the overall ordinary payout reducing to 80% from 2026 onward (chart 4).

- Limited risk-weighted asset expansion (below 2% annually) as the bank makes more use of securitizations to transfer risks to third parties and prioritizes the allocation of resources to capital-light activities.

Chart 4

UniCredit is distributing its profits almost in full



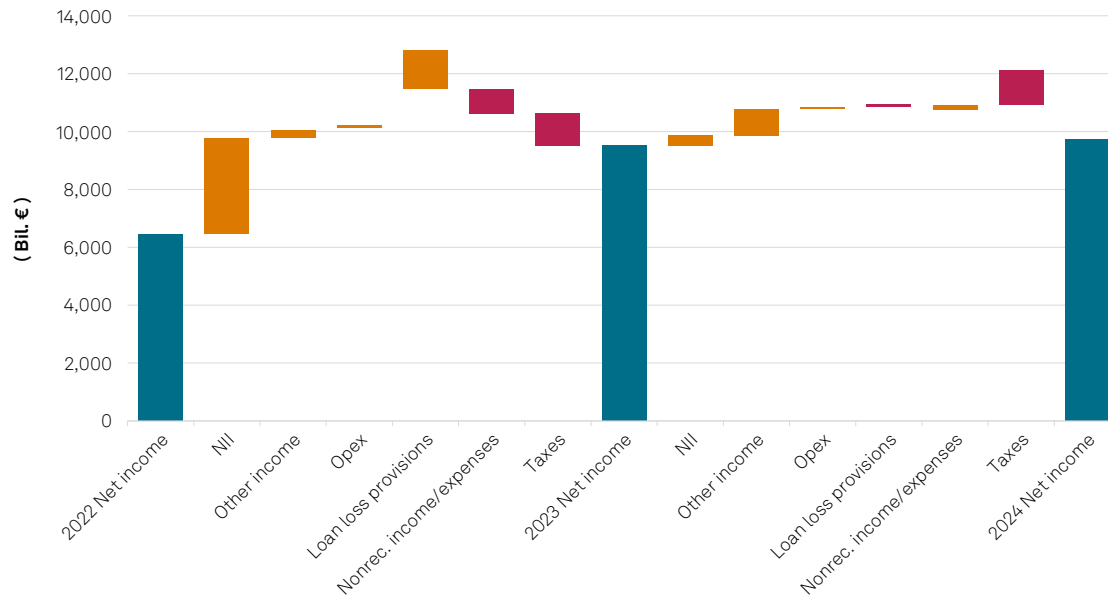
Sources: UniCredit Financial Reporting, S&P Global Ratings.

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Furthermore, in assessing the bank’s capital strength, we qualitatively consider the bank’s financial flexibility to build up capital internally given its strong profitability (if needed we believe share buy-backs could be reconsidered), as well as the bank’s hedge on its Commerzbank investment, which gives it a quick, capital-accretive exit option. The bank also recently communicated that it holds some hedges covering a share of its interest in Alpha.

The group has been posting stellar results both in 2023 and 2024 (with RoTE reaching 16.6% and 17.7% respectively), supported by robust earnings (notably in NII) and cost savings, which combined led to remarkable cost-to-income ratios (at and below 40%, respectively), and extremely low credit provisions (around 15 bps of average loans; see chart). Improvements have taken place across all geographies.

Chart 5

Higher net interest income, cost containment, and low provisioning have driven up net profits

Source: S&P Global Ratings.

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More importantly, prospects for next few years remain solid. Management recently communicated its ambition to improve RoTE to above 20% by 2027, with bottom line reaching €10.5 billion in 2025 and over €11.0 billion by 2027, which we see as feasible. While NII will fall in 2025 and minimally in 2026 as assets reprice downward, the bank's hedging and some lending growth will help contain this decline. The recovery of fees; the contribution of equity-accounted income from UniCredit's investments in Commerzbank and Alpha (which we forecast at €844 million in 2026-2027); additional income from the now fully owned insurance subsidiaries; and cost containment will do the rest. The bank's cost-to-income ratio could moderately slide, but, at below 40%, will remain very strong. Furthermore, the sizable €1.7 billion overlay of provisions that the bank still holds gives it flexibility to record limited credit provisions of about 20-25 bps of average loans.

