THE GROWTH IN SME LOANS AND ILLIMITY'S PROFITS CONTINUES IN THE THIRD QUARTER OF 2021

OPERATING PROFIT OF 77.5 MILLION EURO FOR 9M21 (+176% OVER 9M20)

NET PROFIT OF 46.2 MILLION EURO FOR 9M21 (+90% OVER 9M20)

NET PROFIT OF 18.8 MILLION EURO IN THE THIRD QUARTER OF 2021 (+26% COMPARED TO 2Q21 AND +98% COMPARED TO 3Q20)

SOLID AND WELL-DIVERSIFIED REVENUES, COSTS UNDER CONTROL ALSO INCLUDING INVESTMENTS IN NEW INITIATIVES EXCELLENT QUALITY OF EXISTING BUSINESS

ROE CLIMBS TO 9% IN THE NINE MONTHS 2021

SHORT AND MEDIUM-LONG TERM TARGETS CONFIRMED

RESOLVED TO CONVENE THE SHAREHOLDER'S MEETING TO BE HELD ON DECEMBER 15, 2021 FOR INTEGRATION OF THE BOARD, REMUNERATION POLICY AND NEW LONG-TERM INCENTIVE PLAN

- ***Growth Credit Division:*** *the driver behind the rise in the Group's volumes in the quarter, with net customer loans up by 16% over the previous quarter (+70% y/y) to 1.17 billion euro and further revenue diversification, with a positive contribution coming from the initiatives launched at the beginning of the year (capital markets, Ecobonus[1])*
- ***Distressed Credit Division:*** *confirms itself as the force behind the Group's profitability, thanks also to the dynamic management of its existing portfolio, generating revenues in the first nine months of 2021 exceeding those earned in the whole of 2020. The Division's Cost income ratio remained at excellent levels at 32%*
- ***Direct Banking Division:*** *direct retail customer funding rising to ca. 1.3 billion euro and significant advances on the new initiative front. HYPE released its new offer in September and asserted the market leadership with around 1.5 million customers. B-ILTY – the first fully digital direct bank designed for small corporates – confirmed the launch by the first quarter of 2022*
- ***Liquidity*** *of 1.1 billion euro and a* ***robust capital base*** *with a CET1 Ratio of 20.1% (20.6% pro-forma[2]) and a Total Capital Ratio of 26.5%*
- *The* ***capital increase reserved to the ION Group*** *completed in the third quarter and the* ***licence agreement for illimity's IT architecture*** *gets under way.*

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[1] Purchase of tax credits deriving from energy efficiency interventions, reduction of seismic risk and recovery of the building heritage provided for by the Relaunch Decree (so-called 110% Superbonus and other building bonuses).

[2] Including special shares for 14.4 million euro

Milan, 11 November 2021 – Chaired by Rosalba Casiraghi, the Board of Directors of illimity Bank S.p.A. ("**illimity**" or "**Bank**") yesterday approved the illimity Group's results at 30 September 2021.

illimity again reports **solid financial and operating performance** in the third quarter of 2021: **net profit of 18.8 million euro** (14.9 million euro in the second quarter of 2021, +26% q/q, and 9.5 million euro in the third quarter of 2020, +98% y/y), taking the **net result for the first nine months of the year to 46.2 million euro**, up by 90% over the corresponding period in 2020. **ROE**[3] **closed at over 9% for the first nine months of 2021** on an annualised basis.

All the **new strategic initiatives are running to schedule** and **the trajectory towards the short and medium-long term targets** set in the 2021-25 Strategic Plan presented on 22 June is therefore confirmed.

Specifically:

- **Revenues** in the third quarter **rose by 49% over the third quarter of 2020**, driven by the Group's recurring activities and the development of its new initiatives. The strong performance accompanied the **gradual balancing of the revenue mix**, with the component of income other than net interest income representing around 50% of the total in the first nine months of 2021.
- Standing out among revenues is the rise in **fees and commissions**, which in the third quarter **rose by 18% q/q** to reach **10.3 million euro** – three times the corresponding figure for the previous year – driven by the robust generation of new business volumes in the Growth Credit segment, including Factoring, the solid results of neprix and the rising contribution of the new initiatives.
- Revenues for the period include the **first income of 5 million euro** arising from the **licence agreement entered into with the ION Group** for the use of the information systems developed by illimity (part of the 90 million euro planned to be received over five years).
- The **Distressed Credit Division's performance** in managing purchased loans proved once again to be **excellent** in this quarter, with an extremely good progression in gross cash flows, generating ca. 5.3 million euro of profit from closed positions and other income of ca. 7.2 million euro; overall, the Division produced revenues of 146.1 million euro in the first nine months of 2021.
- Despite the fact that the Bank continued to invest in new initiatives which have yet to produce revenues, **operating costs** in the third quarter **fell by around 9%** over the previous quarter due to seasonal savings on certain staff cost items. This trend, together with the robust performance of revenues, led to a further **improvement in the Cost income ratio**, which reached **56% in the quarter** and **60% in the first nine months of 2021**, a clear-cut improvement over the same period of the previous year (76% in 9M20).
- As a result of the above dynamics, illimity's **operating profit** rose to **77.5 million euro in the first nine months of 2021**, **nearly three times the figure of 28.0 million euro reported for the same period in 2020**.
- The Bank's **risk profile** strengthened further, remaining at the top levels of the system: the **CET1 Ratio rose to 20.1%** at the end of September 2021 (20.6% pro-forma with the inclusion of the special shares) due to the completion of the capital increase reserved to the ION Group

[3] ROE – Return On Equity: calculated as the ratio between annualised net profit for the period and average equity for the nine months (1/1-30/9/2021).

and the profit of the quarter just ended; the **ratio between gross doubtful organic loans and total gross organic loans fell to 2.5%; excluding the loan portfolio of the former Banca Interprovinciale,** this ratio stands at **around 0.5%. Liquidity** continued to be abundant at over **1.1 billion euro** at the end of September 2021, consistent with the expectation of an acceleration in opportunities in the distressed credit market in the final part of the year.

- Lastly, the Bank continued developing the **new initiatives outlined in the Strategic Plan** in line with the timetable. In September, **HYPE** launched new services and products on the market, enhancing its offer, with the aim of giving a further thrust to the already robust growth performance of the company, which can currently count on 1.5 million customers, confirming its leadership position among the fintechs that operate in Italy. The development of **B-ILTY**, the new highly digital direct bank designed for small corporates, ready for launching in the first quarter of 2022, is running to schedule. And in conclusion, the operating activities continued for enabling neprix Sales – the remarketing entity already a leader among platforms for the sale of real estate and capital goods arising from legal procedures – to enter the real estate free market by way of an innovative and digital offer model.

