A modern, multi-story building with a glass facade and dark structural elements. In the foreground, there is a large, shallow pool of water with several fountains spraying water upwards. The sky is blue with scattered white clouds. A semi-transparent green banner is overlaid across the middle of the image, containing the text.

# GRUPPO BCC ICCREA

## Credit Update – 9M23 Results -

# Disclaimer

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Certain data in this Presentation may have been rounded. As a result of such rounding, the totals of data prescribed in this Presentation may vary slightly from the arithmetic total of such data.

The consolidated financial statements as at 30 September 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).

# Agenda

**Group Overview (data as of June 2023)**

**Financial highlights – 9M23 results**

**Annexes and Contacts**



# Gruppo BCC Iccrea, one of the leading players in the Italian banking sector...

Data as at 30 June 2023

1<sup>st</sup>

by CET 1 ratio *(phased in)*<sup>(1)</sup>

2<sup>nd</sup>

by no. of branches<sup>(1)</sup>

4<sup>th</sup>

by total assets<sup>(1)</sup>



5.2 Mln  
Customers



22,276  
Employees



115.8 €/bn  
Direct Funding from customers



93.4 €/bn  
Gross loans to customers



13.2 €/bn  
Own Funds



12.6%  
ROE (annualised)



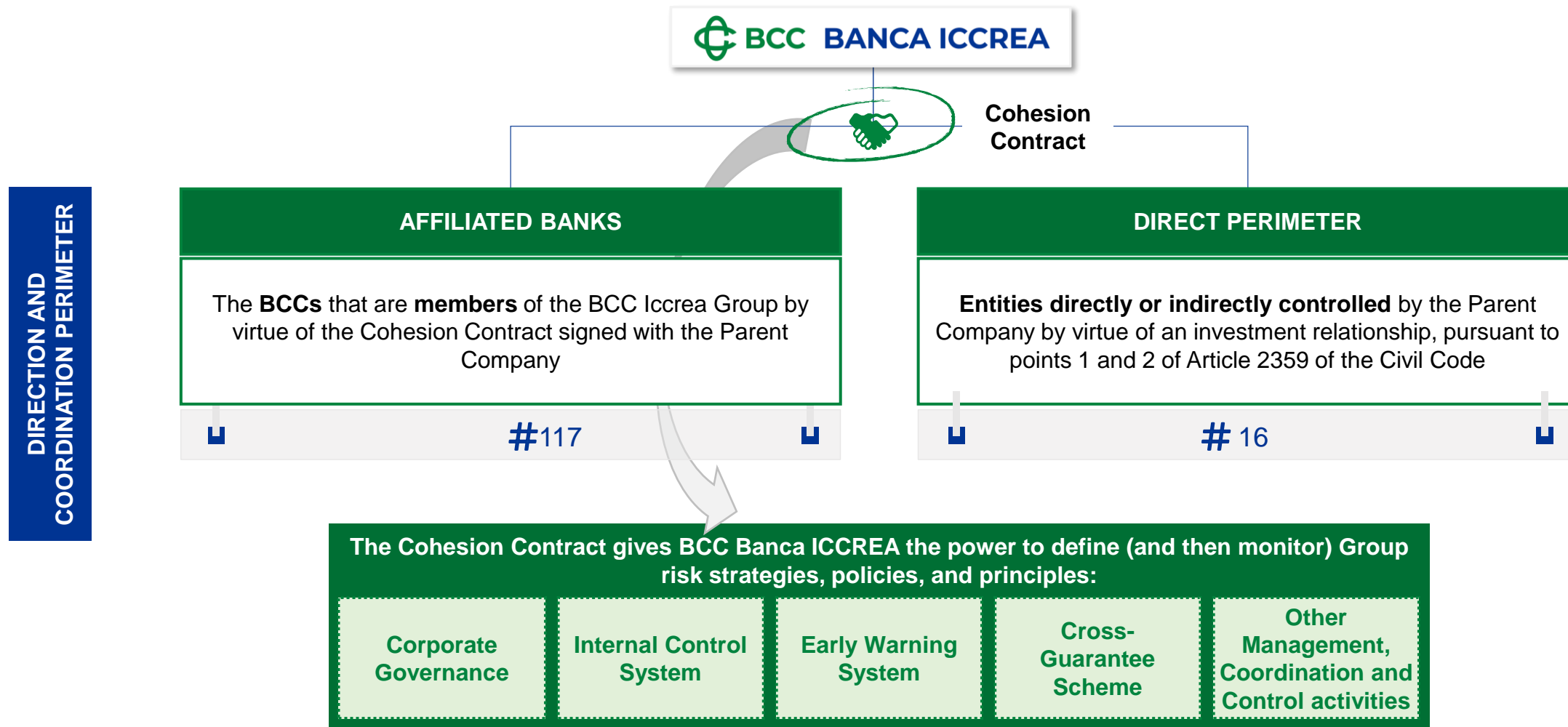
21.1%  
Total Capital ratio



LCR **257%**  
NSFR **148%**

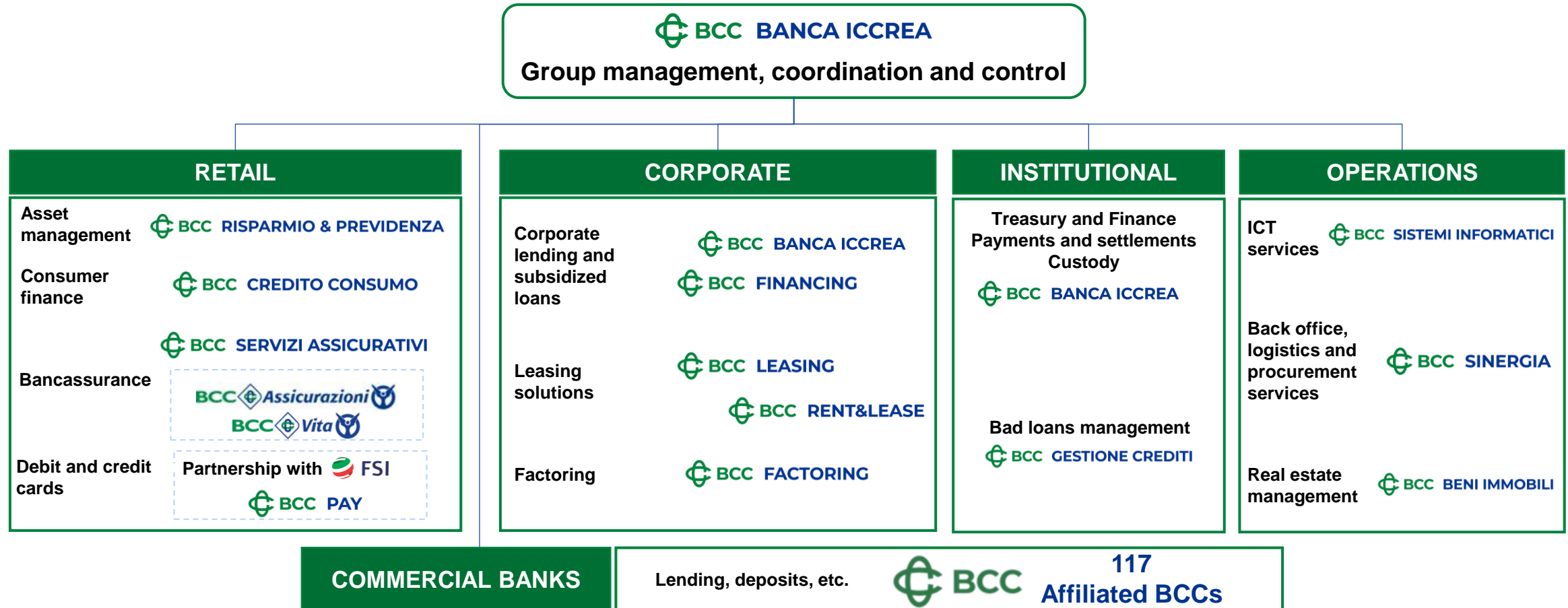
# ... the first cooperative banking group in Italy, leveraging on 117 Affiliated Banks operating as a single entity...

Data as at 30 June 2023



# ... and entities dedicated to offering a full set of financial services and an efficient operating model

Data as at 30 June 2023



# The mutualistic nature of Cooperative Banks: distinctive features of the business model of the Group...

## BANKS - Joint Stock Companies



SHAREHOLDERS



PROFIT DRIVEN



DIVIDEND



GEOGRAPHY – NO SPECIFIC LIMIT ON LENDING



COUNTERPART - NO SPECIFIC LIMIT ON LENDING



PROFIT: NO LIMIT IN PAY-OUT RATIO



SUPERVISION: BANK OF ITALY/ECB

## BCC - Mutual Banks



MEMBERS



UTILITY DRIVEN



BUSINESS IN FAVOUR OF MEMBERS AND COMMUNITY



LENDING: AT LEAST 95% WITHIN BANK'S TERRITORY



LENDING MAINLY TO MEMBERS (50.1%)



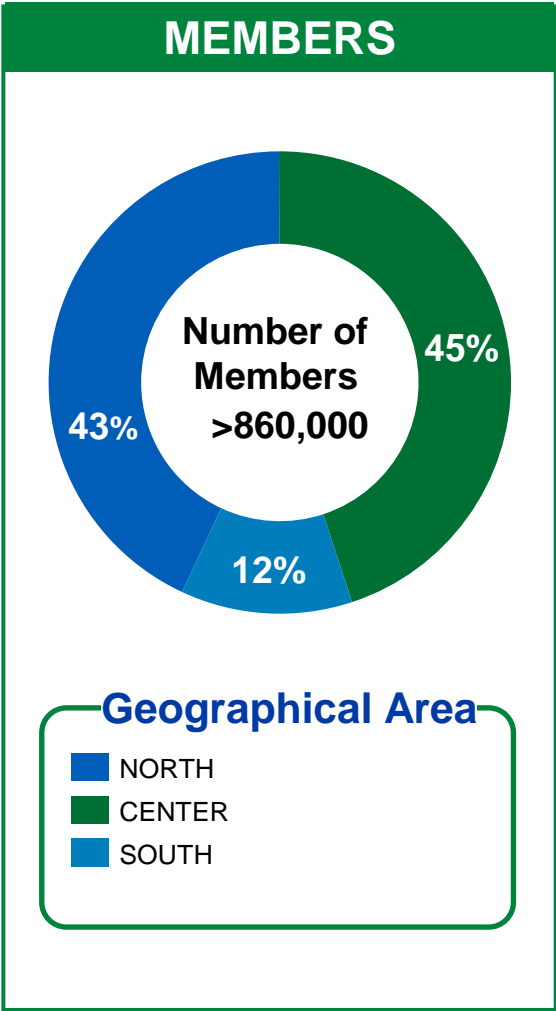
PROFIT: AT LEAST 70% TO LEGAL RESERVE, 3% TO MUTUALISTIC FUNDS FOR COOPERATION



SUPERVISION: BANK OF ITALY/ECB

... the widespread presence in the country...

