



## illimity 4Q19 & FY19 results

12 February 2020

# Key highlights

*Corrado Passera*, CEO



# illimity - All strategic targets for 2019 met



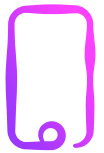
**Money:** raised all the equity needed to fund the plan



**People:** team on board from 150 different companies and solid organisational structure



**IT infrastructure:** fully digital, modular, in cloud IT systems tested and operational



Successful **launch of [illimitybank.com](https://illimitybank.com)**



**Volumes:** proven ability to generate business



**Break even** reached in **4Q19**



# illimity - What is unique about illimity

## Competitive advantages



Significant and sustainable  
**cost advantages**



**No legacy** – now or in the future



**Fully digital** – with a **human touch**

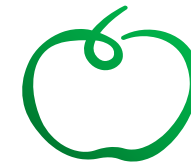


**Fully on cloud** and capable to  
integrate **fintech solutions**

## Focused strategy



**SME specialist**



**Corporate  
Distressed  
Credit specialist**



State-of-the-art  
**digital banking**

# illimity - Start-up to proven player in just 12 months

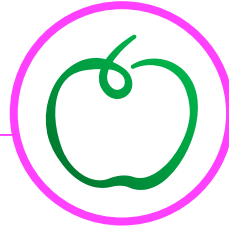


## SME

**26** Cross-over and Acquisition Finance deals with several mandate lead arranger roles

**11** Turnaround deals

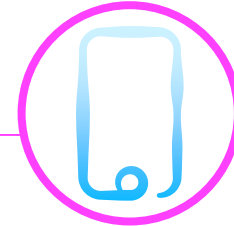
**> 500** factoring relationships



## Distressed Credit

**One of the most active players** in the Italian NPE transaction market<sup>(1)</sup>

One of the **top 10** largest investors in Europe<sup>(1)</sup>



## Direct banking

**~35,000** customers in *illimitybank.com* and former BIP franchise

**~11,000** accounts Raisin in Germany

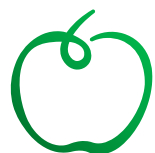
**€1.6bn** worth of customer deposits

# illimity - Strong business origination

Data in €mln  
Customer loans where not otherwise stated  
Non accounting figures



**SME  
Division**



**Distressed  
Credit I&S  
Division**



**Cross-over  
& Acq. Finance**



**Turnaround**



**Factoring**



**Distressed Credit  
Investments**



**Senior Financing**



**Servicing<sup>(8)</sup>**  
AUM (GBV/Managed assets)

	A	B	C	A+B+C	
	Originated Business <sup>(1)</sup> inception to date (31 January 2020)	Terms agreed <sup>(2)</sup> to be signed	Advanced pipeline <sup>(3)</sup>	Total	<b>BP 2018-23 Target 2020</b>
	<b>~1,896</b>	<b>~172</b>	<b>~657</b>	<b>~2,725</b>	<b>~3,000-3,500</b>
	378 <sup>(4)</sup>	~31	~121	~530	~300
	180 <sup>(5)</sup>	~29	~140	~349	600-700
	116 <span>T/O 338<sup>(6)</sup></span>	~54	~110 <sup>(7)</sup>	~280	~300
	832	~47	~270	~1,149	1,700-2,000
	390	~11	~16	~417	100-200
	~8,000	~140	~1,900	~10,000	<b>5,100-6,300</b>

Notes: Non accounting figures; (1) This aggregate includes both the SME loans granted/purchased and the Distr. Credit investments booked in the period already income-producing, and the value of the deals signed but yet to be booked, owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes part of the net loans to existing customers of Banca Interprovinciale, due to their features considered consistent with illimity's SME segment for about €83mln. It also includes the retail Distressed Credit portfolio sold on 6 February 2020; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP Core SME loans for about €83mln; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in the balance sheet item "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Turnover related to Factoring; (7) Credit line to be granted; (8) The AUM of the servicing unit includes the gross book value of Distr. Credit purchased and the value of property & capital goods managed by IT Auction

# illimity - Insights from 2019



SME

- Stronger than expected origination capacity in **Cross-over & Acq. Finance**
- **Turnaround**: single-name business slower; new market opportunities emerged
- Strong momentum in **factoring** business and yield enhancing initiatives on the card



Distressed Credit  
I&S

- Proven capability to originate **Distressed Credit investments**
- Larger and more dynamic **senior financing market**
- **Acquisition of IT Auction** to become the first end-to-end servicing organisation

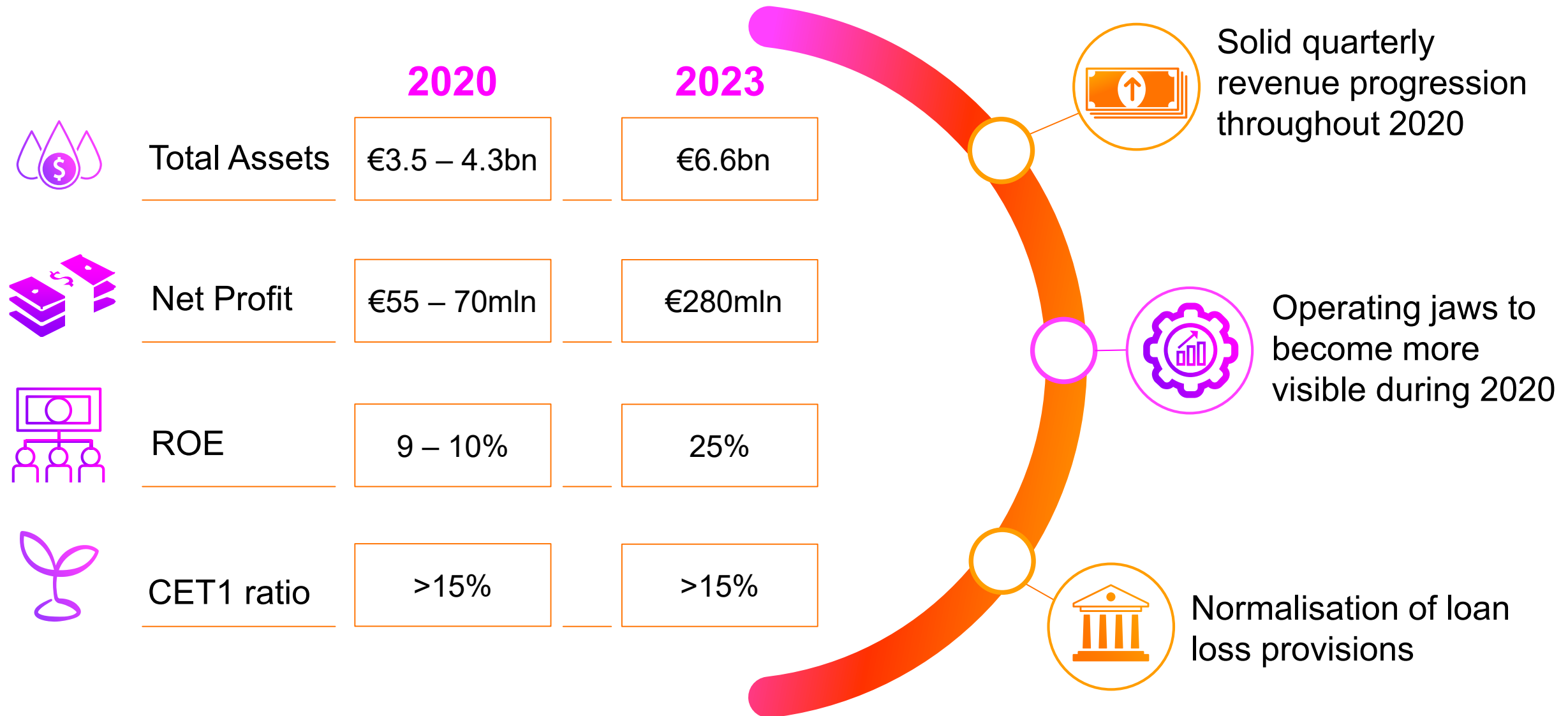


illimitybank.com

- Great success in our **direct deposits** marketing campaign
- Higher than expected number of transactions and **active customers**
- Significant **partnership** interest from several well established players

*All these insights and the outcome of these new initiatives will set the basis for updating the market and refining the business plan accordingly*

# illimity - Business plan confirmed



Note: Rounded figures



# 4Q19 & FY19 Financial review

*Francesco Mele*, CFO & Head of Central Functions



# illimity - **Breakeven in 4Q19**



**Almost €1.2bn net customer loans added** in just one year



**Steady revenue progression** and more to come in 1Q20 boosted by strong business origination at the very end of the quarter



**Interest expenses** affected by strong deposits collection in 4Q19 in connection with digital direct bank launch. 2020 retail funding needs already largely covered



Confirmed **stabilisation** in **loan loss provision charges**



**4Q19 at breakeven**

# illimity - Continued volume acceleration

Data in €mln

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

1 ~€1.1bn cash, net adjusted interbank position and liquidity buffers. The excess liquidity will be redeployed by 1H20 based on current pipeline and investment strategy

2 Almost €1.2bn net customer loans built in just one year

3 Reshaped securities portfolio by closing HTC business model to ensure flexibility and consistency with funding requirements

4 Anticipation of long-term funding thanks to successful launch of our digital direct bank

5 CET1 capital of €462mln, RWA up 34% to ~€2.2bn reflecting growth in business

Notes: Rounded figures; (1) DCIS: Distressed Credit Investment & Servicing Division (previously named NPL I&S) (2) 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 SME segment; (3) HTC: Financial assets measured at amortised cost; (4) HTCS: Financial assets measured at fair value through comprehensive income; (5) FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of a turnaround transaction and junior tranches acquired as part of senior financing transactions. Any failure to reconcile the stated figures arise exclusively from rounding

# illimity - 4Q19 at breakeven

Data in €mln

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

## Significant growth in interest income in 4Q19

1 More to come in 1Q20 boosted by strong business origination at the end of the quarter

2 Interest expenses reflecting the significant acceleration in retail deposits in 4Q19 in connection with the launch of the digital direct bank  
Modest growth expected in 1Q20

3 Trading results including ~€7.7mln trading gains from the disposal of the HTC portfolio

4 Operating costs including ~€4.8mln of non-recurring costs, of which ~€3mln are associated to the launch of the digital direct bank

Loan-loss provision charges normalised in 4Q19 at ~€1mln

5 ~€0.9mln positive adjustments in 4Q19 on purchased Distressed Credit investment following periodic review of portfolio's ERC and net results of closed positions

