illimity
BANCA OLTRE LA FORMA

ILLIMITY ASSETS REACH 3 BILLION EURO IN ITS FIRST YEAR OF ACTIVITY AND POSTS A NET PROFIT ALREADY IN THE FOURTH QUARTER

ALL DEADLINES AND STRATEGIC OBJECTIVES SET IN THE PLAN FOR 2019 ARE MET

- ***Assets rise to 3 billion euro by the end of 2019 thanks to continuous strong growth in net customer loans and investments, which more than tripled to 1.6 billion euro by the end of 2019***
- ***Direct customer funding increases to 1.6 billion euro, driven by the new direct digital bank, illimitybank.com, which in just a few months has attracted 731 million euro, anticipating part of the bank's medium-term funding needs for 2020***
- ***Results in line with business plan targets, with a net loss of 16.1 million euro in 2019 but a positive result in the final quarter, substantially at breakeven even excluding non-recurring items***
- ***A CET1 ratio above 21% and abundant liquidity for investment in future growth***

Milan, 12 February 2020 – The Board of Directors of **illimity Bank S.p.A**. ("**illimity**" or the "**Bank**"), the high-tech bank specialising in lending to SMEs with potential, the purchase and management of distressed loans and direct digital banking services, approved the illimity Group's results for the fourth quarter ended 31 December 2019 and its preliminary results for 2019 on 11 February.

illimity achieved significant results in 2019, the first year of the Bank's activity, meeting all the deadlines and strategic objectives set in its business plan. The construction of illimity was completed during the year with the launch of the direct digital bank, the set-up of the distressed loans servicing platform – which ensures a distinctive positioning on the market – and with SME lending activities, investment activities together with the provision of financing services in the distressed loan segment becoming fully operational. In addition, the team was completed and strategic initiatives going beyond those envisaged in the plan got under way.

In light of the objectives achieved, the results obtained, and the investments made to complete the structure, it can be said that the start-up phase that characterised the Bank's first year of activity has been essentially completed. The constant increase in business volumes confirms the expectations of gradually improving operating leverage, in line with the path envisaged in the business plan.

In more detail, the Bank's **assets** had risen to about **3 billion euro** by the end of December 2019, representing a considerable increase over the corresponding figure of 1.2 billion euro at 31 December 2018. Growth was driven by **customer loans**, which more than tripled over the year to reach **1.6 billion euro** on the back of significant commercial momentum which also continued into the last quarter of the year (+31% over the previous quarter). All business lines made a significant contribution, with loans and investments within the Distressed Credit Investment &

Servicing Division (DCIS)[1] rising by 870 million euro in the year and by 328 million euro for the SME Division. In total, during 2019 illimity's **customer loans rose by approximately 1.2 billion euro** of which circa 160 million euro were booked at year end but will produce interest income in 2020.

A robust **liquidity** base amounting to **approximately 1.1 billion euro** at 31 December 2019 also contributed to total assets. This consists of cash, the net interbank position and high-quality liquid assets and other marketable securities, that will be available for reinvestment in the growth of the business in the first half of 2020.

Direct customer funding rose to **1.6 billion euro** during 2019, driven by the significant acceleration in the last quarter of the year arising from the launch of the direct digital bank, operational since 12 September. The partnership with Raisin - the pan-European platform for the collection of retail deposits on the German market – and the offline acquisition of retail and corporate customers also contributed to funding.

In the last quarter of 2019, the direct digital bank ***illimitybank.com*** rapidly completed its investments supporting the launch. Marketing initiatives, accompanied by targeted intervention on the information platform, led to the consolidation and evolution of the bank, in this way acting as a contribution to reaching 24,000 retail customers by 31 December 2019. Compared to the end of the fourth quarter, by the end of January *illimitybank.com*'s customer base had reached approximately **27,000 customers** with **deposits of 770 million euro** (731 million at the end of 2019), of which about 60% with maturity equal or higher than 4 years. As the result of this momentum a good part of the long-term retail funding planned for 2020 has already been assured, at costs in line with those envisaged in the business plan.