Data as at 30 June 2023



The group is present with at least 1 branch in **1,684** municipalities (36% of the total number of banking municipalities). In 357 municipalities (21% of the total), the group's branches represent **the only banking presence**



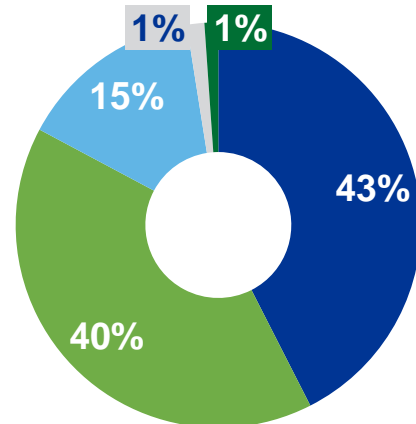
# ... and a traditional and typical customer base.....

## Gross loans to customers as at 30/06/2023

### Breakdown by counterparty

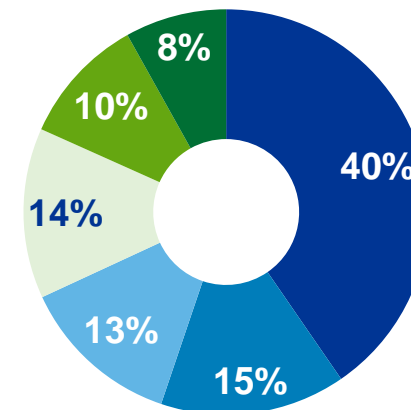
- Small and medium enterprises
- Consumer households
- Other non financial companies
- Other financial companies
- Public administration

**85% OF CREDIT TO  
HOUSEHOLDS AND  
SMEs**



### Breakdown by economic sector of the counterparty

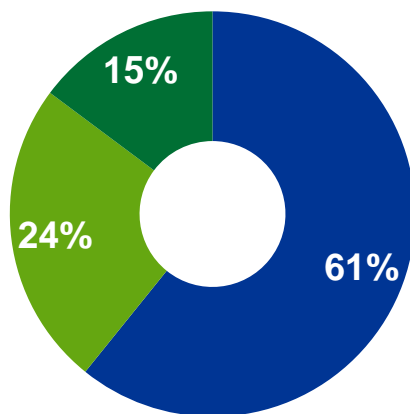
- Consumer households
- Services and others
- Real estate and construction
- Manufacturing
- Trade
- Primary sector and other



### Breakdown by guarantee

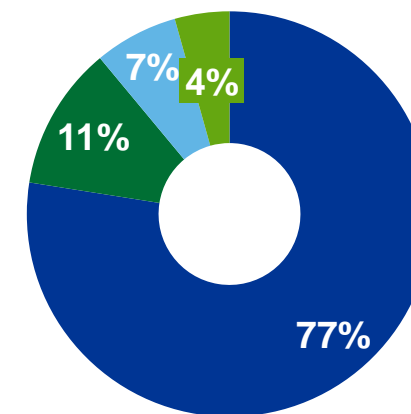
- Collateral
- Personal guarantees
- Unsecured

**85% OF LOANS ARE  
SECURED**



### Breakdown by type

- Medium-long term loans\*
- Deposits and current accounts
- Personal loans and other
- Leasing



... in line with an ESG approach by nature

## SUSTAINABLE BY NATURE

*"In carrying out its activities, the Company is inspired ... by the principles of mutuality without the purpose of private speculation. It aims to benefit members and members of local communities ..... by pursuing the improvement of their moral, cultural and economic conditions .... as well as social cohesion and the responsible and sustainable growth of the territory in which it operates. The Company is distinguished by its social orientation and by its choice to build the common good".*

**Statute of Cooperative Credit Banks, Article 2**

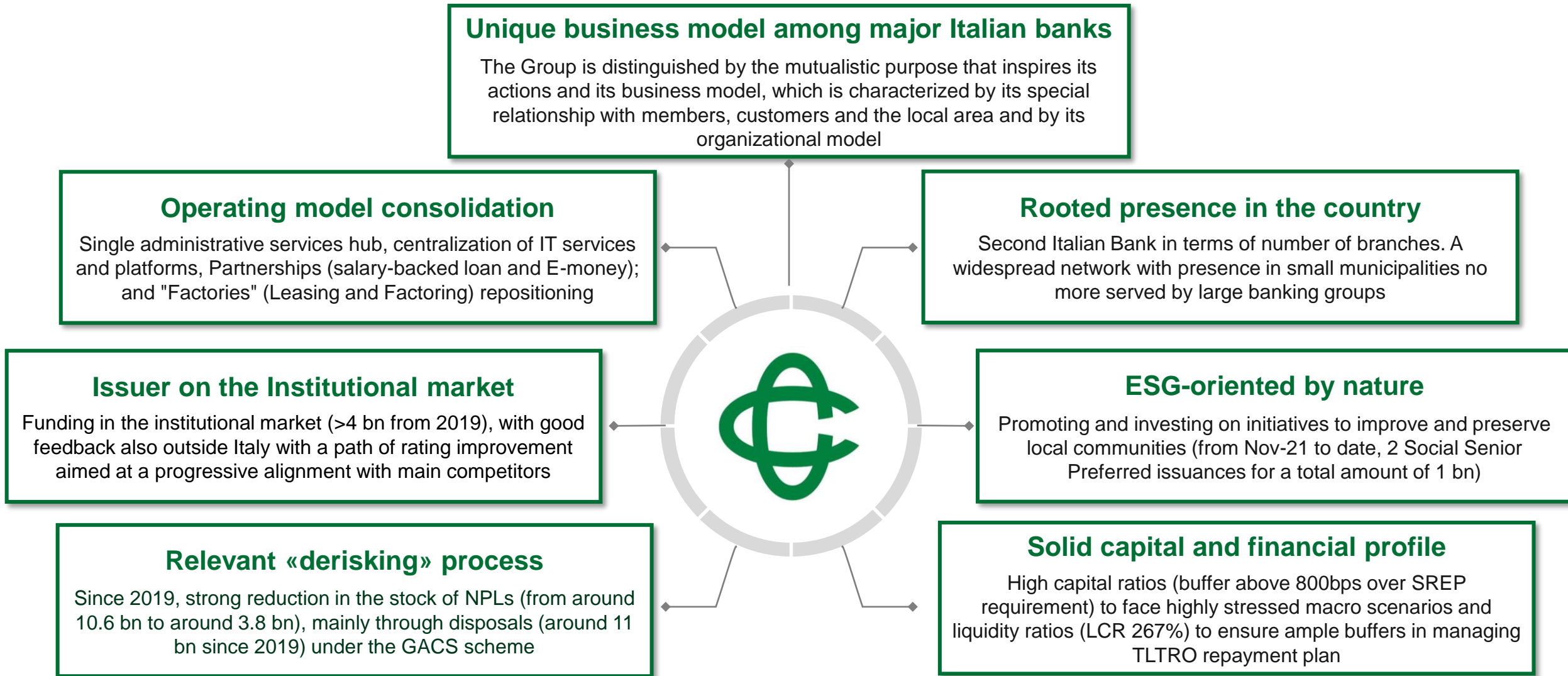


**SUSTAINABLE DEVELOPMENT GOALS**











<b>1</b> NO POVERTY 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>10</b> REDUCED INEQUALITIES 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 

# The path taken by the Group since its recent inception has enabled to consolidate its identity...



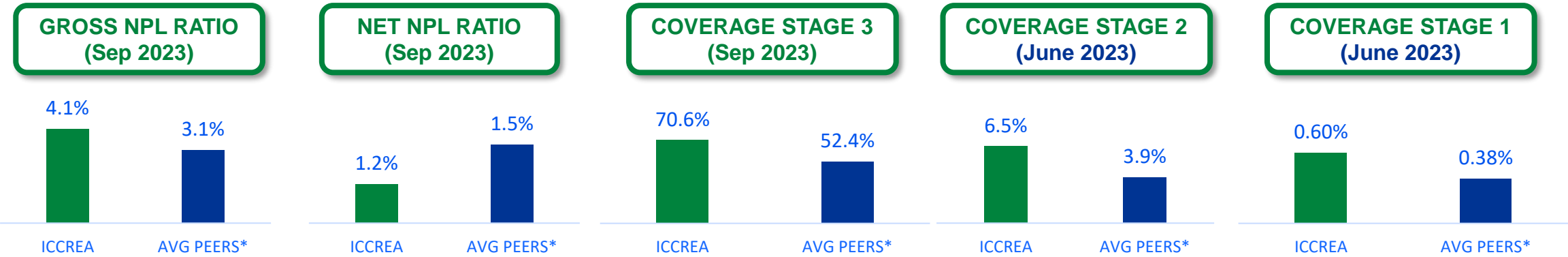
# ... and to achieve tangible improvements in business, capital and financial performance...

