

SUMMARY

Sustainability Report

2016

Our vision

To simplify people's lives and to support local economies with the value of a unique, single bank. A convenient, efficient, sound and reliable bank.

Our mission

To bank fairly and well ("Fare banca per bene") and that is to create shared value for all our stakeholders:

- > by combining simplicity, quality and innovation to provide every customer with excellent products, services and relations;
- > by contributing to the well-being of communities with support for social and cultural initiatives;
- > by cultivating people's talent, their passion and their commitment.

Our priorities

Integrity and risk control

Creation of value

Quality and customer satisfaction

Support for local economies

Support for communities

Enhancement and well-being of personnel

Respect for the environment

A unique bank A single bank

In over 150 years of history our banks have helped design and build the social and economic life and the infrastructures and services of our towns and cities.

In chronological sequence the names of our recent history are: Banca Popolare di Bergamo-CV, Banca Popolare Commercio e Industria, Banca Lombarda e Piemontese and BPU Banca. They are the groups which gradually built the UBI Banca Group as a common home for **Banca Popolare di Bergamo, Banco di Brescia and Banca di Valle Camonica, Banca Popolare Commercio e Industria, Banca Regionale Europea, Banca Popolare di Ancona and Banca Carime.**

Today, with the merger of these banks into the parent, **UBI Banca**, we have created **a single large bank** in order to continue to “Fare Banca Per Bene” (to bank fairly and well) with even more strength and solidity and to be even more efficient and competitive, while safeguarding our roots in the local communities that underlie our historical identity.

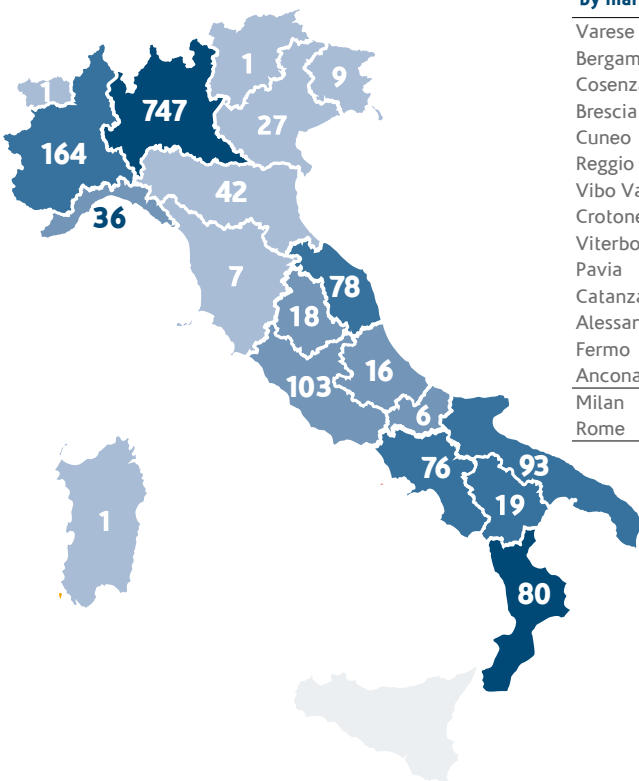
The UBI Banca Group was born on 1st April 2007 from the merger of BPU Banca and Banca Lombarda e Piemontese and today it is **one of the leading banking groups in Italy** and **among the best in Europe**. It is a union of historical local banks with a substantial presence in the wealthiest regions of the country and those with the greatest potential for development.

The Parent, UBI Banca, is a **joint-stock company** listed on the Mercato Telematico Azionario (electronic stock exchange) in the FTSE MIB index, for companies with the largest stock market capitalisation, and on The After Hours Market (TAH) of Borsa Italiana SpA. The UBI Banca share is also included in 100 of the major share indices in the world. Approximately 45% of the share capital is held by institutional investors, mainly foreign (41.9% of the share capital).

In order to improve our ability to respond promptly and efficiently to market challenges, in 2016 we commenced the merger of all our local banks into UBI Banca. This was completed on 20th February 2017. We have thus created **a single large bank**, destined to grow even more, strengthening its presence in central Italy with the acquisition of Nuova Banca Marche, Nuova Banca Etruria and Nuova Cassa di Risparmio di Chieti (bridge banks formed from a crisis resolution operation for the original three banks – over 930 thousand customers, 500 branches and 5,000 employees). The acquisition is scheduled for completion by the end of the first half of 2017, once the necessary conditions have been satisfied and the authorisations required have been obtained.

