

March 2022

Credit Update

Gruppo BCC Iccrea



GRUPPO BCC ICCREA

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Agenda



Preliminary FY 2021 Financial Data



Zero risk weighting waiver for intragroup exposures

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Preliminary FY 2021 Financial Data

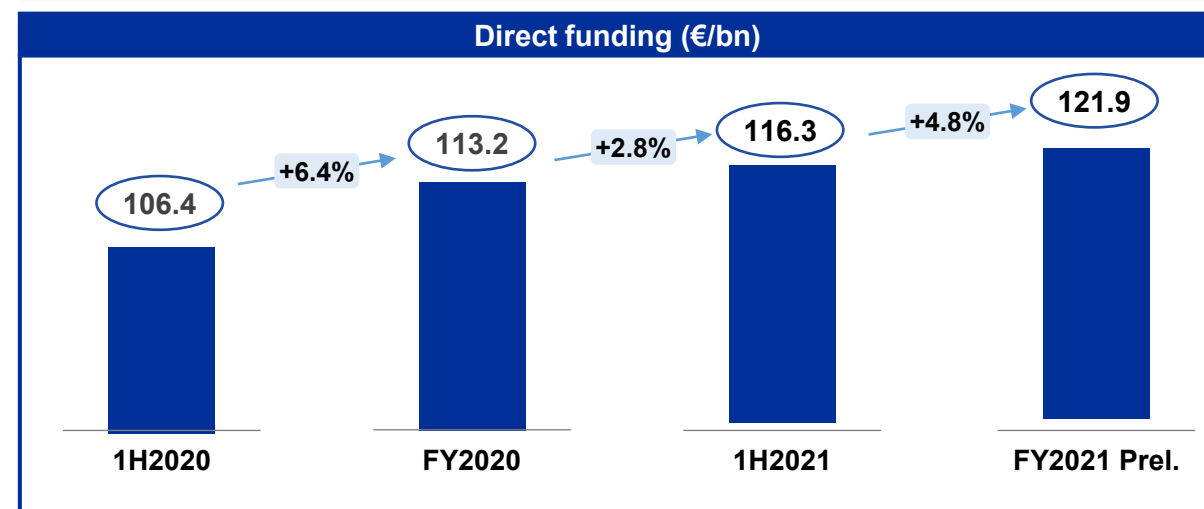
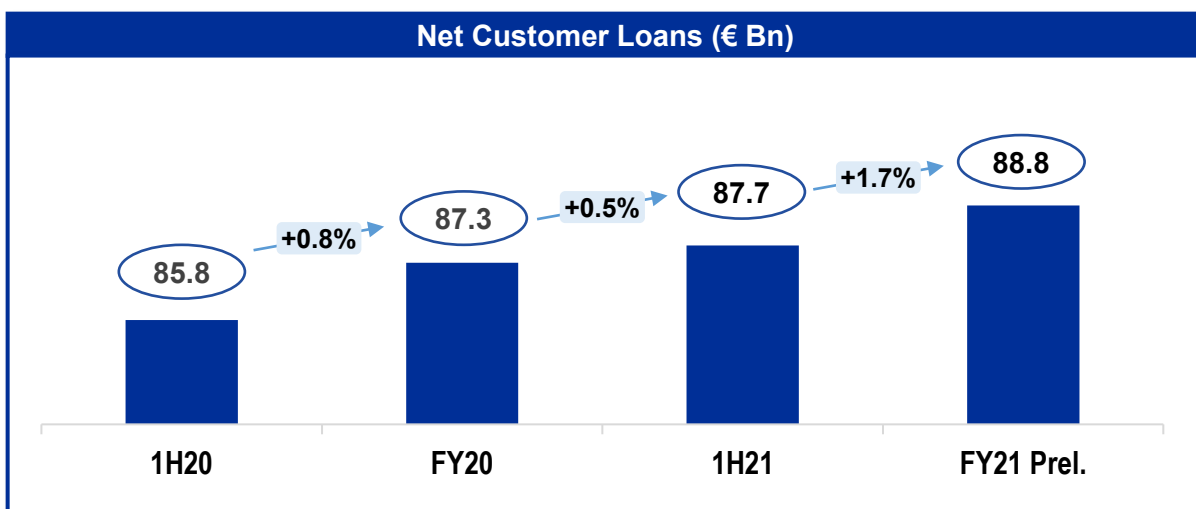
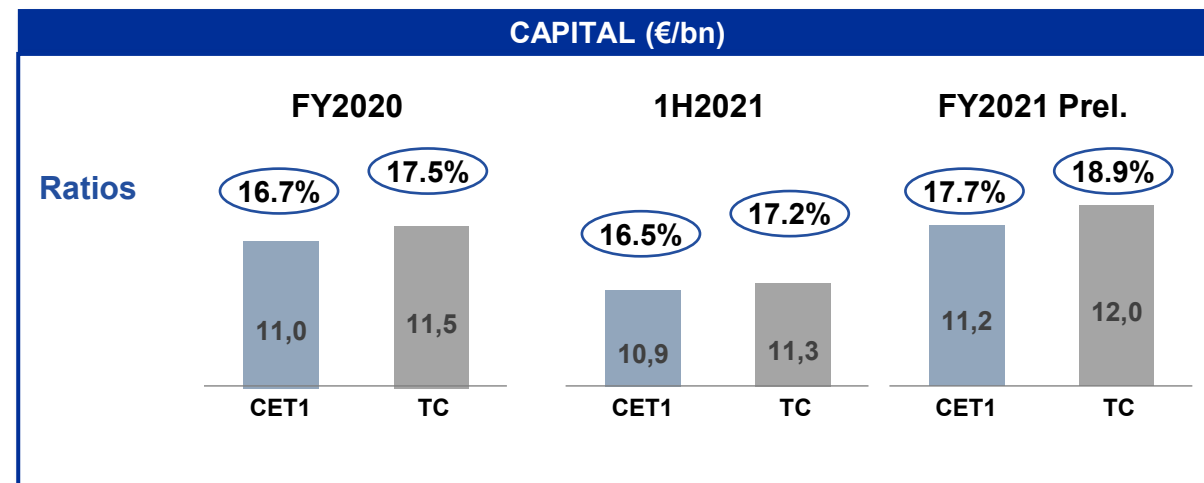
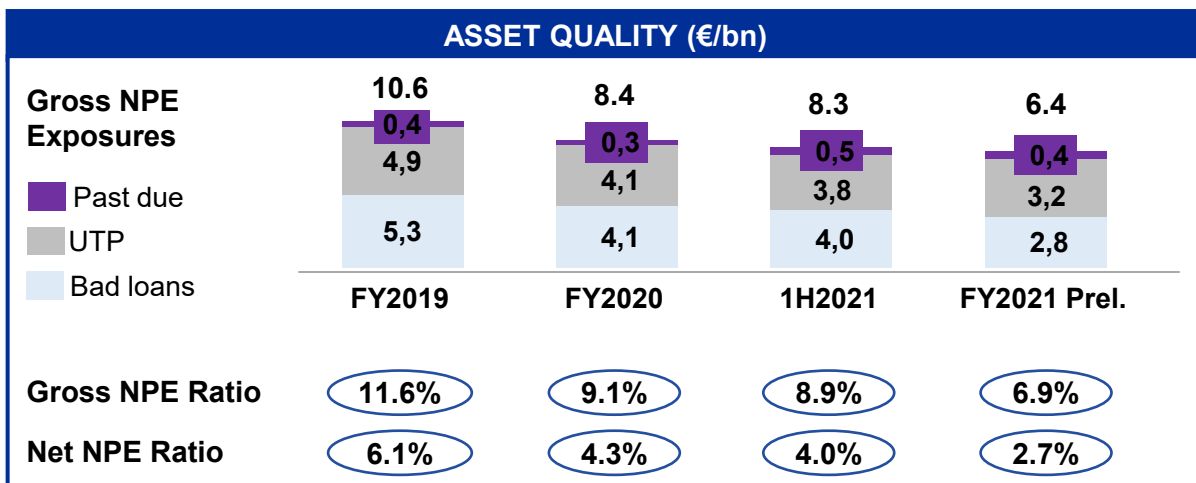


