

Press Release

Fitch upgrades BCC Iccrea Group's rating to Investment Grade level.

Mauro Pastore, GM of the BCC Iccrea Group: "A very important recognition of the soundness of the strategy put in place and a further incentive for its continuation"

Rome, 24 January 2024

Today Fitch Ratings upgraded the ratings of BCC Iccrea Group to investment grade level; in particular Long-Term Issuer Default Rating (IDR) has been upgraded to "BBB-" from "BB+", Short-Term IDR to "F3" from "B", viability rating to "bbb-" from "bb+". The Outlook on the Long-Term IDR is Stable. Fitch has also upgraded the central institution Iccrea Banca's IDR to 'BBB-' from 'BB+' with a Stable Outlook.

The upgrade reflects BCC Iccrea Group's faster than expected execution of strategic initiatives to improve business and revenue diversification; all this coupled with further progress in balance sheet de-risking and ample capital buffers supports the Group's business model and growth potential. According to Fitch, the more favorable interest rate environment than what prevailed before 2023, should support BCC Iccrea Group's structural earnings generation capacity.

In the press release, Fitch also underlines that the large and stable customer deposit and the high capital ratios represent strenghts of the BCC Iccrea Group's rating profile.

Mauro Pastore, General Manager of the BCC Iccrea Group, added: "Today's rating action from Fitch Ratings is added to an important series of positive appraisals that the Group has received in recent months, including the results of the Stress Test that ranks us among the strongest institutions in Europe, the recent rating improvements from DBRS with investment grade and S&P's 'BB+' 's outlook shifting from stable to positive, and finally the recommendations on the 2024 SREP with a reduction of the Pillar 2 Requirement (P2R) by 27 bps.

Consistent with the mutualist purpose that sets us apart, this further positive news encourages us to continue with even greater vigour along the path undertaken, both to make our business model even more efficient and modern and to strengthen our support to local regions and communities".

For more information, see the press release published by Fitch Ratings at www.fitchratings.com.

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 September 2023 amounting to €171.5 billion. Today the BCC Iccrea Group is made up of 116 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 September 2023 made around € 90 billion of net loans throughout Italy and took in direct funding from customers of around € 131 billion, with over 5 million customers and about 873 thousand shareholders. The BCC Iccrea Group is among the best banking groups in terms of capital quality with a CET1 Ratio of 20.8% and a liquidity position with an LCR of 267% (data as at 30 September 2023). The Group is a member of the Fondazione Tertio Millennio ETS, a non-profit organisation set up in 2002 that focuses exclusively on developing social solidarity activities in Italy and abroad, particularly within the system of Cooperative Credit Banks and Rural Banks.

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