

## Press release

# BCC Iccrea Group: consolidated results as at 31 December 2023.

- *The Group's local roots remain strong:*
  - *Loans to customers of €91 billion (flat versus 2022).*
  - *Direct funding of €135 billion (around +5% versus 2022)*
  - *218,000 new customers acquired in 2023, on 5.2 million in total*
  - *new loan disbursements for €15.6 billion in 2023*
- *Gross Income of €5.6 billion (+9.5% versus 2022)*
- *CET1 ratio of 21.1%, TC ratio of 22.2%.*
- *Gross NPL ratio at 3.9%; net NPL ratio at 1.1%.*
- *LCR of 265%, NSFR of 157%.*
- *Equity increased to €13.9 billion and own funds to €14.3 billion.*

**Rome, 13 February 2024**

The Board of Directors of Iccrea Banca examined the consolidated results of the BCC Iccrea Group as at 31 December 2023.

In 2023 the BCC Iccrea Group, Italy's largest cooperative banking group, saw positive trends in the main income statement, balance sheet, financial and liquidity indicators, confirming its strong roots in the areas where its affiliated banks are located, with loans to customers for a total of €91 billion – included new loans disbursements for €15.6 billion – substantially stable compared to 2022, direct deposits of around €135 billion, up by around 5% compared to €128 billion at the end of 2022, and 218.000 new customers on 5.2 million customers in total.

Asset quality also improved sharply thanks to both the careful management of the loan portfolio and the derisking initiatives undertaken during the year, which brought the gross NPL ratio to 3.9% (4.5% at the end of 2022) and the net NPL ratio to 1.1% (1.5% at the end of 2022). The coverage ratio on impaired loans further improved to 72.2%, more than 4 percentage points higher than in 2022 (67.8%). This figure is particularly significant in view of the high proportion of non-performing loans backed by collateral and the increasingly small share of non-performing loans in the portfolio (less than about 1/3 of total NPEs).

The main liquidity indicators remain well above regulatory requirements: LCR of 265% and NSFR of 157%. Liquidity reserves, freely available, at € 40.1 billion.

In terms of revenue, the Group reported net interest and other banking income of €5,590 million in 2023 (+9.5% over 2022), thanks mainly to the positive trend in net interest income, which amounted to €4,095 million (+11% versus 2022) and benefited from the favourable market environment (rising interest rates). Net commissions also performed well, amounting to € 1,348 million (+0.7% compared to 2022).

Operating costs amounted to € 3,095 million (+2.5% compared to 2002); the increase is mainly due to rising personnel expenses subsequent to the renewal of the national collective agreement.

The Group's cost/income ratio thus stood at 55.4% (59.2% in 2022).

Net adjustments for credit risk amounted to €408 million (€479 million in 2022), aimed at maintaining a prudent and significant control of credit risk. The cost of risk (annualised) is 45 bps.<sup>1</sup>

Group net profit was €1,858 million, +3.4% over 2022.

Consolidated shareholders' equity rose to € 13.9 billion (11.9 billion in 2022) and own funds to about € 14.3 billion (€13.0 billion in 2022).

Risk-weighted assets (RWA) stood at € 64.4 billion, slightly up compared to the end of 2022 (€ 63.9 billion).

The Group's CET1 ratio was 21.1% (19.2% at the end of 2022) while the TC ratio was 22.2% (20.4% at the end of 2022), well above regulatory requirements.

### **Main events after the end of year<sup>2</sup>:**

- 24 January 2024: The Fitch rating agency upgraded the BCC Iccrea Group's rating to investment grade
- 30 January 2024: The parent company BCC Banca Iccrea successfully completed the issuance of a €500 million Social Senior Preferred Bond

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<sup>1</sup> Net adjustments on net loans to customers

<sup>2</sup> For more information see the relevant press releases on the Group's institutional website in the Investor Relations section

The BCC Iccrea Group is Italy's 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 December 2023 amounting to €176.3 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 31 December 2023 made around € 91 billion of net loans throughout Italy and took in direct funding of around € 135 billion, with 5.2 million customers and about 850 thousand shareholders. The BCC Iccrea Group is among the best banking groups in terms of capital quality with a CET1 Ratio of 21.1% and a liquidity position with an LCR of 265%. 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.

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

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The consolidated financial statements as at 31 December 2023 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). Note that the auditing firm is completing the legal audit of the financial statements. The draft 2022 Financial Statements, the draft Consolidated Financial Statements and the related accounting and management schedules will be submitted to the Board of Directors for approval, currently scheduled for 28 March, and will be published at a later date.