As far as results are concerned, the **acceleration of revenue** was also confirmed in the fourth quarter, with a rise of 84% on a quarterly basis and 36% excluding non-recurring items, with this income only partially reflecting the contribution of the originated business as a significant component of the total was booked at the end of the quarter. This performance is consistent with the seasonality typical of the distressed loan market, which sees the majority of transactions concentrated in the last part of the second and fourth quarters of the year. A further acceleration of revenues is therefore expected to be seen in the first quarter of 2020.

Interest expense in the fourth quarter was affected by the significant rise in deposits arising from the success of the launch of the direct digital bank. Since part of the funding planned for 2020 was already received in the fourth quarter of 2019, **modest growth of interest expense can be expected in the first half of 2020.**

In the last quarter of 2019, the rise in operating costs, excluding non-recurring items mainly connected with the direct digital bank, was significantly lower than the increase in income, contributing to an **improvement in operating leverage** which is expected to progress further during 2020.

Following the normalisation of loan loss provisions, with the one-off clean-up of the former Banca Interprovinciale's loan book coming to an end, the fourth quarter of 2019 ended with a net profit of **2.1 million euro**. Even before the non-recurring positive and negative components, **the fourth quarter would end substantially at breakeven.**

In its first year illimity has additionally shown its ability to constantly enhance its strategic

[1] Formerly named NPL Investment & Servicing Division

positioning in all business areas, going beyond that envisaged in the strategic plan: deposits of over 380 million euro were collected from German retail customers through the partnership with **Raisin**, the pan-European fintech platform, in 2019; the acquisition of 70% of **IT Auction** (finalised at the beginning of 2020) has completed the value chain of neprix, the illimity Group's distressed loan servicing company, by enabling a distinctive positioning on the market; the setting up of **illimity SGR** will allow illimity to complete and reinforce its positioning in the Unlikely-To-Pay loan segment ("UTP"); and finally, through the strategic partnerships established with the **Azimut Group**, **Santander Consumer Bank**, the **Aon Group** and the **Helvetia Group** in direct banking, illimity has made its platform available to partners, as well as it has extended its offer of third party products available to the customers of *illimitybank.com*.

Corrado Passera, **illimity CEO**, commented: "*We are very proud of the results we have achieved in illimity's first year. We reached all the strategic objectives we set for 2019 and have created the bases for the future development of the bank. We have shown that we have a significant ability to generate business in all the areas in which we operate, have achieved a highly successful launch of a direct digital bank on the cutting edge for services and user experience and have adopted new strategic initiatives going beyond those envisaged in the initial plan. Today we can truly say that illimity's start-up phase has been largely completed: with the team, the systems and the operating resources already in place we expect operating leverage to become progressively more visible during 2020, a year that will see considerable progress in revenues and profitability. We therefore confirm our objectives.*"

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Key balance sheet figures

illimity began operations on 20 September 2018 following the acquisition by SPAXS of a controlling interest in Banca Interprovinciale. It is accordingly considered to be more useful to present a comparison of trends in results and balance sheet items at a progressive quarterly level, since a comparison with the figures for the corresponding period in 2018 would not be meaningful. The comparative balance sheet figures used in forming the indices relating to 31 December 2018 reported below refer to the consolidated financial statements of SPAXS.