Number and market share of branches in Italy¹

■ > 10/20% ■ > 5/10% ■ > 2/5% ■ < 2%



The main provinces by market share

The main provinces by market share	Branches ¹
Varese	24.1%
Bergamo	23.2%
Cosenza	22.2%
Brescia	22.1%
Cuneo	20.2%
Reggio Calabria	20.2%
Vibo Valentia	12.5%
Crotone	14.7%
Viterbo	13.4%
Pavia	13.0%
Catanzaro	10.9%
Alessandria	10.7%
Fermo	10.2%
Ancona	10.1%
Milan	8.9%
Rome	4.2%

¹ As at 30/09/2016

1,524 Branches in Italy
23.7% in small towns and villages¹
17.6% in depressed areas²

146 Municipalities in which we are the only bank

123 Private and Corporate banking offices

787 Financial advisors and Wealth bankers

2,112 Bancomat ATMs
50.3% adapted for partially sighted and non-sighted persons

73,670 POS terminals in shops

15 Branches and representative offices abroad at the service of Italian small to medium-size enterprises

3.9 million Customers

150 thousand Shareholders

11 thousand Suppliers

166.5 € billion Funding
51.2% direct funding

81.8 € billion Loans

¹ Municipalities with up to 5,000 inhabitants

² Regions that receive aid from the European Union

Integrity and risk control



Porta San Giacomo, Bergamo, Lombardy

Corporate governance is based on a two tier model which involves the distribution of powers between a Supervisory Board and a Management Board. It is maintained constantly up-to-date in compliance with the provisions of the **Corporate Governance Code for listed companies** produced by Borsa Italiana.

Principles and values

UBI Banca has signed and is committed to observance and promotion of the universal principles of the United Nations' **Global Compact** on human rights, labour, the environment and the fight against corruption. All Group banks and companies have adopted a **Code of Ethics** (published on UBI Banca's corporate website) and a related **Code of Conduct** to guide management and all employees and associate workers in their strategic and operational decisions and everyday conduct.

In the commercial field, in compliance with the values and principles of the Code of Ethics and the objectives of integrity and risk control, we also monitor involvement in **controversial sectors** and we have regulated business in the **armaments** and **gambling** sectors.

Internal control system

With an adequate Internal control system we wish not only to ensure the **compliance** of our operations with the law and supervisory regulations and with internal policies, regulations and procedures, but also to guarantee the **good governance** of the Bank.

The system involves the following: constantly checking that corporate policies and strategies are implemented and that processes are effective and efficient; safeguarding the value of assets and protecting them from losses; ensuring that corporate information and IT procedures are reliable and secure; maintaining the different types of risk below set limits; and preventing the risk that the Bank may be involved, even involuntarily, in illicit activities (including money-laundering, usury and the financing of terrorism).

We consider all risks with potentially significant impacts for the Group, including non-measurable risks, managed on the basis of specific policies, such as excessive leverage, compliance risk and reputational risk.

Remuneration and incentives

We pursue remuneration and incentive policies designed not only to attract, motivate and retain talent, but also to create a sense of identity and to develop a culture linked to results and to merit. The key principles include **fairness** interpreted as salary levels consistent with comparable roles and responsibilities, **attention to risk** and **prudence** against "moral hazard" and the **reward of merit** interpreted as recognition of results, expertise and the behaviour and values displayed.

Capital strength

This objective improves the integrity and good governance of the Bank, customer and investor trust and the stability of the financial system. This is why UBI Banca wishes to maintain its **capital ratios** and the **quality of its assets** (among the best both at national and European level) at values well above the minimums set by European regulations, even in simulations of adverse scenarios (a CET1 ratio of 11.48% at the end of 2016 compared with a minimum requirement of 7.5% and a Total Capital Ratio of 14.10% compared with a minimum requirement of 11%).

UBI Banca is present in numerous ethical and sustainability indices



It has also been included since 2014 in the FTSE4Good Global and FTSE4Good Europe indices and is classified as an "outperformer" by Sustainalytics' rating



FTSE4Good



SUSTAINALYTICS

UBI Banca adheres to the "Italian Responsible Payments Code" promoted by Assolombarda for the spread of proper and responsible conduct and practices towards suppliers



Operations in the controversial sectors remains marginal (as at 31/10/2016)

CONTROVERSIAL SECTORS	2016	
	Loans (€ million)	of total loans
Armaments	68.6	0.12%
Tobacco	62.1	0.10%
Alcohol	45.1	0.08%
Furs	7.6	0.01%
Gambling	6.1	0.01%
Nuclear	0	0.00%
TOTAL	189.4	0.32%

Creation of value



Arco della Pace, Milan, Lombardy

The fragility of the economic environment continues to condition the Italian banking sector even though signs of improvement do exist not so much for volumes of funding and lending (only the latter is recovering slightly, but limited to individual retail customers), but for the quality of credit as new inflows to non-performing status reduce.

The value of capital strength

In this scenario, UBI Banca has been rewarded for its consistently high level of capital strength with a constant **increase in deposits** (+9.9% for current accounts) and a strong trend for indirect funding (+14.1% for insurance products and +11.8% for assets under management). And then **credit quality** improved significantly (-6.8% for gross non-performing loans and -47% for new non-performing loans).