We forecast the bank's earnings buffer at a robust 2.4%-2.5%, which compares well to forecasts for large and diversified players.

Our RAC ratio differs substantially from the bank's Tier 1 regulatory capital ratio, which was a very high 17.7% as of June 30, 2025. This mainly reflects:

- Our view that minority stakes in financial institutions (including the historical ones in Austria, notably Oberbank and Bank Fuer Tirol, and the new ones, Commerzbank and Alpha) and investments in insurance subsidiaries should be fully backed by capital;
- The full deduction of nonconvertible DTAs arising from temporary differences; and
- The higher than regulatory risk weight that we apply to UniCredit's exposures in Italy and higher risk countries in CEE.

On a regulatory basis, UniCredit's ratios will also experience a noticeable decline by year-end, with a CET 1 of about 14% (versus the 16% reported in June 2025). This is still above management's target of 12.5%-13.0%, and the 10.46% regulatory requirement, but its excess regulatory capital will likely reduce to €4.5 billion-€5.0 billion from the €8.5 billion-€10.0 billion it disclosed in June.

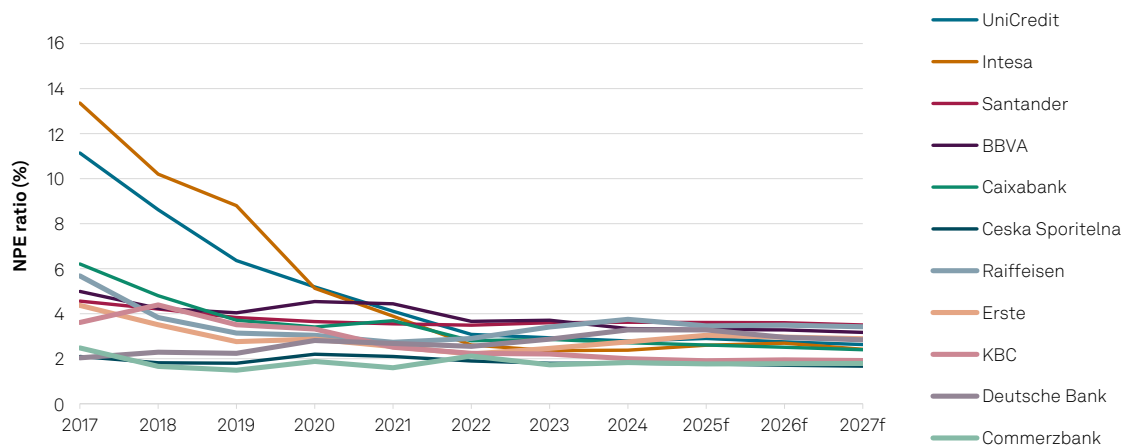
We assess UniCredit's group capitalization on a consolidated basis, thereby assuming some fungibility of resources among the group's entities within regulatory limits. We also monitor the distribution of capital within the group. We note that most subsidiaries have CET1 capital ratios in excess of those of the group, which suggests the possibility of some extraordinary upstreaming to the parent to better align them.

Risk Position: After Large Clean-Ups And High Provisioning The Bank Is Well Placed To Deal With Potential Asset Quality Pressure

UniCredit is facing the soft, still-uncertain economic environment with a solid balance sheet, after having meaningfully reduced its legacy problematic exposures (see chart), boosted loan-loss provisions, diminished its Russian exposures and strengthened its risk-management and underwriting, domestically and abroad.

Chart 6

Unicredit's current asset quality metrics are fairly aligned with those of peers



Source: S&P Global Ratings.

