



illimity

BANCA OLTRE LA FORMA



illimity 3Q22 Results

11 November 2022

Key highlights

Corrado Passera, CEO



illimity - **Three main messages**



Solid numbers in 3Q22 – €19mIn net profit, bringing **9M22 to ~€51mIn** – in line with budget forecasts



We aim at closing **FY22 with at least €75mIn net profit** – or estimated **ROE⁽¹⁾ of ~10%**

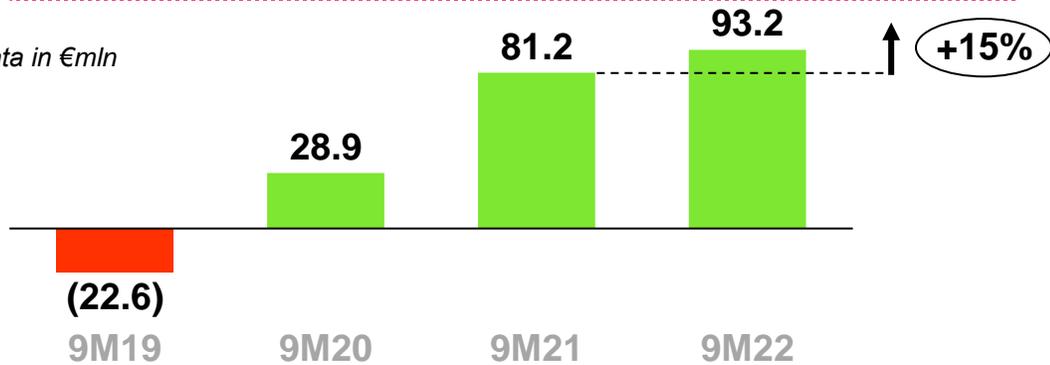


Our strategy is more valid now than ever

illimity - 9M22 on track; over €75m net profit expected in FY22

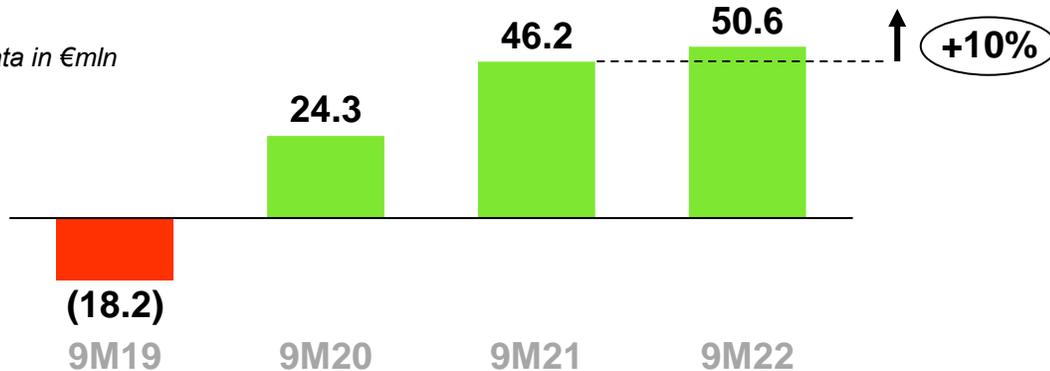
9M OPERATING PROFIT

Data in €m



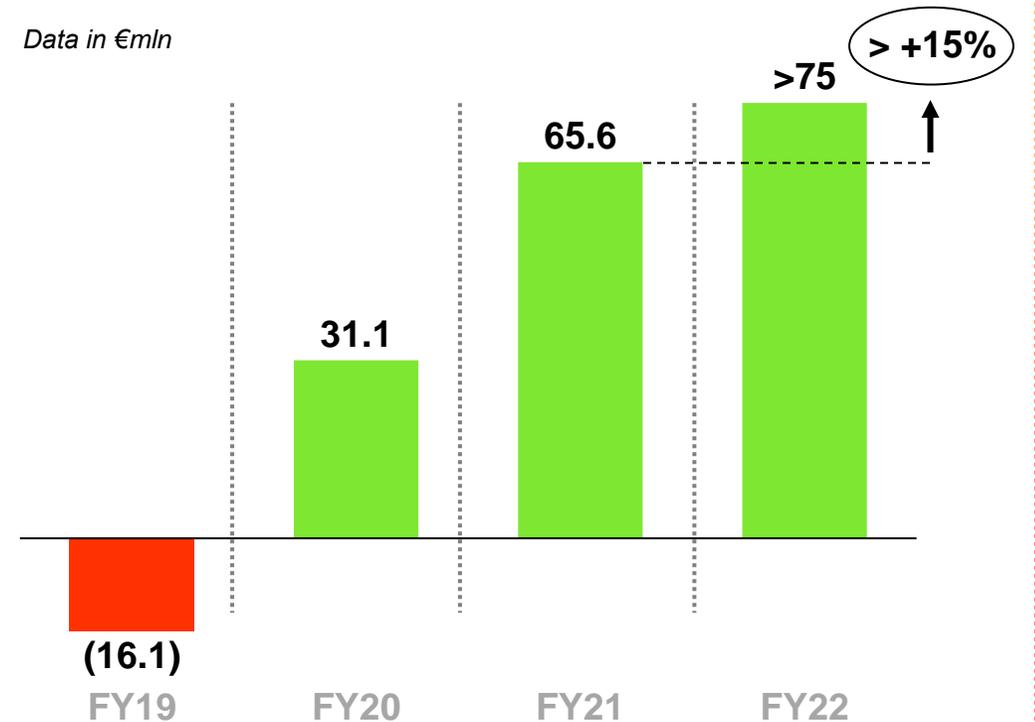
9M NET PROFIT

Data in €m



YEARLY NET PROFIT

Data in €m



2022 expected results include ~€20m negative pre-tax impact from new tech initiatives

illimity - All-round solid 3Q22 results

Strong growth

+34% yoy

Net customer loans
~€3.3bn

Low risk profile

0.7%

**Gross Organic
NPE ratio⁽¹⁾**

Strong liquidity

~€0.6bn

Liquidity⁽²⁾

Strong capital base

18.0%

CET1 ratio⁽³⁾

illimity - **We look ahead with confidence**



Core businesses – Distressed Credit, Growth Credit and Investment Banking – are **already successful businesses**. We see strong growth opportunities in forthcoming years



Operating leverage gains will become increasingly visible from 2023 onwards



Our **tech ventures** – **b-ilty**,  **quimmo** and  **HYPE** – will progressively approach breakeven and become profitable by 2024, and will generate significant value for our shareholders

illimity - Successful and profitable core businesses



Growth Credit Division

Well-known specialist lender to SMEs with bespoke financing solutions

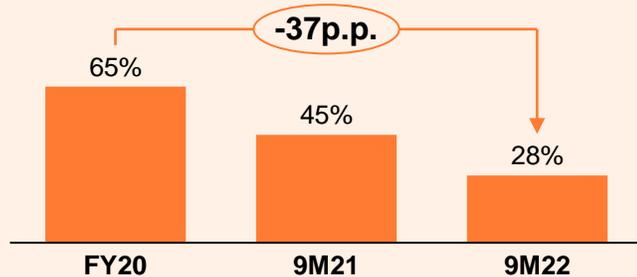
€1.8bn

Net customer loans
+54% YoY

€50mIn

9M22 revenue
+57% YoY

Cost income ratio



Investment Banking Division

A rising player of choice for SMEs

5

IPOs
since inception

>€200mIn

Structured transactions

~€220mIn

Notional derivatives
since inception



Distressed Credit Division

Consistently among top private investors

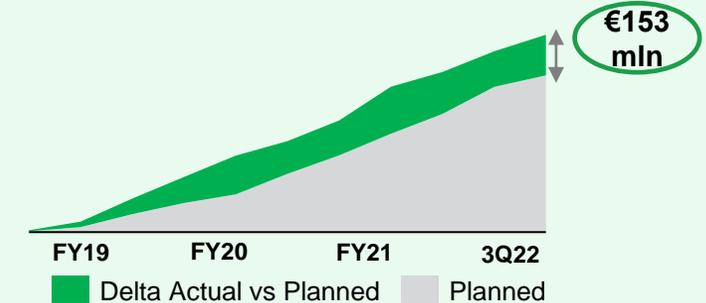
€2.5bn

Business origination
since inception

€155mIn

9M22 revenues
+6% YoY

Cumulative Cash flow



illimity - **Optimal sizing by 2022, scalability visible from 2023**



Core businesses reaching critical mass, profitability set to increase further as volumes grow



Peak of investments in digitalisation behind us



HQ functions will achieve optimal sizing by end 2022 and cost base will be highly scalable

illimity - Tech ventures set to create high value without diverting attention from core business



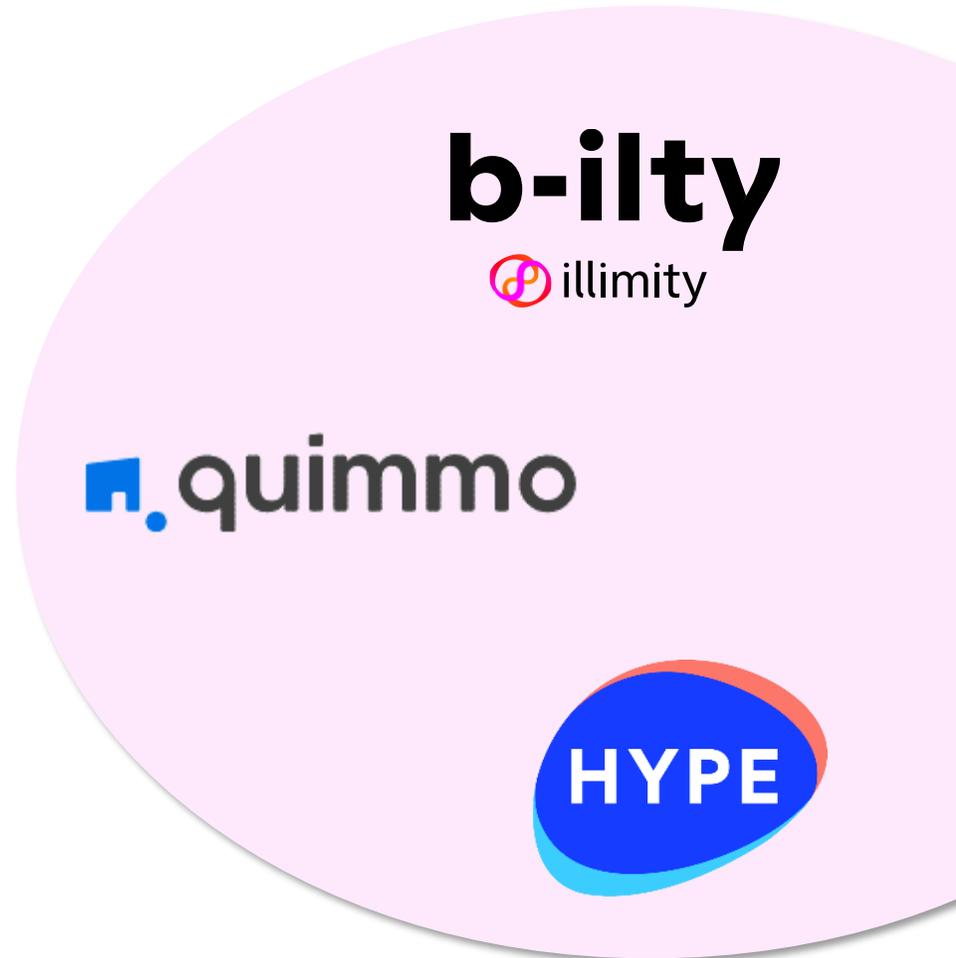
Each venture is already or has **potential to become leader in their market segments**



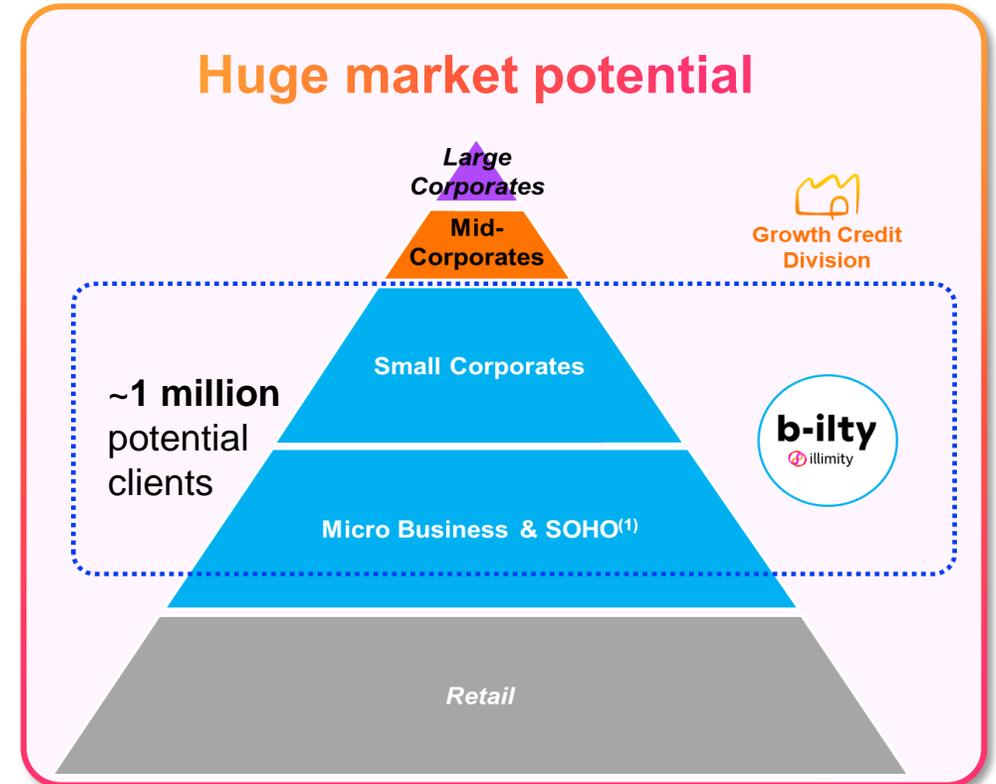
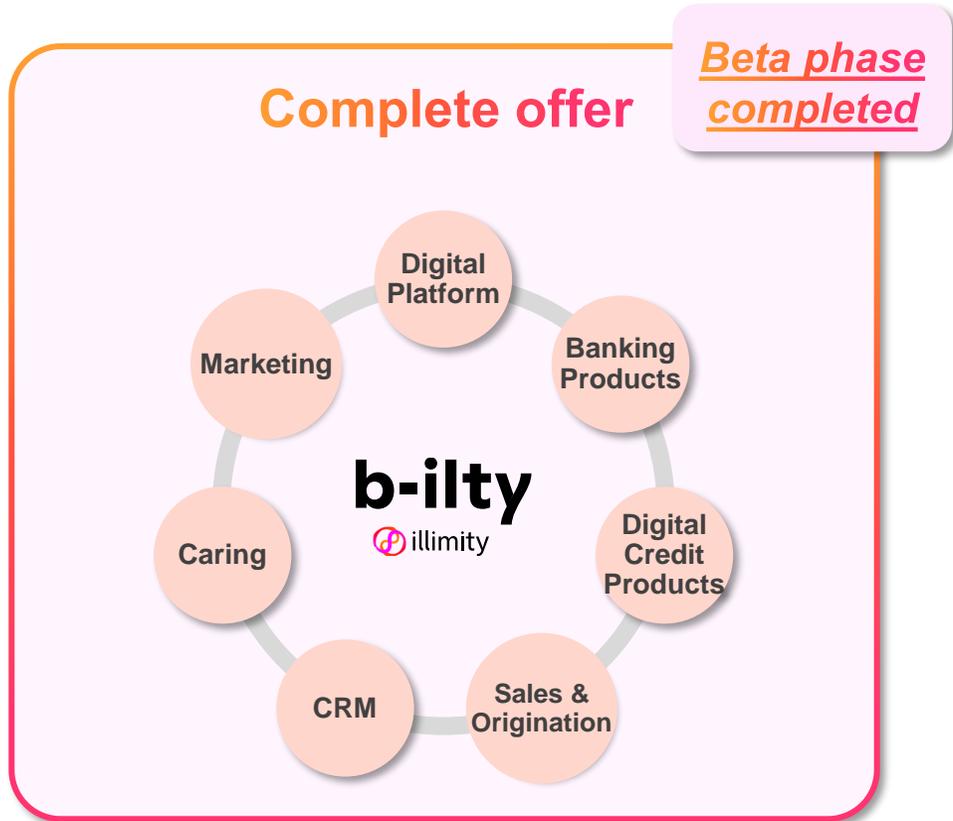
Potential scalability and value potential above traditional businesses suggesting higher valuation



