

**Press release**

## **BCC Iccrea Group: Consolidated results as at 31 March 2023**

- *The Group's strong local roots were confirmed by volumes that were substantially in line with the end of 2022: direct funding from customers of € 129 billion and net loans to customers of € 90 billion.*
- *Gross income amounted to € 1.3 billion (+4.5% compared to Q1 2022) with a positive trend in net interest income (+16.0%) and net fee and commission income (+6.0%).*
- *The Group's solid capital and liquidity position was confirmed: CET1 ratio of 19.3%, TC ratio of 20.4%. LCR of 250%, NSFR of 145%.*
- *Net NPL ratio of 1.5%.*

### **Rome, 15 May 2023**

The Board of Directors of Iccrea Banca examined the consolidated results of the BCC Iccrea Group as at 31 March 2023.

In the first quarter of the year, the BCC Iccrea Group, Italy's largest cooperative banking group, recorded positive trends in both the main income statement items and the main balance sheet, financial and liquidity indicators. Volumes intermediated with customers remained substantially stable compared to the end of the year, both in terms of credit disbursed and deposits, confirming the Group's support for local economies and its strong presence in the communities it operates in.

Net loans to customers stood at € 90.3 billion (€ 90.9 billion at year-end 2022), maintaining the same level of credit quality as at year-end 2022, showing a gross NPL ratio of 4.5% and a net NPL ratio of 1.5%. The coverage ratio of non-performing loans was further increased at 68.9% (67.4% at the end of 2022). This figure is particularly significant in view of the high proportion of non-performing loans backed by collateral and the increasingly small share of bad loans in the portfolio (about 1/3 of total NPEs). Consistent with the actions envisaged in the 2023-2025 Plan, preparations for the implementation of de-risking initiatives continued during the quarter and are expected to be concluded before year end.

The main liquidity indicators remained well above regulatory requirements and among the highest in the system, with the NSFR at 145%, substantially unchanged from year-

end 2022, and LCR at 250%, up about 20 percentage points from 31 December 2022. Direct funding from customers amounted to € 129.4 billion (€ 128.3 billion in December 2022).

In terms of revenue, the Group reported a gross income of € 1,326 million in the first quarter of 2023 (+4.5% over the first quarter of 2022), thanks mainly to the positive trend in net interest income, which amounted to € 957 million (+16.0% versus the first quarter of 2022) and benefited mainly from the trend in interest rates. Net commissions also performed well, amounting to € 338 million (+6.0% compared to Q1 2022).

Operating costs amounted to € 711 million (-2.0% compared to Q1 2022).

The Group's cost/income ratio thus stood at 53.6% (57.2% in Q1 2022).

Net adjustments for credit risk amounted to € 20.9 million (€ 49.1 million in Q1 2022).

Consolidated equity rose to € 12.3 billion (11.9 billion at the end of 2022) and own funds to € 12.9 billion (13.0 billion at the end of 2022).

Risk-weighted assets (RWA) stood at € 63.4 billion, down slightly from the € 63.9 billion at the end of 2022.

Despite the substantial completion of the absorption of the benefits related to regulatory transitional provisions, the CET1 ratio remained unchanged at 19.3% and the TC ratio at 20.4%, well above regulatory requirements.

\*\*\*\*\*

The BCC Iccrea Group is the largest cooperative banking group, the only national banking group with 100% Italian capital and the fourth largest in Italy in terms of assets, with total consolidated assets as at 31 March 2023 amounting to € 171.5 billion. Today the BCC Iccrea Group is made up of 117 BCCs, present in over 1,700 Italian municipalities with almost 2,500 branches, and other banking, financial and product companies controlled by BCC Banca Iccrea. The BCCs of the Group at 31 March 2023 made around € 90 billion of net loans throughout Italy and took in direct funding from customers of around € 129 billion, with over 5 million customers and about 850 thousand shareholders. The BCC Iccrea Group is among the best banking groups in terms of capital quality with a CET 1 Ratio of 19.3% (data as at 31 March 2023).

\*\*\*\*\*

**Press contacts for the BCC Iccrea Group:**

---

**Marco Bellabarba**

Iccrea Banca  
Communication and Media  
Relations  
Mobile: +39 340-8867477  
mbellabarba@iccrea.bcc.it

**Chiara Paciucci**

Iccrea Banca  
Communication and Media  
Relations  
Mobile: +39 340-4643230  
cpaciucci@iccrea.bcc.it

**Simone Maggi**

Iccrea Banca  
Head of Investor Relations  
smaggi@iccrea.bcc.it

The consolidated financial statements as at 31 March 2023 used for the preparation of this document were subjected to a limited audit by the auditing firm Mazars Italia S.p.A. for the sole purpose of issuing the certificate required by Article 26, paragraph 2 of Regulation (EU) no. 575/2013 of 26 June 2013 (CRR) and European Central Bank Decision no. 2015/656. This is the certificate required for the application to be submitted to the ECB for the inclusion of the result for the period in common equity tier 1 (CET1).

