Key Information Document

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Interest Rate Collar Protetto

- Manufacturer: **UniCredit S.p.A. – www.unicredit.it**
- Call (+39)0289442088 for more information.
- Commissione Nazionale per le Società e la Borsa (CONSOB), Italy, is responsible for supervising UniCredit S.p.A in relation to this Key Information Document
- Production date of the KID: 10/01/2024

You are about to purchase a product that is not simple and may be difficult to understand.

1. WHAT IS THIS PRODUCT?

TYPE

An Over the Counter (OTC) derivative contract – Interest Rate Collar Protetto

TERM

The product has a fixed contractually agreed term and will terminate after 10 years.

OBJECTIVES

Interest Rate Collars Protetto are used for managing interest rate risks.

An Interest Rate Collar Protetto is an agreement between two contracting parties (Client/UniCredit S.p.A.), resulting from the combination of a Cap Option where the Client is the Buyer and UniCredit S.p.A is the Seller, a Floor Option where UniCredit S.p.A. is the Buyer and the Client is the Seller, and a Floor Option where the Client is the Buyer and UniCredit S.p.A. is the Seller. If the reference rate (e.g. EURIBOR) exceeds the agreed cap rate on an interest-fixing date during the contractually agreed term, the Client receives a compensation payment for the respective interest period (e.g. 3 months) which is calculated as difference between the reference rate and the cap rate, based on the notional amount. If the reference rate falls below the first agreed floor rate on an interest-fixing date during the contractually agreed term, the Client pays a compensation payment for the respective interest period which is calculated as difference between the first floor rate and the higher between the reference rate and the second floor rate, based on the notional amount. Any interest rate with applicable periods (e.g. 3 month EURIBOR) can be selected as the reference rate. An interest-fixing occurs two banking days before the start of the respective interest period.

When entering into an Interest Rate Collar Protetto the Client may pay or receive an option premium depending on the agreed cap and floor rates. In case the Client pays an option premium, the option premium is not refundable. The amount of the option premium depends among other things on the term of the option, the level of the cap and floor rates and the volatility of the reference rate. Terms of up to 10 years are customary. The term of this agreement is divided into individual interest periods, which are determined by the period applicable to the reference rate.

The notional amount of the Interest Rate Collar Protetto serves merely to calculate the respective compensation payment. There is no amount payable/receivable equal to the notional amount.

You can enter into this product also in a foreign currency.

Sample product details set out below have only an illustrative purpose, are based on predefined realistic assumptions and may not match your specific contract details.

Term	10 years
Notional amount	USD 10,000
Option premium	USD 694
Reference rate	USD SOFR
Floor rate I	2.50% p.a.
Floor rate II	-2.00% p.a.
Cap rate	4.50% p.a.
Compensation payments	annual payments day-count convention Act/360
Day-count convention	act/360 means: Interest days in the counter are based on the number of calendar days. The calendar year in the denominator is set for 360 days. 30/360 means: The calendar month consists of 30 interest days. The calendar year is set for 360 days.

INTENDED RETAIL INVESTOR

This product is designed for retail investors who

(i) hold this product for the contractually agreed term,

(ii) are in the position to bear losses that may be unlimited and

(iii) have above-average theoretical knowledge of, or past experience with packaged retail and insurance-based investment products (PRIIPs) that may be complex and difficult to understand and the financial markets.

2. WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class.

1 2 3 4 5 6 **7**

Lower Risk — Higher Risk

The risk indicator assumes you keep the product until maturity. You may not be able to end your product early. You may have to pay significant extra costs to end your product early. You may not be able to end your product easily or you may have to end your product at a price that significantly impacts on the performance of your product.

Be aware of currency risk. You may pay and/or receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make payments to pay for losses. **The total loss you may incur may be significant.**

This product does not include any protection from future market performance so you could incur significant losses.

If we are not able to pay you what is owed, you could incur significant losses.