Corrado Passera, **CEO** and **Founder** of **illimity**, commented: "*The world served by illimity, that of the small corporates, offers significant opportunities. A growing number of corporates present ambitious projects to enhance their potential and many are on solid paths towards a turnaround. The increase in distressed corporate credit will also accelerate once the banking moratorium ends, and the role of banks such as illimity specialising in this market segment will prove itself fundamental.*

The decisions and technology investments we have made in these years will enable us to provide a service model that has shown itself to be competitive in terms of both expertise and efficiency. B-ILTY, the direct bank for small corporates, which will be launched on the market in the first part of the year 2022, will complete the construction of the illimity model and be completely unique, and not only at an Italian level.

The results of the first nine months of 2021 and in particular the third quarter confirm that the path that illimity has taken, has only just begun to bear its fruits for our customers and our shareholders."

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Key balance sheet figures

Figures in millions of euros

Reclassified Balance sheet	30.09 2020	31.12 2020	31.03 2021	30.06 2021	30.09 2021	Δ 30.09.2021 QoQ %	Δ 30.09.2021 YoY %
Cash and cash equivalent	543	945	733	508	745	47%	37%
Due from banks and other financial institutions	645	641	676	615	571	(7)%	(11)%
Customer loans	**1,831**	**2,205**	**2,234**	**2,330**	**2,473**	**6%**	**35%**
- Distressed Credit[1] investments	*733*	*972*	*973*	*943*	*939*	*(0)%*	*28%*
- Distressed Credit[1] senior financing	*331*	*336*	*316*	*311*	*300*	*(4)%*	*(9)%*
- Growth Credit[2]	*685*	*817*	*869*	*1,006*	*1,165*	*16%*	*70%*
- Cross-over & Acq. Finance[3]	*389*	*416*	*452*	*517*	*566*	*9%*	*45%*
- Turnaround	*173*	*243*	*260*	*303*	*389*	*28%*	*125%*
- Factoring	*123*	*158*	*157*	*186*	*211*	*13%*	*72%*
- Non-core former Banca Interprovinciale	*83*	*80*	*76*	*70*	*69*	*(2)%*	*(17)%*
Financial assets Held To Collect & Sell (HTCS)[4]	137	91	310	315	280	(11)%	105%
Financial assets measured at FVTPL[5]	17	19	50	*139*	*88*	(37)%	411%
Investments in associates and companies subject to joint control	-	-	86	84	82	(2)%	n.s.
Goodwill	36	36	36	36	36	0%	0%
Intangible assets	29	33	33	37	40	7%	36%
Other assets (Incl. Tangible and tax assets)[6]	154	156	157	267	330	24%	114%
Total assets	**3,392**	**4,126**	**4,316**	**4,331**	**4,646**	**7%**	**37%**
Due to banks	541	534	627	582	546	(6)%	1%
Due to customers	2,123	2,552	2,568	2,643	2,714	3%	28%
Bond/Securities	2	301	302	304	507	67%	>1,000%
Shareholders' Equity	575	583	665	681	756	11%	32%
Other liabilities	151	156	154	121	123	2%	(19)%
Total liabilities	**3,392**	**4,126**	**4,316**	**4,331**	**4,646**	**7%**	**37%**
Common Equity Tier 1 Capital	478	509	530	543	625	15%	31%
Risk Weighted Assets	**2,497**	**2,851**	**3,018**	**3,168**	**3,111**	**(2)%**	**25%**

1. *Distressed Credit (DC) Division (formerly the DCIS Division).*
2. *Growth Credit Division (formerly the SME Division).*
3. *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 segment. It also includes the corporate high-yield bonds classified as HTC.*
4. *HTCS: financial assets measured at fair value through comprehensive income. This item includes the Bank's securities portfolio and loans of ca. 16 million euro of the Distressed Credit Division which will probably be sold.*
5. *FVTL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of Turnaround transactions, junior tranches of securitised non-performing loans acquired as part of Senior Financing transactions and investments in distressed energy credit purchased as part of the DC Division's activities.*
6. *This includes assets of ca.62 million deriving from the purchase of tax credits (the "Ecobonus" scheme) and senior notes of ca. 62 million resulting from the securitisation of a portfolio of non-performing loans classified as assets held for sale.*

Any failure of the above figures to reconcile arises exclusively from rounding.

At 30 September 2021, the Bank's **total assets exceeded 4.6 billion euro**, representing a rise of 37% over the same period of the previous year and 7% over the quarter ending 30 June 2021.

This item includes **net customer loans** of almost **2.5 billion euro**, an increase of 6% over the previous quarter (and of +35% over 30 September 2020). The rise was supported in particular by that of the Growth Credit Division, where it reached 16% on a quarterly basis (and +70% over the same period of the previous year), with a significant contribution made by all the business lines, amongst which the Turnaround segment stands out – an increase of 28% on a quarterly basis and 125% on an annual basis. The amount for loans and investments in the Distressed Credit Division was effectively unchanged over the previous quarter, as the new acquisitions were offset by collections and disposals with a significant positive impact on the Income Statement. Despite fewer transactions on the distressed credit market due to the extension of the government's emergency measures and in particular that of the moratoria, illimity increased its investments compared to the same period of the previous year (220 million euros in the nine months of 2021, +10% y/y) thanks to its distinctive positioning in the Energy and Real Estate specialist segments, which generated interesting opportunities.

The Bank's asset quality remained solid and further strengthened when compared to its already excellent levels in the previous quarter, positioned at the top levels of the system. Of all the **new credit originating from illimity**, the **gross impaired positions amount to approximately 6 million euros** and correspond to a ratio of gross organic doubtful loans to total gross organic loans of approximately **0.5%**. Including also the portfolio inherited from Banca Interprovinciale, the stock of gross organic doubtful loans rises to approximately 36.9 million euro, a further decrease over the figure of 39.4 million euro for the previous quarter, due to collections from previously non-performing positions, with the absence of any evident deterioration in organic credit.

Overall, **the ratio between gross doubtful organic customer loans and gross total organic customer loans of the Bank remains among the best in the system at 2.5%.** The stock of **net doubtful organic loans** at 30 September 2021 amounted to **19.1 million euro**, a fall of almost 8% over the previous quarter (20.7 million euro), corresponding to a **ratio of 1.3% between net doubtful organic customer loans and total net organic customer loans** compared to 1.6% at the end of the previous quarter.

At the end of September 2021, loans with **moratorium** applications totalled only **19 million euro, a further decrease over the figure of 22 million euro at the end of July** and equal to **around 2% of the loan portfolio** of the Growth Credit Division (mostly regarding the portfolio inherited from Banca Interprovinciale).

The third quarter also confirmed the Bank's **robust liquidity position**, which amounted to approximately **1.1 billion euro** and consisted of cash, the net interbank position and high-quality liquid securities to be used to service business growth in the coming months.

