GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO

Credit Update and Fixed Income Presentation

December 2022

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Snapshot	Key messages
Balance Sheet Overview	• **Extensive distribution network,** the Group benefits from the **exposure to customers mainly situated in** Northern Italy, the **wealthiest and most productive area of the country** • The balance sheet structure is solid and straightforward (loans to deposit ratio at 73.4%), **liquidity is above average** and the **funding is mainly composed of customer deposits**
Regulatory Capital	• **The Capital level strongly exceeds minimum regulatory requirements** • **CET1 at 22.32%** (buffer vs CET1 SREP – including guidance – above 1,216 bps) • Constant capital accumulation is due to **statutory limitations to dividend distributions**
Liquidity	• **Broad access to liquidity**, EUR 37.3 bn of eligible assets and EUR 64.0 bn of retail deposits • Strong link with the territory which is also the reason for the high contribution of direct funding to the overall funding mix
Asset quality	• **Constant improvement in asset quality** (Net NPL ratio at 1.2%) • **The conservative approach towards credit risk** leads to a strong NPL coverage ratio of 76.0 %, largely above the sector average

Data as of 30 June 2022

HISTORY AND STRUCTURE OF THE GROUP

KEY MILESTONES OF THE GROUP

From "second level" bank to Parent Company of the Cooperative Banking Group

Second level

1974	Cassa Centrale delle Casse Rurali Trentine SpA is born
1999	Partnerships with banks outside the region of Trento BCCs from Veneto and Friuli Venezia Giulia become shareholders of Cassa Centrale
2007	**DZ Bank becomes shareholder in Cassa Centrale** with a 25% stake Extraordinary shareholders' meeting approves the new name "Cassa Centrale Banca - Credito Cooperativo del Nord Est SpA", incorporating the now supra-regional nature of the bank

Parent Company

2016	Following a long process, **the Cooperative Banking reform (n. 49/2016)**, binding BCCs to adhere to a cooperative banking group, **is approved**
2017	**More than 120 cooperative banks** sign the proposal to form **a new Cooperative Banking Group** with **Cassa Centrale Banca** as **the Parent Company** In December 2017, a capital raise of more than €600m is underwritten
2018	**Banca d'Italia and the European Central Bank grant the authorisation for the establishment of the Group**
2019	**On January 1 2019, the new Cassa Centrale Cooperative Banking Group (Cassa Centrale Group) was officially formed** **In March, the ECB declared the Cassa Centrale Group a significant institution**

ITALIAN REFORM OF COOPERATIVE CREDIT

The Group has unique features deriving from a specific regulatory framework

Italian Cooperative Banks have been involved in a transformation process following which the Cassa Centrale Group was established.

The reform, issued in 2016, **briefly** requires:

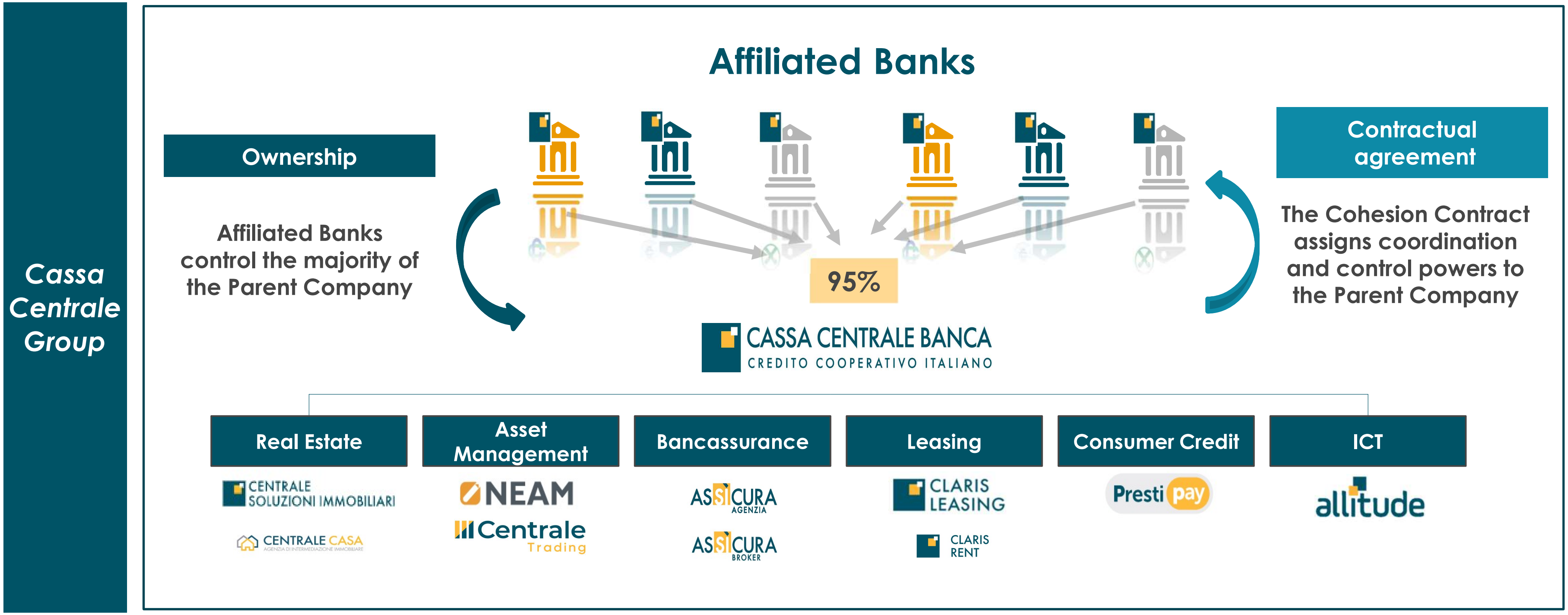
- **Participation to a Cooperative Banking Group as a condition to operate under the cooperative credit structure**
- Cooperative Banking Group must be composed of a **Parent Company**, whose **majority share capital is held by** the **Affiliated Banks** (more than 60%), and the Subsidiaries (affiliated cooperative banks and other entities)
- Cooperative Credit Banks **have to sign-off a Cohesion Contract** to be part of a Cooperative Banking Group, **each** bank accepts to be subject to the Parent Company's management and coordination. The agreement defines the power and duties of the Parent Company, conditions of participation, duties and rights of the Affiliated cooperative banks
- The Cohesion Contract includes innovative and unique mechanisms introduced by the regulatory requirements, such as the Early Warning System (for risk control, interventions and sanctions) and the Cross-guarantee Scheme (for stability and capital protection)
- **Specific regulatory framework was set up by Law** n. 49 of 8 April 2016 and Law n. 108 of 21 September 2018.

In December 2018, Cassa Centrale Banca and the Affiliated Banks entered into a Cohesion Contract in accordance with the Italian Cooperative Banks Reform.

GROUP STRUCTURE (1/2)

Cassa Centrale does not hold controlling shareholdings in any of the Affiliated Banks, although they are included in the consolidation perimeter. As **a system of local, autonomous, cooperative banks organised in a modern Banking Group, we have adopted a structure that can optimise the contribution made by all, within a central coordination system**.

The Affiliated banks offer corporate and retail banking services with a prevalence of loans to customers mainly represented by households and small companies.



CCB is an integrated Cooperative group under Article 133.6 CRR, model also applied for example by BPCE or Crédit Agricole

Link to European Association of Cooperative Banks: https://v3.globalcube.net/clients/eacb/content/medias/publications/Others/models_coopbanks_march_2021_update_03-2021.pdf

GROUP STRUCTURE (2/2)

Affiliated Banks are both the shareholders and controlled entities of Cassa Centrale Banca

The structure and the main features of our Group are established by the contractual agreement defined by the Reform of the Italian cooperative credit system.

Group's constituent elements

Focus on next slides

Cohesion Contract	Guarantee Agreement	Risk Based Model	Internal control system

I. **The Cohesion Contract** is the founding element and defines the **operating regulations** of the Group and the **control and coordination powers attributed to Cassa Centrale Banca**;

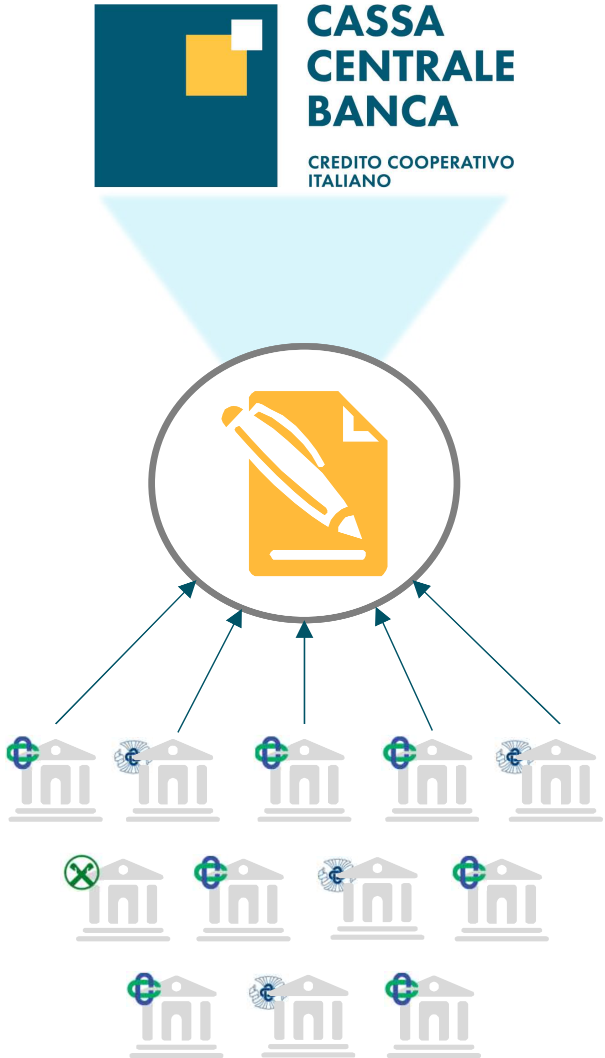
II. **The Guarantee Agreement** states that the Affiliated Banks mutually commit to jointly guarantee all liabilities towards third parties and to constitute funds readily available to each member of the Group;

III. **The Risk Based Model** analyzes the performance of the BCC / CR / Raika by monitoring all the areas requested by the regulator and identifies four macro classes on which the management autonomy of the BCC / CR / Raika depends;

IV. **The Internal Control Functions (ICFs)** of the BCC/CR/Raika are outsourced to the Parent Company, through a specific contract that formalizes the respective rights, obligations and service levels.

COHESION CONTRACT DEFINES RIGHTS AND OBLIGATIONS

The Cohesion Contract constitutes the founding document of the Group



In August 2018 Cassa Centrale Banca signed the **Cohesion Contract** in accordance with the Italian Cooperative Banks Reform. **Under this contract, the affiliated banks and the Parent Company regulate their mutual duties, responsibilities, rights and joint guarantees** deriving from joining and belonging to the Cooperative Banking Group.

The affiliated Banks are subject to **management and coordination by the Parent Company**, while the Parent Company assumes the duties and responsibilities related to its role of strategic and operational management of the Group towards the affiliated Banks.

Along with Governance rules, it defines:

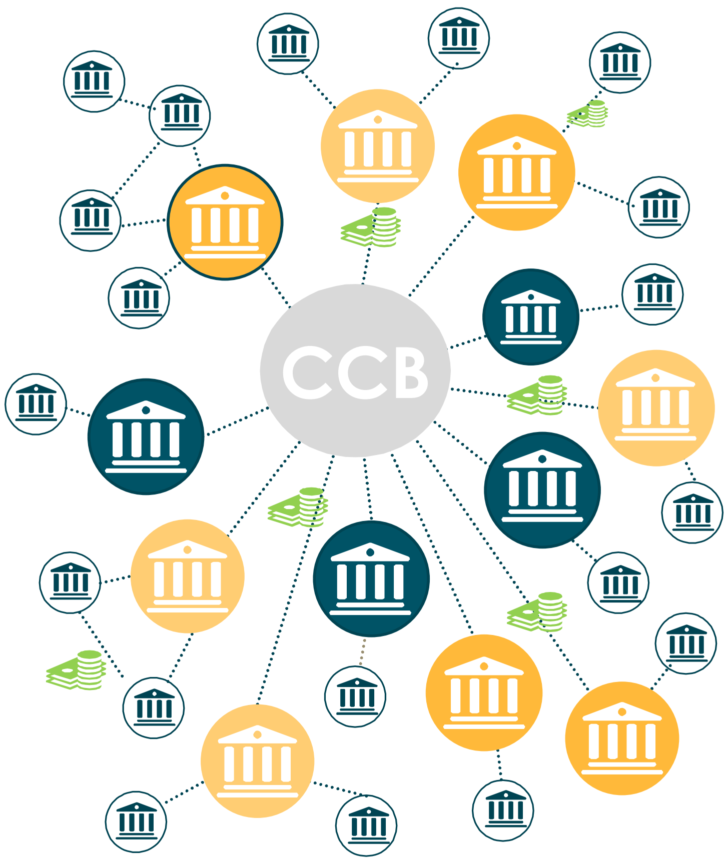
- **The functioning and operating policies** of the Group
- The steering and control powers attributed to Cassa Centrale Banca

Adhering banks maintain **autonomy according to their level of risk**, which is measured by objectively identified parameters (**Risk Based Model**).

The Cohesion Contract includes **innovative and unique mechanisms introduced by the regulatory requirements**, such as the Early Warning System (for risk control, interventions and sanctions) and the Cross-guarantee Scheme (for stability and capital protection).

CROSS GUARANTEE SCHEME

A brief focus on the contractual scheme as set in the Italian law and adopted by the Group



- The Cross Guarantee Scheme is an **intragroup financial support mechanism** through which the participating banks provide financial support to each other to ensure solvency and liquidity;
- According to the Guarantee Agreement the **members of the Group** commit themselves to:
  I. **be jointly liable** to all obligations towards third parties and **cross-guarantee each other**;
  II. **constitute readily available funds**.
- The Agreement is **based on a stress testing approach** applied to each member of the Group. The overall guarantee requirements are estimated through a vulnerability analysis in adverse conditions (Stress test EBA compliant);
- This mechanism oversees the compensation system between Affiliated Banks that receive financial support and those that provide funds;
- Each member **contributes proportionally to its risk exposure** and **within the limits of its free capital**.

RISK BASED MODEL AND INTERNAL CONTROL SYSTEM

The model identifies four risk classes on which the autonomy of an Affiliated Bank depends

Group's Risk-Based Model:

- provides an assessment of the BCCs' performance based on **a building block approach** assessing the following key areas: **business model**, **asset quality, liquidity** and **capital**;
- **identifies 4 macro rating classes** (from 1 being the best to 4 being the worst grade) impacting a BCC's management and strategic autonomy.

Internal Control Functions perform an assessment concerning Governance and Risk Management providing a score (G or G-).

The **Risk Committee of the Parent Company**, mainly composed by **independent members**, is responsible for **governance and management of the model**, as well as for solutions of critical situations.

Internal Control functions of affiliated banks are all outsourced to the parent bank, through an outsourcing contract that formalizes the respective rights, obligations and expected service levels.

