

# Unipol Gruppo

## Introduction to the Green Bond Framework & Inaugural Green Bond Transaction

September 2020



## Investment Case

- # 1 NON-LIFE INSURANCE GROUP IN ITALY: 8.2 €bn premiums and a market share of 21%
- # 1 SALES NETWORK IN ITALY: 2,400 agencies
- # 1 TELEMATICS IN EUROPE: leader in Europe and 50% market share in Italy
- # 1 REPUTATION AMONG FIG IN ITALY: 1st in Reputation in the financial sector in Italy\*

## Key Figures (1H20)

- Group Net Result: 514 €m
- Total Premiums: 6,100 €m
- Group Solvency II Ratio: 1.88x
- Total Investments: 57.9 €bn
- Total Real Estate Portfolio: 3.9 €bn

## ESG Commitment

- First operator in the Italian insurance market to adopt non-financial reporting (1993) and to establish a specific CSR Board Committee in 2009
- Strong sustainability governance with effective involvement of Board of Directors, Board Committees, Top Management
- Now presenting a new Green Bond Framework in line with ICMA Principles and verified by Sustainalytics


## Envisaged Transaction

- New Issue: Unipol Gruppo Inaugural Senior Unsecured Green Bond (Ba2 by Moody's / BB+ by Fitch): EUR benchmark, intermediate/long maturity
- Liability Management Exercise: Any and all tender on Unipol Gruppo 317 €m Senior Unsecured 4.375% 03/05/2021


\*Source: 2020 Italy RepTrak® classification issued by The RepTrak Company on 25 June 2020




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# Group Highlights

## About us

### Leader in Non-Life

- 1st Non-Life insurance group in Italy with 8.2 €bn premiums and a market share of 21%
- ✓ Leader in Motor business with 4.2 €bn premiums and a market share of 24%
- ✓ Leader in Health business with 735 €m premiums and a market share of 23%

### Leader in Telematics

- 1st insurer in Europe as to MV black-boxes distribution, with a market share of 50% in Italy

### Leader in Pension Funds

- Leader in the Insurance Occupational Pension Funds Italian market, with 4.7 €bn AUM
- Among the key players in the Italian Life business with direct income of 5.8 €bn and a market share of 4.9%

### Claims Settlement Innovator

- Innovative approach to P&C claims settlement: telematics, reimbursement in kind, captive companies for spare parts/glasses

### Largest Agency Network

- 2,400 agencies in Italy (more than 20,000 agents/sub-agents) and ~100 branches in Serbia
- Multichannel strategy, including 5,000 banking branches (Bancassurance agreements with BPER, BPS, Unicredit and others) and Direct channel (Internet/telephone)
- 16 million customers

### Experienced Consolidator

- Successful track record in M&A and consolidation (2012 Fondiaria-Sai, 2003 Winterthur Italia, 2000 Aurora)

### Reliable Partner

- Track record in reaching financial targets over the last 3 strategic plans

2019 figures

**UNIPOL**

	FY18	FY19	1H19	1H20
Premium income <sup>a</sup>	12,349	14,014	7,294	6,100
Non-Life	7,953	8,167	4,109	3,927
Life	4,396	5,847	3,185	2,173
Combined ratio <sup>b</sup>	94.2%	94.2%	94.6%	82.1%
<b>Cons. net Result <sup>c</sup></b>	<b>613</b>	<b>732</b>	<b>353</b>	<b>617</b>
Group net Result <sup>c</sup>	440	569	270	514

	FY18	FY19	1H19	1H20
Total Equity	6,327	8,305	7,547	7,934
Shareholders' Equity	5,032	6,687	6,092	6,674

<sup>a</sup> Direct business. <sup>b</sup> Net of reinsurance.

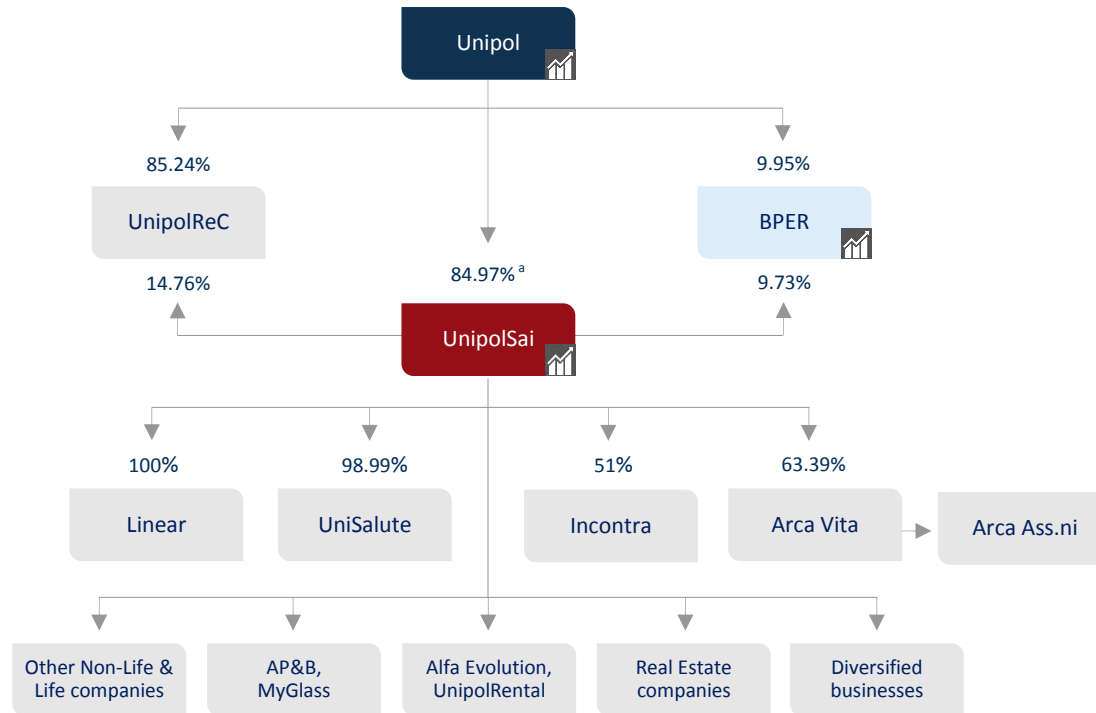
<sup>c</sup> FY18 norm. net of gain on Pop. Vita sale, write down on Unipol Banca and other perimeter changes. 1H19 norm. excluding the impact of the first consolidation of BPER (as restated at 30 June 2020). FY19 norm. excluding the impact of the first consolidation of BPER and of the solidarity fund.


<sup>d</sup> FY18 norm. net of gain on Pop. Vita sale and other perimeter changes. FY19 norm. excluding the impact of the solidarity fund.