6 Adjusted for non-recurring components, 4Q19 would be very close to breakeven

# illimity - KPIs improving further

	1Q19	2Q19	3Q19	4Q19	FY19	BP 2018-23 Target 2020
Cost-Income	187%	184%	132%	96%	132%	<50%
Cost of Risk (bps) Annualised <sup>(1)</sup>	~124bps	~190bps	~138bps	~46bps	~86bps	185–225 bps
Gross Organic NPE ratio <sup>(2)</sup>	8.2%	6.2%	5.0%	4.2%	4.2%	5 - 7%
CET1 ratio	~83%	~48%	~29%	~21%	~21%	>15%
LCR	813%	~210%	>1,000%	>1,000%	>1,000%	>130%

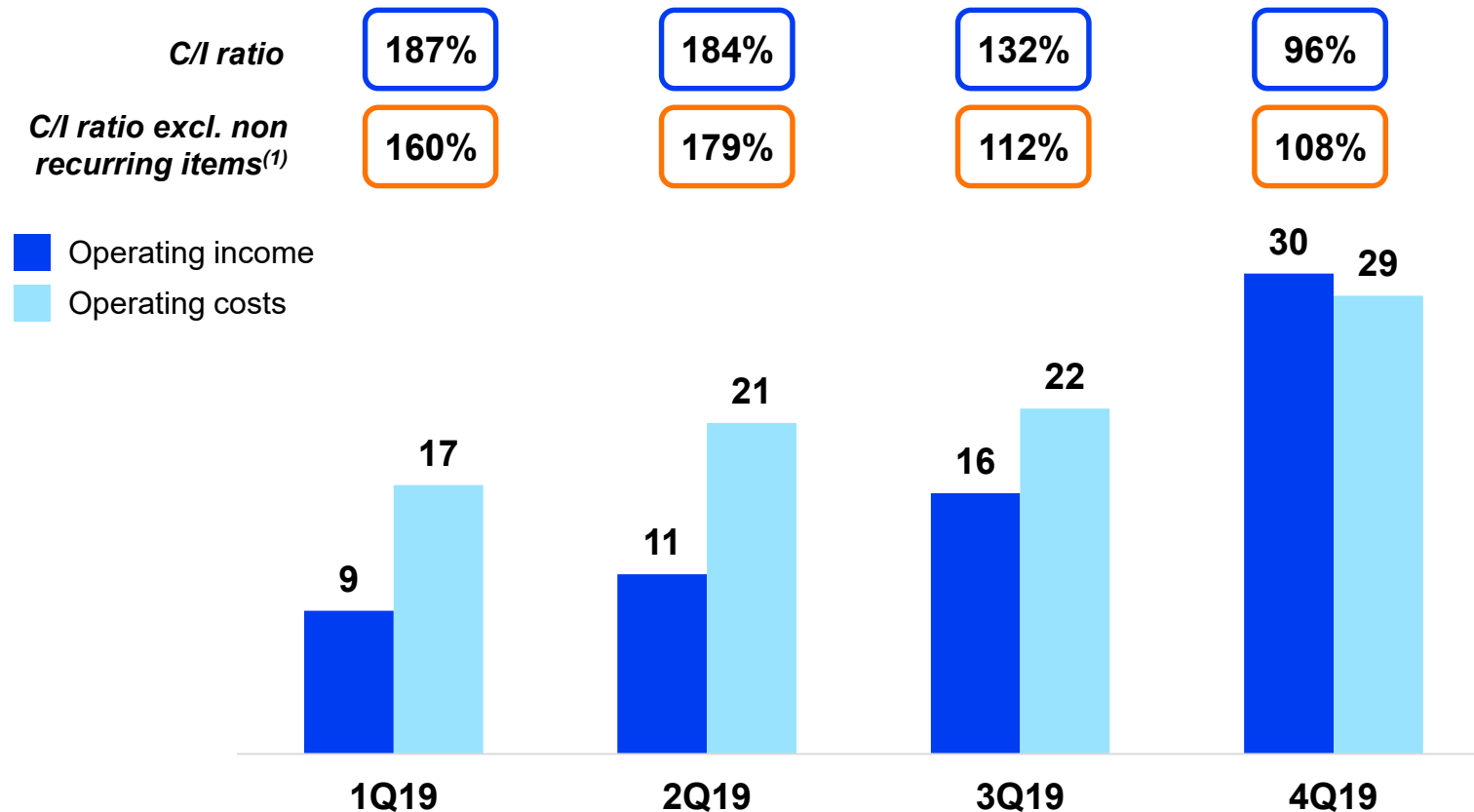
- **Cost-Income ratio** further improved in 4Q19 on a sequential quarterly basis
- **Cost of risk** normalising at 46 bps as of 4Q19; **86bps for FY19**
- **Organic NPE ratio** further down to **4.2%** in 4Q19 following loans build-up
- **CET1 ratio at 21%**
- Ample liquidity buffer
- **NSFR** comfortably above minimum requirements

Notes: (1) Ratio of loan loss provisions to net loans to customers end of period from factoring, Cross-over, new finance, BIP legacy book and senior financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased as part of the restructuring and refinancing business and the investments in Distressed Credit portfolios; (2) Ratio of gross NPE to total gross loans to customers from factoring, Cross-over, new finance, BIP legacy book and senior financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased as part of the restructuring and refinancing business and the investments in Distressed Credit portfolios. Any failure to reconcile the stated figures arise exclusively from rounding

# illimity - Operating leverage becoming evident

## Operating leverage

Data in €mln

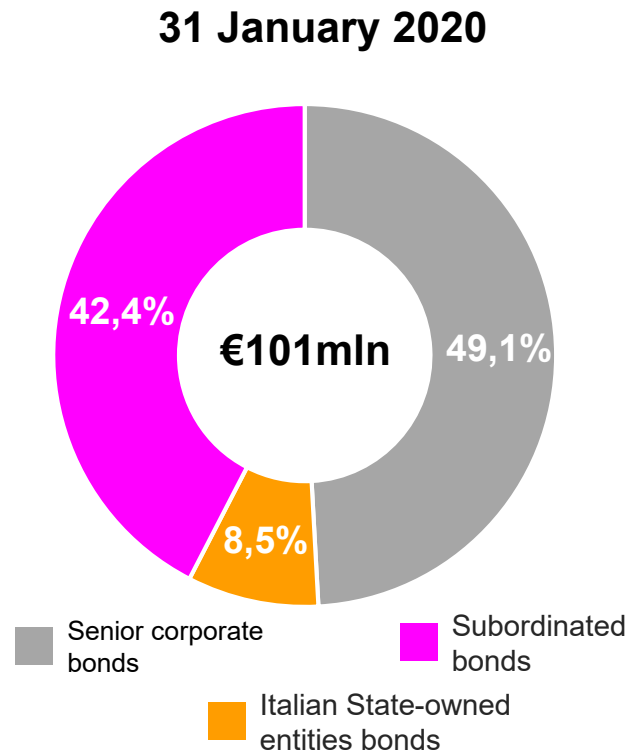
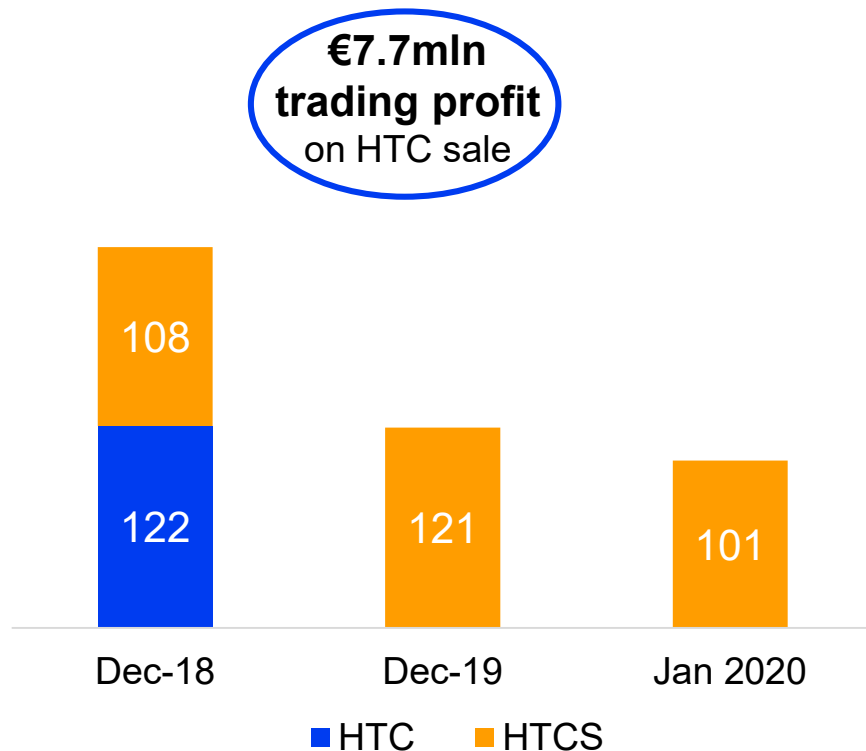


- **Business momentum** driving strong revenue progression
- **Flattening pace of growth** for operating costs
- **Operating jaws** becoming progressively visible

# illimity - Reshaped securities portfolio

## Securities portfolio

Portfolio composition by notional amount<sup>(1)</sup>



**Duration: 3.8 yrs**  
**Average yield: 2.3%**

## Investment strategy

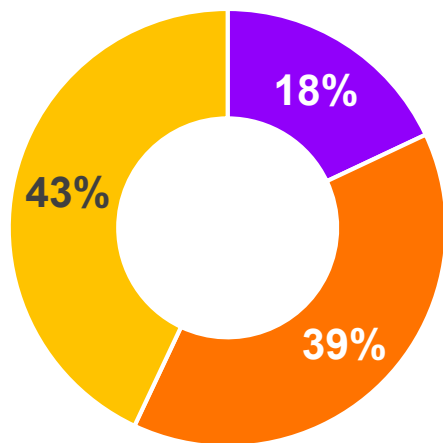
- Size target: up to 10% of total assets by YE20
- New investments largely in HQLA (Eurozone & Italy)
- Duration in line with current portfolio
- Target yield ~1%