Internal representatives of the affiliated banks report (i) functionally to the parent's structures and (ii) hierarchically to the bodies of their affiliated bank. **Affiliated banks only perform operating activities**

The scope and impact of the RBM on each of the following blocks is specified within the Cohesion Contract

Remuneration policy	**Strategic plan**	**Branches and commercial development**	**Representation in the BoD and Committees of the Parent**	**Lending**

CASSA CENTRALE GROUP AT A GLANCE

BRIEF OVERVIEW OF THE GROUP'S KPIs

Strong presence across Italy

We are a major Group with a **capillary presence** throughout Italy, thanks to the **69 local Banks** that are **well-rooted in the different territories**

Our commitment to keep the Group stable, safe and efficient comes from our **high degree of equity solidity**, the **low risk profile** and the highly-efficient organisational model

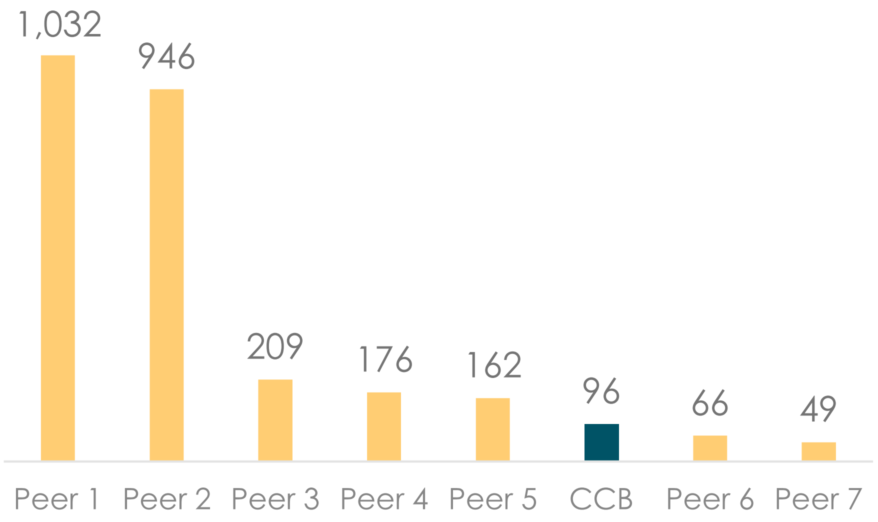
Key Figures (€ mn, %)	YE20	H121	YE21	H122
TOTAL ASSETS	86,797	91,392	91,150	95,829
NET PROFIT	245	307	333	445
ROE	3.6%	8.8%	4.8%	12.3%
NPL RATIO	6.8%	6.1%	5.5%	5.0%
NPL COVERAGE RATIO	64.0%	66.5%	73.6%	76.0%
CET1 RATIO	21.46%	20.90%	22.59%	22.32%
COST INCOME RATIO	60.8%	61.0%	61.5%	57.3%
AFFILIATED BANKS (#)	77	77	71	69

Data as of 30 June 2022

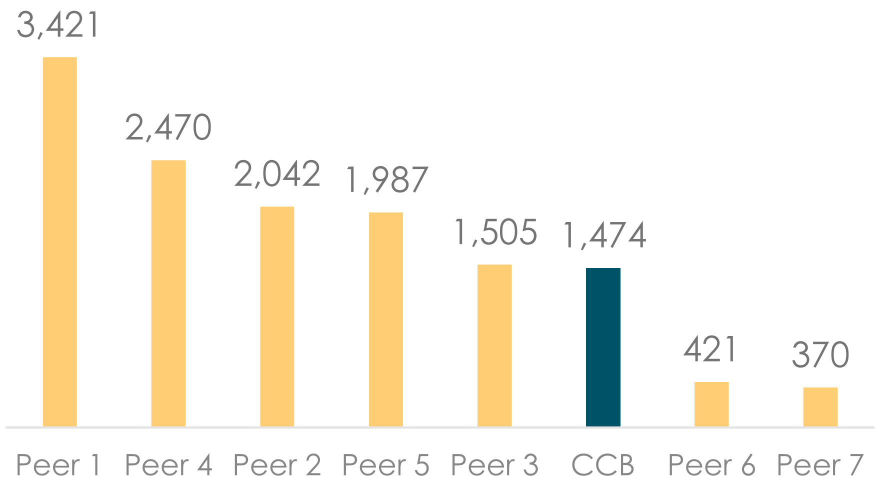
COMPETITIVE POSITIONING

A distribution network with a national footprint

TOTAL ASSETS[1] (€ bn)



BRANCHES IN ITALY[1]



3.20% of Loans to Customers
Italian Market

3.33% of Direct Funding
Italian Market

> 450k
Shareholders

> 11k
Employees

H122 – Data elaborated on ABI Monthly Outlook

[1]Info from corporate documents as of 30 June 2022

Peers: Intesa Sanpaolo, Unicredit, BancoBPM, Bper Banca, Gruppo Iccrea, Banca Popolare di Sondrio, Credito Emiliano

RATING

Cassa Centrale Banca issuer ratings vs peers – among strongest banks in Italy

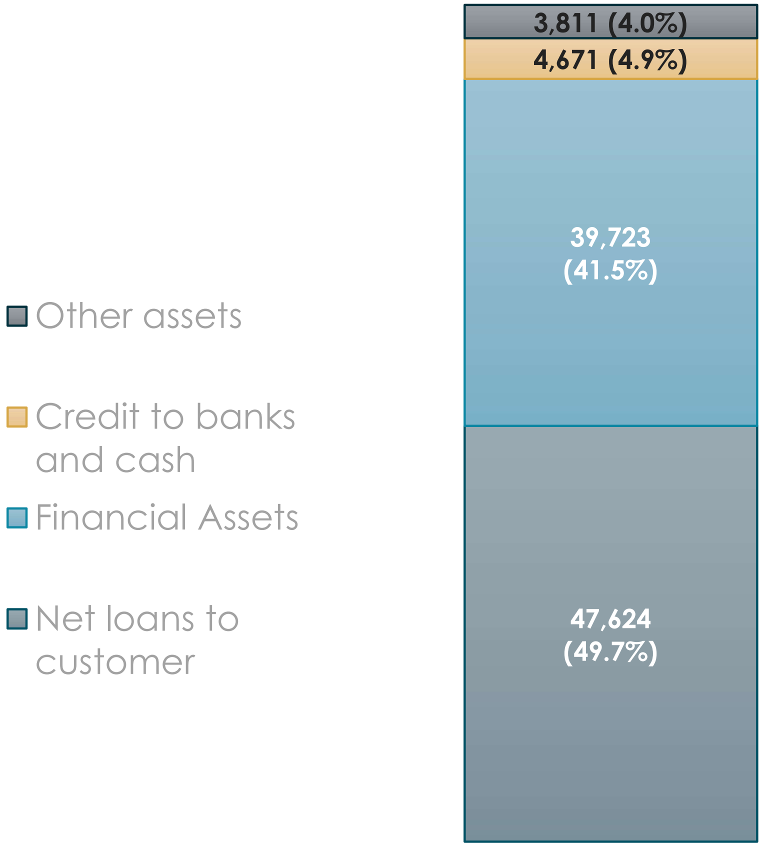
Cassa Centrale Rating Overview		
FitchRatings	*Long Term Issuer Rating*	***BBB-***
	Outlook	*Stable*
	Release date	22 November 2022
MORNINGSTAR DBRS	*Long Term Issuer Rating*	***BBB (low)***
	Outlook	*Stable*
	Release date	8 February 2022

	Moody's			FITCH	DBRS	Average rating	2nd best rating
	SP	BCA	LGF				
CREDEM	Baa3	baa3	+0	BBB	-	BBB-	BBB-
CASSA CENTRALE BANCA CREDITO COOPERATIVO ITALIANO	-	ba1	-	BBB-	BBBL	BBB-	BBB-
BANCO BPM	Ba1	ba2	+1	BBB-	BBB	BB+	BB+
BPER: Banca	Ba1	ba1	+0	BB+	BBB	BB+	BB+
Banca Popolare di Sondrio	-	-	-	BB+	BBBL	BB+	BB+

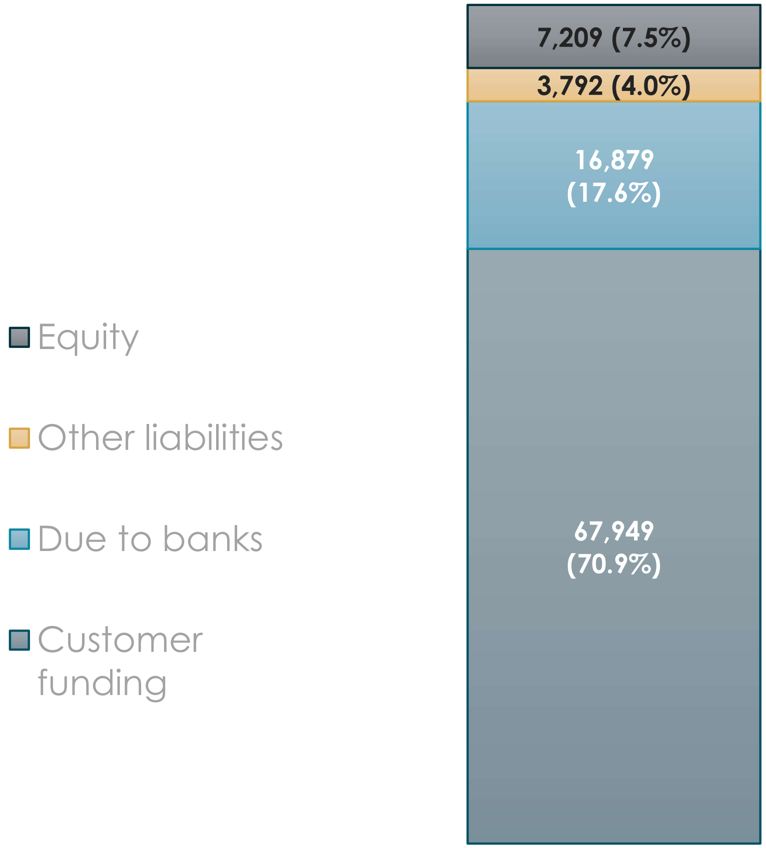
BALANCE SHEET STRUCTURE

Solid and straightforward balance sheet with low-risk profile, strong liquidity buffer due to the investment of large excess liquidity on liquid assets

Total Assets (EUR 95,829 mn) – H122



Total Liabilities (EUR 95,829 mn) – H122



By law cooperative credit banks' exposures outside the area of territorial jurisdiction must not exceed 5% of the total assets. Threshold of 5% does not include: i) Central administrations of the Italian Republic and other countries of the Eurozone; ii) the European Central Bank and Bank of Italy; iii) the Parent Company and other companies of the cooperative banking group to which it belongs

Note: figures in this page may not add exactly due to rounding differences

OVERVIEW OF THE P&L ACCOUNTS

(Figures in millions of euro)	H12020	H12021	H12022	change H122 vs H121	% change
Net interest income	**601**	**665**	**943**	**278**	**41.8%**
Net fee and commissions	311	337	361	24	7.1%
Dividends	1	2	3	1	50.0%
Net trading revenues	92	175	48	(127)	(72.6%)
Net interest and other banking income	**1,005**	**1,179**	**1,355**	**176**	**14.9%**
Net value adjustments /write-backs	(171)	(113)	(62)	51	(45.1%)
Income from financial activities	**831**	**1,066**	**1,293**	**227**	**21.3%**
Operating charges	(763)	(825)	(867)	(42)	5.1%
Net allocations to provisions for risks and charges	(36)	(5)	(7)	(2)	40.0%
Other income (charges)	115	111	97	(14)	(12.6%)
Profit (loss) from disposals of invetsments and equity investments	1	(1)	1	2	n.s.
Profit before tax	**148**	**346**	**517**	**171**	**49.4%**
Income tax	(31)	(40)	(71)	(31)	77.5%
Profit (loss) for the year attributable to minority interests	-	1	(1)	(2)	n.s.
Net result of the parent company	**117**	**307**	**445**	**138**	**45.0%**

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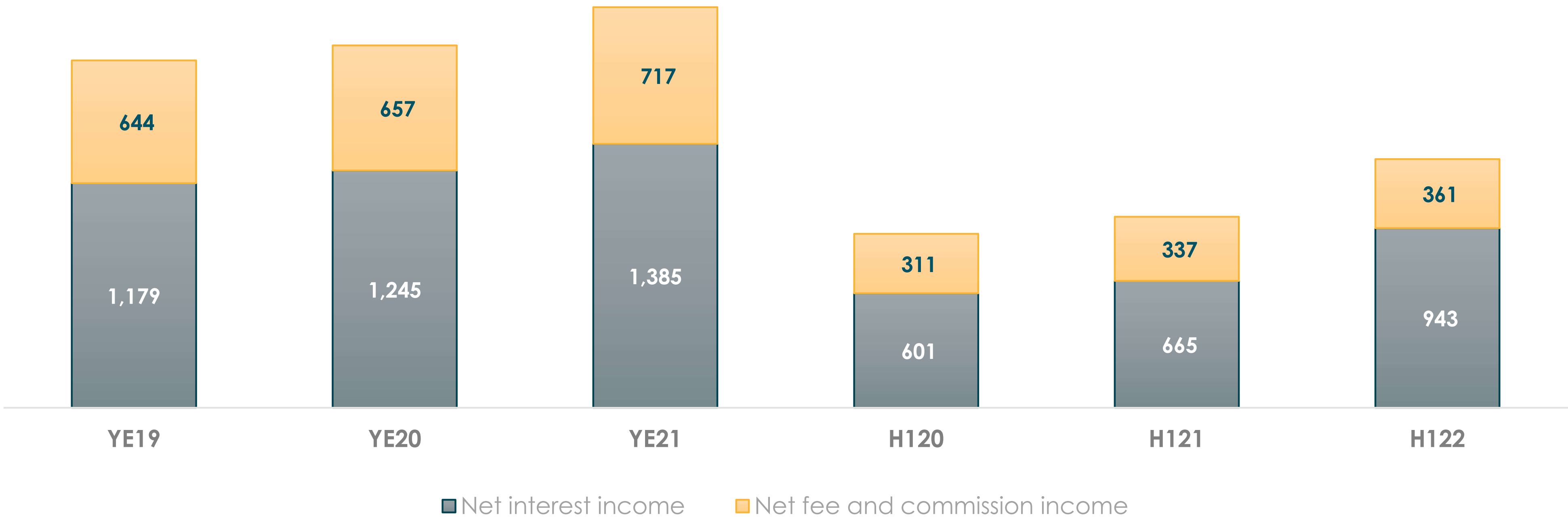
BUSINESS ACTIVITY

CORE BANKING ACTIVITIES

Solid trend of revenue growth, accelerated in the first part of 2022

Operating income evolution (€ mn)



€ mn	YE19	YE20	YE21	H120	H121	H122
Total	1,823	1,902	2,102	912	1,002	1,304
Δ%YoY		4.3%	10.5%		9.9%	30.1%

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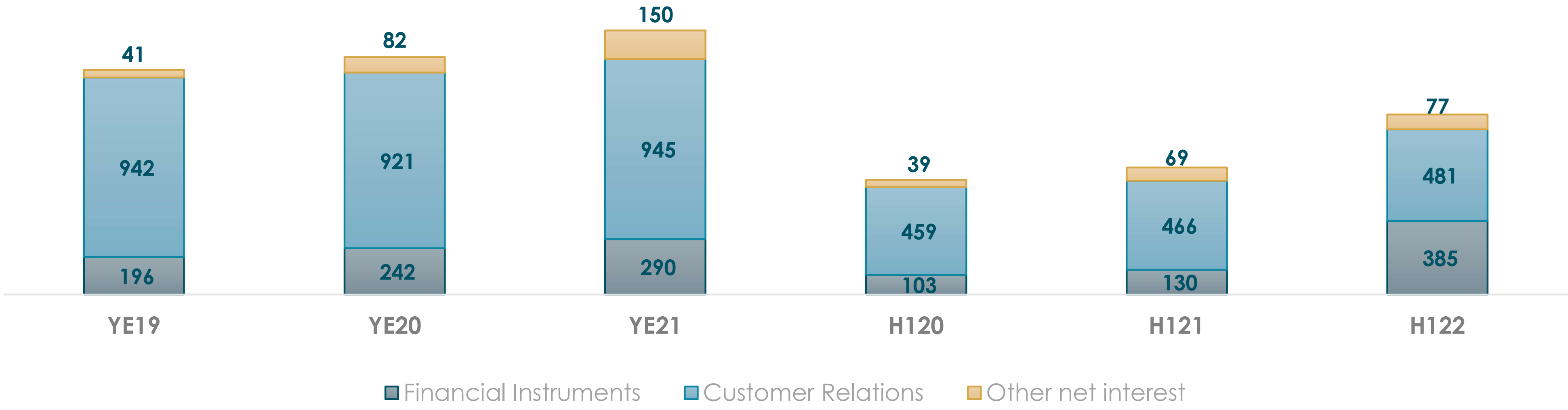
FOCUS ON INTEREST MARGIN

In the first six months of 2022 the interest margin increased by 41.8% compared to June 2021, benefiting from the significant rise in the return of inflation-linked securities

Interest margin evolution (€ mn)



€ mn	YE19	YE20	YE21	H120	H121	H122
Total	1,179	1,245	1,385	601	665	943
Δ%YoY		5.6%	11.2%		10.6%	41.8%

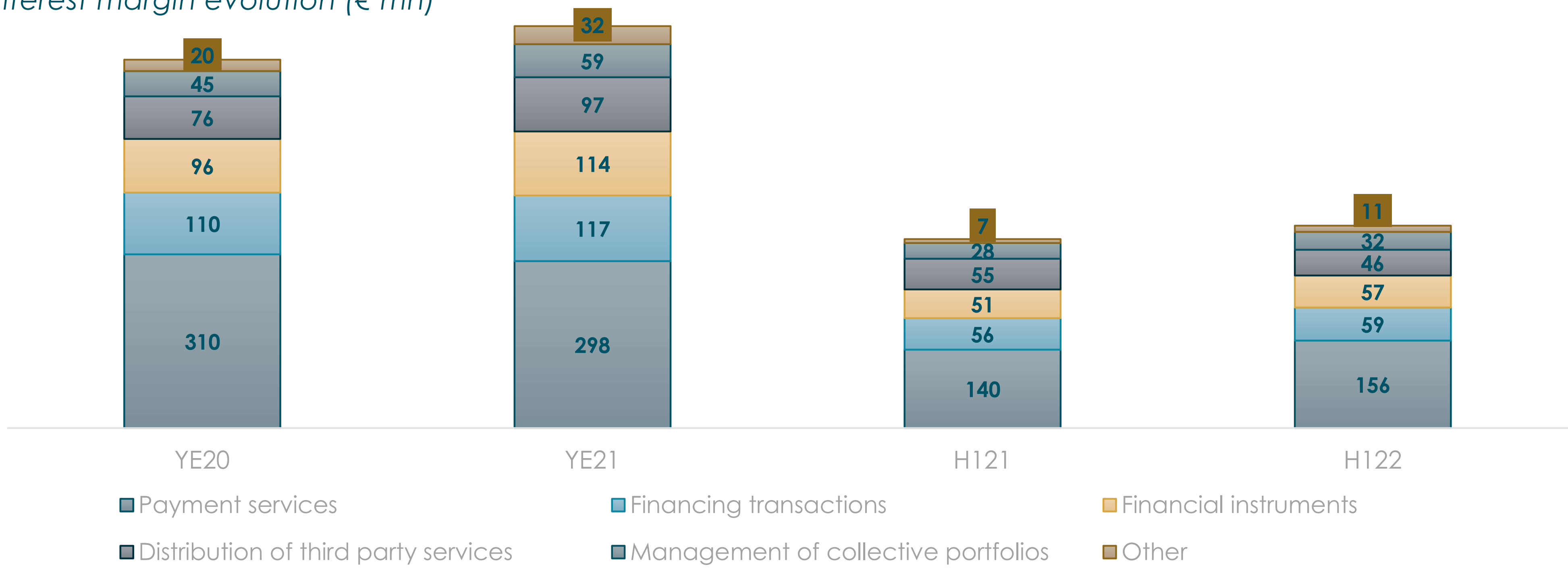
The item Other net interest mainly includes interest income accrued on funding transactions at negative rates with institutional counterparties as TLTRO III and PELTRO refinancing transactions.

