

**ILLIMITY BANK S.P.A.**

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS  
ON ITEM 2 ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF  
ILLIMITY BANK S.P.A. OF 22 APRIL 2021, IN SINGLE CALL**

*Prepared pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998 as amended and article 84-ter of CONSOB Regulation no. 11071/1999 as amended*

*Approved by the Board of Directors on 10 March 2021*

*This report can also be consulted on the Bank's website [www.illimity.com](http://www.illimity.com)*

To our Shareholders,

You have been called to attend an Ordinary General Meeting at 10:00 a.m. on 22 April 2021, in single call, to discuss and adopt resolutions on the following agenda:

1. [omissis].
2. **Allocation of profits of the year closed at 31 December 2020. Resolutions pertaining thereto and arising therefrom.**
3. [omissis].
4. [omissis].
5. [omissis].
6. [omissis].
7. [omissis].

This illustrative report has accordingly been prepared pursuant to article 125-*ter* of Legislative Decree no. 58 of 24 February 1998 as amended (the “**TUF**”) and article 84-*ter* of CONSOB Regulation no. 11071/1999 as amended (the “**Issuers’ Regulation**”) and provides a description of the second item on the agenda of the Ordinary Shareholders’ Meeting, as well as the relative draft resolutions that you are called to adopt.

To our Shareholders,

You have been called to attend an Ordinary General Meeting in single call to approve, *inter alia*, the proposal for the allocation of the profits emerged in the financial statements of illimity Bank S.p.A. (“illimity” or the “Bank”) for the year ended 31 December 2020 which closed with a profit of EUR 32,561,450.27.

Reference should be made to the draft 2020 financial statements approved by the Board of Directors at today’s date (10 March 2021) for the detailed contents, and in particular the matters contained in the Management Report prepared by illimity’s Board of Directors and in the reports by the Board of Statutory Auditors and by the independent statutory auditing firm, KPMG S.p.A., documents that will be made fully available to the public within the time periods and by the means established by law at the Company’s offices and on its website ([www.illimity.com](http://www.illimity.com)) under the section <https://www.illimity.com/it/investor-relations/assemblee-e-cda>.

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The Board of Directors therefore submits the following draft resolution to the Shareholders’ Meeting.

#### PROPOSAL

*“The Ordinary Shareholders’ Meeting of illimity Bank S.p.A. (“illimity” or the “Bank”),*

- *having examined the draft financial statements of the Bank for the year ended 31 December 2020, accompanied by the annexes and documentation required by law, and having also examined the consolidated financial statements of the Group as of 31 December 2020;*
- *having examined the results of the draft financial statements for the year, which closed with a profit for the year of EUR 32,561,450.27;*
- *having regard to the Management Report as of 31 December 2020 by the Board of Directors;*
- *having taken note of the respective reports drawn up by the Board of Statutory Auditors and by the independent statutory auditing firm, KPMG S.p.A.,*

#### RESOLVES

- *to approve the proposal to allocate part of the profit for the year to cover retained losses carried forward during the previous year, in the amount of EUR 16,840,115.40;*
- *to approve the proposal to allocate EUR 786,066.74 to the legal reserve, this being 5% of the profit for the year after the portion allocated to cover retained losses;*
- *to approve the proposal to carry forward EUR 14,935,268.13 as retained earnings.”*

Milan, 10 March 2021

*On behalf of the Board of Directors*

*The Chair*