# illimity - Stable and cost-effective funding base

Data as of 31 December 2019

## Maturity mix

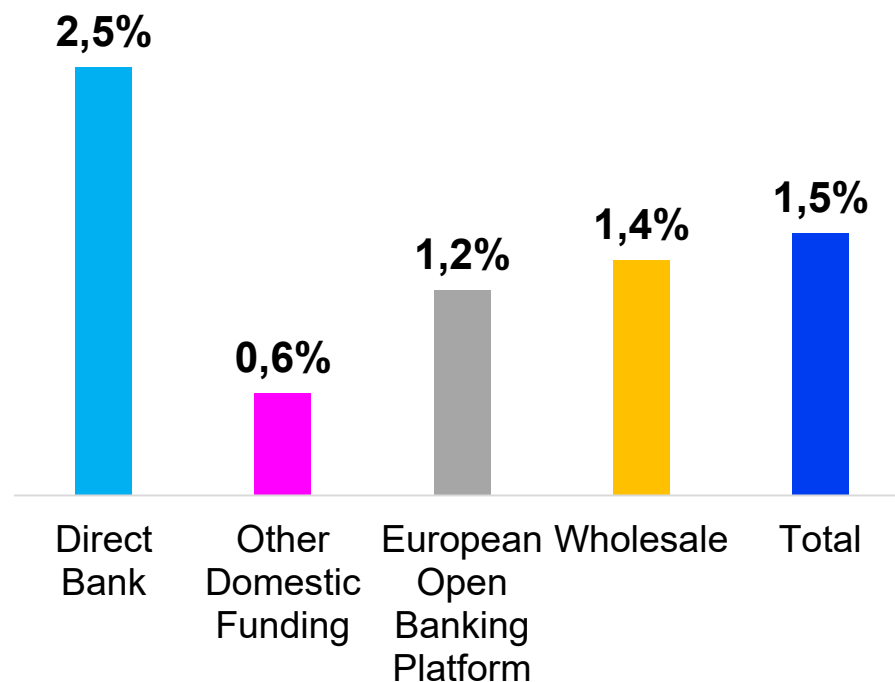
Total funding  
€2.4bn



- Sight
- Short Term
- Medium-Long Term

## Cost of funding<sup>(1)</sup>

Total funding  
€2.4bn



Improved asset-liabilities duration matching thanks to term retail funding collection



Medium-Long Term funding maturity over **3.5 years**



**1.5%** blended average cost of funding – in line with plan



# SME Division

*Enrico Fagioli*



# illimity - Building the **Italian SME specialist lender**



## **Cross-over and Acquisition Finance**

SMEs with industrial potential and support of external growth strategies



- Cross-over
- Acquisition Financing



## **Turnaround finance**

Unlikely-to-pay corporate exposures with potential to return to a performing status



- Refinancing
- Restructuring
- New finance
- UTP portfolios



## **Factoring**

Support to industrial districts value chain



- Short-term financing through factoring

# illimity - A **distinctive business model** in SME

## Top professional expertise with top technologies



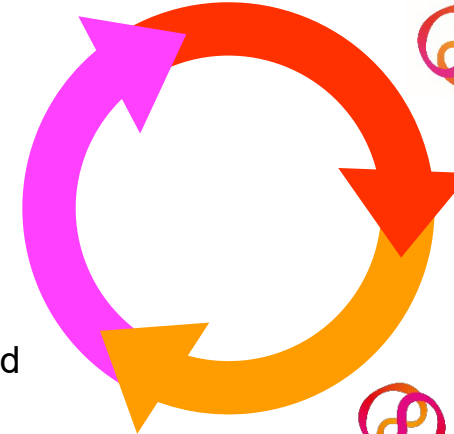
### Bank specialists

Strong banking expertise based on our team of specialists



### Tutors

Tutors with financial and industries expertise<sup>(1)</sup>



 illimityAI<sup>®</sup>

 illimity  
creditmachine<sup>®</sup>

### Value for clients

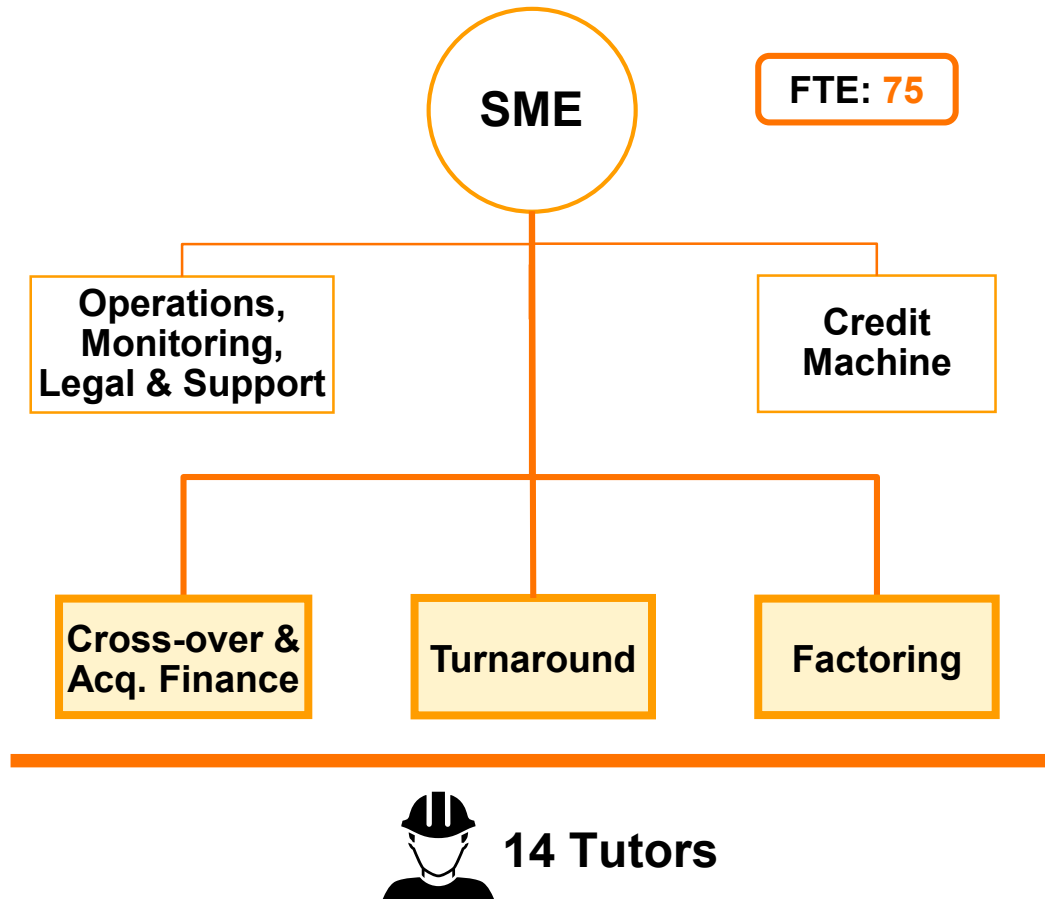
- **Tailor-made** credit solutions
- **Best response** time

### Value for illimity

- **Competitive advantage** in credit underwriting and monitoring

# illimity - Becoming a **proven Italian SME lending specialist**

Data as of 31 January 2020



- **€674m** originated business



- **37 deals** signed between Cross-over, Acquisition Finance & Turnaround across **15 industrial sectors**
- **~440 debtors** and **~77 clients** in factoring




# illimity - Accelerating growth in 4Q19

## Deal focus

- **268 deals analysed** since inception **worth ~€3.2bn** in nominal value
- **166 deals declined** worth ~€2.0bn
- **5 deals** with **terms agreed** and **to be signed shortly** worth ~€60m
- **17 deals** currently under evaluation in **advanced status** worth ~€261m
- **Other opportunities** identified for additional ~€415m

**37 deals signed since inception**

Data in €m  
Customer loans unless otherwise stated  
Non accounting figures

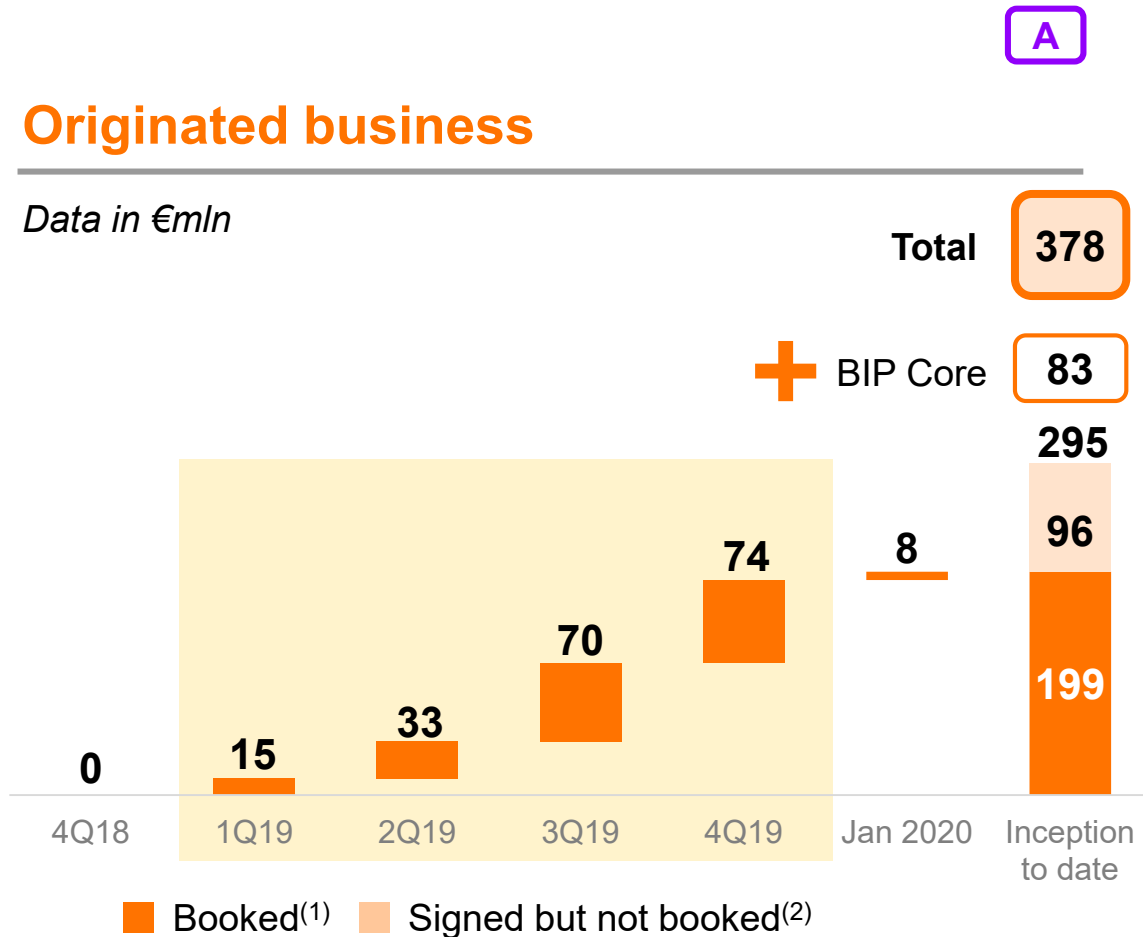
	A	B	C	A+B+C	
	Originated business <sup>(1)</sup>				
	Inception to date (31 January 2020)	Terms agreed <sup>(2)</sup> to be signed	Advanced pipeline <sup>(3)</sup>	Total	BP 2018-23 Target 2020
 <b>Cross-over &amp; Acq. Finance</b>	378 <sup>(4)</sup>	~31	~121	~530	~300
 <b>Turnaround<sup>(5)</sup></b>	180	~29	~140	~349	600 - 700
 <b>Factoring</b>	116 <span>T/O<sup>(6)</sup> 338</span>	~54	~110 <sup>(7)</sup>	~280	~300
<b>Total SME Originated business</b>	<b>674</b>	<b>~114</b>	<b>~371</b>	<b>~1,159</b>	<b>~1,200-1,300</b>