Amounts in million euro

Reclassified Balance sheet	31.12 2018	31.03 2019	30.06 2019	30.09 2019	31.12 2019	Δ 31.12 / 30.09 %
Cash and cash equivalent	68	171	42	110	772	599%
Due from banks	372	137	123	271	345	27%
Customer loans	**484**	**516**	**775**	**1,255**	**1,638**	**31%**
- DCIS [1] investments	*87*	*109*	*158*	*488*	*667*	*37%*
- DCIS [1] senior financing	*51*	*50*	*241*	*334*	*341*	*2%*
- SME [2]	*198*	*219*	*247*	*320*	*527*	*65%*
- Non-core former Banca Interprovinciale	*148*	*139*	*129*	*113*	*103*	*-9%*
Financial assets Held To Collect (HTC)[3]	114	114	103	103	0	n.m.
Financial assets Held To Collect & Sell (HTCS)[4]	108	78	90	92	126	37%
Financial assets measured at FVTPL[5]	29	17	17	10	9	-11%
Goodwill	22	22	22	22	22	0%
Intangible assets	0	6	9	15	19	26%
Other assets (Incl. Tangible and tax assets)	39	60	72	78	95	22%
Total assets	**1,235**	**1,120**	**1,253**	**1,956**	**3,025**	**55%**
Due to banks	109	71	239	397	377	-5%
Due to customers	535	446	381	906	1,979	118%
Shareholders' Equity	557	552	549	543	544	0%
Other liabilities	34	50	84	110	125	14%
Total liabilities	**1,235**	**1,120**	**1,253**	**1,956**	**3,025**	**55%**
Common Equity Tier 1 Capital	527	494	480	466	462	-1%
Risk Weighted Assets	**587**	**598**	**995**	**1,613**	**2,162**	**34%**

1. *DCIS: Distressed Credit Investment & Servicing Division (formerly named NPL I&S Division)*
2. *The figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's SME segment.*
3. *HTC: financial assets at amortised cost.*
4. *HTCS: financial assets at fair value through comprehensive income.*
5. *FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments acquired as part of a turnaround transaction and junior tranches acquired as part of a senior financing transactions.*

Any failure of the stated figures to reconcile is due exclusively to rounding.

SME Division

At 31 December 2019 the **net loans to customers** of the **SME Division** had reached **527 million euro**, representing a rise of approximately 65% over 30 September 2019. Within this total, the exposures relating to the former Banca Interprovinciale ("BIP", the bank involved in the business combination) consistent with illimity's SME segment fell by a further 18% over September to reach 83 million euro, while the stock of customer loans arising from new business in Factoring, Cross-over, Acquisition Finance and Turnaround activities doubled during the quarter to arrive at 444 million euro.

The **Cross-over and Acquisition Finance Unit** has **originated business**[2] amounting to approximately **378 million euro** from the start of operations to the end of January 2020, of which 74 million euro in the fourth quarter of 2019, reaching the targets set for 2020 one year early. More specifically, in the Acquisition Finance sector illimity has already affirmed itself on the market as an operator with considerable credibility, with 13 signed agreements and several roles as mandated-lead arranger.

The **Turnaround Unit** – UTP exposures with restructuring and return to performing prospects –

[2] Loans purchased or disbursed, including transactions agreed but yet to be booked (thus not yet income-producing), owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes part of the net loans to existing customers of Banca Interprovinciale, amounting to 83 million euro, as their features are considered to be consistent with illimity's SME segment. Non accounting figures.

saw a notable rise in volumes in the fourth quarter, with 73 million euro of generated new business consisting of investments and disbursements of new finance. From the start of operations to the end of January 2020, illimity has originated[3] 11 transactions worth 180 million euro. It will be recalled that in the third quarter illimity set up an asset management company – illimity SGR S.p.A. – whose operations will initially be directed towards completing and strengthening the strategy of the Turnaround unit. The first fund will concentrate on UTP investments contributed in kind and/or sold by the banks.

Factoring has made considerable progress since July 2019 following the setting up of the activity through a dedicated application built into the Bank's systems, which has enabled the product offer to be extended. In the fourth quarter, illimity developed turnover worth 183 million euro, more than three times the figure of 57 million euro achieved in the third quarter, this corresponding to net loans of 135 million euro at 31 December 2019. This positive business dynamic continued into the first quarter of 2020. It is important to stress that the growth driver in Factoring is the number of counterparties involved: illimity has developed relations with almost 80 clients and approximately 440 debtors, compared to 46 and 100 respectively in October. Insurance coverage guarantees a significant part of the portfolio.

Taken as a whole, the **SME Division has originated business**[4] **for 674 million euro** from the start of operations in September 2018 to the end of January 2020.