Note: figures in this page may not add exactly due to rounding differences

FOCUS ON FEE AND COMMISSIONS

As of 30 June 2022 net commissions stood at €361 million, up 7.1% compared to the first half of 2021. The growth confirms the commitment of the Group to strengthening the contribution from fees and commission income

Interest margin evolution (€ mn)



€ mn	YE19	YE20	YE21	H120	H121	H122
Total	644	657	717	311	337	361
Δ%YoY		2.0%	9.1%		8.4%	7.1%

Note: figures in this page may not add exactly due to rounding differences

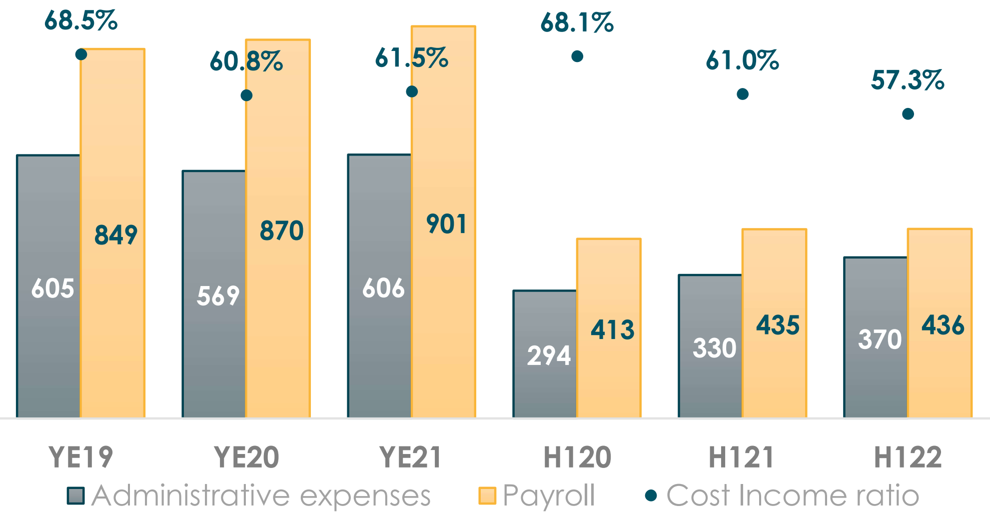
OPERATING COSTS AND D&A

Cost income ratio constantly decreasing since the Group's establishment

The Group's **Cost/Income** is more than **10 basis points lower** than it was in **1H 2019** at **57.3%.**

- Increase in personnel costs are mainly related to redundancy expenses
- Increase in administrative expenses are due to higher contributions paid to the Deposit Guarantee Schemes, Single Resolution Fund and for the European Central Bank Supervision
- Other operating income item reflects the revenues of instrumental companies from parties outside the Group.

Operating costs evolution (€ mn)



€ mn	YE19	YE20	YE21	H120	H121	H122
Administrative expenses and payroll	(1,454)	(1,439)	(1,507)	(707)	(765)	(806)
D&A	(121)	(117)	(121)	(56)	(60)	(61)
Other operating income[1]	202	179	192	79	106	90
Total operating costs	**(1,373)**	**(1,377)**	**(1,436)**	**(684)**	**(719)**	**(777)**

Note: figures in this page may not add exactly due to rounding differences

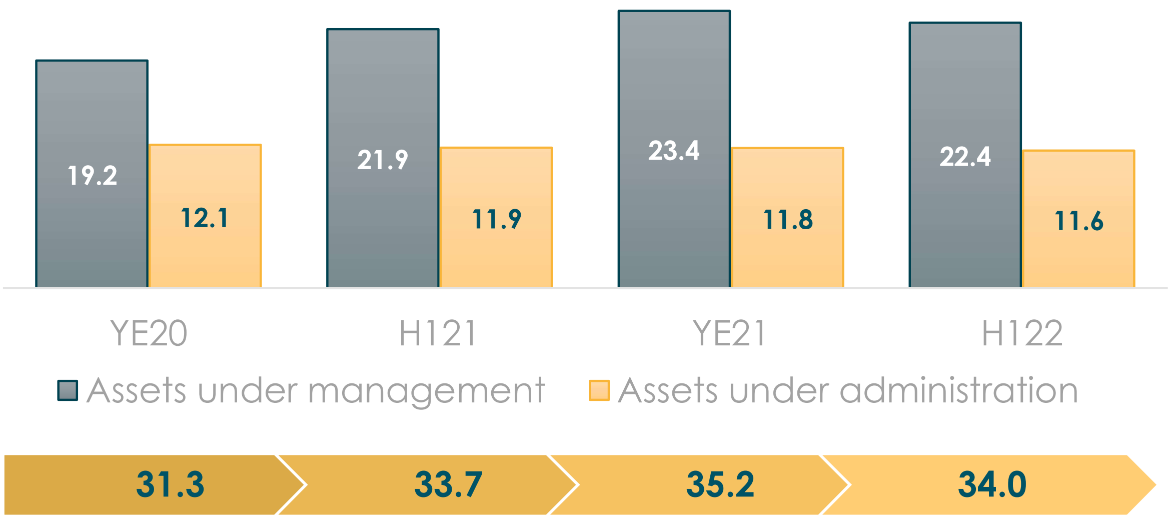
INDIRECT FUNDING

The Group is strongly committed to increasing indirect funding

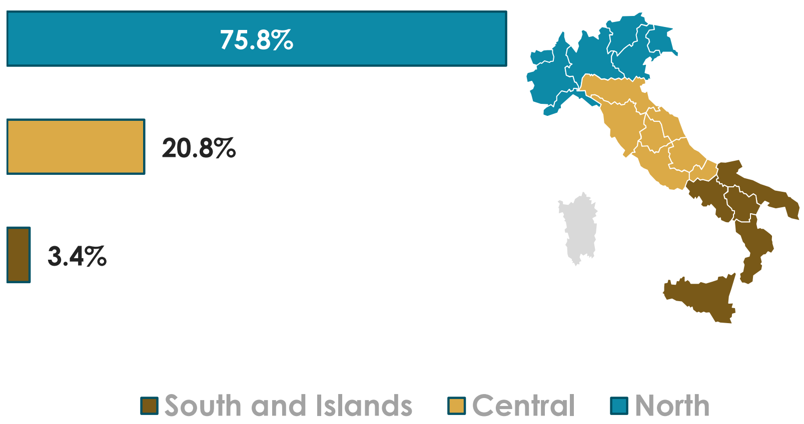
Managed and insurance funding products are the main contributors to indirect funding within the Group. In this regard, Affiliated Banks are closing the gap with the rest of the peers as they have historically favored the placement of direct funding products

As highlighted below, this trend has changed in recent years with significant investments aimed at increasing the Group's competitive position in the indirect funding segment

Indirect funding breakdown (€ bn) – market value



Indirect funding by area (%, H122)



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ASSET QUALITY

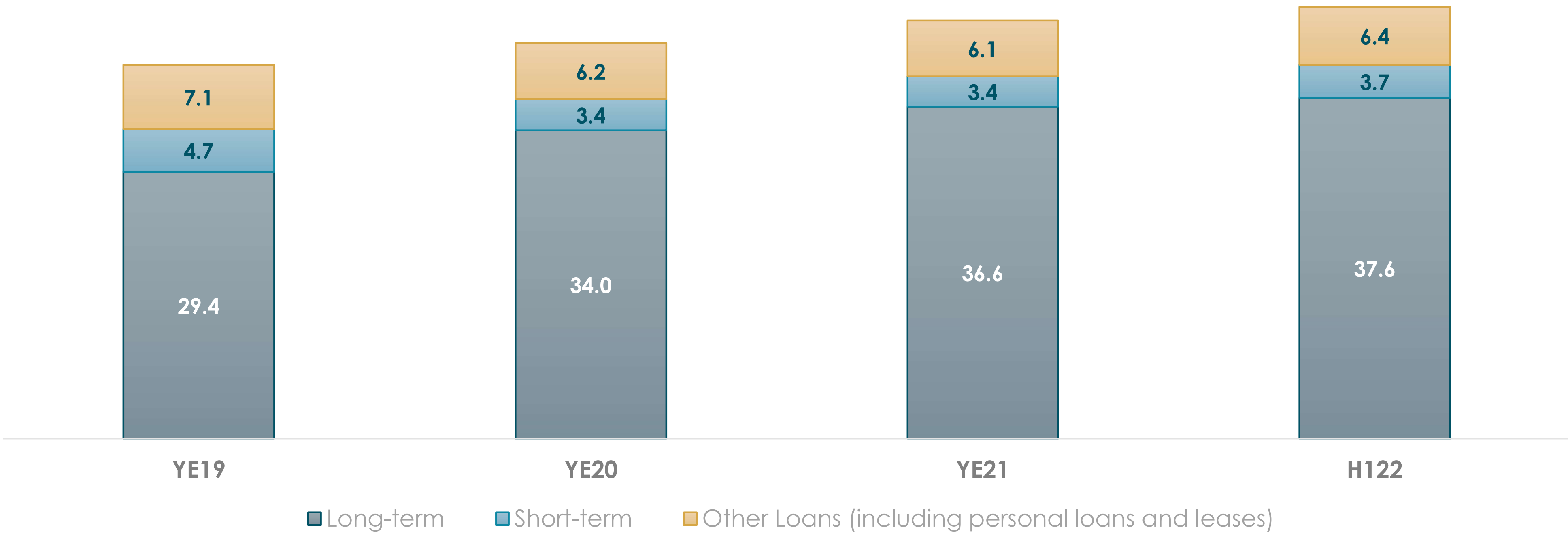
CREDIT BOOK EVOLUTION

As of June 2022, net loans to customers of the Group amounted to EUR 47.6 billion (+5.5% YoY)

The consolidated stock of lending exposure has been **growing** since the Group's constitution

As of June 2022, 64.6% of long-term loans is represented by mortgage loans

Net loans to customers evolution (€ bn)



€ bn	YE19	H120	YE20	H121	YE21	H122
Total	41.2	41.8	43.6	45.1	46.1	47.6
Δ%YoY			**5.8%**	**7.9%**	**5.7%**	**5.5%**

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CREDIT PORTFOLIO BREAKDOWN (1/3)

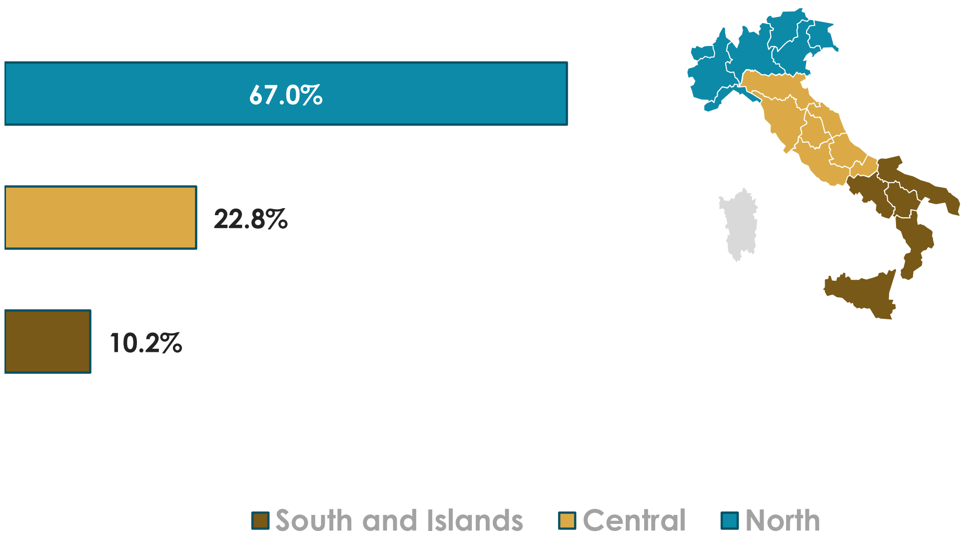
Loan portfolio focused on the wealthier regions of Italy

Prevalent exposure towards borrowers in wealthier northern regions and elevated borrower diversification and collateralisation

€ 25.6 bn of gross loans are granted by real estate assets

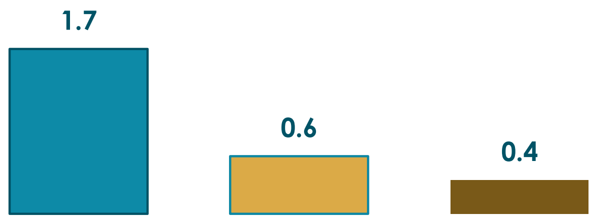
Gross loans to customers of our Affiliated Banks network

Gross Loans to customers geographical breakdown (%, H122)



Gross NPLs geographical breakdown (%, H122)

Gross NPLs geographical breakdown (€ bn, H122)



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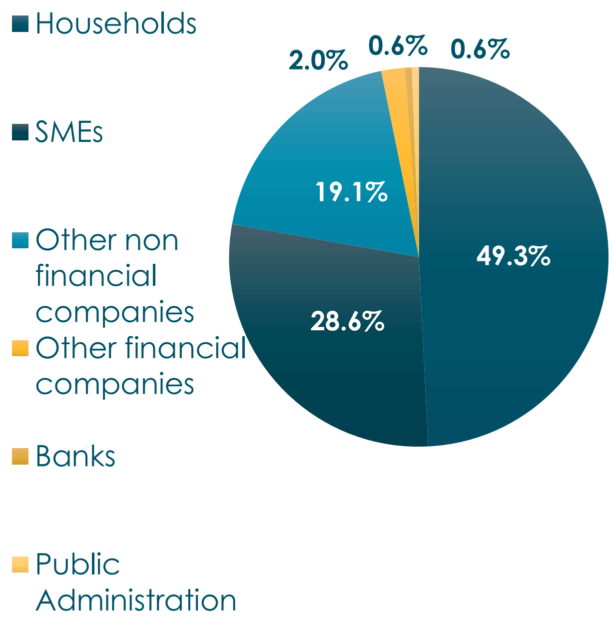
CREDIT PORTFOLIO BREAKDOWN (2/3)

The Group's target service model leverages on territorial proximity and on an extensive client base with long term relationships

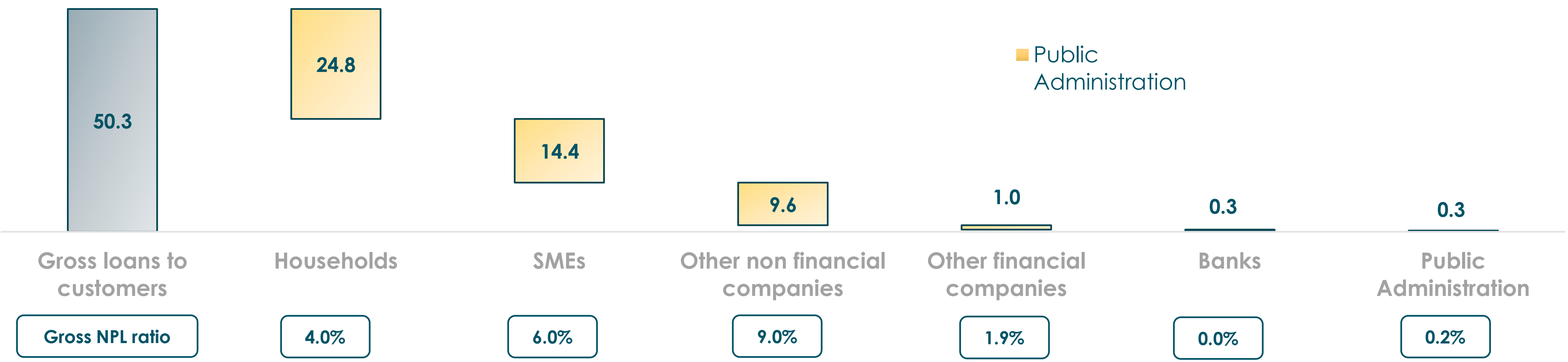
The business model of Affiliated Banks is reflected by the breakdown of loans by counterparty type

About 77.9% of the Group's credit portfolio in terms of GBV is made up of loans to Households (€ 24.8 bn) and SMEs (€ 14.4 bn)

Gross loans breakdown by counterparty (%, H122)



Gross loans breakdown by type of counterparty (€ bn, H122)



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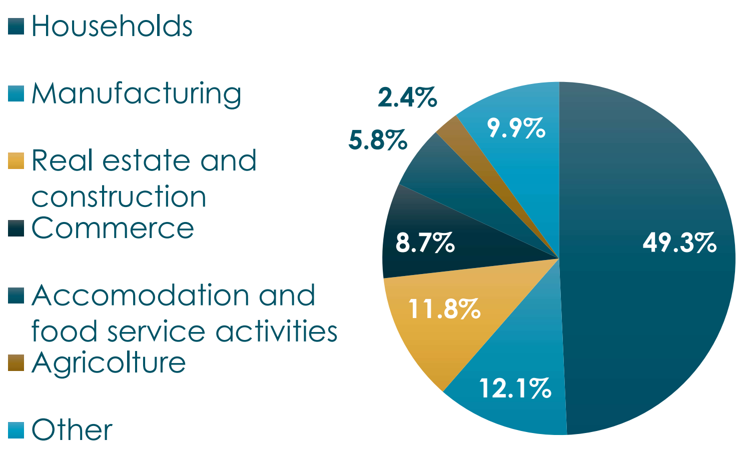
CREDIT PORTFOLIO BREAKDOWN (3/3)

Consumer household represents almost half of Group's credit portfolio (49.3%)

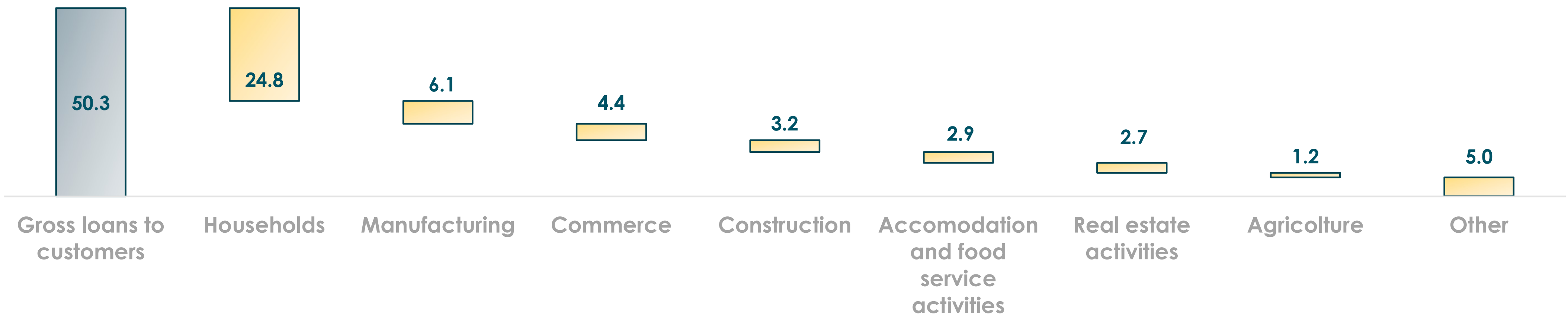
The other relevant segments are manufacturing, real estate and construction, commerce and accomodation and food service activities.