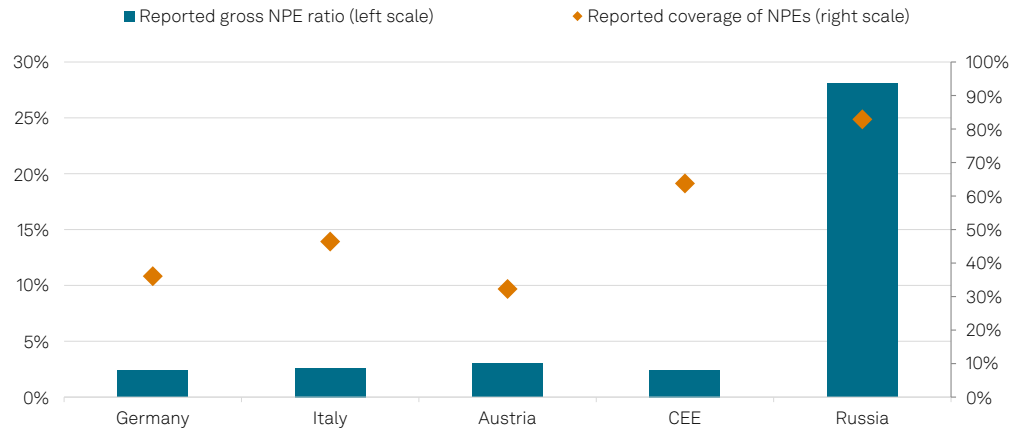
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UniCredit's portfolio is well diversified geographically and by client and product. The weak economic conditions in its three core markets of Italy, Germany, and Austria have resulted in only minor asset quality deterioration so far, with UniCredit's NPEs standing, according to our calculations, at 2.8% at June 2025 (see chart 7). This is similar to that reported at end-2023 and far from the 16.5% of six-and-a-half years ago. Furthermore, only about one-third of NPEs were pure nonperforming loans, with two-thirds being unlikely-to-pay loans. We could still see some modest asset-quality weakening given UniCredit's bias toward corporate lending (74% of its credit EAD) and its footprint in markets/sectors more vulnerable to U.S. trade tariffs (see chart 8). Its corporate profile also renders it more exposed to single-name events (which led to some increased default rates/provisioning in recent quarters). Deterioration should be contained, though, with NPEs increasing to 2.9% in December this year, before returning to 2024 levels in 2026. Furthermore, ample credit provisions, including €1.7 billion of overlays, give the bank

significant flexibility to deal with additional problem loans. Coverage stood at a robust 80% of NPEs as of June 2025.

Chart 7

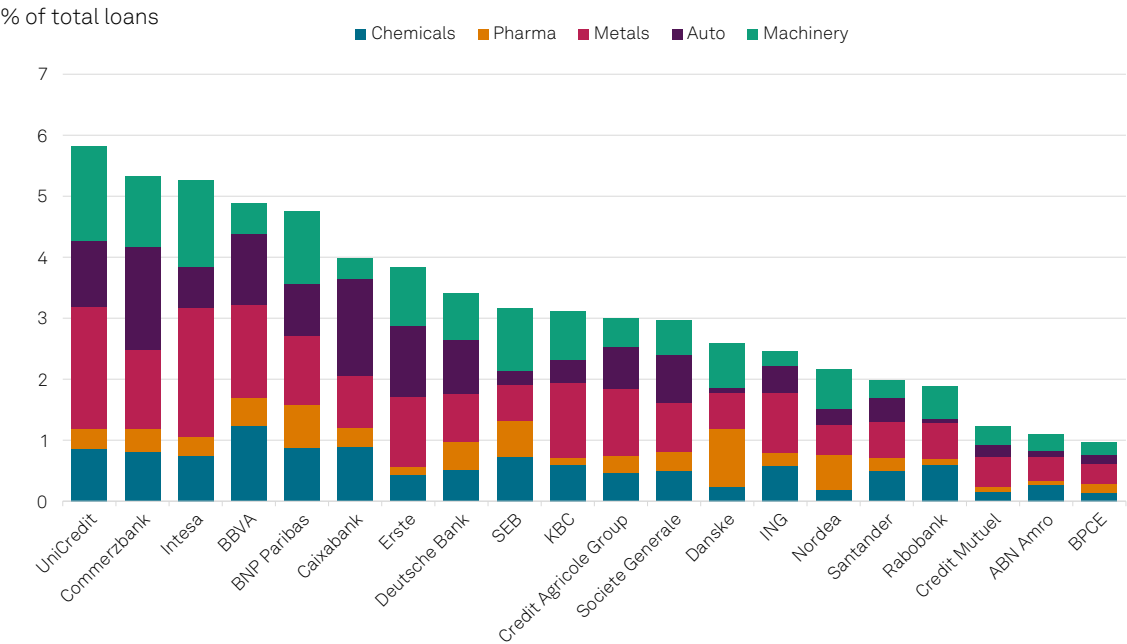
Aside from Russia, there are no major differences in asset quality performance across regions