## CONSOLIDATED INCOME STATEMENT

(€mln)	1Q23	1Q22	Δ 3M 22	Δ % 3M 22	Statutory financial statements items
Net interest income	957	825	132	16,0%	(30)
Net fee and commission income (expense)	338	319	19	6,0%	(60)
Other financial income	31	125	(94)	(75,2%)	(70; 80; 90; 100; 110)
<b>Gross Income</b>	<b>1.326</b>	<b>1.269</b>	<b>57</b>	<b>4,5%</b>	<b>(120)</b>
Net writedowns / writebacks for credit risk	(22)	(50)	28	(56,1%)	(130; 140)
Operating expenses	(711)	(726)	15	(2,0%)	(240)
Personnel expenses	(470)	(432)	(38)	8,9%	(190a)
Other administrative expenses	(270)	(293)	24	(8,1%)	(190b)
Net provisions	6	(4)	10	(248,3%)	(210; 220)
Net adjustments	(56)	(60)	4	(6,3%)	(200)
Other operating expenses/income	79	64	16	24,9%	(230)
<b>Operating Result</b>	<b>594</b>	<b>494</b>	<b>100</b>	<b>20,2%</b>	
Other	(1)	(2)	1	(52,2%)	(250; 260; 270; 280)
<b>Profit before taxes</b>	<b>593</b>	<b>492</b>	<b>101</b>	<b>20,4%</b>	<b>(290)</b>
Taxes	(97)	(70)	(27)	37,7%	(300)
Profit after tax from discontinued operations	--	9	(9)	(100,0%)	(320)
<b>Net Profit</b>	<b>496</b>	<b>431</b>	<b>66</b>	<b>15,2%</b>	<b>(330)</b>

## CONSOLIDATED BALANCE SHEET

(€mln)	3M 23	FY 22	Δ FY 22	Δ % FY 22	Statutory financial statements items
Financial assets	66.548	68.015	(1.467)	(2,2%)	Assets items: 20; 30. Financial assets item 40
Net loans to customers	90.300	90.869	(569)	(0,6%)	Net loans to customers item 40
Net loans to banks	2.788	1.557	1.231	79,1%	Net loans to banks item 40
Other assets	11.830	13.103	(1.273)	(9,7%)	Assets items: 10; 50; 60; 70; 90; 100; 110; 120; 130
<b>Total Assets</b>	<b>171.466</b>	<b>173.544</b>	<b>(2.078)</b>	<b>(1,2%)</b>	
Financial liabilities to customers	119.612	119.116	497	0,4%	Financial liabilities to customers item 10b
Securities issued	9.801	9.196	606	6,6%	Securities issued item 10c
Financial liabilities to banks	23.760	28.518	(4.758)	(16,7%)	Financial liabilities to banks item 10a
Other liabilities	5.956	4.845	1.111	22,9%	Liabilities items: 20; 30; 40; 50; 60; 70; 80; 90; 100
Group shareholder's equity	12.337	11.870	467	3,9%	Liabilities items: 110; 120; 130; 140; 150; 160; 170; 180; 200
<b>Total liabilities and shareholders' equity</b>	<b>171.466</b>	<b>173.544</b>	<b>(2.078)</b>	<b>(1,2%)</b>	

### ASSET QUALITY (€/m and %)

	3M 23	FY 22	Δ FY 22	Δ FY 22 %
Past due	374	359	15	4%
UTP	2,487	2,432	55	2%
Bad Loans	1,416	1,473	(57)	(4%)
<b>Gross Non Performing Loans</b>	<b>4,277</b>	<b>4,264</b>	<b>13</b>	<b>0%</b>
Performing Loans - Stage 1	83,678	82,832	846	1%
Performing Loans - Stage 2	6,195	7,665	(1.470)	(19%)
<b>Total gross loans to customers</b>	<b>94,150</b>	<b>94,761</b>	<b>(611)</b>	<b>(1%)</b>
<b>Gross NPL ratio</b>	<b>4.5%</b>	<b>4.5%</b>	<b>0.0%</b>	<b>1%</b>
Writedowns	2,947	2,874	73	3%
Coverage Ratio NPL	68.9%	67.4%	1.5%	2%
Coverage Ratio Past due	29.0%	29.0%	0.0%	--
Coverage Ratio UTP	66.3%	65.8%	0.5%	1%
Coverage Ratio Bad Loans	84.1%	79.4%	4.7%	6%
Coverage Ratio Performing Loans	1.0%	1.1%	(0.1%)	(8%)
Coverage Ratio Performing Loans - Stage 1	0.6%	0.6%	(0.0%)	(0%)
Coverage Ratio Performing Loans - Stage 2	6.6%	6.5%	0.1%	1%
Net Non Performing Loans	1,330	1,390	(60)	(4%)
<b>Net NPL ratio</b>	<b>1.5%</b>	<b>1.5%</b>	<b>(0.0%)</b>	<b>(2%)</b>

### CAPITAL RATIOS (€/m and %)

	1Q23	FY 22	Δ FY 22	Δ FY 22 %
RWA	63,426	63,937	(511)	(0.8%)
CET 1	12,210	12,286	(76)	(0.6%)
Total Capital	12,947	13,025	(78)	(0.6%)
<b>CET1 ratio</b>	<b>19.3%</b>	<b>19.2%</b>	<b>0.1%</b>	<b>0.3%</b>
<b>TC ratio</b>	<b>20.4%</b>	<b>20.4%</b>	<b>0.0%</b>	<b>0.1%</b>