



illimity

BANCA OLTRE LA FORMA

1Q23 Consolidated Results

12th May 2023

Key highlights

Corrado Passera, CEO



illimity - **Key strategic milestones driving positive start to 2023**



illimity solid liquidity and capital position respond effectively to concerns raised by banking market turmoil at start of 2023



Long-term industrial **partnership with Engineering Group on IT platform to bolster 2023 and long-term profitability**



1Q23 results in line with our expectations.
IT deal renders them not comparable with previous quarters



Three tech ventures have all made important progress in their own strategic development. Strategic partnership signed in real estate sector between Quimmo and Coima

illimity - Robust liquidity position with positive inflow of retail deposits in 1Q23



~0.9€bn
Liquidity⁽¹⁾



~310%
LCR



114%
NSFR



+€200mIn
Retail deposits
illimitybank.com



84%
Term deposits
on retail funding

illimity - Solid capital position supports future business growth



15.6%
CET1 ratio



+650bps
Buffer vs. SREP

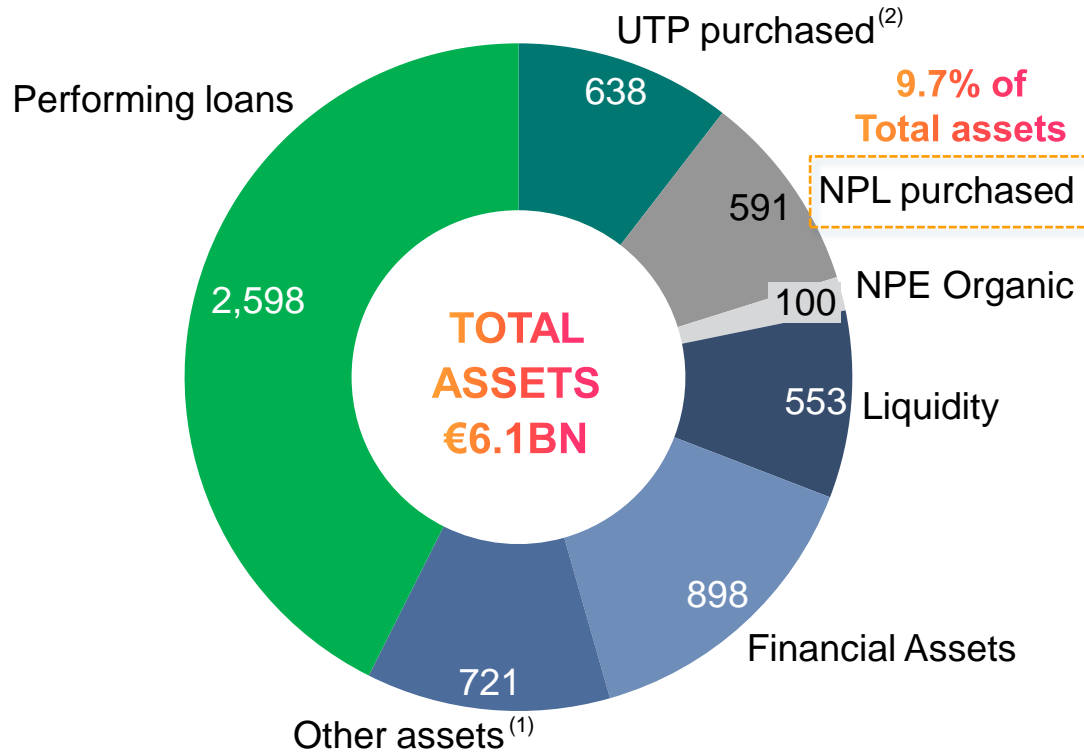


20.3%
Total Capital ratio

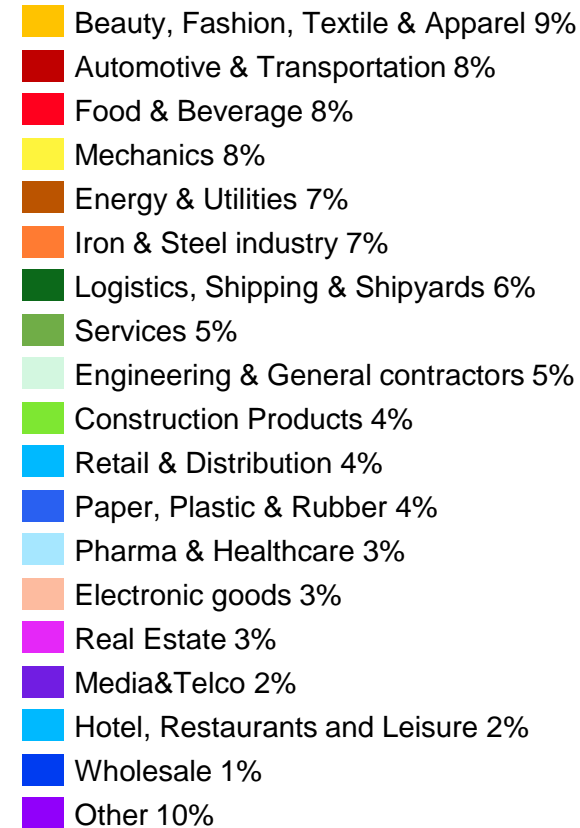
**Unrealised losses on HTC securities limited to 1.5% of Shareholders' Equity
(under €15mln euro)**