The economic value generated

The result for 2016 was a loss, the consequence primarily of expenses incurred to implement the Business Plan consisting mainly of the recognition of loan provisions to improve the ratio of net non-performing loans to tangible equity (the "Texas ratio"), in addition to expenses related to the Single Bank Project (redundancy expenses, impairment losses on the network bank and improvements to the IT platform).

The economic value generated was also reduced as a result, not only because of the greater impairment losses recognised on loans, but also because of a reduction in net interest income and lower profits from finance activities.

The economic value distributed to stakeholders

The economic value distributed to **employees** increased as a result of redundancy expenses incurred for the Business Plan and it included expenses for **continuous professional development**, for services and for subsidies under the **company welfare** programmes.

Although the Parent, UBI Banca, ended the year with a loss, thanks to our high level of capital strength, we were again able to propose the payment of a **dividend** to shareholders for 2016 at the Annual Shareholders' Meeting, as has always been the case even in the most difficult years. Exclusive membership of **UBI Club** is dedicated to those shareholders who are customers of UBI Banca and possess at least 1,000 shares. It provides a package of banking and insurance products offered at special terms and conditions.

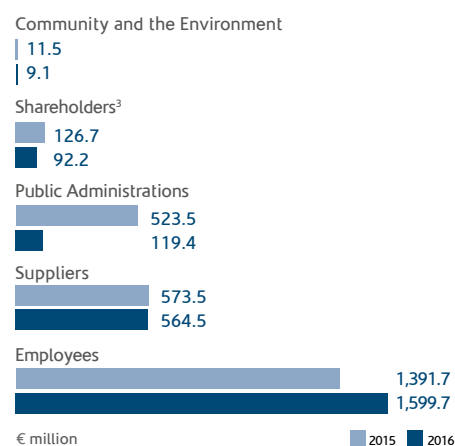
With our purchases we support substantial local supply chains, composed of small and large **suppliers** whom we manage according to criteria of independence, transparency and fairness. In a difficult market context we continue to provide **sustainable payment conditions** with average payment times recorded in 2016 of 32.5 days and a maximum contractually agreed payment time of 120 days from the date of invoice (applied for only 0.012% of the total).

The value of ordinary and extraordinary contributions to the **Resolution Fund for Banks** and to the **Deposit Guarantee Scheme** (due starting from 2015 and amounting to € 131.8 million in 2016) is considered paid to **public administrations** from which UBI Banca has never received aid.

The whole **community** benefits not only from the economic value of contributions made for social intervention, but also from the value of important activities, not measured, such as those for the **prevention of criminal activities** (e.g. money laundering and the finance of terrorism) and in general for obligations to co-operate with investigating authorities.

1.6 € billion Economic value generated (-40.3% on 2015)

2.4 € billion Economic value distributed to stakeholders (-9.2% on 2015)



- 830.2 € million Consolidated net profit (+116.8 € million on 2015)

- 474.4 € million Normalised consolidated net profit⁴ (+189.1 € million on 2015)

8,989.6 € million Consolidated equity attributable to the shareholders of the Parent inclusive of profit for the year (-9.9% on 2015)

0.11 € Dividend per share (as for 2015)

³ Dividends and profits attributable to non-controlling interests

⁴ Net of non-recurring items common to the Italian banking sector (Atlante Fund, Resolution Fund, Interbank Deposit Protection Fund Voluntary Scheme) and above all expenses to implement the 2019/2020 Business Plan (recognised entirely in the 2016 income statement)

Quality and customer satisfaction



Palazzo della Loggia, Brescia, Lombardy

Investment in quality through innovation is the path we take to achieve the goal of satisfying customers who today increasingly demand services and approaches based on the digital experience. Easy-to-use products and services with no barriers to time and place, but with a local presence for customer relationships, is how we serve our customers.

Digital Innovation

We are continuing with our Digital Innovation Project, launched in 2014, to release services that are more and more convenient for customers, who save time because there is less need for physical travel (more environmentally sustainable), and make improvements to society with a reduction in the use of cash.

After being the first in Italy to introduce cash transfers between individuals via smartphone with the app **UBI Pay**, in 2016 we improved the app **UBI Money** with **Plan&Save** and **Ready to Invest** functions in order to help manage family budgets with a view to savings and investments and we launched the new app **UBI Protection** to manage insurance policies. In the **QUI UBI** Internet Banking sphere we have introduced new simulators entitled **We analyse your Spending** and **Value of Time** for investment and savings, the **Digital Code** to manage web and mobile payment activities more securely and the **Advanced Electronic Signature** for all products that can be purchased online.

We have also innovated in the field of advertising, targeting young people above all with customised Enjoy cards for **World Youth Day 2016** and those issued in partnership with the **NBA**, **Juventus Football Club**, the **Italian Winter Sports Federation** and **Volley Bergamo Foppapedretti**, because we believe in the strength of a language that is results oriented through commitment, team spirit, excellence and determination.