	FY 19	FY 22		9M23	Δ 19-9M23 ICCREA
 <b>Loans to customers</b> <i>Market share</i>	86.0 €/bn 4.9%	91.5 €/bn 6.1%		89.2 €/bn 6.1%*	<i>Market share</i> +1.2 pp
 <b>Direct Funding</b> <i>Market share</i>	105.4 €/bn 6.0%	120.6 €/bn 6.4%		119.8 €/bn 6.3%*	<i>Market Share</i> +0.3 pp
 <b>Gross NPL ratio</b>	11.6%	4.5%	— 40 bps →	4.1%	-7.5 pp
 <b>Net NPL ratio</b>	6.1%	1.5%	— 30 bps →	1.2%	-4.9 pp
 <b>Cost / Income</b>	73.9%	59.2%	— 570 bps →	53.5%	-20.4 pp
 <b>ROE</b>	2.4%	11.5%**	— 210 bps →	13.6%	+11.2 pp
 <b>CET1r</b>	15.5%	19.2%	— 160 bps →	20.8%	+5.3 pp
 <b>TCr</b>	16.3%	20.4%	— 150 bps →	21.9%	+5.6 pp

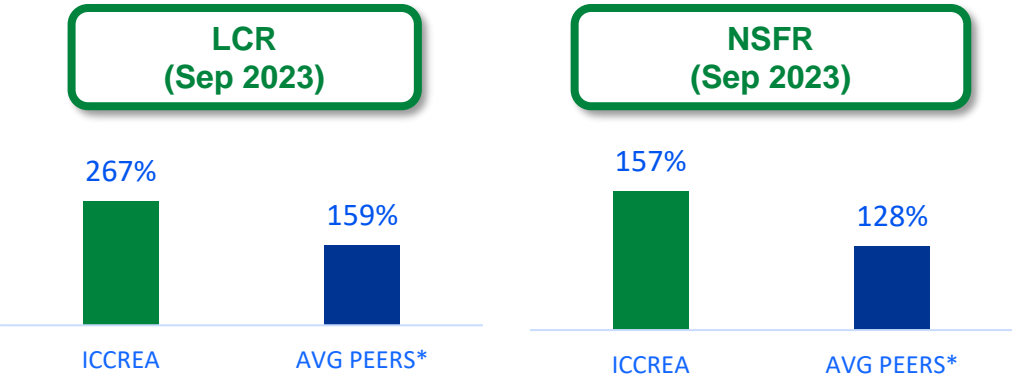


# ..also in comparison with Italian Peers...

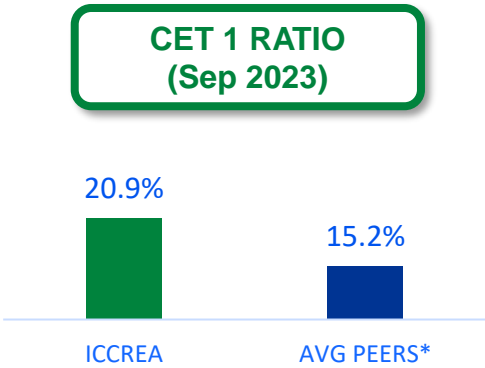
## ASSET QUALITY



## LIQUIDITY



## CAPITAL RATIO



ICCREA ADOPTS STANDARD MODEL FOR RWA PONDERATION

\*Source: infoprovider (figures as at 30 Sep 2023). Peers : Intesa Sanpaolo, UniCredit, Banco BPM, MPS, BPER. AVG peers = simple average.

... allowing also the first positive feedbacks from the financial markets

FitchRatings

S&P Global  
Ratings

MORNINGSTAR | DBRS

MOODY'S | ESG Solutions

MORNINGSTAR | SUSTAINALYTICS \*\*

2020	
Long Term	Outlook
BB-	Stable
BB	Negative
BB (high)	Stable
----- ESG -----	
A2	

TODAY	
Long Term	Outlook
BB+ <b>+2 Notch</b>	STABLE
BB+ <b>+1 Notch</b>	POSITIVE*
BBB* <b>+1 Notch</b>	STABLE
----- ESG -----	
A1 <b>+1 Notch</b>	
14.2	LOW RISK

INVESTMENT  
GRADE

NEW

\* S&P: Outlook improved on 25 October 2023; DBRS Morningstar: Rating upgraded on 23 October 2023

\*\* Please for disclaimer see : <https://www.sustainalytics.com/legal-disclaimers>

# Agenda

Group Overview

**Financial highlights – 9M23 results**

Annexes and Contacts

# 9M23 results: Executive Summary

*Resilient and growing results*

- 1 9M23 Net Profit at 1,401 €/mln (1,462 €/mln in 9M22)
- 2 Sound revenue growth (+12.9%) underpinned by NII (+16.0% YoY) and net fees (+2.5%)
- 3 Asset Quality ratios improving further: NPL ratio at 4.1% (gross) and 1.2% (net). Coverage at 70.6%. Texas Ratio at 8%
- 4 Strong capital position confirmed: CET1r at 20.8%, TCr at 21.9%
- 5 Sound liquidity profile: LCR at 267%, NSFR at 157%



# 9M23 results: Highlights

## P&L and Balance sheet yearly evolution

### Profit & Loss – 9M23 vs 9M22 -

	9M 23	9M 22	Δ 9M 22	Δ % 9M 22
Net Interest Income	2,982	2,570	412	16.0%
Net fee and commission income (expense)	1,009	984	25	2.5%
Other financial income	188	147	40	27.5%
<b>Gross Income</b>	<b>4,179</b>	<b>3,702</b>	<b>477</b>	<b>12.9%</b>
Net writedowns/writebacks for credit risk	(304)	(318)	14	(4.5%)
<b>Operating expenses</b>	<b>(2,237)</b>	<b>(2,196)</b>	<b>(40)</b>	<b>1.8%</b>
Personnel expenses	(1,367)	(1,285)	(83)	6.4%
Other administrative expenses	(925)	(947)	22	(2.3%)
Net provisions	(13)	(16)	2	(14.6%)
Net adjustments	(173)	(172)	(1)	0.6%
Other operating expenses/income	243	223	19	8.6%
<b>Operating result</b>	<b>1,638</b>	<b>1,187</b>	<b>451</b>	<b>38.0%</b>
Other	16	(8)	24	(293.5%)
<b>Profit before taxes</b>	<b>1,654</b>	<b>1,179</b>	<b>475</b>	<b>40.3%</b>
Taxes	(258)	(157)	(101)	63.9%
Profit after tax from discontinued operations	5	440	(435)	(98.9%)
<b>Net profit</b>	<b>1,401</b>	<b>1,462</b>	<b>(61)</b>	<b>(4.1%)</b>

### Balance Sheet – Sep 23 vs Dec 22 -

Assets (€mln)	9M 23	FY 22	Δ FY 22	Δ % FY 22
Financial Assets	64,679	68,014	(3,335)	(4.9%)
Net loans to customers	89,174	90,869	(1,695)	(1.9%)
Net loans to banks	1,373	1,557	(184)	(11.8%)
Other assets	16,287	13,103	3,183	24.3%
<b>Total assets</b>	<b>171,512</b>	<b>173,542</b>	<b>(2,030)</b>	<b>(1.2%)</b>
<b>Liabilities and shareholders' equity (€mln)</b>	<b>9M 23</b>	<b>FY 22</b>	<b>Δ FY 22</b>	<b>Δ % FY 22</b>
Financial liabilities to customers	119,848	119,116	732	0.6%
Securities issued	11,164	9,196	1,968	21.4%
Financial liabilities to banks	19,394	28,518	(9,125)	(32.0%)
Other liabilities	7,820	4,842	2,978	61.5%
Group shareholder's equity	13,287	11,871	1,417	11.9%
<b>Total liabilities and shareholders' equity</b>	<b>171,512</b>	<b>173,542</b>	<b>(2,030)</b>	<b>(1.2%)</b>

# 9M23 results: Highlights

## P&L: quarterly evolution

### Profit & Loss – Quarterly evolution

	1Q 23	2Q 23	3Q 23	Δ 3Q23 vs 2Q23	Δ % 3Q23 vs 2Q23
Net Interest Income	957	991	1,035	44	4.4%
Net fee and commission income (expense)	338	333	337	4	1.1%
Other financial income	31	46	110	64	n.s.
<b>Gross Income</b>	<b>1,326</b>	<b>1,371</b>	<b>1,482</b>	<b>111</b>	<b>8.1%</b>
Net writedowns/writebacks for credit risk	(22)	(175)	(107)	69	(39,2%)
<b>Operating expenses</b>	<b>(711)</b>	<b>(846)</b>	<b>(680)</b>	<b>166</b>	<b>(19,6%)</b>
Personnel expenses	(470)	(461)	(437)	24	(5,2%)
Other administrative expenses	(270)	(397)	(259)	138	(34,7%)
Net provisions	6	(15)	(5)	10	(68,4%)
Net adjustments	(56)	(58)	(60)	(2)	3.3%
Other operating expenses/income	79	84	80	(4)	(5,0%)
<b>Operating result</b>	<b>594</b>	<b>349</b>	<b>695</b>	<b>346</b>	<b>99,0%</b>
Other	(1)	3	14	11	n.s.
<b>Profit before taxes</b>	<b>593</b>	<b>352</b>	<b>709</b>	<b>356</b>	<b>101,2%</b>
Taxes	(97)	(52)	(109)	(57)	110,7%
Profit after tax from discontinued operations	0	0	5	n.s.	n.s.
<b>Net profit</b>	<b>496</b>	<b>301</b>	<b>605</b>	<b>304</b>	<b>101,1%</b>

#### Other administrative expenses

Include "systemic charges" represented by the contribution to the BRRD SRF/DGS (120 €/mln in 2Q23 and 8 €/mln in 1Q23)

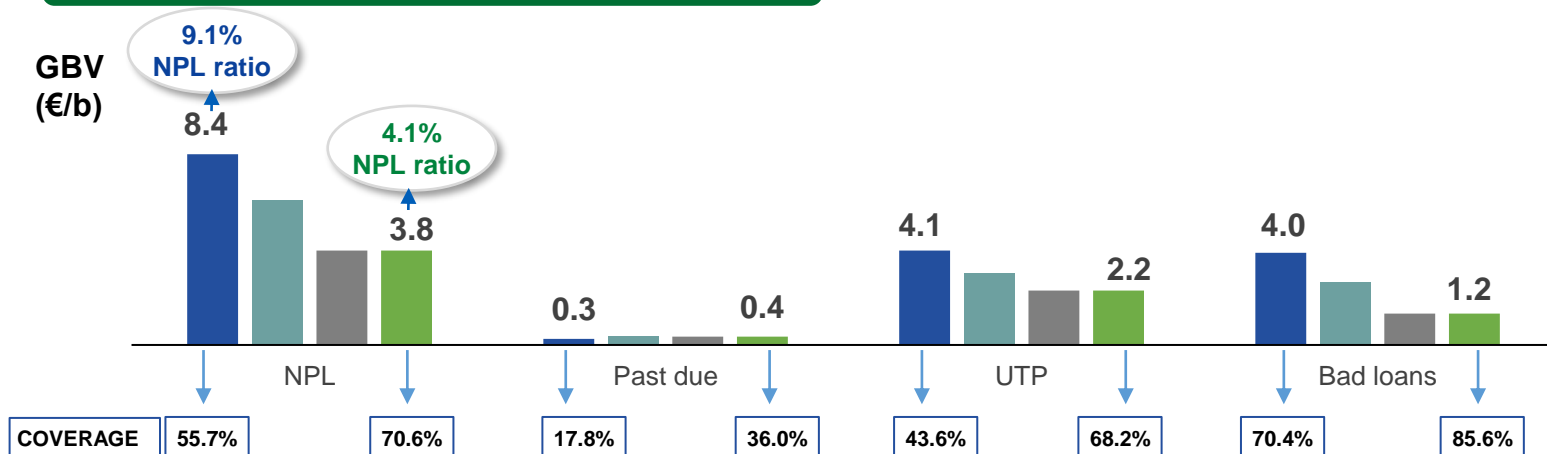
# Asset quality: NPE Ratio (net) at 1.2%. Texas Ratio<sup>1</sup> at 8%

Decreasing stock and increasing coverage (70.6%).

