



PRESS RELEASE

UniCredit issues a 10 year subordinated Tier 2 bond for an amount of EUR 1 billion

UniCredit (issuer rating Baa1/BBB/BBB) today launched a Tier 2 subordinated benchmark bond with a 10 year maturity and callable after 5 years. The amount issued is equal to EUR 1 billion.

The bond pays a fixed coupon of 4.875% in the first 5 years and has an issue price of 100%, equivalent to a spread of 473.9 bps over the 5 year swap rate. In case the issuer does not call the bonds after 5 years, the coupon for the subsequent period until maturity will be reset on the basis of the 5 year swap rate at the end of the fifth year, increased by the initial spread.

Given the positive market feedback and the sizable order book, the guidance set initially in the 5.125% area was tightened by 25bps, implying a negligible new issue premium. This serves to once again reaffirm UniCredit's very solid fixed income investor base and its ability to access the market in a variety of ways.

The transaction saw strong demand from almost 200 institutional investors, mainly funds with 75% of the final allocation, and had an order-book of around 2 billion, which originated mainly from: France (40%), Italy (28%), UK and Ireland (11%), followed by Germany and Austria (8%).

The placement was managed by BNP Paribas, HSBC, Mediobanca, Morgan Stanley, Santander and UniCredit Bank AG 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: Ba1 (Moody's) / BB+ (S&P) / BBB- (Fitch). The amount issued is part of the 2019 Funding Plan and will be counted as UniCredit's Tier 2 regulatory capital, contributing to the Bank's Total Capital Ratio. The bond will be listed on the Luxembourg Stock Exchange.

Milan, February 13, 2019

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