illimity - Cyclical stability through asset diversification

BREAKDOWN OF TOTAL ASSETS



LOAN BOOK BREAKDOWN BY ECONOMIC SECTOR⁽³⁾



Notes: (1) Include tangible and intangible assets and fiscal assets. (2) Includes €10mIn past due purchased (3) Growth Credit loan book. Gross Book Value.

illimity - Expected Asset quality trend with contained cost of risk at 43 bps



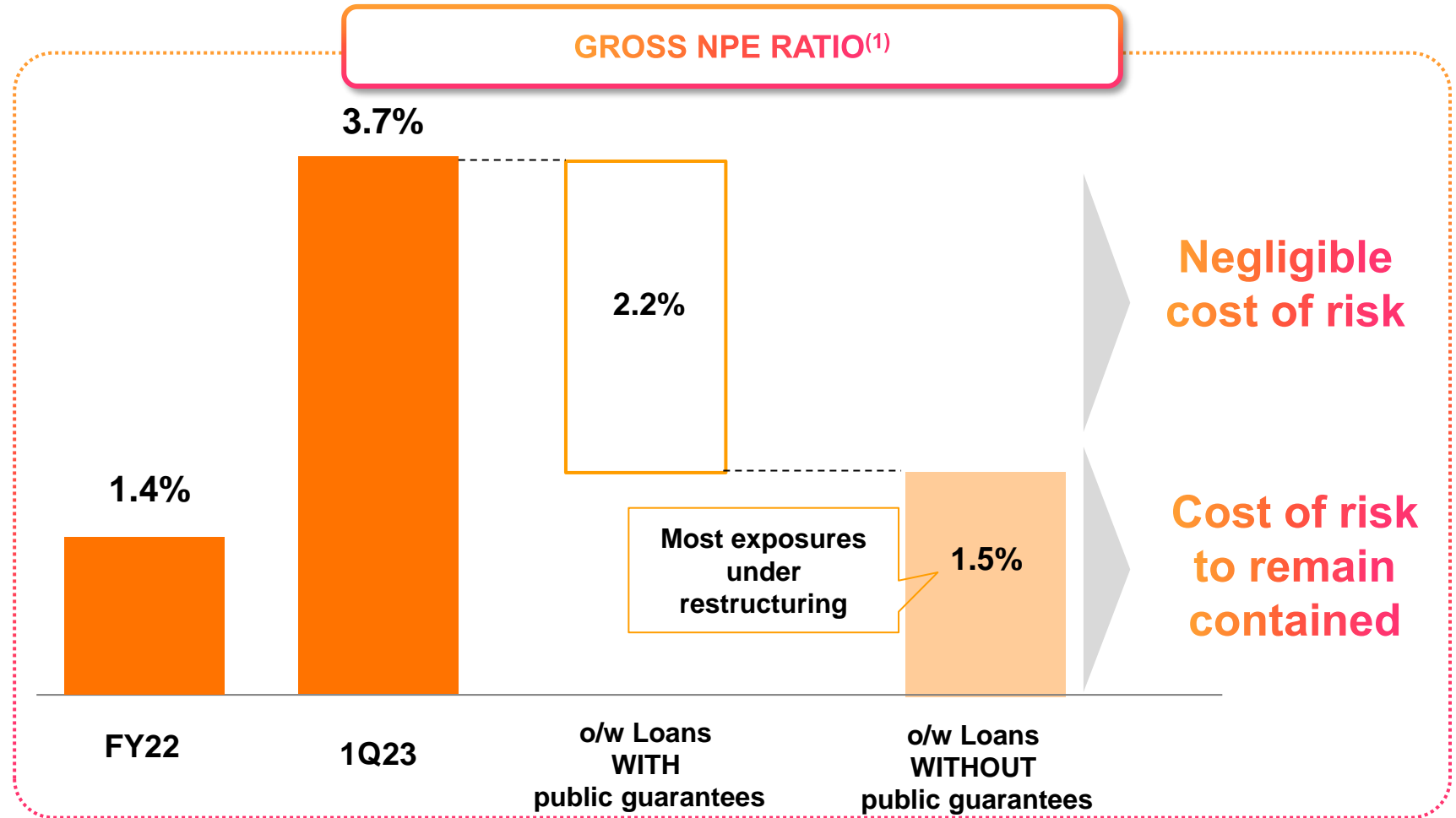
~56%

Guaranteed/Insured loans
as % of total gross loans ⁽²⁾



~2%

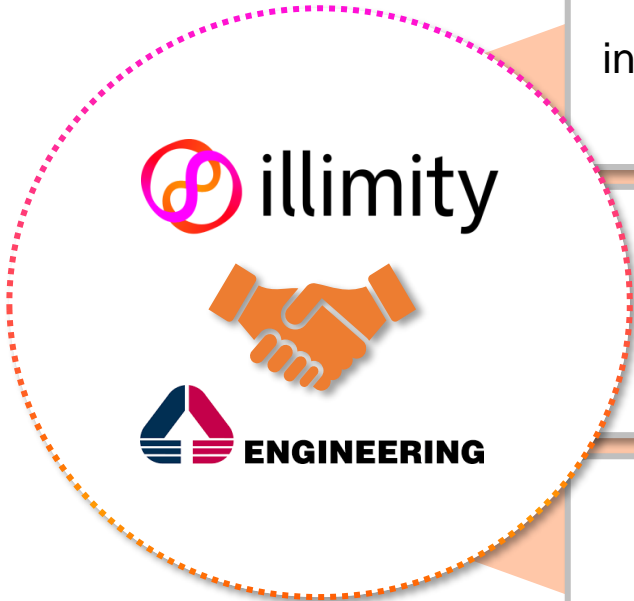
Stage 2 Loans
as % of total gross loans ⁽²⁾⁽³⁾



Notes: (1) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (2) Including Growth Credit, b-ilty and BIP legacy portfolio; (3) Considering only stage 2 loans arising from credit deterioration.

illimity - Game-changing partnership with Engineering Group to bolster 2023 and beyond

18 April 2023: Signed long-term industrial agreement for period 2023-2032 concerning illimity's unique IT platform, distribution to third parties and future development



€55.5mIn

in 2023 for sale of copy of IT platform source codes

+

€4.5mIn

in return for further optional platform upgrades (€0.5mIn per year in period 2024-2032)

Significant royalties for 10 years

bolstering long term profitability

Long-term IT service contract

