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News Release

UBS and World Bank extend partnership with groundbreaking notes to help finance sustainable development efforts

New York, 10 September 2018 – UBS today announced an offering for innovative notes issued by the World Bank's International Bank for Reconstruction and Development (IBRD) that will support IBRD's sustainable development activities. The note will, for the first time, link to [The Global Sustainability Signatories Index 7.5% VC ER](#) (the "Index"), which provides exposure to up to 100 UN Global Compact Signatories selected according to their environmental, social and governance ("ESG") ratings from Sustainalytics, a leading global provider of ESG research and ratings. The launch extends UBS's partnership with the World Bank and other development banks to support fundraising for the Sustainable Development Goals.

UBS is the exclusive underwriter of the note and exclusive provider of financial products referencing the Index, which was created by Sustainalytics and is administered by index provider Solactive. The notes will be available for UBS's investment banking clients globally and to its wealth management clients in the US and other select jurisdictions.

Upon maturity in seven years' time, IBRD will pay investors their principal plus any positive return of the Index. The notes have been rated AAA/Aaa by Moody's and S&P.¹

In 2016, Axel Weber, Chairman of UBS Group's Board of Directors, first announced UBS's index initiative relating to the Global Compact at the UN General Assembly. This year, Mr. Weber unveiled UBS measures to broaden investors' access to World Bank and other development bank bonds as compelling, sustainable alternatives to traditional high-grade fixed income products, including new development bank bond indices and allocations in UBS's sustainable wealth management portfolios. These notes represent extensions of those initiatives.

Michael Nelskyla, Head of Investor Solutions at UBS Investment Bank, said: "We are privileged to work with the World Bank and the UN systems to offer new innovations to support the Sustainable Development Goals. This effort reflects our commitment to be the leading provider of products that help align our client's financial objectives with their priorities to support sustainability. We thank the clients committing capital to this initiative and hope it will encourage others to embrace innovative sustainable instruments in the future."

Arunma Oteh, World Bank Vice President and Treasurer, said: "We are delighted to broaden our partnership with UBS and bring to market another innovation that offers investors sustainable investment opportunities. Together, we will continue to focus on new ways to put capital to work to address the immense development challenges we must tackle to achieve the Sustainable Development Goals."

¹ A credit rating is not a recommendation to buy, sell, or hold securities and may be revised or withdrawn by the rating agency at any time.

Mark Haefele, Chief Investment Officer at UBS Global Wealth Management, said: "We are delighted to expand our investing partnership with the World Bank. Our private clients already enjoy unique exposure to the World Bank and to leading sustainable companies through our new 100% sustainable cross-asset portfolio, and we look forward to developing their engagement with IBRD as one of the few fully sustainable AAA-rated issuers."

UBS will donate a percentage of its revenues from the notes to the UBS Optimus Foundation for projects linked to the UN Sustainable Development Goals. The UBS Optimus Foundation will select investments that are aligned with the [Global Financing Facility's](#) focus on women, children, and adolescents. GFF is a multi-sectoral innovative financing platform for human capital development.

The initiative follows similar donations of UBS product revenues to the UBS Optimus Foundation over the past two years. For example, the Foundation and the American Association of Cancer Researchers receive a percentage of the performance fees on UBS's Oncology Impact Fund, plus 1% of revenues on any treatments in which the fund invests.

Phyllis Costanza, CEO of the UBS Optimus Foundation, said: "We're delighted that UBS and the World Bank are offering investors innovative exposure to companies with high sustainability ratings, and that UBS will be deploying a portion of earned revenue as philanthropic capital to address the UN Sustainable Development Goals. This offering serves a dual purpose in providing our clients with groundbreaking investment products while activating philanthropic efforts towards the SDGs."

The offering is due to conclude on October 22, 2018.

For more information on UBS's sustainability activities, please visit the UBS and Society home page [here](#).

Summary of terms

Issuer:	World Bank (International Bank for Reconstruction and Development, IBRD)
Issuer rating:	Aaa/AAA ²
Maturity:	7 years
Initial Observation Date:	October 22, 2018
Final Observation Date:	October 22, 2025
Index:	The Global Sustainability Signatories Index 7.5% VC ER (the "Index")
Final Redemption Amount:	USD 1,000 plus the Premium Paid at Maturity. The "Premium Paid at Maturity" is the product of USD 1,000 multiplied by the Participation Rate multiplied by the greater of (i) the Index Return and (ii) zero (0). Participation Rate: [105-115%]
Maturity date:	October 29, 2025
Offer price:	100% of the specified denomination, i.e. USD 1,000
Clearing systems:	DTC, Euroclear and Clearstream, Luxembourg
ISIN:	US45905UW348
Dealer:	UBS Securities LLC

² IBRD has a AAA long-term issuer credit rating from S&P (last affirmed April 2018) and a Aaa long-term issuer credit from Moody's (last affirmed in July 2018). These credit ratings are an assessment of IBRD's ability to pay its obligations. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Credit ratings are indicative of the issuer's creditworthiness and not the probability of a return of principal at maturity.

About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in 52 countries, with about 34% of its employees working in the Americas, 34% in Switzerland, 18% in the rest of Europe, the Middle East and Africa and 14% in Asia Pacific. UBS Group AG employs approximately 61,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

About the World Bank

The World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody's/S&P), is an international organization. Created in 1944, it is the original member of the World Bank Group and operates as a global development cooperative owned by 189 nations.

The World Bank provides loans, guarantees, risk management products, and advisory services to middle-income and other creditworthy countries to support the Sustainable Development Goals and to end extreme poverty and promote shared prosperity. It also provides leadership to coordinate regional and global responses to development challenges.

The World Bank has been issuing sustainable development bonds in the international capital markets for over 70 years to fund programs and activities that achieve a positive impact. More information on World Bank bonds is available at www.worldbank.org/debtsecurities.

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In providing wealth management services to clients, we offer both investment advisory and brokerage services which are separate and distinct and differ in material ways. For information, including the different laws and contracts that govern, visit ubs.com/workingwithus.

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