**UNIPOLSAI**

	FY18	FY19	1H19	1H20
Premium income <sup>a</sup>	11,718	14,014	7,294	6,100
Non-Life	7,892	8,167	4,109	3,927
Life	3,826	5,847	3,185	2,173
Combined Ratio <sup>b</sup>	94.3%	94.2%	94.6%	82.1%
<b>Cons. net Result <sup>d</sup></b>	<b>699</b>	<b>721</b>	<b>377</b>	<b>560</b>
Group net Result <sup>d</sup>	652	694	364	545

	FY18	FY19	1H19	1H20
Total Equity	5,697	7,153	6,294	6,482
Shareholders' Equity	5,448	6,878	6,039	6,246



 Companies listed on the Italian Stock Exchange

<sup>a</sup> Including the shares held by Unipol Investment, UnipolPart I and Unipol Finance  
September 2020



# M&A Transactions involving Intesa Sanpaolo, UBI, BPER and UnipolSai

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## About us

### Intesa Sanpaolo – UBI Banca

- In February 2020 Intesa Sanpaolo launched a **public exchange offer** on UBI Banca, which ended on 30 July with 90.2% of the shares being tendered and Intesa Sanpaolo owning 91.0139% of UBI Banca and committing to acquire the remaining outstanding shares for 9.8% of UBI Banca's share capital

**As a result of this transaction, according to the agreement announced to the market on 17 February 2020 (as amended on 15 June 2020):**

### BPER

- BPER will purchase a going concern from Intesa Sanpaolo consisting of **532 branches** mainly located in Northern Italy, including the following:
  - ✓ **over 1 million customers**
  - ✓ approx. 29 €bn customer deposits and 31 €bn indirect funding
  - ✓ approx. 26 €bn net loans
  - ✓ risk-weighted assets (RWA) not higher than 15.5 €bn
- On 7 August 2020 BPER obtained authorisation from the Italian Antitrust Authority to proceed with this acquisition
- On 2 September 2020 BPER received the authorization from the ECB for the acquisition
- The consideration for the going concern will be paid in cash, and financed through a **rights issue** for up to 1 €bn. UnipolSai and Unipol will subscribe to their proportion of BPER's capital increase

### UnipolSai

- UnipolSai will purchase, subject to clearance by the competent authorities, going concerns including life insurance policies, certain assets and liabilities and legal relations of the banking business customers of BancAssurance Popolari (entirely owned by UBI Banca) and Lombarda Vita and Aviva Vita, in case UBI Banca will re-acquire control of the bancassurance vehicles
- The **consideration** will be based on the same valuation criteria applied by UBI Banca for the repurchase of the control stakes of Lombarda Vita and Aviva Vita, and on the book value for BancAssurance Popolari
- The **closing of the deal** is expected to take place in 2021

# COVID-19 Action Plan Approach

## About us

Crisis response focused on key objectives for Stakeholders and management actions aimed to ensure operations and preserve profitability

### Business continuity Employee safety

- **Remote working** mechanisms for almost all employees (enabled within just a few weeks)
- Distribution of personal protective equipment and increased sanitization of premises
- Dedicated **health coverage**, 24/7 medical advice and COVID consultation through UniSalute

### Support to the Agency Network

- Advance payment of **incentives**, suspension of recoveries and interest-free financial lending program
- Extension of **digital tools** (e.g. digital signature), fully digital sales processes and usage and centralised task force providing continuity for agencies forced to suspend operations
- Distribution of personal protective equipment and **dedicated health coverage**, 24/7 medical advice and COVID consultation through UniSalute

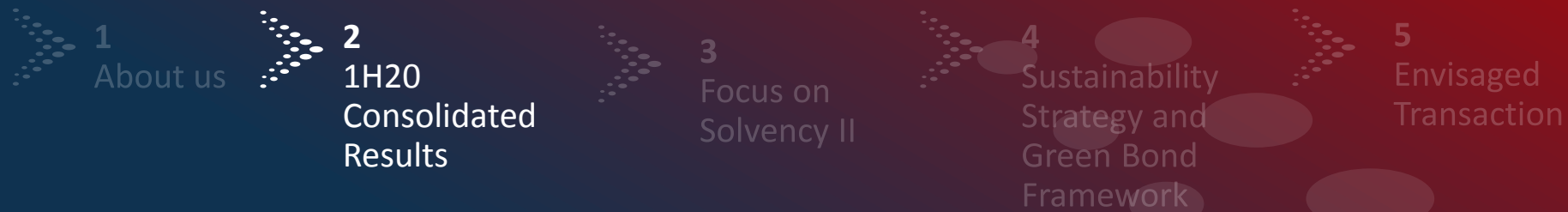
### Support to the Customers

- Payment **deadline extensions** and suspension of non-motor margin recovery actions
- Extension of **health coverage guarantees**, free of charge, for COVID patients and dedicated health coverage, 24/7 medical advice and COVID consultation through UniSalute
- Launch of the **#UnMesePerTe** campaign: 1 month discount on motor policies at renewal. It has been conceived as a significant strategic, commercial and reputational initiative
- Covid-dedicated coverage, with the introduction of dedicated **welfare products**: #AndràTuttoBene (target SME), #AndràTuttoBene Premium (target Retail), #AndràTuttoBeneFree free for Non-Life renewals during March, April and May
- Launch of **#SicuriRipartiamo**, a package of services – such as medical services at lower tariffs – dedicated to enterprises that want to resume business in all safety, ensuring the protection of their employees' health
- Renewal payments through **Reserved Area and APP**
- Activation of electronic payment methods

### Support to the Community

- In 1Q20 UnipolSai Assicurazioni accounted for **donations of about 20 €m** to the community to help combat the emergency; these resources were allocated, in cooperation with the authorities, to increase the number of beds in hospitals, especially in intensive care and semi-intensive care units, and to purchase the necessary healthcare equipment in the areas most affected in Italy (Lombardia, Piemonte, Emilia-Romagna and Marche)
- Further donations were made to the State Police, the Carabinieri, the Finance Police and the Firefighters in order to support their important activities in the territory







# Results by sector

## 1H20 Consolidated Results

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€m

### UNIPOL

	1H19 <sup>a</sup>	1H20
Consolidated pre-tax result	473	753
<i>Non-Life</i>	386	810
<i>Life</i>	139	14
<i>Holding and other</i>	-51	-70
<b>Consolidated net result</b>	<b>353</b>	<b>617</b>
Group net result	270	514

### UNIPOLSAI

	1H19	1H20
Consolidated pre-tax result	501	789
<i>Non-Life</i>	387	805
<i>Life</i>	140	15
<i>Other</i>	-25	-30
<b>Consolidated net result</b>	<b>377</b>	<b>560</b>
Group net result	364	545

<sup>a</sup> Normalised figures excluding the impact of the first consolidation of BPER, as restated at 30 June 2020 (176 €m in *Non-Life* and 244 €m in *Holding and other* sectors)

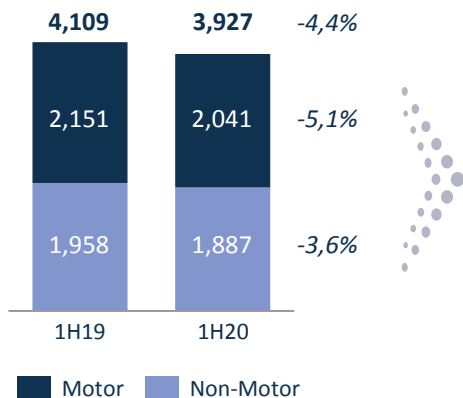
# Non-Life Premiums – Direct Business

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## 1H20 Consolidated Results

€m

### Premiums



### Premiums by Business Line

	€m	%	Var%
<b>Mobility</b>	<b>2,207</b>	<b>56%</b>	<b>-4.7%</b>
Motor	2,041	52%	-5.1%
Other	166	4%	+1.7%
<b>Welfare</b>	<b>684</b>	<b>17%</b>	<b>-4.4%</b>
Health	350	9%	-7.9%
Accident	334	9%	-0.4%
<b>Property</b>	<b>1,037</b>	<b>26%</b>	<b>-3.9%</b>
Property	568	14%	-1.7%
General TPL	324	8%	-6.5%
Other	145	4%	-6.4%
<b>Total</b>	<b>3,927</b>	<b>100%</b>	<b>-4.4%</b>