Open to explore options to **exploit value**



b-ilty - Unique fully-fledged digital bank for small corporates



Ready to scale and close to breakeven in 2023

Leading Real Estate digital brokerage platform on market



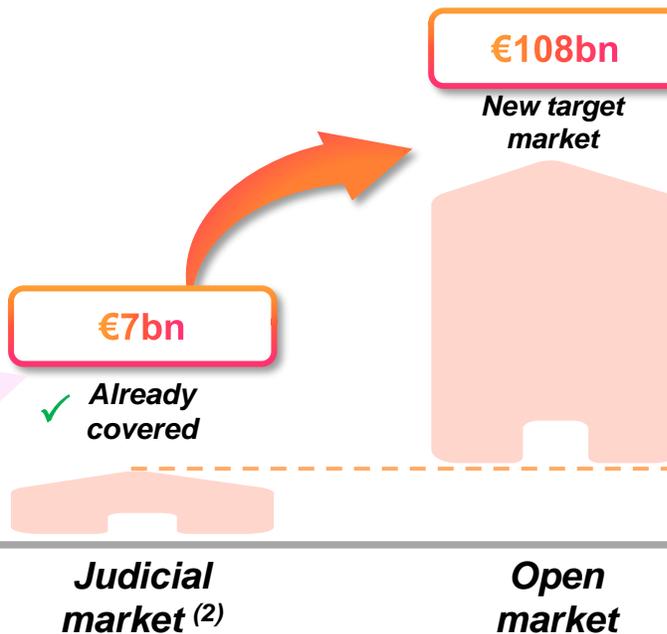
Proptech



Strong backlog of property to intermediate with over €2bn AuM

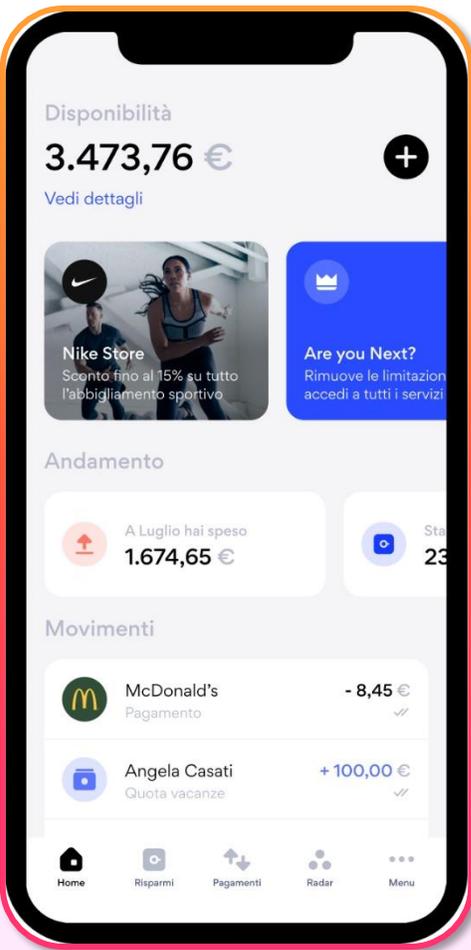
Real Estate market⁽¹⁾

Already leading player in judicial market with significant opportunities to grow even further

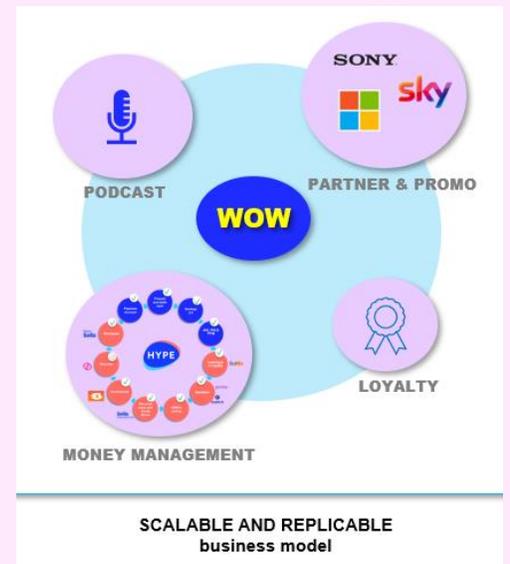




- Top fintech challenger in Italy⁽¹⁾

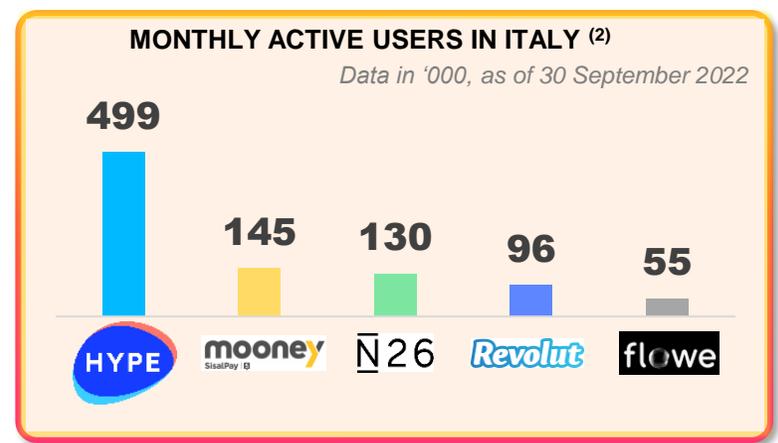


~1.7mln
CUSTOMERS



~499k
MONTHLY ACTIVE USERS
IN ITALY

+51% YoY
GROSS REVENUE YTD



Note: (1) Per number of users; (2) Data provided by SimilarWeb and based on android users – MAUs defined as users having used the app at least one time during the month. Data as of 30 September 2022.

illimity - A passionate and committed team



3Q22 Financial review

Silvia Benzi, CFO



illimity - **Solid 9M22 results heading for FY22 profit guidance**

 **Good volumes growth in 3Q** in spite of sizeable loans repayments and disposals. Several deals signed right after quarter-end, strong pipeline ahead

 **Revenue** in 3Q22 grew by 12% versus the same period last year. Comparison with 2Q reflects some seasonality pattern, especially in net fees and profit from closed position

 **Very strong asset quality** supports low organic cost of risk

 4Q22 set to benefit from further revenue progression thus driving **net profit for FY22 to at least €75m**

illimity - Further growth in interest-earning assets

Data in €mln								
Reclassified Balance sheet		30.09 2021	31.12 2021	31.03 2022	30.06 2022	30.09 2022	Δ 30.09.2022 / 30.06.2022	Δ 30.09.2022 / 30.09.2021
1	Cash and cash equivalent	774	508	695	397	364	(8)%	(53)%
	Due from banks and other financial institutions	543	468	215	191	184	(4)%	(66)%
2	Customer loans	2,473	2,762	2,832	3,194	3,318	4%	34%
	- Distressed Credit investments	939	923	938	921	860	(7)%	(8)%
	- Distressed Credit senior financing	300	336	402	436	446	2%	49%
	- Growth Credit	1,165	1,434	1,421	1,733	1,800	4%	54%
	- Cross-over & Acq. Finance ¹	566	628	643	731	809	11%	43%
	- Turnaround	389	438	488	630	612	(3)%	57%
	- Factoring	211	368	289	372	379	2%	80%
	- b-ilty	-	3	7	24	38	59%	n.m.
	- Investment Banking	-	-	-	16	108	587%	n.m.
	- Non-core former Banca Interprovinciale	69	66	64	64	64	(0)%	(7)%
3	Financial assets Hold To Collect (HTC)	-	-	108	161	215	34%	n.s.
	Financial assets Hold To Collect & Sell (HTCS) ²	280	300	424	416	396	(5)%	41%
	Financial assets measured at FVTPL ³	88	77	82	118	150	27%	72%
	Investments in associates and companies subject to joint control	82	80	78	76	78	3%	(4)%
	Goodwill	36	36	36	71	65	(8)%	80%
	Intangible assets	40	49	52	56	65	15%	65%
	Other assets (Incl. Tangible and tax assets) ⁴	330	382	400	446	455	2%	38%
	Total assets	4,646	4,661	4,922	5,127	5,291	3%	14%
4	Due to banks	546	411	412	539	581	8%	6%
	Due to customers	2,714	2,818	3,065	3,107	3,186	3%	17%
	Bond/Securities	507	500	505	510	515	1%	1%
	Shareholders' Equity	756	773	777	802	813	1%	8%
	Other liabilities	123	159	163	169	196	16%	59%
	Total liabilities	4,646	4,661	4,922	5,127	5,291	3%	14%
5	Common Equity Tier 1 Capital	625	642	646	642	660	3%	6%
6	Risk Weighted Assets	3,111	3,411	3,662	3,974	3,678	(7)%	18%

- 1 **Very comfortable liquidity position at €0.6bn** between cash, net adjusted interbank position and liquidity buffers
- 2 **Net customer loans growing further** mostly underpinned by Cross-over & Acquisition Finance and Investment Banking activity
- 3 **Securities portfolio increase** driven by HTC investments
- 4 Retail funding platform **illimitybank.com** and **wholesale collateralised funding** contributing most to financing sources expansion in quarter
- 5 **CET1 Capital up to €660mln** due to quarterly profit and inclusion of former special shares following conversion into ordinary shares
- 6 **RWA down to €3.7bn** with reduction QoQ driven by entry into force of amendment to art. 127 CRR

Notes: Rounded figures; (1) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's Growth Credit Division segment; it also includes corporate high yield bonds classified as HTC; (2) This item includes ~€20mln of Investment Banking Division Alternative Debt classified HTCS; (3) This item includes equity financial instruments purchased as part of a Turnaround transaction, junior tranches acquired as part of Senior Financing transactions and investments in distressed credits in the energy sector, as part of the Distressed Credit Division's activities; (4) It includes assets arising from the purchasing of tax assets (the so-called "Ecobonus") for ~€92mln.

illimity - Continual profit progression

Data in €mln

Reclassified Profit & Loss	3Q21	1Q22	2Q22	3Q22	Δ Q/Q%	Δ Y/Y%	9M21	9M22	Δ 9M Y/Y%
Interest income	50.6	51.7	54.4	59.1	9%	17%	144.1	165.2	15%
Interest expenses ¹	(16.4)	(15.7)	(16.4)	(17.0)	4%	4%	(45.5)	(49.1)	8%
1 Net interest income	34.2	36.0	38.0	42.0	11%	23%	98.6	116.1	18%
2 Net fees and commissions	10.3	12.8	14.8	14.1	(4)%	38%	23.9	41.8	75%
Net result from trading and Fair Value assets	7.5	2.8	5.9	4.6	(21)%	(38)%	12.4	13.3	7%
Net other income/expenses	7.4	6.3	5.7	5.2	(9)%	(31)%	11.6	17.1	48%
3 Profit from closed purchased distressed credit positions²	7.1	20.6	16.2	8.6	(47)%	21%	44.5	45.3	2%
Gain (loss) from disposal of investments	-	-	-	-	-	-	2.3	-	(100)%
Operating income	66.6	78.5	80.6	74.5	(8)%	12%	193.4	233.6	21%
Staff costs	(15.9)	(20.7)	(22.8)	(20.9)	(8)%	32%	(51.5)	(64.4)	25%
Other operating expenses	(17.1)	(20.8)	(21.9)	(21.4)	(2)%	25%	(52.9)	(64.1)	21%
Depreciation & Amortisation	(2.6)	(3.4)	(3.9)	(4.6)	17%	73%	(7.8)	(11.9)	52%
4 Operating costs	(35.6)	(44.9)	(48.5)	(46.9)	(3)%	32%	(112.2)	(140.4)	25%
Operating profit	31.0	33.5	32.1	27.6	(14)%	(11)%	81.2	93.2	15%
5 Loan loss provision charges	(0.4)	(0.5)	(2.5)	(0.6)	(74)%	55%	(1.3)	(3.7)	192%
6 Value adjustments on purchased distressed credit	(0.1)	(4.6)	(3.2)	7.3	n.m.	n.m.	(0.8)	(0.5)	(31)%
Value adjustments on securities and loans to banks	0.5	(0.5)	(0.2)	(0.2)	2%	(149)%	(0.8)	(1.0)	27%
Other net provisions for risks and charges	-	(0.0)	(0.0)	-	n.m.	-	-	(0.0)	n.m.
Other income from equity investments	(2.0)	(1.8)	(2.0)	(1.8)	(10)%	(9)%	(6.0)	(5.7)	(5)%
Contribution to banking sector schemes	(1.8)	(2.0)	(0.1)	(2.6)	>100%	49%	(3.7)	(4.7)	26%
Profit (loss) before tax	27.2	24.1	24.0	29.6	23%	9%	68.7	77.7	13%
Income tax	(8.5)	(8.4)	(8.2)	(10.4)	27%	24%	(22.5)	(27.1)	20%
Net result	18.8	15.7	15.8	19.1	21%	2%	46.2	50.6	10%

