

## Press release

# BCC Iccrea Group: consolidated results as at 31 March 2024

- *The Group's strong local roots were confirmed by volumes that were largely in line with the end of 2023: direct funding of €136 billion and net loans to customers<sup>1</sup> of €93 billion. More than €4.1 billion of new loans were disbursed in the first quarter of the year (of which €1.9 billion to new customers).*
- *Gross income amounted to €1.5 billion (+12.9% compared to Q1 2023) with a positive trend in the primary component (net interest income + net commissions) of the revenues.*
- *The Group's solid equity and liquidity position was confirmed: CET1 ratio of 22.0%, TC ratio of 23.1%. LCR of 264%, NSFR of 156%.*
- *Gross NPL ratio at 3.7% and net NPL ratio at 1.1%<sup>2</sup>.*

**Rome, 14 May 2024**

The Board of Directors of Iccrea Banca examined the consolidated results of the BCC Group as at 31 March 2024.

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 amounted to €93.3 billion (€90.9 billion at year-end 2023). New loans of more than €4.1 billion were disbursed during the first quarter. In terms of credit quality, both the gross NPL ratio of 3.7% and the net NPL ratio of 1.1% remained substantially unchanged from the proforma figures calculated at the end of 2023. The coverage ratio of non-performing loans remained high, at 71.7% (72.2% at the end of

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<sup>1</sup> Including transactions (mainly repurchase agreements) with institutional counterparties amounting to approximately €4.5 billion (€1.6 billion as at Dec.31,2023).

<sup>2</sup> Net of transactions with institutional counterparties.

2023). 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 (less than 1/3 of the total impaired portfolio).

Direct funding stood at around €136 billion, up slightly from €134.9 billion at the end of 2023. The main liquidity indicators remained well above regulatory requirements and among the highest in the system, with the NSFR at 156% and LCR at 264%, substantially unchanged from the end of 2023. The Group's readily available liquidity reserves amount to €42.3 billion.

In terms of revenue, the Group reported a gross income of € 1,497 million in the first quarter of 2024 (+12.9% over the first quarter of 2023), thanks mainly to the positive trend in net interest income, which amounted to € 1,088 million (about +13.7% versus the first quarter of 2023), and benefited mainly from the trend in interest rates. Net commissions remained stable at €336 million (€338 million in Q1 2023).

Operating costs amounted to €735 million (+3.4% compared to Q1 2023).

The Group's cost/income ratio thus stood at 49.1% (53.6% in Q1 2023).

Net adjustments for credit risk amounted to €43 million (€22 million in Q1 2023), defining an annualised cost of credit of 18 bps.

Net profit for the period amounted to €610 million (€496 million in Q1 2023).

Consolidated equity rose to € 14.3 billion (13.9 billion at the end of 2023) and own funds to € 14.8 billion (14.3 billion at the end of 2023).

Risk-weighted assets (RWA) stood at €64.2 billion (€64.4 billion at the end of 2023).

Capital adequacy ratios remain well above regulatory requirements and further increased: CET1 ratio of 22.0% and TC ratio of 23.1%.

### **Significant events after the end of the quarter**

- **22 April 2024:** The strategic partnership between the BCC Iccrea Group and Assimoco in the non-life insurance sector has been finalised.

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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 2024 amounting to €171.5 billion. Today the BCC Iccrea Group is made up of 115 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 2024 made around € 90 billion of net loans throughout Italy and took in direct funding from customers of around € 136 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 22% and an LCR Ratio of 264% (data as at 31 March 2024).

The Group is a member of the Tertio Millennio ETS Foundation, a nonprofit organization established in 2002 within the Cooperative Credit system, which aims to develop social solidarity activities in Italy and abroad, particularly within the system of Cooperative Credit Banks and Rural Banks.

[www.gruppobcciccrea.it](http://www.gruppobcciccrea.it)

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

**Raffaella Nani**

Head of Institutional  
Communication  
+39 335-1217721  
[rnani@iccrea.bcc.it](mailto:rnani@iccrea.bcc.it)

**Simone Maggi**

Head of Investor Relations  
Mobile: +39 366-6739550  
[smaggi@iccrea.bcc.it](mailto:smaggi@iccrea.bcc.it)

**Marco Bellabarba**

Media Relations  
Mobile: +39 340-8867477  
[mbellabarba@iccrea.bcc.it](mailto:mbellabarba@iccrea.bcc.it)

**Chiara Paciucci**

Media Relations  
Mobile: +39 340-4643230  
[cpaciucci@iccrea.bcc.it](mailto:cpaciucci@iccrea.bcc.it)

#### Contacts for Barabino & Partners for the BCC Iccrea Group:

Domenico Lofano

[d.lofano@barabino.it](mailto:d.lofano@barabino.it)

Mobile: +39 334-  
1412995

Aurora Gianfelici

[a.gianfelici@barabino.it](mailto:a.gianfelici@barabino.it)

Mobile: +39 346-00707

The consolidated financial statements as at 31 March 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).