Distressed Credit Investment & Servicing Division[5]

In 2019 the **Distressed Credit Investment & Servicing Division** concluded transactions in distressed loans for an invested amount of approximately 630 million euro, of which 215 million euro in the fourth quarter of the year. Considering also the investments made in 2018, as of 31 December 2019 the Bank had completed 30 investments in distressed loans for a total of approximately 720 million euro. To this should be added investments worth 112 million euro for which agreements have already been entered but which have yet to be booked, which take the total of **originated business**[6] from the start of operations to the end of January 2020 to **832 million euro**.

As the result of the above transactions the total **gross book value of distressed loans of the Bank** at 31 December 2019 would amount to approximately **5.7 billion euro**, mostly represented by corporate portfolios.

After the end of the year, on 6 February, illimity announced the first sale of non-performing retail loans for a gross book value of 182 million euro. These are loans made to over 15,000 unsecured retail borrowers as part of an operation for the purchase of mainly corporate NPL portfolios

[3] Loans purchased or disbursed, including transactions agreed but yet to be booked (thus not yet income-producing), owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes quasi-equity instruments purchased as part of a turnaround operation. Non accounting figures.

[4] Loans purchased or disbursed, including transactions agreed but yet to be booked (thus not yet income-producing), owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes part of the net loans to existing customers of Banca Interprovinciale, amounting to 83 million euro, as their features are considered to be consistent with illimity's SME segment. Non accounting figures.

[5] Formerly known as the NPL Investment & Servicing Division.

[6] Loans purchased or disbursed, including transactions agreed but yet to be booked (thus not yet income-producing), owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. Non accounting figures.

considered not in line with the Bank's strategy, which envisages specialisation in the corporate segment.

Following the agreement reached in 2019, on 9 January 2020 **neprix**, the illimity Group company in which all the Bank's distressed loan servicing activities are concentrated, completed the acquisition of 70% of the share capital of **IT Auction** – a company specialising in the management and remarketing of capital goods and real estate assets by way of online auctions on its portal network – on the basis of a pro-rata enterprise value of 10.5 million euro. Through the acquisition of IT Auction, neprix seeks to become the first integrated operator specialising in distressed corporate loans with a widespread territorial presence. At 31 December 2019, the value of **assets under management**, in terms of gross book value of loans under servicing and real estate assets and capital goods under management, amounted to approximately **8 billion euro**.

In 2019 the **Senior Financing** unit carried out transactions for an amount of 339 million euro, concluded mainly to support primary investment funds and companies specialising in the purchase of non-performing loans. Considering also the business developed in 2018, the total senior financing gross origination made from the start of operations to the end of January 2020 amount to 390 million euro.

From the start of operations to the end of January 2020, **the Distressed Crediti Investment & Servicing Division has originated business**[7] **of over 1.2 billion euro.**

Direct Bank Division

As stated earlier, during the fourth quarter illimity consolidated its direct digital bank, *illimitybank.com*, which was presented and launched on the market on 12 September 2019. By the end of December 2019, it had taken deposits of 731 million euro with 24,000 customers, risen today to 770 million euro and 27,000 customers respectively, and consisting of sight and time deposits for approximately 60% having maturity equal or higher than 4 years. Within these, around 81% are active customers and, of the latter, around 21% use *illimitybank.com* as their reference bank.

Taken overall, **direct deposits** made by illimity through its direct digital bank, *illimitybank.com*, those arising from the partnership with Raisin and those made by retail and corporate customers acquired offline currently exceed **1.6 billion euro**, a significant increase over the stock of 0.6 billion euro at the end of September 2019.

Since the launch of *illimitybank.com,* work has continued with the aim of extending the direct bank's offering of products and services. More specifically, a partnership agreement was entered into with Santander Consumer Bank in November to make personal loans available to the Bank's customers, followed by the partnerships entered into in January with two operators of excellence on the insurance market – the Aon Group and the Helvetia Group – through which offers of health and casualties insurance products are made available to the Bank's customers.

[7] Loans purchased or disbursed, including transactions agreed but yet to be booked (thus not yet income-producing), owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. Non accounting figures.