### Premiums by Company

	€m	%	Var%
UnipolSai S.p.A.	3,354	85%	-3.6%
UniSalute	239	6%	+0.2%
Linear	96	2%	+0.3%
Incontra	51	1%	-50.0%
Arca Assicurazioni	69	2%	-1.0%
Siat	71	2%	-8.4%
DDOR	47	1%	+6.0%
<b>Total</b>	<b>3,927</b>	<b>100%</b>	<b>-4.4%</b>

### Premiums by Distribution Channel

	€m	%	Var%
Agents	3,160	80%	-4.1%
Brokers/Head Off.	502	13%	+1.4%
Bancassurance	120	3%	-30.2%
Direct and other	146	4%	+0.2%
<b>Total</b>	<b>3,927</b>	<b>100%</b>	<b>-4.4%</b>

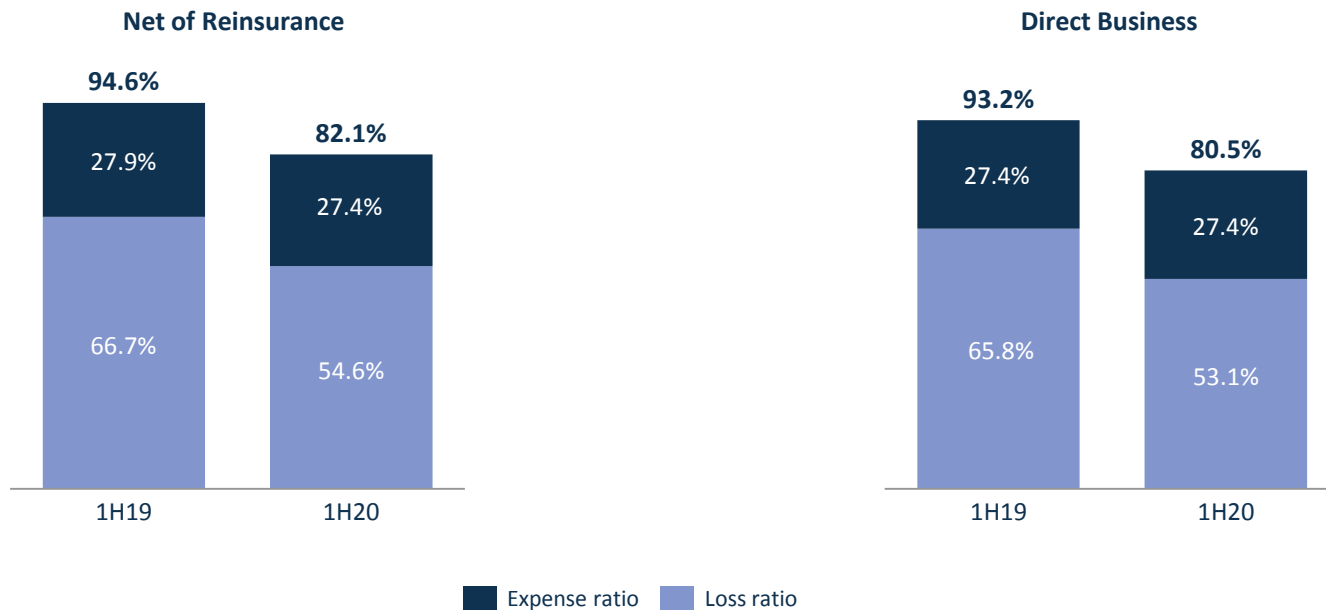
Operating figures



# Non-Life Combined Ratio

1H20 Consolidated Results

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Combined ratio net of reinsurance: operating expenses/earned premiums after reinsurance + claims charges/earned premiums after reinsurance

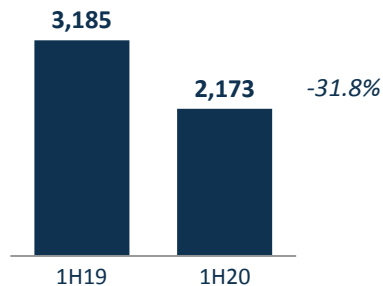
Combined ratio direct business: operating expenses/written premiums direct business (before reinsurance) + claims charges /earned premiums direct business (before reinsurance)

Operating figures



€m

### Direct Premium Income



### Premiums by Company

	€m	%	var%
UnipolSai S.p.A.	1,507	69%	-35.3%
Arca Vita + AVI	632	29%	-22.1%
Other companies	35	2%	-26.3%
<b>Total</b>	<b>2,173</b>	<b>100%</b>	<b>-31.8%</b>

### Premiums by Line of Business

	€m	%	var%
Traditional	1,350	62%	-24.4%
Unit linked	230	11%	+50.7%
Pension funds	336	15%	-64.9%
Capitalization	258	12%	-11.6%
<b>Total</b>	<b>2,173</b>	<b>100%</b>	<b>-31.8%</b>

### Premiums by Distribution Channel

	€m	%	var%
Agents	687	32%	-20.4%
Bancassurance/Fin. advisors	672	31%	-30.4%
Pension funds	307	14%	-66.7%
Brokers/Head office	475	22%	+11.1%
Other	33	2%	+290.9%
<b>Total</b>	<b>2,173</b>	<b>100%</b>	<b>-31.8%</b>

Operating figures



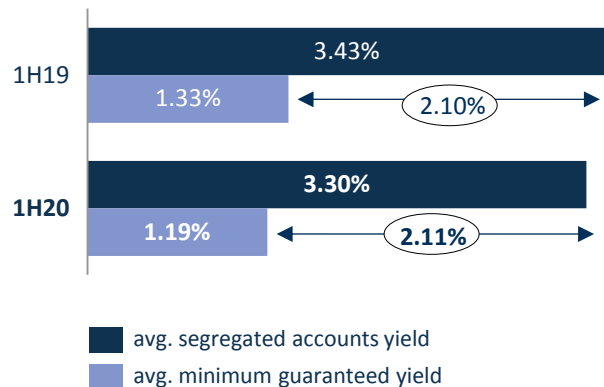
# Life Segregated Accounts and Minimum Guaranteed Yields

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## 1H20 Consolidated Results

€m

### Segregated Accounts and Minimum Guaranteed Yields



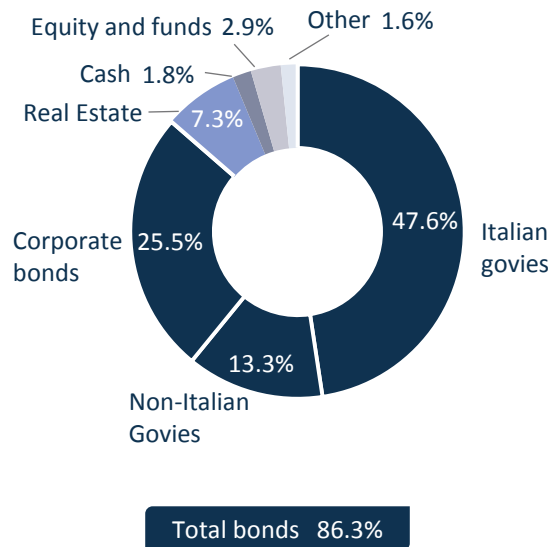
### Technical Reserves by Minimum Guaranteed <sup>a</sup>

	FY19		1H20	
Min. guar. yield	€bn	%	€bn	%
0%-1%	17.6	54%	19.0	57%
1%-2%	7.5	23%	7.0	21%
2%-3%	5.4	17%	5.3	16%
>3%	2.2	7%	2.1	6%
<b>Total</b>	<b>32.7</b>	<b>100%</b>	<b>33.4</b>	<b>100%</b>