(with investments already included in our plan)
that will allow us to plan IT investments in long term at favorable conditions

illimity - 1Q23 trends as we expected, comparability affected by IT platform deal

Reclassified Profit & Loss	1Q22	1Q23
Business origination⁽¹⁾	337	324
Net interest income	36.0	48.4
Net fees and commissions	12.8	15.1
Other revenues	29.6	8.7
Operating income	78.5	72.1
Operating costs	(44.9)	(50.0)
Operating profit	33.5	22.1
Loan loss provision charges	(0.5)	(2.8)
Other income from equity investments	(1.8)	(1.2)
Contribution to banking sector schemes and other non-recurring charges	(2.0)	(6.0)
Profit (loss) before tax	24.1	12.1
Income tax	(8.4)	(4.3)
Net result	15.7	7.8

Robust origination despite very soft distressed credit

Strong growth in NII and Net commissions
+30% YoY

Comparability affected by mutual termination of previous IT agreement and closed positions (particularly high in 1Q22)

Comparability affected by mutual resolution of previous IT platform license agreement (-€8.5mIn)

illimity - SME businesses profitability up 74% y/y



GROWTH CREDIT DIVISION

- **Net Customer loans up 49% YoY. QoQ up 4%** despite early repayments. Robust pipeline ahead (€277mIn)⁽¹⁾
- **Strong operating leverage** further improved
- **Significant progression in profitability** with pre-tax profit up 91% y/y