At the end of the third quarter, illimity's **securities portfolio** stands at **265 million euro**, a slight decrease over the figure of 299 million euro posted at 30 June 2021. The securities portfolio mark-to-market net of tax stood at negative 2.9 million euro at the end of the quarter (1.5 million euro at the end of the previous quarter). The securities portfolio, all of which classified as Hold to Collect and Sell, consisted of Italian government bonds (73%) and senior bonds (23%), with the remainder being subordinated bonds (4%).

At the end of the third quarter 2021 "Other assets" included the contribution arising from the **purchasing of tax credits** – the government's "**Ecobonus**" scheme – this amounting to 62 million euro, a significant rise over the figure of 21 million euro in the previous quarter.

illimity's **total financing** reached **3.8 billion euro** at 30 September 2021, an increase over the figure at the end of June 2021 due mainly to the inaugural issue in July 2021 of the **200 million euro Tier 2 subordinated bond** having a 10-year maturity (callable after 5), and bearing interest at 4.375%.

CET1 Capital increased in the third quarter **to reach 625 million euro**, mainly following the completion of the capital increase reserved to the ION Group, with an effect of 57.5 million euro, and as a result of the net profit for the quarter and the utilisation of deferred tax assets.

Risk-weighted assets (RWAs) **fell slightly during the quarter** (by ca. 57 million euro) **to 3,111 million euro, despite business growth**, benefiting from the insurance coverage recognised for capital absorption in the Factoring activity. The ratio between the Bank's RWAs and its total assets, decreasing over the previous quarter, remained contained at around 70%.

The combination of the above dynamics led to a **CET1 Ratio of 20.1%** at the end of September 2021. If special shares of 14.4 million euro are included in own funds, the Bank's pro-forma CET1 Ratio (calculated using RWAs at the end of September 2021) becomes 20.6%.

The **Total Capital Ratio**, stated separately for the first time following the issue of a 200 million euro Tier 2 subordinated bond in July 2021, amounted to **26.5%** at 30 September 2021.

The **Liquidity Coverage Ratio (LCR)** stood at **over 300%** at the end of the third quarter of 2021, confirming a significant liquidity buffer, while the **Net Stable Funding Ratio (NSFR)** was **significantly above minimum regulatory requirements**.

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Key Income Statement figures

Figures in millions of euros

Reclassified Profit & Loss	3Q20	1Q21	2Q21	3Q21	Δ Q/Q%	Δ Y/Y%	9M20	9M21	Δ 9M Y/Y%
Interest income	37.7	46.0	47.5	50.6	7%	34%	102.9	144.1	40%
Interest expenses[1]	(10.4)	(14.8)	(14.3)	(16.4)	15%	57%	(30.4)	(45.5)	49%
Net interest income	**27.2**	**31.2**	**33.2**	**34.2**	**3%**	**26%**	**72.5**	**98.6**	**36%**
Net fees and commissions	3.2	4.9	8.7	10.3	18%	224%	8.3	23.9	189%
Net result from trading	2.1	3.8	1.1	7.5	610%	264%	5.7	12.4	117%
Net other income/expenses	0.5	2.0	2.1	7.4	248%	>1,000%	0.7	11.6	>1,000%
Profit from closed purchased distressed credit positions[2]	11.6	11.4	26.0	7.1	(73%)	(39%)	28.6	44.5	55%
Gain (loss) from disposal of investments	-	2.3	-	-	n.s.	n.s.	-	2.3	n.s.
Operating income	**44.5**	**55.7**	**71.1**	**66.6**	**(6%)**	**49%**	**115.9**	**193.4**	**67%**
Staff costs	(11.5)	(16.6)	(19.0)	(15.9)	(16%)	38%	(36.0)	(51.5)	43%
Other operating expenses	(16.9)	(17.9)	(19.8)	(18.8)	(5%)	12%	(45.7)	(56.6)	24%
Depreciation & Amortisation	(2.3)	(3.0)	(2.2)	(2.6)	20%	15%	(6.2)	(7.8)	27%
Operating costs	**(30.6)**	**(37.5)**	**(41.0)**	**(37.4)**	**(9%)**	**22%**	**(87.9)**	**(115.9)**	**32%**
Operating profit	**13.9**	**18.1**	**30.2**	**29.2**	**(3%)**	**110%**	**28.0**	**77.5**	**176%**
Loan loss provision charges	(0.3)	0.8	(1.6)	(0.4)	(74%)	26%	(4.3)	(1.3)	(71%)
Value adjustments on purchased distressed credit	(0.6)	3.9	(4.6)	(0.1)	(99%)	(90%)	6.7	(0.8)	(112%)
Value adjustments on securities and loans to banks	0.3	(1.6)	0.3	0.5	84%	74%	(0.1)	(0.8)	721%
Other net provisions for risks and charges	(0.0)	(0.0)	0.0	-	n.s.	n.s.	(0.0)	-	n.s.
Other income from equity investments	-	(2.1)	(1.9)	(2.0)	8%	n.s.	-	(6.0)	n.s.
Profit (loss) before tax	**13.2**	**19.1**	**22.4**	**27.2**	**22%**	**107%**	**30.4**	**68.7**	**126%**
Income tax	(3.7)	(6.5)	(7.5)	(8.5)	13%	129%	(6.0)	(22.5)	272%
Net result	**9.5**	**12.6**	**14.9**	**18.8**	**26%**	**98%**	**24.3**	**46.2**	**90%**

1. *This item does not include costs relating to leasing liabilities, which have been classified as administration costs; on the other hand it includes commission expenses and stamp duty related to deposits on the Raisin platform.*
2. *Gains from the definitive closure of non-performing exposures either through disposal to third parties or through a discounted payoff strategy ("saldo e stralcio") agreed with the debtor.*

Any failure of the above figures to reconcile arises exclusively from rounding.

Net interest income in the third quarter totalled **34.2 million euro**, essentially unchanged on a quarterly basis and rising by 26% over the third quarter of 2020. Of this total, **50.6 million euro** came from **interest income**, rising by 7% over the quarter ended 30 June 2021 (and by +34% over the same period of the previous year). The total for the quarter includes income of around 1 million euro arising from the recognition of the interest rate benefit (from 0.5% to 1.0%) on the TLTRO III funding balance for the period from 1 July 2020 to 30 June 2021.

Interest expenses, though, rose during the period by 15% on a quarterly basis to **16.4 million euro** due to the placement – in advance compared to planned expectations and greater in amount as the result of a strong demand by investors – of the first Tier 2 subordinated bond at the beginning of July 2021, for an amount of 200 million euro, which bears interest at 4.375%.

In total, **net interest income for the first nine months of 2021 reached 98.6 million euro**, with the determinant contribution of the Distressed Credit Division, which generated 81.2 million euro in the period, and that of the Growth Credit Division which rose to 14.3 million euro.