Data as of June 2025. Source: UniCredit Financial Reporting, S&P Global Ratings.
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Chart 8

UniCredit's exposure to sectors potentially vulnerable to trade pressures is larger than peers, but manageable



Data as of end-2024 (except for SocGen, as of Sep 2024). Source: S&P Global Ratings.
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New problem loans are more likely to come from borrowers in sectors more vulnerable to adverse trade policy decisions, such as autos, machinery, chemicals, and pharma. Pressures on the commercial real estate (CRE) book, however, could ease as financing costs decline. The group's pure CRE exposures are mostly in Germany

and Austria, and amounted to €34 billion as of end-2024, or 8% of total loans. Projects are well collateralized, however, with an average loan to value of about 50%, with long-term profiles.

While UniCredit has not yet been able to exit Russia, it has materially reduced its exposure. Its cross-border exposure has been addressed, while its local subsidiary lending book has fallen by 90%, with the remaining outstanding at just €1.0 billion (it was €10.7 billion as of March 2022).

UniCredit's stage 2 loans, at 10.5% as of June 2025, are now more in line with peers, as the bank has reversed the proactive staging it undertook during the pandemic.

Aside from credit risk, UniCredit is exposed to the foreign currency risk that arises from the excess capital held in its CEE subsidiaries in local currency, which exposes its capital to downward pressure when currencies depreciate. Most of the excess capital is concentrated in Russia, the Czech Republic, Bulgaria, and Romania. Hedging is generally used to reduce the sensitivity to foreign exchange moves. In the case of Russian operations, it is not feasible though.

Exposure to interest rate and market risks remains under control. The bank's P&L is vulnerable to interest rate declines; the bank estimated at end-2024 that a parallel reduction in interest rates of 200 bps would drain €1.7 billion from its NII (or 12%). Conversely, a move up would increase its economic value of equity by €2 billion, equivalent to 4% of its Tier I capital, well below the 15% regulatory threshold.

Funding And Liquidity: Excess Deposits Over Loans

Support Solid Liquidity

UniCredit benefits from a well-balanced funding profile, weighted toward customer deposits, which continue to exceed the group's lending operations. Its loan-to-deposit ratio has been around 85% for the past four years and, given the limited lending growth ahead, we think this is unlikely to meaningfully change over our outlook horizon, even if depositors move more resources to off-balance-sheet products as interest rates decline. About 80% of UniCredit's customer deposits are from retail clients (households and SMEs) and are largely insured.

Wholesale funding is split between interbank funding and debt placements. Debt securities issued are typically long term, with maturities well diversified across the years to minimize refinancing risks. Refinancing needs in 2026 and 2027 amount to €18 billion each year, which we consider manageable. Indeed, up to September 2025, UniCredit had already raised almost €20 billion, fulfilling what it had planned for the full year. Covered bonds and securitizations account for about 38% of the debt issued, and senior unsecured debt (including nonpreferred) for about 50%. A share of the senior debt is placed with clients through the group's different networks, rather than with institutional clients, which is less the case for global peers. AT1 and Tier 2 instruments complete the mix. Debt is largely issued by the Italian entity, and to a lesser degree the German and Austrian subsidiaries. The three have maintained market access even in times of stress, when access was unavailable to peers. In particular, we think UniCredit's ability to access the market is superior to that of Italian peers. The bank's NSFR stood at 128% as of June 2025.