Notes: Non accounting figures; (1) This aggregate includes the loans originated/purchased in the period, thus already income-producing, and the deals signed but yet to be booked, due to a settlement structure in multiple tranches or to a time lag between the signing and the date of loan disbursement; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €83m; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Turnover related to Factoring; (7) Credit line to be granted

# illimity - Cross-over & Acq. Finance: strong origination capabilities

## Originated business

Data in €mln



<b>B</b>	<b>C</b>	<b>A+B+C</b>	<b>Target 2020</b>
Terms agreed to be signed	Advanced pipeline	Total	
~31	~121	~530	~300

## Deal features

- Avg. ticket size ~€5 - 10mln
- Opportunities to exploit our strong origination capabilities
- Acquired considerable market credibility in Acquisition Finance: **13 deals and mandate lead arranger on many Acquisition Finance deals** in only a few months since business launch

# illimity - Factoring business accelerating

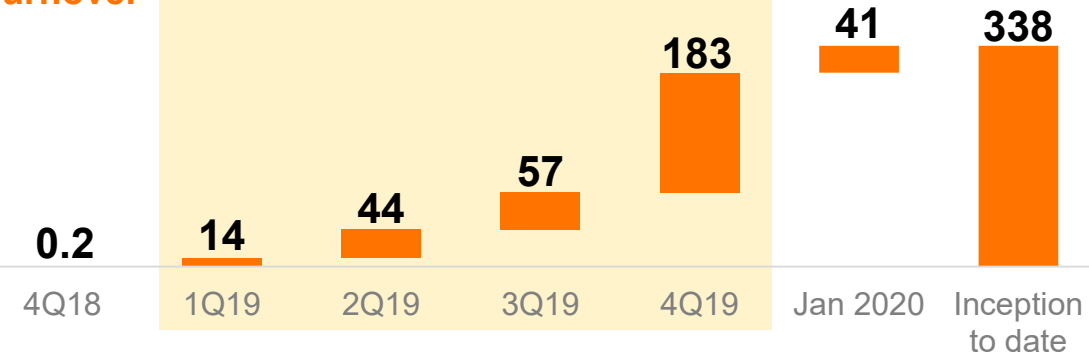
## Originated business

Data in €mln

Outstanding<sup>(1)</sup>



Turnover<sup>(2)</sup>



A

B

C

A+B+C

Target  
2020

Terms agreed to  
be signed

Advanced  
pipeline

Total

~54

~110

~280

~300

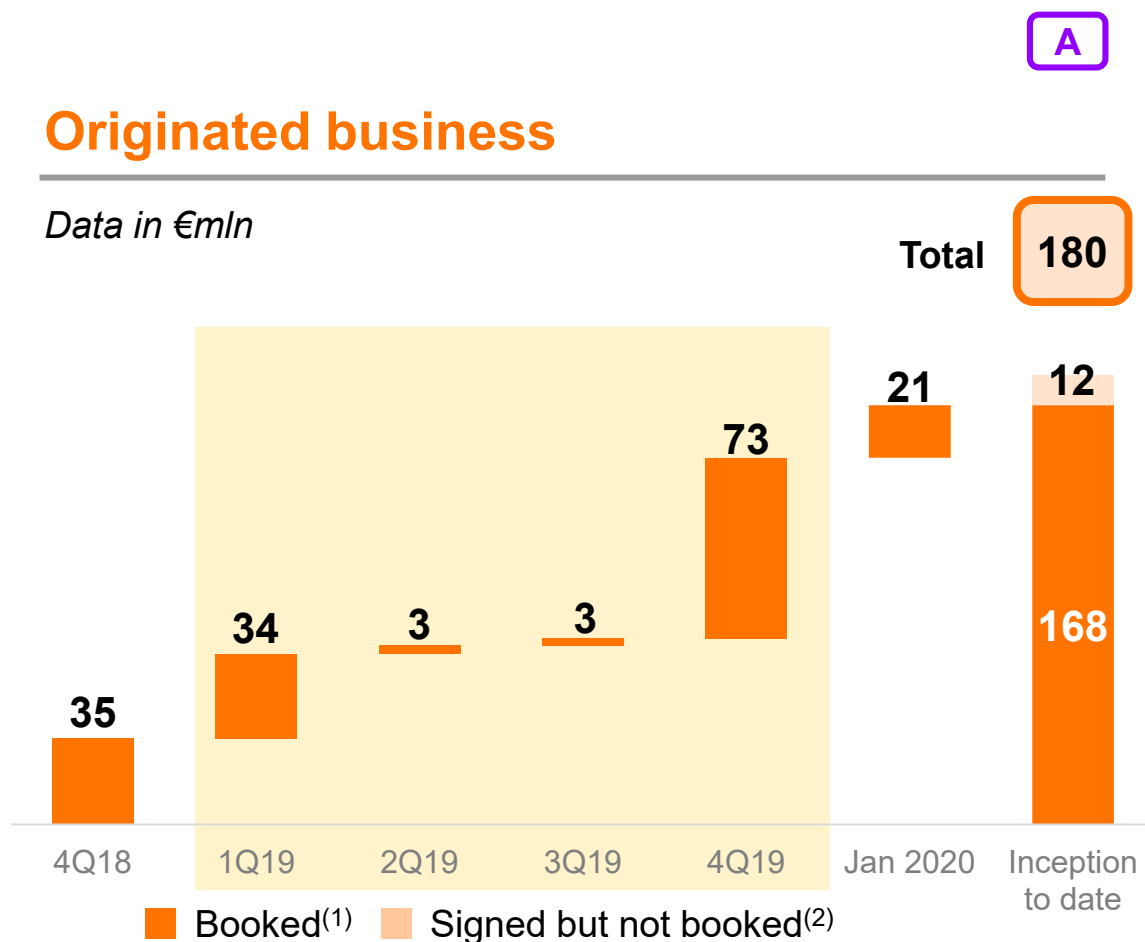
## Key features

- **77 clients<sup>(3)</sup>** (vs 46 at October 2019) and **~440 debtors** (vs 100 at October 2019) for a total credit line granted of €272mln as of end January 2020 (vs €142mln at October 2019)
- Insurance guarantees on a relevant portion of the portfolio

# illimity - Turnaround leg up in 4Q19

## Originated business

Data in €mln



A

B

C

A+B+C

**Target 2020**  
**600 - 700**

Terms agreed to be signed

Advanced pipeline

Total

~29

~140

~349

## Deal features

- Avg. ticket size €20 - 30mln
- Potential upside<sup>(3)</sup> ~€19mln
- 11 deals signed since inception in: steel, IT payments, automotive, fashion, shipping, construction and food
- Set-up of an asset management company dedicated to UTP investment to capture additional market opportunities in Turnaround business

Notes: (1) Income-producing gross loans origination, including new finance, acquired credit and related instruments. It includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (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; (3) Additional potential revenue related to revaluation of equity, quasi-equity instruments and credit revaluation



# Distressed Credit I&S Division

*Andrea Clamer*



# illimity - Building the **Italian Corporate Distressed Credit champion**



**Investment**



**Acquisition** of secured and unsecured Corporate Distressed Credit



**Senior Financing**



**Financing solutions** for NPL non-bank investors



**Servicing**



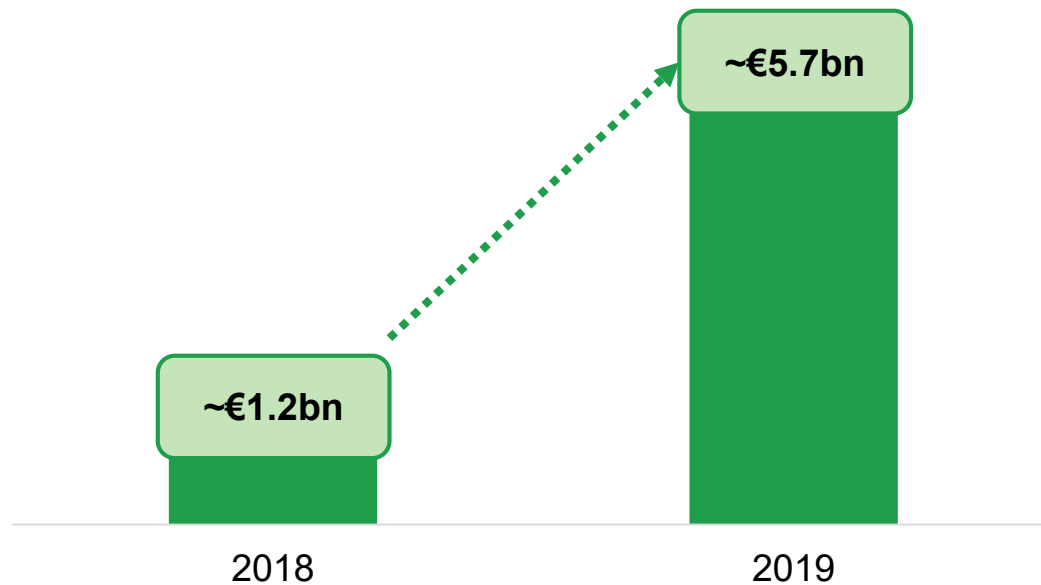
**Workout services and remarketing** for captive and 3<sup>rd</sup> parties' corporate Distressed Credit

