

Research Update:

UniCredit Bank GmbH 'A-' Ratings Affirmed On Upgrade Of Parent Group; Outlook Stable

October 9, 2025

Overview

- On Oct. 9, 2025, we raised our ratings on UniCredit Bank GmbH's (HVB's) parent, UniCredit SpA, to 'A-/A-2' with a stable outlook (see "[UniCredit SpA Long-Term Rating Upgraded To 'A-', One Notch Above The Sovereign Italy; Outlook Stable](#)," Oct. 9, 2025).
- We continue to see HVB's stand-alone credit profile at 'a-', based on its sound financial performance and solid franchise focused on parts of the German market, its strong capitalization., and its sound asset quality.
- We affirmed our 'A-/A-2' long- and short-term issuer credit ratings on HVB. We also affirmed the 'A/A-1' long- and short-term resolution counterparty ratings on HVB.
- The stable outlook reflects our expectation that HVB will demonstrate sound financial results and maintain its strong capitalization in the next two years.

Primary Contact

Harm Semder
Frankfurt
49-69-33999-158
harm.semder
@spglobal.com

Additional Contact

Heiko Verhaag, CFA, FRM
Frankfurt
49-69-33999-215
heiko.verhaag
@spglobal.com

Rating Action

On Oct. 9, 2025, S&P Global Ratings affirmed its 'A-/A-2' long- and short-term issuer credit ratings on UniCredit Bank GmbH (HVB). The outlook is stable. Additionally, we affirmed our 'A/A-1' long- and short-term resolution counterparty ratings on HVB and affirmed the ratings on all outstanding senior unsecured and senior subordinated debt instruments.

The issuer credit and resolution counterparty ratings on HVB are now on par with those on its parent group, UniCredit SpA. The ratings on HVB's hybrids are, however, one notch higher than those on UniCredit SpA's, because we do not expect that HVB's hybrid instruments would necessarily be bailed-in in a hypothetical stress scenario involving a default of the Italian sovereign.

Rationale

The 'A-' issuer credit rating on HVB also reflects its sound risk-adjusted profitability and solid franchise focused mainly on the German market. In the first half of 2025, HVB posted a strong €1.2 billion in consolidated net profit, representing a solid 13.0% return on average common

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equity (ROE) and 38% cost-to-income (CIR) ratio. This somewhat improved compared with the 2024 levels (€1.9 billion in net profit, 10.5% ROE, and 43% CIR).

Under the second "Unlocking Acceleration" phase of the groupwide "UniCredit Unlocked" strategy, we expect HVB to maintain sound risk-adjusted profitability by leveraging its solid German corporate banking franchise and maintaining strict cost discipline and cost synergies within UniCredit SpA. At the same time, we expect that HVB will continue to focus primarily on parts of the German market, thereby impacted by less business diversification than higher rated peers.

We expect HVB will continue to demonstrate sound asset quality. HVB posted very low 12 basis points (bps) cost of risk on customer loans as of June 30, 2025, which we forecast to normalize to a still manageable 20-25 bps in the next two years due to a challenging German market and geopolitical uncertainties. Similarly, we expect manageable 2.6% gross nonperforming loans in 2027 in line with peers, after 2.4% in 2024, which is underpinned by HVB's prudent risk management and sound underwriting discipline.

We expect that HVB will maintain its high capitalization, a key rating strength. We forecast that HVB will effectively manage and sustain its strong risk-adjusted capital (RAC) ratio. Despite full distribution of sound earnings, we expect only a moderate decline in RAC to 12.0% by year-end 2027 as risk-weighted assets will not expand meaningfully.

Outlook

The stable outlook reflects our expectation that HVB will continue to report sound financial results and maintain its strong capitalization in the next two years. The stable outlook also reflects our expectation that HVB will remain a core subsidiary within its parent group, flooring the issuer credit rating at the level of the rating on UniCredit SpA.

Downside scenario

A downgrade is unlikely because it would require both that we lower our long-term rating on UniCredit SpA and that we revise downward our view of HVB's stand-alone credit profile. The latter could arise, if, for example, HVB's RAC ratio deteriorates below 10% due to unexpected material losses from asset quality problems, or extraordinary upstreaming of capital to the parent.

Upside scenario

An upgrade is unlikely at this point. It would require that either we upgrade UniCredit SpA, or that HVB structurally improves the diversification of its business profile while preserving its financial strength.

Rating Component Scores

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Issuer Credit Rating	A-/Stable/A-2
SACP	a-
Anchor	bbb+
Business position	Adequate (0)
Capital and earnings	Strong (1)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

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: 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. 9, 2025

Ratings List

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Ratings Affirmed

UniCredit Bank GmbH

Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1

UniCredit Bank GmbH

Senior Unsecured	A-
Senior Subordinated	BBB+

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