Net fees and commissions continued to rise significantly, increasing by 18% in the quarter to **10.3 million euro**, a figure more than three times that of the same period in 2020 (+224% y/y). Of particular note are the important contributions to the net commissions of the quarter coming from the disbursement of loans by the Growth Credit Division, including Factoring, the Distressed Credit Division due to the solid performance in the remarketing activities carried out by neprix Sales, after a slow-down in court activities caused by the pandemic, and the tangible effect of the initiatives launched during 2021, such as the capital markets desk for use by SMEs, the activities arising from the government's "Ecobonus" scheme and commissions on the first fund launched by illimity SGR.

As a whole **net fees and commissions amounted to 23.9 million for the first nine months of 2021**, a figure three times that posted in the corresponding period of the previous year, with the Growth Credit Division contributing 15.7 million euro, the Distressed Credit Division a further 7.6 million euro and illimity SGR 0.8 million euro (and a slightly negative contribution from the other segments).

Income of 7.1 million euro was earned from closed distressed credit positions in the third quarter of 2021. This item consists of income of 5.3 million euro earned by the Distressed Credit Division from closed positions – a recurring component given the business model based on the dynamic management of distressed credit through the use of "discounted payoff" transactions or the sale of positions – and 1.8 million euro deriving from credit revaluation events on closed positions as part of the Turnaround business.

To this item should be added gains of **6.5 million euro arising from the Distressed Credit Division's management strategy**[4] which are classified as part of the **net result from trading** as they regard financial instruments accounted for at fair value. The item also includes net income of ca. 1 million euro arising from the Bank's securities portfolio.

Gains on closed distressed credit positions therefore reached **44.5 million euro in the first nine months of 2021**, driven primarily by the Distressed Credit Division, contributing approximately 23% to the Group's total revenues.

Other operating income for the quarter of **7.4 million euro** includes revenues of **5 million euro arising from the licence agreement entered into with the ION Group** for the use of the information systems developed by illimity. This agreement was developed as part of a strong strategic alliance with the ION Group which will be put into practice by way of long-term collaboration agreements in other fields relating to data analytics, credit scoring and market intelligence.

As a result of the above items, **operating income** accordingly reached **66.6 million euro** in the third quarter of 2021, representing a rise of 49% over the figure for the third quarter of 2020. In this way **operating income for the first nine months of 2021** rises to **193.4 million euro**, an increase of 67% over the same period of the previous year.

Operating costs for the quarter totalled **37.4 million euro,** down by 9% on a quarterly basis also as the result of seasonal savings on certain staff cost items (the latter down by 16% over the second

[4] Revaluation gains deriving from the acquisition of cash on equity financial instruments.

quarter of 2021) and despite the significant investments in new initiatives envisaged by the 2021-25 Strategic Plan. In total, therefore, **operating costs amounted to 115.9 million euro in the first nine months of 2021**, a rise of 32% over the corresponding period in 2020. The trend in costs arises from the growth of the business and the new strategic projects which, in line with the Bank's Strategic Plan, will only begin to produce revenues from 2022. A significant portion of costs in the nine months 2021 are estimated to fall into this category.

As a consequence of the above dynamics, the **Cost income ratio** posted a slight improvement over the third quarter of 2021, closing at **56%**. The **Cost income ratio for the first nine months of 2021 therefore stood at 60%**, a marked decrease over the figure of 76% for the corresponding period of the previous year. It is envisaged that under the 2021-25 Strategic Plan, the Cost income ratio will fall to below 50% by 2023 and decrease further to below 40% by 2025.

Net adjustments to loans of **ca. 0.4 million euro** were recognised during the quarter, corresponding to an **annualised organic cost of risk of approximately 12bps**[5] in that period. Collective adjustments to new loans granted by the Bank continue to be very limited, also due to the high component of loans with public guarantees made available by government decrees (around 70% of new loans made during the quarter by the Growth Credit Division) and the excellent quality of the portfolio of originated loans. At the same time collections from previously non-performing organic positions – all relating to the former Banca Interprovinciale portfolio – led to the release of the large adjustments recognised in the past. The annualised organic cost of risk also stood at rather contained levels **– 12bps – for the first nine months of 2021**.

The pro-rata consolidation of HYPE in the third quarter is negative in the third quarter for approximately 1.9 million euro[6], accounted for as **result from equity investments**. It should be remembered that HYPE result is accounted by using the equity method and that in the third quarter of 2021 this result has not yet benefited from the contribution expected from the new Open banking services and products launched at the end of September.

As a result of the above dynamics, the Bank posted a **pre-tax profit** of **27.2 million euro** in the third quarter of 2021, up by 22% over the previous quarter and more than doubling the result for the third quarter of 2020.

After an income tax charge of 8.5 million euro, the Bank ended the quarter with a **net profit of 18.8 million euro**, which enabled it to achieve a **net profit of 46.2 million for the first nine months of 2021**, up by 90% over the first nine months of 2020.

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[5] Calculated as the ratio between loan loss provisions and net organic loans to customers at 30 September 2021 (1,419 million euro) for the segments Factoring, Cross-over, Acquisition Finance, performing Turnaround (including returns to performing loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans – though excluding UTP loans purchased as part of the Turnaround business and investments in distressed loan portfolios.

[6] The line item "Other income from equity investments" also includes ca. 54 thousand euro of pro-quota losses referring to another investment vehicle in the Distressed Credit Division.

Contribution of the business units

The following table sets out the key figures summarising the way in which the illimity Group's business segments evolved during the first nine months of 2021.

9M21, data in million euro	Growth Credit Division	Distressed Credit Division	Direct Banking Division	illimity SGR	Corporate Centre	Total
Net interest income	14.3	81.2	3.1	-	-	98.6
Net fees and commission	15.7	7.6	(0.2)	0.8	-	23.9
Other income	5.9	57.3	7.2	-	0.5	70.9
Operating income	**35.9**	**146.1**	**10.1**	**0.8**	**0.5**	**193.4**
Staff costs	(8.8)	(18.7)	(5.7)	(1.6)	(16.7)	(51.5)
Other operating expenses and D&A	(8.4)	(28.6)	(9.1)	(0.3)	(18.0)	(64.4)
Operating costs	**(17.2)**	**(47.3)**	**(14.8)**	**(1.9)**	**(34.7)**	**(115.9)**
Operating profit	**18.7**	**98.8**	**(4.7)**	**(1.1)**	**(34.2)**	**77.5**
Provisions	0.4	(3.2)	-	-	-	(2.8)
Other income from equity investments	-	(0.1)	(5.9)	-	-	(6.0)
Profit (loss) before tax	**19.1**	**95.5**	**(10.6)**	**(1.1)**	**(34.2)**	**68.7**
Interest earning assets	1,356	1,547	-	0	1,317	4,220
Other assets	66	107	87	-	166	426
RWA	**805**	**1,998**	**34**	**0**	**274**	**3,111**

Growth Credit Division (previously the SME Division)

The Growth Credit Division achieved significant results during the quarter in terms of the disbursement of new loans and investments and the contribution made to consolidated profit, thanks to the positive input from all business lines.