**Strong synergy across the 3 businesses**

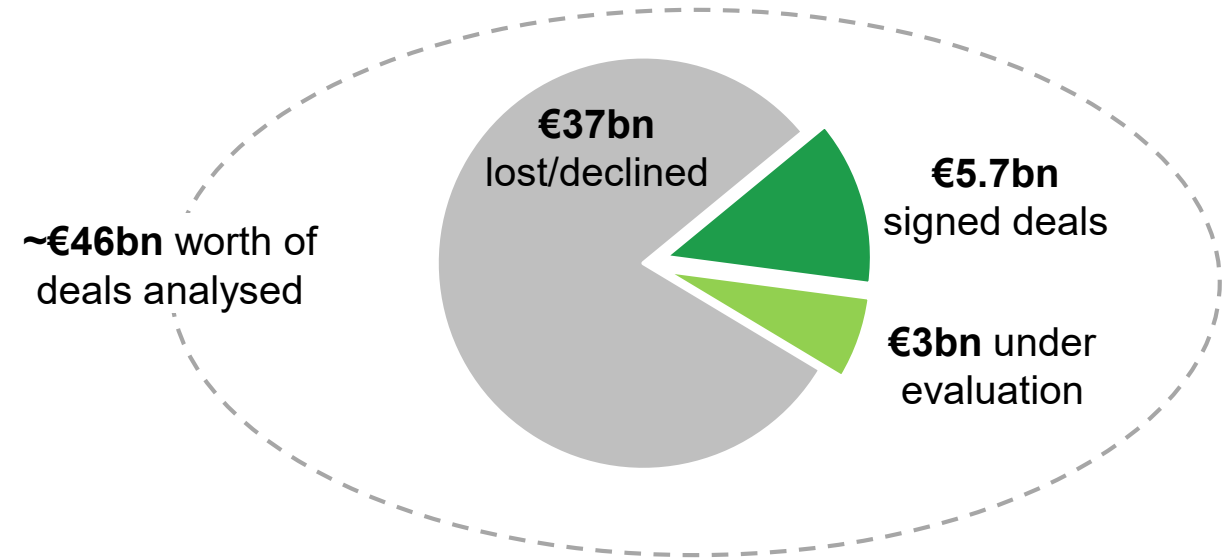
# illimity - Already a **proven player** in the NPE transaction market

*Data as of 31 January 2020*

**Significant growth in Distressed Credit Originated business (GBV)**



**Strong attention to profitability supported by our selective approach (GBV)**



# illimity - Increase specialisation with a **dedicated desk focused on Renewable Energy**



## Business opportunity

- A niche market potentially worth **€5bn GBV**
- Underserved with limited competition



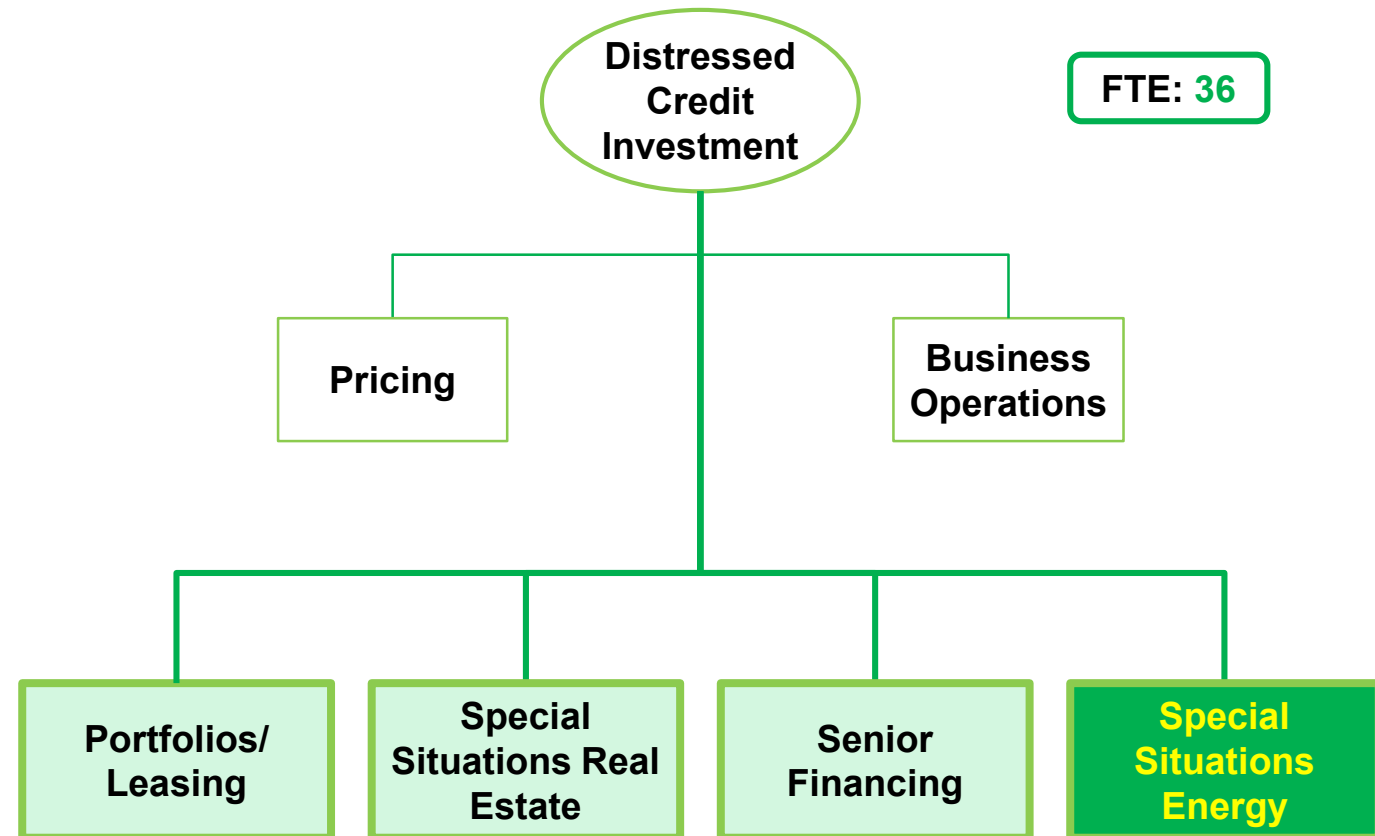
## Operating model

- Dedicated team led by a veteran in private equity investments in renewable energy

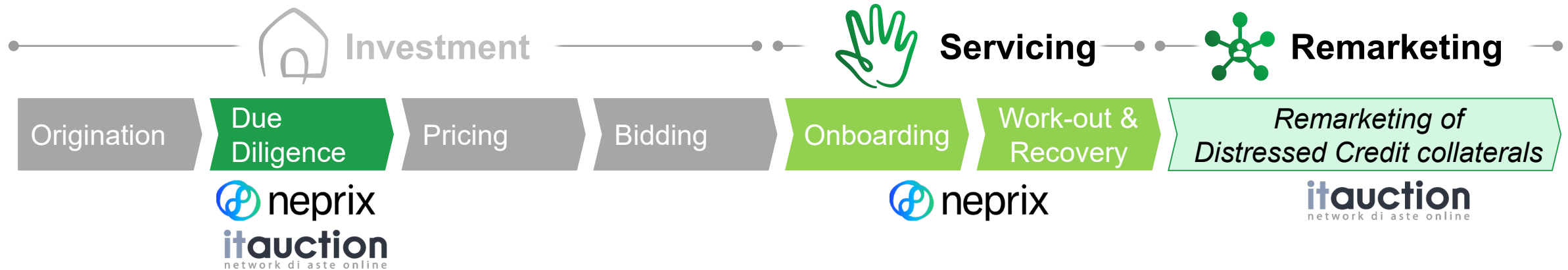


## Strategic rationale

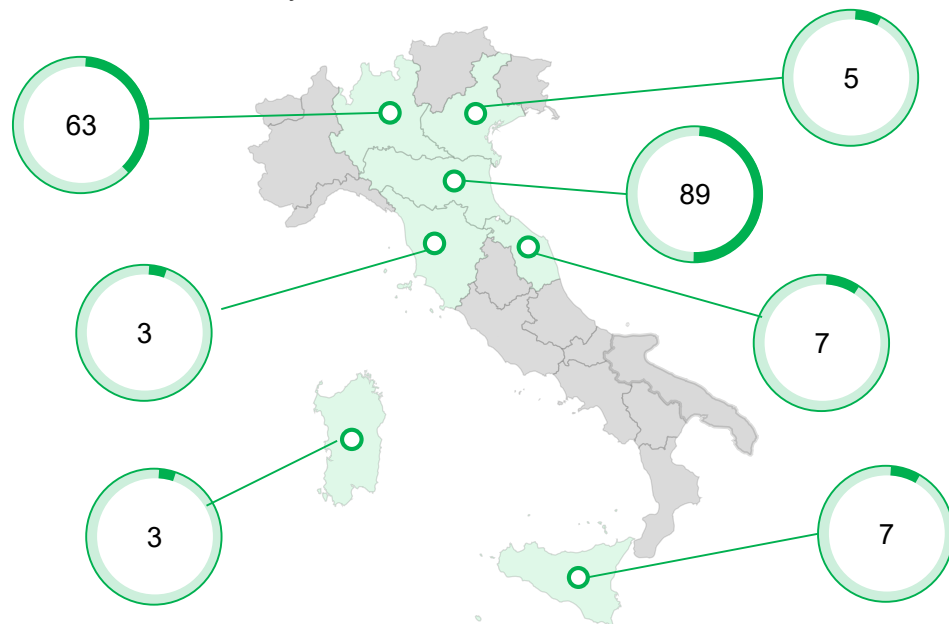
- Diversification of investments
- Specialisation in niche asset classes