- 1 Net interest income advancing further YoY and QoQ** backed by solid growth to date in interest earning assets
- 2 Net fees and commissions** in 3Q22 affected by **seasonal slowdown** in Quimmo and Capital Markets activity. **4Q22 is off to good start**
- 3 Profit from Distressed Credit closed position** grew on a year earlier. Some sale processes were still in progress at quarter-end thus related incomes were booked as value adjustments
- 4 Operating costs under control despite new investments** owing also to seasonal savings on staff costs
- 5 Loan loss provisions** driven by generic provisions on new business originated in the quarter
- 6 Positive value adjustments reflect increase in collaterals value** – also on back of binding offers on portfolios under sale process – and **return to performing of some UTP portfolios**

Notes: Rounded figures; Arc included starting from 3Q22. (1) Interest expenses restated to exclude costs related to Debt for leasing, now reclassified as administrative costs, and to include commission expenses and stamp duty of European deposit platform (Raisin), previously classified as commission expenses and other operating expenses; (2) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor. See 'Profit from closed purchased distressed credit positions' in the Glossary at the end of this document.

illimity - Core business profitability accelerating further



Data in €mln	DISTRESSED CREDIT DIVISION		GROWTH CREDIT DIVISION (BIP included)		INVESTMENT BANKING		DIRECT BANKING DIVISION		illimity SGR		CORPORATE CENTRE		TOTAL	
	9M21	9M22	9M21	9M22	9M21	9M22	9M21	9M22	9M21	9M22	9M21	9M22	9M21	9M22
Net interest income	81.2	84.6	13.3	25.0	1.0	2.7	3.1	3.8	-	-	-	-	98.6	116.1
Net fees and commission	7.6	13.1	12.7	19.9	3.0	6.7	(0.2)	-	0.8	2.1	-	-	23.9	41.8
Other income	57.3	56.8	5.5	4.6	0.4	1.5	7.2	10.5	-	-	0.5	2.3	70.9	75.7
Operating income	146.1	154.5	31.5	49.5	4.4	10.9	10.1	14.3	0.8	2.1	0.5	2.3	193.4	233.6
Staff costs	(18.7)	(24.1)	(7.4)	(8.6)	(1.5)	(2.6)	(5.7)	(5.7)	(1.6)	(1.7)	(16.7)	(21.7)	(51.6)	(64.4)
Other operating expenses and D&A	(28.1)	(35.2)	(6.7)	(5.3)	(0.9)	(1.3)	(8.5)	(13.2)	(0.3)	(0.4)	(16.2)	(20.5)	(60.5)	(75.9)
Operating costs	(46.8)	(59.3)	(14.1)	(13.9)	(2.3)	(3.9)	(14.2)	(18.9)	(1.9)	(2.1)	(32.8)	(42.2)	(112.2)	(140.4)
Operating profit	99.3	95.2	17.4	35.6	2.1	7.0	(4.1)	(4.6)	(1.1)	-	(32.4)	(39.9)	81.1	93.2
Provisions	(3.2)	(1.6)	0.9	(2.7)	(0.5)	(0.8)	-	(0.1)	-	-	-	-	(2.8)	(5.2)
Other income from equity investments	(0.1)	(0.2)	-	-	-	-	(5.9)	(5.5)	-	-	-	-	(6.0)	(5.7)
Contribution to banking sector schemes	(0.5)	(0.7)	(0.8)	(0.8)	-	-	(0.6)	(1.0)	-	-	(1.9)	(2.2)	(3.7)	(4.7)
Profit (loss) before tax	95.5	92.7	17.5	32.1	1.6	6.2	(10.6)	(11.2)	(1.1)	-	(34.2)	(42.1)	68.6	77.7
Interest earning assets	1,547	1,615	1,326	2,177	30	247	0	41	0	0	1,317	548	4,220	4,627
Other assets	107	190	66	151	0	1	87	95	-	-	166	226	426	664
RWA	1,998	1,869	782	1,265	23	139	34	81	0	3	274	319	3,111	3,678

Combined 9M22 ~€38mln
+101% YoY

Distressed Credit major profit contributor with ~66% of Group's 9M22 revenue (up 6% YoY). Operating profit broadly stable despite investments in new initiatives. Good prospects in 4Q22.

Growth Credit contribution to Group Operating profit continues to increase in 9M22 driven by net interest income, with expected increasing benefit from interest rates rise. Cost income ratio further down from 45% in 9M21 to 28% in 9M22

Investment Banking continues to grow with increasing contribution on group net interest income and trading results

Direct Banking operating costs still reflect investments in b-ilty and Hype operational build-up

Corporate centre set-up substantially completed; target sizing reached by end-2022

Note: Rounded figures. 9M21 restated for a like-for-like comparison with 9M22. Operating costs restated for reclassification of contribution to banking sector schemes to a specific item in the Group's income statement.



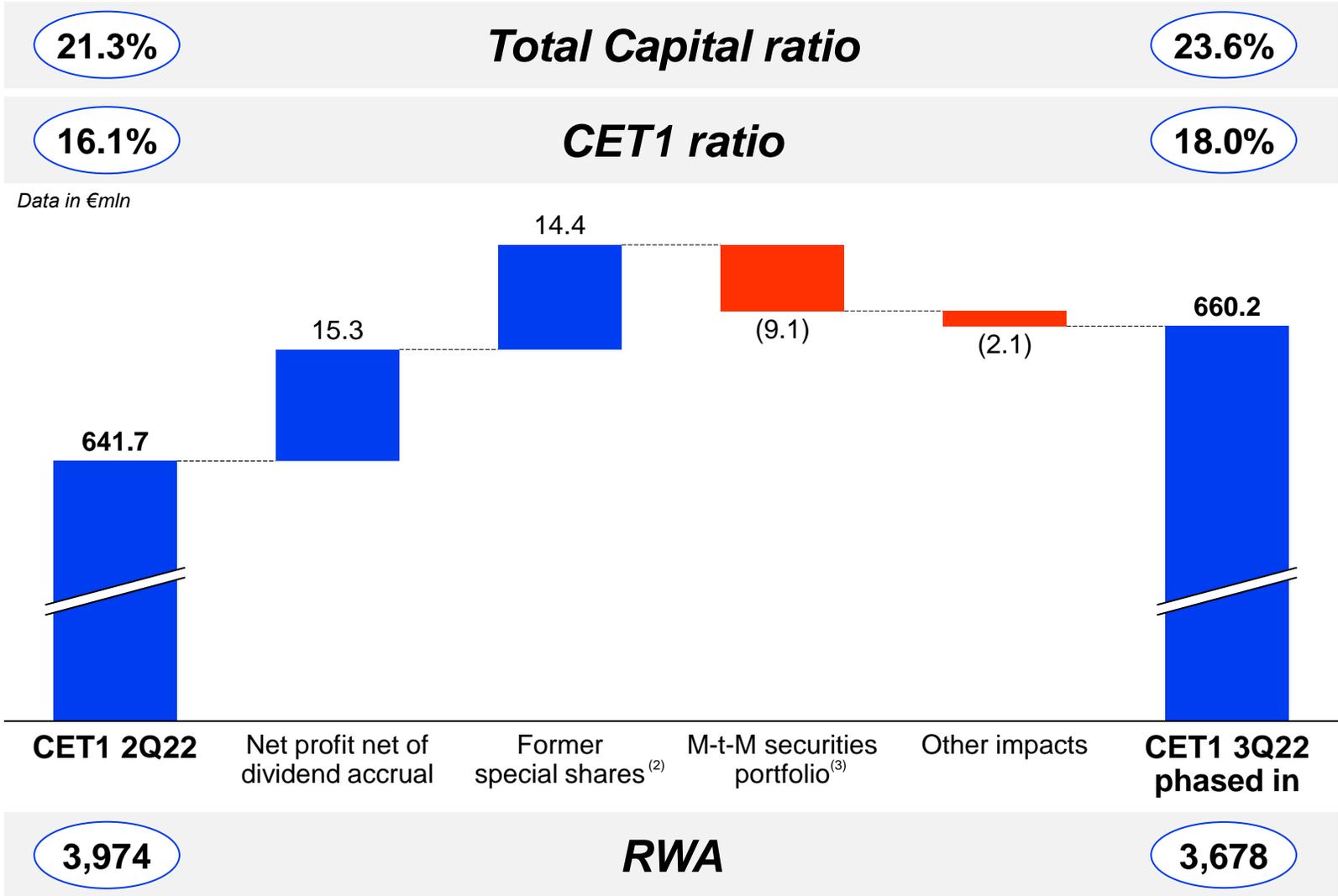
illimity - Solid KPIs

	3Q21	1Q22	2Q22	3Q22	9M21	9M22
Cost income ratio ⁽¹⁾	53%	57%	60%	63%	58%	60%
Organic cost of risk (bps) annualised ⁽²⁾	12bps	13bps	49bps	11bps	12bps	22bps
Gross organic NPE ratio (excluding BIP) ⁽³⁾	0.5%	0.7%	0.9%	0.7%	0.5%	0.7%
Gross organic NPE ratio ⁽⁴⁾	2.5%	2.3%	2.2%	2.0%	2.5%	2.0%
LCR	~310%	~220%	~365%	~307%	~310%	~307%
CET1 Ratio ⁽⁵⁾	20.1%	17.7%	16.1%	18.0%	20.1%	18.0%
Total Capital Ratio ⁽⁵⁾	26.5%	23.2%	21.3%	23.6%	26.5%	23.6%

- **Cost income ratio affected** by investments in new initiatives
- **Organic cost of risk remains low** backed by strong asset quality and relates **to generic provisions** on new business
- **Organic NPE ratio on book originated by illimity down to 0.7%; 2.0%** including former BIP portfolio
- Stable liquidity buffer and **NSFR** comfortably above minimum requirements
- **CET1 Ratio⁽⁵⁾ robust and increasing to 18.0%**

Notes: (1) Cost income ratio restated due to contribution to banking sector schemes reclassified out of Operating costs; (2) Calculated as the ratio between loan loss provisions and net organic loans at 30 September 2022 (€2,215 million) for the segments Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans; (3) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (4) See 'Gross organic NPE ratio' in the Glossary at the end of this document. Any failure to reconcile the stated figures arises exclusively from rounding; (5) Phased-in definition.

illimity - Robust CET1 ratio at 18.0%



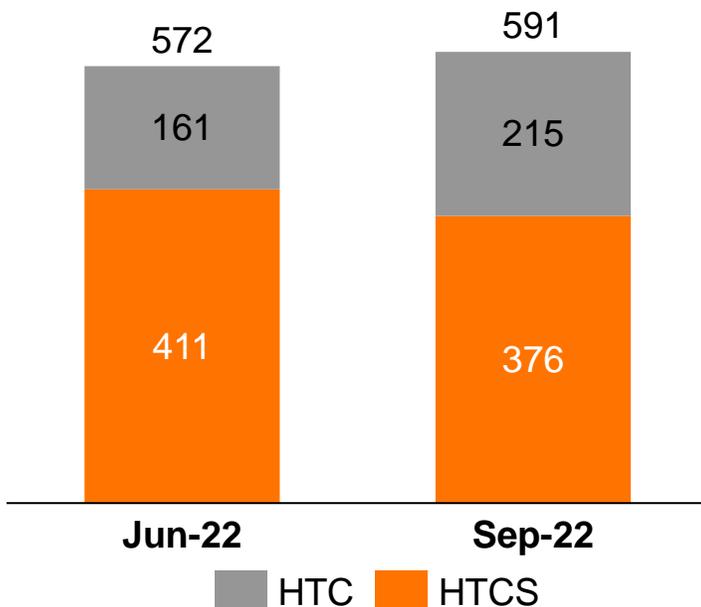
- **CET1 Capital⁽¹⁾ in 3Q22** increase thanks to quarter profit and former special shares conversion into ordinary shares
- **RWA down 7% QoQ** despite business growth due to entry into effect of amendments to art. 127 CRR
- **CET1 ratio phased-in at 18.0%** and 17.5% fully loaded
- **Total Capital ratio phased-in at 23.6%** and fully loaded at 23.1%

Notes: Rounded figures; (1) Phased-in definition; (2) Following conversion into ordinary shares; (3) Including also other minor components.

illimity - 3Q22 securities portfolio strategy focused on addressing market volatility

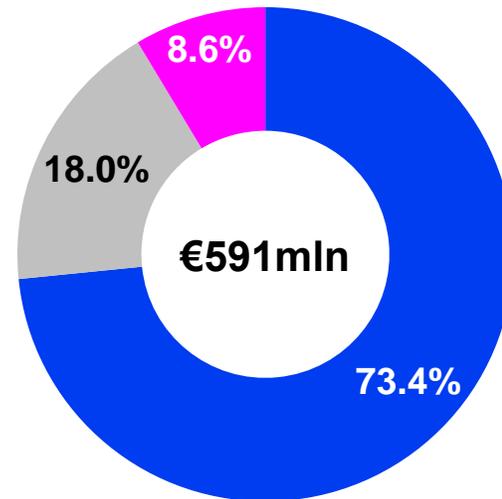
Securities portfolio

Data in €mln



Portfolio composition HTCS / HTC

30 September 2022



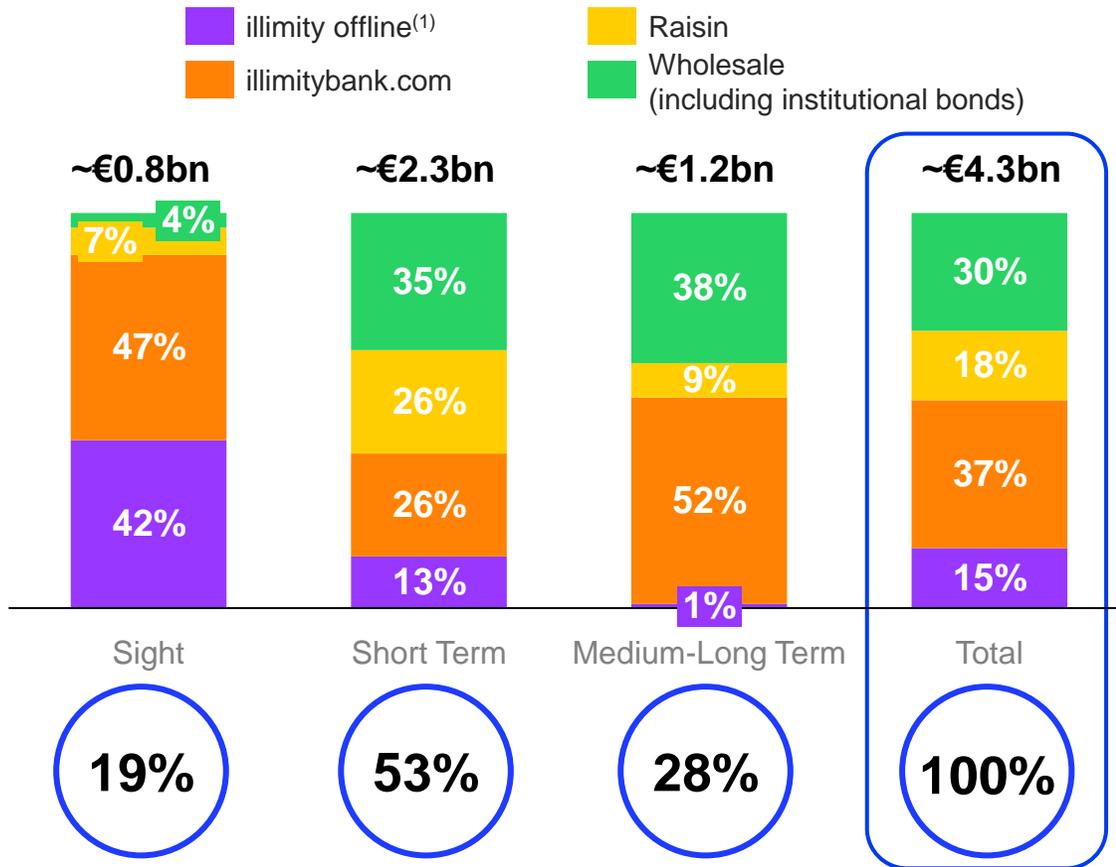
- Government bonds⁽¹⁾
- Senior bonds
- Subordinated bonds