The large proportion of loans backed by collateral is attributable to the unique business model of cooperative banking, which **primary lends to households and to small and medium-sized enterprises**.

Gross loans breakdown by economic segment of counterparty (%, H122)



Gross loans breakdown by economic segment of counterparty (€ bn, H122)



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ASSET QUALITY OF CREDIT BOOK

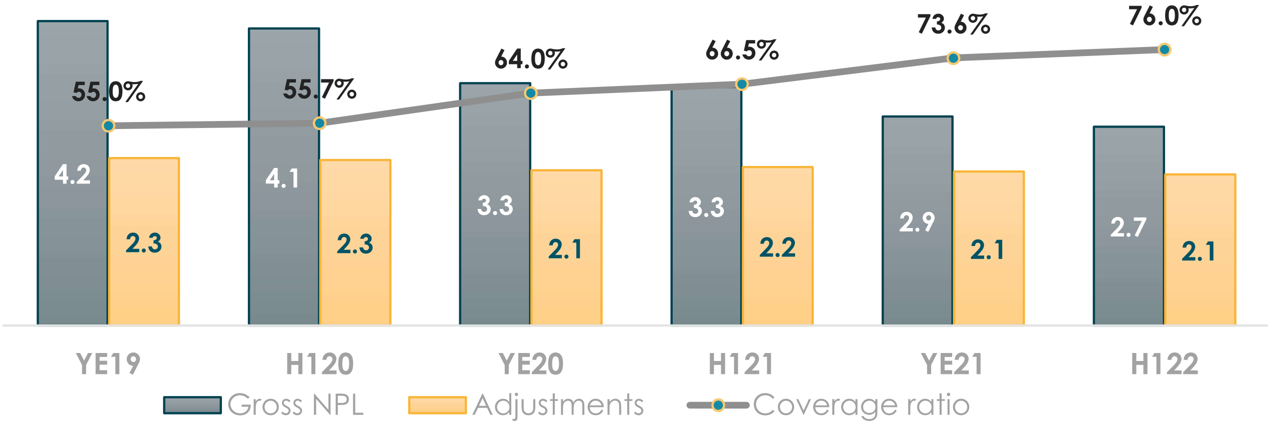
Strong contraction of non-performing loans paired with high coverage ratio (76.0%)

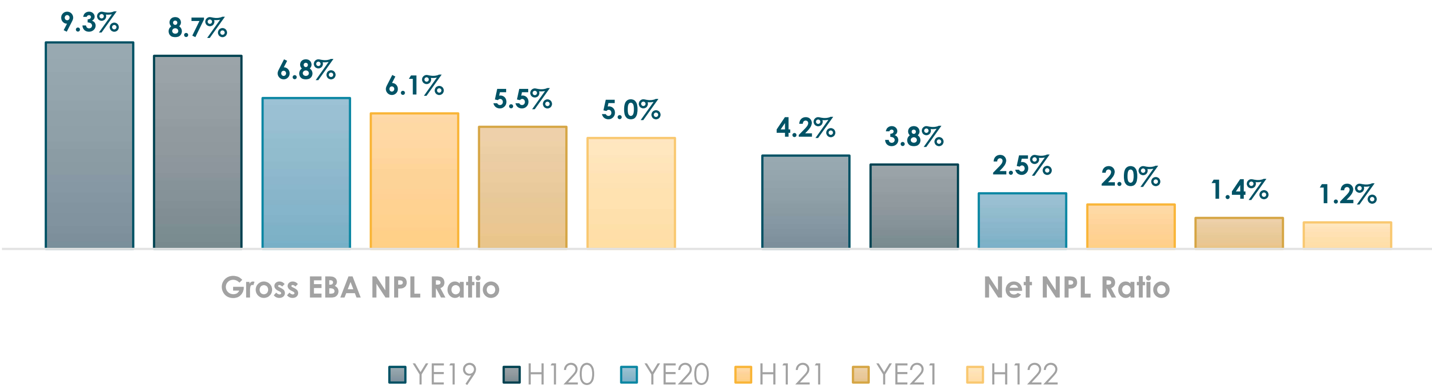
NPL coverage ratio has improved 21 p.p. since 2019. **Net NPLs have fallen to € 658 million and represent just 0.7% of total assets**

Gross NPL ratio went down from 9.3% in 2019 to 5.0% as of June 2022 (the stock of Gross NPL has fallen by 36% since 2019)

This trend confirms the focus of the Group on **asset quality** and **reduction** in the **stock of NPL** also through **portfolio disposals**

Total Gross NPLs and Adjustments(€ bn)





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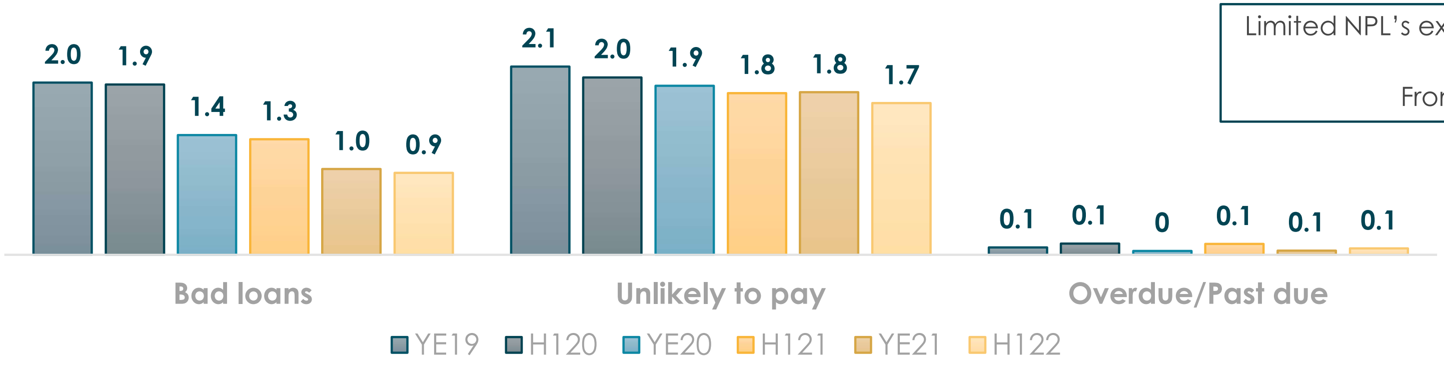
NPLs BREAKDOWN

Acceleration on asset quality

NPLs' stock reduction as a result of active portfolio management including disposals during the period (GACS on two disposals, Buonconsiglio 3 and Buonconsiglio 4) 2020-2021

30th June 2022	Volumes (€ mn)		Weight (%)		Ratios (%)		Coverage
	Gross	Net	Gross	Net	Gross	Net	%
Total NPLs	2,736	658	100.0%	100.0%	5.4%	1.4%	76.0%
o/w Non Performing/Bad Loans	934	101	34.1%	15.3%	1.9%	0.2%	89.2%
o/w Unlikely to Pay	1,727	509	63.1%	77.4%	3.4%	1.1%	70.5%
o/w Overdue/Past due	75	48	2.7%	7.3%	0.1%	0.1%	36.0%
Performing Loans	47,546	46,966	-	-	94.6%	98.6%	1.2%
Total Loans	50,282	47,624	-	-	100.0%	100.0%	5.3%

Historical evolution NPL (€ bn)



Limited NPL's exposure with **declining share of bad loans**

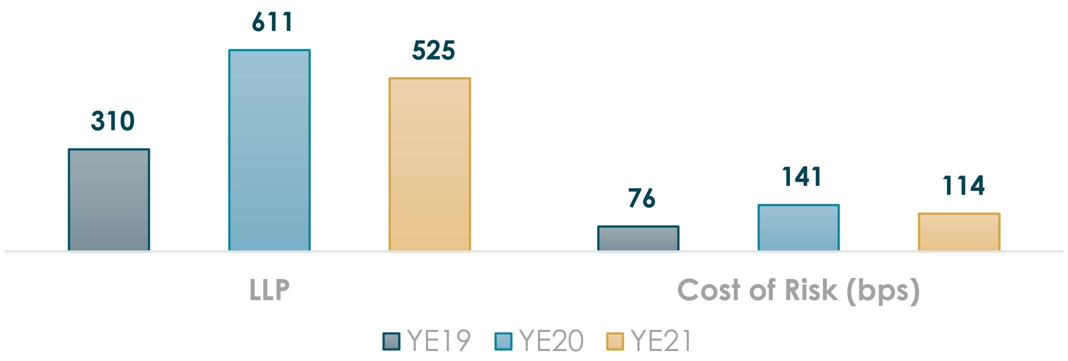
From 47% at YE19 to 34% in H122

Note: figures in this page may not add exactly due to rounding differences

LOAN LOSS PROVISIONS AND COST OF RISK

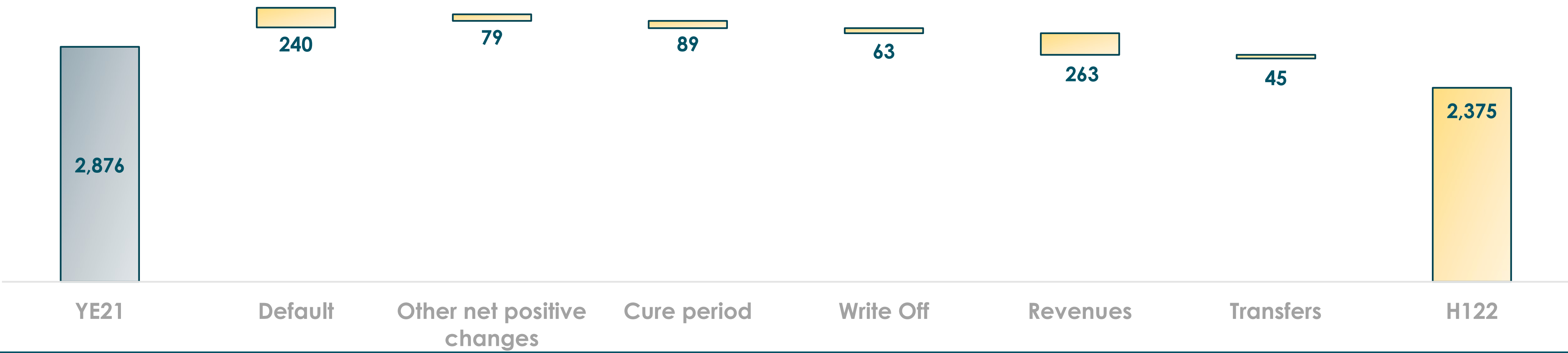
In the past years LLPs have reflected the strong effort started in 2020 to anticipate a possible cliff effect from Covid-19 moratoria and the adjustment following the AQR

Historical evolution of LLP (€ mn) and CoR (bps)



cumulative ratio (%)	YE20	YE21	H122
Default Rate NPL	1.15%	1.22%	0.52%
Cure Rate NPL	2.76%	3.12%	3.06%
NPL Danger Rate (from UTP to Bad Loans)	10.34%	6.54%	4.87%

NPE Flows (€ mn, H122)



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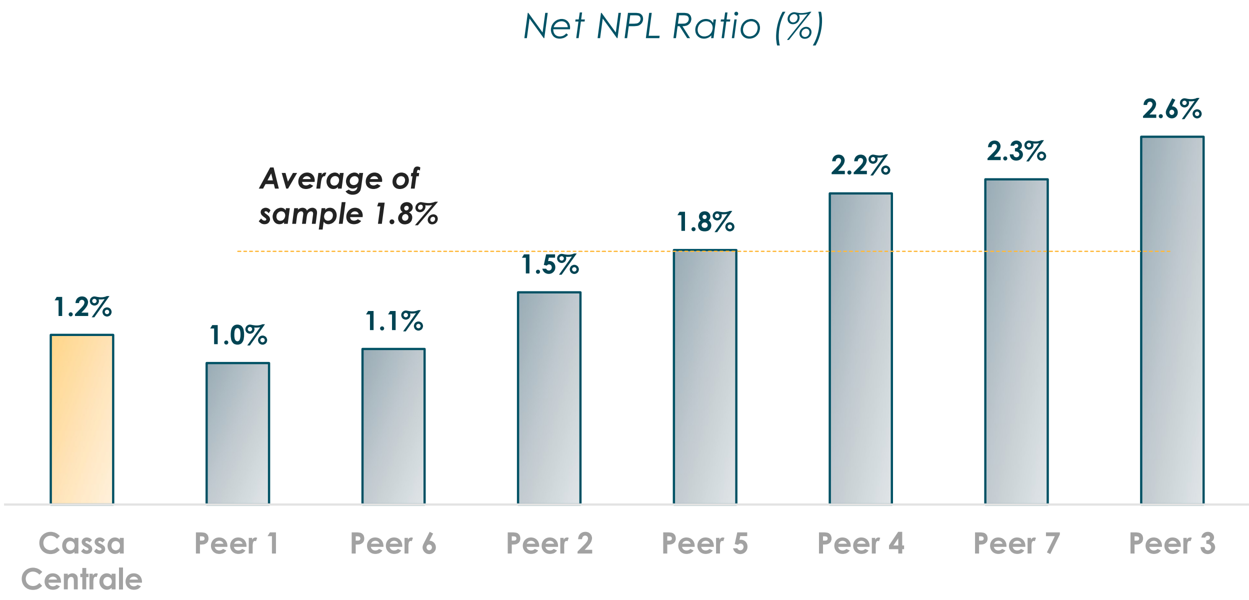
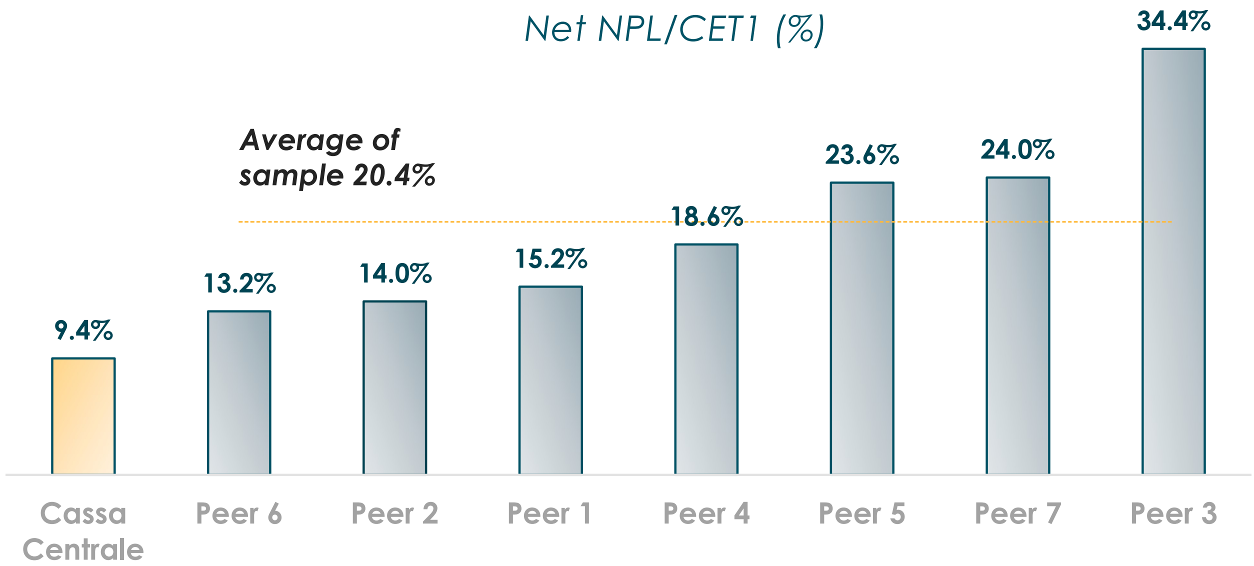
ASSET QUALITY BENCHMARKING

Net NPL ratio below the peer's average





Lowest ratio of net NPL over CET1 capital amongst the peers

Peers: Intesa Sanpaolo, Unicredit, BancoBPM, Bper Banca, Gruppo Iccrea, Banca Popolare di Sondrio, Credito Emiliano, all data as of 30 June 2022 (CET1 Fully Loaded))

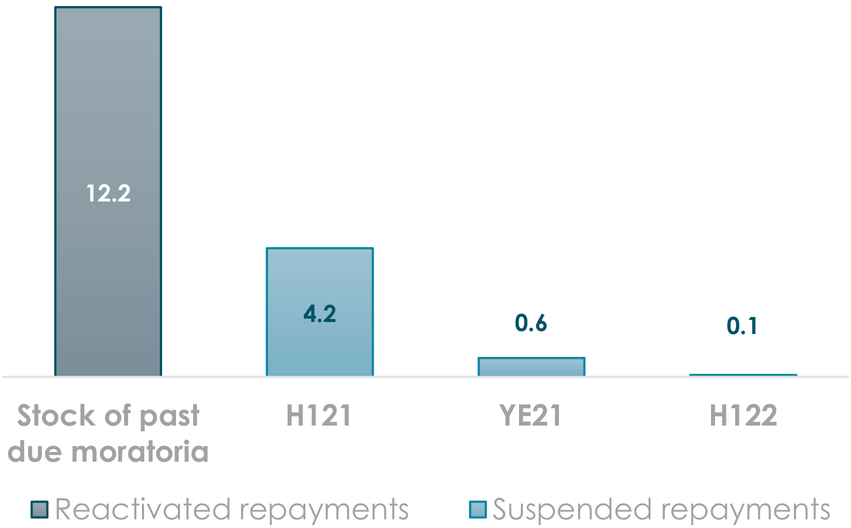
MORATORIA UNDER COVID-19

Outstanding moratoria granted to borrowers have strongly reduced

The number of loans that had not yet resumed normal amortization under the original plan as of 30 June 2022 fell to a minimal amount (0.49% of the total outstanding debt of all agreements that benefited from a Covid moratorium).