Customer satisfaction

We use **UBIndex** satisfaction index to measure overall customer satisfaction down to single branch level. This index is used in Group personnel incentive schemes. With our **Quality Project** we have started over the last two years to use workshops and focus groups to also measure the quality our customers expect of us and by using quantitative surveys we have measured the ability of the Bank to achieve the quality model suggested (the primary quality requirements are simplicity, transparency and staff reliability and competence).

The UBIndex has improved constantly over the years as we have outperformed our competitors in this respect. Today **94% of customers declare they are satisfied** and consider UBI Banca to be solid, serious, well-managed and increasingly more socially responsible. At the same time the complaints statistics have improved: 1.45 complaints every one thousand customers for the Network Banks compared with 1.94 in 2015.

UBI Pramerica

Diaman Awards 2016

Classified 1st in the **Balanced FoF** funds category and classified 5th in the **GPF/GPM Balanced** (balanced customer portfolio/fund based management) category, on the basis of risk-adjusted performance achieved in 2015



CFS Ratings 2016

UBI Pramerica Multiasset Italia placed among the **20 best funds** and the funds UBI Pramerica Azioni Globali, Portafoglio Dinamico, Portafoglio Aggressivo and the sub-funds UBI SICAV Global Equity and Focus Italia were ranked by CSF Rating among the **300 best funds**



UBI Banca

Annual Prepaid Europe Awards 2016

1st prize in the category **Prepaid marketing campaign** of the year with the marketing campaign for the prepaid card **Enjoy NBA**



UBI Pay was awarded the **2016 Prize of Prizes – National Prize for Innovation of the Ministry of Education, Universities and Research** and the **MF Innovation Award** in the non-financial services category with the project **Easy city**, which reinvents our way of doing shopping



First prize awarded by **AIFIN Banca e territorio** in the category **Initiatives of a social nature** for the company voluntary scheme entitled **Donate one day**



The **EMF Group “Future Bancassurance Awards”** prize as the **Best banking Group** recognised by the market for its commitment to development of Bancassurance in the 2016



Ital Gas Storage, financed, amongst others, by UBI Banca as the Mandated Lead Arranger, was awarded the prize for the **Best deal of the year in the Oil & Gas sector in Europe in 2016** by the Project Finance & Infrastructure Journal.



The **Toplegal Corporate Counsel Awards** prize in the category **Tax Management of the year**, for customer tax governance processes and tax litigation