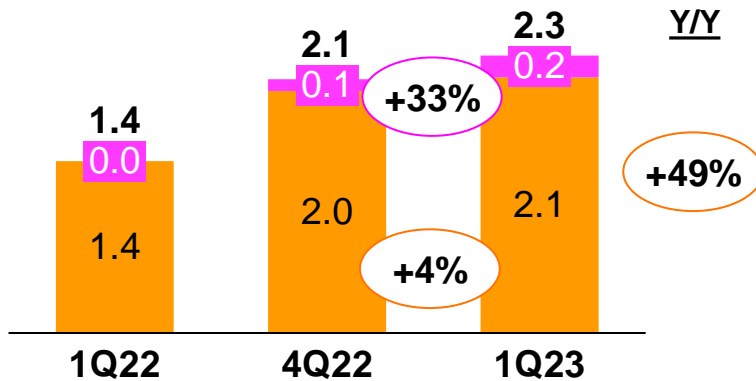


INVESTMENT BANKING DIVISION

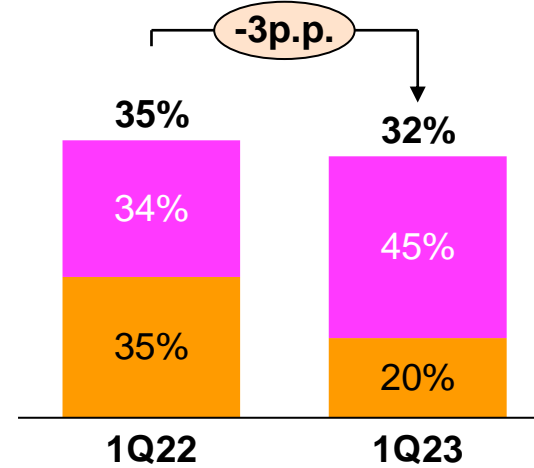
- **Volumes up 33% QoQ** thanks to strong start of year in terms of business origination: €90mIn 1Q23 vs.~190mIn FY22
- **Alternative debt stock reached €178mIn**
- **Pre-tax profit at €2.1 mIn in line YoY**

Net customer loans

Data in €bn

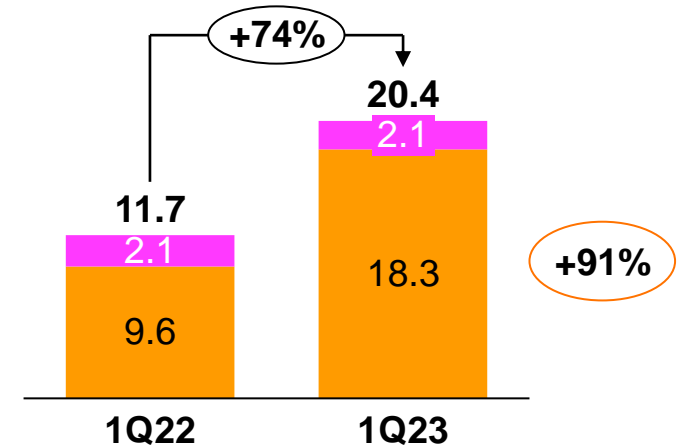


Cost Income



Profit before tax

Data in €mIn



■ Growth Credit ■ Investment Banking

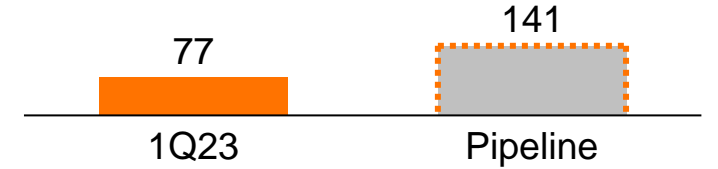
illimity - SME lending activity to accelerate further



Turnaround

Steady robust business origination with solid pipeline ahead

Turnaround pipeline



Cross-over & Acquisition Finance

Business origination to pick up thanks to robust pipeline

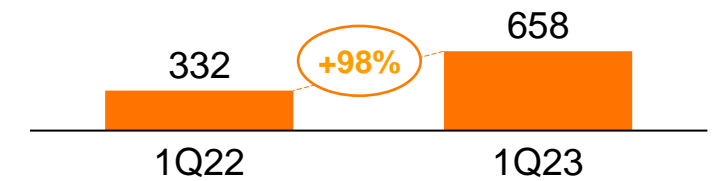
CO&AF pipeline



Factoring

Turnover up 98% Y/Y driving 1Q23 level above seasonally high 4Q last year

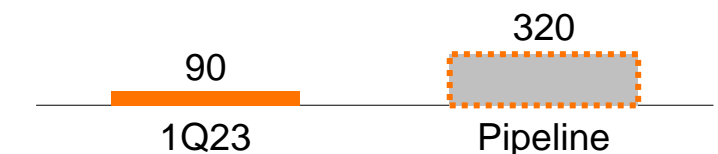
Turnover



Investment Banking

Significant pick-up in corporate solutions and structuring activity with remarkable pipeline ahead

