A SUSTAINABLE BANKING GROUP TO SUPPORT THE
(TERRITORY) LOCAL COMMUNITIES

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Today’s subjects

- GBCI: The strength of figures
- The concept of … Group Sustainability
- GBCI as Enabler of local territories and Communities
- Group Sustainability: The challenges ahead
Iccrea Cooperative Banking Group ranks fourth in terms of total assets and third for number/distribution of branches.

- **4,2 Mln Clients**
- **142 BCCs**
- **22,000 Staff**
- **147,8 Mld**
- **93,3 Mld**
- **102,4 Mld**
- **11,5 Mld**
- **750,000 Members of BCCs**
- **1.738 Municipalities covered**
- **2.647 Branches**

Data as of May 2019

**Gbi**
- Normalized profit: € 28 Mn
- Net Equity: € 1,7 Bn
- ROE: 1,6%

**Gbcl**
- Normalized profit: € 700 Mn
- Net Equity: € 11,5 Bn
- ROE: 5,4%
The concept of ... Group Sustainability
A mission of over 130 years.

Sustainability:
For BCC and GBCI, it consists in enhancing what the BCCs have been doing for years, affirming the local and cooperative bank as the SUSTAINABLE BANK MODEL!

Article 2 of BCC Statute: “... the company aims to support his members included the ones of local communities in bank operations and services, pursuing the improvement of the moral, cultural and economic conditions of them and promoting the development of cooperation and education for savings and pensions as well as social cohesion and responsible and sustainable growth of the territory in which it operates ...”.

- The Value of the Bank is created both inside (government) and externally (environment and society).
- The Social and Environmental Value is created at the same time as the economic one.
- Sustainability is not a separate activity but must be considered into all the activities of the bank, into strategic plans, processes and product development.

Nothing new for the bank
From practice to formalization
... Group Sustainability

The transition from CSR to Sustainability

1. SUSTAINABILITY AS ENDOGENOUS FORCE
   ETHICAL BANKING: Balance of reputation
   Ethical values, dedicated products and exclusion of sectors and types of customers;

2. SUSTAINABILITY AS EXOGENOUS FORCE
   COMPLIANT BANKING: Adherence to external standards
   Compliance with national and international regulations, adherence to international conventions (e.g., ONU, OCSE, etc.).

3. SUSTAINABILITY AS INTEGRATED FORCE
   SUSTAINABLE BANKING: Sustainability goes beyond reputation and compliance
   Integration of sustainability criteria (ESG) in governance, in strategies and in all bank operations.

All-round sustainable approach, which involves strategy, governance, process and product innovation, and attention to stakeholders.

New scenarios require systematic attention: Sustainability and social responsibility are managerial and strategic levers.
... Group sustainability «internal» and «external» targets

Internal target:
Integrate ESGs into the business model, currently under construction. It is the best time to do it and it is necessary to achieve the external objective.

TOOLS: ESG RISK management, sustainability policies and adaptation to internal processes.

External target:
It is the cooperative credit mission: shaping our own daily action to support the territory, by conceiving and creating activities without losing sight of the final beneficiary: community.

TOOLS: financial products and dedicated services, strategic innovation and change to the banking model.

REGULATORY COMPLIANCE
- Dlgs 254/2016 (NFR)
- EU Action Plan on Sustainable Finance.

RESPONSABILTY AND REPUTATION
(reporting)

« ENABLER » mission for the sustainable economic development of the territory.
GBCI as ENABLER for local sustainable development

Granting credits and funds/loans

Mortgages for innovative investments: in this field, the Group was the leader of a pooled loan with other mutual banks (BCC Alpi Marittime and Banca TEMA) for a total amount of 11.4 million euro, for the innovative start-up Sfera Società Agricola for the construction of a 13-hectare high-tech hydroponic greenhouse. The greenhouse makes the most efficient use of rainwater up to 90% less water than land-based cultivation with a 10 times higher yield and also provides for a reduction in energy consumption of 70%;

Specific Mortgages for the development of agro-energy (ie biogas): they are addressed to national farms. The object of these fundings is to develop electricity production plants by the use of food waste or other kind of wastes reusable for this aim and to promote consequently zero impact energy production.
GBCI as ENABLER for local sustainable development

**Sustainable asset management**

**BCC R&P: a sustainable business**

Move towards sustainable products

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**INVESTIPER SCELTA**

- **47** sustainable third-party FUNDS distributed in co-operation with 11 Asset Management Companies
- **122** BCC members of GBCI specialised in the distribution and management of sustainable funds
- **450 MLN** of volumes

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**INITIATIVES OF BCC RISPARMIO & PREVIDENZA**

- New fund **INVESTIPER ETICO BILANCIATO**, created during the restyling of the BCC R&P range of products.
- A total amount of **40 MLN** TO BE DOUBLED in the next three years
- From October **6 NEW GP ETHIC LINES:**
  - 2 new balanced lines in Famiglia Attiva
  - 4 new sub-lines (2 bond and 2 equity) in Famiglia Multilinea

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A wide range of opportunities for customers interested in ESGs investment. (environmental, social and governance)
Green Finance, as it is defined in Brussels, is perceived as a RISK for the financial sector and an OPPORTUNITY only for some economic activities (i.e. renewable energies, electric mobility/e-mobility), for big companies and large investment projects.

Small and medium-sized enterprises are cut off and there is the risk for them to be shut out from some important economic activities relevant for the productive sector of Italian economy (risk of being exposed to stranded assets).

Can GBCI have the ROLE to reverse this trend by including EVERYONE in the process of SUSTAINABLE DEVELOPMENT?

Operazioni Greenfield e Brownfield su ExtraMOT PRO

Can GBCI have the ROLE to reverse this trend by including EVERYONE in the process of SUSTAINABLE DEVELOPMENT?