

Rating object	Rating information		
UniCredit SpA (Group) Creditreform ID: 400980975 Incorporation: 1870 (Main-) Industry: Banks Management: Jean Pierre Mustier (CEO)	Long Term Issuer Rating:	Short Term:	Outlook:
	BB+	NEL	Stable
	Rating of Bank Capital and Unsecured Debt Instruments:		
	Senior Unsecured	Tier 2	Additional Tier 1
	BB+	B	B-
Prepared on:	12 January 2018		
Monitoring until:	withdrawal of the rating		
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Rating type:	unsolicited		
Rating system(s):	bank ratings; rating of bank capital and unsecured debt instruments		
Rating history:	www.creditreform-rating.de		

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SWOT-Analysis

Strengths

- + Largest bank in Italy
- + Steadily declining operating expenses

Weaknesses

- Low asset quality
- Insufficient earnings figures
- Did not meet the SREP 2015 capital requirements
- Relatively low equity and capital ratios
- High NPL ratio
- Continuously declining operating income
- Below-average performance in the 2016 EBA stress test
- High non-recurring expenses in the 2016 financial year

Opportunities / Threats

- + Improving competitiveness through strategy "Transform 2019"
- + Rising deposits from customers
- +/- High market shares in Eastern Europe
- Difficult economic environment in Italy
- Further impairments in the loan portfolio
- Extreme low-interest rate policy of the ECB
- Increasing banking regulation leads to rising costs

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Company Overview

UniCredit SpA (hereafter UniCredit) is headquartered in Milan and is the largest bank in Italy in terms of total assets. In addition, UniCredit belongs to the list of global systemically important banks and must therefore fulfill special regulatory requirements. The historical origin of the bank goes back to the year 1870. With 135,200 employees (average of 2016), the Group serves approximately 25 million customers and had total assets of €859 billion in 2016.

UniCredit operates primarily in more than 14 countries in Central and Eastern Europe and in 18 other countries worldwide. As a commercial bank, UniCredit is divided into the following 8 business segments: Commercial Banking Italy, Commercial Banking Germany, Commercial Banking Austria, Central Eastern Europe, Corporate & Investment Banking, Asset Gathering, Group Corporate Center and Non-Core. By far the most important segment, accounting for 39.6% of operating income, is Commercial Banking Italy, which focuses on private and business customers (excluding large and multinational companies) in Italy. By contrast, Central Eastern Europe covers UniCredit's operations in 15 Eastern European countries, contributing 22.1% to the Group's operating income. The Corporate & Investment Banking segment manages large and multinational corporations and institutional investors in over 35 countries with investment banking services, contributing approximately 22.6% of operating income in 2016. Asset Gathering comprises the asset management division of UniCredit and was the smallest contributor to operating income at around 3% in 2016.

Group Corporate Center is the management segment of UniCredit, which is charged with the management, support, optimization and control of the Group as a whole. The Non-Core business segment, on the other hand, includes assets with a poor risk profile and assets that are no longer consistent with UniCredit's strategic focus. The two latter segments posted an operating loss in the fiscal year 2016.

The detailed breakdown of UniCredit's operating profit by business segment is as follows:

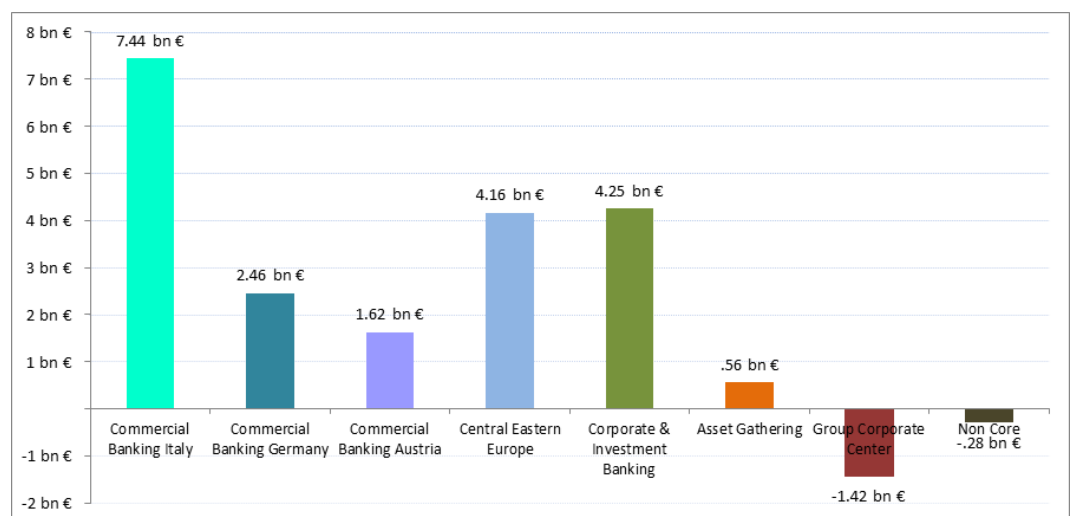


Chart 1: Operating Income by business lines
(Source: website of Unicredit SpA)

The shareholder structure of Unicredit is as follows:

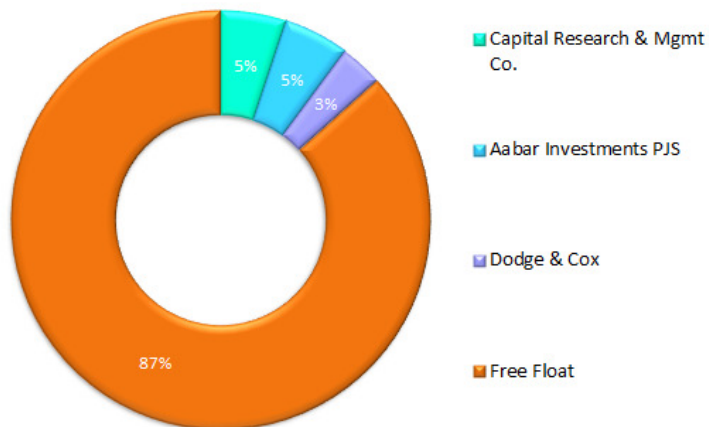


Chart 2: Major shareholders of Unicredit SpA

Business Development

Profitability

UniCredit's operating income amounted to €18.8 billion in 2016 and decreased by 4.2% in a year-over-year comparison (-€837 million). Net interest income contributed the largest share to operating income, accounting for 54.8%, but declined by 3.4% compared to the previous year (-€357 million). Fees and commissions accounted for 29% of operating income, remaining roughly constant YOY, and were primarily generated by the Commercial Banking Italy business segment (63.8%). The two largest sources of income here were income from collection and payment services with 21.4% and income from management of current accounts with 17.9%. At 7.9%, net trading income contributed the lowest share of the three main drivers of operating income, but increased by 16% YOY (€204 million). The deterioration of Equity Accounted Results was in particular due to allowance on company investments of €458 million.

Operating expenses amounted to €15.151 billion in 2016 and increased slightly by 0.15% in a year-over-year comparison (€23 million). Personnel expenses accounted for 61.5% of total expenses in 2016, but enhanced significantly by 19.2% YOY (€1.504 billion). The growth is in particular due to a payment obligation in connection with the pension entitlements of employees of the subsidiary UniCredit Austria. The background is the transfer of occupational pension rights from UniCredit Austria to the state pension system of Austria. Tech & Communications Expense was the second largest expense item in 2016, accounting for 10.4% of operating expenses and increasing by 24% YOY (€308 million). The increase was mainly due to expenses of €287 million related to outsourcing services. Other Expense amounted to €965 million in 2016 and decreased by 67.5% YOY (-€2,007 million).