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At 31 December 2019 illimity's **total assets** had reached **3,025 million euro**, representing significant growth over the figure of 1,235 million euro posted at the end 2018. Within this **total customer loans** rose to **1,638 million euros**, three times the balance at the beginning of the year and an increase of around 31% over the third quarter of 2019, with a significant contribution coming from all the business lines as already indicated.

It should be noted that in the fourth quarter 2019 illimity reshaped its investment strategy as far as its **securities portfolio** is concerned, by selling all the securities with an Held to Collect business model in order to satisfy the need for flexible management of the liquidity required for funding the Bank's lending and investments which – in particular in the sector involving investment in distressed loan portfolios – have a high level of volatility and presents seasonal peaks. For this reason, the majority of the securities portfolio will in future be classified at Held to Collect and Sell business model, with any short-term liquidity surplus being invested in financial assets classified at FVTPL business model. At the end of 2019, illimity's securities portfolio amounted to 121 million euro (at notional amount), all classified as Held to Collect and Sell. At the end of January, the total amounted to 101 million euro, of which approximately 49% in senior corporate bonds, about 42% in subordinated bonds and the remaining 9% in sovereign bonds. During 2020 illimity will gradually rebuild its securities portfolio by following a strategy envisaging a portfolio size of up to 10% of total assets by the end of the year, mainly investing in Eurozone and Italy high quality liquid assets and with duration in line with the current portfolio and target yield of around 1%.

Due to the acceleration on the direct funding front, above all connected with the launch of the direct digital bank, illimity maintained a **robust liquidity base** in December 2019 amounting to **1.1 billion euro** and consisting of cash, net interbank position and high-quality liquid assets and other marketable securities. It is planned to gradually reinvest this liquidity in new customer loans, investments and the securities portfolio by the end of the first half of 2020.

The increase of approximately **4 million euro in intangible assets** other than goodwill in the fourth quarter of 2019 is due to the capitalisation of costs and investments connected with the development of the IT platform and the direct digital bank.

At the end of December 2019, the stock of the Bank's **gross organic doubtful loans** amounted to **37.7 million euro**, a slight decline over 30 September 2019. Due to the growth in gross loan origination, the ratio between gross doubtful organic loans and gross total organic loans to customers at the same date (and therefore excluding purchased NPL and UTP) had fallen to around 4.2% from the about 5.0% posted at the end of September 2019. The stock of **net doubtful organic loans** amounted to **19.5 million euro** at the end of December 2019, this also representing a slight decline over the previous quarter and corresponding to a ratio between net doubtful organic loans and net total loans to customers (excluding purchased NPL and UTP) of approximately 2.2% compared to about 2.7% in the previous quarter.

As a result of the significant growth of the business in the quarter, **risk-weighted assets** stood at **2.2 billion euro** at the end of December 2019, representing a rise of about 34% over the previous quarter. Common Equity Tier 1 capital totalled approximately 462 million euro at the end of December 2019. The **CET1 ratio** therefore remained at a significant level of **above 21%**.

The Liquidity Coverage Ratio was over 1,000% at the end of the fourth quarter, confirming a significant liquidity buffer, while the Net Stable Funding Ratio (NSFR) was significantly above the minimum regulatory requirements.

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Key income statement figures