# illimity - Neprix and IT Auction



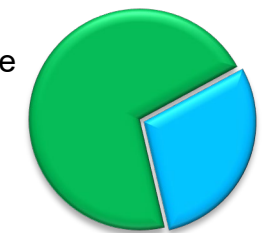
FTE as of 31 January 2020



**Total Servicing FTE spread**  
across the Italian territory: **177**

**~€8bn GBV assets**  
under management  
between loans and  
other assets

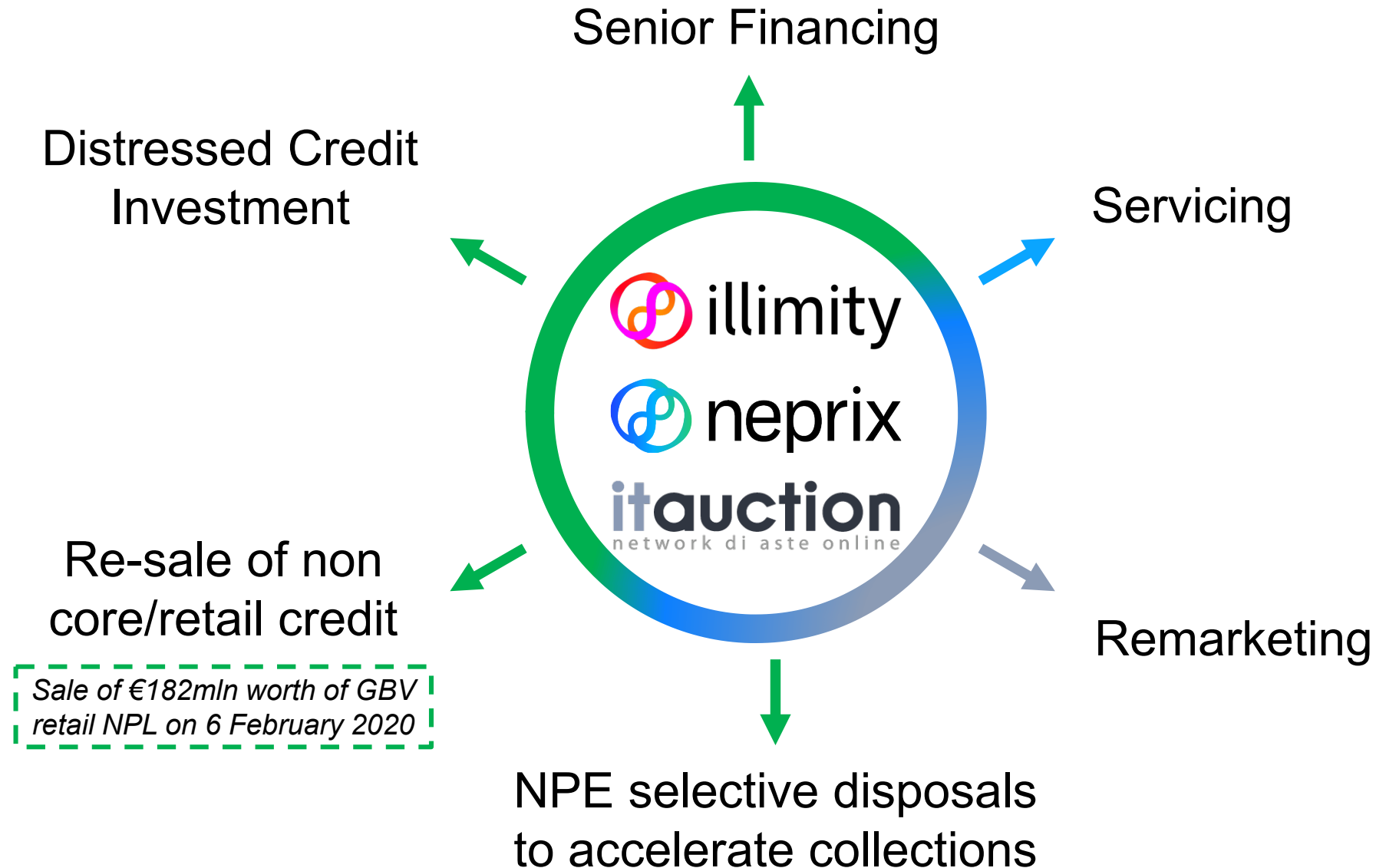
Captive



Third-party\*

\*Remarketing services

# illimity - **Distressed Credit:** a fully-fledged player






# illimity - Business momentum continued in 4Q19

## Deal focus: Distressed Credit Investment

- ~€46bn of GBV analyzed since inception
- ~€37bn of GBV declined/lost
- ~€6bn of GBV signed since inception
- ~€3bn of GBV currently under evaluation

Data in €mln  
Customer loans unless otherwise stated  
Non accounting figures

	A	B	C	A+B+C	
	Originated business <sup>(1)</sup>				
	Inception to date (31 January 2020)	Terms agreed <sup>(2)</sup> to be signed	Advanced pipeline <sup>(3)</sup>	Total	BP 2018-23 Target 2020
 Distressed Credit Investment	832	~47	~270	~1,149	1,700-2,000
 Senior Financing	390	~11	~16	~417	100-200
<b>Total Originated Business</b>	<b>1,222</b>	<b>~58</b>	<b>~286</b>	<b>~1,566</b>	<b>1,800-2,200</b>
 Servicing <sup>(4)</sup> AUM (GBV/Managed assets)	~8,000	~140	~1,900	~10,000	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes the origination/purchase of income-producing loans and Distressed Credit investments, and deals signed but yet to be 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/onboarding. It includes also the retail Distressed Credit portfolio sold on 6 February 2020; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) The AUM of the servicing unit includes the gross book value of Distr. Credit purchased and the value of property & capital goods managed by IT Auction

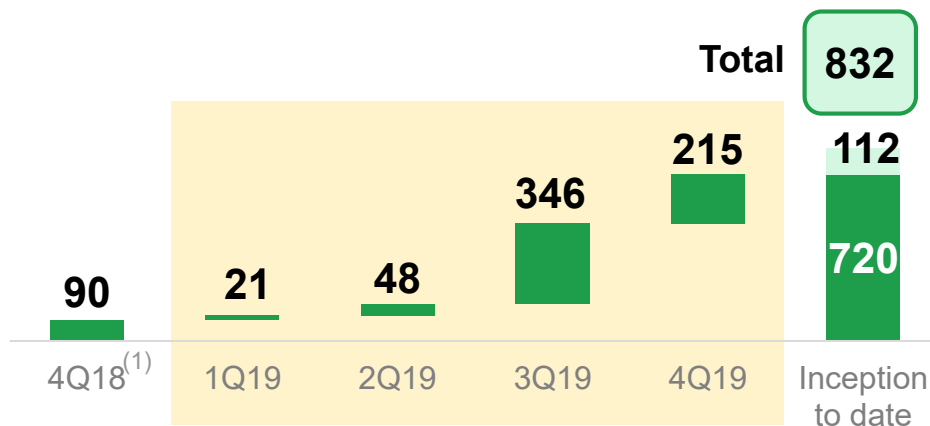
# illimity - Strong volumes acceleration in 4Q19

## Originated business

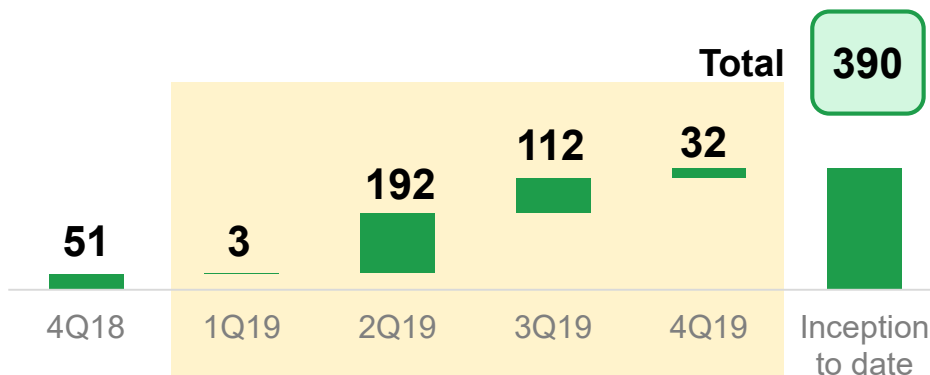
Data in €mln



**Distressed  
Credit  
Investment**



**Senior  
Financing**



**A**

**B**

**C**

**A+B+C**

Terms agreed to  
be signed

Advanced  
pipeline

Total

~47

~270

~1,149

**Target  
2020**

**1,700-2,000**

~11

~16

~417

**100-200**

■ Booked<sup>(2)</sup> ■ Signed but not booked<sup>(3)</sup>

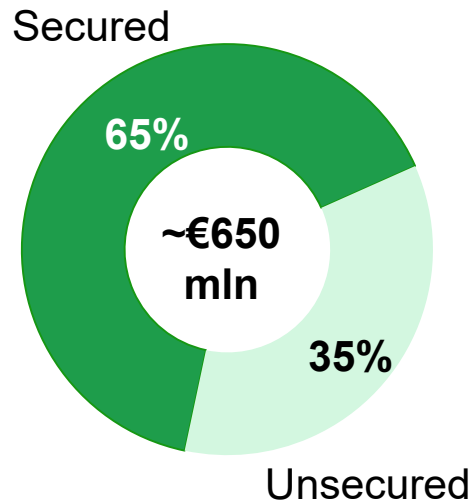
Notes: Rounded figures; (1) Including September 2018; (2) Income-producing gross loans origination (Distressed Credit senior financing) and Distressed Credit investments (portfolios including leasing and single name); (3) Deals signed but not yet booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/purchase



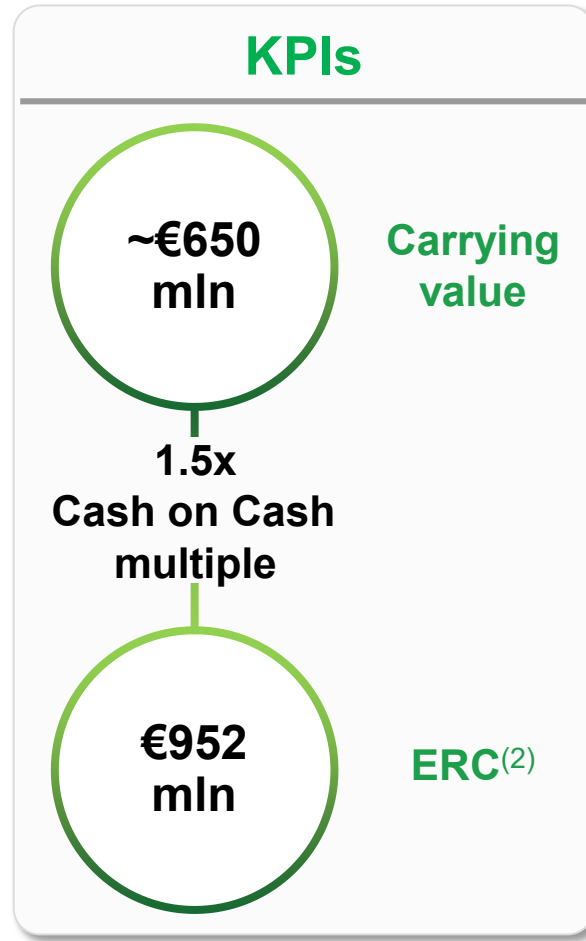
# illimity - Portfolio in line with Business Plan