This confirms the gradual return to normality, despite other sources of tension in the economy.

Existing moratoria (€/bn)



H122 (€ mn)	Number of loans	Gross amount	Performing	Impaired	% impaired amounts
Existing moratoria	1,074	61	55	5	8.2%
Past due	122,291	12,201	11,360	842	6.9%
o/w Households	49,776	4,136	3,866	271	6.6%
o/w NFC	62,871	7,939	7,372	567	7.1%

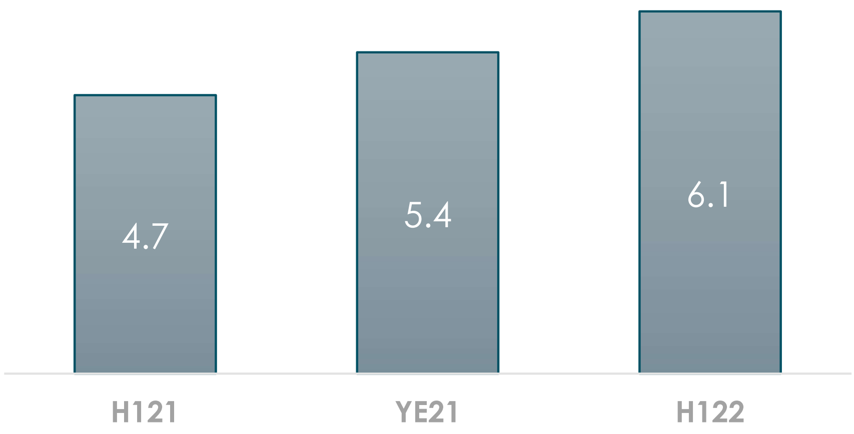
Note: figures in this page may not add exactly due to rounding differences

STATE GUARANTEED LOANS

The Group continued to provide support to the economy with the disbursement of "guaranteed loans", which reached approximately € 6.1 billion, up by more than € 1.4 billion year on year basis

Publicly backed loans increased following a much flatter curve compared to the sharp increase in debt observed with the onset of the pandemic in 2020

Loans granted with a State guarantee (€/bn)



H122 (€ mn)	Number of loans	Gross amount	% Total Gross Loans
Total loans granted	73,240	6,082	12.1%
o/w Households	30,947	853	1.7%
o/w NFC	42,040	5,215	10.4%
By residual duration:			
Less than/equal to 12 months	370	40	
More than 12 months	72,870	6,042	

Note: figures in this page may not add exactly due to rounding differences

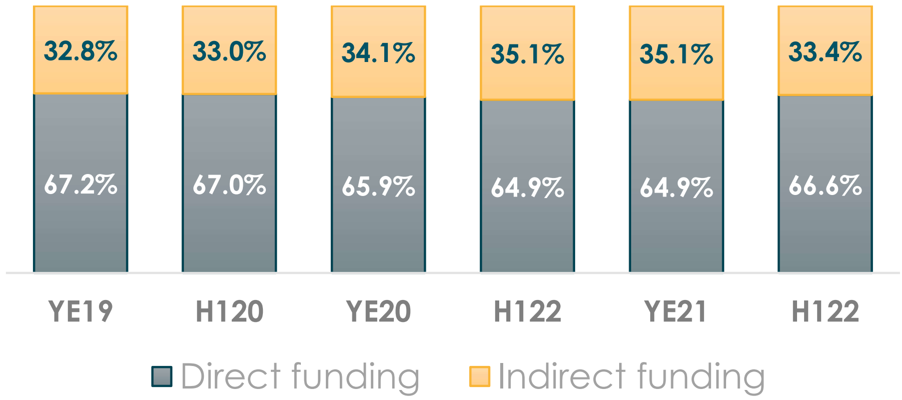
FUNDING, LIQUIDITY AND FINANCIAL PORTFOLIO

FUNDING MIX

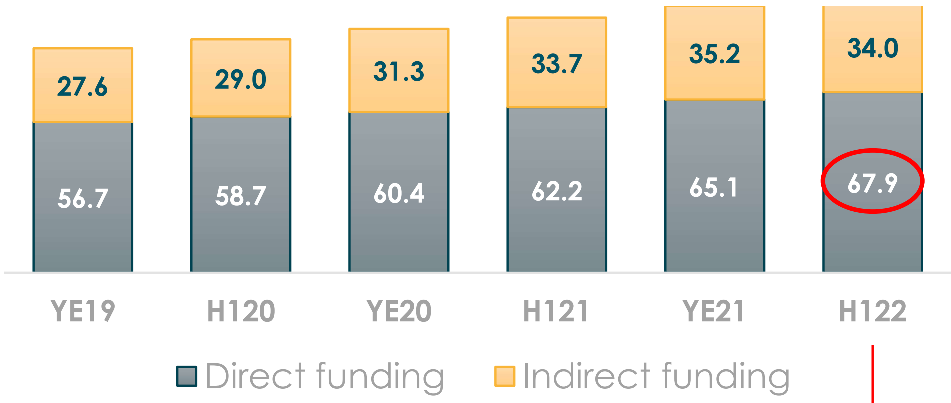
High level of direct funding is based on the strong link to local communities and customers

The Group is gradually increasing the share of indirect funding despite the strong growth of sight deposits following the pandemic emergency

Funding composition (%)



Funding evolution (€ bn)



The Group's direct funding is largely composed of deposits from retail customers, families and SMEs, and to a lesser extent of bonds and certificates of deposit.

Direct Funding breakdown	H122 - € bn
Current accounts and deposits on demand	58.9
Fixed-term deposits, certificates of deposits and other	5.1
Bonds	0.8
Repos and securities lending	3.2

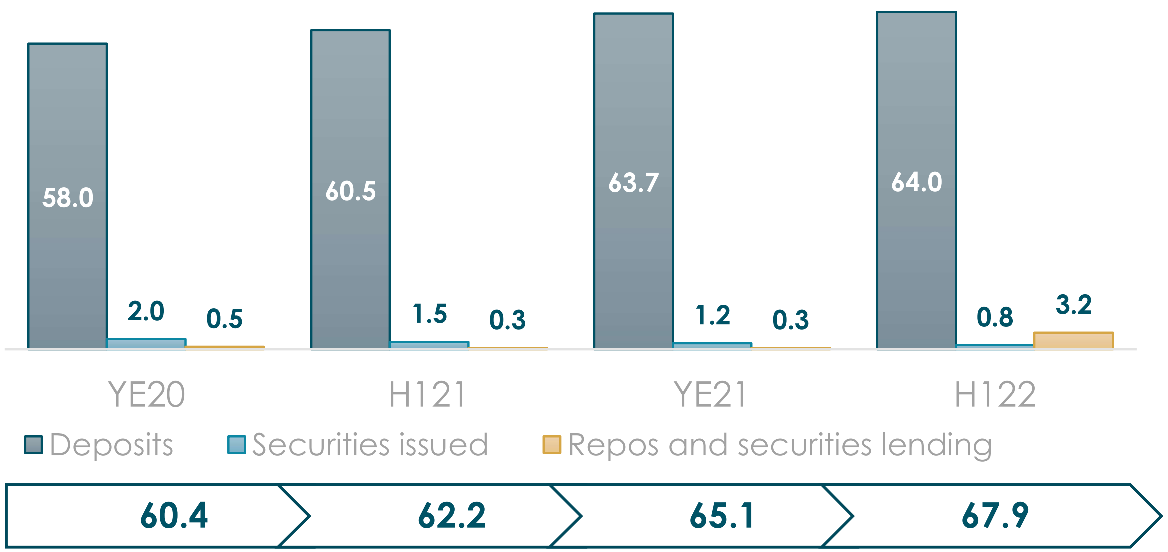
Note: figures in this page may not add exactly due to rounding differences

DIRECT FUNDING

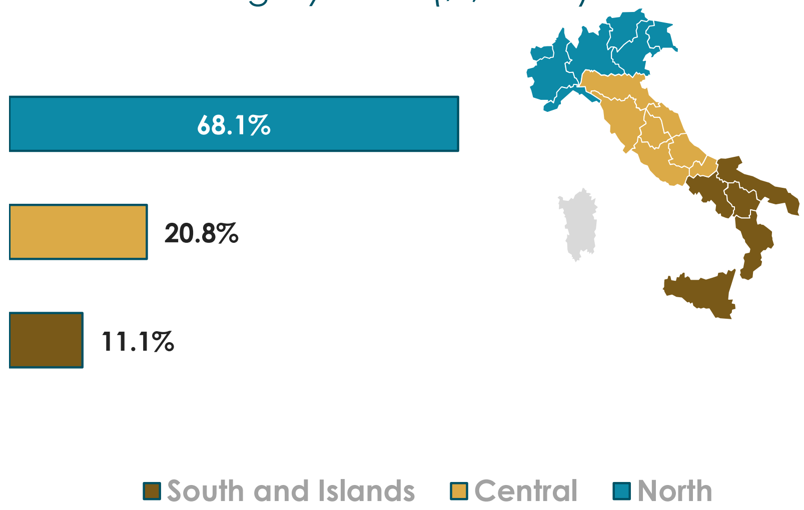
The Group has an extensive retail customer base, mainly composed of families and SMEs

Deposits represent a structural source of funding for the Group and guarantee a very stable liquidity profile due to strong links with the customer base. Low reliance on capital markets thanks to a large and sticky retail deposit base

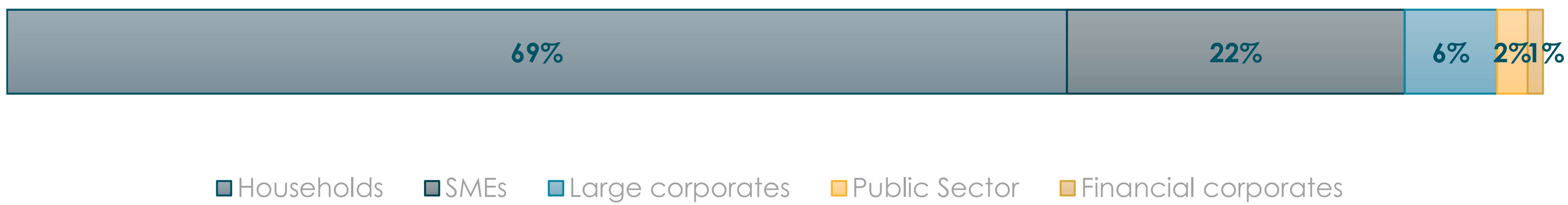
Direct funding breakdown (€ bn)



Direct funding by area (%, H122)



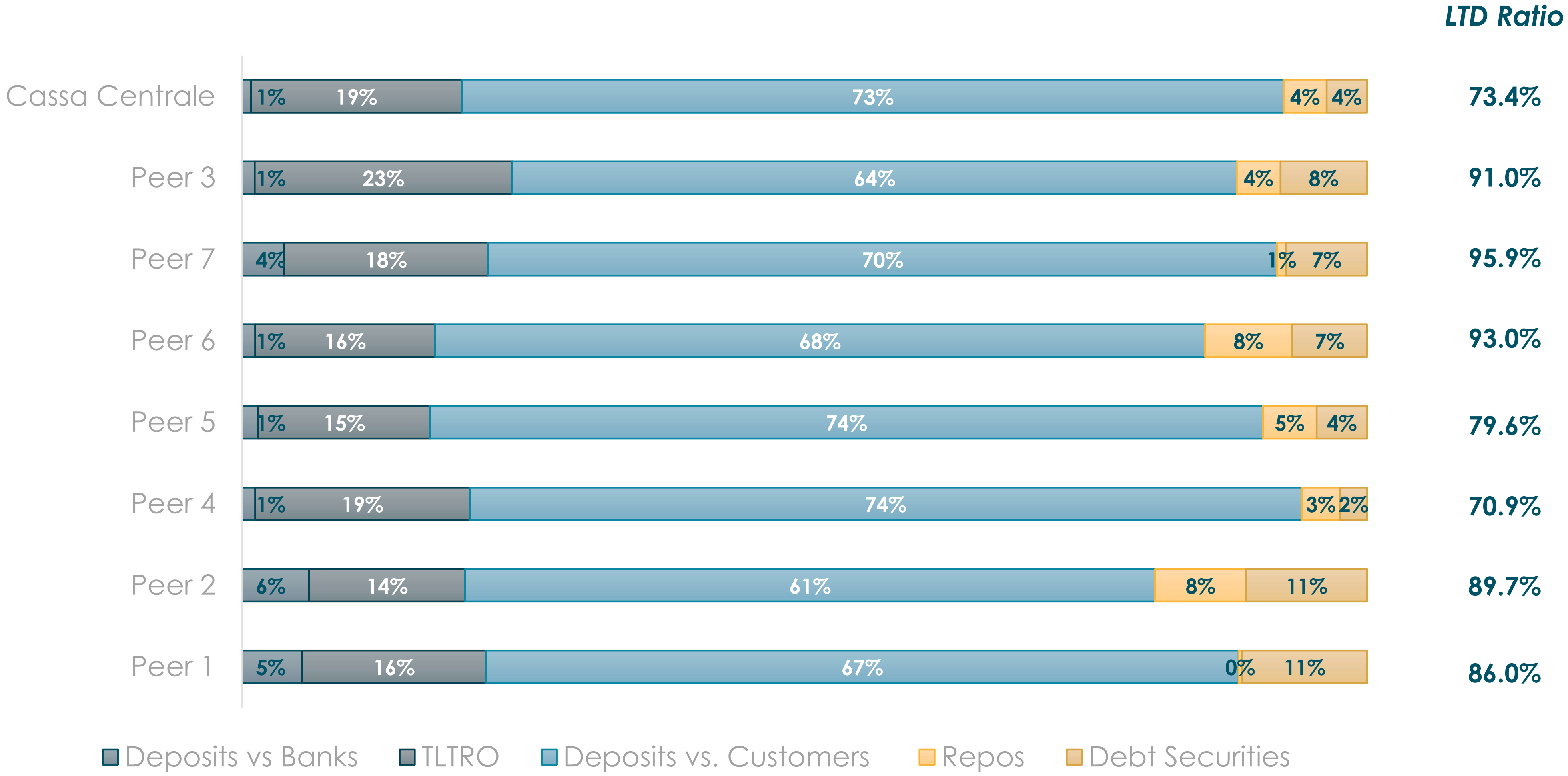
Direct funding source (%, H122)



GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO

Note: figures in this page may not add exactly due to rounding differences

FUNDING BENCHMARKING



Funding sources of Cassa Centrale are aligned with those of main Italian banks, with large reliance on customers deposit base and to a less extent on debt securities. Best in class loan to deposit ratio.

