

Green Bond Report

Financial Year

2020



Following the success of the voluntary public exchange and purchase offer launched on 17 February 2020 by Intesa Sanpaolo on the whole of the share capital of UBI Banca, the latter is, as from 5 August 2020 a part of the Intesa Sanpaolo Group.

Moreover, following the acquisition and till the merger of UBI Banca into Intesa Sanpaolo (confirmed in April 2021), the ratings on UBI Banca debt issuances were aligned by each rating agency with those of Intesa Sanpaolo, Parent of the banking group.

On 10 April 2019 UBI Banca issued a Green Bond whose proceeds has been fully allocated to a portfolio of existing loans in the following Renewable Energy sectors:

- Hydro
- Solar
- Biomass
- Wind

Eligibility Criteria and the process to select the Eligible Green Project Portfolio are set out in the UBI Banca Green, Social and Sustainable Bonds Framework (<https://www.ubibanca.it/pagine/Framework-IT.aspx>).

Iss-oekom, as Second Opinion Provider has released an opinion on the Framework and on the portfolio (<https://www.ubibanca.it/pagine/Obbligazioni-emesse-e-Second-Opinion.aspx>).

As provided by the Framework, UBI Banca created an internal “Sustainable Finance” working group to manage the process for the evaluation and the selection of the projects. The Group met quarterly to monitor the Eligible Projects portfolio and to replace some Eligible Projects where needed.

In accordance with the UBI Banca Green, Social and Sustainable Bonds Framework this document provides:

1. The UBI Banca Green Bond Allocation Report at 31.12.2020
2. The UBI Banca Green Bond Impact Report at 31.12.2020
3. Project examples
4. External auditors (Deloitte) - Limited Assurance Report

The Green Bond Report is a portfolio-based report, prepared in accordance with the ICMA Harmonized Framework for Impact Reporting first published in June 2019 and updated in December 2020.

The information reported refers to the Eligible Green Bond Portfolio as at 31/12/2020.

1. UBI Banca Green Bond Allocation Report 2020

ELIGIBLE GREEN BOND PORTFOLIO ALLOCATED - RENEWABLE ENERGY

RENEWABLE ENERGY COMPONENT	NUMBER OF LOANS	SIGNED AMOUNT ^a (mln €)	SHARE ATTRIBUTABLE TO UBI BANCA		
			ELIGIBILITY FOR GREEN BONDS	SHARE OF REFINANCING	AVG RESIDUAL LIFE (years)
SOLAR (73%)	19	366	100%	78%	9
WIND (18%)	9	91	100%	100%	7
BIOMASS (3%)	5	14	100%	100%	6
HYDRO (6%)	3	29	100%	98%	8
TOTAL	36	501	100%	84%	8

^a Total outstandings to loans that UBI Banca has identified as Eligible Green Loans in accordance with the UBI Banca Sustainable Bond Framework. The portfolio reporting contains only UBI Banca's portion of the loans provided in pool. External auditors (Deloitte) - Limited Assurance Report in relation to the Eligible Green Loan Portfolio and respective disclosed Amounts, is included on the following pages.

GREEN FUNDING

INSTRUMENT (ISIN)	ISSUANCE DATE	DUE DATE	AMOUNT (€M)	PERCENTAGE ALLOCATED TO ELIGIBLE GREEN LOAN PORTFOLIO
XS1979446843 ^b (Senior Preferred)	10/04/2019	10/04/2024	500	100%
TOTAL			500	100%

^b https://www.ubibanca.it/contenuti/RigAlle/UBI%20Banca_3%20aprile%202019%20def.pdf

2. UBI Banca Green Bond Impact Report 2020

UBI BANCA ELIGIBLE PROJECT CATEGORY	SIGNED AMOUNT ^c (mln €)	FINANCING ATTRIBUTABLE TO UBI BANCA ^d	SHARE ATTRIBUTABLE TO UBI BANCA		
			RENEWABLE ENERGY CAPACITY (MW)	ELECTRICITY ANNUAL GENERATION ^e (MWh)	ANNUAL GHG EMISSIONS AVOIDED ^f (Ton CO2e)
SOLAR	366	24%	234	311,168	151,539
WIND	91	16%	110	231,373	112,678
BIOMASS	14	63%	11	84,840	41,317
HYDRO	29	80%	17	58,312	28,398
TOTAL	501	23%	372	685,693	333,932

^c Amount legally committed by the issuer UBI Banca for the portfolio components eligible for Green Bond financing.

