

UBI Banca issues the social bond “UBI Comunità per CALCIT Arezzo” the proceeds of which will help support the project entitled “Breast Cancer Unit – Arezzo Senology Centre” the purpose of which is to develop and improve breast screening work in collaboration with the South East Tuscany Local Health Authority

UBI Banca will assist with the purchase of high-tech equipment designed to appreciably improve the appropriateness of diagnostic tests for women between the ages of 45 and 74 undergoing breast screening by means of subsidised loans and charitable donations.

Arezzo, 23rd October 2018 - UBI Banca announces the issue of a new social bond entitled “Social Bond UBI Comunità per CALCIT Arezzo”, for a total amount of €5,475,000. The Bank will help the *Comitato Autonomo Lotta Control Tumori di Arezzo* (CALCIT – Arezzo autonomous committee for the fight against cancer) to purchase new screening equipment with a subsidised loan of €475,000 in addition to the charitable donation which could reach €25,000 if the entire face value of the bond offered is subscribed.

Activities and objectives of the project

With this project entitled “Breast Cancer Unit – Arezzo Senology Centre”, the Arezzo CALCIT, in collaboration with the South East Tuscany Local Health Authority, intends to equip the San Donato Hospital of Arezzo with high-tech equipment able to increase the likelihood of early detection of those tumours which are currently more difficult to identify, thereby ensuring greater probability of a cure. These results can be achieved thanks to a loan of €475,000 granted by UBI Banca to purchase a latest generation mammography x-ray machine equipped with a tomosynthesis, stereotactic and contrast system, a powerful ultrasound system and a radiotherapy implementation, again designed to treat breast tumours.

This equipment will appreciably improve the appropriateness of diagnostic tests for women between the ages of 45 and 74 undergoing breast screening and will also be used for subsequent treatment where tumours are found. By perfecting early diagnosis techniques, this project will significantly reduce mortality rates for this type of tumour.

A donation of up to €25,000

The total amount of the charitable donation by UBI Banca to the Arezzo CALCIT to support the project entitled “Breast Cancer Unit – Arezzo Senology Centre”, may reach €25,000 if the entire face value of the bonds offered is subscribed. This figure amounts to 0.5% of the amount issued net of the portion lent. The bonds, issued by UBI Banca have a minimum subscription price of €1,000, a life of 30 months, half yearly coupons and a fixed gross annual yield of 1.45% (1.073% per annum net). They can be subscribed from 23rd October 2018 until 16th November 2018, unless the offer period is closed early.

Furthermore, customers who use a special UBI Banca app may also connect to the Jiffy network to make donations to CALCIT on the number +39 331 9859299.

“It is clear that in the delicate field of health today, public welfare is no longer able alone to directly bear the rising costs that improvements in medical technology generate for equipment that is indispensable for the most advanced diagnostic and treatment techniques”, said Vincenzo Algeri, Manager of the UBI Comunità Area at UBI Banca. “The solution is increasingly found in innovative collaboration between the public, private and private social sectors. The UBI Comunità per CALCIT Arezzo social bond is an example of this. It allows this committee to act effectively to prevent tumours spreading through the purchase of state-of-the-art technology, thereby raising the Arezzo Senology Centre to high levels of excellence in Tuscany”.

“The project named ‘Breast Cancer Unit – Arezzo Senology Centre’ was conceived of in collaboration with the South East Tuscany Local Health Authority, with the precise objective of offering improved conditions to all women living in the area for the early diagnosis of breast tumours through screening and with the maximum appropriateness” said Giancarlo Sassoli, the President of the Arezzo CALCIT. “We have selected the most up-to-date technology on the market currently used by very few of the major national centres and today and thanks to UBI Banca, which has financed and supported the project, the Arezzo Senology Centre will be able to carry out diagnostic tests with greater comfort and the highest degree of reliability. Thanks must go to all those citizens who will support us just as they always have done in the past to build two oncological centres, to provide radiotherapy equipment, TC-PET systems, the cancer treatment in the home service, robotics surgery equipment and an ApotecaChemo robotic system for the preparation of cancer treatments, all thanks to innumerable donations amounting to over €30 million made over 40 years of effort made to support the public health service in the Arezzo area.”

“We recognised CALCIT as one of the more important third sector realities in this area and we were therefore very satisfied with our decision to launch this social bond, an operation to which we are highly committed. In addition to the charitable donation linked to the bond issue, we have granted a loan of €475,000 to CALCIT under extremely favourable terms and conditions needed to purchase this equipment”, said Silvano Manella, Head of the Latium, Tuscany and Umbria Macro Area. “It is a huge opportunity to safeguard the health of those who live in this area and that of the women and their families in particular, as well as to support the South East Tuscany Public Health Authority. UBI Banca has never failed to let its attention drop since it moved into this area over one year ago with the implementation of high value-added economic, social and cultural initiatives for the future of this community”.

“When UBI Banca presented this operation to us some months ago”, said Lucia Tanti, the councillor with responsibility for social and health policies for the Town of Arezzo, “in our capacity as the municipal administration, we considered possible beneficiaries, one of which was CALCIT and it was with the greatest satisfaction that we saw an organisation such as this receiving this support, which has always been committed to the community and celebrates its 40th anniversary in 2018. The municipal Administration was very pleased with various aspects: first of all a partnership between a new organisation, UBI Banca, and a firmly established player, CALCIT; secondly the important entrance of the former to the Arezzo area thanks to this charitable investment; and finally the continuation of its decades-long work by the latter which once again will allow our health services to make a qualitative leap forward in their technological, diagnostic and treatment capabilities”.

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 September 2018 the UBI Banca Group has issued 90 UBI Comunità social bonds which have made it possible to make charitable donations of over €4.8 million designed to support initiatives of social interest and they have been subscribed by over 35,000 UBI Banca Group customers. Furthermore, loan pools have been created for loans of over €20 million destined to social consortia, enterprises and co-operatives.

Arezzo CALCIT

CALCIT is a voluntary association founded on 21st June 1978 by the co-operative Fidi252^o, which operates as part of the Retailers’ Association of the Province of Arezzo. CALCIT’s objectives are to raise funds for the purchase of equipment for the early diagnosis and treatment of tumours and to donate them to the Arezzo public health service. Additionally, the committee grants scholarships to young doctors wishing to specialise in oncology and it also fully or partially supports homecare for cancer patients requiring high-complexity care. CALCIT’s predominant activities are the purchase of innovative high-tech equipment and support for home care.

UBI Banca

UBI Banca is the third largest commercial banking group in Italy by market cap, with a market share of around 7%, 1,812 branches throughout the country and over 21,000 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 23rd October 2018 until 16th November 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), which also acts as the Placement Agent.

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