- Investment in quarter centred on HTC, now representing 36% of securities portfolio
- €95mln of corporate bonds part of Investment Banking activity classified as HTCS
- Hedge accounting strategy in place to largely mitigate impact on valuation reserves from further interest rates volatility
- Duration ~3.0 years
- Average yield approx. 2.1%

illimity - Funding cost stable and well diversified funding mix

Maturity mix

Data as of 30 September 2022



Blended average cost of funding broadly stable at ~1.6%



Growth in funding **balanced** across all sources



Term retail funding represents ~45% of total funding



Medium-Long Term funding maturity around **2.6 years**

Growth Credit Division

Enrico Fagioli



illimity - Italian SME specialist

1 Turnaround

- **Unlikely-to-Pay corporate exposures with potential to return to performing status**
 - Refinancing
 - Restructuring and Special Situations
 - New finance
 - UTP portfolios

2 Cross-over & Acquisition Finance

- **Support to SME with industrial potential also through external growth strategies**
 - Cross-over / Structured Finance (also with public guarantees)
 - Acquisition Financing
 - Investment in high-yield corporate bonds in industries where we are specialists

3 Factoring

- **Support to industrial district value chains**
 - Supply Chain Financing
 - With/Without recourse
 - Reverse Factoring

4 Investment Banking

- **Support to SME with tailor-made solutions oriented to development**
 - Equity capital markets, Euronext Growth Advisor, IPO
 - Risk mitigation solutions
 - Debt capital markets and Structuring



Growth
Credit
Division

illimity - **Positive revenue trend and excellent asset quality continue**

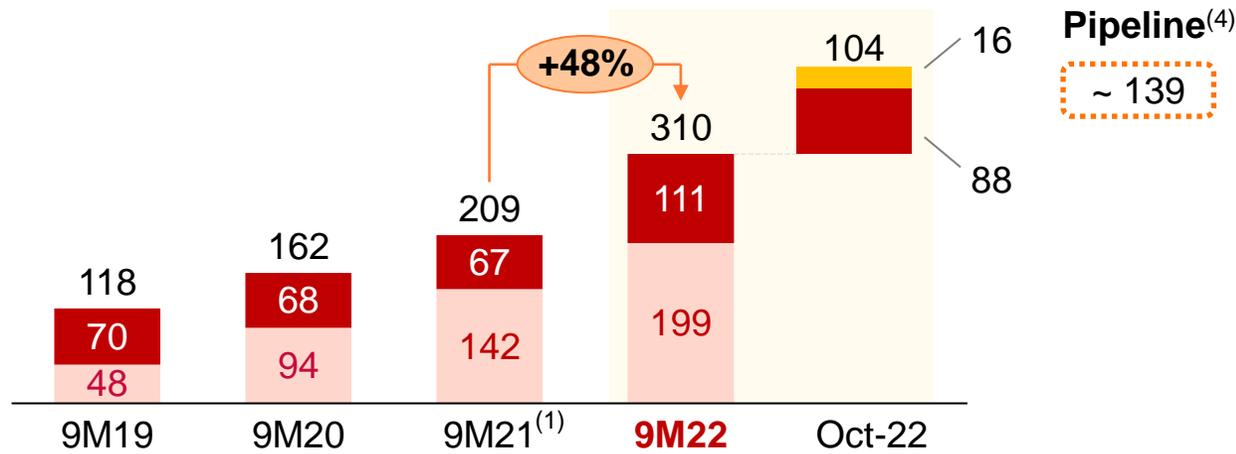
-  **Solid business origination continuing into October**
-  **Strong revenue in 9Q22 (+57% YoY) driving further **operating leverage gains****
-  **Favourable competitive environment**, increasing our share in factoring, growing and still competitive market
-  **Excellent asset quality confirmed** with Gross Organic NPE ratio still very low and increasingly diversified loan book

illimity - Business origination continued in 3Q22 and into October 2022

Originated business

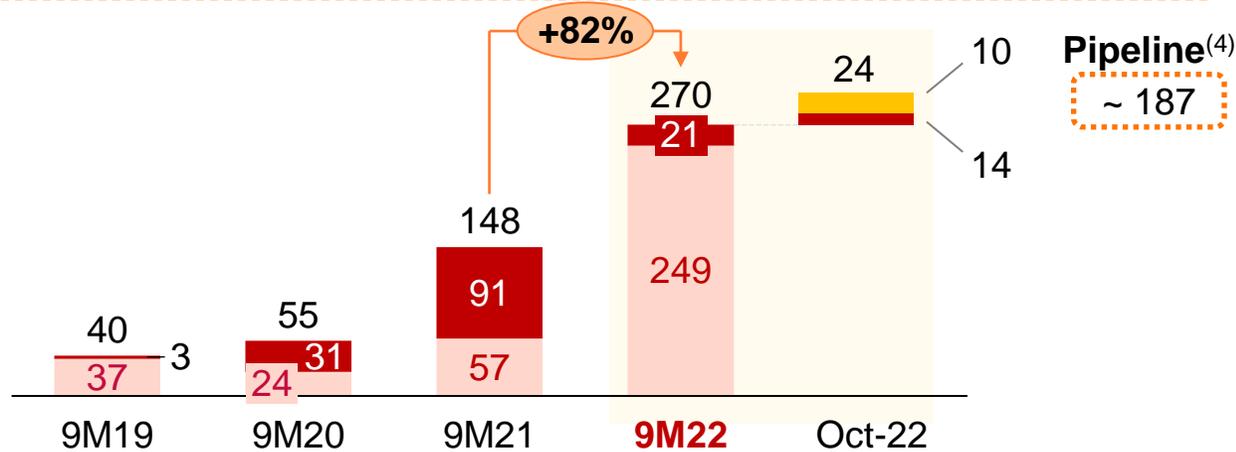
Data in €mln


Cross-over & Acq. Finance⁽³⁾



We are becoming specialists in lending with public guarantees (national and EU) across different schemes


Turnaround



Robust pipeline in Turnaround restructuring and special situation deals

■ Booked in 1H ■ Booked after 1H ■ Signed but not booked⁽²⁾

Notes: Rounded figures; (1) Income-producing loans including for 2021 high-yield corporate bonds classified as Financial assets Hold To Collect & Sell (HTCS), now within Investment Banking Division; (2) Deals signed but not yet booked, due to a time lag between the signing of the master agreement and the date of loan disbursement, in place at the end of the month; (3) Including new investment in the period in corporate high yield bond HTC; (4) It includes both items 'Terms agreed to be signed' and 'Advanced Pipeline'.

illimity - Factoring continues delivering on targets

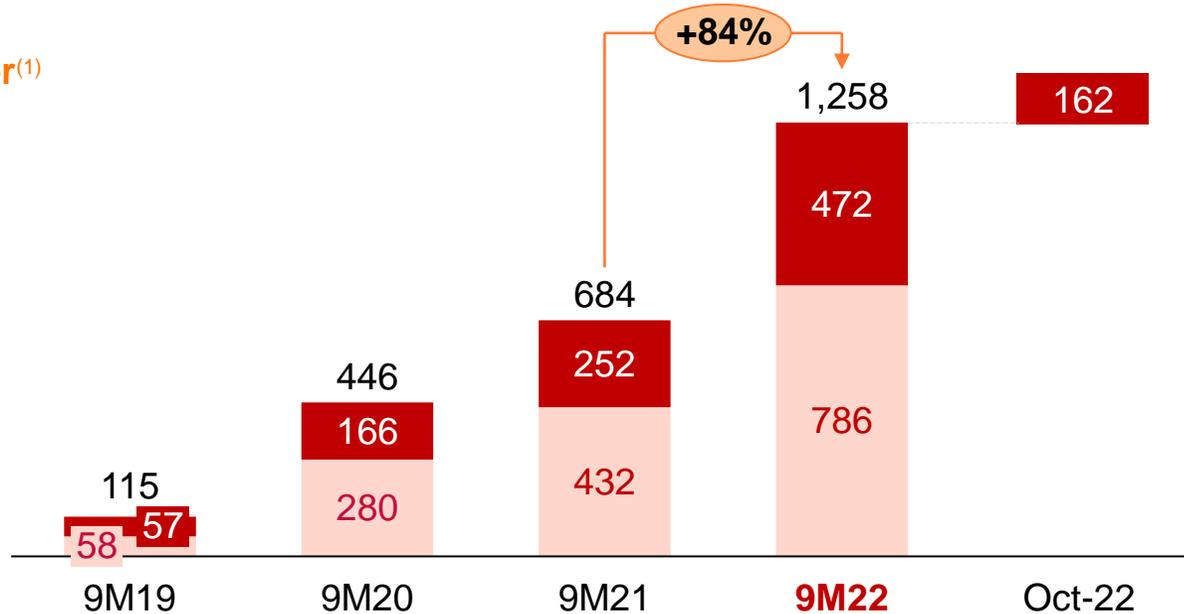
Originated business

Data in €mln

Net Customer loans



Turnover⁽¹⁾



■ Booked in 1H ■ Booked after 1H



Net Customer loans up 80%



9M22 Factoring turnover up 84% YoY, compared to ~17% growth of market⁽²⁾

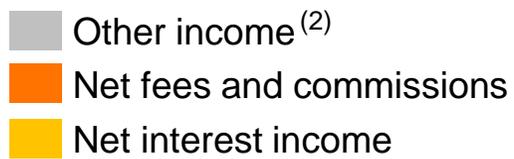
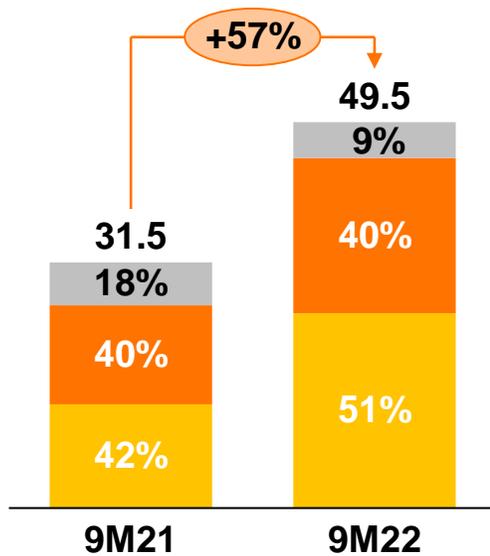


Number of clients⁽³⁾ at 3Q22 increasing further to over 210 and approx 1,000 debtors

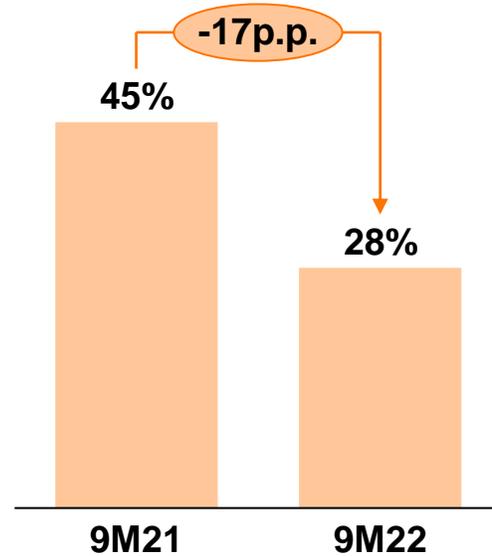
illimity - Strong revenue growth drives profitability

Revenue breakdown⁽¹⁾

Data in €mln



Cost income ratio⁽¹⁾



Strong revenue growth continues driven by both net interest income and net commissions



Net interest income benefits from volume expansion; rates hike impact from 4Q22



Operating efficiency continues to improve with Cost Income ratio almost halved YoY

illimity - Solid asset quality and portfolio diversification confirmed

Solid asset quality



Gross Organic NPE ratio⁽¹⁾ **0.9%**

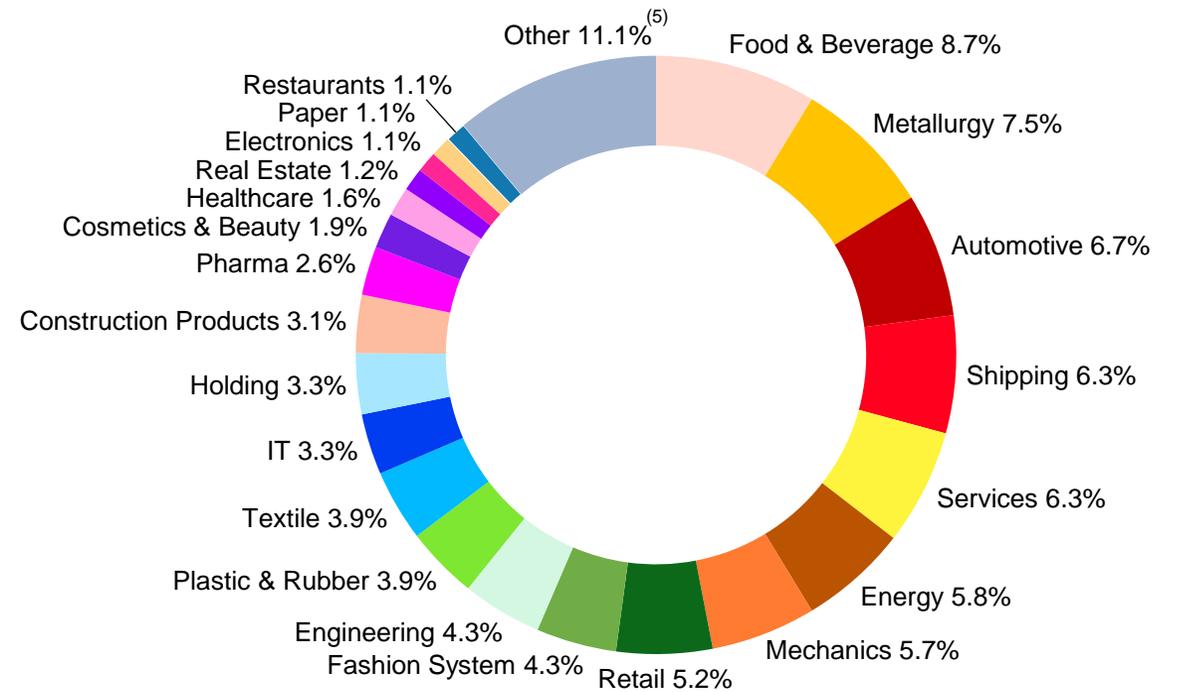


Guaranteed/Insured loans **~54%**
as % of total Growth Credit loans ⁽²⁾



Stage 2 Loans **~3%**
as % of total Growth Credit loans ⁽²⁾⁽³⁾

Diversified portfolio⁽⁴⁾



Note: (1) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (2) Including BIP legacy portfolio; (3) Considering only stage 2 loans arising from credit deterioration.; (4) Non accounting figures. Including also financial instruments accounted for as FVTPL; (5) Including more than 15 sectors with an exposure equal to or lower than 1%.