The group's liquidity remains solid. Its reported LCR was 142% as of June 2025. Its broad liquid assets, in the form of cash and cash equivalents and a fairly liquid investment portfolio—evenly split between fair value and investment cost-accounted securities—was about 31% of assets at end-2024, covering the group's short-term wholesale funding 2.9x and 52% of customer deposits. UniCredit's securities portfolio is largely invested in government securities of different countries, with the Italian sovereign accounting for about 36% of total sovereign exposures as of June.

Support: The ICR Now Benefits From UniCredit's Large Buffer Of Subordinated Bail-inable Instruments

Our ratings on UniCredit now incorporate one notch of uplift for ALAC because the bank has reached, and we expect will sustain, a buffer of bail-inable subordinated instruments in excess of 300 bps of S&P Global Ratings RWAs, the minimum threshold to benefit from a one-notch uplift. We estimate that, at end-2024, UniCredit's ALAC buffer, comprising €10.1 billion in senior nonpreferred debt and €6.3 billion of subordinated debt, was equivalent to 319 bps of S&P Global Ratings RWAs, factoring in Italy's current economic risk assessment and the sovereign rating. And, while we do not expect many additional net issuances (on top of what will mature), we foresee the ALAC buffer standing at about 350 bps over 2025-2027.

As of December 2024, UniCredit's minimum requirement for own funds and eligible liabilities (MREL) was 32.7%, well in excess of the 27.5% requirement, though it will likely reduce as the bank deploys its excess capital. UniCredit's MREL included €24 billion of senior debt, which we do not compute as ALAC. From Jan. 1, 2024, UniCredit is no longer subject to TLAC requirements as it is not identified as a GSIB.

Additional Rating Factors

Our ratings on UniCredit are now higher than our long-term sovereign credit rating on Italy, but only by one notch

We now believe there is an appreciable likelihood that UniCredit would not necessarily default on its senior obligations in the scenario of a hypothetical default of the Italian sovereign. That is thanks to the bank's geographic diversification outside of Italy and its going and gone concern loss absorption buffers. In a sovereign default scenario, we would expect UniCredit to face sizable credit losses—mostly arising from its exposure to home sovereign securities and domestic loans—and liquidity outflows, which would most likely trigger its resolution. And we feel confident that the bank's capital base and its existing subordinated liabilities would be enough to cover all losses and adequately recapitalize it, without resorting to the bail-in of senior unsecured obligations. We would also expect the bank to benefit from funding assistance from the authorities during the resolution process.

That said, in the event of a sovereign default in Italy, the bank's franchise and financial standing would be materially affected, so we limit the rating differential with the sovereign to just one notch. This means that our ratings on UniCredit are still constrained by the weaker creditworthiness of the Italian sovereign.

Environmental, Social, And Governance

ESG factors are a neutral consideration in our credit rating analysis of UniCredit. The bank has robust control practices, a unified risk culture, adequate underwriting, and know-your-customer practices in all countries. The bank's well-balanced board composition and diversity looks to all stakeholders' interests. Nevertheless, like peers, UniCredit is exposed to a wide range of legal and nonfinancial risks, as demonstrated by UniCredit and its German and Austrian subsidiaries paying a \$1.3 billion fine to the U.S. authorities in relation to the violation of U.S. sanctions on Iran for prohibited operations concluded in 2002-2011. We are not aware of any large-scale pending litigation or compliance-related issues, however.

Environmental factors do not affect credit quality. The group is exposed to transition risks, in particular through its exposure to the car industry (in Italy and Germany).

Regarding social risk, UniCredit has significantly reduced staff numbers in recent years, and this is continuing as part of its efficiency enhancement plan. We believe the layoffs have been handled carefully in the bank's main countries of operations, primarily in agreement with local unions and predominantly through participation to its voluntary early retirement schemes.

