



PRESS RELEASE

UniCredit successfully issues a 10 year subordinated Tier 2 bond with a 2% coupon for an amount of EUR 1.25 billion

A very strong and granular order-book of almost EUR 3 billion allowed to tighten the spread by 25 bps from initial price talks setting the best pricing conditions in almost a decade

Today, UniCredit (issuer rating Baa1/BBB/BBB) launched a Tier 2 subordinated benchmark with 10 year maturity, callable after 5 years. The amount issued is equal to EUR 1.25 billion and represents the 3rd Tier 2 issuance in 2019, reaffirming once again UniCredit's solid fixed income investors base and its market access in different formats.

The bond pays a fixed coupon of 2.00% during the first 5 years, and has an issue price of 99.783%, equivalent to a spread of 240 bps over the 5 year swap rate. If the issuer does not call the bonds after 5 years, the coupon for the subsequent period until maturity will be reset on the base of the 5 year swap rate at the end of the fifth year, increased by the initial spread.

Given the strong market feedback and the sizeable order book, the guidance initially indicated in the 265 bps area over mid-swap was firstly reviewed to the 245 bps area and set finally at 240 bps, the tightest issue spread for UniCredit's Tier 2 subordinated debt since 2011.

The transaction has encountered a strong demand from more than 200 institutional investors, mainly funds with 82% of the final allocation, and an order-book of almost 3 billion, originated mainly by UK (36%), France (24%), Italy (16%) followed by Germany/Austria (8%).

Goldman Sachs, HSBC, Mediobanca, Societe Generale CIB, UBS and UniCredit Bank AG have managed the placement acting as joint bookrunners.

The bonds are documented under the issuer's Euro Medium Term Notes Program. In light of the subordinated status, the expected ratings are as follows: Baa3 (Moody's) / BB+ (S&P) / BBB- (Fitch). The issuance is the first after the rating upgrade occurred in July and represents pre-funding for the 2020 Funding Plan, taking advantage of very positive market conditions. It will be included in UniCredit's Total Capital Ratio. Listing will be on the Luxembourg Stock Exchange.

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