IB pipeline



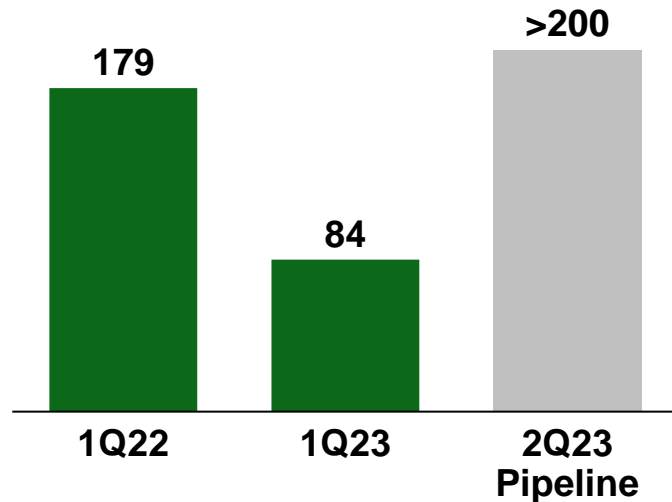
illimity - Anticipated soft market start with strong pipeline ahead

Soft market in 1Q23 but **renewed dynamism since April with robust pipeline especially in highly specialised markets** (Special Situation Real Estate, Senior Financing & Energy)

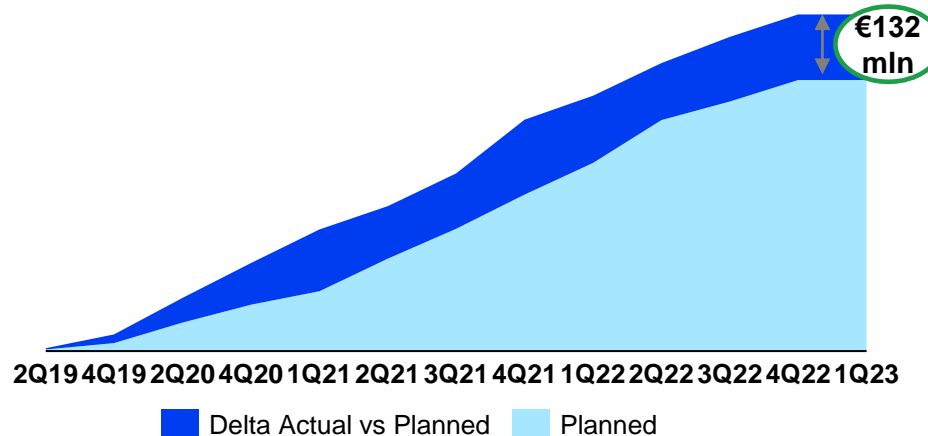
Resilient asset quality with stable overperformance in cash collections

Business origination⁽¹⁾

Data in €mln

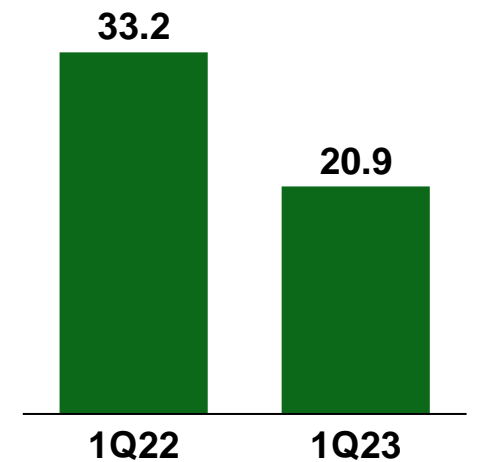


Cumulated cash flow: actual vs. planned



Pre-tax profit DC Investment

Data in €mln



Notes: Non accounting figures. (1) See 'Business origination' in the Glossary at the end of this document.

illimity - P&L contribution from Distressed Credit business supported by high level of collections

CASH TO P&L Contribution

Data in €mln

	FY2020	FY2021	FY2022	1Q2023
P&L contribution ⁽¹⁾	152	180	195	44
Cash collections	267	403	488	114
Cash to P&L ratio	1.7x	2.2x	2.5x	2.6x

(1) Includes: (i) interest income, (ii) Profit from closed purchased distressed credit positions and (iii) Value adjustments on purchased distressed credits