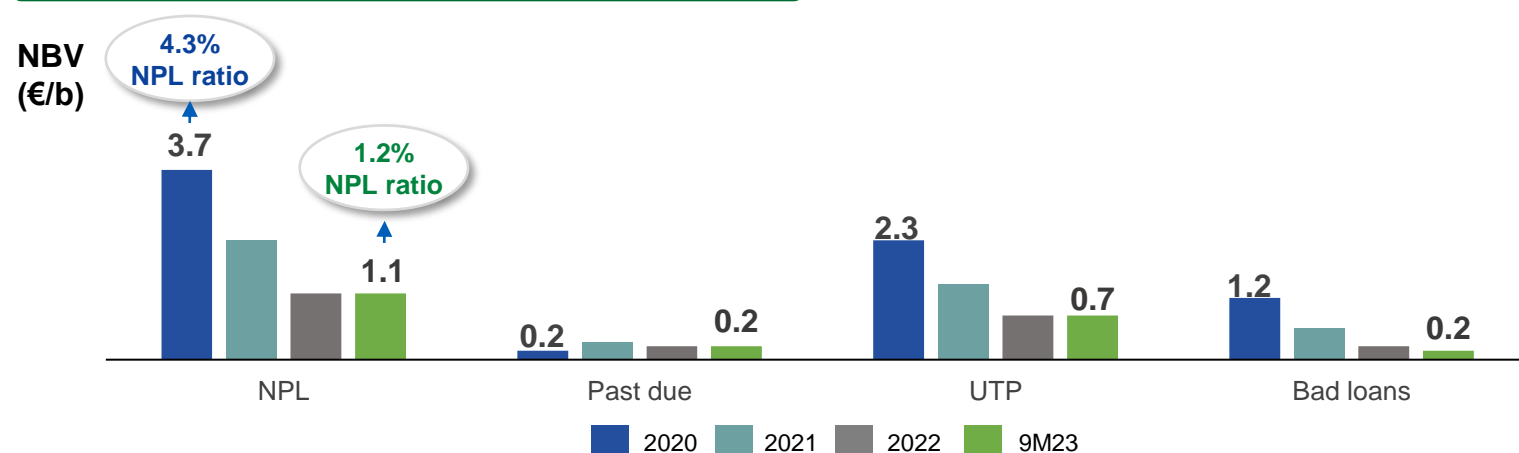
## Asset Quality (gross) - €/b and ratio in %

	9M 23	FY 22
Past Due	363	367
UTP	2,223	2,477
Bad Loans	1,205	1,401
<b>Gross Non Performing Loans</b>	<b>3,791</b>	<b>4,244</b>
Performing Loans - Stage 1	80,971	82,832
Performing Loans - Stage 2	7,995	7,665
<b>Total gross loans to customers</b>	<b>92,757</b>	<b>94,741</b>
<b>Gross NPL ratio</b>	<b>4.1%</b>	<b>4.5%</b>
Writedowns	2,678	2,877
<b>Coverage Ratio NPL</b>	<b>70.6%</b>	<b>67.8%</b>
Coverage Ratio past due	36.0%	28.4%
Coverage Ratio UTP	68.2%	64.7%
Coverage Ratio bad loans	85.6%	83.5%
Coverage Ratio performing loans	1.0%	1.1%
Coverage Ratio Performing Loans - Stage 1	0.5%	0.6%
Coverage Ratio Performing Loans - Stage 2	5.9%	6.5%
Net Non Performing Loans	1,113	1,367
<b>Net NPL ratio</b>	<b>1.2%</b>	<b>1.5%</b>

## Gross NPL: Stock and ratio evolution



## Net NPL: Stock and ratio evolution

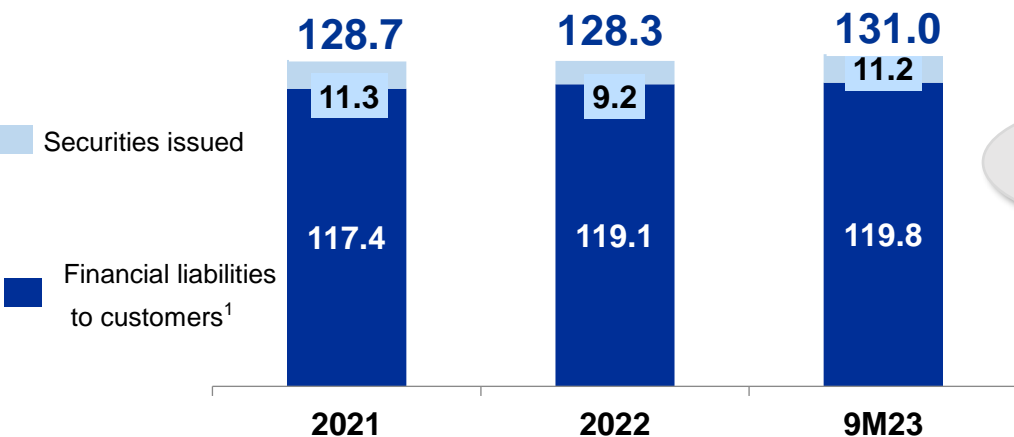


- Gross NPL ratio at 4.1% (4.5% at Dec 22). Net NPL ratio at 1.2% (1.5% at Dec 22)
- Stage 2: 8.6% of total gross loan portfolio
- NPE Ratio evolution has been also supported by the de-risking activity carried out by Iccrea Banca.

# Funding structure: A sound liquidity profile

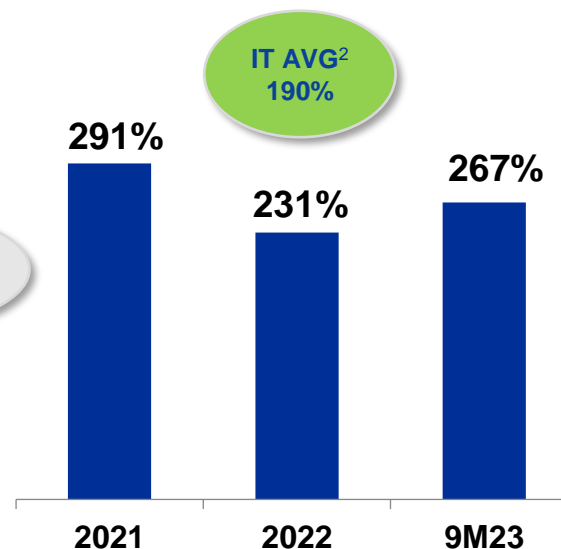
LCR at 267%, NSFR at 157%. Ample liquidity buffers

## Direct Funding Evolution - €/b

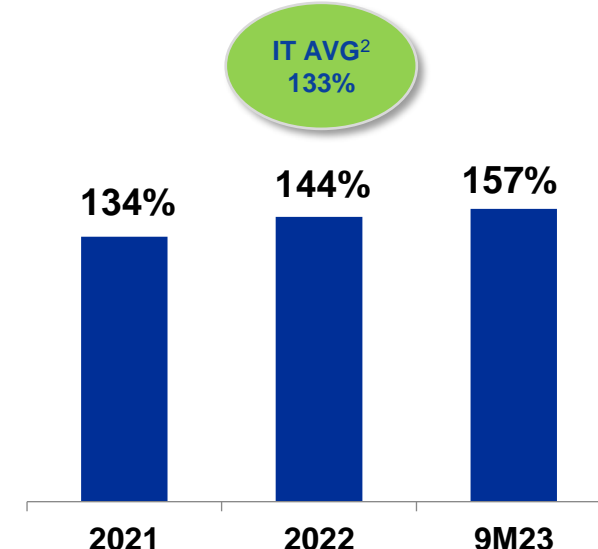


DIRECT  
FUNDING/TOTAL  
LIABILITIES: 77%

## Liquidity Coverage Ratio



## Net Stable Funding Ratio



- Direct funding at 131.0 €/b slightly up vs 2022 level mainly thanks to securities issued
- A very solid liquidity position: LCR and NSFR respectively at 267% and 157% well above Italian peers average



# Funding structure: A sound, loyal and well fragmented deposit base

Consumer households and SMEs represent 90% of total deposit base

Data as at 30 June 2023

## Deposit Base - €/b and market share

Strong liquidity profile with increasing market shares

Market Share

5.7%

6.4%

6.4%

6.3%

99.5

110.7

111.7

105.4

SMEs: Stock at 31 €/bn  
(30% of total)

Households: Stock at 63 €/bn  
(60% of total)

2020

2021

2022

1H23

Deposits<sup>1</sup>  
(stock)

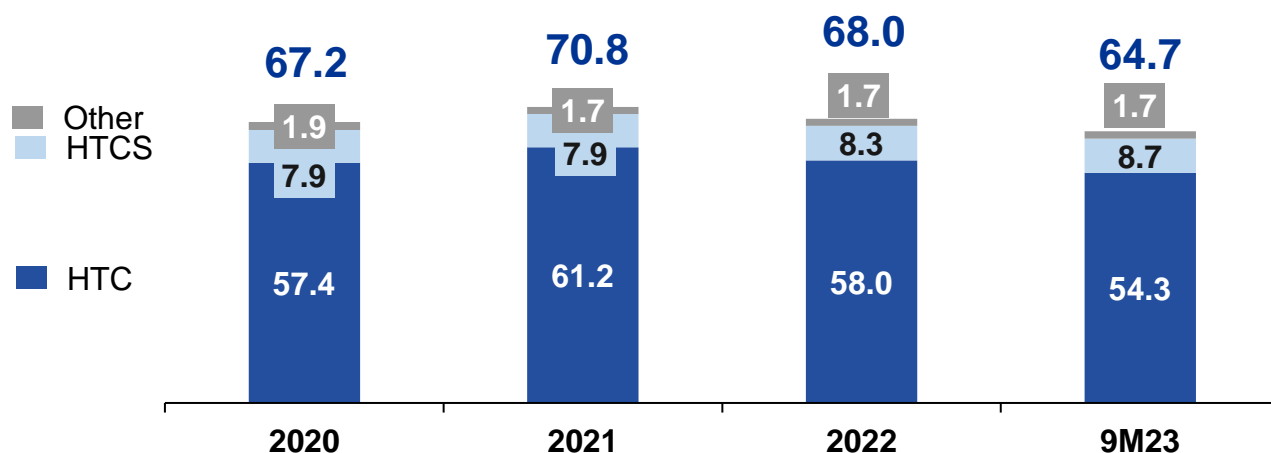
## Highlights

- Granular and behaviourally sticky deposits. Market share at 6.3% (5.7% in FY20)
- Approx. 65% of total deposits are guaranteed
- Deposit Mix: approx. 90% in Consumer households (60%) and SMEs (30%) clients
- Average consumer households (3.2 mln clients for a total deposit base of 67 €/b) balance at 25k/€ (data as at Dec 2022)

