

**UBI Banca issues the Social Bond “*UBI Comunità per la Lega del Filo d’Oro*” (UBI Comunità for the League of the Golden Thread) and contributes to the implementation of the project “*Vicini a chi non vede e non sente*” (Close to those who neither see nor hear)**

**0.50% of the face value of the bonds will go to support a project to implement social, educational and community services provided by the association to help deafblind persons and their families. The project involves measurement (SROI) of the social benefit generated by these activities.**

Milan, 10<sup>th</sup> August 2017 - UBI Banca announces the issue of a social bond to implement a project by the *Lega del Filo d’Oro*, and to thereby support the activities of an association which for over 50 years has sought to assist, educate, rehabilitate and to integrate the deafblind and those with multiple mental and sensory disabilities in their families and in society. The contribution will go to to implement the project “Close to those who neither see nor hear: the social and educational services of the *Lega del Filo d’Oro*”. These services are provided today through Residential Care Centres at Osimo (Province of Ancona), Lesmo (Province of Monza and Brianza), Modena, Molfetta (Province of Bari), Termini Imerese (Palermo) and community centres in Padua, Rome and Naples.

### **Goals and scope of the project**

There are 189 thousand people in Italy affected by both sight and hearing disorders, accounting for 0.3% of the Italian population. In this context, the goal of the project is to ensure that, in their own original family and social environment, the beneficiaries realise *Individual Life Plans* drawn up by interdisciplinary teams. The work by the *Lega del Filo d’Oro*’s Community Services seeks to achieve this by helping to improve the quality of life of the service recipients and their families. It encourages an active role of persons with disabilities in the activities provided for them and in the solution to their problems and at the same time it reinforces the “support network” closest to each beneficiary. **There are 1,000 direct beneficiaries of the project, 204 with hearing and sight disabilities, 306 with multiple mental and sensory disabilities and 490 family members.** The project also sees the involvement of 600 volunteers from the *Lega del Filo d’Oro*, 30 specialist “educators” and 400 others from public and private sector service organisations.

### **Social bonds and SROI as a tool to measure social value**

The value of the social benefit for the recipients of the services and for society connected with the social bond will be calculated for the project “Close to those who neither see nor hear” 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.

At the end of the activities and following a survey carried out in the relative local communities, the *Lega del Filo d'Oro* will report the social impact results obtained by families, in terms of lower expenses incurred in relation to the mental and physical condition of the persons concerned, and by the local authorities for the social and rehabilitative services provided by the association. The *Lega del Filo d'Oro* will benefit from training and consulting services provided free of charge by a specialist and independent organisation on behalf of UBI Banca for the measurement of the social impact.

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 0.45% for the first year, (0.333% net per annum), 0.55% in the second year (0.407% net per annum) and 0.70% in the third year (0.518% net per annum). They may be subscribed from 10/08/17 to 29/09/17, unless the offer period is closed early or extended.

UBI Banca will make a donation to the association equal to 0.50% of the face value of the bonds subscribed. The total charitable donation made by UBI Banca to the Lega del Filo d'Oro Onlus could reach €100,000 if the entire face value of the bond offered is subscribed.

*“Social bonds have been used as a point of reference for defining ‘Charitable Securities’ as part of the reform of the third sector, which confirms the importance of this instrument”* said **Frederik Geertman, Chief Commercial Officer at UBI Banca**. *“The way in which they satisfy our customers requirements for the allocation of their investments, while at the same time offering an opportunity to help implement important social projects explains why they are always so successful. In this way UBI Banca creates value partnerships such as that formed with the Lega del Filo d'Oro, the results of which can be precisely measured in terms of social impact”*.

*“I wish to thank UBI Banca for deciding to support our association”,* said Rossano Bartoli, the Secretary General of the *Lega del Filo d'Oro*, *“and I hope that many people adhere to this initiative. In over 50 years of activity the Lega del Filo d'Oro has grown and it is working to continue to grow in future. Important partnerships like this one help us to pursue our goals to help the deafblind and persons with multiple mental and sensory disabilities and their families.”*

From April 2012 until June 2017 the UBI Banca Group has issued 85 **UBI Comunità social bonds** for a total value of over **€913.2 million**. These have made it possible to make charitable donations of over **€4.2 million** designed to support initiatives of social interest and they have been subscribed by over **32,000** UBI Group customers. Furthermore, loan pools have been created for loans of over **€20.5 million** destined to social consortia, enterprises and co-operatives.

The bonds will not be listed on any regulated market or multilateral trading system: they will be traded by the Placement Agent directly, without intermediary, as part of its own-account trading service in accordance with Art. 1, paragraph 5, letter a) of Legislative Decree No. 58/1998 (Consolidated Finance Act). The Placement Agent makes no commitment to repurchase the bonds. Therefore in these cases, investors run the risk of not being able to sell the bonds before their natural maturity date. 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 in particular 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.

*UBI Comunità, through its Third Sector and Civil Economy Service, is the commercial division of the UBI Banca Group specifically dedicated to the third sector and the civil economy. Composed of a team of specialists present at local level, it has an innovative and customised approach to this sector in terms, amongst other things, of providing banking and credit support for the management of daily activities, projects and investments. 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.*

#### **Lega del filo d'Oro**

*“A precious thread that joins the deafblind to the outside world”. This is the concept that inspires the **Lega del Filo d'Oro** in its activities and gives it its name. It has been working since 1964 to assist educate, rehabilitate and integrate children, youths and adults who are deafblind and have multiple mental and sensory disabilities in their families and in society.*

*The association has **590 employees** consisting of specialist staff, health personnel, psychologists, social workers and 611 volunteers. Today it is present in eight regions with five Residential Care Centres with annexed community services (at Osimo, Lesmo, Modena, Molfetta and Termini Imerese) and three community services (in Rome, Naples and Padua). In 2016, 844 deafblind persons and persons with multiple mental and sensory disabilities have made use of the various services provided by the Lega del Filo d'Oro.*

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 may be subscribed from 10<sup>th</sup> August 2017 until 29<sup>th</sup> September 2017, unless UBI Banca, in its capacity as the issuer, exercises its right to close the offer period early or to extend it. For more detailed information on the characteristics, the conditions and on the costs and risks involved in the investment, you are invited, before subscribing, to read the Basic Prospectus, the Registration Document and the relative Supplements and 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 6<sup>th</sup> February 2017 following the approval notified by the Consob with Note No. 0015917/17 of 2<sup>nd</sup> February 2017 and the relative Supplements and Definitive Conditions relating to the issuance are available free of charge in branches and on the website of the issuer ([www.ubibanca.it](http://www.ubibanca.it)), and in the branches of IWBanck, which also act as Placement Agents.

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