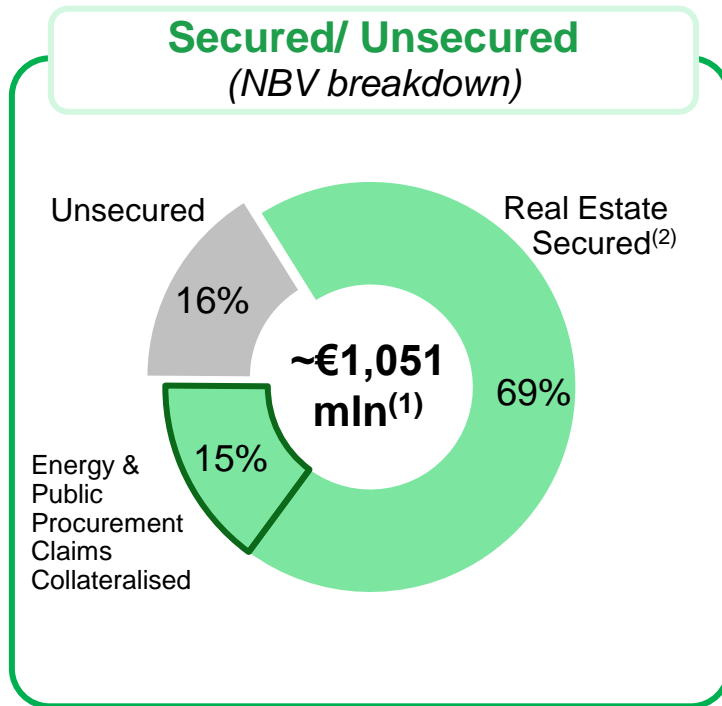
Stable contribution to P&L supported by solid portfolio constantly regenerated

Strong and consistent cash flow generation

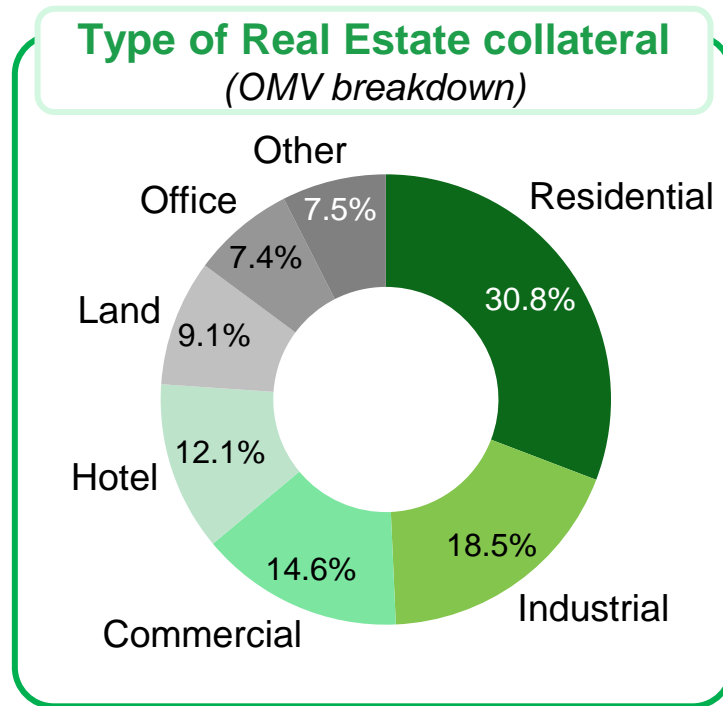
Cash to P&L ratio boosted by different workout strategies aimed at maximising revenue and reducing recovery time