Zero risk weighting waiver for intragroup exposures

Consolidated FY21 Preliminary financial data (1/2)

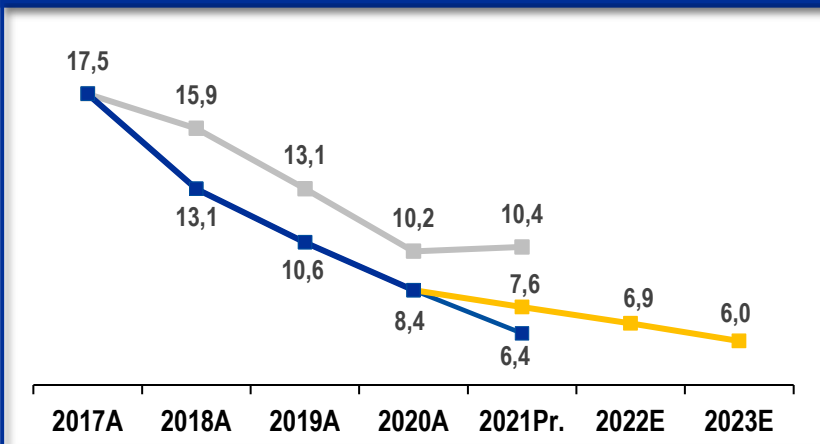
	<u>FY 2020</u>	<u>1H 2021</u>	<u>FY 2021 Prel. data</u>	<u>2021 vs 2020</u>
ASSET QUALITY	Gross NPE ratio (%)	9.1%	8.9%	6.9% 
	Net NPE ratio (%)	4.3%	4.0%	2.7% 
	Coverage NPE (%)	55.7%	57.4%	62.7% 
	Credit Risk Provisions (€/m)	841	-	1,258 
	Credit Risk Provisions (bps)	93	-	135 
ASSETS & LIABILITIES	Total assets (€/m)	169,268	174,577	178,987 
	Net Customers Loans (€/m)	87,278	87,736	88,759 
	Deposits (€/m)	108,396	110,811	117,436 
PROFITABILITY	Net Profit (€/m)	202	-	462 
	ROE (%)	1.9%	3.8%	4.3% 
	Cost / Income (%)	73.1%	64.8%	63.9% 
CAPITALIZATION	CET1 ratio (%)	15.2%	16.5%	17.7% 
	TCR (%)	15.9%	17.2%	18.9% 
	Own funds (€/m)	11,509	11,340	12,010 

Consolidated FY21 Preliminary financial data (2/2)

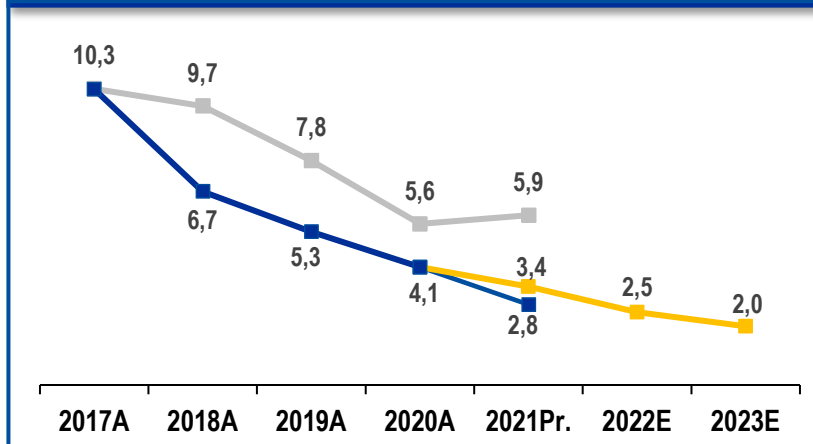


Asset Quality

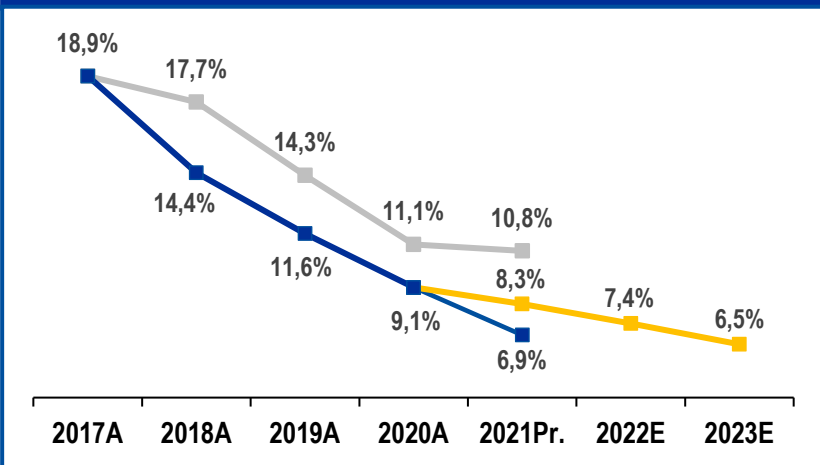
GROSS NPE (€/bn)



