

COVID-19: Ensuring business continuity while protecting the health and safety

Dear Client,

With the situation surrounding COVID-19 continuing to develop, we are fully aware that many of you are concerned about what this crisis means for your business operations and finances.

Our relationship teams are ready to work with you and provide appropriate support and advice, so please do not hesitate to get in touch with your contact for assistance as needed.

In this short document, we would like to share some practical solutions, our emergency practices and the most suitable services that might help your business and your teams to navigate this challenging period.

On behalf of all UniCredit colleagues around the world, our thoughts are with you and we hope that you, your loved ones and your colleagues stay safe.

We thank you for your continued partnership.

Yours,
UniCredit



At UniCredit, the health and safety of clients and staff is our top priority.

Our precautions are in line with recommendations from national and local authorities as well as those from the **World Health Organization**.



Please check regularly at:
www.who.int

UniCredit was **early in taking decisive action to ensure continuous service** for our clients with as little disruption as possible. Whilst – for the safety of all of us – we are not able to meet you in person these days, our technical set-up enables us to advise on and execute the full UniCredit product spectrum.

UniCredit's approach to Business Continuity and Emergency & Crisis Management

UniCredit can leverage on a **wide geographic footprint** and state-of-the-art **multi-channel banking platform**.

Thanks to this combination, we continue to offer the **highest service level to our clients**.



We are prepared

- We have a dedicated team to **safeguard staff** and ensure **full continuity of client service**.
- Our **wide geographic footprint** provides multiple combinations to meet client needs.
- We have solutions to deal with unavailable personnel and buildings over a **long-lasting emergency scenario** (up to 6 months).
- Our payment provider has a **multi-location set-up** for critical operational processes.



Our housekeeping

- All the tools and processes to protect employees, such as **protective and hygiene gear, sanitizers and temperature scanning, travel restrictions, and cancellations of all physical gatherings**, have been in place from an early stage.
- There have been very few positive cases among UniCredit colleagues: the affected floors were closed and sanitized and staff isolated for 14 days.
- For critical activities to be performed on office premises, we have **split our staff across several sites**, with 14-day job rotations.
- **We have overseen a massive increase in smart working**, providing laptops, connections, collaborative working tools.



Drawing on digital

- Our state-of-the-art **multi-channel banking platform** allows **remote services and advice**, such as my.onemarkets for self-customizable investment solutions, or our global transaction banking platforms, which leverage on innovative technologies including block-chain.
- **Cybersecurity: multi-factor authentication and encrypted connection protocols** protect clients using our digital tools against increasing attempts at computer fraud, phishing campaigns and CEO-mail fraud.
- Here are **five ways to stay safe online**:
<https://one.unicreditgroup.eu/howto/five-ways-to-stay-safe-online>



A solid bank with a strong balance sheet

- Over the last three years, we have pursued a strategy of **de-risking our balance sheet** (we have reduced our total gross **Non Performing Exposure** by over 70%) and **strengthening our capital base** (our pro-forma CET1 ratio in 4Q19 stands at 13.09%).
- The **liquidity profile** of the Group is very sound (we held EUR 182 bn in liquid assets as of 4Q19). Our "Liquidity Stress Test" showed no particular issues and the trend in deposits remains stable.
- **Funding**: during the first 2 months of the year we executed a significant part of our funding plan, raising EUR 8 bn.

Solutions for short-term liquidity needs

Especially under these circumstances, it is essential for many companies to maintain liquidity that is available instantly.

Supply chains undergo change, prices may increase, payment terms may be amended and advance payments or guarantees may be required.

We are here to help our clients with short-term liquidity to mitigate the impact on your purchase & distribution process with our liquidity management suite.



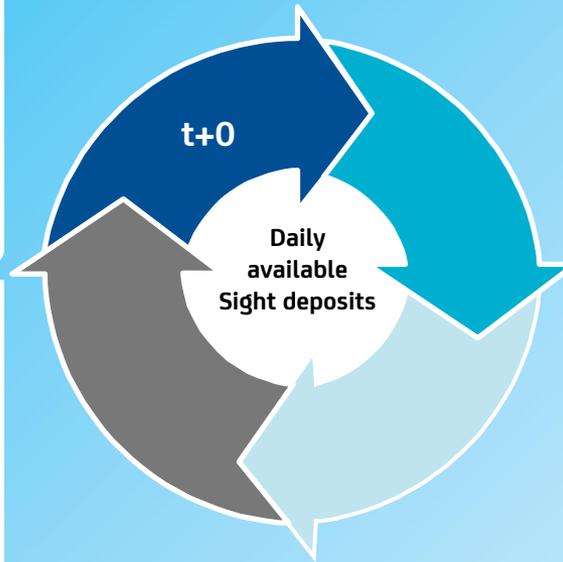
Cash pooling – Money may be held dispersed around the globe in different accounts. It may not sit where you need it these days to cater for urgencies. You may want to **concentrate excess liquidity** with your **headquarters' corporate treasury** center via cash pooling.