The operating result amounted to €3.65 billion in 2016, down by 19% (-€860 million) in comparison to the previous year. Asset write-downs, however, increased by 33% YOY (€1,331 million). This increase is mainly due to the change in the estimation method of loan write-downs by UniCredit with regard to recoverable payments. Moreover, the bank generated nonrecurring revenues of €720 million in 2016, on the one hand €273 million through the sale of shares of Visa Europe Ltd. and on the other hand €447 million through the sale of shares of the card processing service provider SIA. However, UniCredit accounted €10.485 billion of nonrecurring expenses as well. These nonrecurring expenses consist primarily of €8.1 billion from loan loss provisions and €2.1 billion for integration costs in particular due to employee settlements. In particular, due to the aforementioned one-off effects, the after-tax result was negative at -€11.326 billion and thus deteriorated significantly YOY by € 13.3 billion.

UniCredit's significant write-downs and provisions in 2016 are mainly due to the "Transform 2019" strategy, according to which UniCredit aims to increase the asset quality, reduce its risk profile and optimize the cost structure in order to increase the bank's profitability. Among others, this leads to a reduction of branches as well as the number of employees and thus a reduction of costs in the upcoming years.

A detailed group income statement for the years 2013 - 2016 can be found in figure 1 below:

Income Statement	2013	%	2014	%	2015	%	2016	%
Income (€000)								
Net Interest Income	11,917,806	48.0%	12,061,835	51.1%	10,664,004	54.3%	10,307,011	54.8%
Net Fee & Commission Income	7,225,727	29.1%	7,506,119	31.8%	5,488,481	27.9%	* 5,362,952	29.0%
Net Insurance Income	-2,184	0.0%	0	0.0%	0	0.0%	0	0.0%
Net Trading Income	3,791,757	15.3%	1,349,761	5.7%	1,281,795	6.5%	1,486,330	7.9%
Equity Accounted Results	518,862	2.1%	682,307	2.9%	604,183	3.1%	97,209	0.5%
Dividends from Equity Instruments	260,916	1.1%	402,484	1.7%	403,470	2.1%	405,223	2.2%
Rental Revenue	128,553	0.5%	112,122	0.5%	114,376	0.6%	96,149	0.5%
Lease and Rental Revenue	128,389	0.5%	138,433	0.6%	137,262	0.7%	158,134	0.8%
Other Noninterest Income	862,674	3.5%	1,335,914	5.7%	944,734	4.8%	887,992	4.7%
Operating Income	24,832,500	100%	23,588,975	100%	19,638,305	100%	18,801,000	100%
Expenses (€000)								
Depreciation and Amortisation	3,536,146	18.9%	1,089,116	7.1%	1,044,507	6.9%	1,140,631	7.5%
Personnel Expense	9,005,384	48.1%	8,203,792	53.6%	7,811,672	51.6%	9,315,458	61.5%
Occupancy & Equipment	1,153,472	6.2%	1,109,100	7.2%	990,048	6.5%	904,839	6.0%
Tech & Communications Expense	1,253,253	6.7%	1,416,527	9.3%	1,271,865	8.4%	1,579,746	10.4%
Marketing and Promotion Expense	347,046	1.9%	353,221	2.3%	295,107	2.0%	281,016	1.9%
Other Provisions	817,804	4.4%	384,385	2.5%	742,895	4.9%	964,376	6.4%
Other Expense	2,626,925	14.0%	2,748,673	18.0%	2,972,499	19.6%	965,455	6.4%
Operating Expense	18,740,030	100%	15,304,814	100%	15,128,593	100%	15,151,521	100%
Operating Profit & Impairment (€000)								
Pre-impairment Operating Profit	6,092,470		8,284,161		4,509,712		3,649,479	
Asset Write-downs	21,410,571		4,604,766		4,019,152		5,350,889	
Net Income (€000)								
Nonrecurring Revenue	0		0		NA		720,000	
Nonrecurring Expense	0		0		NA		10,485,726	
Pre-tax Profit	-15,318,101		3,679,395		490,560		NA	
Income Tax Expense	-2,495,402	16.3%	1,167,242	31.7%	-178,007	-36.3%	NA	0.0%
Discontinued Operations	-760,471		-124,126		1,377,381		NA	
Net Profit	-13,583,170		2,388,027		2,045,948		-11,326,313	

*Calculated from the difference

Figure 1: Group income statement
(Source: S&P Global Market Intelligence)

Due to the significant write-downs and one-off expenses in 2016, UniCredit's earnings ratios declined significantly year-over-year.