<sup>a</sup> Class 1 and Class 5 technical reserves  
Operating figures



### Total Investments 57.9 €bn



### Financial Investment Yields

	Total		o/w Non-Life		o/w Life	
	€m	Yield	€m	Yield	€m	Yield
Coupons and dividends	736	3.1%	163	2.7%	568	3.2%
Realized/unrealized gains/losses	-48	-0.2%	0	0.0%	-40	-0.2%
<b>Total</b>	<b>687</b>	<b>2.9%</b>	<b>163</b>	<b>2.7%</b>	<b>528</b>	<b>3.0%</b>

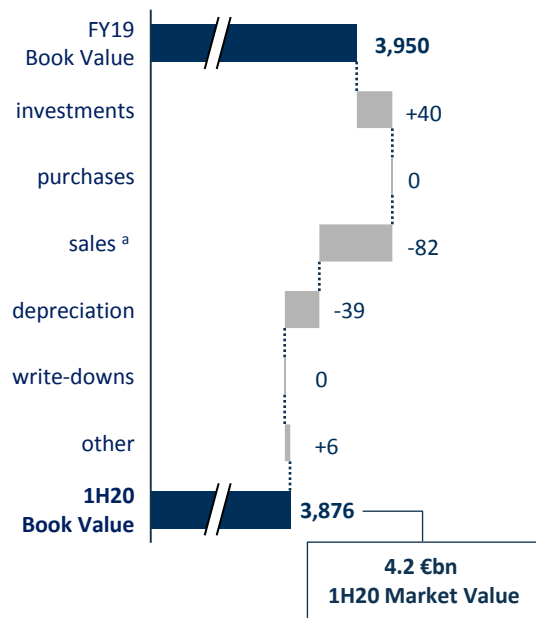
### Total Investments Duration (years)

	Total	Non-Life	Life
Assets	6.3	3.1	7.7
Liabilities	7.3	2.8	9.1
<i>Mismatch</i>	<i>-0.5</i>	<i>0.8</i>	<i>-0.9</i>

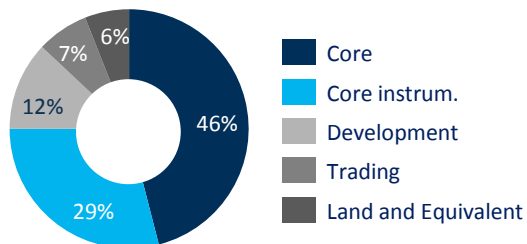
Market value  
Operating figures



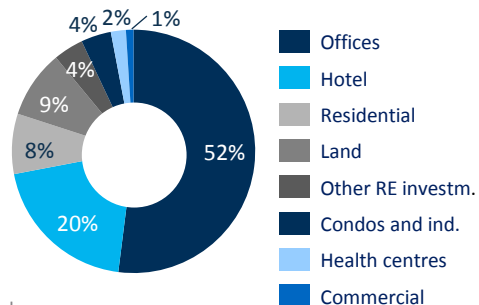
#### Development of RE Portfolio (€m)



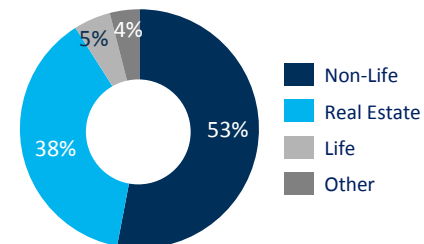
#### Breakdown by Cluster



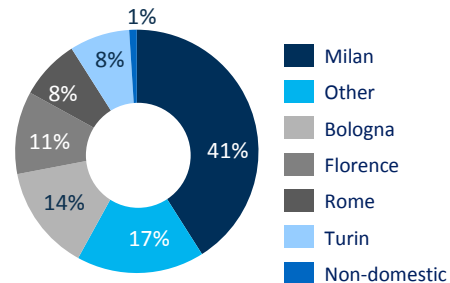
#### Breakdown by Use



#### Breakdown by Sector



#### Breakdown by Area



<sup>a</sup> N. 11 deeds as at 30 June 2020. incl. reimbursement of shares in RE funds.  
Operating figures, book value





### Bad Loans Stock

	FY19	1H20
Gross loans	3,465	3,286
Net loans	516	475
Coverage ratio	85%	86%

### Bad loans Collection

	1H19	1H20
Collections	59	54
Bad Loans reduction (GBV)	191	179
Collections/GBV	31%	30%

### KPIs

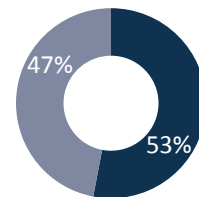
	1H19	1H20
Net result	9.7	4.1

	FY19	1H20
Debt	155	113
Total Equity	434	438



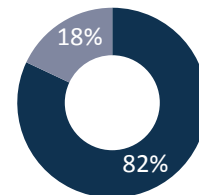
### Portfolio Breakdown



■ Secured loans  
■ Unsecured loans



### Collections Breakdown



■ Secured loans  
■ Unsecured loans



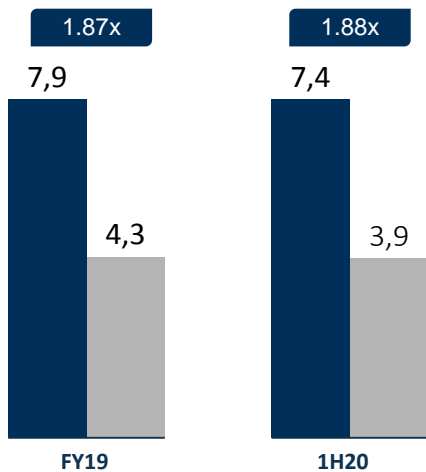
# Strong and resilient Solvency II ratios

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Focus on Solvency II

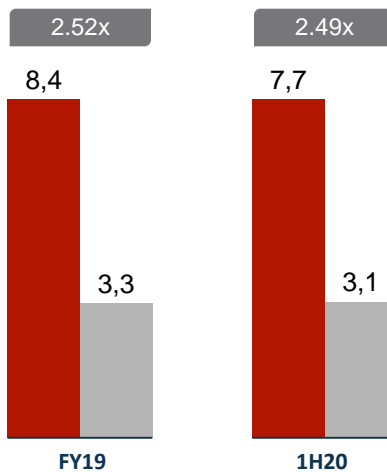
€BN

UNIPOL PARTIAL INTERNAL MODEL



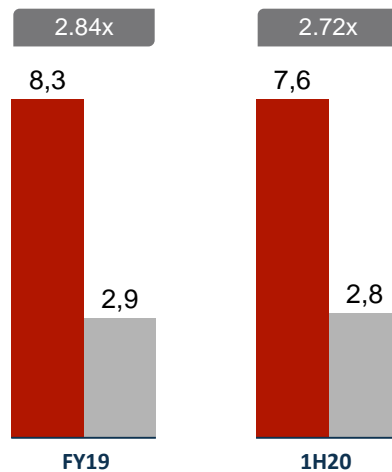
Own Funds SCR

UNIPOLSAI ECONOMIC CAPITAL MODEL (consolidated)



Own Funds SCR

UNIPOLSAI PARTIAL INTERNAL MODEL (solo)



Own Funds SCR

Unipol Gruppo didn't pay dividend  
FY19 UnipolSai's figures are net of dividends

