

**A mortgage for young people on a temporary employment contract
and a loan for start-ups:
a formula from UBI Banca to support the future of new generations**

*Banking Group initiatives are presented designed to give solidity to the
projects of young couples and new entrepreneurs*

Milan 9th May

UBI Banca has developed two new solutions, presented in Milan today, to **give a boost to the desire of “new generations” to grow and to plan: a mortgage for young people** who have no permanent employment contract and a **loan of up to €50,000 for start-up projects**.

As of today, even young couples up to the age of 39 who have had an **“atypical” or temporary employment contract** for at least 18 months (or have worked for 18 months in the last 24 and are employed at the time of applying for the mortgage) **can plan the purchase of their home**.

“We needed to rethink traditional models of granting mortgages because the labour market today has changed profoundly, especially for young people”, explained Victor Massiah, Chief Executive Officer of the UBI Banca Group. “Today, the new generations are mostly in insecure jobs and a Group like ours which wants to “fare Banca per bene” (be a good bank) must think of their future too”.

UBI Banca’s “2013 Home mortgages for young couples” initiative has a **maximum ratio between repayment instalments and income of 35%** and a **loan to value ratio** (ratio of the loan to the value of the property) **which can cover up to 80% of the appraised value of the property**. It comes in three types: **fixed, floating and floating with a cap**. The maximum amount that may be granted covers all needs (€500,000).

“For many young people, planning for the future does not just mean purchasing their first home. Their ideas need to be transformed into a concrete business initiative. That is why we have thought of a loan granted under easy terms and conditions for start-ups”, concluded Massiah”.

The loans will have a variable duration from a **minimum of 18 to a maximum of 60 months** and will allow finance of **up to €50,000** to be obtained in a lump sum to be used for **start-up costs for small investments in production and for the recruitment of personnel**.

“We are proud today to present”, added Rossella Leidi, Deputy General Manager of UBI Banca, “these two initiatives specially designed for young people, which are even more important given the social and economic context we are going through. These solutions confirm us as a dynamic bank, attentive to and aware of the needs of new families. To demonstrate the importance that we attach to these initiatives we have decided, for the first time since the Group was formed, to support them with a large multimedia advertising campaign, which includes TV and radio commercials and announcements in the press and digital media. The national campaign went under the UBI Banca brand, while local campaigns went under the brand of the local network bank concerned.”



Multimedia and creativity materials are available here:

<http://ubibanca.socialrelease.it/ubibanca/ubibanca-perigiovani>

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PRODUCT SHEET

MORTGAGES FOR YOUNG PEOPLE

“2013 Home mortgages for young couples”

- ☐ Applicants: young people aged up to 39 (not yet 40 years of age) even with an “atypical” or temporary employment contact, provided the applicants have worked for at least 18 months (even not continuously) in the last two years and are in work at the time of applying for the mortgage.
- ☐ maximum amount of loan €500,000;
- ☐ maximum ratio of repayments to income of 35%;
- ☐ maximum loan to value ratio (ratio of the loan to the value of the property) which can cover up to 80% of the value of the property;

Details of the conditions for each type of mortgage:

1. FLOATING RATE MORTGAGE

- ☐ **DURATION:** from 5 to 35 years
- ☐ **REPAYMENTS:** monthly – quarterly – half yearly
- ☐ **TYPE OF INTEREST RATE:** linked to the previous month average of the one month Euribor (360)
- ☐ **SPREAD:** 3.00%

2. FLOATING RATE MORTGAGE WITH CAP

- ☐ **DURATION:** from 5 to 25 years
- ☐ **REPAYMENTS:** monthly
- ☐ **TYPE OF INTEREST RATE:** linked to the previous month average of the three month Euribor (360) (first year fixed rate: one year IRS “asking price” for the euro. Cap 7%.
- ☐ **SPREAD:** 3.50% (for both the first year and for the subsequent period at the linked rate)

3. FIXED RATE MORTGAGE

- ☐ **DURATION:** from 5 to 30 years
- ☐ **REPAYMENTS:** monthly
- ☐ **TYPE OF INTEREST RATE:** linked to the IRS rate for the period
- ☐ **SPREAD:** 3.50%

The offer is valid for all mortgages applied for by 31st December 2013 and granted by 31st March 2014.

PRODUCT SHEET START-UP LOANS

“Start-up Loans”

- ☐ maximum amount of loan of €50,000 in a lump sum to be used for company **start-up costs, investments in production** and for the **recruitment of personnel**.
- ☐ **duration** variable from a **minimum of 18 months to a maximum of 60 months**

The following types of businesses may benefit from the loans:

- ☐ **Companies** (spread 5%)
- ☐ **Farms** (spread 5.00% - 4.50% if a direct SGFA guarantees is acquired)
- ☐ **Companies guaranteed by the Guarantee Fund for SMEs** (spread 4.50%)
- ☐ **Farms guaranteed by guarantee bodies (“Confidi”)** (spread 4.50%)

The **interest rate on the loans is linked to the previous month average of the three month Euribor** and repayments are monthly, quarterly or half yearly.

PRODUCT SHEET
SME LOANS

“SME loans”

- ☐ These have no **limit on the amount**
- ☐ **Duration: minimum of 18 months to a maximum of 60 months** designed to **support** the many needs of **companies**, even individual, in any sector and with any ownership structure: **freelance professionals, associations** and **authorities** involved in the **recruitment of personnel, R&D, internationalisation and investments in production.**

The following types of businesses may therefore benefit from the loans:

- ☐ **Companies**
- ☐ **Farms**
- ☐ **Companies guaranteed by the Guarantee Fund for SMEs**

The **interest rate on the loans is linked to the previous month average of the three month Euribor** and repayments are monthly, quarterly or half yearly, at constant rates at the end of each repayment period.