Amount in million of euro

Reclassified Profit & Loss	1Q19	2Q19	3Q19	4Q19	FY19	Δ 4Q/3Q %
Interest income	8.6	10.1	16.5	27.5	62.7	67%
Interest expenses	(1.4)	(1.1)	(2.7)	(9.4)	(14.6)	248%
Net interest income	**7.2**	**8.9**	**13.8**	**18.1**	**48.0**	**31%**
Net fees and commissions	0.6	1.9	2.6	1.5	6.6	-41%
Net result from trading	0.9	0.3	0.1	8.9	10.3	n.m.
Net other income/expenses	0.3	0.1	(0.1)	1.6	1.9	n.m.
Operating income	**9.0**	**11.3**	**16.4**	**30.2**	**66.8**	**84%**
Staff costs	(6.4)	(8.7)	(6.9)	(9.1)	(31.1)	32%
Other operating expenses	(10.0)	(11.4)	(13.9)	(18.7)	(53.9)	34%
Depreciation & Amortisation	(0.5)	(0.7)	(0.9)	(1.1)	(3.1)	27%
Operating costs	**(16.9)**	**(20.8)**	**(21.7)**	**(28.8)**	**(88.1)**	**33%**
Operating profit	**(7.9)**	**(9.5)**	**(5.3)**	**1.3**	**(21.3)**	**n..m**
Loan loss provisions	0.0	(2.7)	(3.9)	(0.1)	(6.7)	n.m.
- of which loan loss provision charges	*(1.2)*	*(2.8)*	*(2.5)*	*(1.0)*	*(7.6)*	*-60%*
- of which value adjustments on purchased distressed credit	*1.4*	*0.1*	*(1.4)*	*0.9*	*0.9*	*n.m.*
- of which value adjustments on HTC securities and loans to banks	*(0.1)*	*0.0*	*0.0*	*0.1*	*0.0*	*n.m.*
Other net provisions	(0.2)	0.2	0.0	0.1	0.0	n.m.
Provisions for risks and charges	(0.2)	(0.2)	(0.2)	0.1	(0.5)	n.m.
Profit (loss) before tax	**(8.3)**	**(12.2)**	**(9.4)**	**1.4**	**(28.5)**	**n.m.**
Income tax	2.4	6.8	2.5	0.6	12.4	-75%
Net result	**(5.9)**	**(5.4)**	**(6.8)**	**2.1**	**(16.1)**	**n.m.**

Any failure of the stated figures to reconcile is due exclusively to rounding.

Interest income accelerated further in the fourth quarter of 2019, with a rise of 67% being achieved over the third quarter. This only partially reflects the business originated during the quarter, as the majority of the total was generated towards the end of the period. For this reason, **further increases in interest income are expected to be seen in the first quarter of 2020**.

Passing to interest expense, the increase in the fourth quarter reflects the large level of deposits received following the launch of the direct digital bank, as well as the cost of holding excess liquidity with the Central Bank (quantifiable in around 1 million euro in the quarter and considered non-recurring). As stated earlier, the Bank has partially brought forward its long-term retail funding plan to the fourth quarter of 2019 and accordingly a more **modest quarterly progression in interest expense is expected to be seen in the future**.

As the result of the above movements **net interest income** amounted to **18.1 million euro** in the fourth quarter of 2019, a rise of 31% over the previous quarter. In line with the business plan, the activities of the DCIS Division made a significant contribution.

Following the decision to redefine the investment strategy on the securities portfolio, selling all the securities with an Held to Collect business model, the sale of the underlying portfolio (103 million euros in September 2019) in the fourth quarter led to the recognition of approximately 7.7 million euros in **trading profits**.

Operating income for the fourth quarter reached **30.2 million euro**, a significant increase (of 84%) over the third quarter. Income for the period additionally includes non-recurring items of 1.3 million euro related to the acquisition of Banca Interprovinciale, and fees and commissions of 1.5

million euro mainly connected with the structuring of Senior Financing and Cross-over and Acquisition Finance transactions.

Operating costs amounting to approximately **28.8 million euro** for the fourth quarter include **non-recurring expense of approximately 4.8 million euro**, of which around 3 million euro relating to the launch of the direct digital bank and the remainder arising from specific one-off projects.

As the result of the above, the cost-income ratio for the fourth quarter reached 96%; even adjusting for non-recurring income and expense, this index closed at 108%, posting an improvement compared to the third quarter, and confirming a gradual normalisation of operating profitability in light of the various dynamics of the components of income and expense. **A further gradual improvement in operating leverage is expected to be seen in 2020**.

illimity booked **impairments to customer loans** of approximately **1.0 million euro** during the quarter, corresponding to an annualised **organic loan loss ratio of approximately 46bps** for the fourth quarter alone, representing a gradual normalisation over previous quarters when this item was affected by the need to adapt the classification and provisioning policies for loan exposures adopted by Banca Interprovinciale. **On an annual basis there was a loan loss ratio of 86bps.**

As the result of the above **the quarter ended with a net profit of 2.1 million euro**, taking the net result for the full year 2019 to a 16.1 million euro loss, in line with the business plan.