Peers: Intesa Sanpaolo, Unicredit, BancoBPM, Bper Banca, Gruppo Iccrea, Banca Popolare di Sondrio, Credito Emiliano, all data as of 30 June 2022

Note: figures in this page may not add exactly due to rounding differences

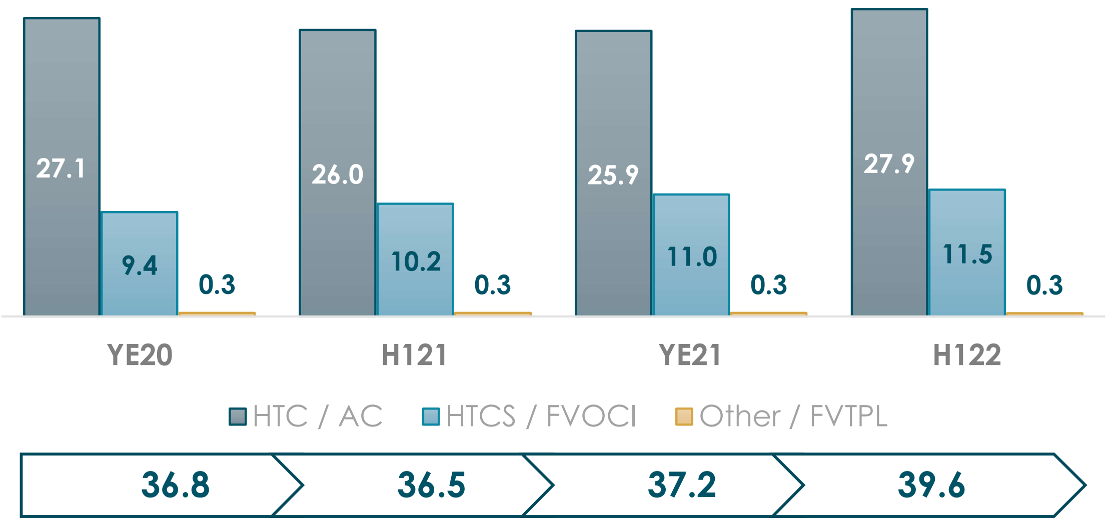
FINANCIAL PORTFOLIO

Financial portfolio equal to € 39.6 bn

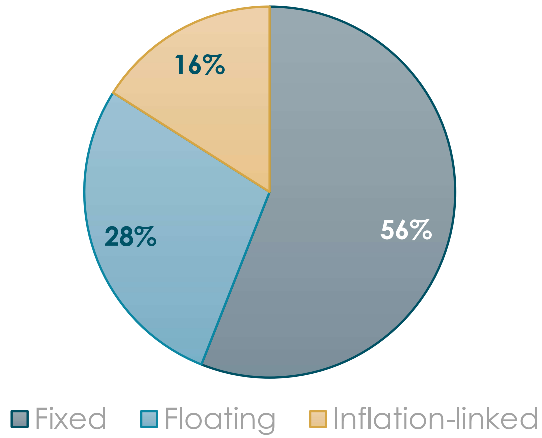
- Reduced sensitivity to ITA spreads as the largest part of the financial portfolio is measured at **amortized cost** (above **70% of total portfolio**) in line with the traditional business model that characterizes the Affiliated Banks, aimed at benefiting from the coupon yield and not exposing own funds to volatility risks
- Large support from floating and inflation-linked bonds that are benefiting from rate increase
- Prudent and very flexible approach with short duration and low risk appetite
- Effective Duration of 3.1

Portfolio composition (%[1] , H122)	
Italian sovereign bonds	84.7%
Other sovereign and supranational bonds	13.3%
Other (corporate bonds, funds, equity)	1.9%

Financial portfolio (€ bn – book value)



Rate Type (%[1], H122)



By law cooperative credit banks' exposures outside the area of territorial jurisdiction must not exceed 5% of the total assets. Threshold of 5% does not include: i) Central administrations of the Italian Republic and other countries of the Eurozone; ii) the European Central Bank and Bank of Italy; iii) the Parent Company and other companies of the cooperative banking group to which it belongs

Note: figures in this page may not add exactly due to rounding differences

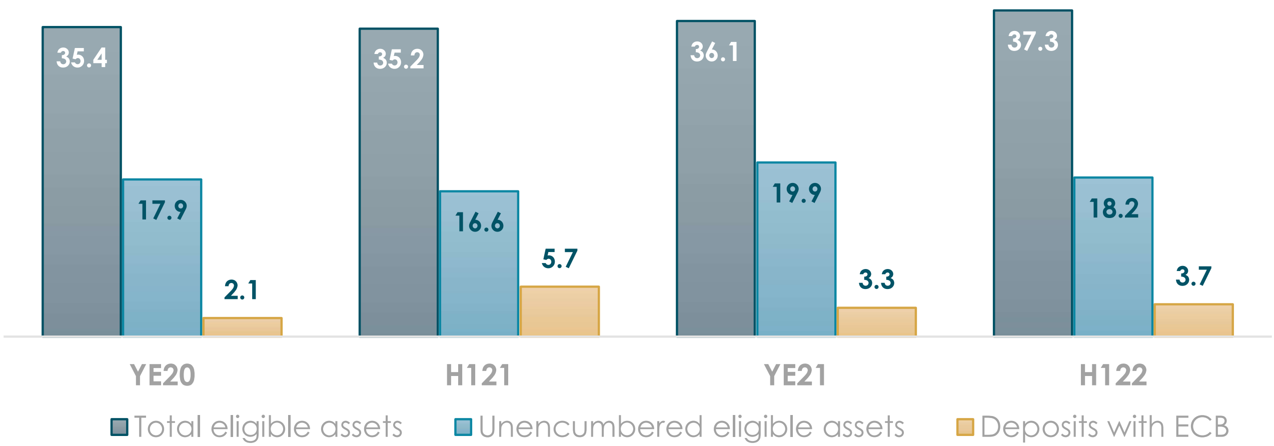
[1] Percentage of financial portfolio at market value

LIQUIDITY PROFILE

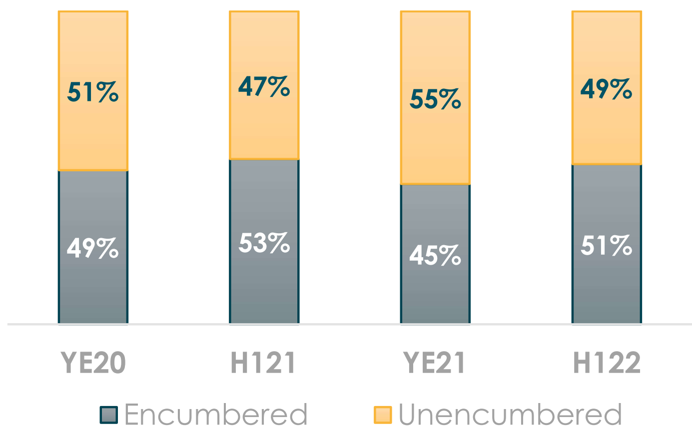
Comfortable liquidity position granted by a large stock of unencumbered eligible assets, almost all sovereign bond, and deposits with Central Bank

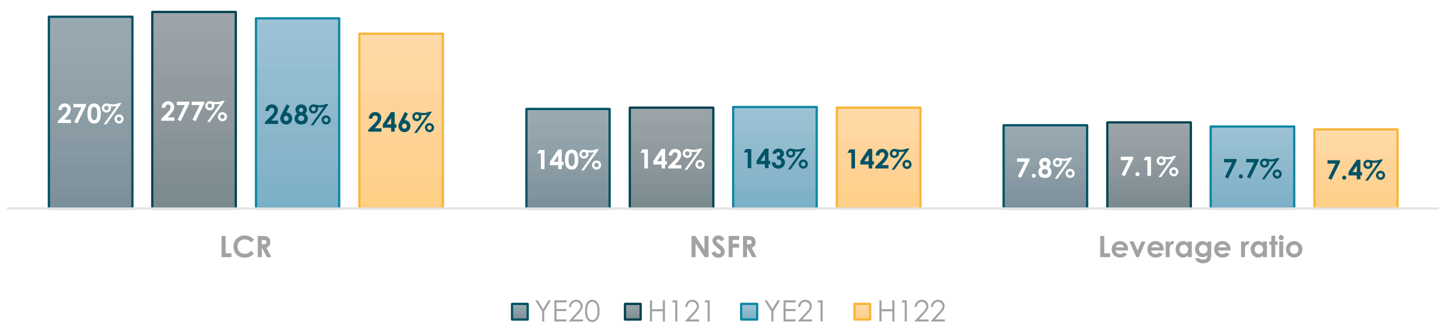
Strong liquidity ratios supported by a **broad and stable retail base**, LCR and NSFR are both well above the regulatory thresholds

Total eligible Assets evolution (€ bn) – net of ECB haircut



Encumbered eligible assets(%)



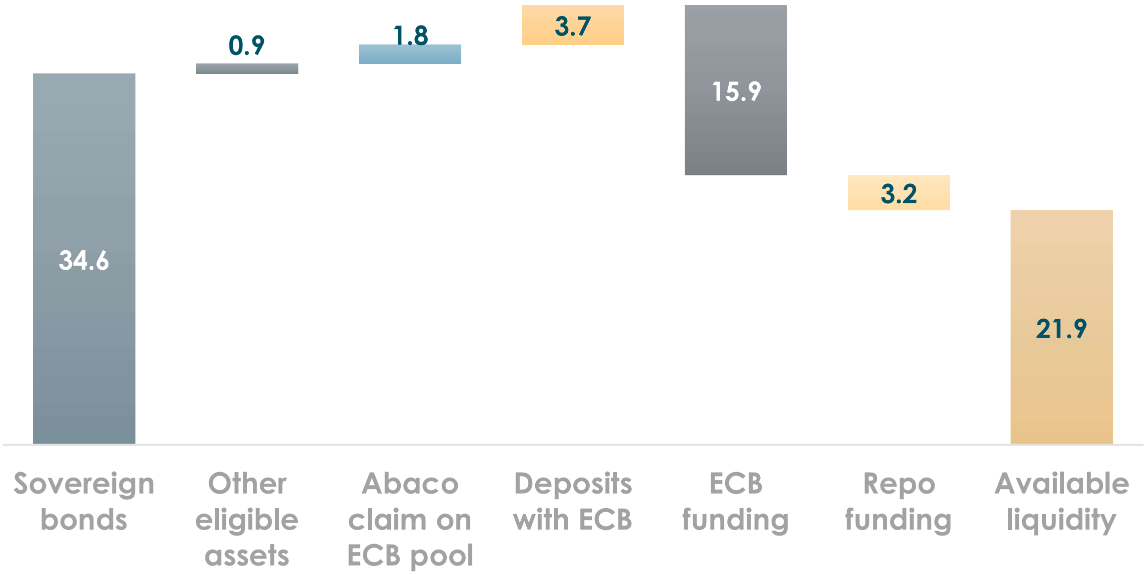


Note: figures in this page may not add exactly due to rounding differences

TLTRO FUNDING AND LIQUID RESOURCES

Large and stable buffer of available high quality liquidity assets, exceeding TLTRO exposure

Comfortable liquidity position (€ bn, H122) net of ECB haircut



€15.9 bn total funding on TLTRO III[1] maturities breakdown (€ mn)	
0.2	December 2022
0.7	March 2023
1.9	June 2023
1.0	September 2023
0.8	December 2023
2.1	March 2024
0.2	June 2024
3.1	September 2024
5.9	December 2024

Group's central bank funding exposure is largely below unencumbered eligible assets, providing a solid liquidity source to smooth maturities profile.

We will keep TLTRO funding until the mandatory payment periods.

Note: figures in this page may not add exactly due to rounding differences

[1] ECB funding exposure measured at nominal value

REGULATORY CAPITAL

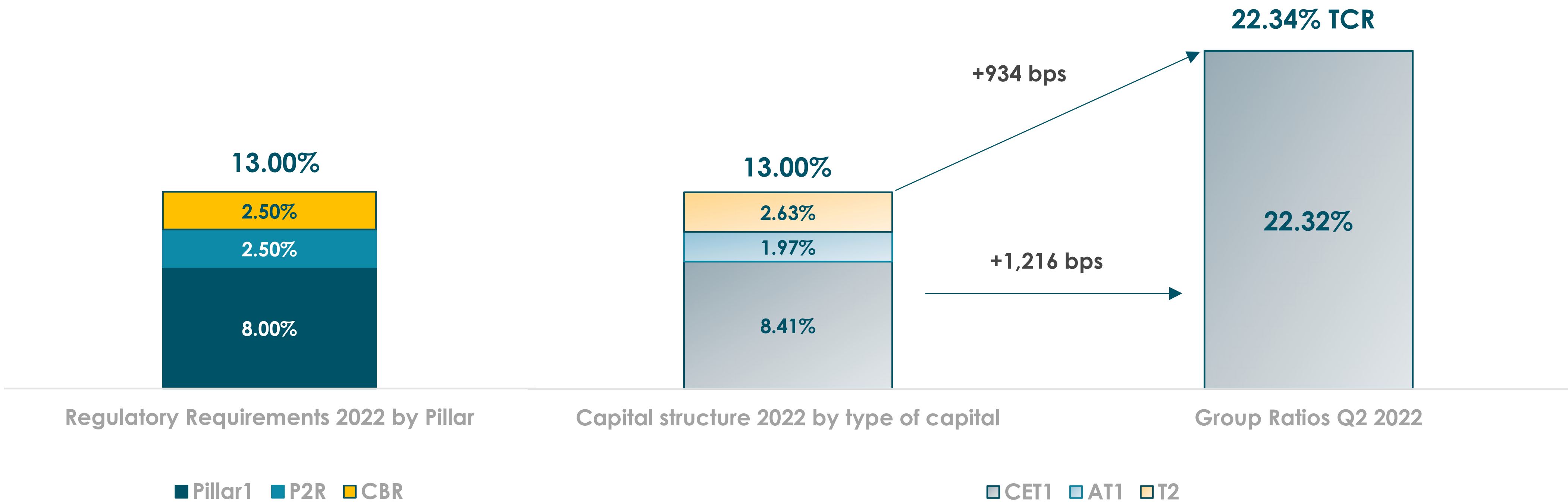
LEADING CAPITAL POSITION

Very strong capital position exceeding minimum regulatory requirements

- High quality capital composed **mainly of CET1** - AT1&T2 buffers fully available
- **As of June 2022 the buffer versus CET1 SREP** (including guidance) is **1,216 basis points**
- **Buffer versus SREP OCR** (including guidance) is 759 basis points (**~€2.5 billion**)

SREP REQUIREMENTS		
CET1	TCR	P2R
8.41%	13.00%	2.50%

Buffer on SREP Capital Requirements – H122



Note: figures in this page may not add exactly due to rounding differences
CET1 and TCR above are those phased-in one

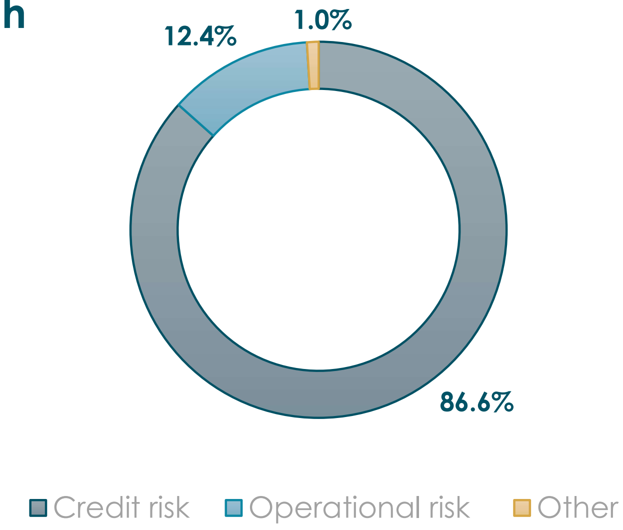
CAPITAL POSITION EVOLUTION

Statutory limits on the distribution of earnings is the main driver of high capitalisation

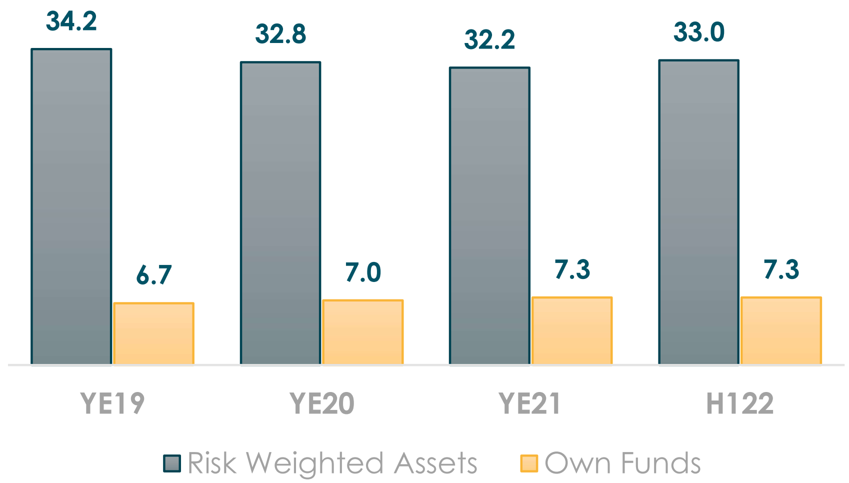
RWA density above the average due to 100% use of the **standard approach for calculating capital adequacy requirements**

	CET1	TCR
Phased -in	22.32%	22.34%
Fully Loaded	21.36%	21.38%

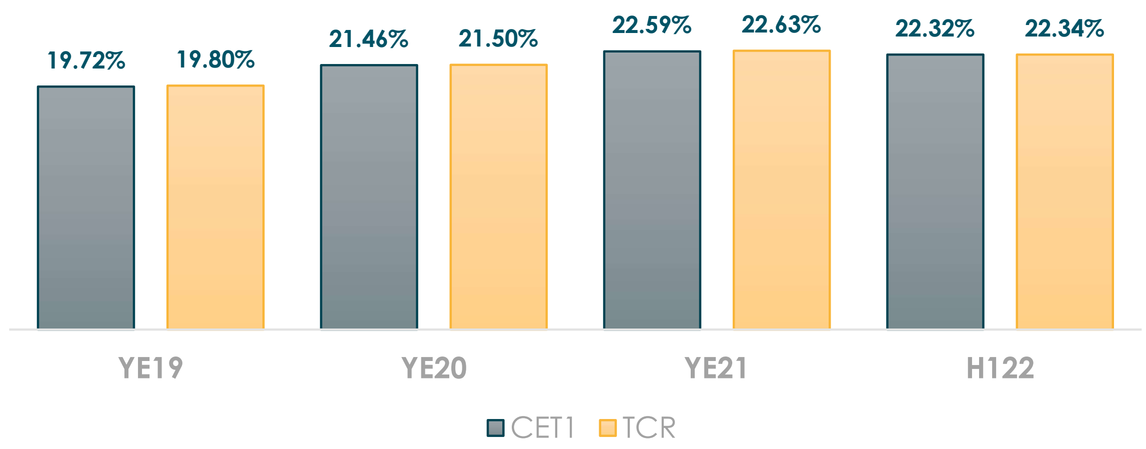
RWA breakdown (%, H122)