## RECLASSIFIED CONSOLIDATED PROFIT AND LOSS STATEMENT

	FY 23	FY 22	Δ FY 22	Δ % FY 22
Net interest income	4,095	3,694	401	10.9%
Net fee and commission income (expense)	1,348	1,338	10	0.7%
Other financial income	147	71	76	106.3%
<b>Gross Income</b>	<b>5,590</b>	<b>5,103</b>	<b>487</b>	<b>9.5%</b>
Net writedowns / writebacks for credit risk	(408)	(479)	71	(14.9%)
<b>Operating expenses</b>	<b>(3,095)</b>	<b>(3,021)</b>	<b>(74)</b>	<b>2.5%</b>
Personnel expenses	(1,899)	(1,805)	(94)	5.2%
Other administrative expenses	(1,252)	(1,249)	(3)	0.2%
Net provisions	(49)	(44)	(5)	11.6%
Net adjustments	(249)	(237)	(12)	5.1%
Other operating expenses/income	354	313	40	12.8%
<b>Operating Result</b>	<b>2,087</b>	<b>1,603</b>	<b>484</b>	<b>30.2%</b>
Other	8	(34)	42	(122.8%)
<b>Profit before taxes</b>	<b>2,094</b>	<b>1,569</b>	<b>525</b>	<b>33.5%</b>
Taxes	(335)	(215)	(120)	55.6%
Profit after tax from discontinued operations	98	442	(344)	(77.9%)
<b>Net profit</b>	<b>1,858</b>	<b>1,796</b>	<b>61</b>	<b>3.4%</b>

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

Assets (€mln)	FY 23	FY 22	Δ FY 22	Δ % FY 22
Financial assets	61,126	68,014	(6,888)	(10.1%)
Net loans to customers	90,886	90,869	18	0.0%
Net loans to banks	2,656	1,557	1,099	70.6%
Other assets	19,844	13,103	6,741	51.4%
<b>Total assets</b>	<b>174,513</b>	<b>173,542</b>	<b>970</b>	<b>0.6%</b>
Liabilities and shareholders' equity (€mln)	FY 23	FY 22	Δ FY 22	Δ % FY 22
Financial liabilities to customers	122,523	119,116	3,407	2.9%
Securities issued	12,350	9,196	3,155	34.3%
Financial liabilities to banks	17,923	28,518	(10,596)	(37.2%)
Other liabilities	7,828	4,842	2,985	61.7%
Group shareholders' equity	13,889	11,871	2,018	17.0%
<b>Total liabilities and shareholders' equity</b>	<b>174,513</b>	<b>173,542</b>	<b>970</b>	<b>0.6%</b>

**ASSET QUALITY (€/m and %)**

	FY23	FY 22	Δ FY 22	Δ % FY 22
Past due	327	367	(40)	(11%)
UTP	2,242	2,477	(235)	(9%)
Bad Loans	1,080	1,401	(321)	(23%)
<b>Gross Non Performing Loans</b>	<b>3,649</b>	<b>4,244</b>	<b>(595)</b>	<b>(14%)</b>
Performing Loans - Stage 1	81,684	82,832	(1,148)	(1%)
Performing Loans - Stage 2	9,051	7,665	1,386	18%
<b>Total gross loans to customers</b>	<b>94,384</b>	<b>94,741</b>	<b>(357)</b>	<b>(0%)</b>
<b>Gross NPL ratio</b>	<b>3.9%</b>	<b>4.5%</b>	<b>(0.6%)</b>	<b>(14%)</b>
Writedowns	2,636	2,877	(241)	(8%)
<b>Coverage Ratio NPL</b>	<b>72.2%</b>	<b>67.8%</b>	<b>4.4%</b>	<b>7%</b>
Coverage Ratio Past due	40.5%	28.4%	12.1%	42%
Coverage Ratio UTP	69.6%	64.7%	4.9%	8%
Coverage Ratio Bad Loans	87.3%	83.5%	3.7%	4%
Coverage Ratio Performing Loans	0.9%	1.1%	(0.1%)	(14%)
Coverage Ratio Performing - Stage 1	0.4%	0.6%	(0.2%)	(28%)
Coverage Ratio Performing - Stage 2	5.6%	6.5%	(0.9%)	(13%)
Net Non Performing Loans	1,013	1,367	(354)	(26%)
<b>Net NPL ratio</b>	<b>1.1%</b>	<b>1.5%</b>	<b>(0.4%)</b>	<b>(26%)</b>

**CAPITAL REQUIREMENTS (€/m and %)**

	FY 23	FY 22	Δ FY 22	Δ FY 22 %
RWA	64,392	63,891	501	0.8%
CET 1	13,572	12,286	1,287	10.5%
Total Capital	14,302	13,025	1,277	9.8%
<b>CET1 ratio</b>	<b>21.1%</b>	<b>19.2%</b>	<b>1.8%</b>	<b>9.6%</b>
<b>TC ratio</b>	<b>22.2%</b>	<b>20.4%</b>	<b>1.8%</b>	<b>8.9%</b>