The values for ROAA, ROAE and RoRWA have deteriorated significantly in comparison to the last year due to the aforementioned expenses and are thus significantly worse than those of its peers, and are overall at a very low level. By contrast, UniCredit's net interest margin declined marginally YOY, but is still consistent with the average in the peer group comparison.

Overall, UniCredit's earnings ratios are significantly lower than those of the peer group and are the worst performers in any of the areas analyzed.

The development of the key earnings figures for the years 2013 - 2016 is detailed as follows:

Income Ratios (%)	2013	%	2014	%	2015	%	2016	%
Return on Average Assets (ROAA)	-1.55	NA	0.28	1.84	0.23	-0.05	-1.29	-1.52
Return on Equity (ROAE)	-21.37	NA	4.56	25.93	3.80	-0.76	-21.50	-25.30
RoRWA	-3.31	NA	0.59	3.91	0.50	-0.09	-2.88	-3.38
Net Interest Margin	1.46	NA	1.53	0.06	1.34	-0.18	1.29	-0.05
Cost income Ratio ex. Trading	89.07	NA	68.82	-20.25	82.42	13.60	NA	NA
Cost income Ratio	75.47	NA	64.88	-10.58	77.04	12.15	80.59	3.55

Change in %-Points:

Figure 2: Group key earnings figures
(Source: S&P Global Market Intelligence)

Asset Situation and Asset Quality

UniCredit's financial assets accounted for 90% of total assets and decreased by 0.1% in a year-over-year comparison (-€1.065 billion). Net loans to customer represent the largest share of financial assets, accounting for 51.7%, and declined slightly by 0.17% YOY (-€774.5 million). With this, UniCredit stopped the continuous decline in customer loans of the previous years. Total Securities of UniCredit accounted for 26.1% of the financial assets and remained at a fairly constant level YOY. Although cash positions represented the smallest portion of financial assets and remained relatively constant in terms of composition, this position increased slightly by 1.3% YOY (€1,211 million).

UniCredit's total assets amounted to €859.5 billion in 2016, a marginally decrease in comparison to the previous year (-€0.9 billion).

The development of assets of UniCredit for the years 2013 - 2016 is shown in detail in the following:

Assets (€000)	2013	%	2014	%	2015	%	2016	%
Cash and Cash Equivalents	75,822,903	9.2%	78,378,664	9.3%	89,332,304	10.4%	90,542,949	10.5%
Net Loans to Customers	483,684,047	58.6%	470,568,766	55.7%	445,381,979	51.8%	444,607,482	51.7%
Total Securities	203,341,527	24.6%	233,833,082	27.7%	225,010,036	26.2%	224,572,258	26.1%
Financial Assets	769,975,074	93%	792,604,906	94%	771,405,592	90%	770,340,999	90%
Equity Accounted Investments	6,481,855	0.8%	6,479,456	0.8%	6,576,605	0.8%	6,158,551	0.7%
Other Investments	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Insurance Assets	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Noncurrent Assets HFS & Discontinued Ops	3,928,350	0.5%	3,599,748	0.4%	44,575,543	5.2%	45,853,911	5.3%
Tangible and Intangible Assets	16,144,335	2.0%	15,838,527	1.9%	13,325,168	1.5%	12,282,938	1.4%
Tax Assets	18,215,136	2.2%	15,771,739	1.9%	15,614,781	1.8%	15,161,189	1.8%
Total Other Assets	11,174,395	1.4%	9,923,014	1.2%	8,935,686	1.0%	9,735,186	1.1%
Total Assets	825,919,145	100%	844,217,390	100%	860,433,375	100%	859,532,774	100%

Figure 3: Development of assets
(Source: S&P Global Market Intelligence)

UniCredit's NPL ratio in 2016 of 12.67% was remarkably higher than that of its competitors; however, the ratio could be reduced significantly compared to the previous year. The NPL / RWA ratio was also notably lower than that of the peer group, but improved significantly by almost 5 percentage points compared to the previous year. Overall, UniCredit's performance remains unsatisfactory, in spite of the improvements compared to the previous year.

