

ILLIMITY BANK S.P.A.

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS
ON ITEM 1 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

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. **illimity Bank S.p.A.'s Separate Financial Statements as at 31 December 2020, after examining the Directors' report on management, the Board of Statutory Auditors' report, and the Independent Auditors' Report. Presentation of the consolidated financial statements of illimity Bank S.p.A. as at 31 December 2020 and of the Independent Auditors' Report. Resolutions pertaining thereto and arising therefrom.**
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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 first 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 financial statements of illimity Bank S.p.A. (“**illimity**” or the “**Bank**”) for the year ended on 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) under the section <https://www.illimity.com/it/investor-relations/assemblee-e-cda>.

The Shareholders’ Meeting will also be presented with the illimity Group’s consolidated financial statements for the year ended 31 December 2020, which closed with a total profit of EUR 31.086 million. The consolidated financial statements and the other documents pursuant to article 154-ter, paragraph 1, of Legislative Decree no. 58/1998, as well as the Annual Report on corporate governance and ownership structures relating to 2020, will be made available to the public within the same time periods and by the same means as those described above.

Lastly, the Shareholders’ Meeting will be presented the illimity Group’s Consolidated Non-financial Statement pursuant to article 7 of Legislative Decree no. 254/2016 (the “Decree”), which is distinct from the Management Report by the Board of Directors. The Board of Directors took the decision to approve such Statement given illimity’s status as a Public-Interest Entity and the growing importance of companies sustainability performances, even if the Bank does not fall within the size parameters set forth in article 2 of the Decree, hence drawn up such report on a voluntary basis.

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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 financial statements of illimity Bank S.p.A., accompanied by the Management Report as of 31 December 2020 by the Board of Directors, which closed with a profit for the year of EUR 32,561,450.27.”*

Milan, 10 March 2021

On behalf of the Board of Directors

The Chair