

PRESS RELEASE

UBI BANCA RETURNS SUCCESSFULLY TO THE COVERED BOND MARKET WITH A NEW 6½- AND 12-YEAR “DUAL TRANCHE” ISSUANCE FOR A TOTAL OF €1 BILLION

Milan, 8th January 2018 – UBI Banca informs that today it has successfully closed a fixed rate 6½- and 12-year “dual tranche” covered bond issuance, for a total of €1 billion under the Group’s €15 billion covered bond programme, guaranteed by UBI Finance S.r.l.

UBI succeeded in acquiring orders for a total of approximately €1.3 billion, higher by around 30% compared to the amount set for the issue, an important sign of confidence by investors in this market phase.

The operation, after proportionate allocation to the various investors, was therefore concluded as follows:

- a €500 million 6½-year covered bond tranche, with settlement date 15/1/2018 and maturity on 15/7/2024. The coupon is 0.5%, equivalent to a spread of 10 basis points above the 6½-year mid-swap rate and to a negative spread of approx. 69 bps over the corresponding BTP, and is payable in arrears on 15/7 each year. The reoffer price is set at 99.473%.
- a €500 million 12-year covered bond tranche, with settlement date 15/1/2018 and maturity on 15/1/2030. The coupon is 1.25%, equivalent to a spread of 30 basis points above the 12-year mid-swap rate and to a negative spread of approx. 93 bps over the corresponding BTP, and is payable in arrears on 15/1 each year. The reoffer price is set at 98.932%.

The issuance saw the participation of approximately 45 institutional investors for the shorter maturity tranche and 32 for the longer maturity tranche.

Altogether, the two issues were subscribed by asset managers (41% of the issues), central banks and supranationals (41%), banks (9%) and insurance companies (9%).

Taken as a whole, the geographical distribution of the two issues was as follows: Italy 43%, Germany and Austria 41%, France 9%, Switzerland 3%, Nordics 2%, and others 2%.

The expected rating for the covered bonds (backed by 100% prime Italian residential mortgages) is Aa2 (stable) by Moody's and AA low by DBRS.

The joint bookrunners engaged to distribute the bond were Barclays, BNP, ING, LBBW, RAIFFEISEN BANK INTERNATIONAL and UNICREDIT.

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