



## **UniCredit issues a 10 year Covered Bond (OBG) benchmark of Euro 1 Billion**

UniCredit has launched today a new OBG bond with 10 year maturity and fixed rate for Euro 1 billion out of the Conditional Pass Through OBG Programme guaranteed by UniCredit OBG s.r.l. ("CPT OBG Programme"), setting a new reference point on UniCredit covered bond curve.

It is the first issue placed on the market under this Programme and it has been launched after a roadshow held at the beginning of the week throughout the main European markets.

The deal has encountered very strong interest by investors, bringing the final order book to more than Euro 2 billion with a participation of more than 90 institutional investors.

Following the particularly positive feedback, the price guidance, initially set at approx 25 bps and later revised at 20 bps area, has been fixed at 18 bps over the swap rate of equivalent maturity, well inside the initial indications. This represents the tightest spread ever paid by an issuer in the Italian OBG format.

The bond will pay a coupon of 0.75% with an issue price set at 99.118% and a yield of around 53 bps below the equivalent maturity BTP at time of launch. The issue was distributed to different institutional investors' categories such as Central Banks and Official Institutions (52%), banks (25%), funds (18%) and insurances (5%). The demand was driven by a wide geographical diversification, with Italy (42%), Germany/Austria (18%), Asia and Middle East (15%), UK/Ireland and Benelux (6% both).

UniCredit Corporate & Investment Banking together with Banca IMI, Credit Suisse, Natixis, RBS and SocGen have managed the placement acting as joint bookrunners. Sole Arranger of the Programme is UniCredit Corporate & Investment Banking. The issue is expected to be rated AA+ by Fitch.

The issue launched today is part of the 25 billion Euro Programme constituted in 2012 in Soft Bullet format and restructured at the end of last year into a Conditional Pass Through format. The bonds issued under the Programme are guaranteed by a portfolio currently composed by 80% residential mortgages to households and by 20% commercial mortgages to SMES. For the benefit of the OBG holders (including this issue, the CPT OBG Programme has 10.1 billion Euro bonds outstanding), the bank has already segregated around 12 billion Euro residential mortgages and 3 billion Euro commercial mortgages originated by UniCredit S.p.A..

The overall portfolio at the end of December 2014 comprises approximately 180,000 mortgages and shows a very high granularity (with an average outstanding amount of ca. Euro 81,000). The average loan-to-value is approx 47% and a geographical concentration mainly in Northern and Central part of Italy of 52% and 26% respectively.

Milan, 26 February 2015

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