^d Share of the total project investment that is financed by the issuer.

^e In case of unavailability of the actual electricity production in 2020, the data is calculated considering the equivalent hours (Heq) factor for the type of plant (solar, wind, hydro) based on following sources: for solar energy the European Commission's Photovoltaic Geographical Information System; for wind and hydro energy the parameters to estimate producibility given for each specific installation in the due diligence phase".

^f Metric tonnes of CO₂ equivalent calculated for each project category according with the Italian Banking Association ABILAB Guidelines 2020, applying the National Residual Mix 2018 coefficient (see the European Residual Mixes 2018 document published by the Association of Issuing Bodies).

3. Project example

WIND PLANT PROJECT

Wind farm built in the Municipalities of Gasperina, Palermiti and Villafiorita (Calabria):

- Technology: onshore wind
- Commercial Operation Date: 30/06/2011
- Operating status: in regular commercial operation
- Loan tenor: dec-2030
- Capacity installed: 97.5 MW
- Total energy produced in 2020: 195,351 MWh
- Avoided CO_{2e} in 2020: 95,136 Tons



4. External auditors (Deloitte) - Limited Assurance Report**Deloitte.**Deloitte & Touche S.p.A.
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20144 Milano
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www.deloitte.it**INDEPENDENT AUDITOR'S REPORT
ON THE GREEN BOND REPORT****To the Board of Directors of
UNIONE DI BANCHE ITALIANE S.p.A.**

We have been engaged to perform a limited assurance engagement on the Use of Proceeds data and on the compliance with the framework of the selected eligible projects and of the reporting metrics, included in the Green Bond Report Financial Year 2020 (the "Report"). The Report has been prepared by Unione di Banche Italiane S.p.A. (the "Company") on the basis of the Green, Social and Sustainable Bonds Framework (the "Framework") issued on December 2018 and developed by the Company in accordance with the Green Bond Principles 2019 edition issued by ICMA (the "Principles"). The Report is related to the Green Bond issued on April 3, 2019.

Directors' Responsibility for the Report

The Directors are responsible for the preparation of the Report in accordance with the Framework, developed by the Company in accordance to the Principles. In particular, the Directors are responsible for the preparation of the Use of Proceeds data and of the compliance with the Framework of the selected Eligible Projects and of the reporting metrics.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine VeronaSede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.338.320,00 i.v.Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049520162 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049520162Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'Informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.© Deloitte & Touche S.p.A.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Report with the Framework. We conducted our work in accordance with the criteria established in the *International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Report is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Report are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following main procedures:

- analysis of the second party opinion which addresses the applicability of the eligible green loans portfolio allocated categories used in the preparation of the Use of Proceeds data and the environmental impacts;
 - analysis of the design and the implementation of the reporting processes and controls regarding the Use of Proceeds data and the environmental impacts related to the Green Bond;
 - interviews with the Management in order to understand criteria and processes underlying the generation, the detection and the management of relevant qualitative and quantitative information included in the Report;
 - reconciliation and verification of quantitative data included in the Report;
 - interviews with relevant staff at corporate and business level responsible for the Use of Proceeds and for the environmental impacts data gathering and consolidation;
 - sample analysis performed through the internal and external documentation gathering and analysis, in order to verify the coherence of the Use of Proceeds to the Green Bond Principles;
 - obtain the representation letter which certifies the accuracy and the completeness of the information included in the Report and of those provided to us.
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Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Use of Proceeds data and the compliance with the framework of the selected eligible projects and of the reporting metrics, included in the Report of Unione di Banche Italiane S.p.A. as of December 31, 2020, are not prepared, in all material aspects, in accordance with the Green, Social and Sustainable Bonds Framework.

DELOITTE & TOUCHE S.p.A.


Enrico Gazzaniga
Partner

Milan, Italy
March 26, 2021