The Potential Problem Loans / NPLs ratio also deteriorated YOY and is therefore below the peer group's average. By contrast, the ratio of Reserved / Impaired Loans improved significantly in comparison to the previous year and is above the average of its peers. The RWA ratio of 45% was below its peer group average in 2016, but remained stable year-over-year, while the peer group improved slightly on this figure in comparison to the previous year.

The development of asset quality of the years 2013 - 2016 is detailed as follows:

Asset-Quality (%)	2013	%	2014	%	2015	%	2016	%
Non Performing Loans (NPL) / Loans	17.28	NA	17.93	0.65	17.48	-0.45	12.67	-4.80
NPL / RWA	21.73	NA	20.61	-1.11	19.93	-0.69	14.55	-5.37
Potential Problem Loans / NPL	33.95	NA	38.19	4.24	35.97	-2.22	43.56	7.59
Reserved / Impaired Loans	84.72	NA	87.78	3.07	84.04	-3.75	105.47	21.43
Net Write-offs / Risk-adjusted Assets	NA	NA	NA	NA	NA	NA	NA	NA
Risk-weighted Assets/ Assets	46.58	NA	48.47	1.89	45.40	-3.08	45.04	-0.36

Change in %-Points

Figure 4: Development of asset quality
(Source: S&P Global Market Intelligence)

Refinancing and Capital Quality

UniCredit's financial liabilities accounted for 92% of total liabilities in 2016 and increased by 1.1% (€8,665 million) compared to the previous year. Total Deposits from Customers corresponded to 57.4% of financial liabilities and increased significantly by 7.9% YOY (€34,499 million). This increase in customer deposits was mainly achieved in Italy, Romania, Bulgaria, Croatia and Germany, thereby continuing the positive development of customer deposits in the past years. The Total Debt position accounted for 15.3% of UniCredit's financial liabilities and declined by 11.4% YOY (-€16,046 million) due to a reduction in bond securities. In contrast, the position Derivative Liabilities fell by 6.9% compared to the previous year (-€3,947 million) due to the reduction of financial liabilities held for trading. The increase of 14.9% (€687 million) in Other Provisions is mainly due to higher provisions for legal disputes.

UniCredit's equity base is below the peer group average and decreased by 1.2 percentage points in a year-over-year comparison, while the peer group slightly improved its equity base in the same period.

The development of refinancing and capitalization in the years 2013 - 2016 is detailed as follows:

Liabilities (€000)	2013	%	2014	%	2015	%	2016	%
Total Deposits from Banks	108,250,965	14.0%	106,358,960	13.4%	111,066,062	13.8%	105,226,181	12.9%
Total Deposits from Customers	401,473,581	51.7%	418,860,529	52.9%	434,379,420	53.8%	468,878,656	57.4%
Total Debt	171,444,110	22.1%	157,269,020	19.9%	140,799,679	17.4%	124,753,786	15.3%
Derivative Liabilities	61,295,989	7.9%	77,088,345	9.7%	57,058,913	7.1%	53,111,154	6.5%
Securities Sold, not yet Purchased	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Financial Liabilities	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Financial Liabilities	742,464,645	96%	759,576,854	96%	743,304,074	92%	751,969,777	92%
Insurance Liabilities	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unit-Linked Insurance and Investment Contr.	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tax Liabilities	2,281,288	0.3%	1,750,457	0.2%	1,427,923	0.2%	1,398,525	0.2%
Noncurrent Asset Retirement Obligations	6,792,084	0.9%	8,473,622	1.1%	6,239,488	0.8%	6,367,565	0.8%
Other Provisions	3,715,702	0.5%	3,329,596	0.4%	4,612,955	0.6%	5,299,641	0.6%
Total Other Liabilities	18,481,124	2.4%	16,600,851	2.1%	15,378,504	1.9%	15,440,363	1.9%
Total Liabilities	775,863,460	93.9%	791,381,838	93.7%	806,947,852	93.8%	816,344,472	95.0%
Total Equity	50,055,685	6.1%	52,835,552	6.3%	53,485,523	6.2%	43,188,302	5.0%
Total Passiva	825,919,145	100%	844,217,390	100%	860,433,375	100%	859,532,774	100%
Deposits from Customers Growth*	-3.15	NA	4.33	7.48	3.71	-0.63	7.94	4.24

