

Letter to the stakeholders

The Consolidated non-financial statement covers a period during which many of our certainties have been called into question.

An unknown, invisible virus has suddenly invaded our lives, inflicted suffering and tension, upended our routines and generated a completely new situation all over the world. The contagion struck particularly hard in certain areas where our Group has the strongest presence. We acted immediately, rushing to the front lines to provide a swift response.

In terms of our organisation, health and safety, the protection of People, and even more so in supporting Communities, we have been doing our part and strive to continue to do so.

In line with our territorial positioning and characteristically local focus, we identified concrete support measures for Communities that enable households and businesses in difficulty to obtain specific moratoria on outstanding mortgages.

Along with the initiatives coordinated by Cassa Centrale, the Group Banks were involved in providing specific credit facilities with dedicated funds and subsidised conditions as well as direct donations, fundraising activities and other initiatives, working on multiple fronts to ensure that the Group would contribute to meeting the needs arising throughout the country, in order to overcome this difficult situation.

And our work will continue, even in any upcoming situations that may arise.

On 31 December 2019, the first year of operations of the Cassa Centrale Banca - Credito Cooperativo Italiano Cooperative Banking Group (hereinafter, the "Group" or the "Cassa Centrale Group") came to an end.

The launch of the Group marked the end of the transitional phase of a reform process lasting nearly 4 years, which involved every part of the system, profoundly revising the roles, duties and responsibilities of the structures serving the Cooperative Credit Banks, Rural Banks and Raiffeisenkassen. This has given rise to a structure which, at the regulatory and organisational level, is unique throughout Europe.

In its first year of operations, it engaged in continuous dialogue to seek to identify the right balance between the independence of many cooperative Banks with strong roots in their Communities and the synergies arising from being part of a Group, with the gradual convergences that the search for economies of scale brings with it.

Some significant examples of this are the profound reorganisation in Bank services, which took shape in early 2020 with the birth of Allitude, constant growth in volumes and the quality of the services of the subsidiaries Assicura and NEAM, and the progressive enhancement of the potential of Claris Leasing and Centrale Casa.

While maintaining a balance between the independence of the Banks and the synergies deriving from being part of a Group, we strive to enhance and further sharpen our focus on the Territories, in line with our values, performing that social function which the Constitution attributes to Cooperation.

We feel a deep responsibility to guarantee the continuity and development of the extraordinary wealth represented by Cooperative Credit, actively collaborating to improve the moral, cultural and economic conditions of our Communities, as laid out in the Articles of Association of the Group's Cooperative Credit Banks, Rural Banks and Raiffeisenkassen.

The Board of Directors, most recently appointed in early 2019, worked intensely and in full collaboration with the Management and the business structure.

In March 2020, the strategic guidelines for our Group's development were defined, based on the following pillars:

- proximity and vicinity to the Communities, households and SMEs in the reference Territory, leveraging the widespread presence and strong local roots of the Group Banks;
- a focus on understanding needs, including by taking a proactive approach, adopting adequate instruments to support commercial processes throughout the entire customer service lifecycle;

- simplicity and convenience of the offer based on appropriate solutions and balanced products, suited to our Partners and Customers, with pricing that favours transparency and the overall profitability of the relationship over time;
- banking leadership driven towards a gradual reinforcement and extension of the Customer base in areas of lower presence, leveraging an evolving branch concept, multichannelling and innovative technological solutions.

In defining our strategic objectives, sustainability topics were also taken into consideration, as part of a path that promotes cooperative Values, a distinctive and unifying feature of the Cassa Centrale Group.

In this context, several initiatives already launched have continued, as described in the Statement: first and foremost, the multiple initiatives focusing on the Territories, which in 2019 saw more than 22 thousand actions including charitable activities and sponsorships, for a total value of more than EUR 27 million.

We are a Group that strongly believes in our territorial and mutualistic vocation. Cassa Centrale will guarantee the circularity of best practices between the socially and environmentally relevant initiatives put into place by the Banks, with a view to always best enhancing our specific features.

We intend to promote concrete initiatives while spreading the culture and value of sustainability to Employees and Communities. We will do this through direct actions, such as purchasing electricity from renewable sources, and raising the awareness of our Partners and Customers: promoting investments in the sustainable segments of our NEF fund and paying particular attention to the environmental and social impact of our loans.

The focus on People - Partners, Customers and Employees - is now and will always remain at the very heart of our actions.



The Chairman
Giorgio Fracalossi

