

Press release

Bancassurance: BCC Iccrea Group chooses Assimoco as its strategic partner for the non-life sector.

The authorisation process with the relevant authorities that will lead to Assimoco holding a 51% stake in BCC Assicurazioni has begun.

Rome, 14th of September 2023

BCC Banca Iccrea, parent company of the BCC Iccrea Group, and Assimoco have signed a strategic bancassurance partnership in the non-life sector at the conclusion of exclusive negotiations that began in August.

The choice of the BCC Iccrea Group came after a complex selection process involving several leading companies in the national and European non-life insurance market.

In fact, Assimoco's proposal was the best in terms of product range and a service management model that has been built and consolidated over years of work with Cooperative Credit Banks, resulting in a high degree of customer satisfaction.

Among other things, the agreement envisages Assimoco's purchase of 51% of BCC Assicurazioni, the BCC Iccrea Group's non-life insurance company, set up in 2008 to promote the services of the cooperative credit system's protection branch. Upon achievement of performance indicators there is the possibility to extend the duration of the partnership up to a total of 15 years and for Assimoco to acquire an additional 19% of BCC Assicurazioni.

In keeping with the defined commercial targets, the valuation of the sale for the BCC Iccrea Group could reach €275 million, which can be further increased if certain conditions are met, plus more than €1.6 billion in commissions over 15 years.

For the BCC Group, the agreement will strengthen and align the product range of the 117 BCCs belonging to the BCC Iccrea Group with respect to bancassurance, providing continuity to the commitment made by BCC Assicurazioni.

A particular strategic role in the partnership will be played by BCC Servizi Assicurativi, the specialised insurance hub of the BCC Iccrea Group, which since August 2020 has strengthened its personalised assistance and business consulting services for customers and shareholders of member BCCs and its technological innovation support to the network of their 2,500 branches. BCC Servizi Assicurativi, founded with the mission of capitalising on the significant growth potential offered by the bancassurance sector, has progressively assumed the role of the Group's insurance competence centre, with direct supervision of the business and commercial component of the entire protection area for both the Group's companies and the BCCs.

The BCC Iccrea Group closed 2022 with a 17% growth in overall production in the non-life sector, reaching the threshold of almost €200 million in earned premiums (€170 million in 2021), confirming its position as one of the top five players in Italy's bancassurance market.

“We are very pleased with the closing of this important agreement with Assimoco, which gives us the opportunity to capitalise on some important industrial synergies”, commented Mauro Pastore, General Manager of the BCC Iccrea Group. “Assimoco already operates with about one third of the BCCs in our Group and is highly regarded by them. As BCC Iccrea Group, we believe that protection insurance is a key tool for our BCCs to develop lasting customer relationships, and this agreement will give them access to excellent resources, boosting their ability to satisfy local needs in the non-life insurance sector”.

“We are very pleased with the agreement reached. With it we significantly strengthen our long-standing collaboration with the BCC Iccrea Group, which has always been based on shared cooperative values. In the context of our bancassurance strategy, this is a crucial step towards establishing Assimoco as a leader in the cooperative insurance sector in Italy”, added Norbert Rollinger, Chairman of the Management Board of R+V Versicherung AG and President of Assimoco SpA.

The effectiveness of the transaction is subject to the issuance of authorisations by the relevant authorities. It is therefore estimated that the closing could take place between late 2023 and early 2024.

For this transaction, Iccrea Banca was assisted by KPMG Corporate Finance and Kitra Advisory (Financial Advisors), Legance - Associate Lawyers (Legal Advisor) and iCONS – Innovative Consulting (Business Advisor). KPMG also performed financial, actuarial and legal vendor due diligence for Iccrea Banca.

Assimoco was instead assisted by EY Advisory S.p.A. as Financial Advisor and for financial, actuarial and operational due diligence activities, and by Clifford Chance as Legal Advisor and for legal due diligence activities.

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 30 June 2023 amounting to €168.3 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 30 June 2023 made around € 90 billion of net loans throughout Italy and took in direct funding from customers of around € 126 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 19.9% (data as at 30 June 2023).

The **Assimoco Group** is the first insurance company in Italy to have earned B Corp Certification and to be qualified as a Benefit Corporation. Assimoco serves more than 200 BCCs and rural banks throughout the country, with a widespread presence in over 4,000 branches. The Group has over one million customers and recorded total premium income in 2022 of €973.084 million, with operating income of €57 million and a profit of €30 million. The Group's financial assets under management amounted to €4.587 billion.

The shareholders of the Assimoco Group are: R+V Group, Raiffeisen Federation and Rural Banks, Fondosviluppo, as well as other regional federations, banks and agencies belonging to the cooperative movement. **R+V Versicherung AG**, with around 9 million customers, is one of Germany's largest insurance companies. It is part of the Volksbanken and Raiffeisenbanken cooperative financial group. R+V offers its customers innovative and customised insurance solutions. In 2022, the R+V Group received premium income of almost €20 billion and has more than 17,000 employees in Germany.

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