illimity - Highly collateralised and diversified Distressed Credit investments

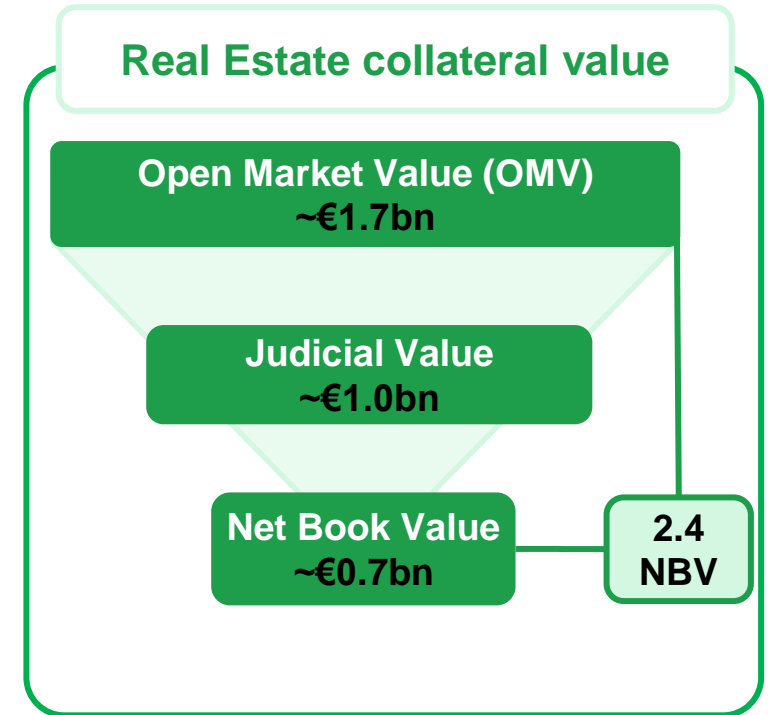
Data as of 31 March 2023



84% of portfolio Secured or Collateralised



Strong diversification in type of collateral



Solid real estate values, with high buffer vs. Open Market Value

Notes: Rounded figures. (1) Includes Distressed Credits investments, assets purchased by the Energy desk and some senior financing assets. (2) Secured portion includes Public Procurement Claims (8% of total) and Energy (7% of total).

AREC neprix - Leading market operator with end-to-end asset management services fully operational



3rd largest market player in corporate UTP management industry in Italy⁽¹⁾ with ~€10bn AuM



From servicing to **end-to-end asset management company** (distressed credit and real estate) supporting clients across entire value chain



Trusted advisor for banks and investors in large-scale real estate management deals

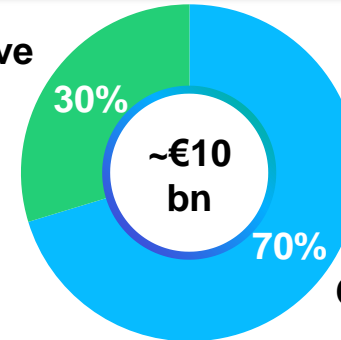


Profitability in 2023 expected to benefit from important pipeline of third-party mandates, focused on Real Estate assets valorisation

Data in €bn

Asset Under Management

Non Captive



Captive

Key results 1Q23⁽²⁾



€8.4mln
Revenue



23%
EBITDA margin



€1.7mln
Pre-tax profit

Momentum accelerates. Total AUM up to ca. €440mIn

LAUNCHED

Credit & Corporate Turnaround Fund

- UTP
- AuM⁽¹⁾ of around €232mIn

Real Estate Credit Fund

- NPE
- AuM⁽¹⁾: €114mIn

Selective Credit Fund (art. 8 SFDR)

- Performing unlisted SMEs.
- First closing for €90mIn finalized.

Launched in April 2023



Total AUM at ca. €440mIn⁽¹⁾ achieved in just two years, expected to further increase



Synergies between **SGR**, and business divisions **already visible** and set to generate further benefits in next few years

NEW FUNDS TO BE LAUNCHED

illimity - Tech initiatives advancing toward high value creation.

 quimmo

Proptech

Already leading prop-tech in Italian RE brokerage market

Strategic partnership completed in free market

 b-ilty

 illimity

Lendtech

First Italian fully-fledged digital bank for small corporates

Operational from 1Q23

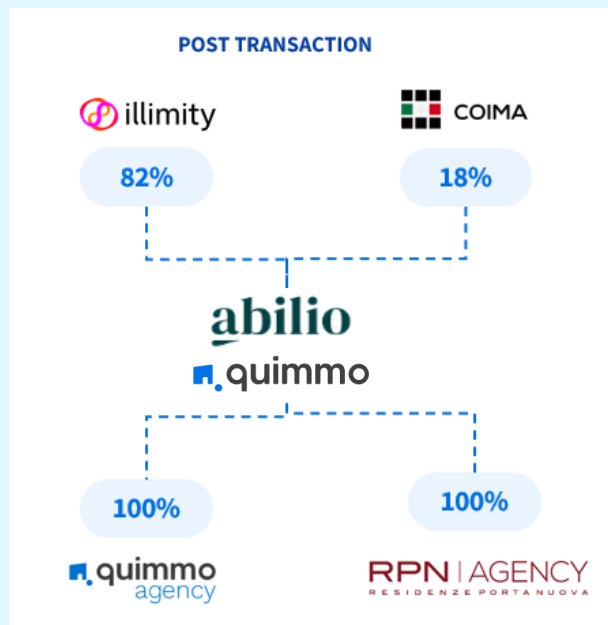
 HYPE

Fintech

Italian fintech leader in retail world⁽¹⁾

Moving towards breakeven

quimmo - Equity partnership in real estate brokerage to accelerate open market strategy



Coima acquires 18% stake of Abilio by transferring 100% of its brokerage service company active in Italian residential sector

