

**UBI Banca issues the Social Bond “UBI Comunità per l’Arcidiocesi di Milano”:
the proceeds will be used to reduce adult and child mortality rates in the district of
Chirundu in Zambia**

The medical and paramedical personnel of the Mtendere Mission Hospital, founded by priests from the Archdiocese of Milan, will receive 0.50% of the face value of the bonds to help improve the quality of the health service and to teach the fundamentals of proper hygiene and child nutrition. The ex ante SROI for the project is €3.73.

Milan, 24th April 2019 - UBI Banca announces the issue of a new “UBI Comunità per l’Arcidiocesi di Milano” social bond, for a total amount of €20 million, part of the income from which will constitute a charitable donation to the Archdiocese of Milan for the project entitled “Mtendere Mission Hospital” in Zambia. Founded in 1964, in the town of Chirundu as a small rural health centre, today the Mtendere Mission Hospital (MMH) is an important health facility for thousands of people, in an area suffering from great poverty. Owned by the Diocese of Monze, the Mtendere Mission Hospital is managed by the Congregation of the Sisters of Maria Bambina and is supported by the Archdiocese of Milan as part of solidarity between sister churches.

Activities and objectives of the project

The objective of the project is to improve the quality of health services in the Mtendere Mission Hospital, by making sure that it has medicines and reagents available to it for proper treatment and diagnosis. It will also help to reduce maternal and child mortality rates in the district of Chirundu by allowing medical and paramedical personnel to improve their management of pregnancies in the hospital (with special attention paid to obstetric surgery and its ultrasound service) and to increase support for patient management in seven rural clinics and “health posts” (small village outpatient facilities which also provide first aid and distribute essential medicines) which fall under the wing of the Mtendere Mission Hospital.

The beneficiaries of the project will be approximately 64,000 inhabitants of the district of Chirundu in addition to others. The hospital’s catchment area does in fact extend beyond that due to the precarious situation of health services in neighbouring districts and in Zimbabwe.

A donation of up to €100,000

The total amount of the charitable donation by UBI Banca to the Archdiocese of Milan to support the “Mtendere Mission Hospital Project” may reach €100,000 if the entire face value of the bonds offered is subscribed.

The bonds, issued by UBI Banca, have a minimum subscription price of €1,000, a life of three years, half yearly coupons and an annual gross interest rate of 0.80% for the first year, (0.592% net per annum) 1.00% in the second year (0.740% net per annum) and 1.20% in the third year (0.888% net per annum), They may be subscribed from 24th April 2019 until 29th May 2019 unless the offer period is closed early.

“Zambia is a country in sub-Saharan Africa with a surface area two and a half times that of Italy and a population of approximately 13 million inhabitants. From a health viewpoint,” **said Letizia Moratti, Chairwoman of the Board of Directors of UBI Banca**, “each district should have a state hospital with a network of clinics located in the most populous centres, which in turn act as headquarters for “health posts” where they exist. These are village outpatient facilities managed by volunteers to provide first aid, distribute essential medicines and liaise with clinics. Nevertheless, an effective network of private or missionary facilities has been developed”, Letizia Moratti pointed out, “to deal with the numerous illnesses that afflict this region, such as tuberculosis and the even more widespread HIV. There are cases of child malnutrition, with 29.4% of children underweight and 55% with growth problems. The Mtendere Mission Hospital (MMH) is the sole hospital in the district founded in 1964 in the town of Chirundu,” the Chairwoman of UBI Banca continued. “It is a first level nonprofit health facility which provides a full range of primary medical services that are both inpatient and outpatient. The UBI social bond moves in the direction of doing good,” Letizia Moratti explained, “ and of being charitable with awareness and a concrete approach to support this immense project carried forward by the Archdiocese of Milan. This initiative is also a mission for UBI Banca and its journey is just a beginning to create better health conditions in Zambia. It is not just fundraising, but an investment”, concluded the Chairwoman of UBI Banca, “which is worthwhile for everybody, also for those who wish to subscribe to participation, with their investment, in a project that is sustainable over time”.

“The Ambrosian Church has given much and received much from its collaboration with the Church of Monze, started over 50 years ago. We have learnt to be a ‘Church from the peoples’ as well as being a Church among the people and a Church for the people. In fact this solidarity is not a type of charity which leaves things as they are, but one which sows seeds for the future. To support local resources makes those who receive able to donate. It breathes energy into people so that those who have started on a path are able to go further multiplying their resources for themselves

and for the environment in which they live. The wish to continue a relationship of brotherly solidarity means seeking new ways to help and new tools appropriate to the times, with transparent procedures full of promise for the future”, **said the Archbishop of Milan, Msgr Mario Delpini.**

SROI as a tool for the measurement of social value

The value of the social benefit for the recipients and for society provided by the social bond is calculated for the project, as has already occurred with support for initiatives linked to previous issuances. The method chosen for the calculation is the social return on an investment (SROI). The SROI is a means of quantifying the social or environmental value generated by a project, an initiative, or social organisation in economic terms. The Archdiocese of Milan has calculated the social benefits, estimated (ex-ante) at €3.73 for each euro invested. These benefits consist primarily of a reduction in the adult and child mortality rates and an improvement in the quality of health services in the district of Chirundu, by making sure that it has medicines and reagents available to it for proper treatment and diagnosis.