Data as of 31 December 2019<sup>(1)</sup>

## NBV breakdown by type of guarantee

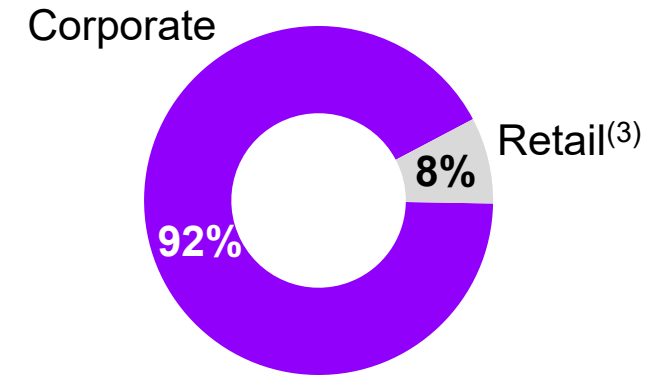


## KPIs

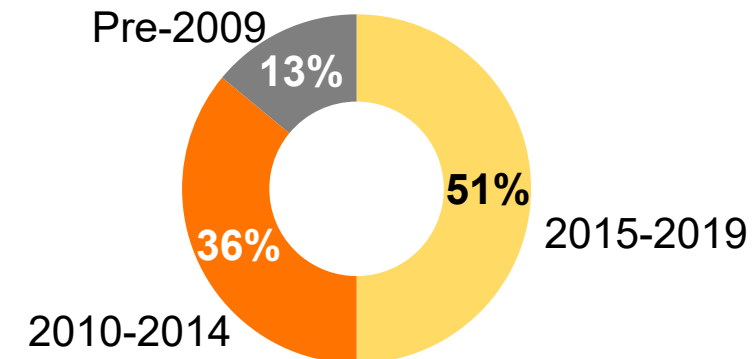


Data as of 31 December 2019<sup>(1)</sup>

## GBV breakdown by type of borrower



## GBV breakdown by vintage<sup>(4)</sup>

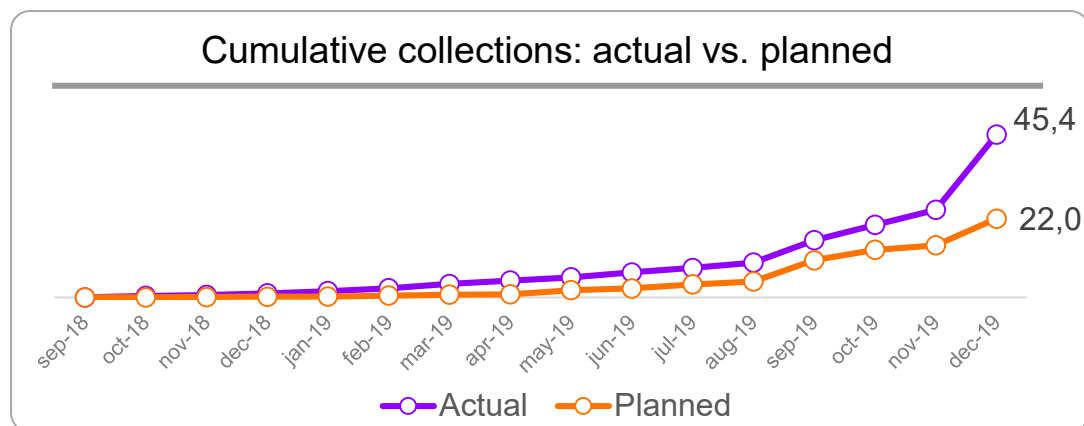


Notes: Rounded figures; (1) Figures adjusted for the sale of the retail portfolio executed on 6 February 2020; (2) Estimated Remaining Collections on booked investments; (3) Strategically non-core, will be sold in due course; (4) Only considering bad loans

# illimity - Building on revenue and cash collection

## Cash Flow view<sup>(1)</sup>

Data in €mln



	Actual Cash Flows	Expected Cash Flows	Delta Cash Flows
Q4 19	29.4	11.6	+17.8
Cumulative	45.4	22.0	+23.4

## Economic quarterly view

Data in €mln

	Interest <sup>(2)</sup> Q4	Fee income Q4	Adjustments <sup>(3)</sup> Q4	Revenues Q4	Revenues 12M19
NPL Investment	17.8	-	0.9	18.7	36.9
Senior Financing <sup>(4)</sup>	3.5	0.4	-	3.9	10.9
Total	21.3	0.4	0.9	22.6	47.8

Interest <sup>(2)</sup> Q4	=	NBV	×	Gross IRR	×	Period from onboarding
Adjustments Q4 +0.9	=	Delta Cash Flow +17.8	+	ERC Update -16.9		
Adjustments 12M +1.0	=	Delta Cash Flow +23.4	+	ERC Update -22.4		

Notes: Rounded figures. (1) Collections from receivables, excluding amounts paid by borrowers from projects' cut-off to closing date; (2) Measured based on amortized cost; (3) Outcome of the Distressed Credit business plan periodic review; for accounting purposes, this is classified in the P&L item "130. a) Net write-downs / write-backs for credit risks relating to financial assets measured at amortized cost"; (4) Non accounting figures

# Direct Banking

*Carlo Panella*



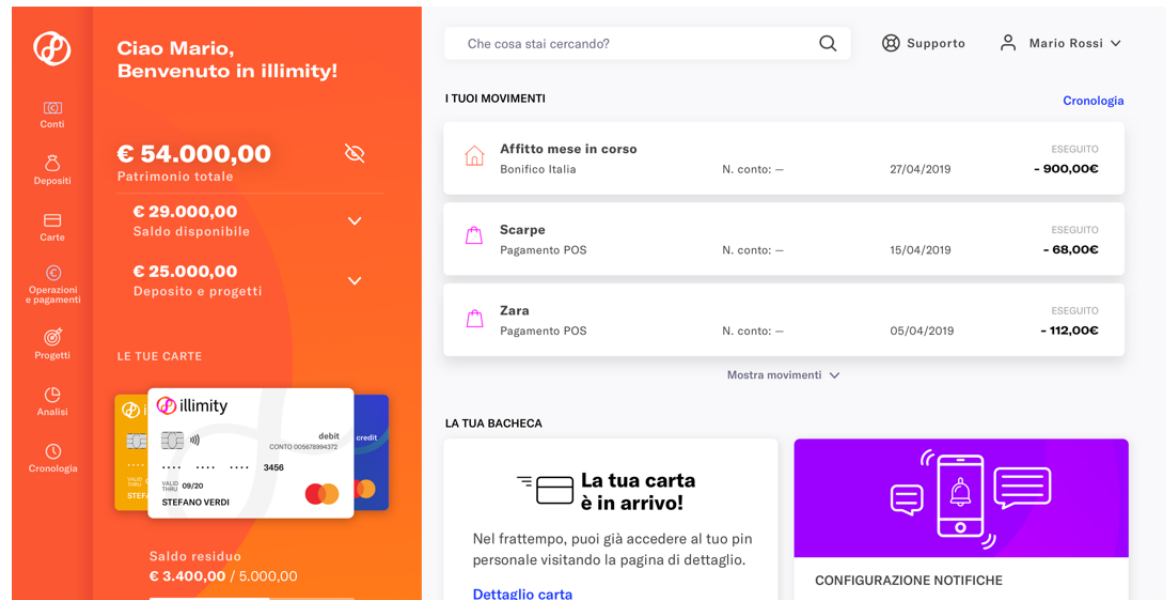
# illimity - We built a unique digital retail bank



## Strength of our offer

- **Fully fledged** digital bank
- **Direct and Paperless**: mobile&web
- **Digital** but **with human touch**
- Convenient **Value for money**
- **PSD2-native**
- Advanced **Personal Financial Management**
- State-of-the-art **user experience**

# illimity - First results beyond expectations



~€770  
mln

**Deposits as of 7 February 2020**

~ 60% maturity  $\geq 4$  years

2.4% cost of funding

~27k

**Customers as of 7 February 2020**

of which 81% active

~10%

**PSD2 Aggregated accounts**

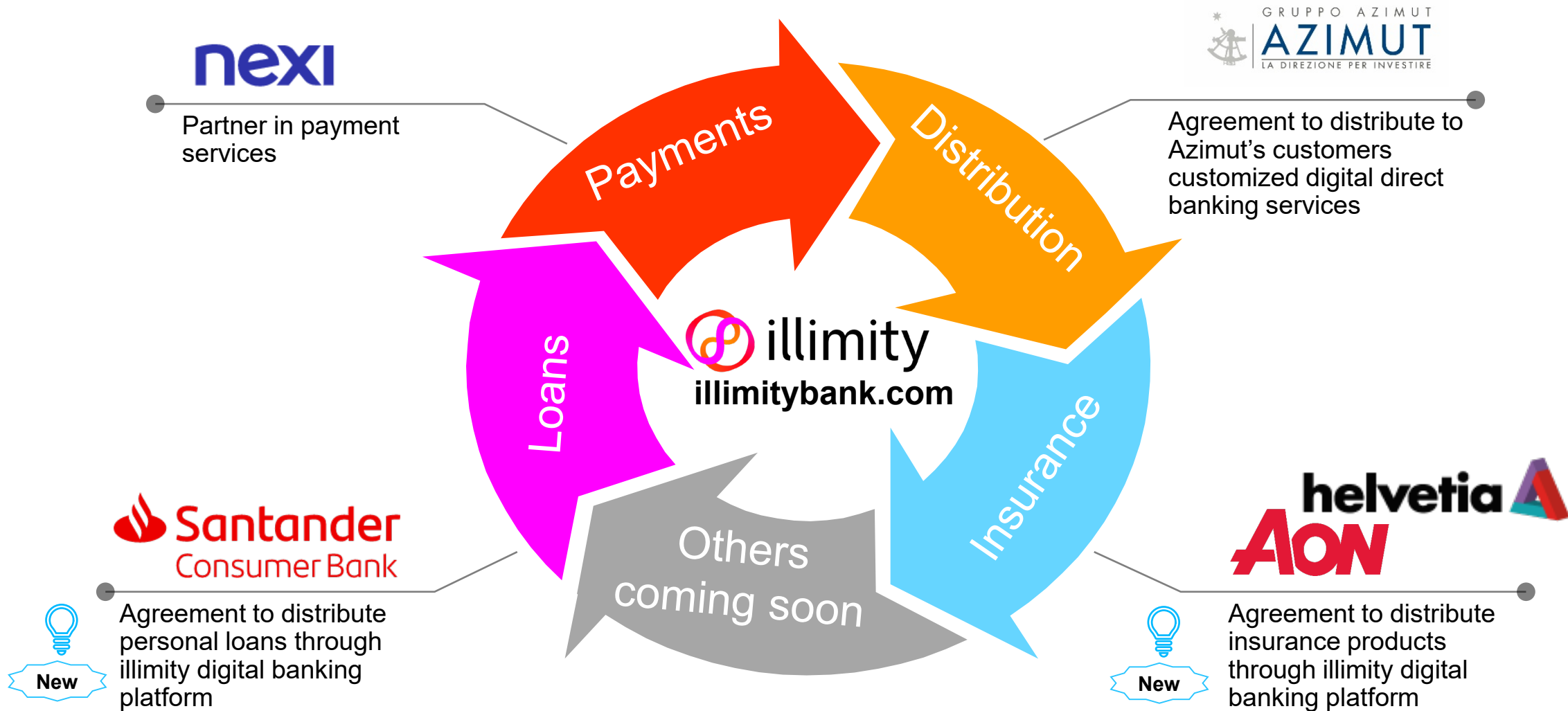
On active clients

~21%

**Clients with illimity as main bank**

On active clients

# illimity - Open Bank by design: more partnerships on the cards

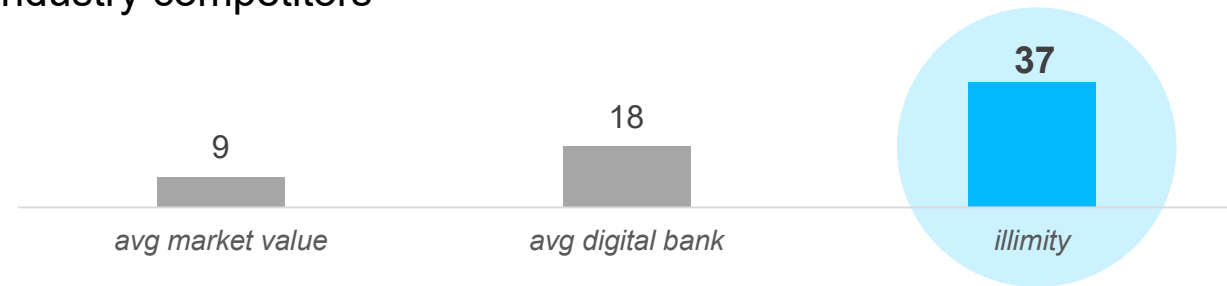


# illimity - The finest experience in town



## NET PROMOTER SCORE

- **Net Promoter Score** Index equal to 37, significantly higher than industry competitors