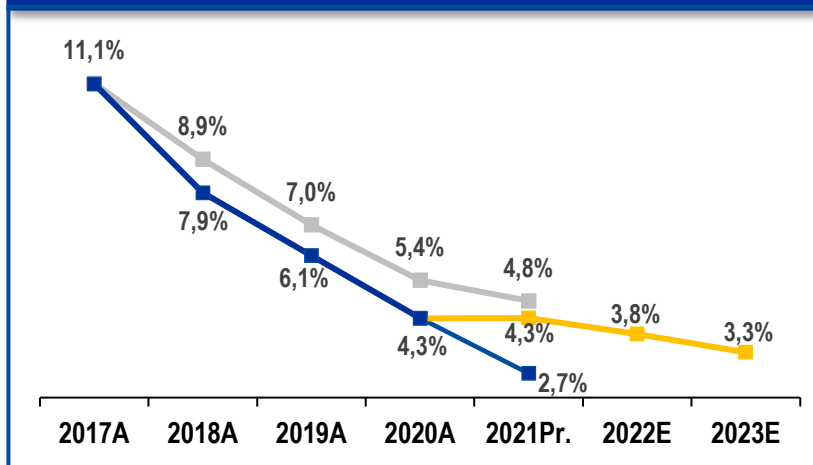
GROSS BAD LOANS (€ Bn)



