

PRESS RELEASE**UniCredit signs two agreements for the disposal of a €17.7 billion Italian non-performing loan portfolio**

UniCredit S.p.A. today announced that, as part of its efforts to accelerate the deleveraging of its non-core portfolio, it has entered into two separate agreements, one with Fortress Investment Group (NYSE: FIG) and one with PIMCO to transfer two portfolios of non-performing loans (“Sofferenze”) to newly setup and independent entities in which UniCredit will retain a minority position. Each of the two entities will be managed by the respective investment partner who will each have a majority position.

Following the recent disposals of a 40% stake in Bank Pekao SA and the sale of Pioneer Investments, these transactions represent another tangible demonstration of the strategic approach announced by UniCredit on 11 July 2016, focused on reinforcing and optimising its capital position and asset quality, whilst maintaining strategic flexibility to seize value-creating opportunities.

The transactions involve the transfer of a combined c. €17.7 billion of gross book value as at the end of the second quarter of 2016. The completion of the transactions is subject to customary conditions and is targeted to close by the end of the first half of 2017.

Commenting on the transaction, Jean Pierre Mustier, Chief Executive Officer of UniCredit, said: “the transaction to de-risk a €17.7 billion non-performing portfolio is yet another step in the strategic direction we announced in July this year, and which will be discussed in detail at our Investor Day later today (December 13). We are taking decisive action to deal with our legacy issues to significantly improve the quality of our balance sheet and lay the foundation for future recurring profitability”.

Morgan Stanley & Co. International and UniCredit CIB acted as Financial and Structuring Advisors to UniCredit in these transactions.
Milan, 13 December 2016

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