Capital position evolution (€ bn)



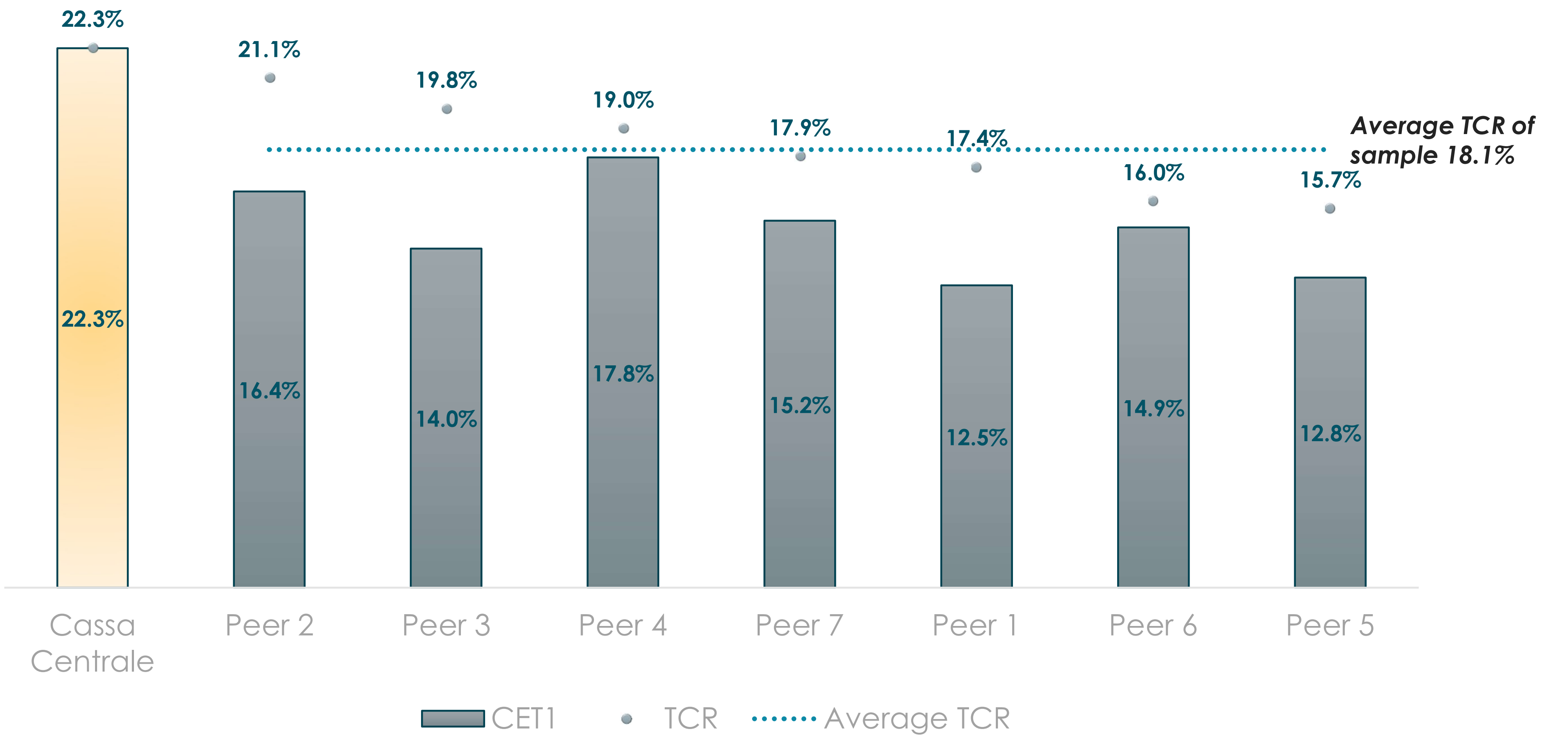
Phased-in capitalisation ratio evolution (%)



Note: figures in this page may not add exactly due to rounding differences

CAPITAL POSITION BENCHMARKING

Highest CET1 ratio among Italian peers and TCR well above the peers' average



Peers: Intesa Sanpaolo, Unicredit, BancoBPM, Bper Banca, Gruppo Iccrea, Banca Popolare di Sondrio, Credito Emiliano

Phased-in CET1 ratio as of 30 June 2022

MREL REQUIREMENT

Preferred resolution strategy for Cassa Centrale Group

Bail-in "single-point-of-entry" (SPE) Cassa Centrale Banca, according to which the instruments and the powers of the Resolution Authority would be applied exclusively to the Parent Company considered the "resolution entity" of the Resolution Group.

Spring 2022 Final MREL Decision

The Cassa Centrale Group shall comply **on a consolidated basis** at the level of resolution group with the **MREL requirement.**

The final MREL decision implements the new Banking Package (BRRD2 and SRMR2) and is calibrated on the basis of the **"General-Hybrid" approach** which considers for the following:

(i) calibration of the Group RWAs or Group LREs, and
(ii) meeting the **own funds at Group level and eligible liabilities of Cassa Centrale Banca**.

The final MREL decision (received in April 2022) provides an updated **final target level of 24.29% of** RWAs (including the CBR - 2.5% of RWAs) **to be met by 1st January 2024** and 5.91% LRE.

MREL positioning and funding strategy

The Group actually stands well above the intermediate target of 20.69% of RWAs (including the CBR) to be met by 1st January 2022.

Strategic Plan 2022 - 2025 encompasses senior preferrred issuances to satisfy final target as the Group needs to increase the level of eligible liabilities in order to cover the prospective shortfall.

Funding Plan on the same horizon includes €1.3 bn issuance of MREL eligible liabilities by Cassa Centrale Banca, partially already executed.

Further support to strong capital position from **internal capital generation** through derisking and profitability, as regulatory provisions limits earning distribution.

CURRENT AND PROSPECTIVE MREL POSITION

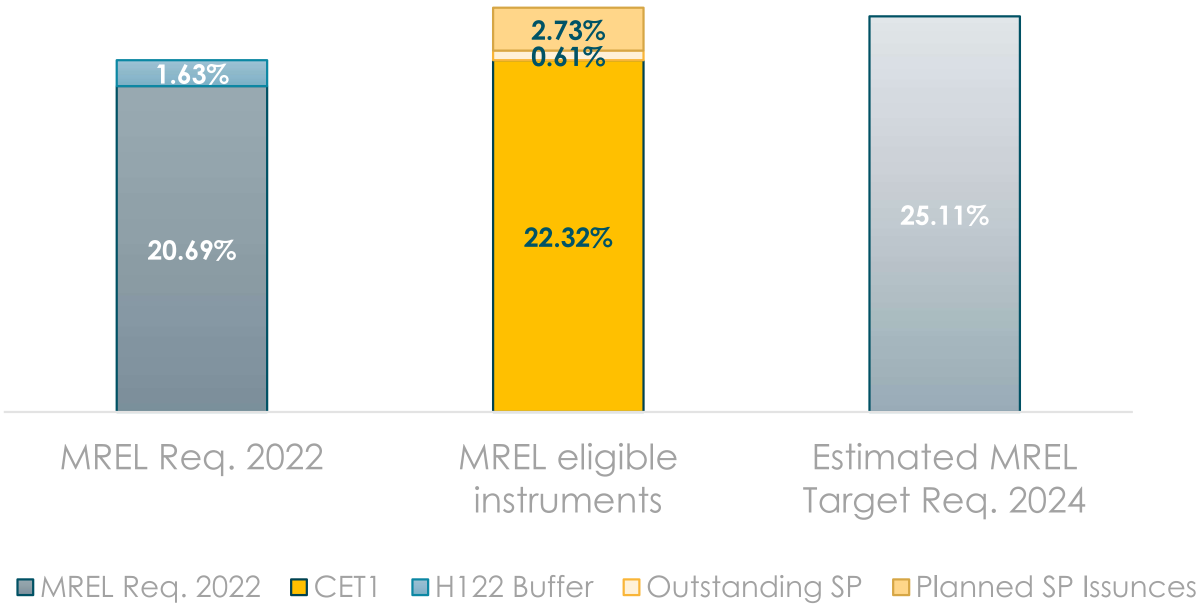
MREL interim requirement comfortably met

As of 30 June 2022, the buffer over RWA based requirement amounts to € 538 mn (1.63% H122 RWAs) as **CET1 exceeds the binding target**

The Group is already on its linear path towards the final requirement and will work on building a sufficient management buffer, in line with its business model and risk profile

In the absence of a subordination requirement, for the purpose of meeting MREL, target instruments will compromise of Senior Preferred debt, for which the Group is able to offer **full investment grade credit ratings**

MREL Requirement TREA (%), buffer at H122



Note: Estimated MREL Target Req. 2024 incorporating growth of P2R in SREP 2022 and phase in of MREL calculation formula

STRATEGIC PLAN 2022 - 2025

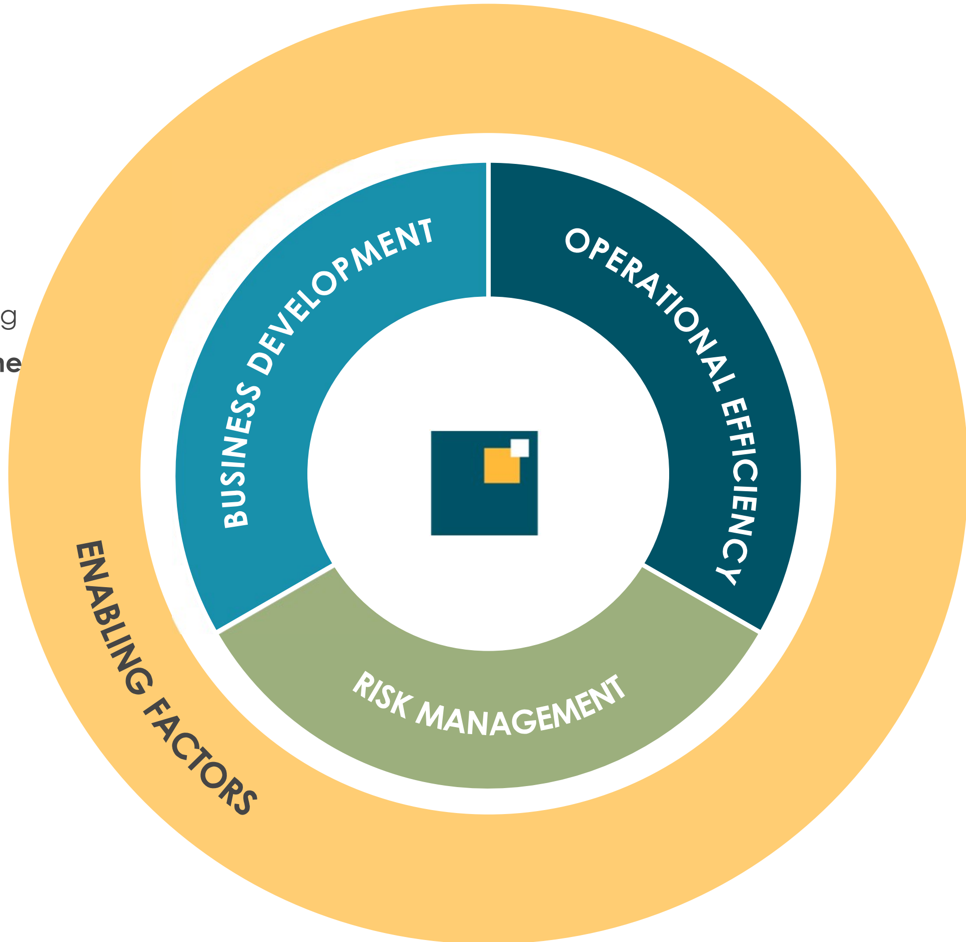
FOUR KEY AREAS OF INTERVENTION

Business Development

Business development is based on the **service model** of **territorial banking** by **expanding services offering**, expanding the **customer base** and **transforming the business model**

Enabling Factors

Enabling initiatives identified through **human capital enhancement and** integration of **ESG models into** operational processes and **business offerings**



Operational Efficiency

Increasing the **efficiency** of the Group **Business Model** through the **IT system evolution**, **digitalization** and **centralization** of **administrative and back-office activities**

Risk Management

Focus on **Capital** and risk profiles through the active management of NPE portfolio, NPL portfolio monitoring and management of financial risks

BUSINESS PLAN INITIATIVES

BUSINESS DEVELOPMENT

Evolution toward the **Group's target distribution model**

Support to **National Recovery** and **Resilience Plan initiatives (PNRR)**

Strengthening the **asset management offer**

Strengthening of the **Bancassurance** business

OPERATIONAL EFFICIENCY

Local presence evolution

Modernization of core banking with a view to **digital transformation**

Data platform evolution

Digital transformation of **processes** and **channels** to reduce **operational time** and **costs**

Back-office services centralization (economies of scale and skill specialization)

CREDIT QUALITY AND RISK

Efficiency of **capital requirements** through **RWA optimization**

NPE Portfolio Management

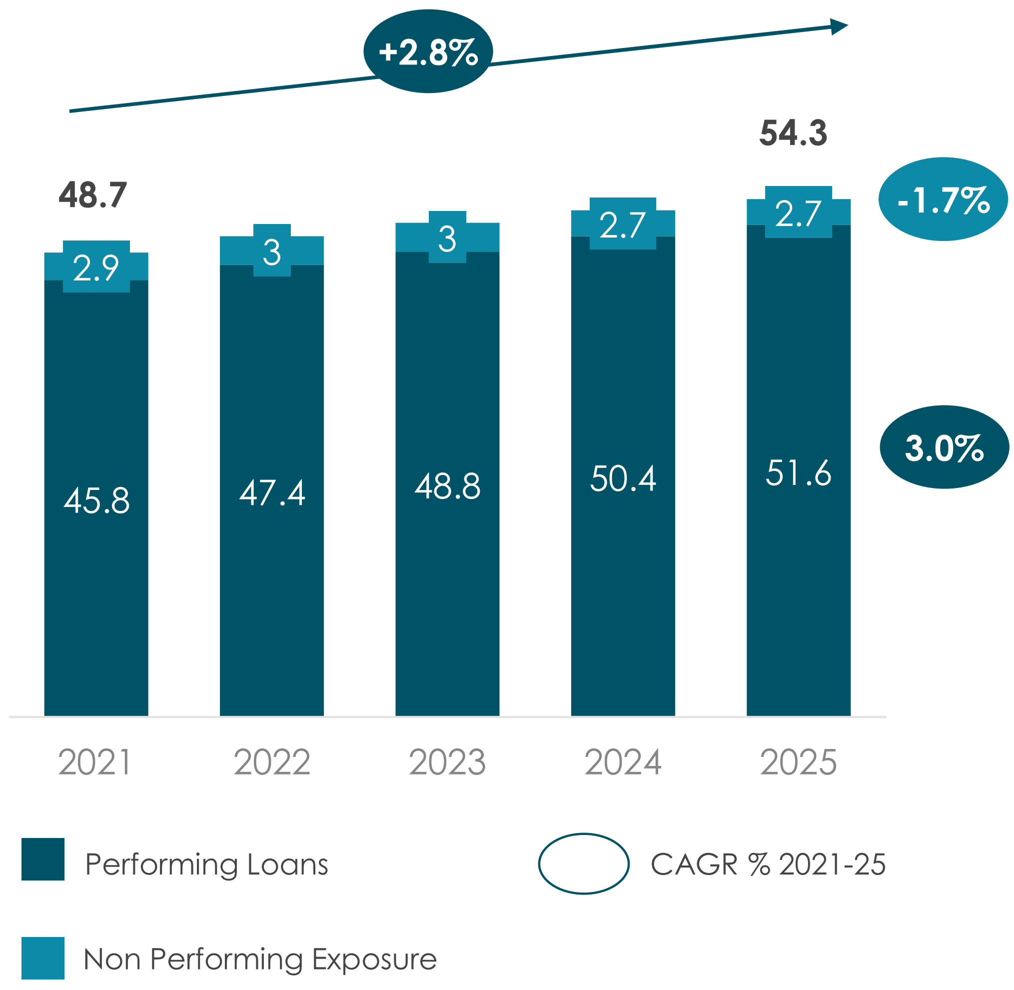
ENABLING FACTOS

Generational change and enhancement **of human capital**

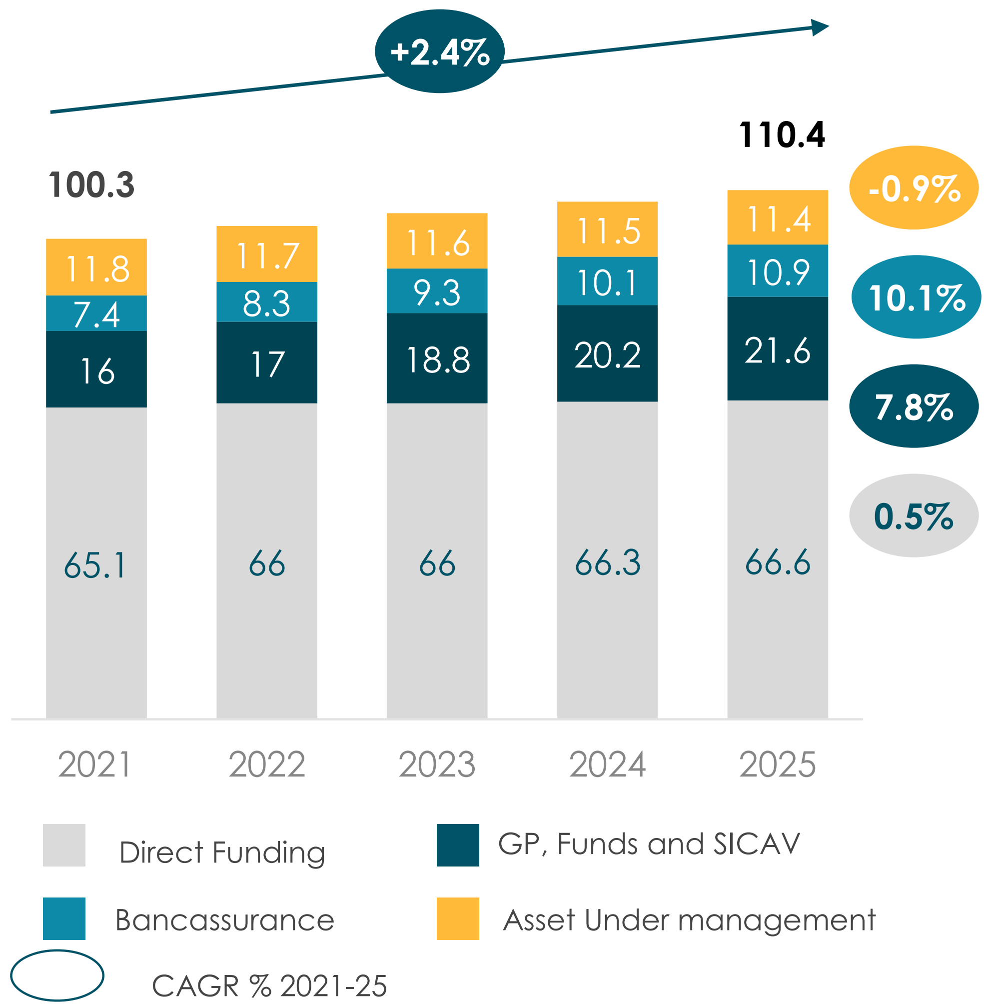
Integration **of ESG models** into key **business processes**

