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Oggetto : UNICREDIT IS MAKING A VOLUNTARY
PUBLIC EXCHANGE OFFER FOR BANCO
BPM FOR A TOTAL CONSIDERATION OF
CIRCA €10.1 BILLION FULLY IN SHARES

Testo del comunicato

Vedi allegato



PRESS RELEASE

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UNICREDIT IS MAKING A VOLUNTARY PUBLIC EXCHANGE OFFER FOR BANCO BPM FOR A TOTAL CONSIDERATION OF CIRCA €10.1 BILLION FULLY IN SHARES

COMBINATION STRENGTHENS UNICREDIT'S POSITION IN ONE OF ITS CORE MARKETS AND FOR OVERALL GROUP

ENHANCES LONG TERM VALUE CREATION FOR STAKEHOLDERS OF BOTH BANKS

ACCELERATING QUALITY SUSTAINABLE GROWTH THROUGH REINFORCED REVENUE LINE, STRENGTHENED OPERATIONAL AND CAPITAL EXCELLENCE LEADING TO GREATER PROFITABILITY

COMBINED BUSINESS TO DELIVER ENHANCED SHAREHOLDER RETURNS FOLLOWING INTEGRATION AND SYNERGIES DELIVERY

COMMERZBANK DISCUSSIONS ALREADY PROLONGED DUE TO RESPECT FOR IMPENDING ELECTION AND COMMERZBANK STAKEHOLDERS; POSITION REMAINS AN IMPORTANT INVESTMENT WITH DOWNSIDE PROTECTION AND SUBSTANTIAL UPSIDE POTENTIAL

Milan, 25 November 2024 – The Board of Directors of UniCredit S.p.A. (“UniCredit”) has approved the launch of a voluntary public exchange offer in respect of all ordinary shares of Banco BPM S.p.A. (“BancoBPM”). The decision was announced in a communication issued today pursuant to Article 102 of the Legislative Decree 24 February 1998, no. 58 and Article 37 of CONSOB Regulation no. 11971 of 14 May 1999.

The Offer remains subject to the receipt of the relevant regulatory authorizations and to the conditions set out in today’s communication, which will be set out further in the Offer Document. The exchange ratio has been set at 0.175 newly issued shares of UniCredit for each existing share of Banco BPM, implying an offer price at €6.657 per share and a premium of circa 0.5% based on official prices as of 22 November 2024¹. This represents a circa 15% premium to the undisturbed share price on 6 November 2024 (c.20% when adjusted for interim dividends already distributed in November by both banks), pre the announcement of the Anima acquisition offer.

The offer seeks to strengthen UniCredit’s competitive position in Italy, one of the Group’s core markets, creating an even stronger #2 bank in an attractive market generating significant long-term value for all stakeholders and for Italy. The complementary nature of the businesses

¹ Based on Factset Volume Weighted Average Price (VWAP).

across both geographies and client segments together with UniCredit's demonstrated execution capability means the Board considers the combination to represent a manageable execution risk.

It is expected the settlement of the exchange offer will be completed by June 2025, with full integration completed within approximately 12 months thereafter with the majority of synergies realized within 24 months. UniCredit has a strong track record in successfully integrating acquisitions, with the management expertise and knowledge to execute efficiently.

If completed, the transaction will enable UniCredit to further accelerate the delivery of sustainable long term quality growth. It will substantially reinforce its position in Italy while at the same time ensuring investment in Banco BPM's own client franchise, distribution channels and technology.

The benefit of a combination is evident from a geographic standpoint, reinforcing UniCredit's presence in its home market that will account for c.50% of the combined Group net profit. For clients it would deliver strengthened and highly complementary product factories, available for both entities, more seamlessly integrated distribution channels, and a more efficient organization supporting them.

UniCredit recognizes that Banco BPM has delivered a distinguished solid operating performance. This record will not only be continued but significantly further enhanced in the combined Group, supported by greater efficiency, much increased investment, more conservative provisioning of risk and a stronger capital position. This will benefit all stakeholders: clients and communities, employees and shareholders.