## RECLASSIFIED CONSOLIDATED PROFIT AND LOSS STATEMENT

	1Q 24	1Q 23	Δ 1Q24 vs 1Q23	Δ % 1Q24 vs 1Q23	Statutory financial statements items
Net interest income	1,088	957	131	13.7%	(30)
Net fees and commission income (expense)	336	338	(2)	(0.5%)	(60)
Other financial income	73	31	42	135.1%	(70; 80; 90; 100; 110)
<b>Gross Income</b>	<b>1,497</b>	<b>1,326</b>	<b>171</b>	<b>12.9%</b>	<b>(120)</b>
Net writedowns / writebacks for credit risk	(43)	(22)	(21)	95.2%	(130; 140)
<b>Operating expenses</b>	<b>(735)</b>	<b>(711)</b>	<b>(24)</b>	<b>3.4%</b>	<b>(240)</b>
Personnel expenses	(489)	(470)	(18)	3.9%	(190a)
Other administrative expenses	(272)	(270)	(3)	0.9%	(190b)
Net provisions	(3)	6	(9)	(156.0%)	(200)
Net adjustments	(58)	(56)	(1)	2.5%	(210; 220)
Other operating expenses/income	87	79	8	9.6%	(230)
<b>Operating Result</b>	<b>720</b>	<b>594</b>	<b>127</b>	<b>21.3%</b>	
Other	6	(1)	7	(742.6%)	(250; 260; 270; 280)
<b>Profit before taxes</b>	<b>726</b>	<b>593</b>	<b>133</b>	<b>22.5%</b>	<b>(290)</b>
Taxes	(117)	(97)	(20)	20.5%	(300)
Profit after tax from discontinued operations	0	0	0	n.a.	(320)
<b>Net profit</b>	<b>610</b>	<b>496</b>	<b>114</b>	<b>22.9%</b>	<b>(330)</b>

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

Assets (€mln)	1Q 24	FY 23	Δ Mar 24 vs Dec 23	Δ % Mar 24 vs Dec 23	Statutory financial statements items
Financial Assets	60,100	61,126	(1,026)	(1.7%)	Assets items: 20;30; Financial assets item 40
Net loans to customers	93,262	90,886	2,376	2.6%	Net loans to customers: item 40
Net loans to banks	3,648	7,613	(3,965)	(52.1%)	Net loans to banks item 40
Other assets	14,501	14,888	(387)	(2.6%)	Assets items: 10; 50; 60; 70; 90; 100; 110; 120; 130
<b>Total assets</b>	<b>171,511</b>	<b>174,513</b>	<b>(3,002)</b>	<b>(1.7%)</b>	

  

Liabilities and shareholders' equity (€mln)	1Q 24	FY 23	Δ Mar 24 vs Dec 23	Δ % Mar 24 vs Dec 23	Statutory financial statements items
Financial liabilities to customers	122,143	122,523	(380)	(0.3%)	Financial liabilities to customers item 10b
Securities issued	13,878	12,350	1,528	12.4%	Securities issued item 10c
Financial liabilities to banks	12,701	17,923	(5,221)	(29.1%)	Financial liabilities to banks item 10a
Other liabilities	8,449	7,828	621	7.9%	Liabilities items: 20; 30; 40; 50; 60; 70; 80; 90; 100
Group shareholders' equity	14,339	13,889	450	3.2%	Liabilities items: 110; 120; 130; 140; 150; 160; 170; 180;
<b>Total liabilities and shareholders' equity</b>	<b>171,511</b>	<b>174,513</b>	<b>(3,002)</b>	<b>(1.7%)</b>	

**ASSET QUALITY (€/m and %)**

	1Q 24	FY 23	Δ FY 23	Δ % FY 23
Past Due	339	327	12	4%
UTP	2,078	2,242	(164)	(7%)
Bad Loans	1,018	1,080	(62)	(6%)
<b>Gross Non Performing Loans</b>	<b>3,435</b>	<b>3,649</b>	<b>(214)</b>	<b>(6%)</b>
Performing Loans - Stage 1	79,613	80,113	(500)	(1%)
Performing Loans - Stage 2	9,073	9,051	22	0%
<b>Total gross loans to customers</b>	<b>92,122</b>	<b>92,813</b>	<b>(692)</b>	<b>(1%)</b>
<b>Gross NPL ratio</b>	<b>3.7%</b>	<b>3.9%</b>	<b>(0.2%)</b>	<b>(5%)</b>
Writedowns	2,464	2,636	(173)	(7%)
<b>Coverage Ratio NPL</b>	<b>71.7%</b>	<b>72.2%</b>	<b>(0.5%)</b>	<b>(1%)</b>
Coverage Ratio Past Due	40.4%	40.5%	(0.1%)	(0%)
Coverage Ratio UTP	69.2%	69.6%	(0.4%)	(1%)
Coverage Ratio Bad Loans	87.2%	87.3%	(0.1%)	(0%)
Coverage Ratio Performing Loans	1.0%	1.0%	(0.0%)	(1%)
Coverage Ratio Performing - Stage 1	0.4%	0.4%	(0.0%)	(2%)
Coverage Ratio Performing - Stage 2	5.6%	5.6%	(0.1%)	(1%)
Net Non Performing Loans	972	1,013	(41)	(4%)
<b>Net NPL ratio</b>	<b>1.1%</b>	<b>1.1%</b>	<b>(0.0%)</b>	<b>(4%)</b>

**CAPITAL REQUIREMENTS (€/m and %)**

	1Q24	2023	Δ 2023	Δ % 2023
RWA	64,206	64,392	(186)	(0.3%)
CET 1	14,093	13,572	521	3.8%
Total Capital	14,822	14,302	520	3.6%
<b>CET1 ratio</b>	<b>22.0%</b>	<b>21.1%</b>	<b>0.9%</b>	<b>4.1%</b>
<b>TC ratio</b>	<b>23.1%</b>	<b>22.2%</b>	<b>0.9%</b>	<b>3.9%</b>