Sale of receivables – From the sale of individual receivables to the revolving sale of entire portfolios, you can **generate and secure additional liquidity** by selling your receivables to UniCredit – securing early payment and reducing risk.



Discounting under an Export Letter of Credit allows you to enhance your liquidity position when presenting credit conform documents. A **Usance Import Letter of Credit** provides you with a deferred payment, whilst your supplier will be paid upon presentation of credit conform documents.



Payable finances/"reverse factoring" – Under a revolving structure, UniCredit purchases your suppliers' confirmed receivables thus providing them with liquidity at **favorable pricing conditions without impacting suppliers credit lines**.

Dynamic Discounting – Should you envisage using **your own liquidity** to pay your suppliers early.

Sight deposits – Your funds are **available** to cover for your payment obligations **during times of disruption**. For your good company this may allow temporary asset deposit while funds remain available **without notice period**.

Managing risks and investments in volatile markets

The outbreak of COVID-19 is generating unprecedented market volatility across all financial markets and asset classes.

In the current market environment, the implementation of a robust risk management and investment strategy is vital to protect the sustainability of your business.

Contact your UniCredit team for support.



Our strong regional set-up and the expertise of our Corporate Treasury Sales teams puts us in a unique position to help corporate clients **manage FX, interest-rate and commodity risks while identifying and taking advantage of market opportunities** to protect and enhance business performance.



FX Payments – Liquidity concentration in homeland currency, i.e. EUR, protects your company against financial markets lockdown. Keep EUR in **your account** and UniCredit will **pay up to ~140 currencies** against your EUR account at favorable wholesale & real-time market rates (UC PayFX).



You can also manage your debtors' counterparty risks via traditional trade finance instruments: **confirmed export letters of credit** and **(silent) payment guarantees under a receivable** can transfer the risk of non-payment to UniCredit.



We offer **a broad range of investment solutions** – from private placements, short-term funds and deposits, to portfolios of securities, commercial paper and a vast selection of mutual funds on the market.



For more information:

www.investimenti.unicredit.it

www.onemarkets.de

www.onemarkets.at

www.bourse.unicredit.fr/fr.html

www.onemarkets.ch/en.html

www.onemarkets.bg/en.html

www.onemarkets.cz/en.html

www.onemarkets.hr/en.html

www.onemarkets.hu/en.html

www.onemarkets.pl/en.html

www.onemarkets.sk/en.html

www.onemarkets.si/en.html

Direct Access to National & Regional Financial Guarantees and Support Schemes

Substantial support financial packages are planned at both European and national level to mitigate the economic impact of COVID-19.

As a pan-European bank with strong local roots, UniCredit is ideally positioned to offer full support to corporate of all sizes, providing access to promotional loans and other support measures offered via national and regional development banks and institutions.

UniCredit has a long and successful track record of handling state and EU-supported programmes in Italy, Germany, Austria and the CEE region. For further information on national programmes and how we support via our local banks, please refer to our websites or to your local bank contact:



<http://www.unicredit.it/it/piccole-impres/finanziamenti/tutti-i-finanziamenti/finanziamenti-agevolati.html>



hvb.de/foerderberatung



www.bankaustria.at/covid19-firmen.jsp

CEE

UniCredit offers special advisory services and expertise through dedicated teams in Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia and Slovenia.

UniCredit provides access to a variety of financial instruments, EU grant programmes and agricultural subsidies in the CEE region.

Our clients benefit from our long-established experience with supranational financial institutions (including the EIB, EIF, EBRD and IFC) and local authorities. This means we can offer risk-sharing solutions with lower collateral requirements and pricing benefits.

Digital solutions to solve smart working issues

As businesses around the world switch to working remotely, digitalizing processes is becoming a high priority; resilient strategies are paperless and electronic processing is essential for business continuity.

The digital services of UniCredit can help you continue your business operations smoothly and lower the risk of disruption in your delivery chain.



eBanking solutions – Transparency is always important and most appreciated when flows become unsteady. Our UC eBanking solutions integrate all accounts to **display your consolidated cash balance** and allow you to **forward payments through one single application** that your designated team staff can **access from anywhere**



we.trade – An innovative platform for companies to **completely digitalize their commercial transactions** in a secure way. You can also add **on-demand financing** and **transfer of payment to the buyer's bank**, as needed.