LOANS TO CUSTOMERS AND FUNDING

LOANS TO CUSTOMERS

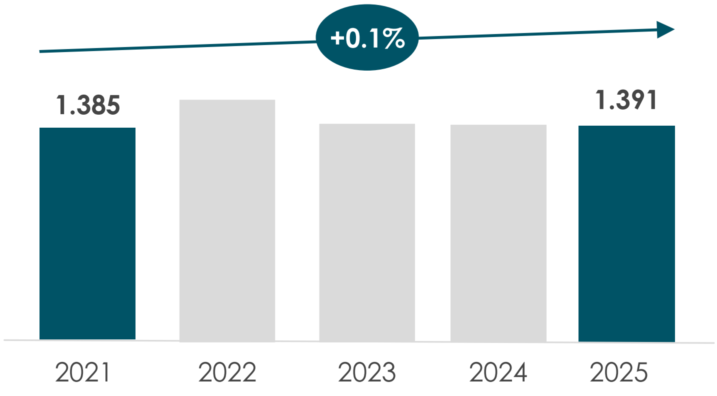


TOTAL FUNDING FROM CUSTOMERS

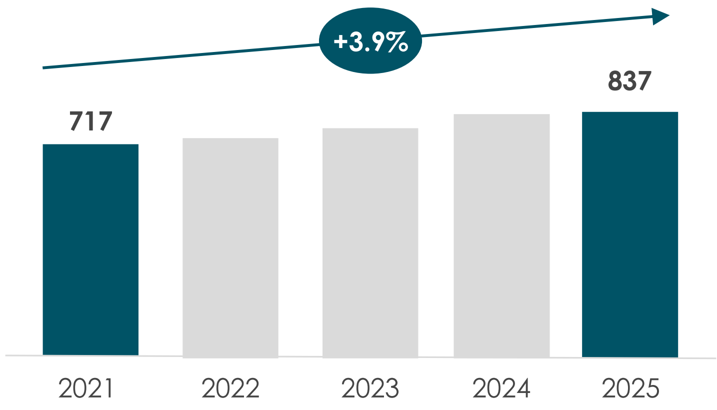


MAIN FINANCIAL EVIDENCE

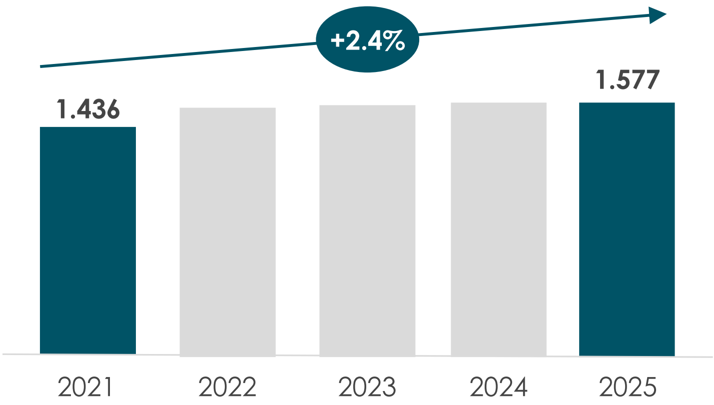
Interest margin (€mln)



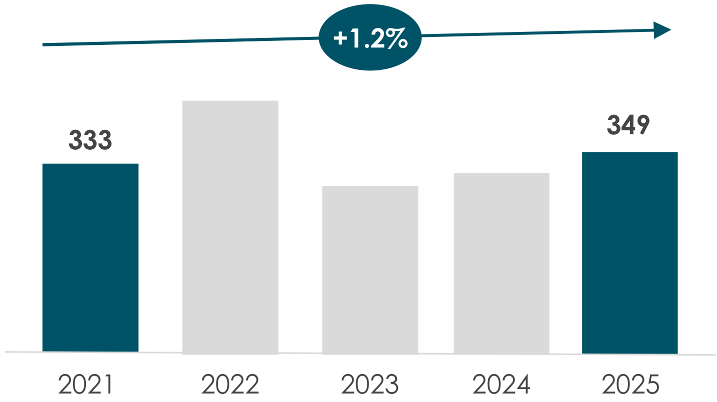
Net fee and commission income (€mln)



Operating costs (€mln)



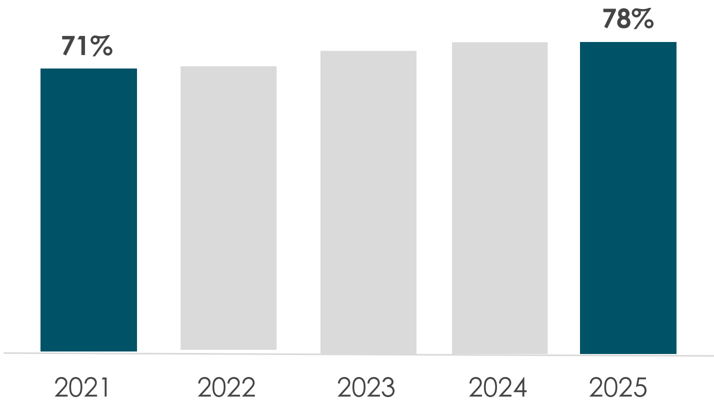
Net profit (€mln)



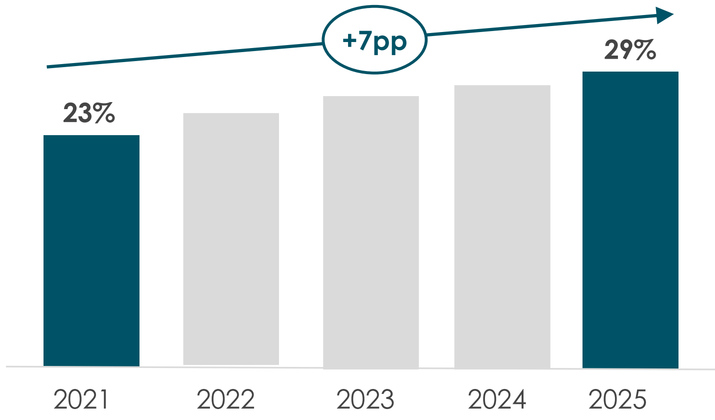
CAGR % 2021-25

BUSINESS PLAN: MAIN KPI

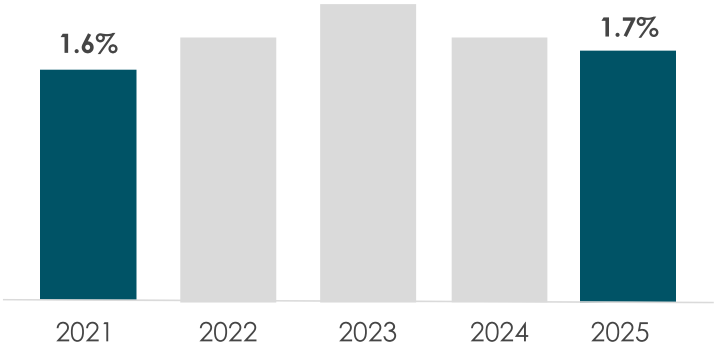
LOAN TO DEPOSIT *(%)*



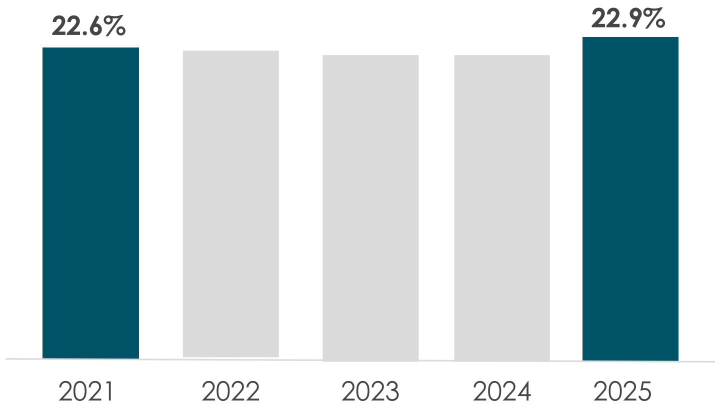
ASSET UNDER MANAGEMENT[1] *(%)*



NET NPL RATIO *(%)*



CET 1 RATIO *(%)*



1) Calculated over the Tolaf Funding value

ROAD TO SUSTAINABILITY

SUSTAINABILITY FOR THE CASSA CENTRALE GROUP

In defining its approach to Sustainability, the Group chose to embark upon a **journey respectful of its specific characteristics,** its way of interpreting the concept of "bank" and the sustainable development goals identified by the 2030 Agenda.

For these reasons, **four main action areas** were identified within the recently approved 2022-2025 Sustainability Plan: **Environment**, **Employees**, **Community, Shareholders and Customers**, **ESG governance, strategy and reporting**.

C

Cooperative by nature

The organisation as a Cooperative Banking Group explicitly refers to the **principles of mutual credit cooperation** and supports their implementation in daily operations.

S

Sustainable from the very beginning

The Cassa Centrale Group is a **system of Banks comprising people** working for the Community, and as such seeks to **create wealth to pass on to future generations**.

R

Responsible by vocation

The Cassa Centrale Group lives in the communities in which it operates. Thus, it seeks their growth and well-being through a **sustainable path and common values to pass on to future generations**.

THE MAIN RESULTS ACHIEVED SO FAR IN THE ESG AREA

Environmental

- **86%** of electricity from **renewable sources**
- **-10% reduction in CO2 emissions** in 2021
- **68.3% of FSC-certified paper** consumed

- **Climate risk scenario analysis** conducted in line with ICAAP projections
- 153 million euro extra disbursed in **green financing** and financing for **circular economy** projects compared to 2020

Social

- **616 thousand** total training **hours**
- **42%** female employees

- **24.5 million** euro disbursed in **sponsorships, charities, and donations**
- **2,654 million** euro in **social credits**

- **4,116 initiatives** promoted in support of the **local area** totalling more than **5 million euro**

Governance

- Strengthening of ESG Governance: **Risk and Sustainability Committee, ESG Steering Committee, ESG PMO, External Relations and Sustainability Service**

- Implementation of **Structures, Regulations and Policies** to cover sustainability risks
- **Formalisation of the monitoring process of climate and environmental risks within the RAF**

- **Definition of the roadmap for integrating sustainability drivers into the Credit Origination and Monitoring process**
- Formalisation of safeguards in line with regulatory developments for **"sustainable" investment products**

THE MAIN TARGETS OF THE 2022-25 SUSTAINABILITY PLAN

Environment

- Conducting of a **carbon neutrality assessment**
- Supply of an increasing percentage of electricity from **renewable sources**

Target:
- **95%** renewable electricity

- **Definition of a sustainable mobility plan (Cassa Centrale / Allitude)**

Target:
- Identification and formalisation of the figure of the **Mobility Manager**
- Definition of **Home-Work Travel Plans**

Communities, Shareholders and Customers

- Strengthening of oversight of **national and European subsidies**

Target:
- Signing of the **EIB Convention**
- **NRRP**: Disbursement of the **1 billion credit line**

- Evolution and streamlining of **dematerialised product placement processes**
- Constant evolution of **direct digital channels (Inbank Web and App)**

Target:
- 100% paperless processes
- Group-wide platform for off-premises offerings
- Remote Offering

Employees

- **Staff** (including the board) **ESG and Sustainable Finance awareness and training**

Target:
- Definition of an **ESG** and **Sustainable Finance** Training Plan
- **70%** new entrants on ESG and Sustainable Finance courses

- Steady introduction of dedicated **corporate welfare** solutions and programmes

Target:
- Drafting of **Group policies**
- Identification of **Group platform**
- **Work Life Balance** Awareness **Activities**

ESG governance, strategy and reporting

- **Expansion of the 'sustainable' product range** offered by BCC/CR/Raika (cumulative growth)

Target:
- **1 bn assets** in ethical sub-funds (NEF Funds)
- **2 bn volume** of SGs **related to Article 8/9 products** of EU Reg. 2088/2019
- **1 billion 'Safe' products**

- Strengthening of **governance arrangements for climate and environmental risks**

Target:
- **Integration of internal** and **organisation** regulations with assignments of responsibilities for **climatic and environmental risks**

- Definition and development of a **catalogue of 'green' and ESG financing products** for retail customers

Target:
- Definition of **"green"/ESG** retail credit products

- Definition of a performance management system with assignment of **sustainability targets** within the **corporate variable remuneration system**

Target:
- Selection of **sustainability goals** identified in the **Sustainability Plan** to be included as **remuneration-related KPIs (MbO ESG)**

APPENDIX

PERFORMANCE INDICATORS

STRUCTURE	YE20	H121	YE21	H122
LOANS TO CUSTOMERS* / TOTAL ASSETS	50.3%	49.4%	50.6%	49.7%
DIRECT FUNDING / TOTAL LIABILITIES	75.5%	73.7%	77.4%	76.7%
EQUITY / TOTAL ASSETS	7.7%	7.6%	7.7%	7.5%
LOANS TO DEPOSIT[1]	78.7%	77.9%	75.1%	73.4%
NET LOANS TO CUSTOMERS / DIRECT FUNDING	72.2%	72.6%	70.8%	70.1%
CREDIT QUALITY	**YE20**	**H121**	**YE21**	**H122**
TEXAS RATIO[3]	18.0%	15.9%	10.6%	9.5%
INCIDENCE NET BAD LOANS[4]	0.7%	0.6%	0.3%	0.2%
PROFITABILITY RATIOS	**YE20**	**H121**	**YE21**	**H122**
NET PROFIT / TOTAL ASSETS (ROA)	0.3%	0.7%	0.4%	0.9%
INTEREST MARGIN/NET INTEREST AND OTHER BANKING INCOME	55.0%	56.4%	59.3%	69.6%
NET COMMISSIONS/NET INTEREST AND OTHER BANKING INCOME	29.0%	28.6%	30.7%	26.6%
NET INTEREST AND OTHER BANKING INCOME/TOTAL ASSETS	2.6%	2.6%	2.6%	2.8%

[1] Net loans to customers / Due to customers
[2] Total Assets / (Net equity – Intangible assets)
[3] Net NPLs / (Net equity – Intangible assets)
[4] Net bad loans / Net loans to costomers

CORE SUBSIDIARIES

Cassa Centrale Group is also composed of operating subsidiaries and service companies

Firm	Core activity
allitude	• *Specialized in IT and back-office outsourcing activities for the banking industry*
ASSICURA AGENZIA ASSICURA BROKER	• *Supply insurance products and brokering services to the distributing banks*
CLARIS LEASING CLARIS RENT	• *Claris Leasing offers lease transactions on instrumental assets, real estate and boats* • *Claris Rent provides long-term rental services for the mobility and operating lease of capital goods*
Presti pay	• *Offers consumer credits services to customers of the banks belonging to the Group*
NEAM	• *The company that manages NEF, a multi-manager, multi-segment Luxembourgian mutual investment fund*
Centrale Trading	• *Provides support and assistance to Banks using on-line trading services*
CENTRALE SOLUZIONI IMMOBILIARI CENTRALE CASA AGENZIA DI INTERMEDIAZIONE IMMOBILIARE	• *Manages the Group's instrumental real estate activities, aiming to defend the real value of properties guaranteeing the non-performing loans disbursed by the Group*

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