In particular, the transaction would benefit:

- Banco BPM's shareholders: thanks to the value created through the generation of significant synergies and by the greater geographical, client and business diversification of the combined group. The new organisation will enjoy the financial and capital stability of the combined entity, the capabilities of its experienced and high-performing management team, and the control systems, risk policies and best practices of a pan-European entity. Shareholders will also benefit from a stronger performance, capital position (Common Equity Tier 1 ratio pro-forma² for the transaction as at 3Q 2024 above 15%), together with one of the best asset quality levels both in Italy and in Europe; and an enhanced ability to generate revenues and profits in order to exploit better growth and development opportunities.
- The clients of Banco BPM: as this offer will provide them with direct access to a truly international franchise and to a more comprehensive and attractive offering of products, tailored solutions and services for individuals, corporates and SMEs. UniCredit's financial strength will provide those clients with support from a stronger and more innovative institution with increased lending and investing capacity and a well-developed digital offering. Combined this will deliver a stronger financial partner to support individuals, families and businesses alike.
- Employees of both organizations: as the combined entity will deliver a clear pathway for professional development and growth within a European group with access to 13 markets, centered around a clear culture of excellence. As a European leader with scale,

² Pro-forma figures do not include the Purchase Price Allocation (PPA) impact, including any potential fair value adjustments.

the ability to attract best in class talent will be increased and the resilience and competitiveness of the combined entity will offer greater job certainty and longevity.

- The Italian economy: as the combination will strengthen and aid the Groups' commitment to supporting the growth of the Italian economy, helping it develop and supporting the growth and internationalization of Italian industrial groups.
- The Italian banking system: as the combined group will strengthen it, by bringing together two significant Italian banks, creating the capability to support the whole economic system and increasing competitiveness in the Italian market.
- The EU banking sector: as the combination of these two entities will further encourage much needed consolidation within the European banking arena especially important at an uncertain geopolitical time.
- The community and the environment: as a combined and united group will enhance its commitment to environmental, social and governance investments that promote sustainable growth and support our clients in reducing the exposure to climate and environmental risks and managing their green transition.
- Local communities: as it will deliver increased financial firepower to ensure better support for the local communities and territories within which the combined group will be present.

Should the combination go ahead, UniCredit's commitment to delivering sustainable best in class long term shareholder distribution and maintaining a solid capital ratio of at least 13% will continue. Specifically:

- UniCredit expects high single digit EPS accretion within two years following the settlement of the exchange offer, incorporating run-rate revenue and cost synergies;
- the offer meets UniCredit's disciplined financial metrics for inorganic transactions with a risk adjusted Return on Investment of over 15% that compares favorably with the alternative of returning unused excess capital to shareholders via SBB;
- confirmed dividend distribution policy and dividend per share for 2024, as per company guidance. The remaining 2024 Share Buy-Back (SBB) will be commenced post the close of the offer expected in June, pending shareholder and regulatory approval and subject to other potential inorganic opportunities. UniCredit aims to maintain absolute and per share dividend expectations in 2025 and 2026 and remains committed to deploying and/or returning the excess capital by 2027. The acquisition of Banco BPM alone does not impact our ambition for a total average annual distribution in 2025 and 2026 greater than for 2024.
- UniCredit maintains a Net NPE ratio, after the asset quality initiatives already envisaged in the integration plan, of around 1.5% (3Q24 pro-forma data).

The combined Group's profitability will benefit from estimated run-rate pre-tax cost synergies of around Euro 900 million per year (equal to around 14% of the 2023 combined Group Italian cost base), to be delivered through measures aimed at improving the combined Group's operational efficiency, including through training and re-skilling programs. This is in addition to estimated run-rate pretax revenue synergies of around Euro 300 million per year to be delivered by strengthening the product service offering, fully integrating Banco BPM product factories and enhancing technology.

In the context of the transaction, the Group currently envisages integration charges of around Euro 2.0 billion gross of tax to be incurred during year one, and incremental loan loss provisions of at least Euro 0.8 billion gross of tax, allowing an improvement in the NPE and performing exposure coverage ratio of Banco BPM.

UniCredit acknowledges the voluntary tender offer on the totality of the ordinary shares of Anima Holding S.p.A. recently announced by Banco BPM Vita S.p.A., acting in concert with Banco BPM, ex Article 102, par. 1, and Article 106, par. 4, of the Legislative Decree 24 February 1998, no. 58. More details on this aspect are included in the communication issued today by UniCredit pursuant to Article 102 of the Legislative Decree 24 February 1998, no. 58 and Article 37 of CONSOB Regulation no. 11971 of 14 May 1999 with regard to the voluntary public exchange offer announced by UniCredit in respect of all the ordinary shares of Banco BPM.