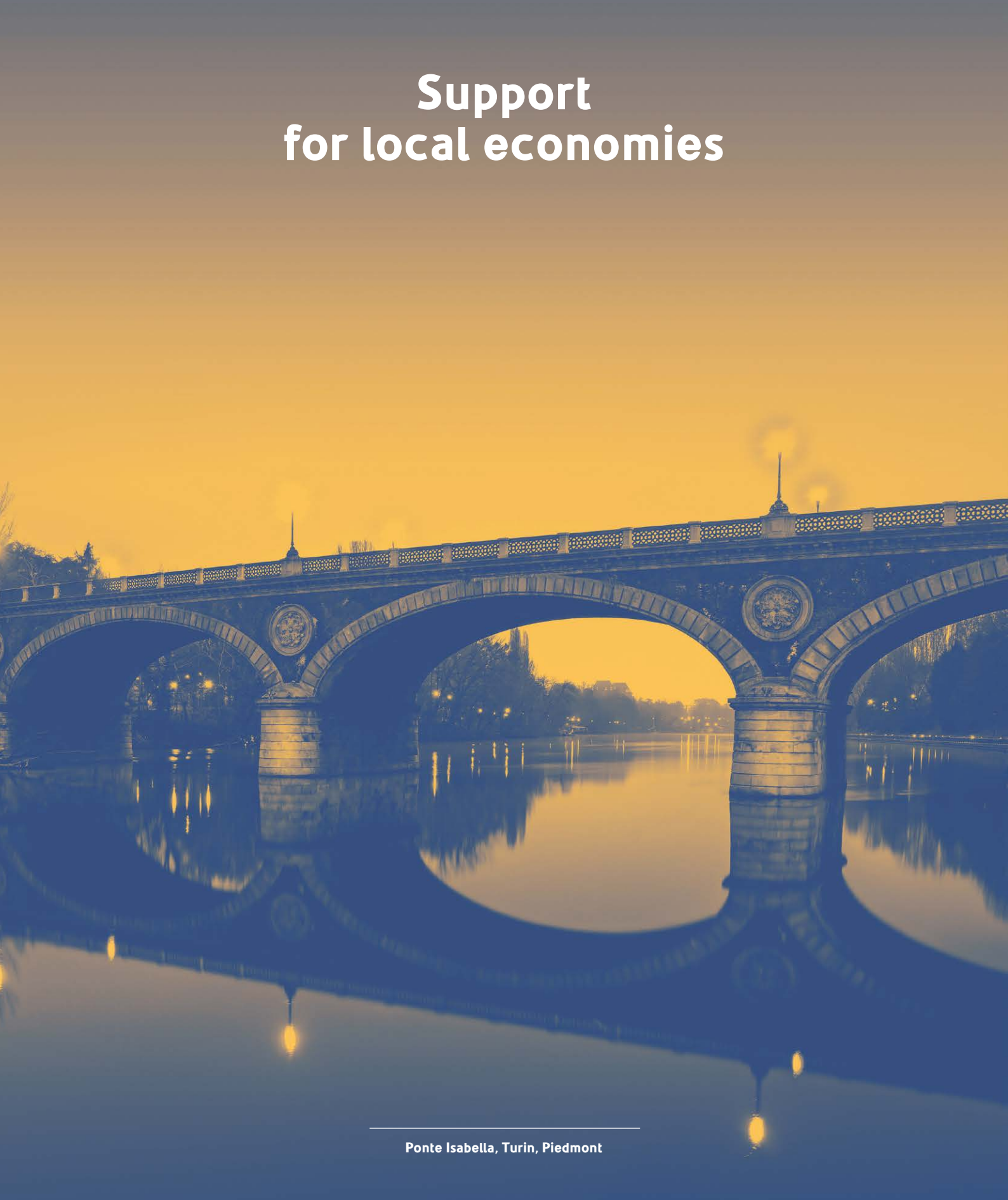


UBI Banca Popolare di Bergamo

The **Value Creators** prize as the **Best Bank in the Region of Lombardy**



Support for local economies



Ponte Isabella, Turin, Piedmont

We work for local communities with prompt and easy-to-understand responses to the requirements of those who live and work around us. We use the savings of families to finance consumption and investment and lend 72.8% of our balance sheet assets, € 12.8 billion more than our direct funding from customers.

Businesses

We analyse the sectoral trends to support those with a greater capacity to innovate and the best prospects for development. In the **Farm&Food** sector we have signed an agreement with the Ministry for Agriculture for a loan pool of € 2 billion and we are building solutions for other sectors. We support new business ideas with our **Start-up**, **Women in start-ups** and **Invest in women** loan pools, while with **UBI World** and the **GoToWorld Consortium** we assist Italian SMEs on international markets.

We work together with various associations and institutions to support the financial requirements of businesses: trade associations and **guarantee bodies**, the **Guarantee Fund for SMEs** (pursuant to Law No. 662/1996), the **European Investment Bank (EIB)** and the **European Central Bank (ECB – TLTRO programme)**.

Private individual and family customers

We consider the major projects of families just as much as their daily needs. We finance home purchases and refurbishment (including those with subsidies for anti-seismic and energy efficiency work) and consumption, always, however, with a careful eye to prevent the risk of over indebtedness. With our **Flexible Mortgage** product we allow repayment schedules to be deferred or lengthened in order to deal with particular events, while with our **Mortgages for young couples and “atypical” workers** product we consider those who do not have a permanent employment contract.

With UBI Pramerica we offer **Fund-based savings plans** designed also for those with less money to invest, **“Ethical” funds** for those who are attentive to social and environmental responsibility and **UBI Sicav Social 4 Future** for those who wish to invest in companies with a commitment to managing the global challenges of emerging markets, population trends, the scarcity of resources and climate change.

The young

We pay particular attention to the young with **Clubino** savings books (up to age 12), **I WANT TUBI** current accounts (up to age 18) and **QUBI’<30** (up to age 30) and with the loans **Let’s give them a future** (unsecured loans as part of a public initiative by the Italian Banking Association and the Youth Department at the President of the Council of Ministers Office) and **Small expenses** and **Large projects** (subsidised loans for studies and other major expenses).

Non profit Organisations

With **UBI Comunità** we support high social impact investments and social entrepreneurship programmes linked to local development, by creating synergies between the public, private and private social sectors and by contributing to the creation of shared value.

Infrastructures

With **project finance** we finance local infrastructures with particular regard to health, mobility and services (water and gas supplies). In 2016 we participated in the **SGI (Macquarie)** project finance, to expand natural gas pipelines and we implemented the first example of “social project finance” to fund a residential healthcare project, to refurbish the **Buon Riposo** Residential Care Home in Turin.

52.8 € billion Loans to businesses
82.9% to SMEs

6.3 € billion Loans to SMEs
4.8 € billion with ECB and EIB funds
1.5 € billion backed by guarantee bodies and guarantee funds
17.2 € million for youth employment
1.8 € million to SMEs and UBI-World Development
2.4 € million for start-ups and female entrepreneurship

28.5 € billion Loans to private individuals

2.3 € billion Loans and home mortgages (+20.2% on 2015)
72.0 € million Young couples and “atypical” workers

77,100 New subscriptions to fund-based saving schemes for families (-16.0% on 2015)

1.7 € million Loans to young people for scholarships and other projects

443.3 € million Ethical funds and SICAVs (+666.4% on 2015)

731.3 € million Loans to the nonprofit sector
0.9% of the total Group lending loans (almost twice that of the whole sector)
8.3% Market share

145 € million Loans to project finance for infrastructures

Support for communities



Monumento ai Caduti, Ancona, Marches

To be a bank in the community means being close to families and firms even in times of difficulty and knowing how to support important social causes and projects.