Net customer loans of the Growth Credit Division stood at **1,165 million euro**, up by 16% over the previous quarter and by 70% over 30 September 2020. All business segments posted significant growth rates on a quarterly basis; of these, the Turnaround segment stands out, with loans and investments increasing by 28% over the previous quarter and 125% over 30 September 2020 to reach 389 million euro at the end of September 2021.

The **Cross-over & Acquisition Finance segment disbursed new loans of 67 million euro during the quarter**, **of which around 60%** in loans with public guarantees, highly-profitable lending for the Bank due to the low risk profile and limited capital absorption. New lending reached 17 million euro in October 2021, to which should be added 54 million euro of loans not yet booked but already approved. Taken overall, in the first nine months of 2021 the Cross-over & Acquisition Finance segment has disbursed volumes of 209 million euro, an increase of 29% over the same period in 2020.

The **Turnaround** segment underwent significant acceleration **during the third quarter of 2021**, generating **new business volumes of 91 million euro**. New business amounted to 18 million euro in October 2021, to which should be added 22 million euro of loans not yet booked but already approved. Taken overall, in the first nine months of 2021 the Turnover segment has generated volumes of 148 million euro an increase of 169% over the same period in 2020.

In total, at the end of September 2021, approximately 48% of the net customer loans in the Cross-over & Acquisition Finance and Turnaround segments was backed by public guarantees. The pipelines of both business segments are robust and amount as a whole to over 240 million euro.

Factoring also continued its positive trend in the third quarter of 2021. **Turnover** reached **252 million euro**, to which should be added 110 million euro in October, thereby arriving at a **total of 794 million euro since the beginning of the year**, exceeding the figure for the whole of 2020. Outstanding loans stood at 211 million euro at 30 September 2021, the highest level reached to date and representing a rise of 25 million euro over the previous quarter and 88 million euro over 30 September 2020. The growth in Factoring is supported by the continuing increase in the number of customers – clients and debtors – to 160 and 750 respectively, as of today, meaning by ca. 45% and ca. 25% since the beginning of the year.

The new insurance coverage responding to the regulatory requirements as a means of reducing capital absorption became effective on 1 July 2021. This coverage enables a significant reduction in the business's capital absorption to be achieved, thereby increasing profitability.

Since the beginning of 2021, the Growth Credit Division has **purchased tax credits** arising from measures to increase energy efficiency, reduce seismic risk and retrieve building stock included in the Revival Decree (110% Superbonus and other building subsidies), recognising an amount of **62 million euro** at the end of September, a significant increase over the figure of 21 million euro booked in the previous quarter. These receivables are recognised in the balance sheet as Other Assets and from an economic standpoint generated fee and commission income of 3 million euro in the quarter and 4.5 million euro in the first nine months of the year.

Lastly, it is recalled that **capital markets** services for the SME segment became operational over the past few months and by the end of September two IPOs had already been successfully concluded and advisory mandates generating fee and commission income totalling **3 million euro since the beginning of the year** had been obtained.

Moving on to the main Income Statement items, the Division ended the **first nine month of 2021** with a **pre-tax profit of 19.1 million euro**. This result benefits from the significant rise in volumes which supported net interest income, the important contribution made by fees and commissions resulting from the disbursement of new loans, including the Factoring business, and the two initiatives launched during 2021 - the Ecobonus activities and the provision of capital markets services to SMEs.

As a result of the above dynamics, the **Cost income ratio for the first nine months of 2021** amounted to approximately **48%**, a sharp decrease over the figure at June 2021 and that for the full year 2020.

Distressed Credit Division (previously the Distressed Credit Investment & Servicing Division)

At 30 September 2021 **net loans to customers** in the Distressed Credit Division stood at **1,239 million euro**, up by 16% over the figure for the previous year and falling slightly (by -1%) over that at 30 June 2021, due to the solid performance of collections and disposals, which were equal to the amount of new investments. The quarterly performance of volumes was affected by the slowdown in non-performing loan transactions caused by the extension of business support measures to the end of the current year (amongst which the "moratoria"), a dynamic which is already showing signs of a pick-up in the fourth quarter.

In further detail, during the third quarter the Distressed Credit Division **originated new investments totalling 49 million euro**, an increase of 26% over the figure of 39 million euro posted in the same period in 2020, enabling a stable level of investment stock to be maintained, despite the significant collections. Of importance during the quarter was the contribution made by the Real Estate and Energy desks[7], segments of the market characterised by high profitability and low competition, where illimity has rapidly achieved a leadership position by also leveraging on the high technical specialisation of its team. In addition, consistent with the matters announced in the 2021-25 Strategic Plan, the Senior Financing area has continued to focus on small-ticket, high-profitability transactions.

Lastly, at 30 September 2021 the total assets managed by **neprix**, the illimity Group company specialising in servicing distressed corporate loans, stood at **8.8 billion euro** in terms of the gross book value ("GBV") of the loans serviced and the real estate assets and capital goods held for sale. The quarter was positive for neprix, with the Distressed Credit Management Division seeing its business extended thanks to the increasing request for management services for third parties. Also, performance of the portals of the network of the neprix Sales Division was excellent in terms of number of registered users and visits, which had reached 903 thousand and 19 million cumulative since the beginning of the year to September 2021, respectively, representing increases of 49% and 30% respectively over 30 September 2020.

With **pre-tax profits of 95.5 million euro**, the Distressed Credit Division also proved itself to be the main contributor to consolidated profits in the nine months of 2021. The Division's results leveraged on both the recurring nature of the revenues generated by the existing portfolio and the contribution arising from the sale and early cash flows from certain positions, consistent with the Bank's dynamic management strategies. The Division's **Cost income ratio** remained at the excellent level of **32%**.

Direct Banking Division

In this quarter too, and consistent with what announced in the 2021-25 Strategic Plan, the Direct Banking Division continued its development path as a banking and Open banking platform, for the moment in the retail field directly through ***illimitybank.com*** and also as a fintech platform in the retail segment through HYPE, the joint venture between illimity and Fabrick of the Sella Group. For now, *illimitybank.com* is essentially performing a role as deposit collector, but it forms the foundation on which the construction of BILTY is being completed. This entity will be the first direct and complete bank for the world of small corporates, and will get under way in the first quarter of 2022.

In terms of the banking platform, at the end of September 2021 the figure for **direct funding** by customers had risen slightly over that at the end of June 2021 to reach **2.5 billion euro**, an increase of 30% on an annual basis. Within this total, the funding of ***illimitybank.com*** **rose by 5% on a quarterly basis** (and by +35% y/y) to reach 1.3 billion euro by the end of September 2021. The growth of *illimitybank.com* is managed as a function of the banking group's retail funding needs. At the end of October, the number of clients rises to approximately **53,000**, of whom around 34% use *illimitybank.com* as their main bank with a customer engagement of a good 88% and a significantly high level of appreciation for the quality of the service (average Net Promoter Score - NPS - at 48 points in the third quarter of 2021).

