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Oggetto : UniCredit and Alpha Services and Holdings
announce merger in Romania and strategic
partnership in Greece

<i>Testo del comunicato</i>

Vedi allegato.

UniCredit and Alpha Services and Holdings announce merger in Romania and strategic partnership in Greece

Merger of Romanian subsidiaries and creation of third largest bank in Romania by total assets, cementing UniCredit's presence in a key growth market, with Alpha Bank retaining a 9.9% stake.

Establishment of a commercial partnership framework in Greece to distribute UniCredit's asset management and unit-linked products to Alpha Bank's 3.5 million clients and creation of a joint venture in pension-saving products with UniCredit becoming a 51% shareholder in AlphaLife.

Submission by UniCredit of an offer to the Hellenic Financial Stability Fund for all the shares it currently holds in Alpha Services and Holdings.

UniCredit S.p.A ("UniCredit") and Alpha Services and Holdings S.A. ("Alpha"), 100% parent of Alpha Bank S.A. ("Alpha Bank"), announce that they have signed a binding term-sheet for the creation of a strategic partnership in Romania and Greece.

Merger of Romanian subsidiaries

The parties have agreed the key economic terms for the merger of UniCredit Romania with Alpha Bank Romania S.A. ("Alpha Bank Romania"), to create the third largest bank in the local market with a combined 12% market share by total assets. The merger combines two complementary franchises in a high growth country, with UniCredit Romania and Alpha Bank Romania having strong footholds in the corporate and retail segments.

Transaction closing is expected in 2024, subject to the completion of a due diligence process, corporate approvals for the merger and all necessary regulatory approvals and consents, including on anti-trust. Upon completion, Alpha Bank is expected to (i) retain 9.9% of the combined entity share capital and (ii) receive a cash consideration of Euro 300m. The cash component remains subject to post due diligence adjustments related to asset quality, if applicable.

The merger will grant customers of Alpha Bank Romania access to an enlarged range of services and products; and both parties will ensure continuity and quality of service to their clients throughout the period of transition.

Commercial partnership in the distribution of bancassurance, asset management and other banking products

UniCredit and Alpha have agreed key terms for:

- a) the purchase by UniCredit of a 51% stake in AlphaLife Insurance Company S.A. ("AlphaLife"), a wholly-owned life insurance subsidiary of Alpha active in the pension and savings products segment;
- b) the distribution of UniCredit onemarkets mutual funds through the Alpha Bank network, which serves more than 3.5 million clients in Greece.

This cooperation will leverage UniCredit's expertise and breath of products in the asset management and in the bancassurance space to accelerate the development of

AlphaLife's capabilities and enrich the wealth management offering available to Alpha Bank's customers. It is an example of UniCredit's factories adding value to third parties and a demonstration of its commitment to being the Bank for Europe's future by distributing its best-in-class products into new markets.

The parties will also explore further collaboration opportunities to support their customers' needs in their respective countries of presence, leveraging on their combined international footprint and origination capabilities in regional banking, transaction banking, syndicated lending, advisory, other market and corporate services as well as other banking services and products.

The final agreement on the commercial partnership is subject to completion of a due diligence process, corporate approvals and all necessary regulatory approvals and consents, including on anti-trust.

Purchase by UniCredit of a strategic stake in Alpha

UniCredit has submitted today an offer to the Hellenic Financial Stability Fund ("HFSF") to purchase, in accordance with the HFSF divestment strategy and procedures, all the shares the HFSF currently holds in Alpha, equal to 9%. The transaction will have a negligible impact on UniCredit's CET1 ratio.

If the process with the HFSF is not completed, UniCredit has committed to purchase on market an equity stake equal to the lower of 5% or a different percentage of shares which results from UniCredit investing an aggregate pre-agreed amount over a period of 24 months.

The benefits of a long-term strategic partnership across geographies and products

The transaction will enable UniCredit to enhance its presence in Romania, a high growth potential country, and expand its product and platform reach to Greece, a country with strong growth prospects. Greece, following structural reform in recent years, has returned to being a high growth country with strong potential and represents an important hub for UniCredit's Central European and Eastern European franchise, through its commercial connection across this region supported by trade and tourism.

The partnership with UniCredit supports Alpha Bank's strategy and underpins its franchise value, with the enhanced product offering accelerating the delivery of its business plan targets. It will further enhance Alpha Bank's customer servicing capabilities, through sharing of know-how and leveraging on UniCredit's products and long-standing presence in the home markets of Italy and Germany as well as its Central European and Eastern European franchise.

The Romanian merger will have an impact on UniCredit's CET1 ratio of around 15 basis points and, together with the commercial partnership centred around UniCredit's factories, is expected to add, on a run rate basis, above Euro 100 million in incremental net profit to UniCredit. For Alpha Bank, the overall transaction leaves net profit expectations unchanged, further enhancing its capital buffers by more than 100 basis points, thus leading ROTE higher by at least 50 basis points, with upside potential from the commercial transaction.

There will be a call hosted by Andrea Orcel, UniCredit CEO, and by Vassilios Psaltis, Alpha Services and Holdings CEO, today at 9:30am CET for media and analysts. To join this call in listen-only mode, please click the following link

https://event.webcasts.com/starthere.jsp?ei=1640672&tp_key=3c6b2fab30

UniCredit is a pan-European Commercial Bank with a unique service offering in Italy, Germany, Central and Eastern Europe. The bank's purpose is to empower communities to progress, delivering the best-in-class for all stakeholders, unlocking the potential of our clients and our people across Europe. UniCredit serves over 15 million customers worldwide and is organized in four core regions and three product factories, Corporate and Individual Solutions and payments. This allows the Bank to be close to our clients and use the scale of the entire Group for developing and offering the best products across all its markets. Digitalisation and our commitment to ESG principles are key enablers for UniCredit's service helping the Bank to deliver excellence to its stakeholders and creating a sustainable future for its clients, its communities and its people.

The Alpha Bank Group is a leader in the Greek banking sector, where it is present since 1879. Its purpose is to enable progress in life and business for a better tomorrow. Alpha Bank aims to deliver superior value for all stakeholders in a responsible manner, through a focused strategy built around its relationship excellence and leadership in high value segments, enabled by people and digital, alongside a clear identity grounded on trust, value creation and service excellence. Alpha Bank operates in Greece – serving approximately 3.5 million customers through a network of close to 270 branches – Cyprus, Romania, Luxembourg and the UK, with around 8 thousand employees and a wide range of financial products across Retail Banking, Wholesale Banking and Wealth Management.

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