Further benefits will regard adults treated as inpatients with infectious and other diseases at the Mtendere Mission Hospital. They will in fact benefit from better assistance thanks to the greater expertise of local personnel, thereby reducing fatalities caused by curable diseases. Furthermore, increased availability of medicines and surgical and anaesthetic resources will reduce the percentage of maternity deaths. Finally, it is expected that the improvement in obstetric care and teaching the fundamentals of proper hygiene and child nutrition will help reduce malnutrition and the percentage of child mortalities. The consolidated result (ex post) will be reported and disclosed when the project is completed.

UBI Comunità Social Bonds

Social bonds are debt instruments designed to support high social value initiatives which offer subscribers a market yield and allow the Bank to use the funding acquired from their issue to make cash donations or grant loans at competitive conditions to support high social impact projects or investments. They involve and reward significant nonprofit organisations in local communities, that have good capabilities to mobilise stakeholders and projects with a high social impact.

Between April 2012 and April 2019 the UBI Banca Group has issued 93 UBI Comunità social bonds for a total value of greater than one billion euro. These have made it possible to make charitable donations of over €5 million designed to support initiatives of social interest and they have been

subscribed by over 37,000 UBI Banca Group customers. Furthermore, loan pools have been created for loans of over €21 million destined to social consortia, enterprises and co-operatives.

UBI Banca is one of the leading commercial banks in Italy, with a market share of around 7%, 1,648 branches in Italy and almost 20,400 employees. Since 2011 the Bank has had a unit specialising in business with both Church and non-Church clients belonging to the third sector. A new organisational structure and positioning with regard to the world of public authorities was defined in 2016 with the 2019-2020 Business Plan. A new strategic Area named UBI Comunità was established with the purpose of overseeing and developing commercial relations both with the third sector and the civil economy as well as with public authorities and with the various groupings of associations. UBI Banca promotes partnership initiatives between the public, private and private social sectors with this strategic Area, by involving local communities and by innovative leverage of the Group's abilities and expertise. With UBI Comunità, UBI Banca adds to a range of services designed for simplified banking operations that are secure and economical, with diversified credit solutions to pay advances on contributions and revenues, together with a range of flexible and customisable financing solutions to support the pursuit of institutional aims and to launch or accelerate economically sustainable paths to growth and social innovation. In 2013 UBI Banca received the Italian Banking Association "Charitable Bank" prize and the National Prize for Innovation awarded by the President of the Republic.

The Issuer will apply for admission of the bonds for trading on the EuroTLX multilateral trading facility. The Issuer will also act as the "specialist" on the multilateral trading facility EuroTLX®, publishing quotations during trading hours, in accordance with market requirements. More detailed information on the conditions, costs and risks involved in the investment is contained in the "Definitive Conditions" and in the "Summary Note" and in the section on "Risk Factors" in particular, which may be consulted.

We underline that the bonds in question could reduce in value (by as much as 100% of their value), or be converted into a capital instrument of the issuer (e.g. shares), or undergo a reduction in the interest, or a temporary suspension in the payment of interest for a transitory period, due to, amongst other things, the application of a "bail-in" and, more generally, to banking crisis resolution procedures in accordance with the regulations currently in force concerning the resolution of banking crises.

This document is a press release and it contains information for the media and the newspapers to which it is addressed. It is published for the same purposes on the Bank's corporate website, www.ubibanca.it, expressly and solely in the section entitled "Sala Stampa" in the Italian version and "Press" in the English version.

This message is of a promotional nature for potential subscribers of the investment and it does not constitute an offer or an invitation to invest in the bonds, nor does it constitute financial advice or a recommendation to invest.

The bonds may be subscribed from 24th April 2019 until 29th May 2019 unless the issuer opts to close the offer period early. For more detailed information on the characteristics, conditions and costs and risks involved in the investment, you are invited, before subscribing, to read the Basic Prospectus, inclusive of the Registration Document, the Definitive Conditions and the Summary Note, with particular attention paid to the section "Risk Factors" relating to the issuance.

The Basic Prospectus filed with the Consob (Italian securities market authority) on 13th June 2018 following the approval notified by the Consob with Note No. 0200620/18 of 12th June 2018, and the relative Supplements and Definitive Conditions relating to the issuance are available free of charge at the headquarters, in branches and on the website of the Issuer (www.ubibanca.it), and at the headquarters and on the website of IWBank, which also act as Placement Agents.

The "Solidarity Credit Transfer" function is reserved to holders of Qui UBI accounts who have granted consent for the processing of their personal data to promote the services of third parties that do not belong to the UBI Banca Group. Charitable donations are tax-deductible for natural persons up to a limit of 10% of the total declared income and in any case up to a maximum of €70,000 per year in accordance with Art. 14 of Decree Law No. 35 of 14.3.2005 and Art. 1 of Prime Ministerial Decree of 18.4.2013.

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