# Financial portfolio: Focus on IT Govies

Liquidity reserves at 37.2 €/b<sup>1</sup> (>20% of total assets)

## Financial Portfolio - €/b (book value)



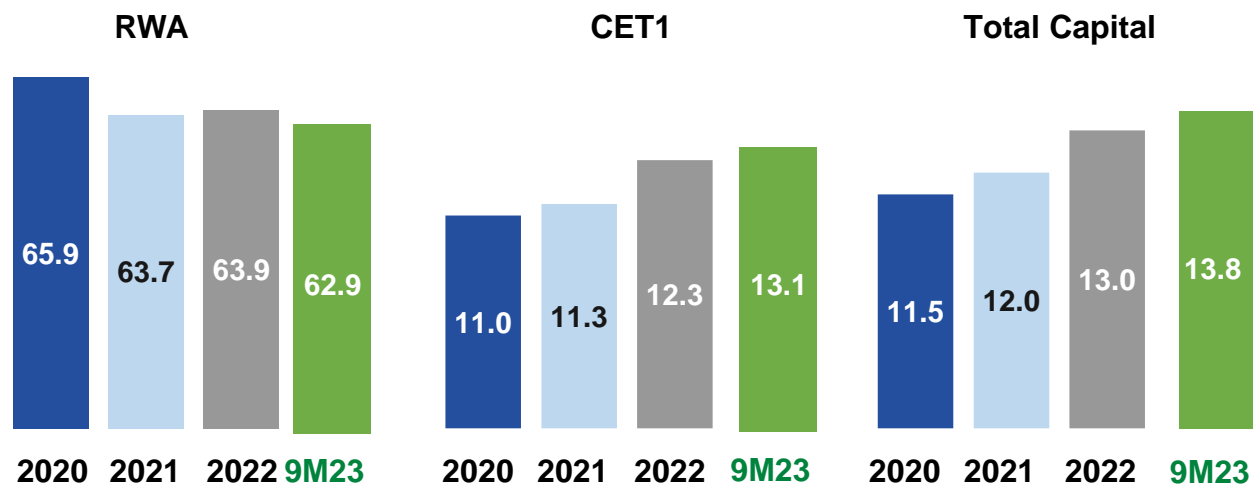
## Highlights

- Debt securities measured at amortized cost (HTC business model) amounted to 54 €/b, in large part represented by IT Govies.
- The portfolio of financial assets measured at fair value amounted to 10 €/b, mainly represented by government bonds held in accordance with the HTCS business model

# Leading capital position: Focus on capital ratios and buffer

CET 1 at 20.8%, TCR at 21.9%

## Capital Position Evolution - €/b



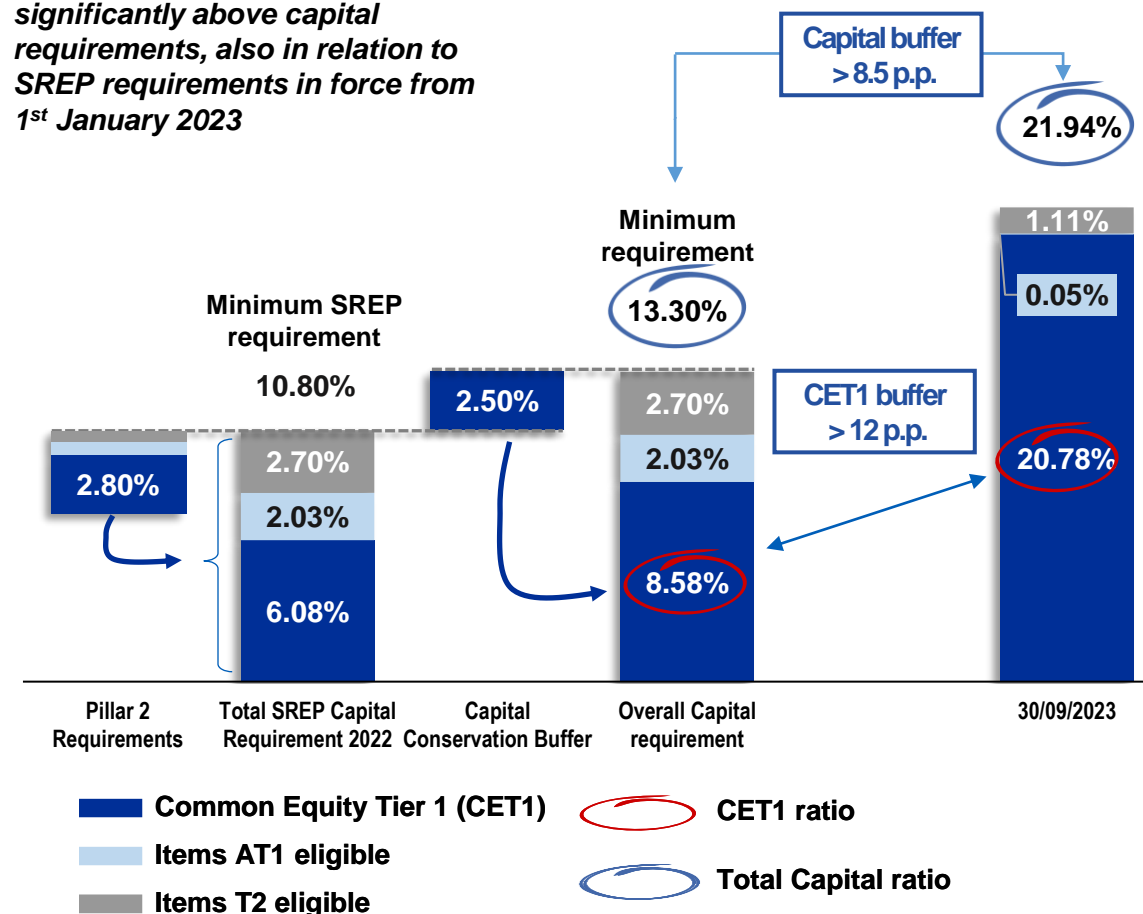
## Capital Ratios evolution

	9M 23	FY 22	DELTA
RWA	62,898	63,891	(993)
CET 1	13,069	12,286	784
Total Capital	13,802	13,025	776
CET1 ratio	20.8%	19.2%	1.6%
TC ratio	21.9%	20.4%	1.5%

- 9M23 capital generation able to more than absorb the phase out (31 March 2023) of the filters related to the "transitional regime"

## Capital Buffer (phased in) - %

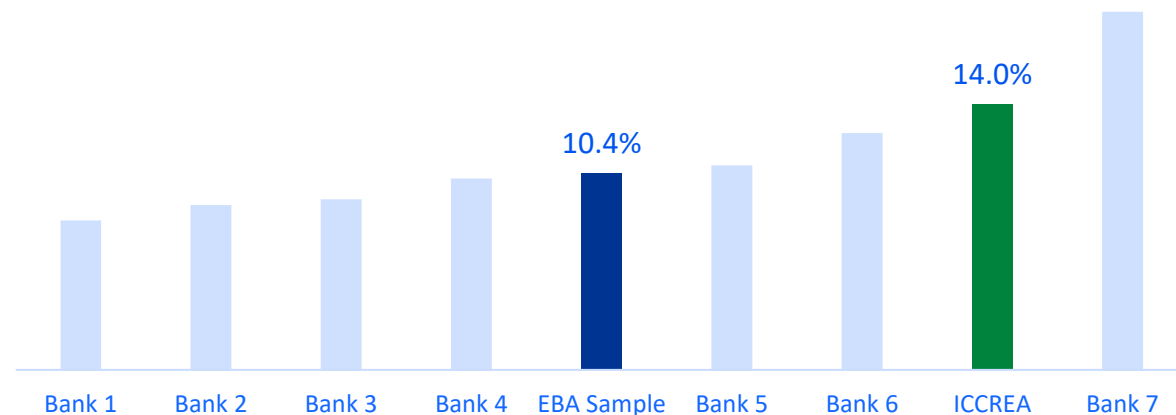
GBCI capital position significantly above capital requirements, also in relation to SREP requirements in force from 1<sup>st</sup> January 2023



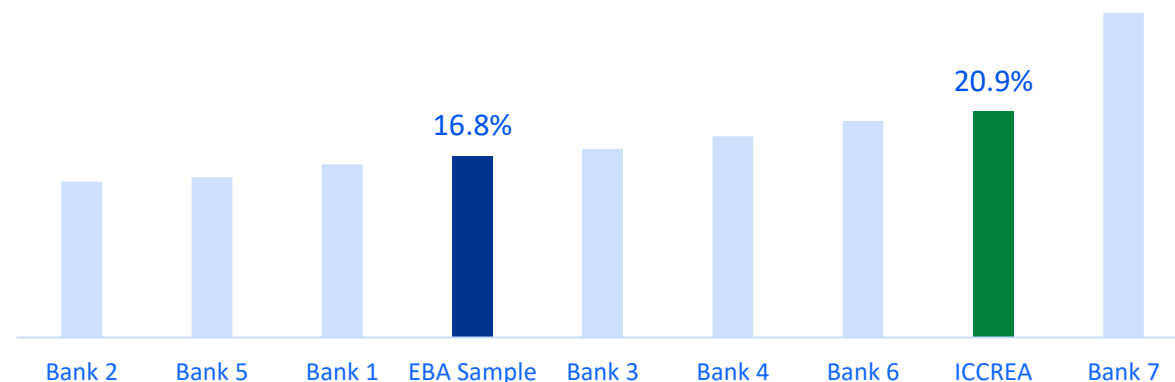
# 2023 EBA EU-Wide Stress Test results

*Outstanding results: Among the best in Europe and second position in Italy*

2025 CET1: Italian Banks - Adverse Scenario -



2025 CET1: Italian Banks - Baseline Scenario -



**Capital position confirmed at the top of the European banking system**



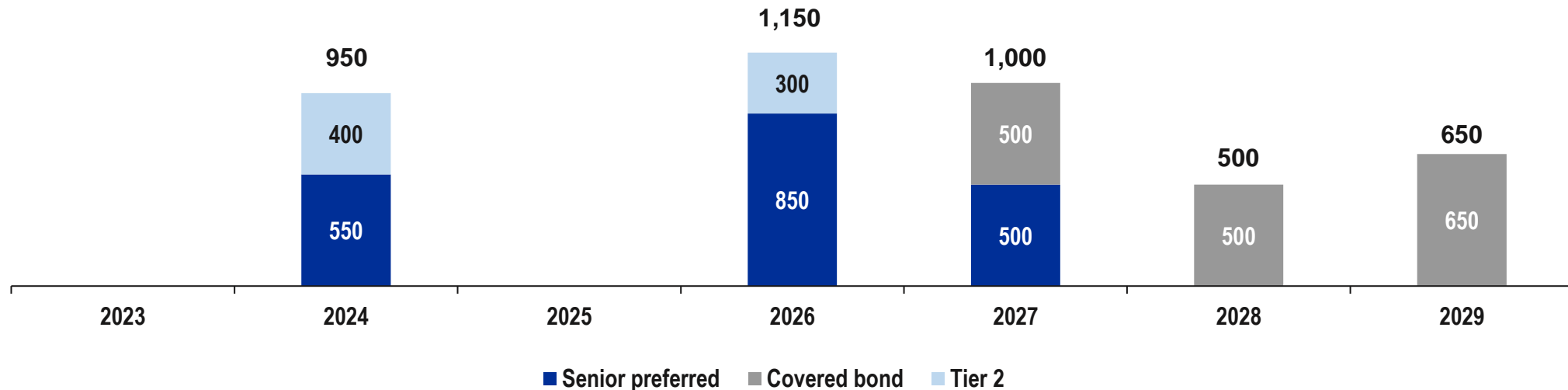
# Iccrea in the Institutional Bond market