Support for businesses and families in difficulty

We help families and businesses in difficulty due to the economic crisis, to natural disasters or adverse weather conditions, both directly and through our participation in sector and EU financial institution initiatives. We do this with subsidised loans and by deferment or lengthening of repayment schedules.

Social inclusion

We facilitate access to financial services by people with low incomes and those with physical or sensory disabilities. We have upgraded our digital banking services to meet the needs of partially and non-sighted persons and we invest constantly to eliminate architectural barriers at branches and ATMs on the basis of the needs we detect (30 new cases of work done in 2016).

Commercial initiatives for the community

With our **UBI Comunità Social Bond**, **UBI Sicav Social 4 Future** and **project finance** products, we are the pioneers and leaders in the social finance field. With our social bonds we had supported 82 social projects at the end of 2016 with € 4.1 million. With our Sicav's we are supporting a **UNICEF** project in Lebanon for Syrian, Palestinian and Lebanese adolescents and an **Astalli Centre** project for the social integration of migrants in Italy. In the project finance field we supported improved services for the elderly with the refurbishment of the **Buon Riposo** Residential Care Home in Turin.

As part of our **Treasury and Cashier Services**, delivered to almost 1,700 public institutions and authorities, we make substantial contributions to support their social and institutional aims (€ 3.4 million in 2016 of which € 1.1 million earmarked for specific projects).

Donations and sponsorships

We support innumerable initiatives of a social, cultural, recreational, sporting and health and welfare nature for local authorities, organisations and institutions. We are members of the **Sodalitas Foundation** and we support the **Sodalitas Social Innovation** Competition for innovation and partnerships between businesses and the nonprofit sector with two special prizes.



We make donations to important research projects with significant partnerships such as that with the **AIRC** (Italian Association for Research into Cancer) with whom we have partnered in the **Days of Research** campaign since 2013 and the **Oranges of Health** campaign since 2016.

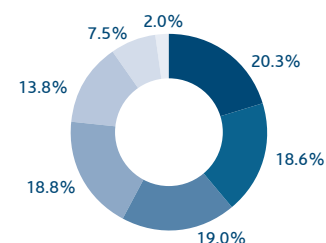
We have long-standing relationships with schools and universities for which we provide services for pupils and **internships** for students and new high school and university graduates (164 in 2016).

We take an active part in the initiatives of the **Foundation for Financial Education and Savings** (FEDUF) created by the Italian Banking Association and we work with private sector organisations and institutions in financial education initiatives even outside schools for different groups in society. The various annual initiatives include a cycle of meetings on the Italian economy organised in various towns and cities in co-operation with the **Einaudi Study Centre**.

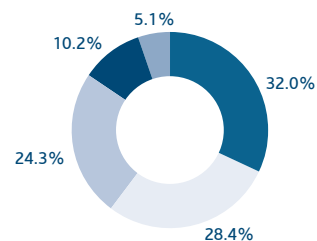
481.4 € million The principal value of mortgages deferred or rescheduled to families

975.1 € million The principal value of loans deferred or rescheduled to SMEs

13.9 € million Donations for social initiatives (-7.1% on 2015)



688 € thousand from Social Bonds and SICAVs (+29.4% on 2015)



- Social, recreational and sports activities
- Infrastructures and economic development
- Culture
- Education and training, universities and research
- Welfare and Solidarity
- Artistic heritage and the environment
- Human rights and advocacy

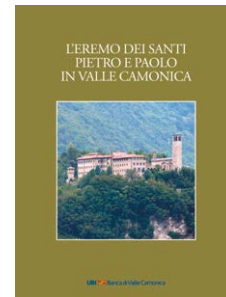
75 In-kind donations to 24 schools, institutions and non-profits (computers, copiers and banknote counters)

451 Hours of Financial education
10 thousand Young people involved

Local events and initiatives



On 27th November 2016, three months after the earthquake that devastated Abruzzo, the children of **Acquasanta Terme** left the tents in which they had started the school year and moved into a new nursery and primary school. The building was constructed thanks to major intervention by **UBI Banca** together with the Confederation of the Misericordie d'Italia voluntary associations, Subissati Srl and the Italian army which carried out the urban infrastructure works. Everything was coordinated by the municipality and the Ministry of Education.