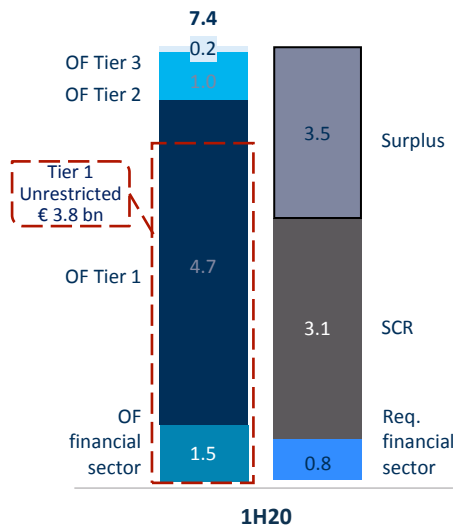


# Own funds and SCR details

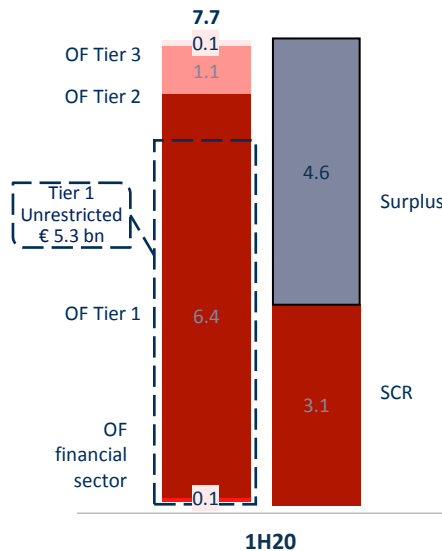
Focus on Solvency II

€BN

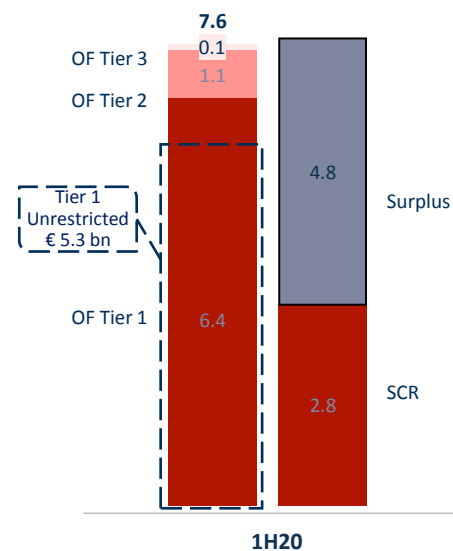
UNIPOL PARTIAL INTERNAL  
MODEL



UNIPOLSAI ECONOMIC CAPITAL  
MODEL (consolidated)



UNIPOLSAI PARTIAL INTERNAL  
MODEL (solo)

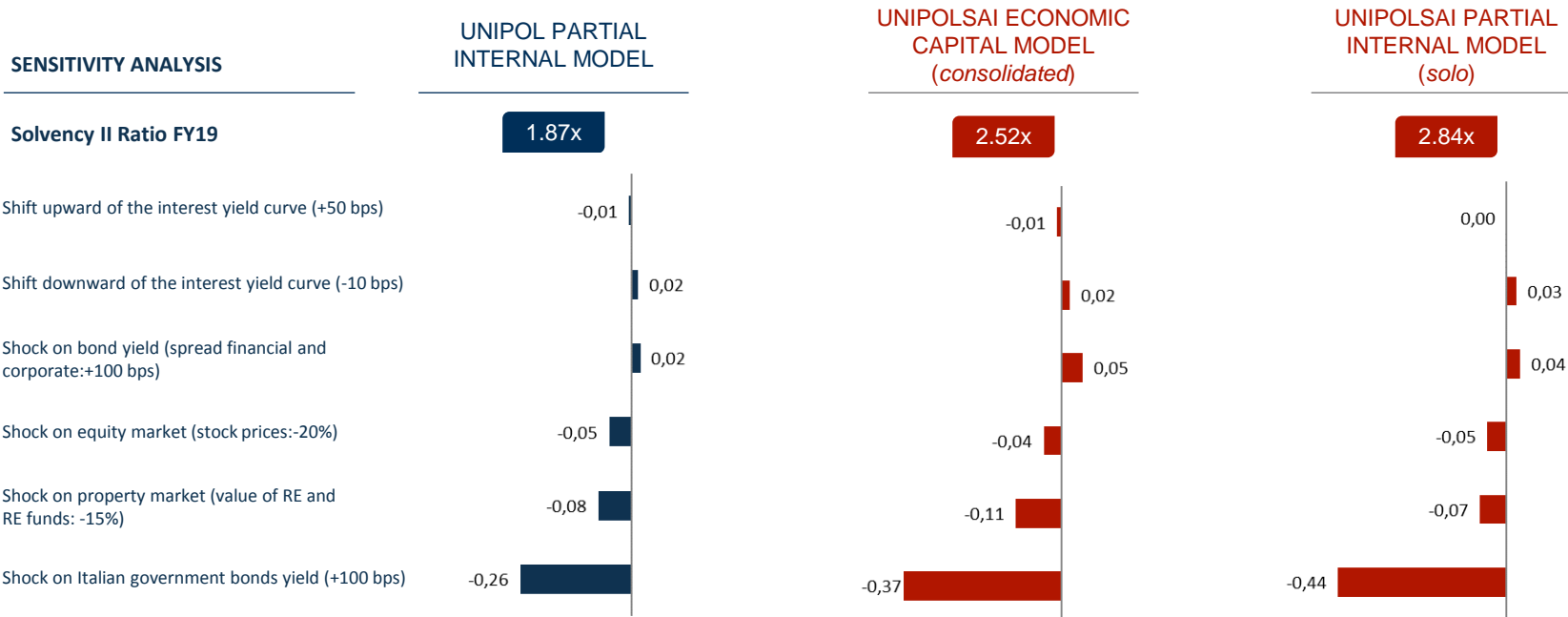


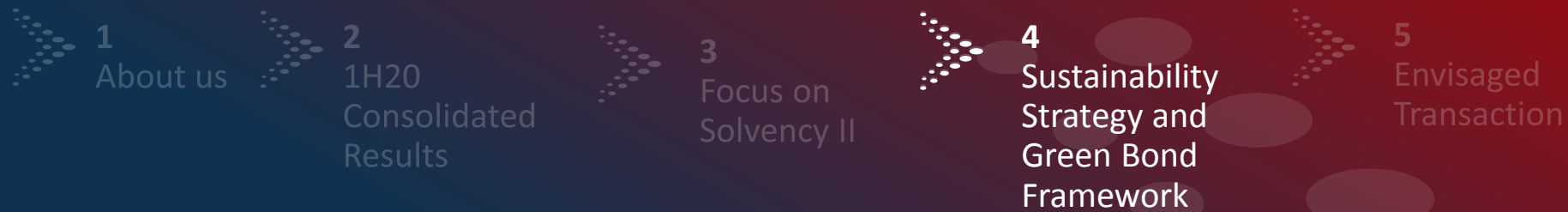


# Solvency ratio resilient against major market shocks

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## Focus on Solvency II



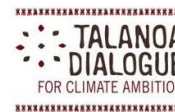


# Sustainability and ESG management: our commitment

## Sustainability Strategy and Green Bond Framework

- First operator in the Italian insurance market to adopt **non-financial reporting** (First Social Report of Unipol Assicurazioni S.p.a. was published in 1993) and to establish a specific **CSR Board Committee** in 2009
- Strong sustainability governance with effective involvement of Board of Directors, Board Committees, Top Management
- Solid ESG integration approach:
  - Group Sustainability Policy, approved by the Board in March 2018, through which the Group undertakes to protect fundamental human rights, safeguard the environment and fight against climate change, improving the ESG Risks management;
  - ESG risks and opportunities management integrated in main business (Board approved) Policies: Risk, Investment, Underwriting, Outsourcing, Personal Data protection and enhancement.
- Climate strategy:
  - **decarbonisation** of new investments and support to low-carbon economy transition through responsible investments;
  - development of products and services aimed to increase customer adaptation capacity and resilience and exclusion of coal mining companies from underwriting activities;
  - commitment to reduce direct environmental impacts by decreasing the average CO<sub>2</sub> production per employee for all Group companies by -7% from the value of the base year 2018 to the end of the Strategic Plan in 2021.