Illimity - Investment Banking diversification supports growth despite market conditions

Capital Markets



- Muted quarter given seasonality and market conditions
- Focus on advisory mandates that will produce further revenue in next quarters

Corporate Solutions



- ~€220mln notional derivatives to clients since inception
- Alternative Debt up to ~€128mln⁽¹⁾ from ~€20mln as of 30.06.22

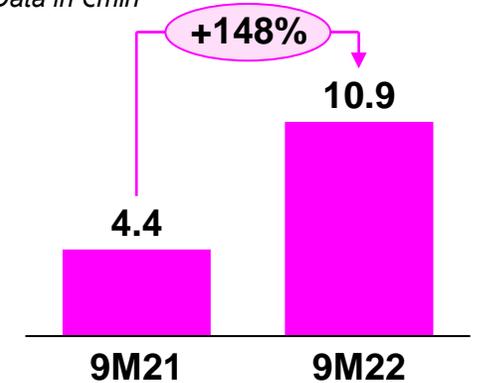
Structuring



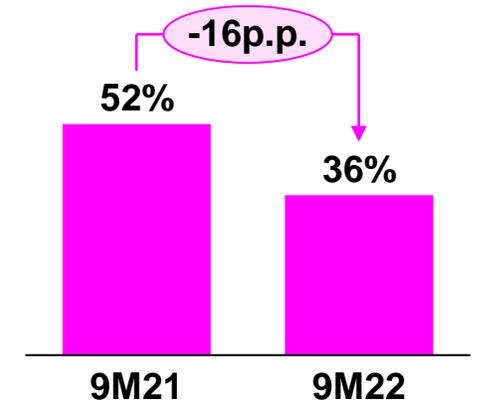
- 3 mandates as Arranger closed in 3Q22; first two sustainable energy bonds structured within “Basket Bond – Energia Sostenibile” programme
- Further additional mandates in place

Revenue growth

Data in €mln



Cost Income



LAUNCHED



Credit & Corporate Turnaround Fund

- UTP contributed by originating banks
- AuM⁽¹⁾ of around €165mln as of 3Q22
- Fourth closing in October for additional €30mln contribution



Real Estate Credit Fund

- Secured NPE contributed by originating banks
-  neprix role in real estate servicing
- First closing in 3Q22
- AuM⁽¹⁾ of almost €90mln

TO BE LAUNCHED



NPL Granular Fund

- Granular NPL small medium tickets



Private Capital Fund

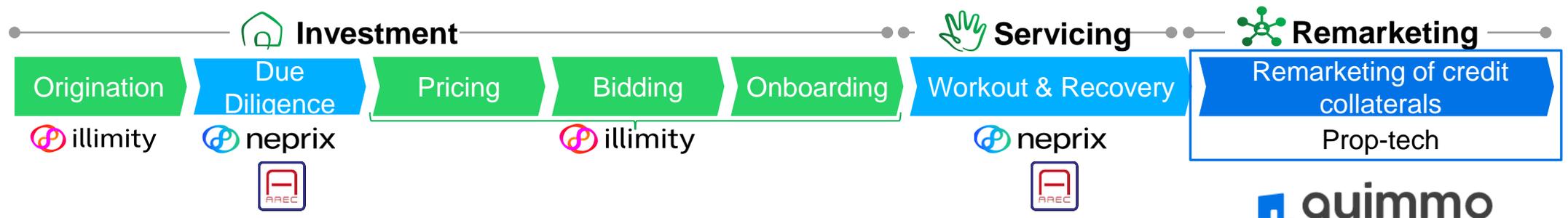
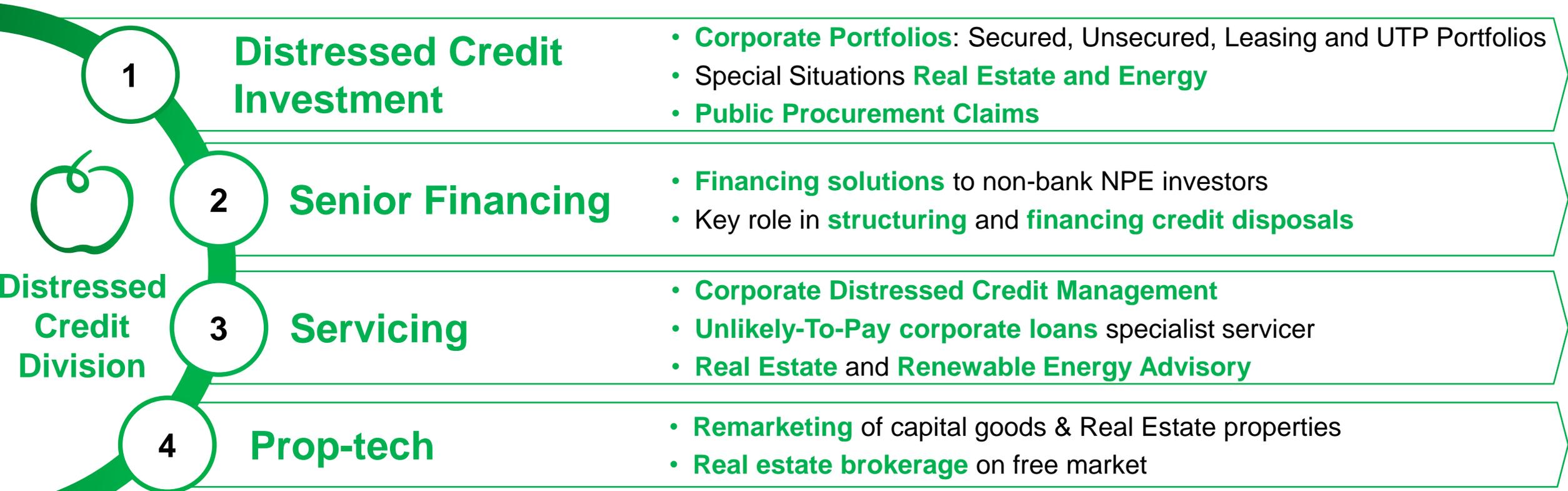
- Performing corporate financial instruments (including sub-debt and private equity)

Distressed Credit Division

Andrea Clamer



illimity - Leading player in Corporate Distressed Credit



illimity - **Very positive overall trend continues**



Solid business origination into October. Robust pipeline with focus on higher return opportunities



Strong economic performance continued in 3Q22 benefitting from our selective investment approach and end-to-end value chain



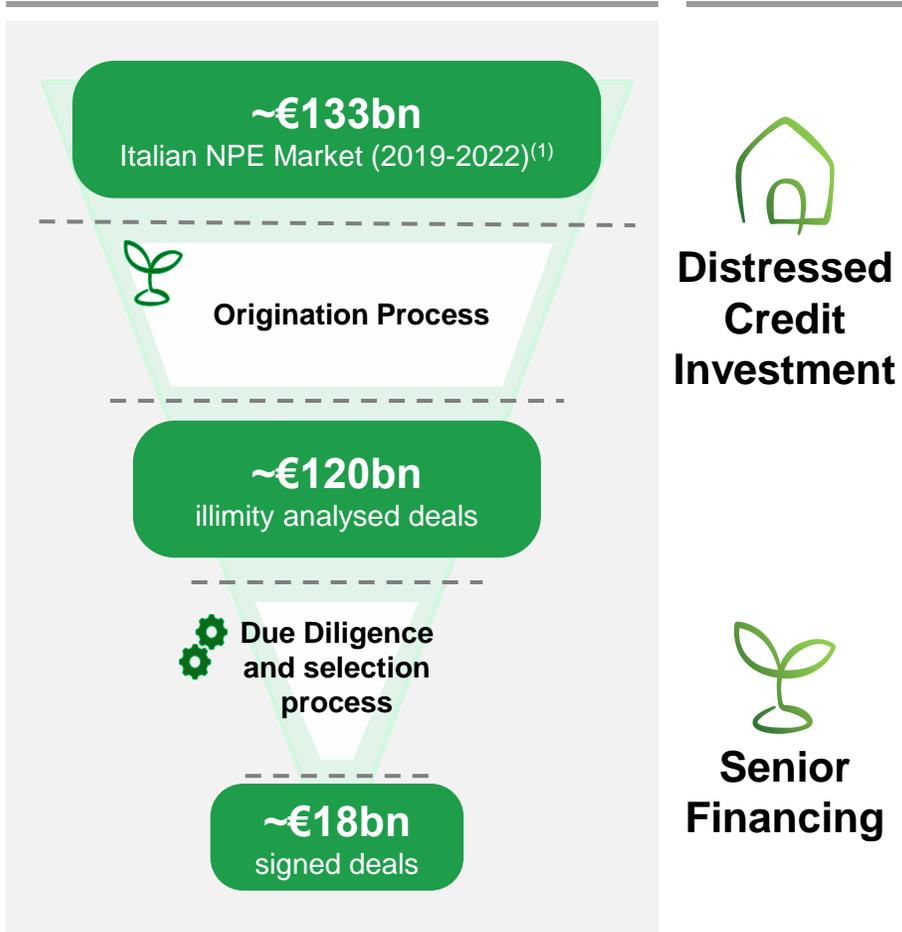
Solid portfolio quality yields steady profits and credit revaluations



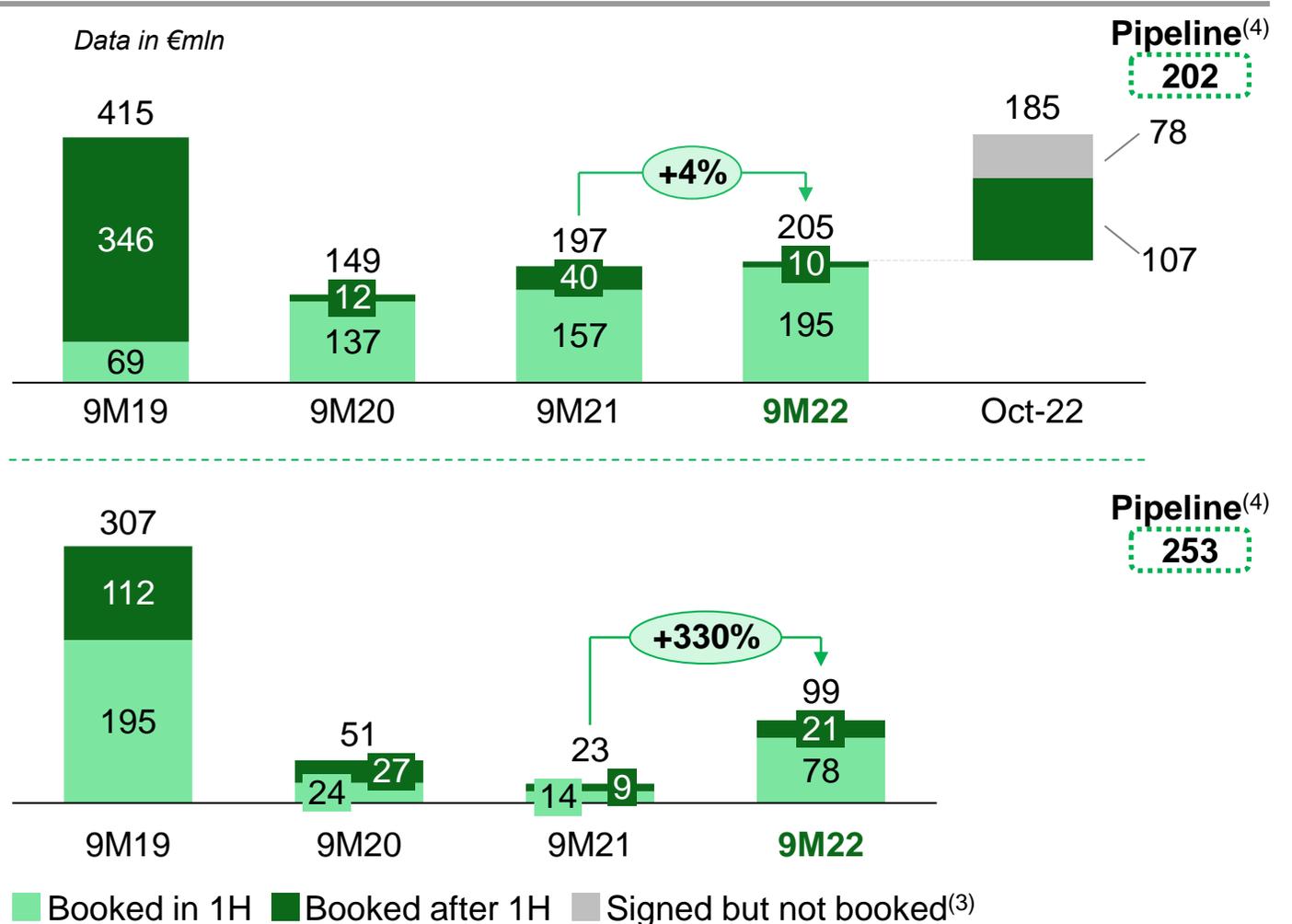
neprix-Arec integration underway leading to unique servicing business model

illimity - Disciplined business origination approach

Selective approach



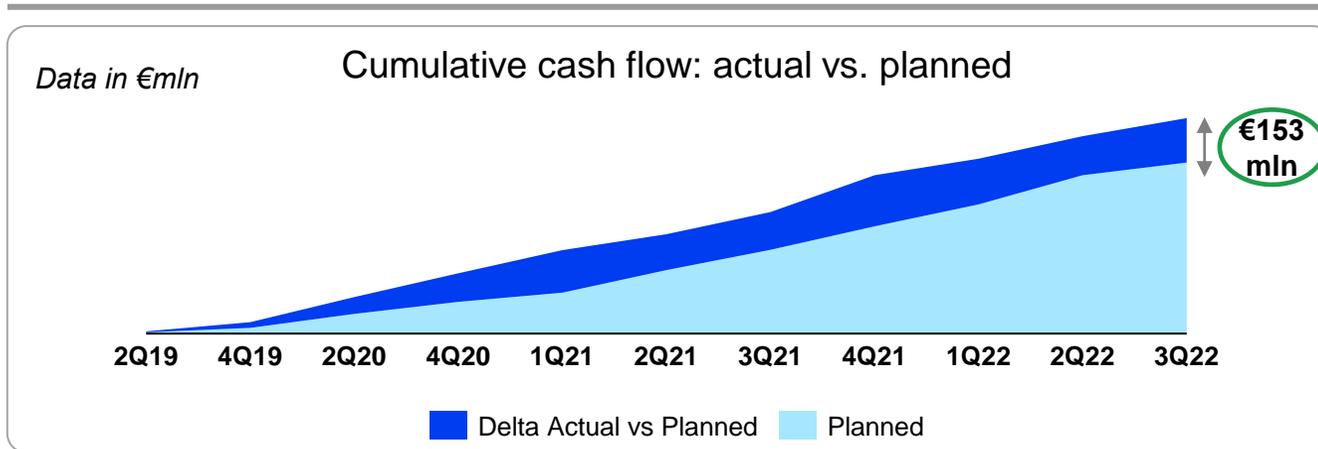
Originated business⁽²⁾



Notes: Rounded figures; (1) Source: PwC, "The Italian NPE market"; (2) Distressed Credit Investments booked, and Senior Financing loans granted in the period; (3) Deals signed but not yet booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/purchase, in place at the end of the month; (4) It includes both item 'Terms agreed to be signed' and 'Advanced Pipeline'.

