

Press Release

BCC Iccrea Group: consolidated results as at 30 June 2024

- *Confirmed the Group's strong local roots with volumes substantially in line with the end of 2023: direct funding of €138 billion and net loans to customers¹ of €93 billion.*
- *Gross income amounted to €3 billion, with a positive trend in the primary component (net interest income + net commissions) of the revenues.*
- *The Group's solid capital and liquidity position has been confirmed: CET1 ratio at 22.7%, TC ratio at 23.8%. LCR at 263%, NSFR at 161%.*
- *Net NPL ratio at 1.1%².*

Rome, August 13, 2024

The Board of Directors of Iccrea Banca examined the consolidated results of BCC Iccrea Group as of June 30, 2024.

In the first half of the year, the BCC Iccrea Group, the largest Italian cooperative banking group, recorded positive trends in both the main income statement items and the key balance sheet, financial, and liquidity indicators. Volumes intermediated with customers, in terms of credit disbursed and deposits, remained stable compared to the end of the year. This stability confirms the Group's commitment to supporting local economies and maintaining a strong presence in its operational areas.

Net loans to customers amounted to €93.0 billion (€90.9 billion at the end of 2023); in terms of credit quality, both the gross NPL ratio of 3.9% and the net NPL ratio of 1.1% remained essentially unchanged compared to the pro-forma data at the end of 2023.

The coverage ratio of non-performing loans remained particularly high at 72.8% (72.2% at the end of 2023). This is particularly significant considering the high proportion of non-performing loans secured by collateral and the increasingly limited share of bad loans in the portfolio (less than 1/3 of the total non-performing portfolio).

Direct funding stood at €137.6 billion, up from €134.9 billion at the end of 2023. Liquidity indicators remain well above regulatory requirements and among the highest in the system, with the NSFR at 161% and the LCR at 263%, remaining largely

¹ Including transactions (mainly repurchase agreements) with institutional counterparties amounting to approximately €4.4 billion (approx. €1.6 billion as of Dec.31, 2023).

² Net of transactions with institutional counterparties

unchanged from the end of 2023. The Group's readily available liquidity reserves amount to €44.9 billion.

In terms of revenues, in the first half of 2024, the Group reported a gross income of €2,987 million (+10.8% compared to the first half of 2023), thanks to the positive trend in net interest income, which amounted to €2,201 million (+13.0% compared to the first half of 2023). Net commissions also performed positively, amounting to 681 million euros (+1.4% compared to the first half of 2023).

Operating costs amounted to €1,576 million euros (+1.2% compared to the first half of 2023).

The Group's cost/income ratio stood at 52.7% (57.7% in the first half of 2023).

Net adjustments for credit risk amounted to €179 million (€197 million in the first half of 2023), resulting in an annualized cost of credit of 38 basis points.

Net profit for the period was €1,056 million (€797 million in the first half of 2023).

Consolidated equity rose to €14.7 billion (€13.9 billion at the end of 2023) and own funds to €15.2 billion (€14.3 billion at the end of 2023).

Risk-weighted assets (RWA) stood at €63.9 billion (€64.4 billion at the end of 2023).

Capital adequacy ratios remain well above regulatory requirements and continue to grow, with a CET1 ratio of 22.7% and a TC ratio of 23.8%.

The key recent events after June 30, 2024:

No events to report.

The BCC Iccrea Group is the largest cooperative banking group, the only national banking group with entirely Italian capital, and the fourth-largest banking group in Italy in terms of assets, with total consolidated assets as at June 30, 2024 amounting to €166.2 billion. The BCC Iccrea Group is currently made up of 114 BCCs, located in over 1,700 Italian municipalities with nearly 2,500 branches, and other banking, financial, and instrumental companies controlled by BCC Banca Iccrea. The BCCs of the Group as of June 30, 2024, have achieved approximately 93 billion euros in net loans and around 138 billion euros in direct funding throughout Italy, serving over 5.2 million customers and about 880 thousand members. The BCC Iccrea Group ranks among the best banking groups in terms of capital quality, with a CET 1 Ratio of 22.7%, and liquidity with an LCR of 263%. The Group is affiliated with the Tertio Millennio ETS Foundation, a non-profit organization established in 2002 within the Cooperative Credit system, which aims to develop social solidarity activities both in Italy and abroad, particularly within the system of Cooperative Credit Banks and Rural Banks.

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The consolidated financial statements as at 30 June 2024 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).

The manager responsible for preparing the company's financial reports, Marianna Di Prinzio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Rome, August 13, 2024

Iccrea Banca S.p.A.

The manager responsible for the preparation of corporate accounting documents

Marianna Di Prinzio

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (figures in millions of euros)

(€mln)	1H 24	1H 23	Δ 1H24 vs 1H23	Δ % 1H24 vs 1H23	Statutory financial statements items
Net interest income	2,201	1,948	253	13.0%	(30)
Net fees and commission income (expense)	681	672	9	1.4%	(60)
Other financial income	106	77	28	36.4%	(70; 80; 90; 100; 110)
Gross Income	2,987	2,697	290	10.8%	(120)
Net writedowns / writebacks for credit risk	(179)	(197)	18	(9.3%)	(130; 140)
Operating expenses	(1,576)	(1,557)	(19)	1.2%	(240)
Personnel expenses	(1,010)	(931)	(79)	8.5%	(190a)
Other administrative expenses	(603)	(666)	63	(9.5%)	(190b)
Net provisions	(26)	(9)	(17)	192.4%	(200)
Net adjustments	(115)	(114)	(2)	1.4%	(210; 220)
Other operating expenses/income	178	163	15	9.4%	(230)
Operating Result	1,233	943	290	30.7%	
Other	6	2	4	190.9%	(250; 260; 270; 280)
Profit before taxes	1,239	945	294	31.1%	(290)
Taxes	(212)	(149)	(64)	43.0%	(300)
Profit after tax from discontinued operations	30	0	30	n.a.	(320)
Net profit	1,056	797	259	32.6%	(330)