PERFORMANCE SCENARIOS

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period:				**10 years**
Example notional amount:				**USD 10,000**
Scenarios		**If you end after 1 year**	**If you end after 5 years**	**If you end after 10 years**
Minimum scenario	There is no minimum guaranteed return. You could lose some or all of your premium.			
Stress scenario	What you might get back after costs	USD -224	USD -1,134	USD -4,093
	Average return/loss over notional amount each year	-2.2%	-2.3%	-4.1%
Unfavourable scenario	What you might get back after costs	USD -166	USD -918	USD -2,554
	Average return/loss over notional amount each year	-1.7%	-1.8%	-2.5%
Moderate scenario	What you might get back after costs	USD -121	USD -804	USD 487
	Average return/loss over notional amount each year	-1.2%	-1.6%	0.5%
Favourable scenario	What you might get back after costs	USD 461	USD 1,300	USD 20,143
	Average return/loss over notional amount each year	4.6%	2.6%	20.1%

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back or pay.

The favourable, moderate, unfavourable and stress scenarios represent possible outcomes, which have been calculated based on simulations using the past performance of the reference rate over the past 5 years. The stress scenario shows what you might get back or pay in extreme market circumstances.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will make a large loss if you do so.

3. WHAT HAPPENS IF UNICREDIT S.P.A. IS UNABLE TO PAY OUT?

The investment on this product is exposed to the credit risk, meaning in the case UniCredit S.p.A., as a result of the reduction of its solvency due to financial trouble, bankruptcy, insolvency or over-indebtedness, becomes unable to fully repay the amounts that are due in relation to this product. In the case, you may lose in full or in part the payments you made or suffer unlimited losses.

Furthermore, according to the applicable law on “Bail-in”, the competent resolution authorities may take certain resolution measures, such as the early termination of the derivative transactions. In this case, you are exposed to the risk of partial or complete reduction of your claim or in a conversion of you claim in to equity, in a permanent way, even without a formal insolvency declaration by UniCredit S.p.A.

This product does not benefit from the guarantees provided by the Interbank Deposit Protection Fund.

4. WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

COSTS OVER TIME

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- The product performs as shown in the moderate scenario.
- A notional amount of USD 10,000

	If you end after 1 year	**If you end after 5 years**	**If you end after 10 years**
Total costs	USD 700	USD 660	USD 600
Annual cost impact (*)	7.0%	1.3%	0.6%

(*) This illustrates how costs reduce your return in relation to the notional amount each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 1.1% before costs and 0.5% after costs.

COMPOSITION OF COSTS

One-off costs upon entry or exit		**If you end after 1 year**
Entry Costs	These costs are already included in the price you pay.	Up to USD 600
Exit costs	These costs only apply if you exit before maturity (end of the agreed term).	USD 100

5. HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 10 years

The recommended holding period corresponds to the contractually agreed term. You are not entitled to unilaterally terminate the product prematurely. However, the right of early termination may be agreed for one or both contracting parties. In the event of an agreed early termination, you will either receive or pay a compensation payment, which is made up of the market value of the product and the termination costs, including a margin earned by the bank. Significant additional costs may be incurred.

6. HOW CAN I COMPLAIN?

You can make complaints about the product, or about the behaviour of the manufacturer of the product or of the persons that provide advice regarding or who sell the product, on the Internet website www.unicredit.it, or by registered mail return receipt or via e-mail to: UniCredit S.p.A Customer Satisfaction Italy & Claims, Via Del Lavoro, 42 - 40127 Bologna, Email: Reclami@unicredit.eu, Tel.+39 051.6407285 - Fax +39 051.6407229, PEC (certified email address): Reclami@PEC.UniCredit.EU

7. OTHER RELEVANT INFORMATION

Additional product information is available on request. UniCredit S.p.A. reviews this Key Information Document at least once a year. The latest version of the document is available for you on website www.unicredit.it/KID. You can obtain at UniCredit S.p.A. branches, on request, free of charge, in paper format, the latest version and the older versions of the Key Information Document. Specific information on this product are available in the “Scheda Informativa”.

Further information on OTC derivative instruments can be found in the “Documento Informativo” which UniCredit S.p.A. must deliver to you and is available on the website https://www.unicredit.it/it/info/normativa-mifid.html