

UBI Banca issues the social bond “UBI Comunità per AIL”, the proceeds of which will help support a project to redefine and standardise care services provided by this Italian Association to fight Leukaemia, Lymphoma and Myeloma.

The project entitled “Standardisation of home care services for haematological patients” will receive 0.50% of the face value of the bonds and thereby improve the quality of life for these patients. AIL will disclose the results achieved and the relative report will include details of the SROI, estimated, *ex ante*, at €8.80.

Milan, 12th September 2018 - UBI Banca announces the issue of a new social bond entitled “*Social Bond UBI Comunità per AIL*” for a total amount of €20 million, part of the income from which will constitute a charitable donation to the Italian Association to fight Leukaemia, Lymphoma and Myeloma. The donation will be used by AIL to redefine and standardise its home care services for haematological patients.

Activities and objectives of the project

The objective of AIL (Italian Association to fight Leukaemia, Lymphoma and Myeloma) with this project, entitled the “Standardisation of home care services for haematological patients”, is to develop and improve the home care services provided by its local branches, because these services are essential if the quality of life of these patients, who are often obliged to undergo long and intensive treatment, is to be improved. These home care services are provided by a multi-professional team consisting of doctors, nurses, psychologists and volunteers who are in constant contact with a local haematological centre. They assist patients and their families in the home and provide continuity of treatment, psychological and affective support and savings on public expenditure for the hospitalisation of patients. AIL also intends to monitor and continuously improve the quality of its home care services with this project.

A donation of up to €100,000

The total amount of the charitable donation by UBI Banca to AIL to support the project the, “Standardisation of home care services for haematological patients”, 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 1.45% for the first year (1.19% net per annum), 1.55% in the second year (1.29% net per annum) and 1.75% in the third year (1.49% net per annum). They can be subscribed from 12th September 2018 until 10th October 2018, unless the offer period is closed early.

“Given the increasingly more effective and customised care services available for many diseases and the consequently longer life expectancies of patients, it is now clear that the public welfare system is finding it increasingly more difficult to directly support the relative costs using its own facilities. That is why innovative welfare solutions that involve close co-operation between the public, private and private social sectors constitute key strategies that need to be pursued”, said Vincenzo Algeri, Manager of the UBI Comunità Area at UBI Banca. “In this sense the ‘UBI Comunità per AIL’ social bond allows this association to respond effectively to a particular demand for home care services and it supports the professionalism of the people at AIL with the generation of both economic and social benefits connected with this provision of home care services to patients”.

“To return home is the greatest desire of all hospital patients. The warmth of one’s loved ones, the touch of familiar objects and a return to every day habits and surroundings are a huge relief for those suffering from leukaemia, which requires long periods of intensive treatment. To be able to be treated in your own home, close to those you love, is of the greatest importance to all patients and can have a determining effect on their treatment”, said Professor Sergio Amadori, National President of AIL. “This is another reason why we are so grateful to have UBI Banca at our side in this key project to standardise our home care activities which will allow us to further improve the services that our association provides to patients”.

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 AIL project to provide home care services to patients suffering from leukaemia, lymphoma and myeloma, 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.

AIL has calculated that the social benefits are estimated, *ex ante*, at €8.80 for each euro invested. They consist mainly of an improvement in the quality of these patients lives, an increase in the skills and expertise of medical personnel and the savings that hospital facilities will make as a consequence of increasing the level of home care services delivered and supported by provincial branches of AIL. 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 August 2018 the UBI Banca Group has issued 89 UBI Comunità social bonds for a total value of over €993 million. These have made it possible to make charitable donations of over €4.7 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.

AIL

The Associazione Italiana contro le Leucemie, i linfomi e il mieloma ONLUS (the Italian Association to fight Leukaemia, Lymphoma and Myeloma, a nonprofit organisation) has been operating throughout the country for 50 years through 81 provincial branches which work in close co-operation with Haematology Centres. AIL promotes and supports scientific research into treatment for leukaemia, lymphoma and myeloma. It helps patients and their families throughout all stages of the disease, providing its services, expertise and understanding and it battles alongside them to improve the quality of their lives and to support them throughout the whole course of their treatment. AIL also carries out the following: it funds research through GIMEMA (Gruppo Italiano Malattie EMatologiche dell’Adulto – the Italian adult haematological diseases Group); it provides “AIL homes” close to major Haematology Centres which are residential care facilities designed to house non-resident patients who must undergo long periods of treatment, accompanied by their family members; it organises home care services in order to avoid hospitalising all those patients who can be cared for in their own homes with the help of family members and friends; it runs schools and playrooms in hospitals in order to prevent children and teenagers from losing contact with the outside world and allow them to continue their lessons on a regular basis, while not overlooking the importance of various forms of play; it supports training and refresher courses for doctors, biologists, nurses and laboratory technicians by providing scholarships and professional services and temporary and permanent employment contracts; it organises seminars for patients in order to ensure that they have direct contact with specialists in the sector and information on their disease that is always up-to-date; it helps to fund the operating costs of Haematology and Stem Cell Transplant Centres.

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 12th September 2018 until the 10th October 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 IWB Bank, which also act as Placement Agents.

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