On the occasion of the 50th anniversary of the activities of the Cloister of the **Eremo dei Santi Pietro e Paolo in Biennio**, **Banca Valle Camonica** proposed a complete and authoritative publication, carried out with attentive contributions from leading scholars.



Banco di Brescia is a founding member of the **Teatro Grande of Brescia** Foundation. In the photo, the 2016 Opera Festival, one of the most innovative and involving events organised by the Foundation, a popular, cultural festival which has brought opera into the streets and squares of the city.



18th Alfredo Binda Trophy – Town of Cittiglio race, sponsored by **Banca Popolare di Bergamo**, part of the International Cycling Union Women’s WorldTour, the worldwide circuit organised by the International Cycling Union.



Mass Media and Children Forum, moderator Enzo Quarto. **Banca Carime** wished very much to participate in this reflection on a very important issue: Non-invasive advertising with messages that educate.



Banco di Brescia is the **Mille Miglia 2016** Trophy Sponsor, won by the Vesco-Guerini team driving a 1931 Alfa Romeo. After 1,800 km on the road, this team from Brescia won the race and the UBI Banco di Brescia Trophy.



A photo of the **Jesi Fencing Club**, awarded a CONI Gold Medal and supported as always by **Banca Popolare di Ancona**. The club excelled again at the 2016 Rio Games with a silver medal won by Elisa Di Francisca in the foil event.



Poster for the art exhibition **L'Incanto dei Macchiaioli** in the Giacomo e Ida Jucker collection. **Banca Popolare Commercio e Industria** is the Institutional Sponsor of the **Poldi Pezzoli Museum** of Milan.



On the occasion of **The Floating Piers** project, **UBI Banca** supported and promoted the local community of the Iseo Lake with the initiative **L'AMO - Lago Arte Mostre Ospitalità** (Lake Art Exhibitions Hospitality) organising evening events on the works of Christo at a period villa with view.



Ladies sing the blues: a series of concerts with female voices in the Santa Marta Cloister at the headquarters of **Banca Popolare di Bergamo** when it is open to the public on the first Sunday of the month.



Again in 2016, **Banca Regionale Europea** has confirmed its support for the activities of the **Italian Paralympic Winter Sports Federation (FISIP)**.



UBI Banca was the main sponsor again in 2016 of **Supernova**, a festival organised by Talent Garden which combines innovation and creativity, bringing the digital world and that of new technologies into contact with the general public: over 80,000 people attending workshops and conferences.

Enhancement and well-being of personnel



Terme di Boario, Brescia, Lombardy

Personnel management policies are based on rewarding people according to the criteria of fairness and merit, with attention paid, with respect for individual characteristics, to: generation differences; a work-life balance; continuous training; career development and continuous close monitoring of skills; and capitalisation of personal potential.

We further developed the **Human Resource Quality Project** in 2016 along different and complementary lines: assessment of professional capabilities for all personnel; assessments for “young talents” and key resources; facilitation of occupational mobility; and specific initiatives for the over 55's and new recruits.

Generation turnover and work-life balance

The turnover in progress in banks requires both new professional roles and new ways of managing work. On the one hand, new technology facilitates new forms of remote working, while on the other hand the growing demand for services and approaches based on the digital experience requires specialist personnel in tune with constantly evolving customer demands. In this context, as part of a generation turnover plan, we have offered important **job opportunities for young people** and we have broadened the flexible working **social days** experience (extraordinary leave with 40% remuneration) and **smart working** (remote working from home or from offices closer to home).

Continuous training

Technological developments, innovation in products and services and in organisational and distribution models require continuous training throughout a person's working life in order to maintain and grow human and professional capital. **UBI Academy**, the Group's **Corporate University**, studies, plans and delivers training to develop technical knowledge and expertise and managerial abilities and to establish a corporate identity with its own culture and professional ethic.

Health and safety

The **Health and Safety Manager** is responsible for safeguarding the mental, physical and social well-being of persons at the workplace, by means of a **health and safety** management system oriented towards both compliance with regulations and **organisational well-being**. The latter is closely linked with corporate climate, personal commitment and work satisfaction.

Company Welfare

With the co-ordination of the Group **Welfare Manager**, we offer all employees forms of supplementary pension and health care, insurance policies and paid leave over and above the legal obligation to assist families with the birth or adoption of children and their attendance at nurseries. We offer financial assistance for single income families or families with disabled members and one-off bonuses for important events such as marriages, births and adoptions, degrees and scholarships for children who are students. Company bonuses may also be paid in the form of welfare services, if employees so choose.

Corporate voluntary work

For the third consecutive year, we have proposed, in cooperation with **Sodalitas**, a corporate voluntary scheme for employees: one day of their holidays doing voluntary work in one of 150 projects carried out by 70 nonprofit organisations. The staff participating numbered 1,245 in 2016 and they carried out over **9,300 hours of voluntary work**. For each day the Bank donated € 100 to the organisations chosen by employees to give a total of € 124,500.