Figure 5: Development of refinancing and capital adequacy
(Source: S&P Global Market Intelligence)

UniCredit's regulatory equity deteriorated YOY. Both the CET1 ratio and the Tier 1 ratio fell by almost 2.4 percentage points and are thus below average in the peer group comparison. UniCredit also recorded a decline in the total capital ratio of 2.57 percentage points compared to the previous year. As a result, UniCredit did not comply with the

SREP 2015 limit of 10.005% referred to the CET1 ratio. The negative gap of 1.855% is due to non-compliance with the combined buffers (Capital conservation buffer, Countercyclical capital buffer and Global Systemically Important Institutions buffer) equal to 2.755%. However, under the capital conservation plan, the SREP requirements were subsequently met following the capital increase in February 2017.

By contrast, the peer group improved on all three capital figures compared to the previous year. Overall, UniCredit's capitalization is below average in peer group comparison. Moreover, UniCredit also reported a below peer average leverage ratio of 3.9%, but still meets the regulatory requirement of 3% which will be binding from 2018.

The development of capital ratios for 2013 - 2016 is shown in detail in the following:

Capital (€000)	2013	%	2014	%	2015	%	2016	%
Total Capital	57,651,159	NA	54,856,807	-4.85	55,578,680	1.32	45,149,767	-18.76
Total Risk-weighted Assets	384,749,781	NA	409,222,601	6.36	390,598,859	-4.55	387,135,931	-0.89
Capital Ratios (%)								
Core Tier 1 Ratio	10.57	NA	10.26	-0.31	10.59	0.33	8.15	-2.45
Tier 1 Ratio	11.11	NA	11.12	0.01	11.50	0.38	9.04	-2.46
Total Capital Ratio	14.98	NA	13.41	-1.58	14.23	0.82	11.66	-2.57
Leverage Ratio	NA	NA	4.46	NA	4.37	-0.09	3.24	-1.13
Fully Loaded: Common Equity Tier 1 Ratio	10.57	NA	10.02	-0.55	10.94	0.92	7.54	-3.40
Fully Loaded: Tier 1 Ratio	11.11	NA	NA	NA	NA	NA	8.12	NA
Fully Loaded: Risk-weighted Capital Ratio	14.98	NA	NA	NA	NA	NA	NA	NA
Total Equity/ Total Assets	6.06	NA	6.26	0.20	6.22	-0.04	5.02	-1.19
Change in %-Points								

Figure 6: Development of capital ratios
(Source: S&P Global Market Intelligence)

Liquidity

The liquidity coverage ratio of 132% in 2016 was peer group average. The bank's interbank ratio remained roughly constant with 72.8% YOY, while the peer group's value slightly decreased. The LTU ratio of UniCredit was almost balanced at 98.2% and below average in the peer group comparison.

The development of the liquidity ratios for the years 2013 - 2016 is shown in detail as follows:

Liquidity (%)	2013	%	2014	%	2015	%	2016	%
Liquidity Coverage Ratio	NA	NA	NA	NA	NA	NA	132.04	NA
Interbank Ratio	60.33	NA	66.12	5.80	71.78	5.66	72.88	1.10
Loan to Deposit (LTD)	120.48	NA	112.34	-8.13	102.53	-9.81	94.82	-7.71
Change in %-Points								

Figure 7: Development of liquidity
(Source: S&P Global Market Intelligence)

Conclusion

Overall, UniCredit SpA can look back on a year of consolidation.