*A more established and frequent Issuer*

- Iccrea Banca issued 7 institutional bonds since November 2020:
  - 4 Senior Preferred bonds for an aggregate amount of 1,850 €/m (including 2 Social issuances)
  - A 300 €/m Subordinated Tier 2
  - 1,650 €/m Covered Bond in 3 different issuances (last one in Oct 23)

Issuer	Instrument Type	Announcement date	Coupon (%)	Maturity	Next Call Date	Outstanding Amount (€)
Iccrea Banca SpA	Senior Preferred	10-Jun-14	3.116	19-Jun-24	-	50,000,000
Iccrea Banca SpA	Tier 2	21-Nov-19	4.125	28-Nov-29	28-Nov-24	400,000,000
Iccrea Banca SpA	Senior Preferred	13-Oct-20	2.250	20-Oct-25	20-Oct-24	500,000,000
Iccrea Banca SpA	Covered Bond	13-Sept-21	0.010	23-Sep-28	-	500,000,000
Iccrea Banca SpA	Tier 2	05-Oct-21	4.750	18-Jan-32	18-Jan-26	300,000,000
Iccrea Banca SpA	Social Senior Preferred	10-Nov-21	2.125	17-Jan-27	16-Jan-26	500,000,000
Iccrea Banca SpA	Senior Preferred	13-Sep-22	6.375	Sep-27	Sep-26	350,000,000
Iccrea Banca SpA	Social Senior Preferred	12-Jan-23	6.875	Jan-28	Jan-27	500,000,000
Iccrea Banca SpA	Covered Bond	4-July-23	3.875	12-Jan-29	-	650,000,000
Iccrea Banca SpA	Covered Bond	31-Oct-23	4.000	08-Nov-27	-	500,000,000

## Institutional Bonds, Maturity/Call profile -€/m



# Issuer rating: Actual situation

Recent upgrades from all rating agencies



	Release date	Long Term	Outlook	Short Term
<b>FitchRatings</b>	February, 1 2023	BB+ <b>+2 Notch (Feb 23)</b>	Stable	B
<b>S&amp;P Global Ratings</b>	October, 25 2023	BB+	Positive <b>Outlook improvement (Oct 23)</b>	B
<b>MORNINGSTAR   DBRS</b>	October, 23 2023	BBB (low) <b>+1 Notch (Oct 23)</b>	Stable	R-2 (middle)

# 2023-2025 Business Plan Initiatives well on track.

*Update on recent strategic initiatives*

August 2023

*Agreement for the sale of 570 €/mln of UTP and bad loans: Positive impact for approx. 50 bps on Gross NPL ratio and no negative impact on P&L*



DE-RISKING

July 2023

*Allfunds signs a strategic agreement with BCC Iccrea Group to acquire the local paying agent business (Banca Corrispondente) of Iccrea Banca*



July 2023

*Agreement with BPM for the creation of the second largest pole in the Payment business together with FSI*



August 2023

*Bancassurance: Chosen two partners (BNP Paribas Cardif and Assimoco) to pursue exclusive negotiations*



DEVELOPMENT OF THE  
BUSINESS MODEL

Before year-end

*IT Project/Revision of the sourcing model*



# ANNEXES AND CONTACTS

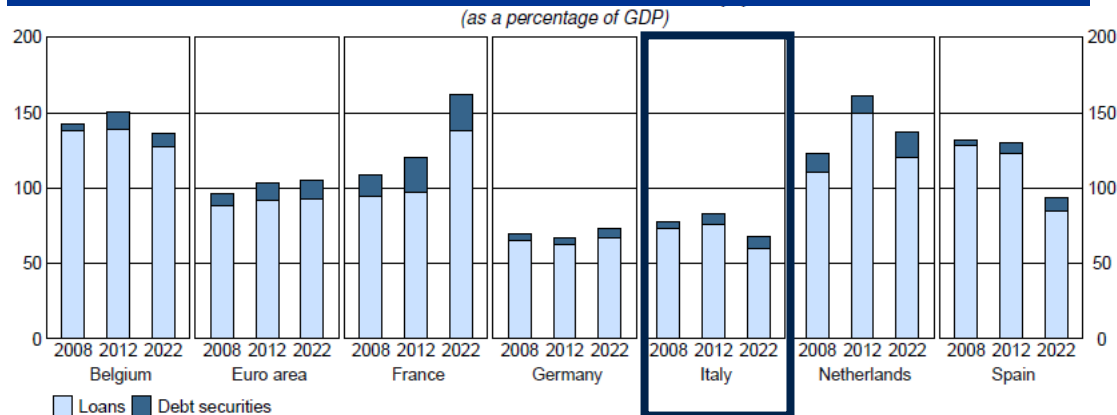
### GDP AND INFLATION PROJECTIONS

Italy						
	Growth			Inflation (1)		
	2023	2024	2025	2023	2024	2025
Bank of Italy (July) (2)	1.3	0.9	1.0	6.0	2.3	2.0
European Commission (Sept.) (3)	0.9	0.8	n.a.	5.9	2.9	n.a.
IMF (July) (4)	1.1	0.9	1.1	5.2	2.5	2.2
OECD (Sept.) (5)	0.8	0.8	n.a.	6.1	2.5	n.a.
Consensus Economics (Sept.) (6)	0.8	0.7	n.a.	6.0	2.4	n.a.

Euro Area						
	Growth			Inflation (1)		
	2023	2024	2025	2023	2024	2025
Eurosistem/ECB (Sept.) (7)	0.7	1.0	1.5	5.6	3.2	2.1
European Commission (Sept.) (3)	0.8	1.3	n.a.	5.6	2.9	n.a.
IMF (July/Apr.) (4)	0.9	1.5	n.a.	5.3	2.9	2.2
OECD (Sept.) (5)	0.6	1.1	n.a.	5.5	3.0	n.a.
Consensus Economics (Sept.) (6)	0.5	0.7	n.a.	5.5	2.5	n.a.

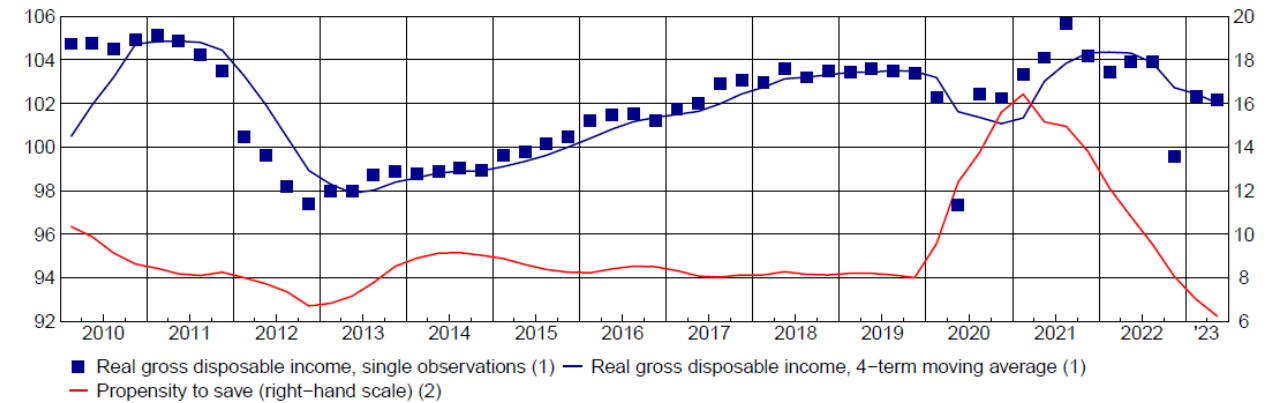
### FIRMS' FINANCIAL DEBT



Source: based on ECB and Eurostat data.

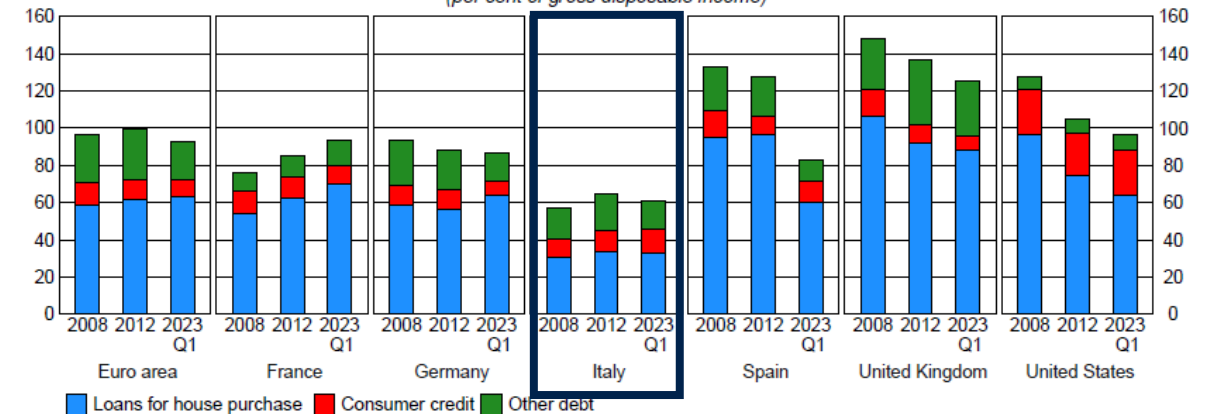
(1) The data refer to the non-financial corporations sector. End-of-period data.