Group Structure, Rated Subsidiaries, And Hybrids

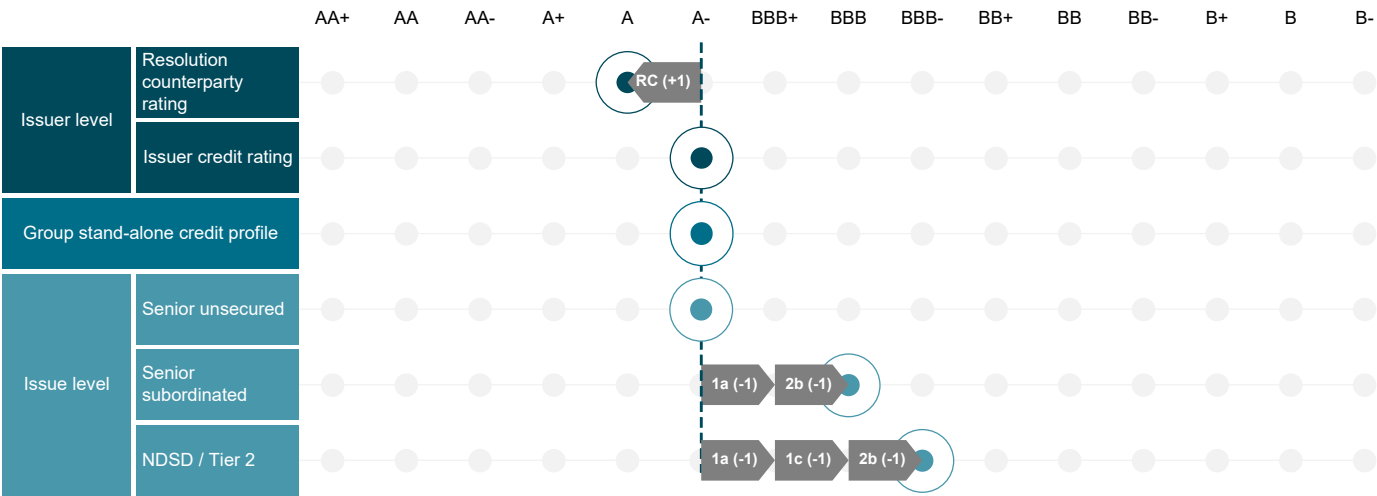
UniCredit SpA is the operating holding company of the group. UniCredit Bank GmbH (known as HypoVereinsbank; HVB) and UniCredit Bank Austria AG (Bank Austria) are the two largest operating entities outside Italy, and we view both as core subsidiaries. The SACPs and ICRs of the parent and subsidiaries are now aligned at 'a-' and 'A-/Stable/A-2', respectively.

Hybrid Ratings

We rate UniCredit's hybrid instruments (senior nonpreferred and subordinated debt) by adding one additional notch under step 2b on top of the standard notching. That is because we believe sovereign default risks are not captured in the starting point (the SACP). Our view is that a hypothetical default of Italy would trigger the bail-in of hybrid instruments to allow the recapitalization of the bank during the resolution process.

We don't rate the bank's AT1 instruments.

Unicredit SpA: Notching



Key to notching

- Issuer credit rating
- Group stand-alone credit profile
- RC Resolution counterparty liabilities (senior secured debt)
- 1a Contractual subordination
- 1c Mandatory contingent capital clause or equivalent
- 2b Other nonpayment or default risk not captured already

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Feb. 10, 2025.

AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt. NVCC--nonviability contingent capital.

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Resolution Counterparty Ratings (RCRs)

We set the RCR on UniCredit one notch above our long-term ICR on the bank, and therefore two notches above the sovereign rating on Italy. In a hypothetical sovereign default scenario, we believe the bank would likely be resolved and the bail-in of its large buffer of bail-inable instruments (including senior preferred obligations if needed) would enable it to absorb the impact that such a scenario would cause, without triggering the default of the bank's RCR liabilities (in other words, those liabilities that would be legally protected, exempt from bail-in in an effective resolution process).