Key figures remained at a below-average level, also due to the "Transform 2019" consolidation strategy, which resulted in high one-off expenses. The interest rate environment with persistently low interest rates also affected UniCredit and led to further declines in interest income.

UniCredit's results in operating income in the past financial year were highly unsatisfactory. Operating income has been declining steadily since 2009, and a further decline is currently forecasted for 2017. In particular, the steady decline in interest income due to the low interest rate policy of the ECB has a negative impact. On the other hand, UniCredit manages to reduce its operating expenses; however, one-time personnel expenses have offset this reduction in the financial year 2016.

The key earnings figures for 2016 were at an extremely low level, in particular due to the aforementioned tremendous provisions for NPL and restructuring expenses. However, an improvement in these figures can be expected for the financial year 2017. The actual result, however, remains to be seen. The asset quality of UniCredit was also below average in 2016 compared to the peer group. Notwithstanding, an improvement of numerous asset ratios was achieved compared to the previous year. Remarkable is the relatively high NPL rate.

Due to the operating loss, the capital ratios of UniCredit deteriorated tremendously in 2016 and are thus below average compared to the peer group. Consequently, UniCredit did not comply with the SREP 2015 CET1 requirements. However, due to UniCredit's capital conservation plan and the subsequent capital increase in February 2017, the regulatory capital requirements were subsequently met, but are still underperforming and do not affect our rating. By contrast, the peer group recorded an increase in all capital ratios. Noteworthy is the significant increase in customer deposits on the liabilities side. The overall liquidity situation of the bank is satisfactory.

In the near future, growing regulation, ongoing digitization and the ECB's low interest rate policy pose a general challenge for the banking landscape. However, the ECB has already announced that it will cut back its bond-buying program in 2018. It remains to be seen whether an interest rate reversal will follow thereafter. In particular, a rapid increase of the interest rates goes hand in hand with an interest rate adjustment risk for banks, which have adjusted to long-term low interest rates. Overall, there is consolidation pressure in the industry.

In a scenario analysis, the rating developed considerably better in the "best-case" scenario and significantly worse in the "worst case" scenario. The ratings of bank capital and (preferred) senior unsecured debt would behave similarly due to our rating mechanics. These ratings are especially sensitive to changes in total equity and the bank capital and debt structure in general.

Ratings Detail

Bank ratings

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.

LT Issuer / Short-Term / Outlook **BB+ / NEL / Stable**

Bank Capital and Debt Instruments Ratings

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.

Tier 1 (AT1): **B-**
Tier 2 (T2): **B**
'preferred' senior unsecured debt: **BB+**

Ratings Detail and History

Ratings			
Bank Capital and Debt Instruments			
'preferred' senior unsecured	12 January 2018		BB+
Tier 2	12 January 2018		B
Tier 1	12 January 2018		B-
Bank Issuer Rating History			
LT Issuer / Short-Term / Outlook	12 January 2018		BB+ / NEL / Stable

Figure 8: Ratings Detail and History

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third parties 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 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 S&P Global Market Intelligence. Subject to a peer group analysis were 32 competing institutes.

The information and documents processed satisfied the requirements according to the rating system of Creditreform Rating AG published on the website www.creditreform-rating.de. The rating was carried out on the basis of the rating methodology for unsolicited bank ratings as well as the methodology for the rating of bank capital and unsecured debt instruments.

On 12th January 2018, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to UniCredit SpA and the preliminary rating report was made available to it. There was no change in the rating score.

The rating is subject to one-year monitoring from the creation date (see cover sheet). Within this period, the rating can be updated. At the latest after one year, a follow-up is required to maintain the validity of the rating.

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.

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 are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

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To prepare this credit rating, CRA has used following substantially material sources:

1. External service provider for aggregated data base

2. Website of the rated bank

3. Annual Report

4. Abridged version of the annual report

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Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

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