### HOUSEHOLD: INCOME, SAVING RATE AND DEBT



### 19 – Financial debt of households (1)

(per cent of gross disposable income)



Sources: Bank of Italy and Istat for Italy, ECB for euro-area countries, Office for National Statistics and Bank of England for the United Kingdom, Federal Reserve System - Board of Governors and Bureau of Economic Analysis for the United States.

(1) Data refer to consumer and producer households; for the United States data refer to only consumer households. End-of-period data.

### Asset Quality 2025E

- Gross NPLr 3.5%
- Net NPLr 1.6%
- Coverage 55%

### Liquidity 2025E

- LCR 246%
- NSFR 150%
- MREL<sub>RWA</sub> 26.9%

### Capital 2025E

- TCr 21.8%
- CET1r 20.7%
- Leverage 8.1%

### Profitability 2025E

- Net Income (mln€) 987
- Cost/Income 62.5%
- ROE 6.9%

### 3Y Targets

- Gross Income (CAGR) +3.3%
- Direct Funding (CAGR) +2.9%
- Loans (CAGR) +1.9%
- New origination 50 mld
- Investments 670 mln



Income Statement (€/mln; %)	2022	2022 PF	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
Net interest income	3,694	2,994	3,282	3,310	3,322	288	28	13	329	3.5%
Net commission income	1,338	1,338	1,372	1,426	1,498	33	54	72	159	3.8%
Other financial income	72	72	47	47	28	(25)	1	(19)	(43)	(26.6%)
<b>Gross income</b>	<b>5,104</b>	<b>4,404</b>	<b>4,700</b>	<b>4,783</b>	<b>4,848</b>	296	83	66	445	3.3%
Net losses/recoveries for credit risk	(475)	(475)	(744)	(709)	(642)	(269)	34	67	(168)	10.6%
Operating expenses	(3,026)	(3,026)	(3,084)	(3,095)	(3,031)	(58)	(11)	65	(5)	0.1%
<b>Operating income</b>	<b>1,603</b>	<b>903</b>	<b>872</b>	<b>978</b>	<b>1,175</b>	(31)	106	197	272	9.2%
Other non operating items	(34)	(34)	(13)	(14)	(14)	20	(0)	(0)	20	(25.5%)
<b>Profit (loss) before tax on continuing operations</b>	<b>1,569</b>	<b>869</b>	<b>859</b>	<b>964</b>	<b>1,161</b>	(11)	105	197	292	10.1%
Income tax expense	(216)	(119)	(138)	(145)	(174)	(19)	(7)	(28)	(54)	13.3%
<b>Profit (loss) on continuing operations after tax</b>	<b>1,354</b>	<b>750</b>	<b>720</b>	<b>819</b>	<b>987</b>	(30)	98	169	238	9.6%
Profit (loss) on discontinued operations after tax	442	--	--	--	--	--	--	--	--	n.a.
<b>Profit (loss) for the period</b>	<b>1,795</b>	<b>750</b>	<b>720</b>	<b>819</b>	<b>987</b>	(30)	98	169	238	9.6%

Economic KPIs (%; bps)	2022	2022 PF	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
Cost / Income (%) <sup>(1)</sup>	59.3%	68.7%	65.6%	64.7%	62.5%	(3.1 pp)	(0.9 pp)	(2.2 pp)	(6.2 pp)	(3.1%)
Cost of risk (bps)	49	49	82	78	72	0.3 pp	(0.0 pp)	(0.1 pp)	0.2 pp	13.4%
ROE (%)	15.1%	6.3%	5.7%	6.1%	6.9%	(0.6 pp)	0.4 pp	0.7 pp	0.5 pp	2.7%
ROE - EWS (%) <sup>(2)</sup>	16.0%	6.7%	5.9%	6.3%	7.1%	(0.8 pp)	0.4 pp	0.8 pp	0.4 pp	2.1%

Balance Sheet (€/mln; %)	2022	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
Securities	67,288	63,489	53,763	53,394	(3,799)	(9,726)	(369)	(13,893)	(7.4%)
Loans to banks	1,805	8,909	8,657	8,913	7,104	(252)	256	7,108	70.3%
Loans to customers	91,451	92,311	94,254	96,511	860	1,944	2,257	5,060	1.8%
Other assets	13,002	13,121	12,493	11,963	120	(628)	(530)	(1,038)	(2.7%)
<b>Total Assets</b>	<b>173,545</b>	<b>177,830</b>	<b>169,168</b>	<b>170,782</b>	<b>4,285</b>	<b>(8,662)</b>	<b>1,614</b>	<b>(2,763)</b>	<b>(0.5%)</b>
Funding from customers	119,116	122,476	126,273	126,094	3,360	3,798	(180)	6,978	1.9%
Securities issued	9,196	12,180	13,163	13,934	2,984	983	771	4,738	14.9%
Funding from banks	28,518	22,936	8,430	8,365	(5,582)	(14,506)	(65)	(20,153)	(33.6%)
Other liabilities	4,878	7,695	7,926	8,017	2,817	231	91	3,139	18.0%
Group Shareholder's equity	11,837	12,543	13,375	14,372	705	833	997	2,535	6.7%
<b>Total Liabilities &amp; Equity</b>	<b>173,545</b>	<b>177,829</b>	<b>169,168</b>	<b>170,782</b>	<b>4,284</b>	<b>(8,662)</b>	<b>1,614</b>	<b>(2,763)</b>	<b>(0.5%)</b>

Indirect and Direct funding (€/mln)	2022	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
Qualified collection	34,900	37,300	41,700	47,500	2,400	4,400	5,800	12,600	10.8%
Asset under management	24,600	26,700	30,400	35,200	2,100	3,700	4,800	10,600	12.7%
Bancassurance life	10,300	10,600	11,300	12,300	300	700	1,000	2,000	6.1%
Asset under custody	17,300	18,400	18,900	19,400	1,100	500	500	2,100	3.9%
<b>Indirect funding</b>	<b>52,200</b>	<b>55,700</b>	<b>60,600</b>	<b>66,900</b>	<b>3,500</b>	<b>4,900</b>	<b>6,300</b>	<b>14,700</b>	<b>8.6%</b>
<b>Direct funding</b>	<b>120,623</b>	<b>122,036</b>	<b>123,635</b>	<b>124,842</b>	<b>1,413</b>	<b>1,599</b>	<b>1,207</b>	<b>4,219</b>	<b>1.2%</b>
<b>Indirect / direct funding (%)</b>	<b>43.3%</b>	<b>45.6%</b>	<b>49.0%</b>	<b>53.6%</b>	<b>2.4 pp</b>	<b>3.4 pp</b>	<b>4.6 pp</b>	<b>10.3 pp</b>	<b>7.4%</b>

Capital KPIs (€mln; %)	2022	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
CET 1	12,286	12,412	13,208	14,187	126	796	980	1,902	4.9%
TIER 1	12,316	12,442	13,238	14,218	126	796	980	1,902	4.9%
Own funds	13,025	13,151	13,947	14,927	126	796	980	1,902	4.6%
RWA	63,937	65,477	67,042	68,408	1,540	1,565	1,366	4,471	2.3%
CET1 ratio (%)	19.2%	19.0%	19.7%	20.7%	(0.3 pp)	0.7 pp	1.0 pp	1.5 pp	2.6%
TC ratio (%)	20.4%	20.1%	20.8%	21.8%	(0.3 pp)	0.7 pp	1.0 pp	1.4 pp	2.3%
LCR (%)	230.5%	243.6%	241.6%	245.6%	13.1 pp	(2.0 pp)	4.0 pp	15.0 pp	2.1%
NSFR (%)	143.6%	150.4%	149.2%	149.8%	6.8 pp	(1.1 pp)	0.5 pp	6.2 pp	1.4%

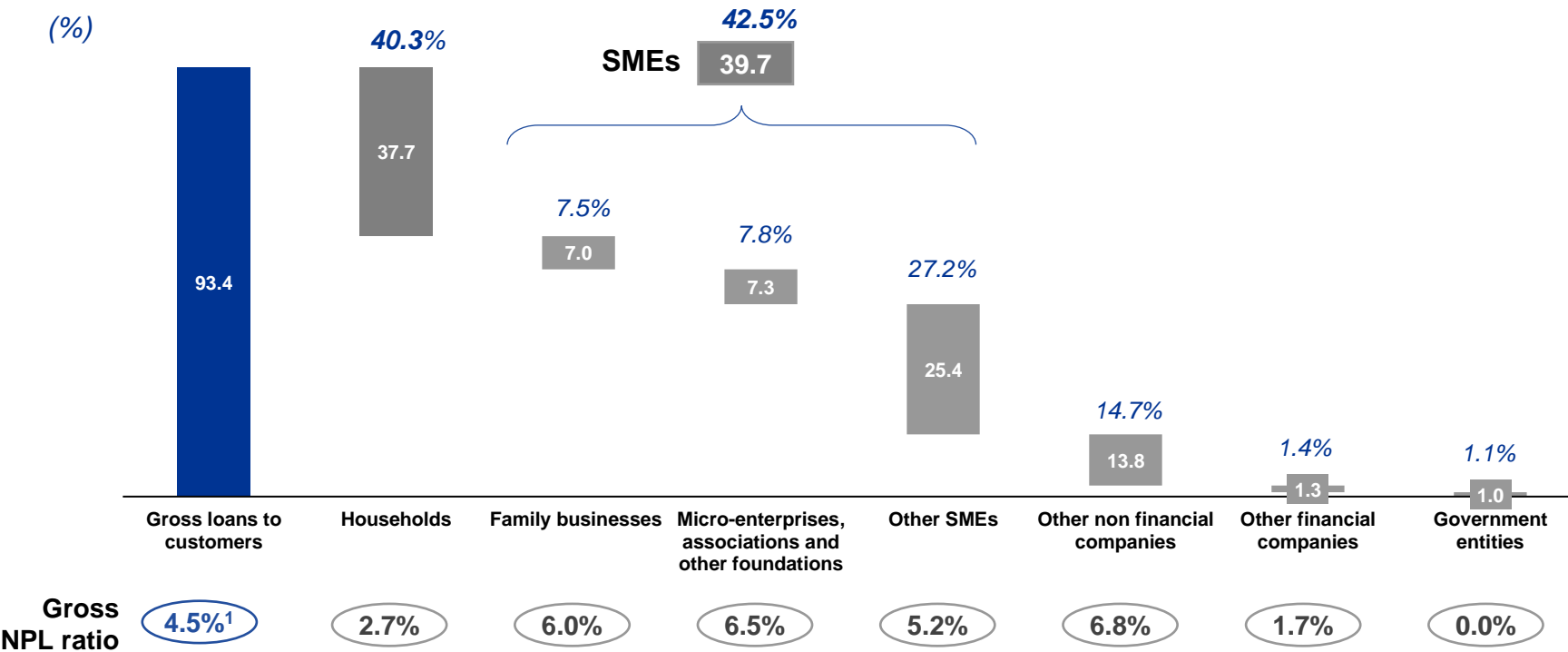
Asset Quality KPIs (%; bps)	2022	2023	2024	2025	Δ Abs. 2023	Δ Abs. 2024	Δ Abs. 2025	Δ Abs. 2022-2025	CAGR 2022-2025
Gross NPL ratio (%)	4.5%	4.3%	4.0%	3.5%	(0.2 pp)	(0.4 pp)	(0.5 pp)	(1.0 pp)	(8.2%)
Coverage ratio NPL (%)	67.8%	59.3%	56.8%	55.4%	(8.5 pp)	(2.5 pp)	(1.4 pp)	(12.4 pp)	(6.5%)
Net NPL ratio (%)	1.5%	1.8%	1.8%	1.6%	0.3 pp	(0.1 pp)	(0.2 pp)	0.1 pp	2.0%
Texas ratio (%)	11.1%	13.4%	12.5%	10.9%	2.3 pp	(0.9 pp)	(1.6 pp)	(0.2 pp)	(0.7%)