Key Statistics

UniCredit SpA Key Figures

Mil. EUR	H1 2025	2024	2023	2022	2021	2020
Adjusted assets	856,892	781,775	782,702	855,423	914,458	929,339
Customer loans (gross)	416,904	412,108	418,224	442,448	432,522	430,663
Adjusted common equity	38,811	35,554	37,141	41,719	38,576	37,620
Operating revenues	13,547	24,815	23,547	19,959	17,636	16,825
Noninterest expenses	4,636	9,405	9,472	9,561	9,796	9,806
Core earnings	6,533	11,226	11,266	7,548	N/A	N/A
EUR--euro.						

UniCredit SpA Business Position

(%)	H1 2025	2024	2023	2022	2021	2020
Loan market share in country of domicile	--	9.9	10.46	11.4	11.4	12.5
Deposit market share in country of domicile	--	11.9	12.1	12.5	12.9	13.6
Total revenues from business line (currency in millions)	13,547	24,815	23,572	20,161	17,636	17,351
Commercial & retail banking/total revenues from business line	83.9	90.7	91.1	87.0	89.3	78.6
Trading and sales income/total revenues from business line	6.2	7.0	7.8	12.8	9.3	22.8
Other revenues/total revenues from business line	10.0	2.3	1.1	0.3	1.4	(1.4)
Investment banking/total revenues from business line	6.2	7.0	7.8	12.8	9.3	22.8
Return on average common equity	21.4	17.6	17.2	12.2	3.0	(5.4)

UniCredit SpA Capital And Earnings

(%)	H1 2025	2024	2023	2022	2021	2020
Tier 1 capital ratio	17.7	17.8	17.8	18.7	17.9	18.2
S&P Global Ratings' RAC ratio before diversification	N/A	8.0	8.1	8.1	7.4	7.4
Adjusted common equity/total adjusted capital	83.0	81.7	82.6	82.1	79.7	78.4
Net interest income/operating revenues	51.2	57.9	59.5	53.6	51.4	56.1
Fee income/operating revenues	32.7	32.8	31.7	34.3	38.0	35.5
Market-sensitive income/operating revenues	6.2	7.0	7.8	12.9	9.3	8.4
Cost to income ratio	34.2	37.9	40.2	47.9	55.6	58.3
Provision operating income/average assets	2.2	2.0	1.7	1.2	0.9	0.8
Core earnings/average managed assets	1.6	1.4	1.4	0.9	N/A	N/A

UniCredit SpA Capital And Earnings

N/A--Not Available.

Table 3

UniCredit SpA--Risk-adjusted capital framework data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Credit risk					
Government & central banks	257,358	16,018	6	36,847	14
Of which regional governments and local authorities	26,836	419	2	1,367	5
Institutions and CCPs	55,608	8,747	16	16,549	30
Corporate	267,800	115,486	43	235,775	88
Retail	142,262	47,771	34	80,389	57
Of which mortgage	90,794	24,110	27	33,879	37
Securitization§	50,033	8,590	17	14,905	30
Other assets†	24,523	9,098	37	41,318	168
Total credit risk	797,584	205,710	26	425,784	53
Credit valuation adjustment					
Total credit valuation adjustment	--	1,008	--	-	--
Market Risk					
Equity in the banking book	6,805	20,595	303	56,568	831
Trading book market risk	--	8,720	--	13,535	--
Total market risk	--	29,315	--	70,102	--
Operational risk					
Total operational risk	--	31,626	--	47,218	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	277,093	--	543,104	100
Total Diversification/ Concentration Adjustments	--	--	--	-70,773	-13
RWA after diversification	--	277,093	--	472,331	87
Capital ratio		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio before adjustments		49,176	17.7	43,512	8.0
Capital ratio after adjustments‡		49,176	17.7	43,512	9.2

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight.

RAC--Risk-adjusted capital Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

UniCredit SpA Risk Position

(%)	H1 2025	2024	2023	2022	2021	2020
Growth in customer loans	2.3	(1.5)	(5.5)	2.3	0.4	(2.7)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(13.0)	(13.0)	(8.2)	(7.3)	(9.1)
Total managed assets/adjusted common equity (x)	22.2	22.1	21.1	20.6	23.8	24.8
New loan loss provisions/average customer loans	0.1	0.2	0.1	0.4	0.4	1.1
Net charge-offs/average customer loans	N.M.	(0.4)	(0.3)	(0.1)	(0.1)	0.1
Gross nonperforming assets/customer loans + other real estate owned	2.8	2.8	2.9	3.1	4.1	5.2
Loan loss reserves/gross nonperforming assets	79.3	80.5	84.4	87.2	84.4	79.1
N/A--Not Available.						