The voluntary public exchange offer is autonomous and independent from the investment made by UniCredit in the share capital of Commerzbank.

The Chief Executive Officer Andrea Orcel will present the transaction in a conference call at 8.30am CET on 25 November 2024. Dial in at: +39 02 8020911.

Andrea Orcel, CEO of UniCredit said: *“With this acquisition of one of our historical targets, we reinforce our position in Italy while further enhancing the value we can create for all our stakeholders in that market as well as our shareholders. Europe needs stronger, bigger banks to help it develop its economy and help it compete against the other major economic blocs. Thanks to the work that has been done over the past three years, UniCredit is now well positioned to also answer that challenge.”*

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This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the UniCredit management’s current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding UniCredit’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where UniCredit participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The UniCredit Group’s ability to achieve its projected objectives or results is dependent on many factors which are outside management’s control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to UniCredit as of the date hereof. UniCredit undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to UniCredit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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The public voluntary exchange Offer described in this Notice will be promoted by UniCredit over the totality of the ordinary shares of Banco BPM Banca.

This Notice does not constitute an offer to buy or sell Banco BPM Banca's shares.

Before the beginning of the Tender Period, as required by the applicable regulations, the Offeror will publish the Offer Document which Banco BPM Banca's shareholders shall carefully examine.

The Offer will be launched exclusively in Italy and will be made on a non-discriminatory basis and on equal terms to all shareholders of Banco BPM Banca. The Offer will be promoted in Italy as Banco BPM Banca's shares are listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. and, except for what is indicated below, is subject to the obligations and procedural requirements provided for by Italian law.

The Offer is not and will not be made in the United States (or will not be directed at U.S. Persons, as defined by the U.S. Securities Act of 1933, as subsequently amended), Canada, Japan, Australia and any other jurisdictions where making the Offer therein would not be allowed without any approval by any regulatory authority or without any other requirements to be complied with by the Offeror (such jurisdictions, including the United States, Canada, Japan and Australia, are jointly defined the "Other Countries"), neither by using national or international instruments of communication or commerce of the Other Countries (including, for example, postal network, fax, telex, e-mail, telephone and internet), nor through any structure of any of the Other Countries' financial intermediaries or in any other way.

A copy of any document that the Offeror will issue in relation to the Offer, or portions thereof, is not and shall not be sent, nor in any way transmitted, or otherwise distributed, directly or indirectly, in the Other Countries. Anyone receiving such documents shall not distribute, forward or send them (neither by postal service nor by using national or international instruments of communication or commerce) in the Other Countries.

Any tender in the Offer resulting from solicitation carried out in violation of the above restrictions will not be accepted.

This Notice and any other document issued by the Offeror in relation to the Offer do not constitute and are not part neither of an offer to buy or exchange, nor of a solicitation to offer to sell or exchange financial instruments in the United States or in the Other Countries. Financial instruments cannot be offered or sold in the United States unless they have been registered pursuant to the U.S. Securities Act of 1933, as subsequently amended, or are exempt from registration. Financial instruments offered in the context of the transaction described in this Notice will not be registered pursuant to the U.S. Securities Act of 1933, as subsequently amended, and UniCredit does not intend to carry out a public offer of such financial instruments in the United States. No financial instrument can be offered or transferred in the Other Countries without specific approval in compliance with the relevant provisions applicable in such countries or without exemption from such provisions.

This Notice may only be accessed in or from the United Kingdom (i) by persons having professional experience in matters relating to investments falling within the scope of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as subsequently amended (the "Order"), or (ii) by companies having high net assets and by persons to whom the Notice can be legitimately transmitted because they fall within the scope of Article 49(2) paragraphs from (a) to (d) of the Order (all these persons are jointly defined "relevant persons"). Financial Instruments described in this Notice are made available only to relevant persons (and any solicitation, offer, agreement to subscribe, purchase or otherwise acquire such financial instruments will be directed exclusively at such persons). Any person who is not a relevant person should not act or rely on this document or any of its contents.

Tendering in the Offer by persons residing in jurisdictions other than Italy may be subject to specific obligations or restrictions imposed by applicable legal or regulatory provisions of such jurisdictions. Recipients of the Offer are solely responsible for complying with such laws and, therefore, before tendering in the Offer, they are responsible for determining whether such laws exist and are applicable by relying on their own advisors. The Offeror does not accept any liability for any violation by any person of any of the above restrictions.

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