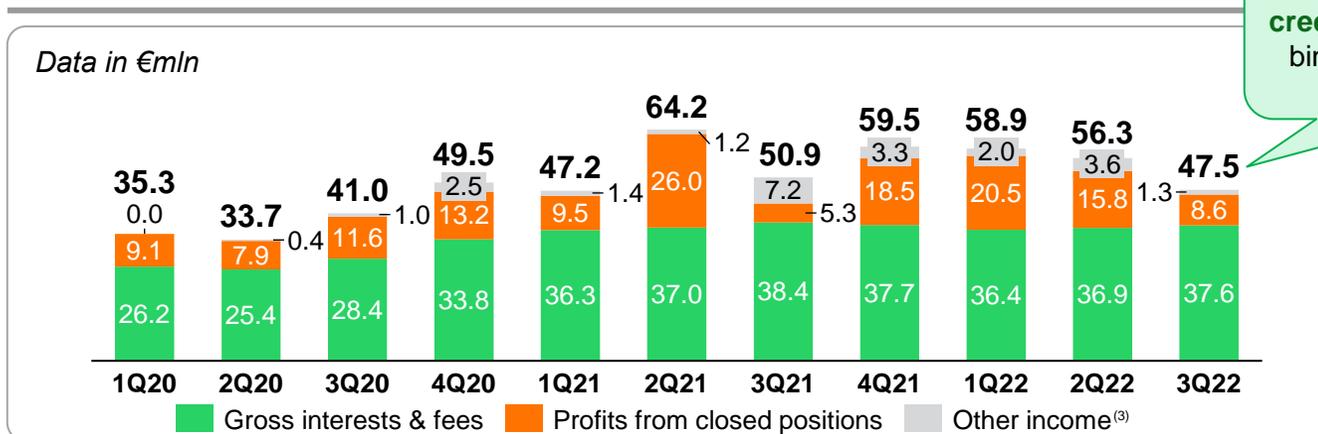
illimity - Sustained overperformance

Cash flow view (1)



➤ **+€153mIn cumulated cash flow in excess** of initial plan since inception

Economic view (2)



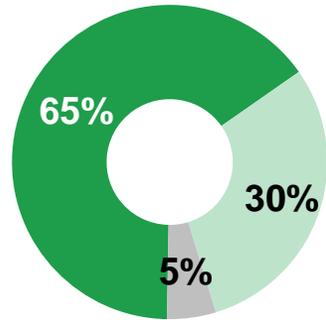
~€51mIn including ~€4mIn of credit revaluation backed by binding offers or advanced disposal processes

➤ **Dynamic portfolio management** support results backed by solid Real Estate values

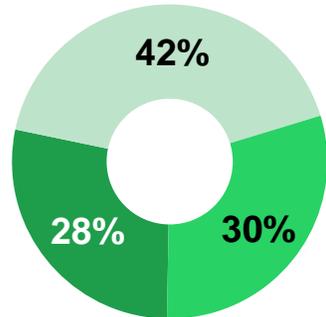
illimity - Proactive workout strategy backed by solid Real Estate values

Data as of 30 September 2022

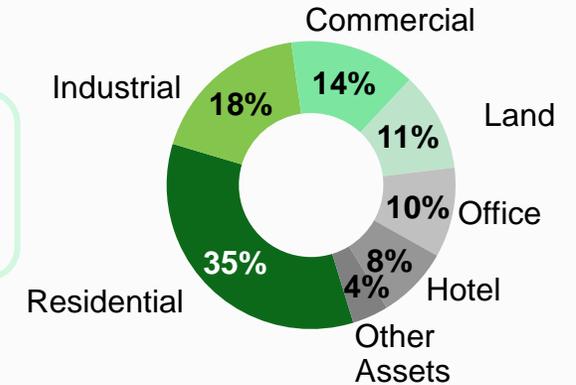
Workout strategy in pricing model
(Cash flow breakdown)



Actual workout strategy
(Cash flow breakdown)



Type of collateral (OMV breakdown)



OMV ~€1.3bn

JV ~€0.8bn

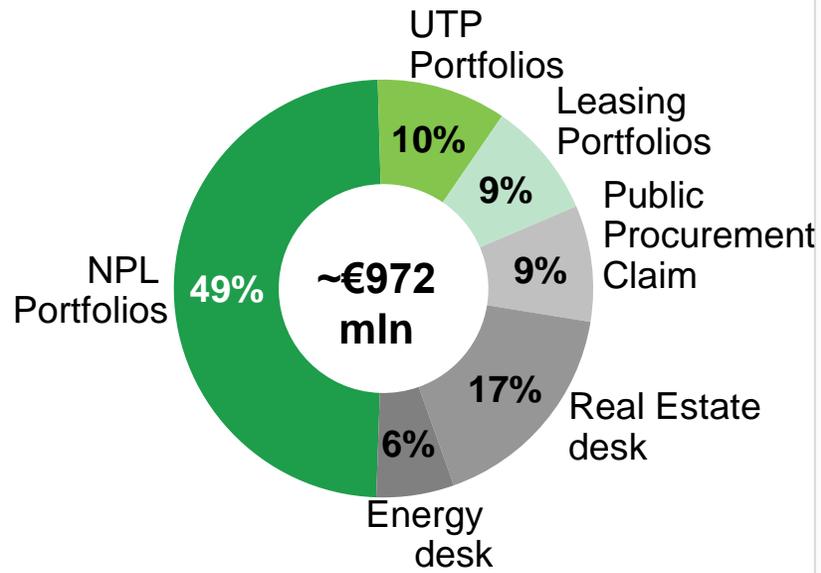
NBV ~€0.6bn

OMV
2.1X NBV

illimity - Diversified credit portfolio

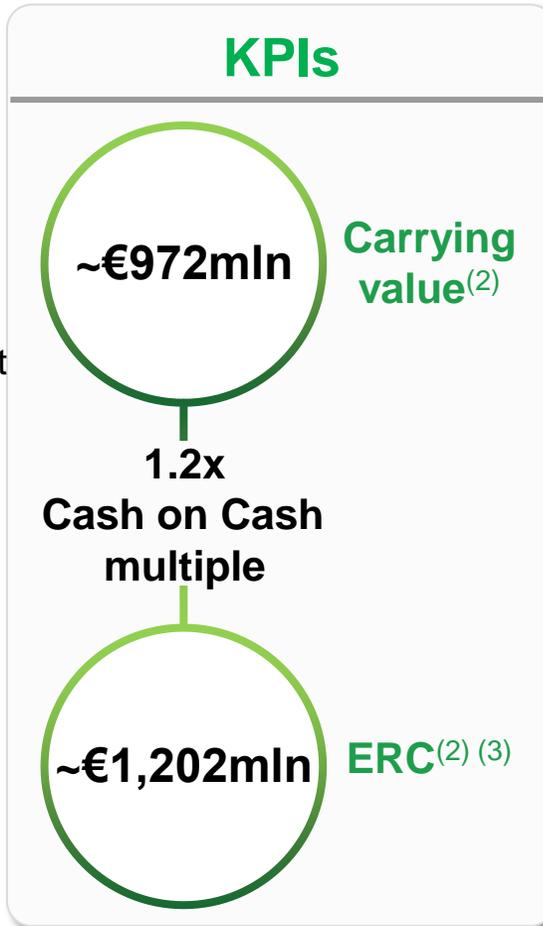
Data as of 30 September 2022⁽¹⁾

NBV breakdown by asset class

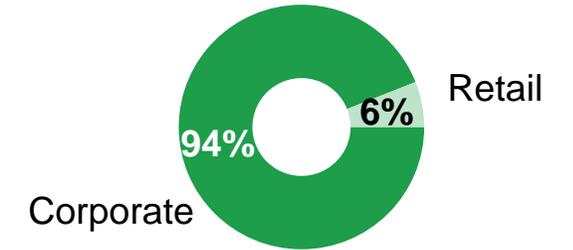


~€310k Average ticket size (GBV)

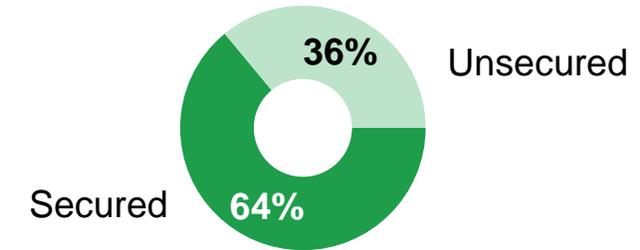
KPIs



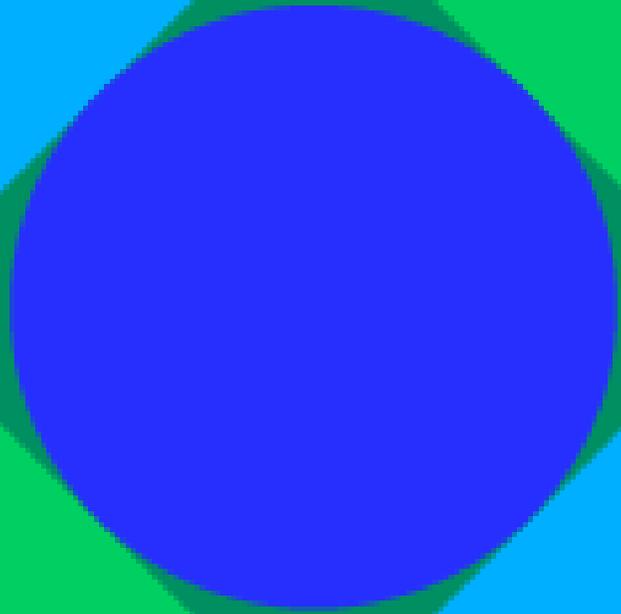
Type of borrower (GBV breakdown)



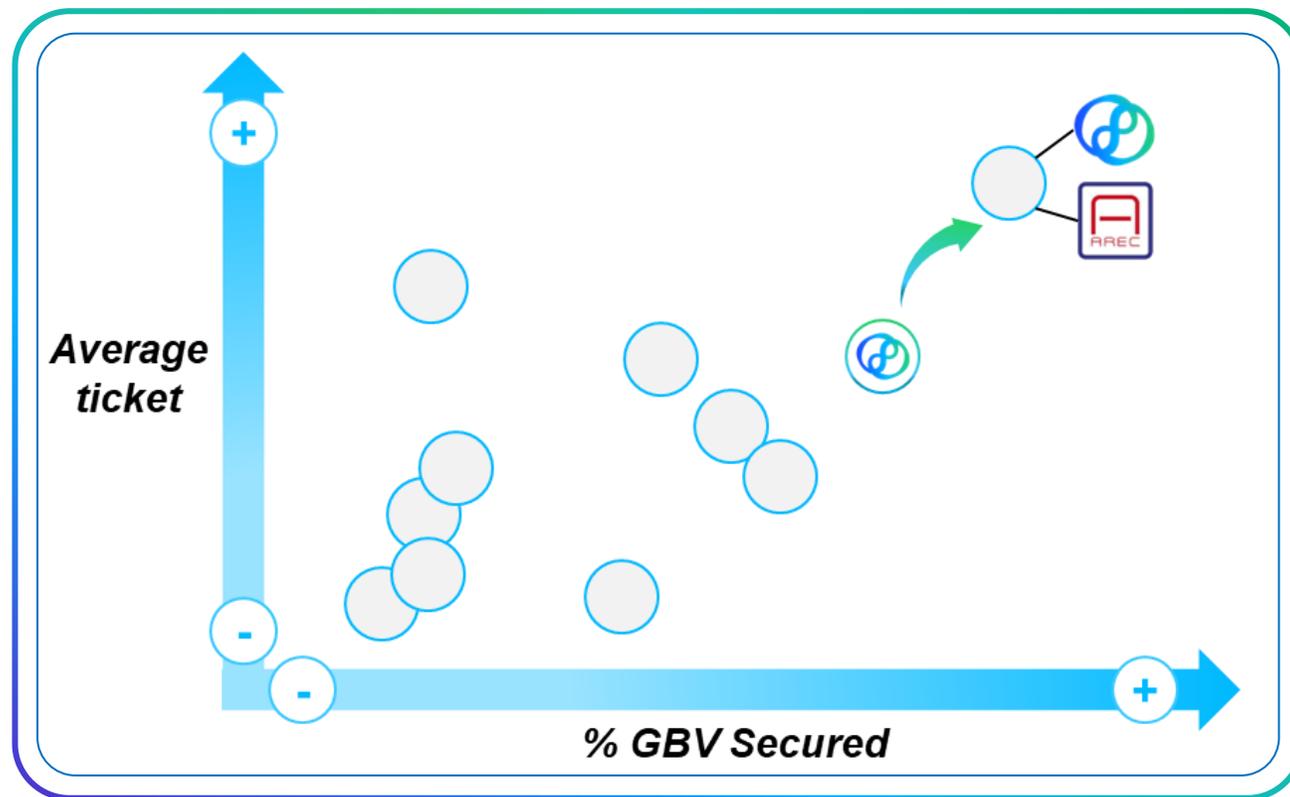
Secured/Unsecured (NBV breakdown)