SIGNATORY OF









# Shared Value and Sustainable Development Targets on 2019 – 2021 Strategic Plan

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## Sustainability Strategy and Green Bond Framework

Contribution towards reaching the UN 2030 Agenda Sustainable Development Goals		Creation of concrete and measurable value		2018	2021
<b>3 GOOD HEALTH AND WELL-BEING</b> 	<ul style="list-style-type: none"> <li>➤ Accessible solutions that integrate with public welfare, extending protection to a broader public and taking action in prevention</li> <li>➤ Widening distribution channels to reach new underinsured segments</li> </ul>	<b>Share of products with environmental and social value</b> Increase the penetration of products with social and environmental impact on the overall insurance portfolio <i>Premiums for products with a social and environmental impact on the total of the corresponding product families</i>		22.7%	30%
	<ul style="list-style-type: none"> <li>➤ Support for boosting the business and resilience of the agencies</li> <li>➤ Development of predictive models for climate risk for companies to increase the resilience of various sectors</li> </ul>				
	<ul style="list-style-type: none"> <li>➤ Integrated mobility products and services for individuals and companies, for greater security and sustainability of towns and people, also by exploiting the value of data generated through public-private partnerships</li> </ul>				
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 		<b>Finance for the SDGs</b> Increase in thematic investments for the SDGs <i>Invested in support of Agenda 2030, in accordance with the upcoming EU Taxonomy rules</i>		326 €m	600 €m
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 		<b>Reputational index</b> Public perception of the company in the various sectors in which it operates <i>Reputation score among general public, according to RepTrak® methodology</i>		69	> average insurance business
<b>13 CLIMATE ACTION</b> 	Contribution towards the Goal 13 “Climate action” is transversal to the defined actions (as highlighted in “Climate strategy” section of Unipol Green Bond Framework and in “Unipol and Climate Change” Report)				







# Unipol Green Bond Framework

## Sustainability Strategy and Green Bond Framework

The Framework is consistent with Unipol “Shared Value and Sustainable development” strategy, Group Sustainability Policy and Group Investment Policy SRI.

### 1. Use of proceeds

Eligible Asset Categories:

- Green Buildings
- Renewable Energy
- Energy Efficiency
- Environmental Sustainable Management of living natural resources and land use
- Clean Transportation

### 2. Asset evaluation and selection

- Analysis of eligibility by a dedicated function in Finance Department (“Alternative investment management, financial innovation and SRI”) and specific skilled team in Real Estate Department
- Verification and selection of eligible green asset by Green Bond Working Group
- Final approval by relevant Unipol Gruppo / UnipolSai Committees

### 3. Management of proceeds

- 3 years look-back period
- Management of proceeds on a portfolio approach
- Monitoring twice a year by Green Bond Working Group to confirm the allocation of proceeds in accordance with the Framework





### 4. Reporting

- Green Bond Report with allocation and impact sections
- Limited assurance by an independent auditor on the allocation of the Green Bond proceeds, the adherence to the selection criteria and the environmental impact metrics
- Annually until full allocation of the proceeds



# Focus on Eligible Green Assets and Reporting / 1

## Sustainability Strategy and Green Bond Framework



Eligible Categories	Eligible Green Assets	SDG	Output and Impact Metrics	
<b>GREEN BUILDINGS</b>	<p>Construction, development, operation, acquisition and maintenance of commercial and residential buildings that</p> <ul style="list-style-type: none"> <li>meet recognized standards of certifications</li> <li>significantly reduce their energy consumption due to renovation processes</li> </ul>		<ul style="list-style-type: none"> <li>Number of new construction / upgrading of buildings</li> <li>Number of certification obtained / breakdown by label and level</li> </ul>	<ul style="list-style-type: none"> <li>Estimated annual energy savings in MWh/GWh (electricity)</li> <li>Estimated annual reduced and/or avoided emissions in tons of CO<sub>2</sub>e</li> </ul>
<b>RENEWABLE ENERGY</b>	<ul style="list-style-type: none"> <li>Onshore and offshore wind energy</li> <li>Solar energy, including photovoltaic</li> <li>Hydropower</li> <li>Geothermal facilities</li> </ul>	 	<ul style="list-style-type: none"> <li>Breakdown of renewable energy asset by energy type</li> <li>Total installed capacity in MW</li> </ul>	<p>Estimated annual reduced and/or avoided emissions in tons of CO<sub>2</sub>e</p>
<b>ENERGY EFFICIENCY</b>	<ul style="list-style-type: none"> <li>Energy efficient heating and cooling systems</li> <li>Energy efficient lighting and appliances</li> <li>Smart grid investments</li> <li>Centralized energy control systems</li> <li>Energy storage systems</li> </ul>		<p>Number of assets / projects financed and breakdown by type</p>	<ul style="list-style-type: none"> <li>Estimated annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)</li> <li>Estimated annual reduced and/or avoided emissions in tons of CO<sub>2</sub>e</li> </ul>



# Focus on Eligible Green Assets and Reporting / 2

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## Sustainability Strategy and Green Bond Framework

Eligible Categories	Eligible Green Assets	SDG	Output and Impact Metrics	
<b>ENVIRONMENTAL SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE</b>	Sustainably managed forests and forest products certified by credible third-party		Total surface of certified forests (hectares) and breakdown by Country / region	Estimated tons of CO2 sequestered by the financed activities
<b>CLEAN TRANSPORTATION</b>	<p>Public Transport</p> <ul style="list-style-type: none"><li>• Rolling stock and vehicles for electrified public transport</li><li>• Buses with no direct emissions</li><li>• Hybrid buses</li><li>• Transportation infrastructure</li></ul> <p>Private Transport</p> <ul style="list-style-type: none"><li>• Electric vehicles</li><li>• Hybrid vehicles</li><li>• Charging stations</li></ul>		<ul style="list-style-type: none"><li>• Number of assets / projects financed and breakdown by type</li><li>• Number of km of clean transportation infrastructure financed</li></ul>	Estimated annual reduced and/or avoided emissions in tons of CO <sub>2</sub> e

# Focus on Green Bond Governance

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## Sustainability Strategy and Green Bond Framework

### Green Bond Working Group

- Verifies that the proposed assets allocations are aligned with the Unipol Gruppo Investment Policy SRI
- Verifies that the existing and proposed pools of Eligible Green Assets are aligned with the Eligible Categories Criteria defined
- Monitors the eligible asset during the life of the Green Bond
- Reviews Green Bond Report
- Monitors developments in the Green Bond and Sustainability Bond sector, and in the field of Sustainable Finance

#### Composed of:

- UnipolSai Finance department
- UnipolSai Real Estate department
- UnipolSai Sustainability department

### Unipol Gruppo / UnipolSai Committees

Group Investment Committee / UnipolSai Investment Committee / UnipolSai Real Estate Committee (depending on issuer and related type of assets):

- Approve proposal by Green Bond Working Group on assets to be financed by Green Bonds proceeds
- Approve removal from Eligible Assets of assets that no longer meet eligibility criteria proposed by Green Bond Working Group
- Approve Green Bond Reports

# Second Party Opinion by Sustainalytics

## Sustainability Strategy and Green Bond Framework

### 1. Use of proceeds

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that Unipol's investments in these areas will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 11 and 15.