GROSS NPE RATIO



NET NPE RATIO

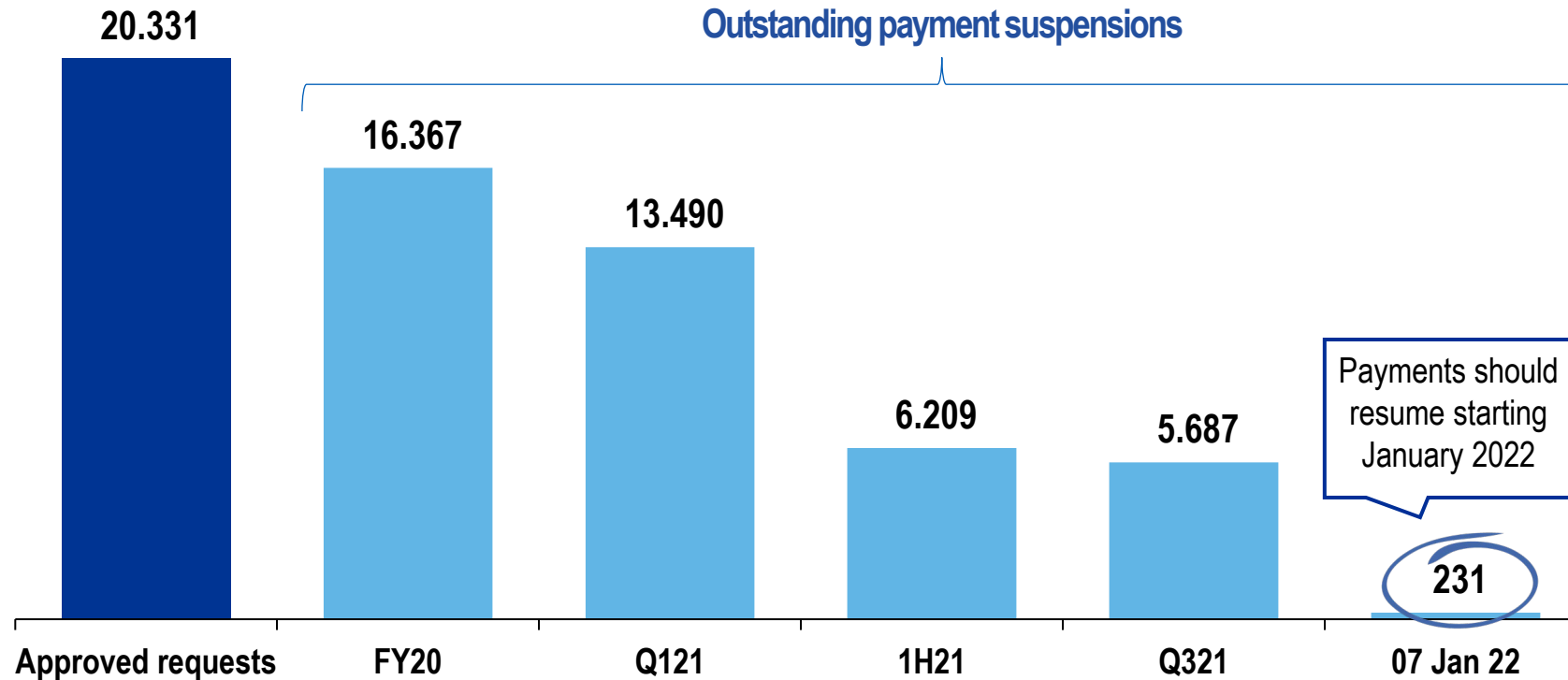


- The results achieved with the de-risking program are far better than the targets set in:
 - the 2018-2021 plan presented to the ECB to obtain the authorization for the establishment of the Gruppo Bancario Cooperativo Iccrea
 - the 2021-2023 Strategic Plan
- The combined effect of the disposals completed in the last few years and the increased level of provisioning allowed to reach a Net NPL ratio of 2.7%, close to market standards

— Plan 2018-2021 - ECB Application
— Actual data
— Plan 2021-2023

Payment suspensions (moratoria)

Payment suspensions' evolution - €/m



Highlights

- GBCI has been one of the first banking groups to support customers and shareholders and their communities, activating at the same time important actions to strengthen credit risk monitoring activities
- Only 2.5% out of 20 €/bn approved requests of payment suspensions have been classified as UTP; 0.02% have been classified as bad loans

Main drivers and targets of the 2022-2024 Plan



Revenues Full Potential

Further commercial push with special focus on the commission fees component (i.e. asset management, e-payments, etc) targeting market averages



Group Simplification

Full utilization of Group Product Factories
Progressive deleveraging of Italian government bonds



Asset Quality Management

Increase of NPE coverage levels targeting the upper bound of market averages
Discipline in the execution of the de-risking program targeting NPE levels in line with the best market standards



Operational Efficiency

Further Cost Excellence and operating model efficiency actions



Group Sustainability

Full deployment of the ESG program throughout the Group and the BCCs

		2021 Preliminary data	TARGET '24 Preliminary targets
Capital ratios	CET1r	17.7%	-
	TCR	18.9%	>18%
Profitability	Net Profit	462€/m	-
	ROE	4.3%	4-5%
Operating Efficiency	Operating Costs	2,961€/m	-
	Cost / Income	63.9%	<65%
Asset Quality	Credit Risk Provisions	1.3%	-
	Gross NPE Ratio	6.9%	4-5%
	Net NPE Ratio	2.7%	-