Notes: Rounded figures; (1) Data does not include repossessed assets (through ReoCo and *datio in solutum*); (2) This includes distressed credits purchased by the Energy desk, which for accounting purposes are recognised at Fair Value (item 120 c) and distressed credit classified as 'Financial assets measured at fair value through other comprehensive income' (item 30); (3) Estimated Remaining Collections on booked investments. See 'ERC' in the Glossary at the end of this document.



neprix - Unique business model yields higher value



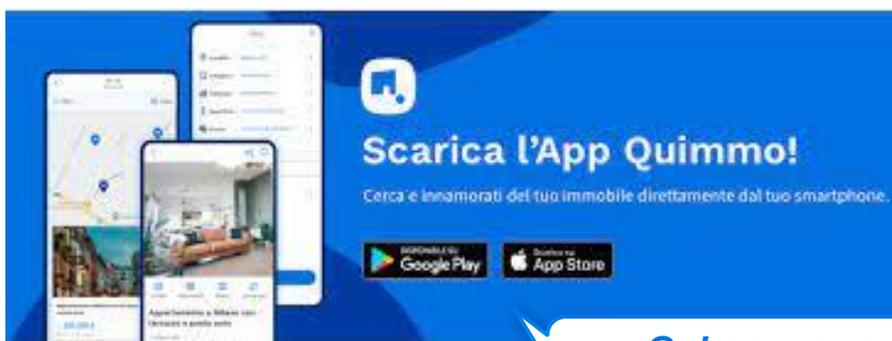
- Tailored-made scalable approach
- Real Estate assets valorisation strategy
- Back to Bonis vocation



From credit servicing to asset solutions with ~€10bn AuM and €2.8bn⁽¹⁾ of Real Estate assets managed

 quimmo
il tuo immobile è qui

quimmo - Recognised player in open market



*Quimmo app
released June-2022*



Marketing campaign successfully closed targeting sellers to secure new mandates



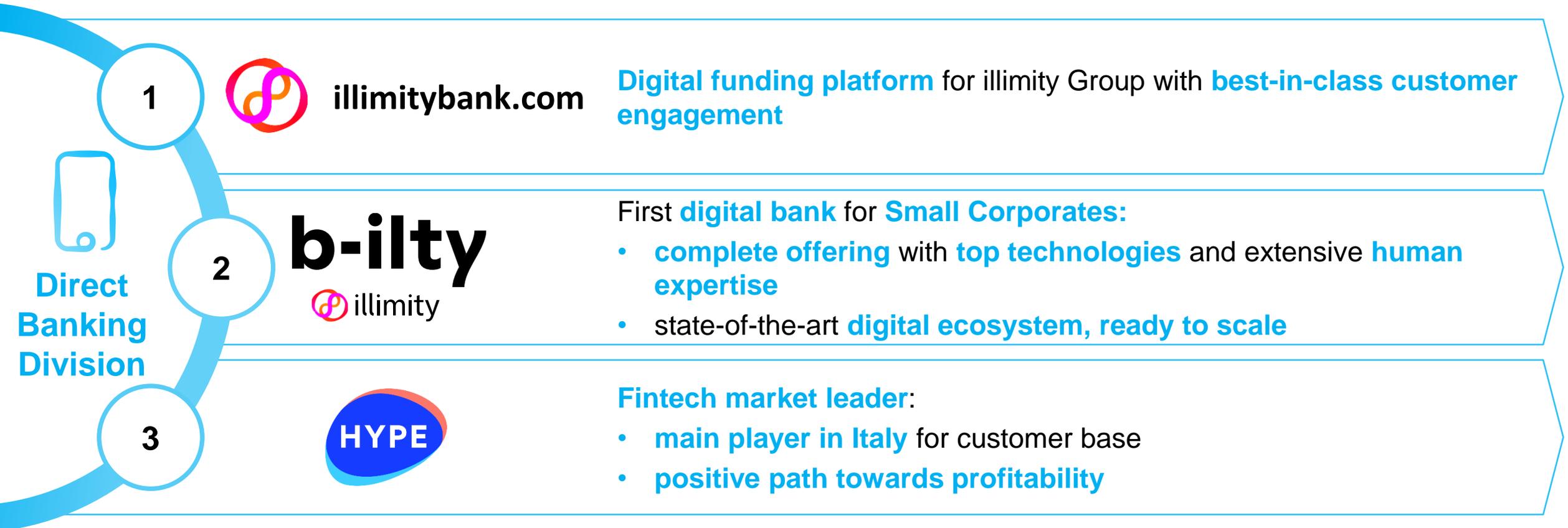
~€2.2bn of assets under management⁽¹⁾, almost 90% from non-captive business

Direct Banking Division

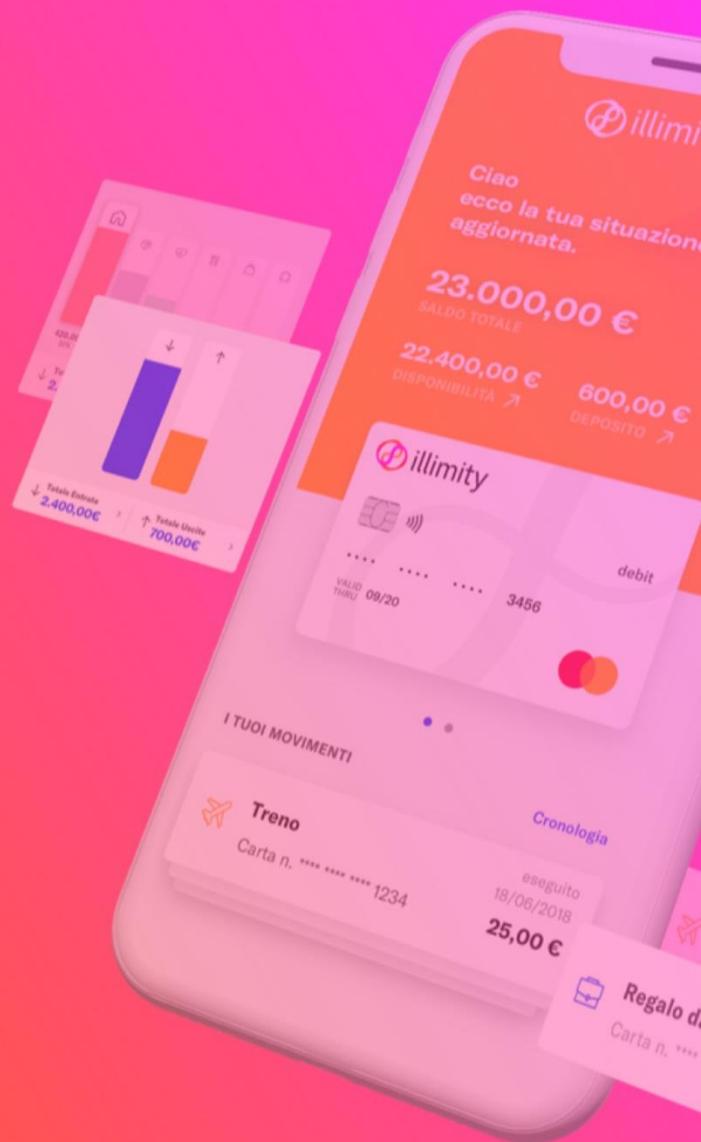
Carlo Panella



illimity - **Direct banking: our 360° value proposition**



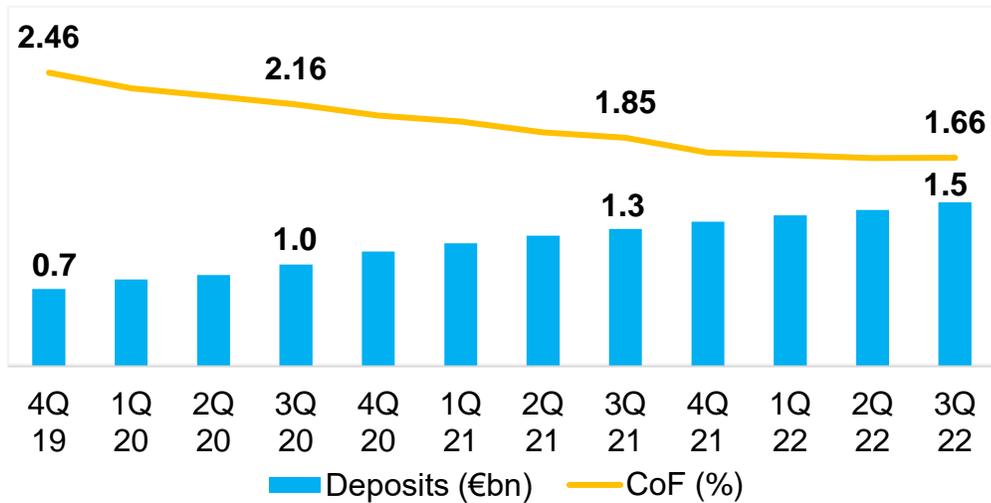
illimitybank.com



illimity - illimitybank.com: fulfilling funding needs of Group

End of Quarter results

✓ FUNDING QUALITY



+€1.5bn

Funding on
illimitybank.com
at 30/9/22

-19bps

Decreasing
Cost of Funding
30/9/22 vs
30/9/21

✓ ENGAGEMENT

~62k

Total
Customers
as of 30-Sep

90%

Active
Customers
as of 30-Sep

41%

Loyal
Customers
as of 30-Sep

✓ APPRECIATION

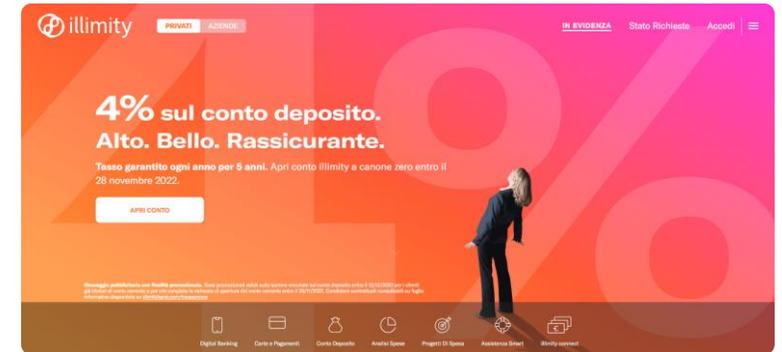
47

NPS
avg
3Q22

32%

Awareness
Avg
3Q22

4Q funding campaign preview



€131mln

New
deposits

2.7%

Average
cost of funding

49months

Average term
duration

65%

Share of fixed-
term deposits

Data as of 31 October 2022



presents

b-ilty

the first digital business store for Small Corporates

b-ilty - Ready to go to market after beta phase completion



Growing market **interest** across all business lines – banking products, Mid-Term Lending and Factoring – as demonstrated by **robust pipeline ahead**



First **€50m** were **disbursed** by end of October 2022, marking **completion of initial beta phase**



Excellent asset quality thanks to targeted training of credit engine, performed during beta phase



Completion of offering, further innovating complete value proposition

b-ilty - Working to build robust volumes and solid pipeline for upcoming months



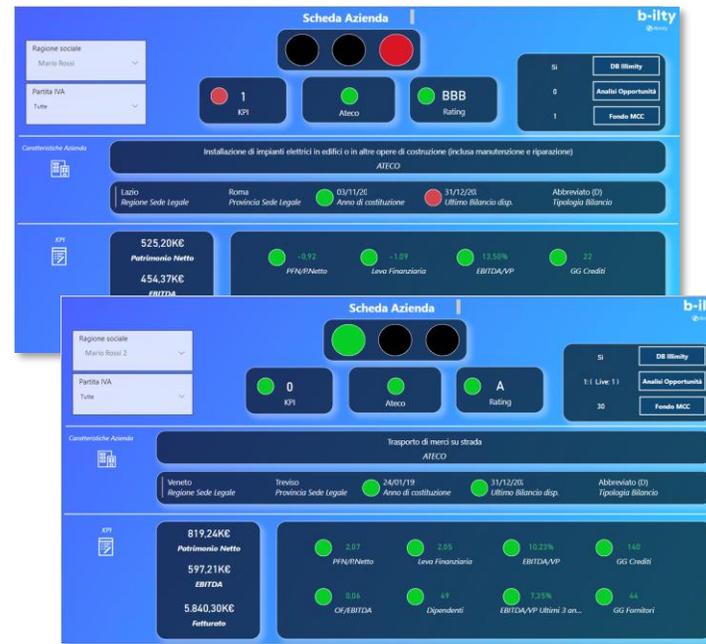
Financing requests

Data in €mln as of 31 October 2022

Beta Phase Achievements

- Credit engine trained on **€310+** mln requests since inception
- **~€250** mln requests declined
- **€11** mln with **terms agreed** and **to be signed shortly**
- **€9** mln under evaluation in **advanced status**
- **Other opportunities** for additional **€50+** mln

Robust and automated Evaluation tools



Highlights

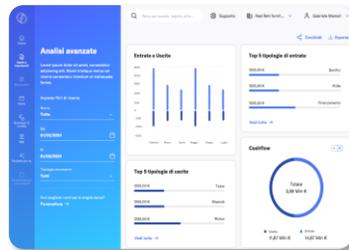
- ✓ **Highly selective credit approach** to safeguard asset quality
- ✓ **€52 mln** disbursed beta-phase to date⁽¹⁾
- ✓ **Accelerating: robust pipeline** ahead

