

**UBI Banca issues the social bond “UBI Comunità per Banco dell’energia Onlus”, the proceeds of which will help support 200 families in difficulty with economic support and help with finding a job**

**A project dedicated to families in Lombardy suffering from economic and social hardship will receive 0.50% of the face value of the bonds. The “Banco dell’energia” (Energy bank) will report the results achieved, measured on the basis of specific indicators. The *ex ante* SROI for the project is €2.49.**

Milan, 11<sup>th</sup> December 2018 - UBI Banca announces the issue of the social bond “UBI Comunità per Banco dell’energia Onlus”, for a total amount of €20 million, the income from which will constitute a charitable donation to the nonprofit organisation Banco dell’Energia Onlus, which will go to a project to support individuals and families who are unable to meet everyday living expenses due to sudden problems of an employment, social or health nature.

**Activities and objectives of the project**

Banco dell’energia Onlus uses an “indirect charity” mechanism to help alleviate and fight poverty and social hardship through special projects carried out by organisations that are active in the community and able to identify vulnerable families. As consequence it has organised a fundraising campaign with a target of €1 million aimed at helping as many people in difficulty as possible. The objective is to create comprehensive recovery plans, commencing with the distribution of primary necessity goods and the payment of urgent bills (e.g. gas and electric bills of any supplier, school fees, mortgage repayments) together with more complex forms of help in order to restore economic and social normality such as family support, training courses or job-seeking assistance.

**A donation of up to €100,000**

The total amount of the charitable donation by UBI Banca to Banco dell’energia to support the “Energy Bank” 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 2.00% for the first year (1.480% net per annum), 2.20% gross in the second year (1.628% net per annum) and 2.40% gross in the third year (1.776% net per annum). They can be subscribed from 10/12/2018 until 27/12/2018, unless the offer period is closed early or extended.

*“The dynamic of income distribution in Italy and the precariousness of work generates economic difficulties and therefore social difficulties more than in the past even among the middle classes who were once more secure”* said **Vincenzo Algeri**, Head of the UBI Comunità Area at UBI Banca. *“The social bond and collaboration between the bank and a nonprofit organisation, which in this case is connected with a company of major importance, produce solutions which innovate with collaboration between the private and private social sectors and go beyond traditional approaches to provide support for the demands of those in difficulty”.*

*“A2A, together with the AEM and ASM foundations, has organised and supports Banco dell’energia Onlus in the conviction that a large industrial company that operates in the field of public services should make an*

*active commitment to helping individuals and families in difficulty”, declared Laura Colombo, General Secretary of the Banco dell'energia Onlus Committee. “We wish to thank UBI for joining us in this important initiative.”*

### **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 been done for donations 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.

Banco dell'energia has calculated that the social benefits, consisting mainly of the economic support delivered in the form of “social bonuses”/measures to fight poverty and assistance with job-seeking, are estimated (*ex-ante*) at €2.49 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 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 October 2018 the UBI Banca Group has issued 91 UBI Comunità social bonds for a total value of over €1 billion. These 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 36,000 UBI Banca Group customers. Furthermore, loan pools have been created for loans of over €21 million destined to social consortia, enterprises and co-operatives.

#### ***Banco dell'energia onlus***

*Banco dell'energia Onlus, organised by A2A and the AEM and ASM foundations, is a nonprofit organisation founded with the objective of supporting those who find themselves facing economic and social hardship. The objective is to create comprehensive recovery plans, which also include the distribution of primary necessity goods and the payment of urgent expenses, such as the gas and electric bills of any supplier.*

#### ***UBI Banca***

*UBI Banca is the third largest commercial banking group in Italy by market cap, with a market share of around 7%, 1,651 branches in Italy and almost 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 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](http://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 10<sup>th</sup> December 2018 until 27<sup>th</sup> December 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 13<sup>th</sup> June 2018 following the approval notified by the Consob with Note No. 0200620/18 of 12<sup>th</sup> 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](http://www.ubibanca.it)). 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. xx of Prime Ministerial Decree of 18.4.2013.*

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