

PRESS RELEASE

Mediocredito Centrale: the BoD approves Group Industrial Plan for the period 2022-2025

MCC Group, 4 directions in the new Industrial Plan: active role in the recovery and transactions with focus on ESG and Southern Italy critical supply chains, acceleration of commercial development, operative transparency, economic sustainability.

Group strategic targets:

- Increase in loan to customers expected during the Plan, with a stock of more than **€ 12 billion of loans** in 2025 (compared to € 11 billion expected at the end of previous plan);
- Substantive growth of **securities portfolio**, with low capital absorption (**€ 3.5 billion** expected in 2025 compared with € 3.2 billion expected at the end of previous plan);
- Speed up of derisking process, with **NPL ratio of 9.1%** in 2025, also for the effects of the scenario forecasting a growth in non performing loans;
- **Cost-income in line with peers**, expected equal to 59% in 2025 (compared to 60.8% expected at the end of previous plan);
- Growth of profitability, with an expected **ROE of 7.6%** in 2025 (compared to 8% expected at the end of previous plan), due to an expected **net income of 86 million** (compared to 75 million at the end of previous plan);
- Definition of a capital plan foreseeing the development of the group capitalization, with an expected **TCR of 15%** in 2025 (compared to 13.7% expected at the end of previous plan) in line with SREP level communicated at June 2022, thanks to the growth of **own funds expected equal to 1,175 million** (compared to 921 million at the end of previous plan).

Rome, 10 November 2022 – In today's meeting, the Board of Directors of Mediocredito Centrale approved, in line with the Group strategic and operational planning policy, the update of the Industrial Plan for the period 2022 – 2025, also in order to reflect the changes in macroeconomic and financial environment, featuring the growth of inflation and the rise of interest rates.

A Plan that confirms the medium term vision of MCC Group, defined in the previous planning cycle 2022 – 2024, based on four key concepts: a clear mission for each entity of the Group; full economic

and financial sustainability; active role in recovery and transition, thanks to the focus on ESG banking and finance, especially for Southern Italy critical supply chains; speed up of commercial banks development.

In details, the Plan foresees:

Mediocredito Centrale

- **quali-quantitative growth of the Parent Company role;**
- focus on banking activity based on two pillars: **MLT on distinctive industries, factoring & supply chain finance;**
- preservation of a **notable positioning in guarantees sector** on a Group basis, taking the opportunities offered by the PNRR;
- **engine of Group synergies:** legacy management, technology and services, finance and competence center;
- **enforcement of Parent Company role and “specialty finance bank” for development of Southern Italy Financial District**, through: integration of Group instruments to improve monitoring capabilities; capital strengthening with contextual definition of a capital plan; prosecution of management of the Guarantee Fund for SMEs and building of a positioning to assist Public Administrations in management of other subsidized funds; revamping of partnerships for development of direct lending, for guarantee sector and for regional subsidies management; the carve out and direct management of BPB legacy, that is essential for the completion of restructuring.

Banca Popolare di Bari

the positioning as **Southern Italy reference retail bank**, relevant for local communities of Apulia and Southern Italy, oriented to restore, during the Plan, its natural market share of loans to families, to micro, small and medium enterprises and Mid corporates:

- thanks to **capital enforcement**, due to the incremental profitability expected during the Plan, with a **net income expected in 2025 equal to 56 million** (compared to 34 million expected at the end of previous plan) and a **ROE of 10%**, the carve out and the definitive overcoming of BPB legacy;
- with initiatives aimed to speed up and complete the transition to efficient daily banking through the focus on **increase in loans**, with a stock expected in 2025 amounting to approximately **8 billion** (compared to 6 billion expected at the end of previous plan) and **customer deposits of 8.5 billion** in 2025 (compared to 6 billion expected at the end of previous plan);

- with initiatives aimed to reach the completion of a **full sustainability** path, achieving a **greater industrial margin**;
- thanks to **partnership revamping for development of direct lending and guarantees**;
- leveraging on Group **competence center**;

Cassa di Risparmio di Orvieto

the positioning as **commercial retail bank, relevant for local communities** of the reference territory and new ones in **Central Italy**:

- operating, through a **greater industrial margin**, as a growth engine of intermediated volumes, with a **loan stock** in 2025 of **approximately 1.6 billion** (compared to 1.3 billion expected at the end of previous plan) and **customer deposits of approx. 1.5 billion** in 2025 (compared to 1.2 billion expected at the end of previous plan);
- thanks to **partnership revamping for development of direct lending and guarantees**;
- leveraging on Group **competence center**;
- reaching **incremental profitability** during the Plan, with a **net income in 2025 of approx. 11 million** (compared to 9 million expected at the end of previous plan) and a **ROE of 10.4%**.

For further information:

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