Pursuant to article 154 bis, paragraph 2, of Legislative Decree no. 58/1998 (the Consolidated Law on Finance), the Financial Reporting Officer, Mr. Sergio Fagioli, declares that the accounting information contained in this press release corresponds to the documented results and the accounting books and records.

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illimity management will present the results for the fourth quarter of 2019 to the financial community today, 12 February 2020, at 9:00 a.m. CET. The event can be followed by Live Audio Webcast using the following link: http://87399.choruscall.eu/links/illimity200212.html or by conference call on the following numbers.

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illimity Bank S.p.A.

illimity is the high-tech bank specialising in lending to SME and headed by Corrado Passera. illimity extends financing to high-potential businesses even if they still have a low credit rating or are unrated, including the non-performing (Unlikely-to-Pay) SME segment; it also purchases secured and unsecured distressed corporate loans and services these through its platform, neprix. Finally, it provides innovative direct digital banking services for retail and corporate customers through its digital direct bank, **illimitybank.com.** The story of **illimity** began in January 2018 with the launch of SPAXS S.p.A. - the first Italian entrepreneurial SPAC (special purpose acquisition company) set up to acquire and capitalise an entity operating in the banking industry - which raised EUR 600 million. Just two months after its launch, SPAXS announced the acquisition of Banca Interprovinciale S.p.A., with the resulting business combination finalised in September 2018 after obtaining the approval of the shareholders of SPAXS in August 2018. The merger between SPAXS and the Bank gave rise to **illimity Bank S.p.A.**, which began trading on Borsa Italiana's MTA exchange on 5 March 2019 (ticker "**ILTY**").

CONSOLIDATED BALANCE SHEET

(Amounts in thousands of euro)

Assets		31/12/2019	31/12/2018*
10.	Cash and cash balances	772,125	68,088
20.	Financial assets measured at fair value through profit or loss	8,665	29,350
	a) financial assets held for trading	63	29,251
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	8,602	99
30.	Financial assets measured at fair value through other comprehensive income	125,788	107,913
40.	Financial assets measured at amortised cost	1,982,722	969,559
	a) due from banks	344,858	372,158
	b) loans to customers	1,637,864	597,401
50.	Hedging derivatives	-	-
60.	Fair value change of financial assets in hedged portfolios (+/-)	-	-
70.	Investments in associates and companies subject to joint control	-	-
80.	Technical reinsurance reserves	-	-
90.	Tangible Assets	25,395	2,495
100.	Intangible Assets of which:	40,804	21,913
	Goodwill	21,643	21,643
110.	Tax assets	37,061	19,462
	a) current	5,127	1,972
	b) deferred	31,934	17,490
120.	Non-current assets held for sale and discontinued operations	-	-
130.	Other assets	32,662	16,661
	Total Assets	**3,025,222**	**1,235,441**

*The comparative figures at 31 December 2018 refer to the group controlled by SPAXS, the company merged into the Bank.

(Amounts in thousands of euro)