17,571 Employees
39.1% women

502 New appointments
51.6% women
70.7% young people up to age 30

148 Stabilizations⁵
55.4% women

663 Staff leaving
32.3% women
65.6% voluntary redundancies under the Business Plan

89 thousand Training days
50 thousand more than compulsory training
45.0% remote training
96.1% employees involved
5.2 average days per capita

60.2 € million Training and welfare
2.5 € million training
1.3 € million health and safety at the workplace
50.1 € million pensions and insurance policies
6.3 € million other corporate welfare initiatives⁶

3,013 Days of smartworking

For the third consecutive year, the international certification body **Top Employers Institute** has rewarded the excellence of our personnel policies



2016 Guido Carli / Lombard prize in the Milan Finanza Global Awards for projects for the enhancement of human resources



⁵ Transfers to permanent employment contracts from internships, apprenticeships or temporary contracts

⁶ Children's nurseries, summer recreation activities for employees' children, company cultural and recreational clubs, shuttle coaches, scholarship grants and contributions to families

Respect for the environment



Wind Park, Salento, Apulia

We have pursued a Group **Environmental Policy** since 2008 which commits us to reducing the environmental impact of our activities and to promoting the development of a more eco-sustainable economy.

Consumption and emissions

It is the duty of the **Energy Manager** to optimise the Group's energy consumption by improving the energy efficiency of buildings and the relative systems and by purchasing increasingly more efficient electronic equipment. With these actions and the use of electricity from renewable sources we pursue important objectives to reduce polluting atmospheric emissions.

For some years now we have had remote monitoring of printers and printing on both sides in place in order to reduce **consumption of paper and toner**. The use of **paperless documents** in offices and branches and the development of **digital banking** services also help to achieve this objective.

Sustainable mobility

It is the duty of the Group's **Mobility Manager** to promote more sustainable corporate mobility by reducing work missions, by making increasingly greater recourse to **videoconferences** and by encouraging the most eco-compatible forms of travel to and from work.

In 2016 alone we introduced videoconferencing capabilities to 467 new offices and dedicated conference rooms (+21.9%) to give a total of 2,596 operational systems (a twofold increase in three years). We have adopted a **work travel policy** which prioritises the use of public or collective means of transport, we provide **sheltered parking areas for bicycles** at some of the main headquarters and **coach shuttle services** run between Bergamo, Varese, Brescia and Milan (and actually within the city for the latter).

Green loans

Even though the renewable energy sector is experiencing a slowdown, UBI Banca has continued to play an important role both in the refinancing of systems already constructed and in financing for new projects.

We finance investments for the generation of energy from photovoltaic plants with our products **Sun Strength** for individuals and **New Photovoltaic Energy** for businesses, while with **Renewable Energies** and **Full Power** leasing we finance other **renewable energy plants**: wind power, biogas and biomasses (a total of € 36.6 million granted in 2016). With our product **Creditoplà Home Refurbishment** we finance the upgrade and improvement of the energy efficiency of the existing housing stock (€ 85.7 million granted in 2016).

Our **project finance** operations for environmental investments are worth over € 1.1 billion (of which € 132 million disbursed in 2016). The investments range from the production of energy from renewable sources (wind and photovoltaic farms and biomass, biogas and hydroelectric plants) to water and waste treatment plants and district heating systems. The projects must pass both authorisation procedures required by the current Italian regulatory framework, which include environmental impact assessment and technical, legal, administrative and insurance assessments carried out on behalf of the Bank by major international independent consultants.

- 5.4% Energy consumption
(-9.6% over three years)

- 3.0% Electricity consumption
(-4.3% over three years)

95.5% Electricity from renewable sources⁷

-3.0% Energy consumption for mobility
-11.8% Consumption of corporate car fleet
(-30.0% over three years)

-1.9% Polluting emissions
(-11.4% over three years)

- 8.6% Paper consumption
(+5.9% over three years)⁸

72.1% FSC or PEFC certified paper 

59.6% Ecolabel certified paper 

67.3% Paper certified chlorine free 

+7.2% Waste produced
(-14.6% over three years)

99.9% Waste separation for recycling

+20.8% Videoconferences for over 63 thousand hours
(+32.9% over three years)

+1.2% Power funded in Project Finance for renewable resources (676 MW)
(+4.5% over three years)

⁷ Purchase of GO certificates (guarantee of origin)

⁸ Paper consumption has been affected over the last three years by events such as the large-scale signing of contracts to authorise electronic signatures in branches and to make compulsory communications connected with the Single Bank Project to customers

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This document is a summary of the 2016 Sustainability Report.

The full document, prepared in compliance with GRI G4 guidelines and subject to a limited audit by Deloitte & Touche S.p.A., is available in PDF format on the corporate website: www.ubibanca.it

To receive a hardcopy version of the 2016 Sustainability Report you may either use the document request toolbox function on the Group website or alternatively contact:

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