### 3. Management of proceeds

Unipol will track and monitor the net proceeds through its internal accounting system. Unipol's Green Bond Working Group will manage net proceeds using a portfolio approach and will ensure, on an at least biannual basis, that the amount of Eligible Green Assets matches or exceeds the amount of green bonds proceeds outstanding. Pending allocation, bond proceeds may be invested in money market instruments in line with the Group's liquidity policy. This process is in line with market practice.

### 2. Asset evaluation and selection

Unipol has established a Green Bond Working Group, led by Unipol Gruppo Head of Finance and consisting of representatives from UnipolSai Finance, Real Estate and Sustainability departments. The Green Bond Working Group is responsible for assessing the proposed assets and projects against the criteria listed under the Framework. Final approval for project selection is provided by the Group Investment Committee, UnipolSai Investment Committee and UnipolSai Real Estate Committee. Sustainalytics considers the project selection process in line with market practice.

### 4. Reporting

Unipol will report on allocation and impact metrics on an annual basis, until full allocation or in case of any material changes. This report will be made available on its website as well as through relevant Company reports. Sustainalytics views Unipol allocation and impact reporting as aligned with market practice.



## Examples of Eligible Green Assets / 1 – Renewable Energy / Energy Efficiency / Forestry Funds <sup>30</sup>

### Sustainability Strategy and Green Bond Framework

**The Renewable Energies Funds** invest in sustainable, globally installed technologies for power generation: onshore wind (Continental Europe & Scandinavia, with a capacity from 10 to 340 MW), offshore wind (Germany, with an average capacity of 330 MW), solar (in Continental Europe and UK, with a capacity from 10 to 170 MW) and mini-hydro (plants in Norway and Portugal, with a capacity lower than 5 MW).

**Energy Efficiency Funds** invest in Italian projects related to the public lighting LED-replacement, co and tri-generation plants and heating services through boilers and heat pumps run on biogas.

**Forestry Funds** invest in U.S. (pine sawtimber and chip-n-saw, average size of 3125 hectares) and Ireland (sitka spruce, average size of 25 hectares) with a continuous cover forestry approach, allowing the forests to maintain the same age through time, by implementing a selective harvesting and a concurrent replanting, according to SFI (Sustainable Forestry Initiative) Forest Management Standard.

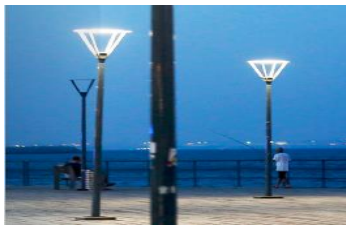
Offshore Wind Farm (Germany)



Utility Scale Solar Plant (Spain)



Public Lighting – LED (Italy)



Boilers (Italy)



Pine Forest (Alabama, US)



Sitka Spruce Forest (Ireland)





# Examples of Eligible Green Assets / 2 - UnipolSai HQ Tower

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## Sustainability Strategy and Green Bond Framework



### Project description

The UnipolSai Tower is the latest piece of a larger urban redevelopment project in the Porta Nuova district, which is radically changing Milan by equipping it with a financial district worthy of the major European capitals. The building extends over 35,000 square meters and 120 m high, with 22 floors above ground and three underground. The nest model of the elliptical façade in steel, wood and glass will house commercial spaces, a 270-seat auditorium, offices and a panoramic roof garden with an area dedicated to public and cultural events. A large volume on the south side, 75 m high, serves as the main entrance and as a "climate control" area to ensure the efficiency of ventilation through the public interior spaces. The double skin envelope is a dynamic system that insulates the building during the winter and prevents overheating during the summer. The envelope is visually marked by a steel and glass canopy, a distinctive element of the building for mitigating atmospheric agents. All these features – together with solar panels on the upper façade and a dual rainwater collection system – allow the building to aim for LEED Platinum certification.

### Key Features



**SOLAR  
PANELS IN  
FAÇADE**



**DOUBLE SKIN  
FAÇADE  
SYSTEM**



**BIOCLIMATIC  
GREENHOUSE**



**RAINWATER  
RECOVERY**



**CLIMATE  
CONTROL  
HALL**



**LEED PLATINUM  
(confirmed target)**







# Inaugural Green issue & Tender – Summary terms and conditions /1

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## Envisaged transaction

### ➤ Indicative T&C of the Inaugural Green Bond

<b>Issuer</b>	Unipol Gruppo S.p.A.
<b>Issuer Ratings</b>	Ba2 Stable by Moody's / BBB- Stable by Fitch
<b>Expected Issue Rating</b>	Ba2 by Moody's / BB+ by Fitch
<b>Format / Status</b>	Senior Unsecured and Unsubordinated Green Notes
<b>Currency / Size</b>	EUR Benchmark
<b>Maturity</b>	Intermediate / long
<b>Use of Proceeds</b>	To finance or refinance, in whole or in part, Green Eligible Projects according to the Issuer's Green Bond Framework which is available on the Issuer's website
<b>Second Party Opinion</b>	Sustainalytics
<b>Joint Bookrunners</b>	BNP Paribas, IMI-Intesa Sanpaolo, J.P. Morgan, Mediobanca and UniCredit
<b>Docs</b>	Issued off the Issuer's EUR 3 billion EMTN Programme dated 11 September 2020
<b>Law / Listing</b>	English / Luxembourg Stock Exchange's Regulated Market



# Inaugural Green issue & Tender – Summary terms and conditions /2

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## Envisaged transaction

### ➤ Tender Overview and Expected Timeline

<b>Target Notes</b>	4.375% due 5 March 2021 (XS1041042828)
<b>Status</b>	Senior Unsecured
<b>Amount Issued / Outstanding</b>	EUR 500,000,000 / EUR 317,352,000
<b>Rationale</b>	The Invitation is made as part of the Offeror's ongoing prudent management of its liabilities to enable it to proactively manage its refinancing requirements
<b>Purchase Price</b>	101.93%
<b>Target Amount</b>	Any and all
<b>New Issue Condition</b>	Invitation is subject, without limitation, to the pricing and successful completion of an offering of new notes
<b>Expected Timeline</b>	<ul style="list-style-type: none"><li>• Commencement of the Invitation Period: 14 September 2020</li><li>• Invitation Expiration: 5.00 P.M. CEST on 18 September 2020</li><li>• Announcement of Invitation Results: As soon as practicable on 21 September 2020</li><li>• Settlement Date: Expected to be on 25 September 2020</li></ul>
<b>Documentation Requests</b>	To be directed to Lucid Issuer Services Ltd acting as the Tender Agent at +44 20 7704 0880 / unipol@lucid-is.com
<b>Dealer Managers</b>	BNP Paribas, IMI-Intesa Sanpaolo, J.P. Morgan, Mediobanca and UniCredit