Liabilities and equity		31/12/2019	31/12/2018*
10.	Financial liabilities measured at amortized cost	2,377,250	643,976
	a) due to banks	376,747	108,842
	b) due to customers	1,985,145	453,721
	c) debt securities issued	15,358	81,413
20.	Financial liabilities held for trading	-	-
30.	Financial liabilities designated at fair value	-	-
40.	Hedging derivatives	-	-
50.	Adjustments in value of generic hedging financial liabilities (+/-)	-	-
60.	Tax liabilities	770	280
	a) current	53	-
	b) deferred	717	280
70.	Liabilities associated with non-current assets held for sale and discontinued operations	-	-
80.	Other liabilities	100,568	30,510
90.	Employee termination indemnities	1,097	575
100.	Provisions for risks and charges:	1,082	2,855
	a) commitments and guarantees issued	598	119
	b) pensions and similar obligations	-	-
	c) other provisions for risks and charges	484	2,736
110.	Valuation reserves	939	26
120.	Redeemable shares	-	-
130.	Equity instruments	-	-
140.	Reserves	36,188	-
150.	Share premium reserves	480,156	517,827
160.	Share capital	43,408	62,781
170.	Treasury shares	(96)	-
180.	Equity of minority interests	-	153
190.	Profit (loss) for the period attributable to minority interests (+/-)	(16,140)	(23,662)
	Total liabilities and equity	**3,025,222**	**1,235,441**

*The comparative figures at 31 December 2018 refer to the group controlled by SPAXS, the company merged into the Bank.

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of euro)

		31/12/2019	31/12/2018*
10.	Interest income and similar income	62,673	6,241
	of which interest income calculated according to the effective interest method	60,033	4,949
20.	Interest expenses and similar charges	(14,639)	(1,149)
30.	**Net interest margin**	**48,034**	**5,092**
40.	Commission receivable	11,578	1,230
50.	Commission expense	(4,957)	(1,143)
60.	**Net commission**	**6,621**	**87**
70.	Dividends and similar income	-	-
80.	Net trading result	111	(30)
90.	Net hedging result	-	-
100.	Gain (loss) from disposal and repurchase of:	10,673	(1,952)
	a) financial assets measured at amortized cost	8,078	-
	b) financial assets measured at fair value through other comprehensive income	2,595	(1,952)
	c) financial liabilities	-	-
110.	Gain (loss) on other financial assets and liabilities measured at fair value through profit or loss	(512)	(104)
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets subject to mandatory fair-value valuation	(512)	(104)
120.	**Net interest and other banking income**	**64,927**	**3,093**
130.	Net write-downs/write-backs for credit risks relating to:	(6,668)	(3,412)
	a) financial assets measured at amortized cost	(6,672)	(3,296)
	b) financial assets measured at fair value through other comprehensive income	4	(116)
140.	Gain/loss from contract amendments without cancellations	(1)	-
150.	**Net result from banking activities**	**58,258**	**(319)**
160.	Net insurance premiums	-	-
170.	Other net insurance income/expenses	-	-
180.	**Net result from banking and insurance activities**	**58,258**	**(319)**
190.	Administrative expenses:	(86,028)	(25,610)
	a) staff costs	(30,864)	(4,032)
	b) other administrative expenses	(55,164)	(21,578)
200.	Net provisions for risks and charges	(542)	(2,411)
	a) commitments and financial guarantees issued	(480)	(33)
	b) other net provisions	(62)	(2,378)
210.	Net value adjustments to/recoveries on tangible assets	(2,018)	(80)
220.	Net value adjustments to/recoveries on intangible assets	(1,129)	(3)
230.	Other operating income/expenses	2,952	(83)
240.	**Operating expenses**	**(86,765)**	**(28,187)**
250.	Profit (loss) on investments in associates and companies subject to joint control	-	-
260.	Valuation differences on tangible and intangible assets measured at fair value	-	-
270.	Adjustments in value of goodwill	-	-
280.	Gain (loss) from disposal of investments	-	-
290.	**Pre-tax profit (loss) before tax from continuing operations**	**(28,507)**	**(28,506)**
300.	Tax income (expenses) for the period on continuing operations	12,367	4,844
310.	**Profit (loss) after tax from continuing operations**	**(16,140)**	**(23,662)**
320.	Profit (loss) after tax from discontinued operations	-	-
330.	**Profit (loss) for the period**	**(16,140)**	**(23,662)**
340.	Profit (loss) for the period attributable to minority interests	-	(120)
350.	**Profit (loss) for the period attributable to the Parent Company**	**(16,140)**	**(23,542)**

*The comparative figures at 31 December 2018 refer to the group controlled by SPAXS, the company merged into the Bank.