The deposits gathered through the partnership with **Raisin** – the pan-European platform for the collection of deposits on the German market – remained essentially unchanged, reaching **509 million euro** at the end of September 2021, an increase of 55% over the previous year.

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[7] Investments of the Special Situations Energy area are recognised in the balance sheet under 'Financial assets measured at FVTPL'.

The growth of **HYPE**, the leading Italian fintech by number of users, continued during the third quarter of 2021. HYPE had achieved significant results by the end of September 2021: 1.5 million customers, with an increase of over 40 thousand customers in the third quarter; 22% of customers holders of a subscription account, a figure that has risen by three percentage points over the previous year; around 5.9 million transactions in September 2021, up by 46% over September 2020, which is accompanied by a simultaneous rise in the average number of monthly transactions per customer, which rose to 4 transactions in September 2021 (+26% y/y) Gross revenues for the quarter amounted to 3.3 million euro, an increase over the figure of 3.1 million euro for the previous quarter, which took accumulated revenues for the first nine months of 2021 to 9.2 million euro (+82% y/y). The company ended the quarter with a loss of 3.9 million euro, not yet benefiting from the new initiatives that were launched towards the end of September 2021. It is recalled that the joint control investment in HYPE is accounted for using the equity method and was carried at 81.8 million euro at 30 September 2021, including the loss pro-rata of the third quarter equal to 1.9 million euro.

The **"New HYPE"** was presented to the market on 20 September, an initiative converting the digital portfolio fintech to a real and complete money-management hub: HYPE's offer has been enhanced by new account aggregation functions (PSD2) and a more complete range of products, which includes investment products, loans, mortgages and deposits (the latter provided by illimity). The "New HYPE" represents an evolution completed in less than a year since illimity's acquisition of a holding of 50% of the company's share capital and is the result of the synergies between illimity and HYPE, with the aim of accelerating the execution of the fintech's growth strategy.

In addition, the third quarter of 2021 further progress has been made in the construction and test phase of the **B-ILTY project, being the first complete direct bank designed for small corporates**. The new bank's offer is based on the specific needs of this sector and arises from the combination of two traditional strengths of the illimity Group: the fully digital transaction platform at the leading edge of user experience and its credit expertise in the corporate sector. The full commercial launch of B-ILTY is planned to take place in the first quarter of 2022.

The partnerships with **Open-es** and **Amazon** should be seen within the framework of the launch and development of B-ILTY. **Open-es**, with an innovative and inclusive tool, aims at creating an alliance of companies committed to involving their value chains in the path of improving sustainability performance. Through the platform, all companies can measure their ESG performance, analyse and share data and experiences and obtain customised development plans. illimity will be the first company in the banking sector to collaborate in the development and evolution of the platform, offering during 2022 a full range of banking services and products as well as solutions that can incentivize and support the energy transition and sustainable growth plans of companies. It will also be available a credit offer that incorporates ESG metrics and rewards, in a modular way, the most sustainable companies or those committed to concrete targets and improvement programs. Through its collaboration with **Amazon**, illimity will make an active contribution to the financial education and digitalisation of the companies, sharing its experience and knowledge in "Accelera con Amazon", a free of charge training programme designed to assist businesses in acquiring the knowledge and expertise needed to build their digital experience. illimity will provide free of charge lessons and webinars with top level managers on banking and corporate subjects.

The **licence agreement between illimity and the ION Group for the use of the IT platform developed by illimity** got under way in the third quarter of 2021; it is recalled that this will generate

90 million euro over five years. The Division's results for the third quarter of 2021 include 5 million euro related to the exclusivity right, while starting from the next quarter, income of 4.25 million euro per quarter will be recognised.
Taken overall, the Division ended the **first nine months of the year with a pre-tax loss of 10.6 million euro**; this result is attributable to the investments made and the costs incurred for the development of new projects that can bring considerable value to the Group, such as B-ILTY and HYPE.

illimity SGR

illimity SGR was set up to complete illimity's range of operations in the corporate loan segment and to enhance the Bank's ability to generate business beyond the opportunities for direct investment.

In this initial operating phase, and also given the Bank's significant capital base, illimity SGR is involved in the strategic objective of completing the offer: during 2021 it has successfully launched the first contribution fund focusing on investments in UTP loans to SMEs with turnaround prospects – "illimity Credit & Corporate Turnaround".

In the third quarter of 2021 illimity SGR reported rising results underpinned by the increase in the **fees and commissions component** deriving from the above mentioned fund, which amounted to 0.3 million euro, taking the contribution in the **first nine months of 2021 to 0.8 million euro**. The growth path followed by managed assets is confirmed as the result of additional closings in the UTP fund expected by the end of the year.

In line with the objectives of the Strategic Plan presented on 22 June, the company is involved in structuring and launching new investment funds, including a new real estate contribution fund, that will be launched during 2022.

As a result of these dynamics, illimity SGR ended the **first nine months of 2021 with a pre-tax loss of 1.1 million euro**.

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Business Outlook

The final part of the year is expected to see robust loan and investment activity in all the segments in which the Bank operates.

A further growth in credit volumes is forecast for the Growth Credit Division, this also being based on loans already approved and the solid pipeline which in October amounted in total to 243 million euro. Driven by the commercial dynamism of the past few quarters, all of the Division's business segments will contribute to growth. It is expected that loans backed by public guarantees will continue to play an important role in terms of providing a contribution to new disbursements, also given the fact that the measures have been extended to the end of June 2022.

For the Distressed Credit Division, after a slow start to the year for the distressed credit transaction market due also to the extension of business support measures (which include the "moratoria"), the market began to regain momentum at the end of the summer with the start up of various disposal procedures. In this context, the pipeline of investment opportunities for the Distressed Credit Division in the final part of the year looks robust and amounts to 347 million euro. The pick-up in distressed credit transactions is also expected to continue in 2022 and the following years, with an expectation of approximately 180 million euro at gross book value in cumulative NPL and UTP transactions in the period between 2021 and 2025.

As the result of the typical onboarding dynamic of investments in distressed credit, the benefit of the rise in volumes in the final part of the year will only be fully felt from the first quarter of 2022. In the fourth quarter of 2021, therefore, a limited rise over the previous quarter is expected to be seen for net interest income, only partially benefiting from the positive dynamic of volumes.

The good dynamics in fees and commissions will continue, also supported by the new initiatives that are already under way - Ecobonus, illimity SGR, capital markets services for SMEs – which will be accompanied by an expected positive contribution from other income. It is recalled that the licence agreement for the IT platform entered into by illimity and the ION Group became effective in the third quarter; this generated other revenues of 5 million euro in the quarter just ended and will generate a further 4.25 million euro in the fourth quarter of this year (revenues which will be recognised in every quarter between now and September 2026).