Creating state-of-art Direct Bank for Small Corporates

Complete value proposition



Power Dashboard



New Partnerships



POS NEXI



ESG PRODUCT

Green Loan

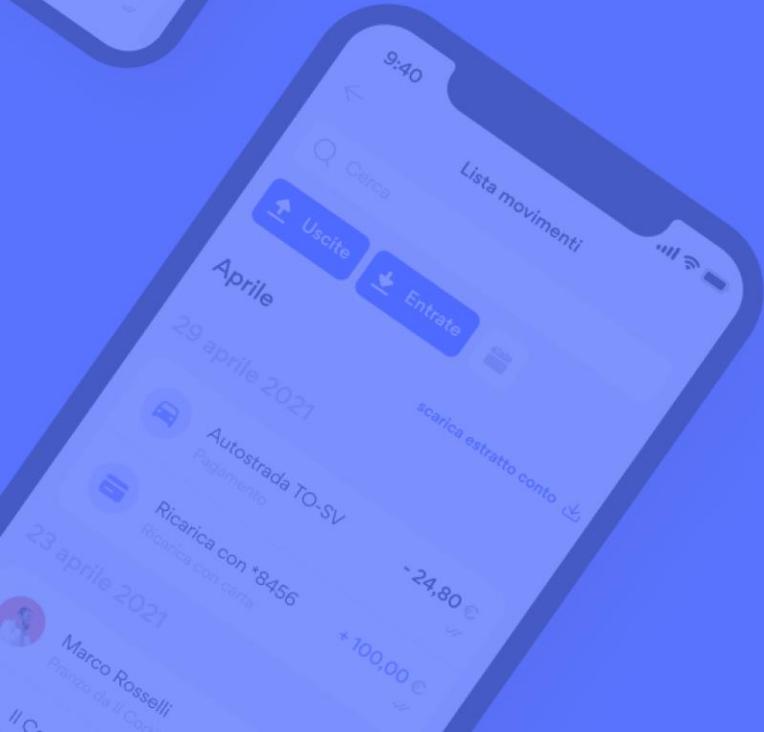
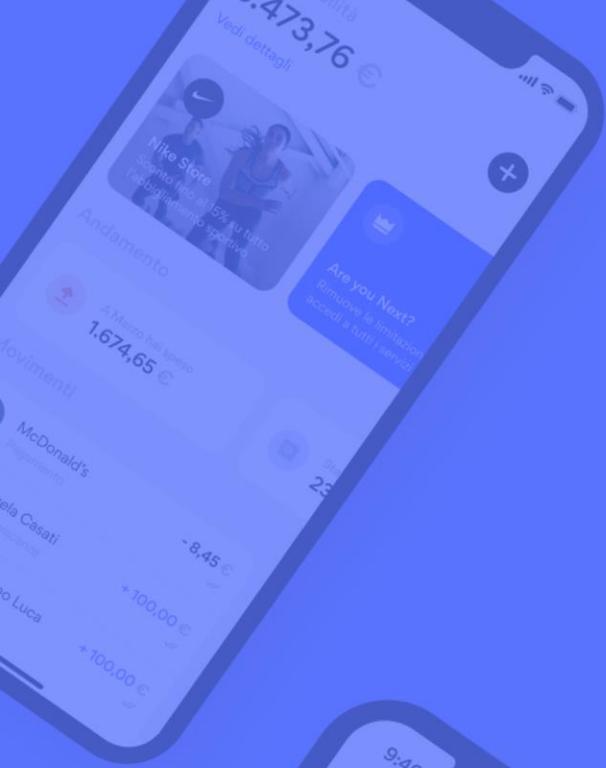
Available by end of November



Innovating further



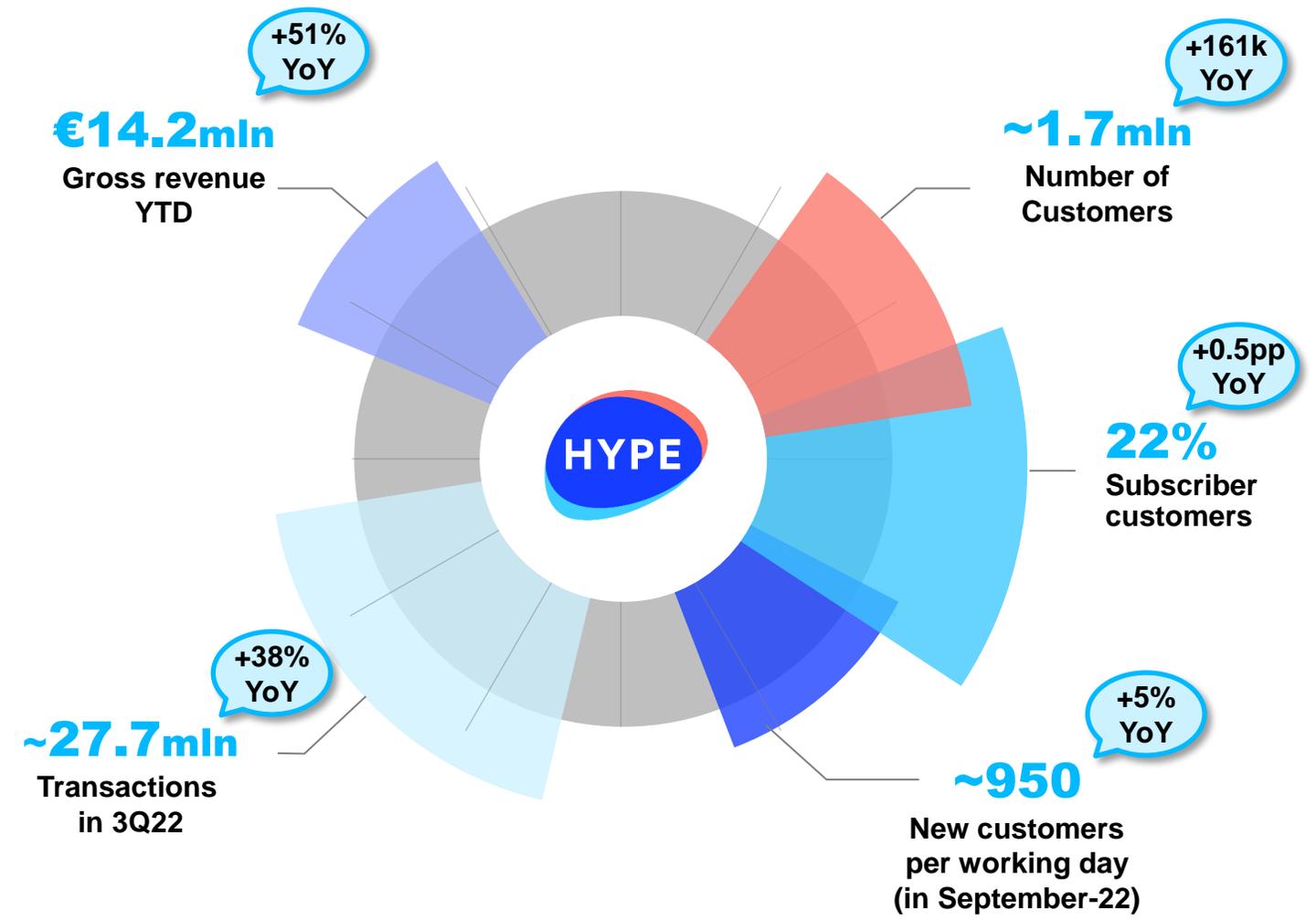
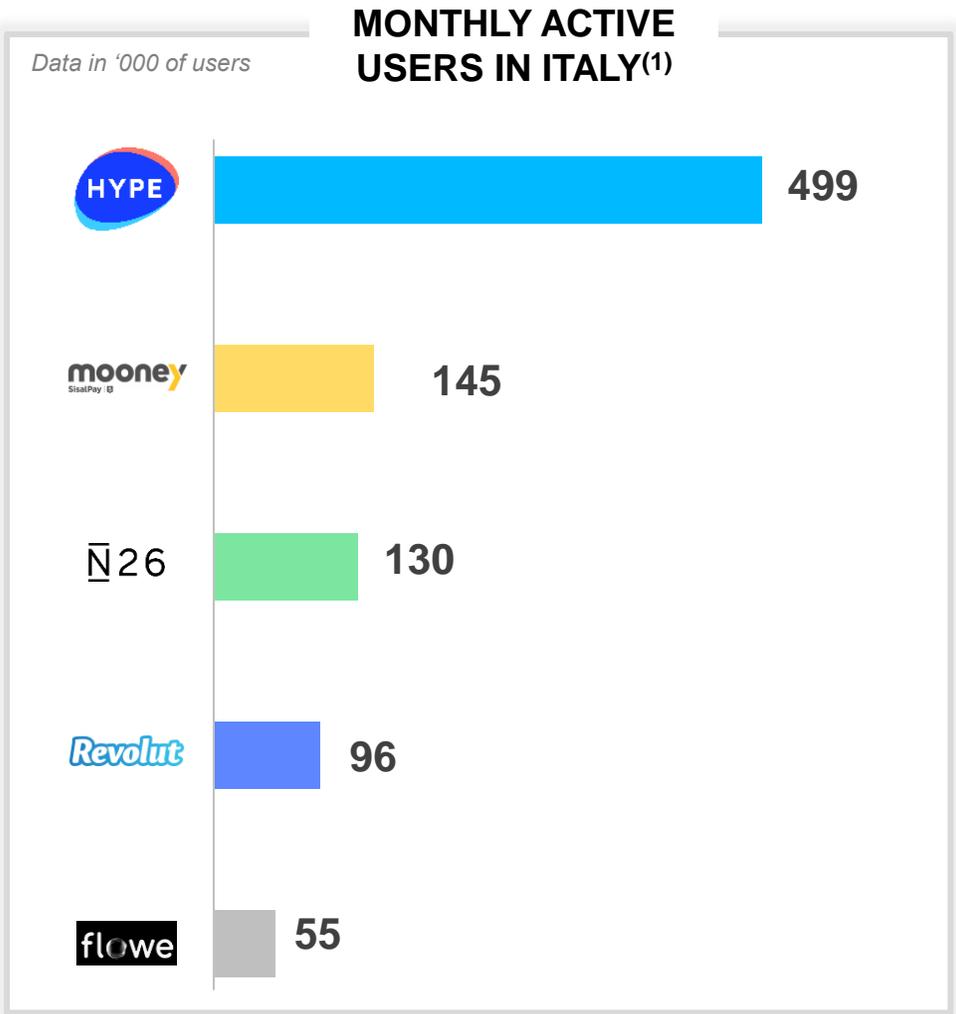
Fintech Market Leader





- Recognised Market Leader

Data as of 30 September 2022

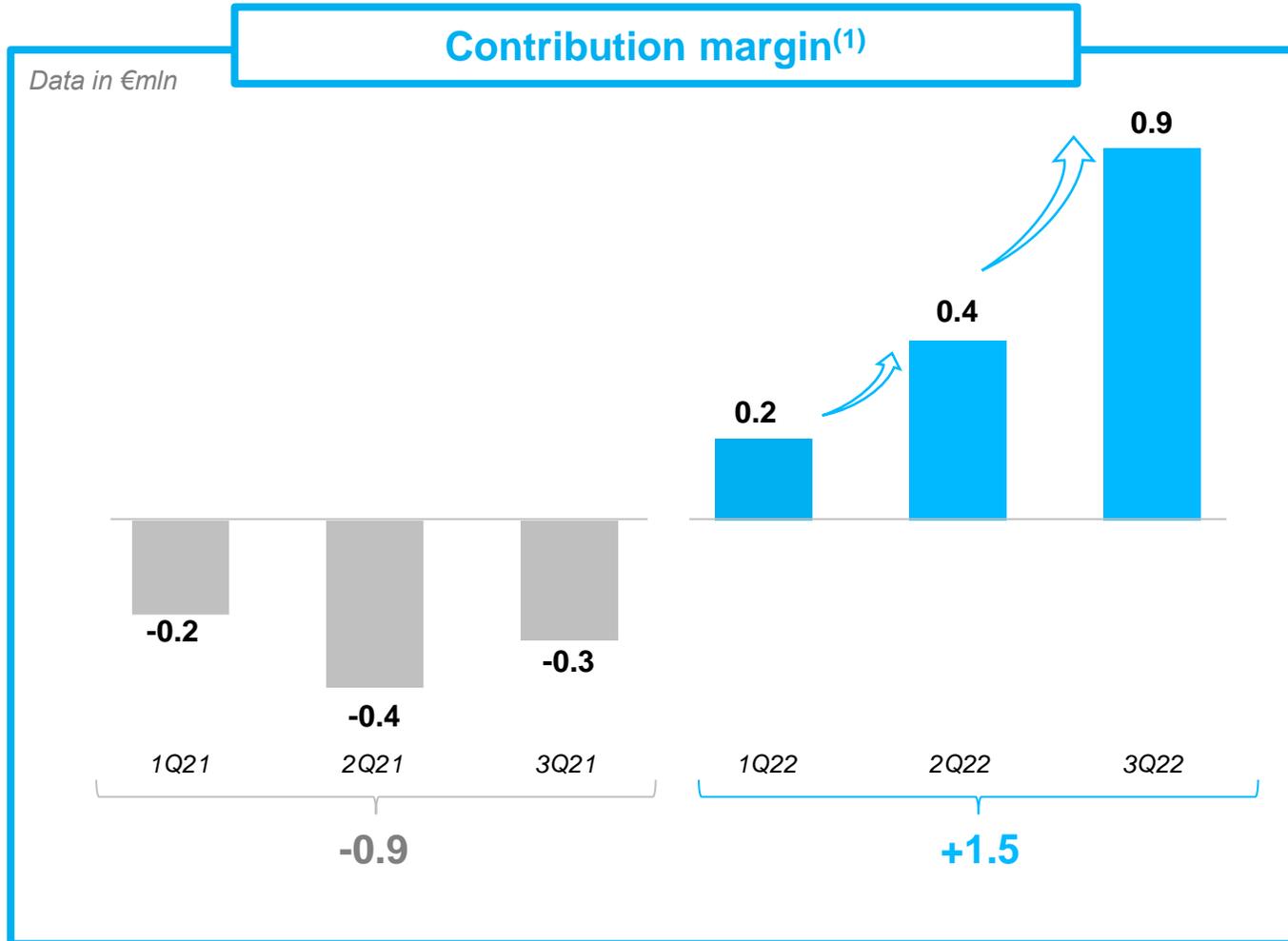


Note: (1) Data provided by SimilarWeb and based on android users – MAUs defined as users having used the app at least one time during the month



- Accelerating growth-path

Data as of 30 September 2022



Outstanding increase of Contribution Margin, as shown by September figures, more than doubled compared to previous quarter

Note: (1) Non accounting figures. Calculated as Gross Revenue net of Direct Costs (Transaction Costs, Account Management Costs, Customer Relationship Costs) and non-recurring Revenue.

Concluding remarks

Corrado Passera, CEO



illimity - Glossary

- **Advanced pipeline:** Specific business opportunities for which the Bank envisages there is a reasonable expectation to close the transactions in the forthcoming months
- **Servicing & Remarketing GBV:** it equals to the Asset Under Management of the servicing unit - including Arec - and Quimmo initiative. It includes the gross book value of distressed credit and the value of property managed by neprix also on behalf of third-parties - including a portion of portfolios related to Senior Financing transactions - and the real estate and capital goods assets managed within the remarketing activity
- **ERC:** Estimated Remaining Collections. It is the Bank's estimated remaining gross cash flows on purchased distressed loans
- **Gross organic NPE ratio:** Ratio of gross organic NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans
- **Originated business:** This aggregate includes Growth Credit Division loans granted/purchased (for factoring only the difference of carrying amount of the period with the historical peak, if positive), Distressed Credit Investments booked, Senior Financing loans granted in the period and the value of the deals signed but yet booked in the period, 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.
- **Profit from closed purchased distressed credit positions:** Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff ("DPO") agreed with the debtor
- **Terms agreed to be signed:** Deals in final stage of the formalisation of the agreement/contractual terms



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Email: silvia.benzi@illimity.com

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