## BRAND POSITIONING

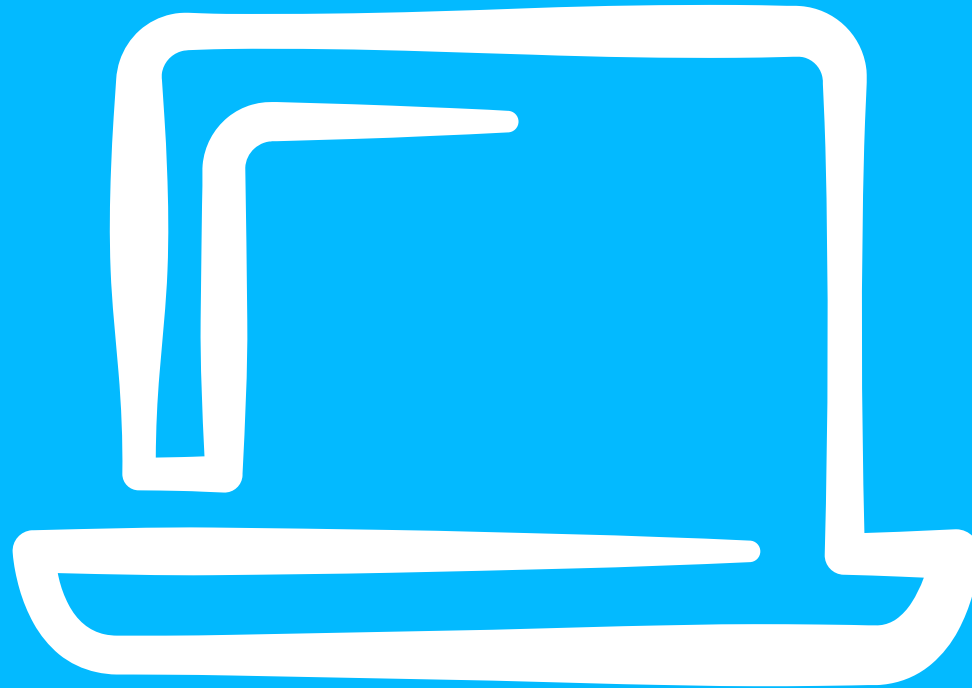
- Reached **26% awareness** thanks to effective marketing campaign

## AWARDS

- **EFMA 2019:** Customer Insight & Growth Banking Innovation Award (*NeoBanks & Specialised Players*)
- **Milano Finanza 2019:** Open Innovation Award

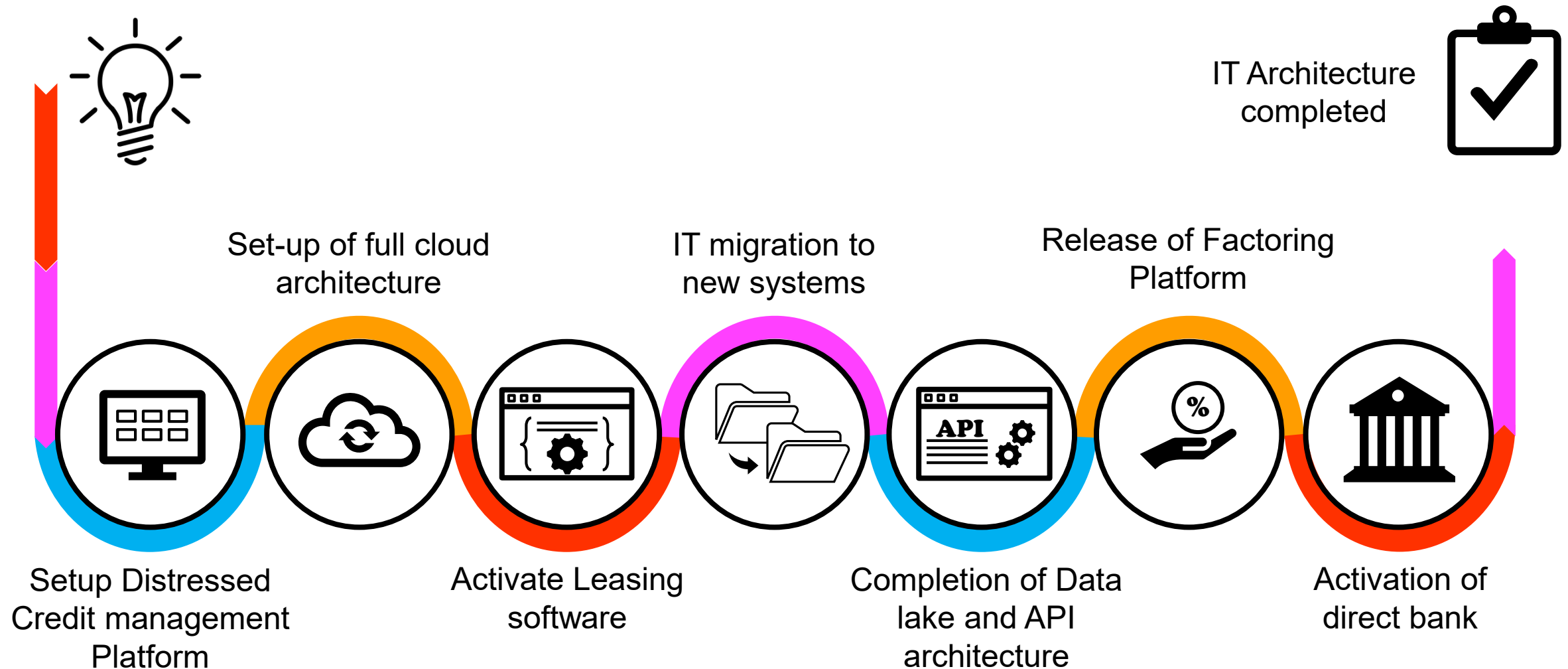
# Digital Operations

*Carlo Panella*





# illimity - From scratch to a fully digital bank in just 12 months



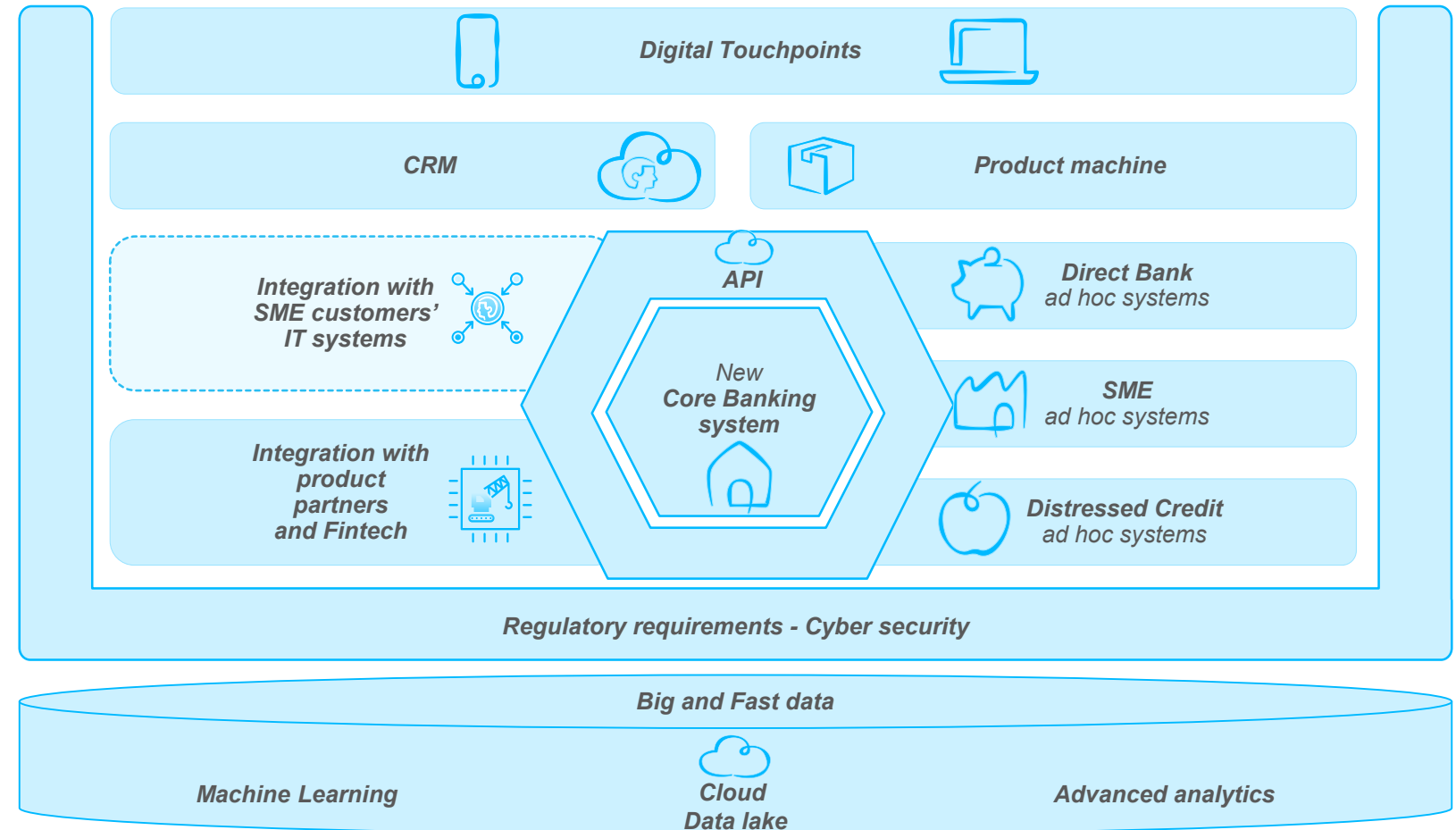
# illimity - Open banking architecture: completed

We have built an enabling **architecture**:

 fully **digital**

 completely **modular**

 fully on **cloud**





**Silvia Benzi**

***Head of Investor Relations & Strategic Planning***

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