

Press release

BCC Banca Iccrea: a new sale of non-performing loans has been successfully completed.

Loans sold amounting to approximately €300 million originating from 2,500 debtors from 72 banks of the Group.

Considering this transaction, the proforma figures show:

- *A further decline in the Group's total non-performing loans to approximately €3.4 billion, with a proforma gross NPL ratio at 3.6%.*
- *The maintenance of solid coverage, confirmed at 72%.*
- *A further decline in the net NPL ratio, to 1.0%.*
- *A positive effect on capital ratios of an additional 7 bps.*

Rome, 20 February 2024

BCC Banca Iccrea, parent company of the BCC Iccrea Group, has accepted the binding offers submitted by several investors for a new, fully non-recourse sale of impaired loans, represented by non-performing loans and UTPs with a total value of around €300 million and originating from over 2,500 debtors.

According to management estimates the finalisation of the transaction will further improve the gross NPL ratio, falling by 30 bps to a proforma 3.6%. Thanks to the solid coverage, estimated at 72% net of the transaction, the net NPL ratio also declined by a further 10 bps to a proforma 1.0%, lower than the national average and among the best among Italian banking groups.

Furthermore, the transaction as a whole also contributed to further strengthening the Group's already strong capital position, with an estimated positive effect of about 7 bps (CET1 ratio at 21.1% and TC ratio at 22.2% as at 31.12.23).

The legal effectiveness of the transaction, with the concurrent write-off of the loans from the balance sheets of the individual participants and at the consolidated level, is expected by the end of next March.

Seventy-two banks belonging to the BCC Iccrea Group participated in the operation (71 BCCs and the parent company BCC Banca Iccrea).

Coordinated by the specialised structures of the parent company BCC Banca Iccrea along with the participating banks, the initiative involved a large audience of leading national and international investors invited to take part in the competitive process.

"This transaction", commented Mauro Pastore, General Manager of BCC Banca Iccrea, "anticipating the strategic objectives set in the 2023-2025 NPL Plan and placing us among the top national players in terms of net NPL ratio, confirms the Group's great attention to the rigorous, proactive management of credit risks. We're extremely satisfied with this result achieved together with the affiliated banks, especially considering that only four years ago the Group's proforma gross NPL ratio was 14.5% and the net NPL ratio around 7.5%, values that at the time were almost double the national average of significant banking groups".

"This extraordinary result", added Deputy General Manager Pietro Galbiati, "was achieved by finalising several intricate market transactions involving different asset classes of impaired loans (UTPs and non-performing loans, including lease exposures) in just over a year for approximately €1.5 billion, confirming the high level of cross-cutting skills developed by the Group's banks in the credit management business".

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 €175 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 December 2023 made around € 91 billion of net loans throughout Italy and took in direct funding of around € 135 billion, with around 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.
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