# Loan portfolio focused on households and SMEs

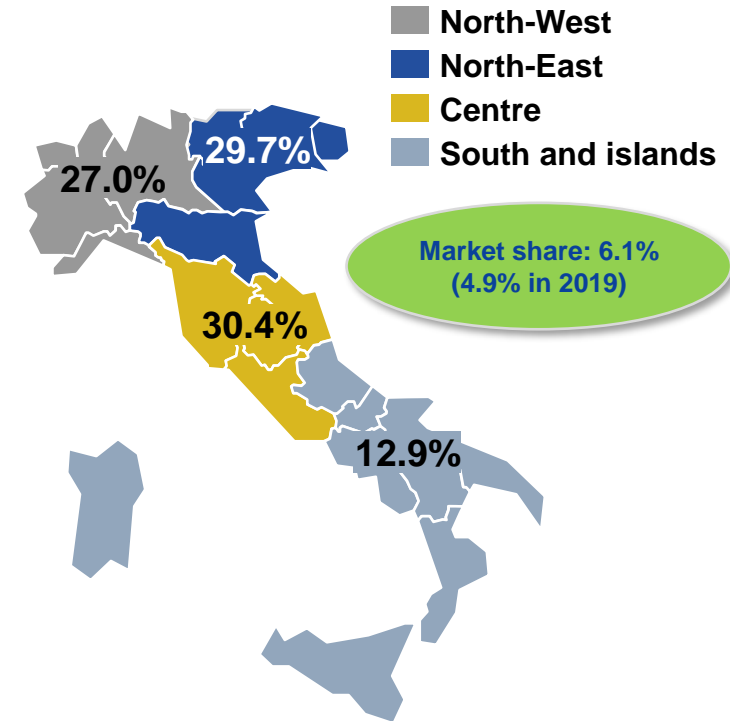
## Gross Loans breakdown by type of counterparty- €/b

Weight on total loans

(%)



## Gross Loans: geographical distribution

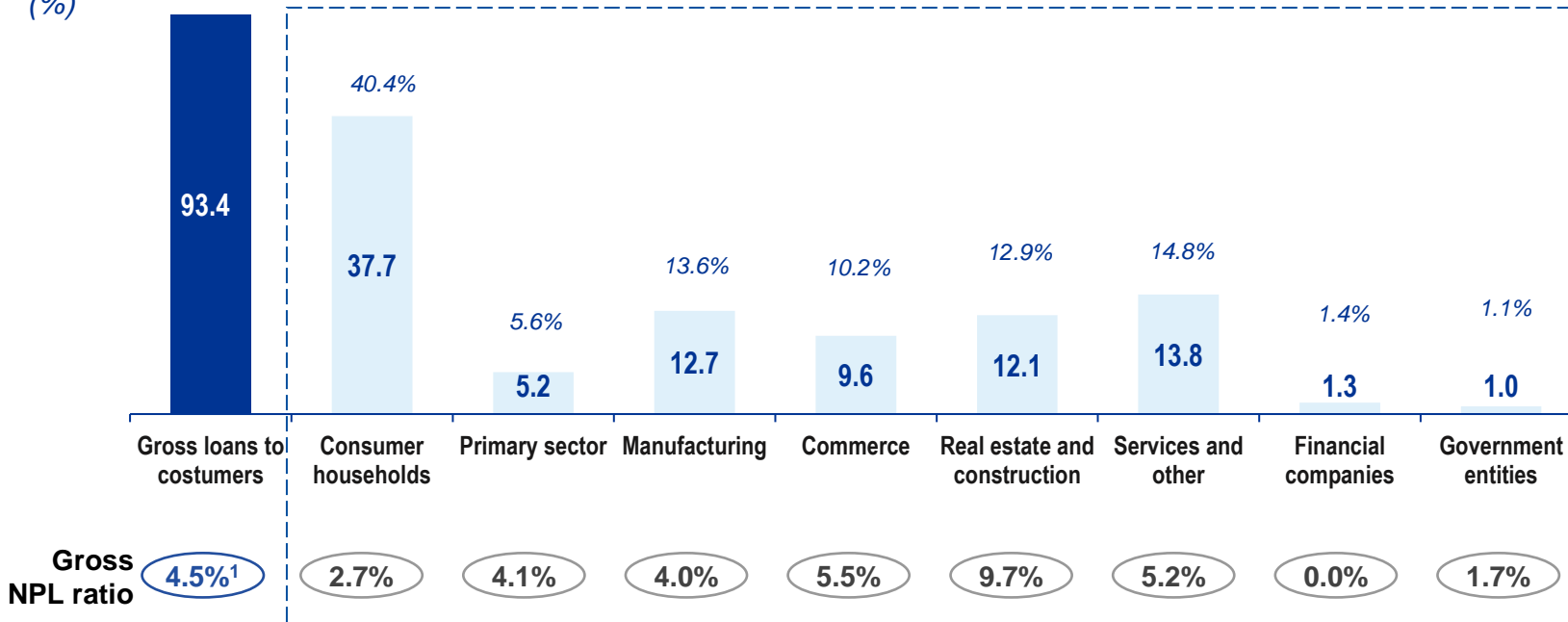


# Loan portfolio well diversified and secured

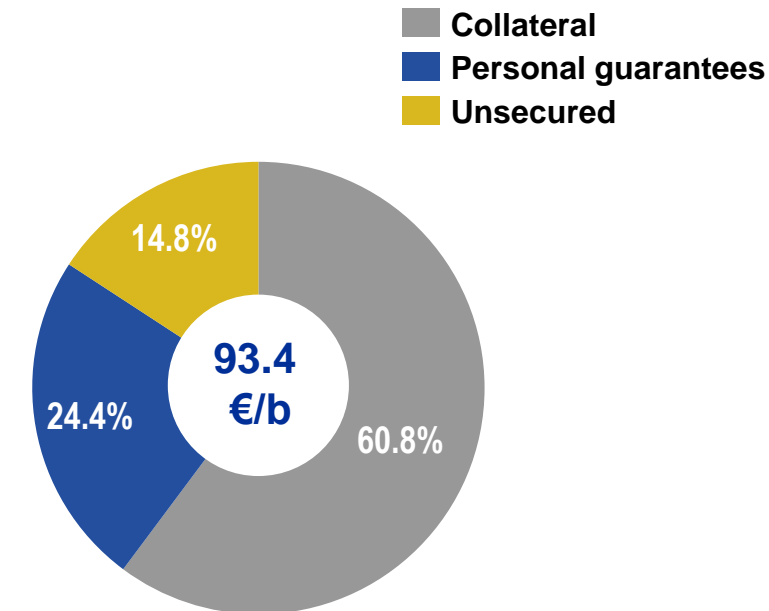
- Consumer households represent 40.4% of total loan book. Other relevant segments: services and others (14.8%), manufacturing (13.6%), real estate and construction (12.9%), and wholesale and retail trade (10.2%).
- The large portion (approx. 85%) of secured loans (collateral + personal guarantees) reflects the unique business model of cooperative banking (focus on households and SMEs)

## Gross Loans breakdown by economic sector - €/b

Weight on total loans  
(%)



## Breakdown of guarantees



# Asset quality<sup>1</sup>: Relevant coverage on all credit stages

*A brief benchmark with Italian Banking System<sup>2</sup>*

**ANNEX 8**

Data as at 31 Dec 2022

## Asset Quality FY22– Gross Ratios

(%)	ICCREA	IT AVG*
Past due	0,4%	0,2%
UTP	2,6%	1,6%
Bad Loans	1,6%	1,0%
<b>Gross Non Performing Loans</b>	<b>4,5%</b>	<b>2,8%</b>
Performing Loans - Stage 1	87,4%	87,4%
Performing Loans - Stage 2	8,1%	9,8%
<b>Total gross loans to customers</b>	<b>100%</b>	<b>100%</b>

## Asset Quality FY22 – Coverage and Net Ratios

	ICCREA	IT AVG*	DELTA
<b>Coverage Ratio NPL</b>	<b>67,4%</b>	<b>49,7%</b>	<b>17,7%</b>
Coverage Ratio Past Due	29,0%	27,0%	<b>2,0%</b>
Coverage Ratio UTP	65,8%	43,9%	<b>21,9%</b>
Coverage Ratio Bad Loans	79,4%	63,3%	<b>16,1%</b>
<b>Coverage Ratio Performing Loans</b>	<b>1,1%</b>	<b>0,7%</b>	<b>0,4%</b>
<b>Coverage Ratio Performing Loans - Stage 1</b>	<b>0,6%</b>	<b>0,3%</b>	<b>0,4%</b>
<b>Coverage Ratio Performing Loans - Stage 2</b>	<b>6,5%</b>	<b>4,5%</b>	<b>2,0%</b>
<b>Net NPL Ratio</b>	<b>1,5%</b>	<b>1,5%</b>	<b>0,0%</b>

- **Net NPL ratio at 1.5%** in line with Italian Banking System **thanks to high coverage**
- **Lower incidence (8.1% vs 9.8%) and higher coverage (6.5% vs 4.5%) on Stage 2 vs IT AVG**
- **Higher coverage also on performing loans Stage 1** (0.6% vs 0.3% IT avg)
- **90% of Gross NPLs assisted by guarantees** (60% IT avg)
- **Overlays at approx. 240 €/m**
- **Full in-house management of bad loans and UTP portfolio**

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