Investments in new strategic projects, which will bring their benefits in the coming years, will also continue in the final part of the year. Together with the expected acceleration in the growth of business volumes, an increase in costs can be expected in the fourth quarter of 2021, due in particular to the formation of B-ILTY.

Given the quality of the existing corporate loan book, the solid performance already achieved in the first nine months of the year and the contribution of loans with public guarantees, into which a significant portion of the new business generated by the Growth Credit Division will be channelled, the expectation is confirmed that the cost of risk will remain at contained levels for the whole of 2021.

Taken overall, the solid results reported in the first nine months of 2021 and current prospects confirm the trajectory of reaching the short and medium-long term results forecast in the 2021-25 Strategic Plan presented on 22 June, which envisages 2021 net profit closing at between 60 and 70 million euro.

Lastly, the solid starting base for own funds, which include the capital increase reserved to the ION Group, and the expected generation of profits, despite a rise in risk-weighted assets following the rise in volumes, will ensure that the Common Equity Tier 1 Ratio will remain significantly above regulatory requirements.

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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 of the third quarter of 2021 to the financial community today **11 November 2021 at 9:00 a.m. CET.** The event can be followed via Live Audio Webcast at the following link: https://87399.choruscall.eu/links/illimity211111.html or by conference call at the following numbers:

ITALY:	+39 02 8020911
UNITED KINGDOM:	+44 1 212818004
USA:	+17187058796; +1 855 2656958

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Shareholders' Meeting called for 15 December 2021

On November 10, 2021, the Board of Directors resolved, *inter alia*, to call the Ordinary and Extraordinary Shareholders' Meeting for **December 15, 2021**.

The Bank also announces that the Director Martin Ngombwa, non-executive and non-independent director and member of the Risk Committee (and holder of n. 1,349 ordinary shares of illimity), resigned from his position as Director of illimity, due to different professional commitments, effective immediately after the meeting of the Board of Directors, which consequently resolved to confirm three members of the Risk Committee, appointing Rosalba Casiraghi as a member.

Atlas Merchant Capital's support and commitment to illimity will in any case remain unchanged and, following the aforementioned resignation, AMC Metis S.à r.l. (controlled by Atlas Merchant Capital Fund LP), as a shareholder of the Bank, informed the latter of its intention to put forward the proposal to appoint Francesca Lanza Tans as a new member of the Board of Directors of illimity.

In view of the above, and in view of the Shareholders' Meeting in December (with regard to the other items on the agenda), the Board of Directors decided not to identify a new Director (and the related co-optation), submitting the related issue directly to the attention of the Shareholders.

The Shareholders' Meeting of December 15, 2021 will therefore be called to resolve on the following issues:

- composition of the Board of Directors;
- report on the remuneration policy 2021;
- new *Long-Term Incentive Plan 2021-2025*, concerning ordinary shares of illimity Bank S.p.A., intended for the Chief Executive Officer, the remaining Top Management and other key resources of the Group; and
- proposal to confer to the Board of Directors the power to increase the share capital by a maximum nominal amount of EUR 1,323,663.96, free of charge and in several *tranches*, by issuing a maximum of 2,031,094 new illimity ordinary shares, to be allocated free of charge to the beneficiaries of the *Long-Term Incentive Plan 2021-2025* and consequent amendments to the Articles of Association.

The notice of call of the Shareholders' Meeting and the supporting Reports will be stored and available, within the terms prescribed by the law, at the Bank’s registered office in Milan, Via Soperga no. 9, at Borsa Italiana S.p.A. and published on illimity website, www.illimity.com, "Governance / Shareholders' Meetings and BoD" Section, as well as on the authorized storage system "1INFO" on the website www.1info.it.

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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform neprix, and provides digital direct banking services through *illimitybank.com*. illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to “illimity Bank S.p.A.” which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker “ILTY”), first on the MTA exchange and since September 2020 on the Star Segment. The banking group, headquartered in Milan, can already count on over 700 employees and ended at 30 September 2021 with assets exceeding 4.6 billion euro.

CONSOLIDATED BALANCE SHEET

(Data in thousands of euro)

		30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.09.2021
10	Cash and cash balances	311,387	542,952	944,832	732,759	507,653	745,447
20	Financial assets measured at fair value through profit or loss	12,184	17,158	18,502	50,475	138,977	87,656
	a) financial assets held for trading	52	3,196	52	32,174	33	114
	b) financial assets designated at fair value	-	-	-	-	-	-
	c) other financial assets mandatorily measured at fair value	12,132	13,962	18,450	18,301	138,944	87,542
30	Financial assets measured at fair value through other comprehensive income	285,679	136,665	91,375	310,461	315,336	280,460
40	Financial assets measured at amortised cost	2,408,726	2,475,749	2,845,823	2,909,698	2,944,963	3,044,512
	a) due from banks	502,844	504,806	530,922	536,023	444,780	401,572
	b) loans to customers	1,905,882	1,970,943	2,314,901	2,373,675	2,500,183	2,642,940
50	Hedging derivatives	-	-	-	-	-	-
60	Fair value change of financial assets in hedged portfolios (+/-)	-	-	-	-	-	-
70	Investments in associates and companies subject to joint control	-	-	-	85,564	83,727	81,775
80	Technical insurance reserves reassured with third parties	-	-	-	-	-	-
90	Tangible Assets	72,058	71,948	78,434	77,585	79,047	78,105
100	Intangible assets	61,888	65,316	69,382	69,606	73,324	75,881
	of which goodwill	36,224	36,224	36,224	36,224	36,257	36,257
110	Tax assets	39,500	35,368	35,403	31,088	29,449	24,247
	a) current	2,433	2,515	3,206	3,175	4,077	4,061
	b) deferred	37,067	32,853	32,197	27,913	25,372	20,186
120	Non-current assets held for sale and discontinued operations	-	-	-	-	61,402	61,908
130	Other assets	46,434	46,902	42,538	48,801	96,876	165,578
	Total Assets	**3,237,856**	**3,392,058**	**4,126,289**	**4,316,037**	**4,330,754**	**4,645,569**

(Data in thousands of euro)

