





## PRESS RELEASE

### UniCredit issues Additional Tier 1 PerpNC7.5 Notes (AT1) for EUR 1 billion

UniCredit S.p.A. has issued today Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes - Additional Tier 1, for a total amount of EUR 1 billion targeted to institutional investors.

UniCredit decided to proceed with the transaction after the update of Transform 2019 plan presented in London on December 12<sup>th</sup> to continue to strengthen its regulatory capital taking advantage of the very last market window before year-end.

The Additional Tier 1 notes will contribute to improve the Tier 1 ratio and to fill the 1.50% minimum AT1 bucket. The deal puts UniCredit well on the way to meeting its €3.5bn AT1 issuance target for 2017-2019, leaving just €750m to go after last December's trade and the PNC2023 in May.

The initial price guidance was set at 5.625% area. The positive feedback led to a book of circa EUR 2.2 billion with more than 200 investors involved. The final guidance has been tightened by 25bps and the coupon fixed at 5.375% for the initial 7.5 years, thus representing a minimal new issue concession despite the year end thin liquidity and the significant intra-day volatility on Italian risk.

Final size of the deal has been set at of EUR 1 billion.

It is noteworthy to mention that there are only four other European issuers who managed to print an AT1 with a coupon at or below 5.375%.

In the last 12months there has been a considerable tightening of almost 400bps on our AT1 instruments reflecting the positive repricing on the name and the strong investors' appetite.

The Notes were distributed to different institutional investors' categories such as funds (73%), banks/private banks (22%) and insurance companies/pension funds (4%). The demand came from the following main regions: UK/Ireland (30%), Italy (23%), Switzerland (12%) US-offshore (10%) and France (6%).

The Notes have a 5.125% Common Equity Tier 1 (CET1) trigger - if the Group or Issuer CET1 ratio at any time falls below the trigger level, the instrument will be temporarily written down to cure the breach, taking into consideration other instruments with similar write down triggers, ranking pari-passu.

The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and may be called by the Issuer, subject to Regulatory approval, on 3 June 2025 and thereafter at any interest payment date. Notes pay fixed rate coupons of 5.375% per annum for the initial 7.5 years on a semi-annual basis; if not redeemed, coupon will be reset on 3 June 2025 and thereafter every 5 years to the aggregate of the then 5-Years Mid-Swap rate plus 492.5 bps, calculated on an annual basis and then converted to a semi-annual rate in accordance with market conventions. In line with the regulatory requirements, the coupon payments are fully discretionary.

UniCredit Corporate & Investment Banking together with Credit Agricole CIB, Deutsche Bank, HSBC and Morgan Stanley have managed the placement acting as Joint Lead Managers.

The expected rating from Fitch is "B+".

Milan, 13<sup>th</sup> December 2017

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