

CASHES Transaction Information

Convertible and Subordinated Hybrid Equity-Linked Securities (“Cashes”) are notes issued for a total amount of ca. €3.0bn by a fiduciary in February 2009 with expected maturity in December 2050.

Such notes are convertible into # 9,675,640 ordinary shares of UniCredit S.p.A. that were specifically underwritten by Mediobanca acting as Depositary Bank.

At the same time Mediobanca entered into an usufruct agreement with UniCredit under which Mediobanca retains the naked title (*“nuda proprietà”*) of the shares and grants the usufruct in favour of UniCredit upon payment of quarterly instalments.

Resulting from the restructuring performed by UniCredit and approved by EGM on 15 December 2011¹:

1. After such restructuring: (i) the share premium reserve raised in respect of the Cashes shares (€2.4bn) was transferred into UniCredit’s share capital and therefore accounted as CET1; (ii) the Usufruct Agreement on Cashes Shares was amended to be only applicable to an underlying equivalent to €0.6bn: this is the only portion of the proceeds of the Cashes shares which is treated as AT1 regulatory wise;
2. The underlying shares of the Cashes are ordinary shares and, from a legal point of view, they are perfectly fungible with any ordinary share of UniCredit. When considering the eligibility of the shares underlying the Cashes as CET1, such assessment has always been made considering the broader transaction (i.e., including the Usufruct Agreement and convertible bond issued to investors), in line with EBA guidelines;
3. The 2011 restructuring has been executed to be compliant with regulatory developments.

The regulatory treatment of the Cashes shares has been fully disclosed to the market and confirmed and reviewed by the competent regulators.

As stated at the end of financial year 2017, UniCredit had a very strong CET1 ratio of 13.60 per cent. The Cashes shares’ current contribution to the overall capital position of the Bank has no material impact on the Group’s regulatory ratios.

Cashes shares capital treatment is compliant with applicable regulations. There are contractual features to deal with any regulatory development and preserve UniCredit capital position also through the automatic conversion of the Cashes instruments into ordinary shares.

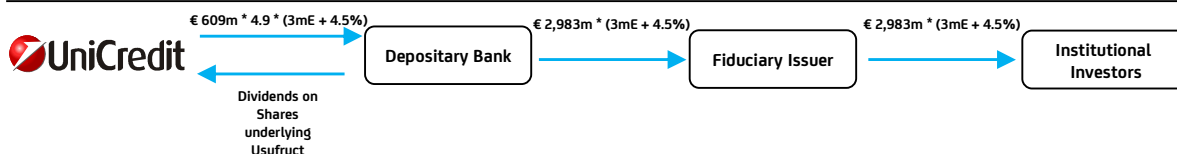
¹ Graphical representation in next page

Structure of the Transaction after 2011 Restructuring:

Contractual agreement upon restructuring in Dic 2011 to assure Regulatory compliance:



Annual Flows after the restructuring occurred in Dec 2011:



Here below the main links to the documentation (press release, Shareholders' meetings, 2009 and 2012 Prospectus Rights Issue) referring to the "CASHES" transaction as already published on UniCredit and Borsa Italiana websites:

05/10/2008 UniCredit approves significant capital-strengthening measures to reach 6.7% Core Tier 1 ratio at the end of 2008 and reviews its full-year earnings forecast
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2008/PressRelease0013.html>

14/11/2008 Ordinary and extraordinary shareholders' meeting:
https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-calendar/2008/Minutes_14_11_08.pdf

https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-calendar/2008/Directors_Report_and_proposals_agenda_items_nov08.pdf

14/11/2008 The UniCredit Shareholder's meeting approved the share capital increase
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2008/PressRelease0620.html>

24/12/2008 Consob authorises publication of the prospectus in relation to the rights offering and admission to listing of ordinary shares of UniCredit S.p.A.
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2008/PressRelease0632.html>

23/02/2009 The capital increase and related issue of the "CASHES" has been completed
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2009/PressRelease0655.html>

30/05/2011 UniCredit: the Board of Directors resolves the Cashes
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2011/PressRelease1682.html>

14/11/2011 UniCredit: Board of Directors approves capital strengthening measures
<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2011/PressRelease1754.html>

14/11/2011 Report of the Board of Directors on point 1) of the agenda of the extraordinary shareholders' meeting of UniCredit s.p.a.

https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-calendar/2011/Relazione_Assemblea_Unicredit_aumento_gratuito_14.11.2011_ENG.pdf

15/11/2011 UniCredit: Shareholders' Meeting approves capital increase and other proposed resolutions

<https://www.unicreditgroup.eu/en/press-media/press-releases-price-sensitive/2011/PressRelease1774.html>

15/12/2011 EGM approving the “CASHES” restructuring:

https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-calendar/2011/VerbaleAssemblea15dic2011_ENG.pdf

2009 Prospectus Rights Issue

<http://www.borsaitaliana.it/bitApp/view.bit?target=DocViewerDownload&filename=db%2Fpdf%2Fnew%2F53547.pdf>

2012 Prospectus Rights Issue

https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/governance/capital-strengthening/PROSPECTUS_ENGLISH_PROSPETTO_INGLESE.pdf