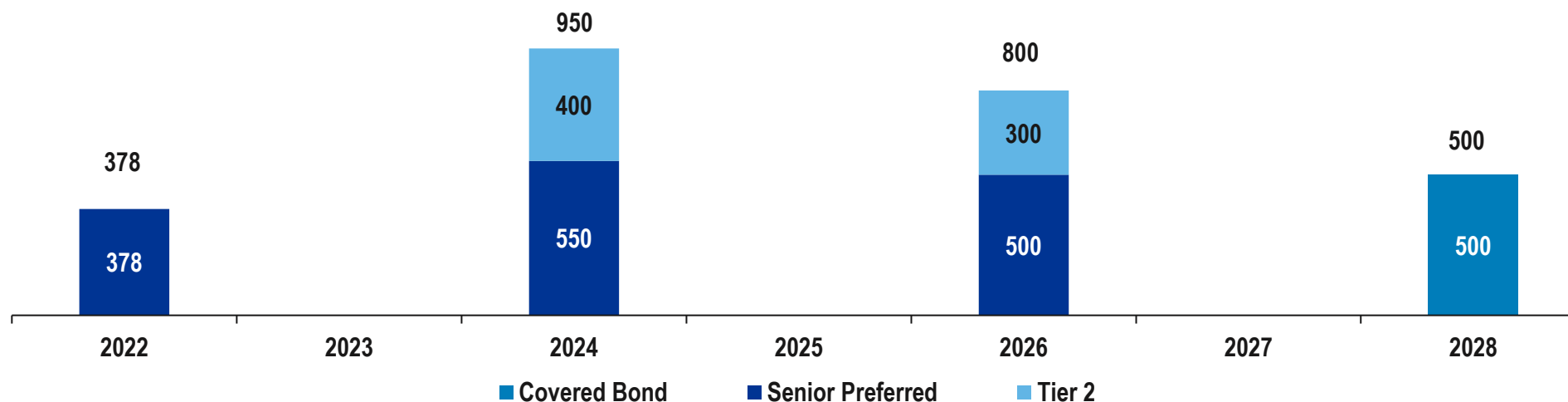
Iccrea in the Institutional Bond market

A more established and regular Issuer

- Iccrea Banca has issued 4 institutional bonds since November 2020:
 - Two Senior Preferred bonds for an aggregate amount of 1 €/bn (including the inaugural Social issuance)
 - A 300 €/m Subordinated Tier 2
 - A 500 €/m inaugural Covered Bond

Issuer	Instrument Type	Announcement date	Coupon (%)	Maturity	Next Call Date	Outstanding Amount (€)
Iccrea Banca SpA	Social Senior Preferred	10-Nov-21	2.125	17-Jan-27	17-Jan-26	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	Covered Bond	13-Sep-21	0.010	23-Sep-28	-	500,000,000
Iccrea Banca SpA	Senior Preferred	13-Oct-20	2.250	20-Oct-25	20-Oct-24	500,000,000
Iccrea Banca SpA	Tier 2	21-Nov-19	4.125	28-Nov-29	28-Nov-24	400,000,000
Iccrea Banca SpA	Senior Preferred	04-Oct-17	1.500	11-Oct-22	-	378,041,000 ¹
Iccrea Banca SpA	Senior Preferred	10-Jun-14	3.116	19-Jun-24	-	50,000,000

Institutional Bonds, Maturity / Call profile²



- Iccrea Banca (resolution entity within the Group), will keep on pursuing its funding strategy to fully meet MREL requirements within 1 January 2026 (final target decision)

Issuer ratings



	<u>Release date</u>	<u>Long Term</u>	<u>Outlook</u>	<u>Short Term</u>
Fitch Ratings	February 10, 2022	BB-	Positive	B
S&P Global Ratings	January 31, 2022	BB	Stable	B
DBRS	December 1, 2021	BB (high)	Stable	R-3

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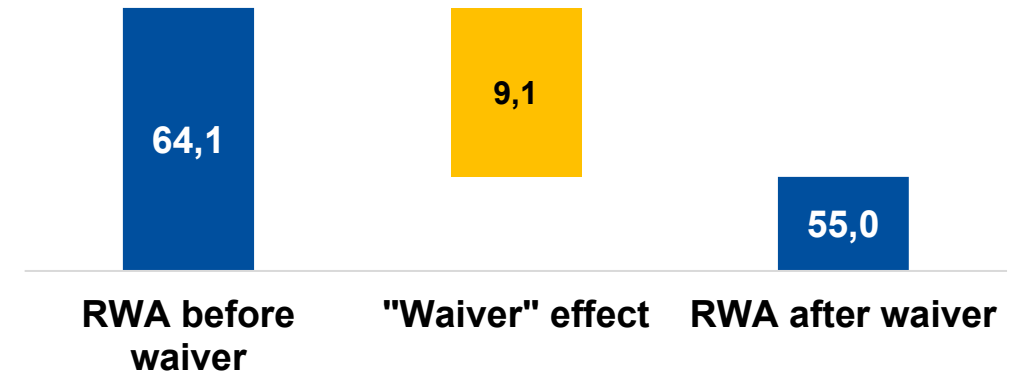
ECB authorization...

On December, 16 2021 ECB approved the «Waiver» ex art. 113.6 CRR which enables the GBCI...

...to apply a zero risk weighting factor to intragroup exposures (with the exception of T1 and T2 instruments)

...estimated aggregated impact on individual RWAs as at 30.09.2021

Aggregated Credit risk RWA (€/bn)



The approval of the waiver by the ECB will allow:

- a reduction, on an individual basis, of RWAs for more than € 9 bn, making available capital to support potential credit expansion;
- an incentive to intragroup liquidity flows;
- an improvement in Group Liquidity and Investment Management;
- full activation of the ECB Additional Credit Claims refinancing scheme, with a significant impact on liquidity profiles and ratios.

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The Investor presentation with 1H21
financial data can be found at the
following link:

[Investor presentation 1H21](#)



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