		30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.09.2021
10	Financial liabilities measured at amortized cost	2,520,946	2,688,895	3,410,034	3,519,411	3,551,095	3,788,786
	a) due to banks	*582,970*	*540,953*	*534,345*	*626,660*	*581,628*	*546,046*
	b) due to customers	*1,935,722*	*2,145,686*	*2,574,709*	*2,590,349*	*2,665,400*	*2,735,623*
	c) debt securities issued	*2,254*	*2,256*	*300,980*	*302,402*	*304,067*	*507,117*
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	3,187	4,627	4,207	6,859	5,268	8,354
	a) current	*2,301*	*3,880*	*3,460*	*5,512*	*3,977*	*7,554*
	b) deferred	*886*	*747*	*747*	*1,347*	*1,291*	*800*
70	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
80	Other liabilities	146,995	120,093	121,789	115,632	85,422	83,161
90	Employee termination indemnities	2,175	2,449	2,656	2,680	2,896	3,137
100	Provisions for risks and charges:	1,393	1,479	4,481	5,962	5,331	6,369
	a) commitments and guarantees issued	*326*	*795*	*3,296*	*4,602*	*4,086*	*4,975*
	b) pensions and similar obligations	*4*	*5*	*7*	*8*	*8*	*11*
	c) other provisions for risks and charges	*1,063*	*679*	*1,178*	*1,352*	*1,237*	*1,383*
110	Technical reserves	-	-	-	-	-	-
120	Valuation reserves	(4,199)	(1,855)	(278)	(559)	(1,502)	(2,941)
130	Redeemable shares	-	-	-	-	-	-
140	Equity instruments	-	-	-	-	-	-
150	Reserves	21,237	21,501	21,766	61,733	62,980	63,122
160	Share premium reserves	487,373	487,373	487,373	543,803	543,803	597,589
170	Share capital	44,007	44,007	44,007	48,792	48,870	52,620
180	Treasury shares	(96)	(832)	(832)	(832)	(832)	(832)
190	Minority interests	-	-	-	-	*5*	*5*
200	Profit (loss) for the period attributable to the Group (+/-)	14,838	24,321	31,086	12,556	27,418	46,199
	Group equity	**563,160**	**574,515**	**583,122**	**665,493**	**680,737**	**755,757**
	Profit (loss) for the period attributable to minority interests (+/-)	-	-	-	-	-	-
	Equity of minority interests	**-**	**-**	**-**	**-**	***5***	***5***
	Total liabilities and equity	**3,237,856**	**3,392,058**	**4,126,289**	**4,316,037**	**4,330,754**	**4,645,569**

CONSOLIDATED INCOME STATEMENT

(Data in thousands of euro)

		3Q20	1Q21	2Q21	3Q21	9M20	9M21
10	Interest income and similar income	37,655	45,968	47,510	50,111	102,928	143,589
20	Interest expenses and similar charges	(10,412)	(14,687)	(14,171)	(16,241)	(30,360)	(45,099)
30	**Net interest margin**	**27,243**	**31,281**	**33,339**	**33,870**	**72,568**	**98,490**
40	Commission receivable	4,105	5,994	9,815	11,741	10,701	27,550
50	Commission expense	(1,156)	(1,274)	(1,361)	(1,711)	(3,126)	(4,346)
60	**Net commission**	**2,949**	**4,720**	**8,454**	**10,030**	**7,575**	**23,204**
70	Dividends and similar income	-	-	-	-	-	-
80	Net trading result	83	347	1,062	350	(448)	1,759
90	Net hedging result	-	-	-	-	-	-
100	Gain (loss) from disposal and repurchase of:	238	2,814	671	1,522	5,657	5,007
	a) financial assets measured at amortized cost	-	*302*	-	-	-	*302*
	b) financial assets measured at fair value through other comprehensive income	*238*	*2,512*	*671*	*1,522*	*5,658*	*4,705*
	c) financial liabilities	-	-	-	-	*(1)*	-
110	Gain (loss) on other financial assets and liabilities measured at fair value through profit or loss	1,750	672	(670)	5,673	530	5,675
	a) financial assets and liabilities designated at fair value	-	-	-	-	-	-
	b) other financial assets subject to mandatory fair-value valuation	*1,750*	*672*	*(670)*	*5,673*	*530*	*5,675*
120	**Net interest and other banking income**	**32,263**	**39,834**	**42,856**	**51,445**	**85,882**	**134,135**
130	Net write-downs/write-backs for credit risks relating to:	11,127	16,041	19,875	8,417	31,213	44,333
	a) financial assets measured at amortized cost	*10,774*	*17,545*	*19,514*	*7,958*	*31,213*	*45,017*
	b) financial assets measured at fair value through other comprehensive income	*353*	*(1,504)*	*361*	*459*	-	*(684)*
140	Gain/loss from contract amendments without cancellations	-	-	-	-	-	-
150	**Net result from banking activities**	**43,390**	**55,875**	**62,731**	**59,862**	**117,095**	**178,468**
160	Net insurance premiums	-	-	-	-	-	-
170	Other net insurance income/ expenses	-	-	-	-	-	-
180	**Net result from banking and insurance activities**	**43,390**	**55,875**	**62,731**	**59,862**	**117,095**	**178,468**
190	Administrative expenses:	(29,171)	(35,134)	(39,385)	(35,608)	(83,266)	(110,127)
	a) staff costs	*(11,472)*	*(16,614)*	*(18,926)*	*(15,849)*	*(35,967)*	*(51,389)*
	b) other administrative expenses	*(17,699)*	*(18,520)*	*(20,459)*	*(19,759)*	*(47,299)*	*(58,738)*
200	Net provisions for risks and charges	(240)	(1,532)	215	(1,305)	(236)	(2,622)
	a) commitments and financial guarantees issued	*(200)*	*(1,507)*	*190*	*(1,305)*	*(196)*	*(2,622)*
	b) other net provisions	*(40)*	*(25)*	*25*	-	*(40)*	-
210	Net value adjustments to/recoveries on tangible assets	(700)	(1,030)	(692)	(678)	(2,023)	(2,400)
220	Net value adjustments to/recoveries on intangible assets	(1,598)	(1,940)	(1,523)	(1,971)	(4,135)	(5,434)
230	Other operating income/expenses	1,496	2,708	2,879	8,417	2,934	14,004
240	**Operating expenses**	**(30,213)**	**(36,928)**	**(38,506)**	**(31,145)**	**(86,726)**	**(106,579)**
250	Profit (loss) on investments in associates and companies subject to joint control	-	(2,123)	(1,851)	(1,996)	-	(5,970)
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	-	2,278	-	-	-	2,278
290	**Pre-tax profit (loss) before tax from continuing operations**	**13,177**	**19,102**	**22,374**	**26,721**	**30,369**	**68,197**
300	Tax income (expenses) for the period on continuing operations	(3,694)	(6,546)	(7,512)	(8,315)	(6,048)	(22,373)
310	**Profit (loss) after tax from continuing operations**	**9,483**	**12,556**	**14,862**	**18,406**	**24,321**	**45,824**
320	Profit (loss) after tax from discontinued operations	-	-	-	375	-	375
330	**Profit (loss) for the period**	**9,483**	**12,556**	**14,862**	**18,781**	**24,321**	**46,199**
340	Profit (loss) for the period attributable to minority interests	-	-	-	-	-	-
350	**Profit (loss) for the period attributable to the Parent Company**	**9,483**	**12,556**	**14,862**	**18,781**	**24,321**	**46,199**