

Press release

BCC Iccrea Group: Stress Test Results.

CET1 ratio at 20.9% in the baseline scenario and 14.0% in the adverse scenario, among the best in Europe

Rome, 28 July 2023

The BCC Iccrea Group took part in the 2023 EBA EU-wide Stress Test conducted at a European level by the European Banking Authority (EBA) in collaboration with the Bank of Italy, the European Central Bank and the European Systemic Risk Board (ESRB) and took note of the communication issued today by the EBA on the results of the stress test exercise, fully acknowledging its outcomes.

The BCC Iccrea Group's fully loaded Common Equity Tier 1 ratio (CET1r) at the end of the time horizon considered for the simulation (2025) stands at:

- 20.89% in the baseline scenario, up about 255 basis points from the figure recorded in December 2022;
- 14.00% in the adverse scenario, down about 435 basis points from the figure recorded in December 2022 and at levels above the prudential capital requirement, including the supervisory expectation of the Pillar 2 Guidance.

Mauro Pastore, General Manager of the BCC Iccrea Group added: "We are particularly pleased with the results of the stress test. This exercise further corroborates the important efforts made by the Group in recent years in terms of risk control and capital strengthening, placing us at the top of the national banking system in terms of capital solidity even in a hypothetical scenario of severe recession. All this is extremely relevant for our shareholders and customers: in the event of an extremely complex economic landscape, the BCC Iccrea Group would have more than adequate strength and resources to continue to support local regions and economies in keeping with its mission".

The 2023 European Stress Test was not based on a pass-fail threshold, but instead represented an important source of information for the purposes of the Supervisory Review and Evaluation Process (SREP). The results will therefore contribute to the competent authorities' assessment of the BCC Iccrea Group's ability to meet prudential requirements in adverse scenarios.

The adverse scenario of the stress test was defined by the ECB/ESRB and covers a three-year time horizon (2023-2025). The stress test was conducted assuming static financial statements at the end of December 2022, and therefore does not factor in

business strategies and other managerial actions. Nor does it include an indication of the Group's future profits.

The BCC Iccrea Group is the largest cooperative banking group, the fourth largest banking group in Italy in terms of assets, the second largest in terms of number of branches in Italy and the only national banking group with wholly Italian capital. Today the BCC Iccrea Group has assets of € 171.5 billion (as at 31 March 2023) and 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 31 March 2023 made around € 90 billion of net loans throughout Italy and took in direct funding from customers of around € 129 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 19.3% (data as at 31 March 2023).

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