

Press release

BCC Iccrea Group: the Iccrea Banca Meeting renews the corporate bodies for the next three years. Giuseppe Maino confirmed as chairman.

The Group 2022-2024 business plan sets four main objectives:

- *Loan quality: Gross NPL Ratio 4.5%*
- *Profitability: ROE 5.5% and cost/income ratio 67.1%*
- *Capital profile: TCR 18.7%*
- *ESG commitment: support to both local communities and the transition of SMEs towards concrete models of sustainability and innovation, digitalisation, and diversity*

Rome, 17 June 2022

The Meeting of Iccrea Banca renewed the corporate bodies, replacing some members of the Board of Directors, the Board of Statutory Auditors and the Internal Board Committees.

The new Board of Directors, which met separately from the Meeting, confirmed Giuseppe Maino as Chairman of Iccrea Banca and ratified the 2022-2024 Group Business Plan.

The plan includes development targets based on the macroeconomic framework prior to current geo-political tensions. In confirming its goals for 2024, the Group has performed sensitivity analyses that confirm that the targets are still achievable. Changes in the environment will be taken into account in the periodic review of the economic and financial targets, employing the rolling approach to strategic planning adopted by the Group.

The plan calls for: **1. the completion of the de-risking process** to achieve a loan quality close to national market values; **2. an increase in net margins** in keeping with the cooperative nature of the Group; **3. the maintenance of a solid capital profile;** **4. continued commitment on the ESG front** to support sustainable development in the local community, to facilitate the ecological transition, innovation and digitisation,

and to encourage diversity, most notably the development of female talent and potential.

On the **loan quality** front, the plan envisages growth in net loans to customers to €94.6 billion by 2024 (+7% versus 2021) with new origination over the course of the plan of more than €49 billion (€17.2 billion in 2024 alone, CAGR +4.6%) and a programme of disposals also secured by GACS. The plan is to reduce net NPLs to €2 billion (-18% versus 2021), gross NPLs to €4.4 billion (-32% versus 2021), net NPL ratio to 2.1% and gross NPL ratio to 4.5%.

As for **profitability**, an increase in ROE to 5.5% and a cost/income ratio to 67% (from 73.9% in 2019) is estimated for 2024, with net profit growing to €688 million in 2024 (up 45% from 2021).

The plan estimates a growth in indirect deposits to €67.3 billion (+29% compared to 2021) thanks to a significant contribution of €39.8 billion from assets under management (+47% versus 2021) and €12.8 billion from life insurance (+24% versus 2021).

With regard to the **capital profile**, a solid level of capital ratios is expected to be maintained, with the CET1 ratio and TC ratio stable at 17.6% and 18.7%, respectively. Liquidity will also remain at optimal levels of adequacy.

On the **ESG** front, in the wake of the historical support provided to local communities but with a strong orientation toward the future given the great change that is now under way, the plan envisages initiatives aimed at contributing to the sustainable development of local regions through concrete actions to support customers – especially SMEs – in the launch of sustainable transformation processes. In fact, initiatives are planned for: 1. information and training on sustainability; 2. analysis of ESG positioning to identify the necessary improvement actions and consequently redirect strategies; and, finally, 3. dedicated financing operations, including with specially designed products.

The Group's strong actions in support of the local economy will continue in synergy with the BCCs through microcredit initiatives, combating usury and benefiting the third sector, including by developing national projects to set up and finance Energy Communities aimed at ensuring positive environmental and social impacts. On the environmental front, initiatives will continue to be implemented to reduce emissions deriving from mobility and electricity consumption, to increase the energy efficiency of workplaces, and to encourage dematerialisation. ESG funding initiatives in accordance with the Green, Social and Sustainability Bond Framework and increasing the ESG AuM are also planned. Finally, the plan envisages the progressive reduction of gender differences and the alignment of governance with market best practices.

“I thank the Board of Directors for the renewed confidence”, commented Giuseppe Maino, chairman of Iccrea Banca. “I will continue to work diligently with the Board members and the structures of the BCC Iccrea Group so that this ambitious plan can be fully implemented. We want to increase the quality of our presence in local communities by increasing our ability to serve customers across the entire range of banking and financial services and by prioritising one of our key assets, the one that

truly sets us apart: I am referring to the high level of trust that characterises the relationship with our members and customers that originates from a people-focused cooperative business model”.

“While carefully monitoring the development of geo-political events, we want to convey a sense of closeness and positivity to our main interlocutors, families and SMEs”, added Mauro Pastore, General Manager of Iccrea Banca. “Our Group has already done a great job that has led to very positive results in 2021. For the next three years we expect to continue to strongly support local economies, further improve our capitalisation and maintain a level of profitability appropriate to our cooperative nature. We want to complete the transformation of our business model by emphasising our natural ESG matrix and increase our level of efficiency by centralising those services offering low added value. A challenging programme that we will tackle with commitment and the cooperation of all Group employees”.

The new members of the Board of Directors are: Giuseppe Maino (chairman), Pierpaolo Stra (deputy vice chairman), Teresa Fiordelisi (vice chairwoman), Lucio Alfieri, Francesco Carri, Giuseppe Gambi, Maurizio Longhi, Roberto Ottoboni, Paola Petrini, Flavio Piva, Nadia Benabdallah, Paola Leone, Luigi Menegatti, Enrica Rimoldi, Laura Zoni.

The new members of the Board of Statutory Auditors are: Barbara Zanardi (chairwoman), Riccardo Andriolo (Standing Auditor), Claudia Capuano (Standing Auditor), Michela Cignolini (Alternate Auditor), Vittorio Rocchetti (Alternate Auditor).

The BCC Iccrea Group is the largest Italian cooperative banking group, the only national banking group with wholly Italian capital and the fourth largest banking group in Italy by assets, with total consolidated assets as at 31 December 2021 of €179 billion, an increase of €9.7 billion (+5.7%) compared to 31 December 2020. The BCC Iccrea Group today is made up of 120 BCCs, present in over 1,700 Italian municipalities with almost 2,500 branches, and other banking, financial and product companies controlled by the parent company, BCC Banca Iccrea. The BCCs of the Group at 31 December 2021 made around € 89 billion of net loans throughout Italy and took in direct funding from ordinary customers of around € 122 billion, with more than 3 million customers and 845 thousand shareholders. Consolidated shareholders' equity rose to € 10.7 billion and own funds to € 12 billion. The Group has a CET 1 Ratio of 17.7% and a TCR of 18.9% (at 31/12/2021).

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