

Press release

Iccrea Banca and FSI create BCC Pay, a new Italian independent player in the digital payments sector.

Rome – Milan, January 31st, 2022

Iccrea Banca, the parent company of the Iccrea Cooperative Banking Group, and FSI signed a strategic partnership aimed at developing BCC Pay, a new player in the e-payments sector in Italy. BCC Pay is the e-payment company of the BCC Iccrea Group with about 4 million payment cards, over 200,000 POS, and about € 50 billion in payment transactions.

The agreement provides for FSI to invest in BCC Pay. Upon completion of the transaction, FSI and Iccrea Banca will hold respectively 60% and 40% of the business. The transaction is based on a valuation of up to € 500 million (including a deferred component up to € 50 million) and is subject to the authorization of the competent Authorities. Closing is expected by summer 2022.

The business will be led, as CEO, by Fabio Pugini, current General Manager. The company will benefit from a solid financial position, and from both the widespread network with the proximity to the territory of the BCC Iccrea Group, and the focus on transformational growth and track record in building large Italian fintech companies of the FSI Team.

The Italian e-payments market is growing and is characterized by below-average European penetration levels. In a context of steady innovation, the partnership represents an Italian independent project, focused on the development of BCC Pay mainly through: (i) the extension of product offerings and continuous improvement on service levels; (ii) innovation and digitization (including innovative payment methods); (iii) commercial focus on BCC Banks and their needs; (iv) enlarging the customer base to other banks and operators.

The BCC Iccrea Group is the largest Italian cooperative banking group, the fourth largest banking group in Italy by assets (with about € 175 billion assets) and the third by branches, with 128 federated BCC Banks in over 1,700 Italian municipalities and more than 2,500 branches. The agreement includes a long-term distribution contract

of BCC Pay services on the network of cooperative banks, which are part of the BCC Iccrea Group.

With capital commitments of € 1.4 billion, FSI is one of the largest European funds focused on a single country and the largest Italian private equity fund. FSI has a long-standing experience in the fintech vertical, and FSI investment approach focuses on transformational growth of invested companies.

"We are very satisfied with this agreement in a sector where we want to continue to invest in innovation, technology, and infrastructures with a top-quality partner like FSI - commented Mauro Pastore, General Manager of Iccrea Banca - This transaction allows to increase the capabilities of the BCC Banks that are part of our Group to support customers, shareholders and territories, through higher offer quality and payments security. As the largest Italian cooperative banking group, we have the task of encouraging these changes, with a path that offers our customers, current and future, to keep abreast with services and needs".

"We are delighted to form a long-term partnership with the third Italian banking network. This transaction - comments Maurizio Tamagnini, FSI's CEO - confirms the role of FSI as a reference for digital growth and as a leading investor in fintech, a sector in which we have invested around € 600 million in the past four years. Digital payments are at the heart of banks' transformation and will continue to grow thanks to new products and greater diffusion".

With regard to the transaction, Iccrea Banca was assisted by Prometeia and Legance Avvocati Associati (Rome Team). FSI was assisted by KPMG (Corporate Finance Team and Deal Advisory Team), Gianni & Orioni and Studio Biscozzi Nobili Piazza.

The economic and financial benefits for the BCC Iccrea Group, once the transaction has been authorized and finalized, are estimated on an improvement in capital ratios for about 60 bps on a consolidated basis and about 350-375 bps on an individual basis.

*The **Iccrea Cooperative Banking Group** is the largest Italian cooperative banking group, the only one to be owned entirely by Italian capital, and the fourth Italian banking group in terms of assets with about € 175 billion. As of today, the Group is composed by 128 BCCs, located in more than 1.700 municipalities with more than 2.500 branches, and other banking, financial and instrumental entities controlled by the parent company BCC Banca Iccrea. As at June 2021, Group BCCs have registered throughout the Italian territory € 93 billion of gross loans*

and about € 140 billion of total funding (direct and indirect), with more than 3 million customers and 833 thousand shareholders. On the same date, the Group has a CET1 Ratio of 16.5% and a TCT of 17.2%.

FSI (www.fondofsi.it) is an independent management company managing "FSI I", an Italian Growth Private Equity Fund with capital commitments of about € 1.4 bln. It is backed by leading institutional Italian and international investors, including the European Investment Fund (EIF) through the European Investment Bank (EIB), sovereign wealth funds of Middle East, Far East, and Central Asia, asset managers, European insurance companies, banks and family offices of large industrial groups. FSI targets investments in Partnership with Families and Corporates in mid-market Italian companies with growth potential through a differentiated investment formula. The FSI investment formula is based on a moderate recourse to leverage and targets the objective of creating value through organic growth and acquisitions, sector consolidation, and succession management. FSI pursues both minority investments with active governance rights and majority investments.

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