

UBI Banca issues the social bond “UBI Comunità per Cesvi”, the proceeds of which will help raise awareness among public opinion on the issue of the mistreatment and neglect of children in Italy

The campaign entitled “#LiberiTutti” (all free) part of the “IoConto” (*I count*) network created by Cesvi, which operates throughout Italy, will receive 0.50% of face value of the bonds. Cesvi will report the results achieved, measured on the basis of specific indicators. The ex ante SROI for the project is €1.88.

Milan, 4th July 2018 - UBI Banca announces the issue of a new “UBI Comunità per Cesvi” social bond, for a total amount of €20 million, part of the income from which will constitute a charitable donation to the organisation. The donation will be used by Cesvi to support the campaign “#LiberiTutti” in the cities and towns of Bergamo, Rome, Rieti and Naples.

Cesvi acts with its projects against the mistreatment and neglect of children in Italy to prevent and fight this very serious phenomenon, which even today is still mostly under the radar. It carries out a large variety of activities with the involvement of children, parents, specialist professionals and the entire community.

Activities and objectives of the project

Specially trained workers on the protection and promotion of children’s rights from partner associations with which Cesvi collaborates have set up facilities in the towns and cities involved in the project to provide counselling for children and adolescents and to undertake initiatives to support vulnerable parents, offering psychological and psychopedagogical support to them. Awareness is raised among local communities and they are involved through workshops in schools, local events and by encouraging links between families to help each other.

Minors receive support through this project with their ability to talk about possible hardships and parents, who take part in positive parenting programmes, acquire educational knowledge and tools that are useful for ensuring that their children receive adequate protection and care. The activities also regard political decision-makers to which the “regional index on the mistreatment of infants in Italy” is addressed and which Cesvi drew up with support from UBI Banca, amongst others.

A donation of up to €100,000

The total amount of the charitable donation by UBI Banca to Cesvi to support “#LiberiTutti” 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 a fixed gross annual yield of 1% (0.74% per annum, net). They can be subscribed from 3rd July 2018 until the 27th July 2018, unless the offer period is closed early.

“With the concrete support it makes to an important social project such as that to help mistreated children, the UBI Comunità per CESVI social bond demonstrates the value of the partnership UBI Banca has been able to create with nonprofit organisations”, said Vincenzo Algeri, Manager of the UBI Comunità Area at UBI Banca. “The over 34,000 customers who have subscribed social bonds over the years for over €970 million shows that they appreciate this product which allows them to combine their own investment choices and individual financial goals with attention to social and general interest aims”.

“We are grateful to UBI Banca for the great attention it has paid to the ‘#LiberiTutti’ campaign against the mistreatment of children in Italy organised by Cesvi”, said Daniela Bernacchi, CEO and General Manager at Cesvi. “Social bonds are innovative financial instruments which open up new and interesting scenarios in the increasingly more fruitful partnerships between the private and third sectors”.

The initiatives to help Cesvi

Support for “**#LiberiTutti**” from the social bond sits alongside other partnership activities between UBI Banca and Cesvi. In addition to the issuance of social bonds, UBI Banca has made two other ways available to support Cesvi’s initiative to assist children who are mistreated. The first way is by using a credit transfer, which is free of charges for UBI Banca customers who carry it out using the QUI UBI or QUI UBI BUSINESS internet banking services by means of the “*Bonifico di Solidarity*” (charity credit transfer) function. Non-customers may also donate by making a payment in branches on the current account held by Cesvi with the IBAN IT11H031111110100000005204, again free of charges. The second way is by using a UBI Banca app which works on the Jiffy network and allows donations to be made by means of the “Send Money” function.

SROI as a tool for the measurement of social value

The value of the social benefit for the recipients of the services and for society provided by the social bond will be calculated for the Cesvi project to fight the mistreatment of children in Italy, as has already been done for donations linked to previous issuances. The method chosen for the calculation is the social return on an investment (SROI), the most widespread and appreciated by the international community. The SROI is a means of quantifying the social or environmental value generated by a project, an initiative, or social organisation in economic terms.

Cesvi has calculated that the social benefits for minors, families, schools and third sector operators that are active locally to support children and adolescents will be €1.88 (ex ante) for each euro invested. 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 the issue of the bonds, 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 June 2018 the UBI Banca Group has issued 88 UBI Comunità social bonds for a total value of over €973 million. These have made it possible to make charitable donations of over €4.6 million designed to support initiatives of social interest and they have been subscribed by over 34,000 UBI Banca Group customers. Furthermore, loan pools have been created for loans of over €20 million destined to social consortia, enterprises and co-operatives.

Cesvi

CESVI is an Italian, non-church related, independent, humanitarian organisation founded in 1985. It is present in 20 countries and operates throughout the world to support vulnerable groups, to uphold their human rights and help them achieve their goals through sustainable development. Cesvi has created Case del Sorriso (Homes of Joy) to protect children throughout the world in Zimbabwe, South Africa, Haiti, Brazil, Peru and India. These are facilities which provide services and shelter for orphans, minors who live on the streets or have been abandoned and children who are the victims of exploitation and violence even within their own family homes. In Italy it works on projects for the care, protection and social inclusion of unaccompanied foreign minors and in 2017 it created the “IoConto” (I count) network to prevent and fight the mistreatment of children. Cesvi has won the Oscar di Bilancio (financial reporting Oscar) prize three times for its transparency and forms part of the European Alliance2015 network.

UBI Banca

UBI Banca is the third largest commercial banking group in Italy by market cap, with a market share of around 7%, 1,817 branches throughout the country and over 21,200 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, publishing quotations during trading hours, in accordance with market requirements. 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 can be subscribed from 3rd July 2018 until the 27th July 2018, unless the issuer makes use of its option 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 IWBanck, which also act as Placement Agents.

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