UniCredit SpA Funding And Liquidity

(%)	H1 2025	2024	2023	2022	2021	2020
Core deposits/funding base	65.6	70.0	69.69	67.6	62.5	59.6
Customer loans (net)/customer deposits	87.6	84.7	86.0	85.1	85.1	86.9
Long-term funding ratio	85.9	88.5	86.9	88.0	87.3	84.6
Stable funding ratio	122.6	126.0	124.7	129.8	133.5	135.1
Short-term wholesale funding/funding base	15.4	12.6	14.3	13.0	13.7	16.5
Regulatory net stable funding ratio	128.0	128.0	130.0	130.0	134.0	--
Broad liquid assets/short-term wholesale funding (x)	2.7	2.9	2.6	2.9	3.1	2.7
Broad liquid assets/total assets	34.6	31.3	31.8	33.0	35.8	37.8
Broad liquid assets/customer deposits	64.0	51.6	52.5	55.9	66.8	74.0
Net broad liquid assets/short-term customer deposits	43.8	36.3	34.7	40.4	49.5	51.7
Regulatory liquidity coverage ratio (LCR) (x)	1.4	1.4	1.5	1.6	1.8	1.7
Short-term wholesale funding/total wholesale funding	43.3	40.3	45.3	38.7	35.3	39.6

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	A-/Stable/A-2
SACP	a-
Anchor	bbb+
Business position	Strong (1)
Capital and earnings	Adequate (0)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	1
ALAC support	1
GRE support	0
Group support	0
Sovereign support	0
Additional factors	-1
SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.	

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [UniCredit SpA Long-Term Rating Upgraded To 'A-', One Notch Above The Sovereign Italy; Outlook Stable](#), Oct. 09, 2025
- [UniCredit Bank GmbH 'A-' Ratings Affirmed On Upgrade Of Parent Group; Outlook Stable](#), Oct. 09, 2025
- [UniCredit Bank GmbH 'A-' Ratings Affirmed On Upgrade Of Parent Group; Outlook Stable](#), Oct. 09, 2025
- [Bulletin: UniCredit's Underlying Fundamentals Remain Supportive Despite The Withdrawal of Banco BPM Offer](#), July 24, 2025
- [Banking Industry Country Risk Assessment: Italy](#), May 16, 2025
- [Various Rating Actions Taken On 15 Italian Banks On Sovereign Upgrade And More Resilient Industry Dynamics](#), April 18, 2025
- [Italy Rating Raised To 'BBB+' On External Buffers And Monetary Flexibility; Outlook Stable; 'A-2' Rating Affirmed](#), April 11, 2025
- [Bulletin: UniCredit Envisions Solid Performance Under Its 2025-2027 Strategic Plan](#), Feb. 14, 2025
- [Italian Banking Sector Outlook 2025: Big Changes Ahead](#), Jan. 15, 2025
- [Bulletin: UniCredit Opens Another Door For Inorganic Growth With Launch Of Offer for Italian Banco BPM](#), Nov. 25, 2025
- [Bulletin: UniCredit's Purchase Of A Significant Stake In Commerzbank Could Pave The Way For A More Transformational Deal](#), Sep. 12, 2024

Ratings Detail (as of October 15, 2025)*

UniCredit SpA

Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Commercial Paper	
Local Currency	A-2
Senior Secured	AA/Stable
Senior Subordinated	BBB
Senior Unsecured	A-
Subordinated	BBB-

Related Entities

UniCredit Bank Austria AG

Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB

UniCredit Bank GmbH

Issuer Credit Rating	A-/Stable/A-2
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Ratings Detail (as of October 15, 2025)*

Resolution Counterparty Rating	A/--/A-1
Senior Subordinated	BBB+
Senior Unsecured	A-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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