## Appendix

# Outstanding debt instruments

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## Appendix

- € thousand

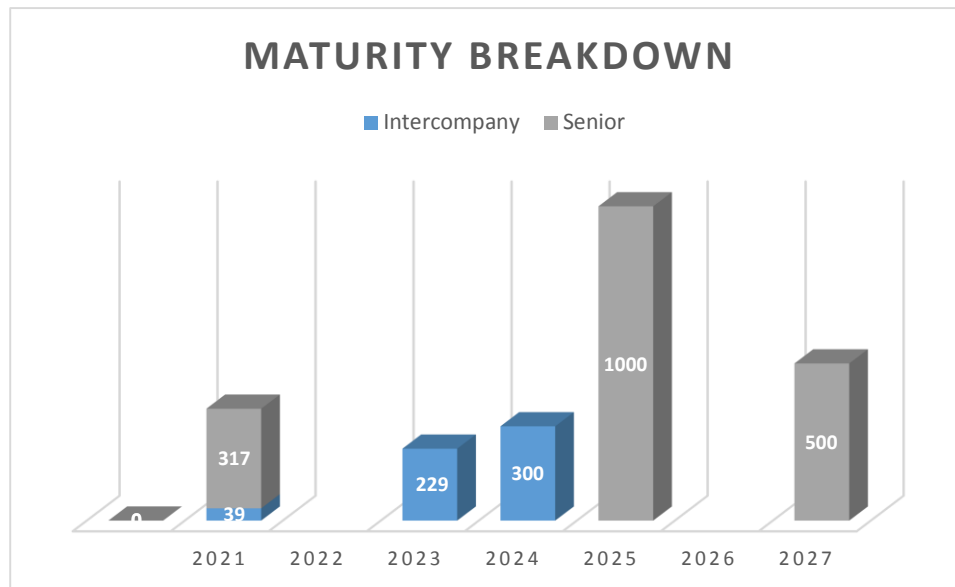
Issuer	Lender	Issue date	Maturity	Outstanding 30/06/2020	Coupon	Tiering
Unipol Gruppo	MKT	05/03/14	05/03/21	317,352	4.375%	Senior
Unipol Gruppo	MKT	18/03/15	18/03/25	1,000,000	3.000%	Senior
Unipol Gruppo	MKT	29/11/17	29/11/27	500,000	3.500%	Senior
UNIPOL TOTAL DEBT (SENIOR)				1,817,352		
UnipolSai	MKT	15/06/01	15/06/21	300,000	Euribor 3M+250bps	Tier 2
UnipolSai	MKT	28/07/03	28/07/23	261,689	Euribor 3M+250bps	Tier 2
UnipolSai	MKT	01/03/18	01/03/28	500,000	3.875%	Tier 2
UNIPOLSAI TOTAL SUB. TIER 2				1,061,689		
UnipolSai	MKT	18/06/14	18/06/24	750,000	5.750%	Tier 1
UnipolSai *	Mediobanca	24/07/03	24/07/23	320,000	Euribor 6M+251.5bps	Tier 1
UNIPOLSAI TOTAL SUB. TIER 1 RESTRICTED				1,070,000		
UNIPOLSAI TOTAL DEBT (SUBORDINATED)				2,131,689		



# Unipol Group total debt

## Appendix

- € million



## Appendix

- € million

Unipol Gruppo	30/06/2020
Cash	39
Short Term Investment	531
Bond	255
Equity <sup>1</sup>	111
<b>Total Assets</b>	<b>935</b>
Intercompany loan vs UnipolSai	568
Senior debt mat. 03/21	317
Senior debt mat. 03/25	1,000
Senior debt mat. 11/27	500
<b>Total debt</b>	<b>2,385</b>
<b>Net financial Debt</b>	<b>-1,450</b>

<sup>1</sup> Mark to market

## UnipolSai

Moody's (last update: 8/9/20)	Fitch Ratings (last update: 7/5/20)	A.M. Best (last update: 10/7/20)
<b>Baa3 / stable</b> (insurance financial strength rating)	<b>BBB / stable</b> (insurance financial strength )	<b>A- / stable</b> (financial strength rating)
<b>Ba2 / stable</b> (subordinated debt due 2028)	<b>BB+</b> (subordinated debt due 2021 and 2023)	<b>a- / stable</b> (issuer credit rating)
<b>Ba3 / stable</b> (junior subordinated debt perpetual)	<b>BB</b> (subordinated debt due 2028 and junior subordinated debt perpetual)	

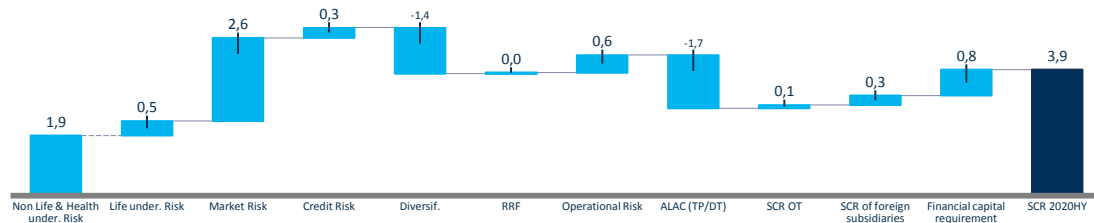
## Unipol Gruppo

Moody's	Fitch Ratings
<b>Ba2 / stable</b> (long term issuer rating)	<b>BBB- / stable</b> (long term issuer default rating)
<b>Ba2 / stable</b> (senior unsecured debt)	<b>BB+</b> (senior unsecured debt)

# Breakdown of solvency capital requirement

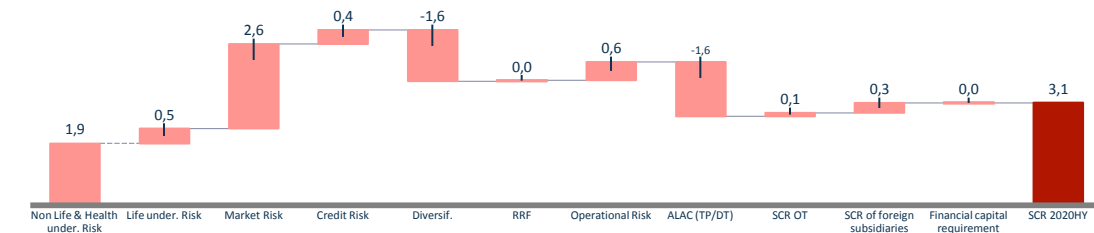
## Appendix

• €bn



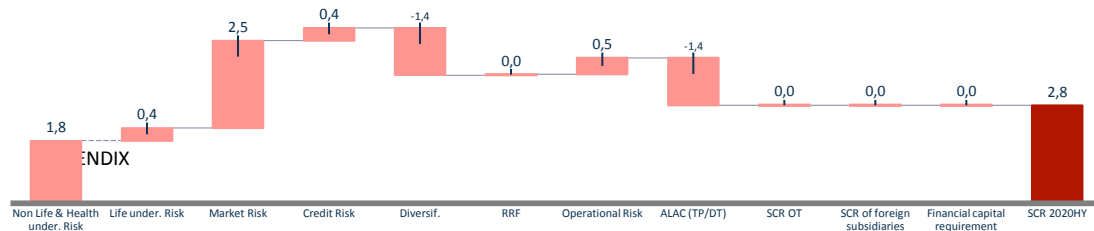
### UNIPOL PARTIAL INTERNAL MODEL

1H20



### UNIPOLSAI ECONOMIC CAPITAL MODEL (consolidated)

1H20



### UNIPOLSAI PARTIAL INTERNAL MODEL (solo)

1H20





This document has been prepared by Unipol Gruppo S.p.A. and by UnipolSai Assicurazioni S.p.A. solely for information purposes in the context of the presentation of its 1H20 results.

**Maurizio Castellina**, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A., declares, in accordance with Article 154-bis, para 2, of the 'Consolidated Finance Act', that the accounting information reported in this document corresponds to the document contents, books and accounting records.

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Unless otherwise specified, all figures reported in this presentation refer to the Unipol Group.



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