Digital Working Capital Solutions:

UCSF – UniCredit Supply Chain Finance – A web-based application allowing you to carry out your payables finance or receivable finance transaction via a **state-of-the art** banking platform.



Trade Finance Gate – A state-of-the-art platform to fully **digitize the issuance and processing of guarantees, letters of credit** and **collections** in a **secure** environment.



Digital Interaction & Advisory (DIA) – As part of our advisory services on FX and interest rate derivatives we offer a personalised web-based product presentation, where besides the overall product explanation and indicative pricing, it shows an interactive risk analysis that allows you to simulate the effectiveness of the product under different market scenarios, compare several products side by side, simulate a package of products, as well as simulate the results with different strikes.



UC Trader – A web-based FX trading platform that gives you access to live pricing and rapid execution for spot, forward and swap rates, wherever you are. The platform covers over 50 currencies and 140 currency pairs at 01. pip intervals.

Proximity and direct communication is key

We at UniCredit highly value our client relationships and look forward to working with you through the current situation and beyond. Especially in these extraordinary circumstances, we want to be in close and direct communication with you.



We would like to draw your attention to our **Research publications** on the current market situation (www.unicreditresearch.eu). If you have not yet subscribed, please contact your relationship manager.



Having successfully completed our Transform 2019 multi-year plan, **we are in a position of strength and remain fully committed to supporting our extensive client base and the economies** in which we are present. We also continue to support **the local communities in which we operate**, through donations and financial emergency packages. Further details are available at www.unicredit.eu.



In addition to our ongoing dialogue with you, **we are organising group calls with our experts** to share the latest developments. Join us.



Let's share all good initiatives and stories on how your organization and UniCredit are responding to the challenges of COVID-19.

You can find inspiring content in our new digital hub, one.unicreditgroup.eu. Help us to make One UniCredit a digital space where everybody can find a positive spin and learn from each other.

We encourage you to visit the site and **send your stories** to onebank@unicredit.eu. We will be happy to upload them and share them with the wider group UniCredit family and friends.

Because UniCredit is committed to banking that matters, today more than ever.

Practical steps to help your business

APPENDIX



Find out more at

one.unicreditgroup.eu

Business Continuity and Emergency & Crisis Management



Be prepared

- Set up a **cross-functional response management** unit with a clear chain of command and crisis communications plan.
- Carry out an analysis to identify **critical and essential activities**.
- Elaborate a **disaster recovery plan** for you and your main vendors.



Housekeeping

- Collaborate with **local and national health care authorities**.
- Increase the frequency of regular **cleaning activities and disinfection**.
- **Hand sanitizer and monitoring of temperature** at entrance of buildings.
- **Over-communicate on safety/precaution policies**, using a clear, simple format.
- Replace physical meetings and big gatherings with **collaborative digital tools and remote connectivity**.



Draw on digital while staying alert to cyber security

- **Upgrade IT infrastructure** to support working from home through remote connectivity and digital collaboration tools.
- **Data security:** data must be managed and saved exclusively on company devices and/or archives. Data must not be saved or sent to external platforms or archives, such as cloud, personal mailboxes and devices.
- **Cybersecurity:** Computer fraud, phishing campaigns and CEO-mail fraud attempts are ongoing. Pay particular attention to **suspicious e-mails with the subject line “Coronavirus”, “COVID-19”**: check the sender address. When receiving suspicious mails/messages via WhatsApp or SMS, don't click on links or open attachments.

Tips on working from home



ORGANISATION:

Key for successful home working

- **Identify priorities** and plan your daily activities, keeping your agenda up to date.
- **Ensure accountability, define clear ownership** and engage teams through different channels.
- **Check in on people** – if you are a manager, ask your team members: What can I do to make sure that this transition is working for you?
- **Collaborate:** stand together, reach out, **help and trust each other.**



COMMUNICATION:

New rules, same needs

- **Communicate** what is happening at the organisation level.
- **Choose the right channel** (e-mail, video/call, chat).
- **Less is more:** Be simple, clear and concise. Give and ask for feedback.
- **Be empathetic:** meet with your group regularly. In a remote environment frequency of contact cannot go down and don't forget to keep relationships with colleagues alive, with a virtual coffee, for example.



STAYING WELL:

The “new” working environment

- Define a **dedicated working space.**
- Share **rules and working times** with your family.
- Well-being: Don't forget about ergonomics, **plan small breaks.**
- Keep active and **watch your nutrition.**
- **Work-life balance:** plan your time with flexibility, don't be constantly on-line and reserve time with your loved ones.

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