INCOME STATEMENT - QUARTERLY EVOLUTION (figures in millions of euros)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	Δ 2Q24 vs 1Q24	Δ % 2Q24 vs 1Q24
Net interest income	957	991	1,035	1,113	1,088	1,113	25	2.3%
Net fees and commission income (expense)	338	333	337	340	336	344	8	2.4%
Other financial income	31	46	110	(41)	73	33	(40)	-55.4%
Gross Income	1,326	1,371	1,482	1,411	1,497	1,490	(8)	-0.5%
Net writedowns / writebacks for credit risk	(22)	(175)	(107)	(104)	(43)	(136)	(94)	220.6%
Operating expenses	(711)	(846)	(680)	(859)	(735)	(841)	(107)	14.5%
Personnel expenses	(470)	(461)	(437)	(532)	(489)	(521)	(33)	6.7%
Other administrative expenses	(270)	(397)	(259)	(327)	(272)	(331)	(59)	21.5%
Net provisions	6	(15)	(5)	(36)	(3)	(22)	(19)	n.m.
Net adjustments	(56)	(58)	(60)	(76)	(58)	(58)	(0)	0.3%
Other operating expenses/income	79	84	80	111	87	91	4	4.9%
Operating Result	594	349	695	449	720	512	(208)	-28.9%
Other	(1)	3	14	(8)	6	1	(5)	-90.6%
Profit before taxes	593	352	709	440	726	513	(213)	-29.4%
Taxes	(97)	(52)	(109)	(77)	(117)	(96)	21	-17.8%
Profit after tax from discontinued operations	0	0	5	93	0	29	29	n.m.
Net profit	496	301	605	457	610	446	(163)	-26.8%

RECLASSIFIED CONSOLIDATED BALANCE SHEET (figures in millions of euros)

Assets (€mln)	June 30, 2024	Dec. 31, 2023	Δ Jun 24 vs Dec 23	Δ % Jun 24 vs Dec 23	Statutory financial statements items
Financial Assets	60,125	61,126	(1,001)	(1.6%)	Assets items: 20; 30; Financial assets item 40
Net loans to customers	93,006	90,886	2,120	2.3%	Net loans to customers: item 40
Net loans to banks	2,951	7,613	(4,661)	(61.2%)	Net loans to banks item 40
Other assets	10,109	14,888	(4,779)	(32.1%)	Assets items: 50; 60; 70; 90; 100; 110; 120; 130
Total Assets	166,191	174,513	(8,321)	(4.8%)	
Liabilities and shareholders' equity (€mln)	June 30, 2024	Dec. 31, 2023	Δ Jun 24 vs Dec 23	Δ % Jun 24 vs Dec 23	Statutory financial statements items
Financial liabilities to customers	122,991	122,523	468	0.4%	Financial liabilities to customers item 10b
Securities issued	14,554	12,350	2,203	17.8%	Securities issued item 10c
Financial liabilities to banks	10,103	17,923	(7,820)	(43.6%)	Financial liabilities to banks item 10a
Other liabilities	3,795	7,828	(4,033)	(51.5%)	Liabilities items: 20; 30; 40; 50; 60; 70; 80; 90; 100
Group shareholders' equity	14,749	13,889	860	6.2%	Liabilities items: 110; 120; 130; 140; 150; 160; 170; 180; 200
Total liabilities and shareholders' equity	166,191	174,513	(8,321)	(4.8%)	

ASSET QUALITY (figures in millions of euros and %)

	June 30, 2024	Dec 31, 2023	Δ Dec 23	Δ % Dec 23
Past Due	340	327	13	4%
UTP	2,177	2,242	(64)	(3%)
Bad Loans	1,049	1,080	(31)	(3%)
Gross Non Performing Loans	3,567	3,649	(82)	(2%)
Performing Loans - Stage 1	79,828	80,113	(286)	(0%)
Performing Loans - Stage 2	8,623	9,051	(429)	(5%)
Total gross loans to customers	92,017	92,813	(796)	(1%)
Gross NPL ratio	3.9%	3.9%	(0.0%)	(1%)
Writedowns	2,596	2,636	(40)	(2%)
Coverage Ratio NPL	72.8%	72.2%	0.5%	1%
Coverage Ratio past due	44.2%	40.5%	3.7%	9%
Coverage Ratio UTP	70.1%	69.6%	0.4%	1%
Coverage Ratio Bad Loans	87.7%	87.3%	0.5%	1%
Coverage Ratio Performing Loans	0.9%	1.0%	(0.1%)	(10%)
Coverage Ratio Performing - Stage 1	0.4%	0.4%	(0.0%)	(10%)
Coverage Ratio Performing - Stage 2	5.3%	5.6%	(0.4%)	(6%)
Net Non Performing Loans	971	1,013	(42)	(4%)
Net NPL Ratio	1.1%	1.1%	(0.0%)	(3%)

CAPITAL REQUIREMENTS *(figures in millions of euros and %)*

	June 30, 2024	Dec 31, 2023	Δ Jun-24 vs Dec-23	Δ % Jun-24 vs Dec-23
RWA	63,882	64,392	(510)	(0.8%)
CET 1	14,486	13,572	914	6.7%
Total Capital	15,214	14,302	912	6.4%
CET1 ratio	22.7%	21.1%	1.6%	7.6%
TC ratio	23.8%	22.2%	1.6%	7.2%