OPEN MARKET

- April 2023 - Signed partnership in RE brokerage with COIMA⁽²⁾
- Expected boost following commercial synergies with pipeline of more than €1bn
- Boosting relevance in open market potentially worth €140bn

JUDICIAL MARKET

- Leader in Judicial market leveraging increased market share (from 11% to 13%)
- Increasing relevance in judicial market potentially worth €7bn



Assets sold €362mln in FY22, €76mln in 1Q23



AuM⁽³⁾ ~€2.4bn, of which 94% non captive



Generated leads 44K in FY22, 14K in 1Q23



As of 1Q23 revenue at €4.2m with pre-tax result of €-0.8m⁽⁴⁾

Business up and running from 1Q23 and already gaining momentum

KEY MESSAGES



Unique digital banking offer for small corporates



Digital platform up and running with AI based credit engine fully operational



In 1Q23 loan origination in line with targets driven by business origination, with solid pipeline ahead (>€150mIn)



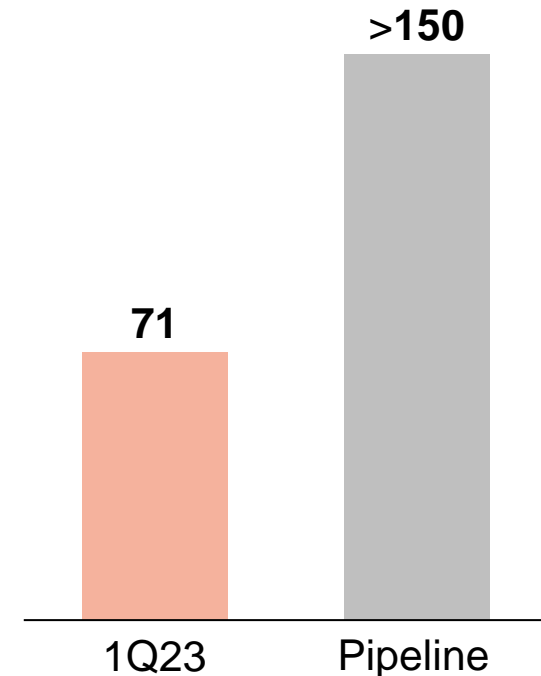
All loan exposures are **assisted by public guarantees**



Commercial distribution agreements further increased to foster origination opportunities

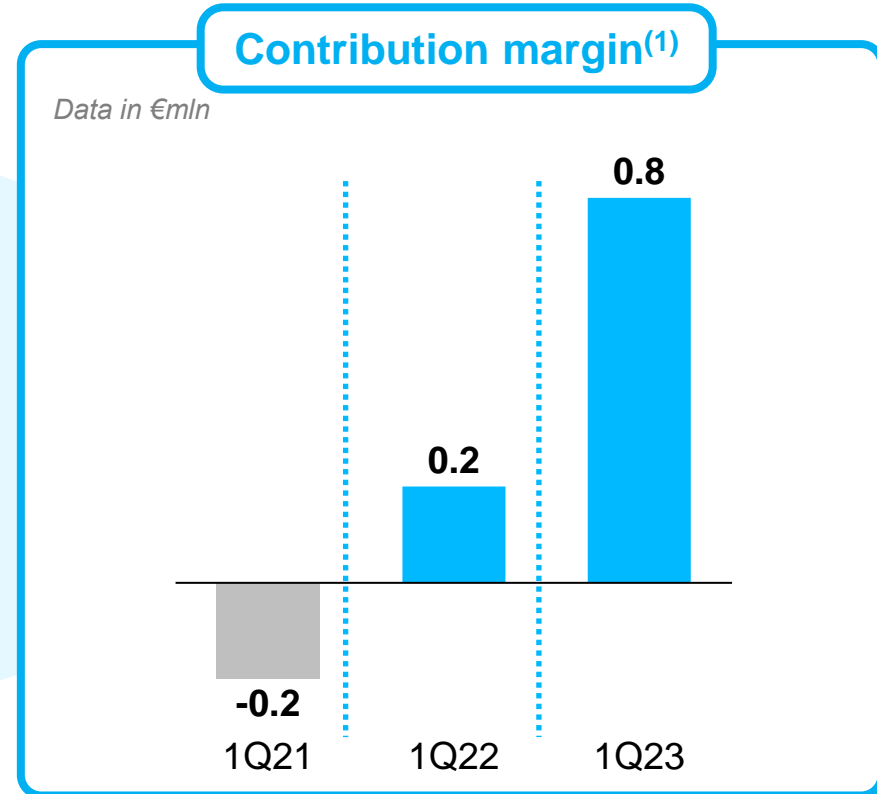
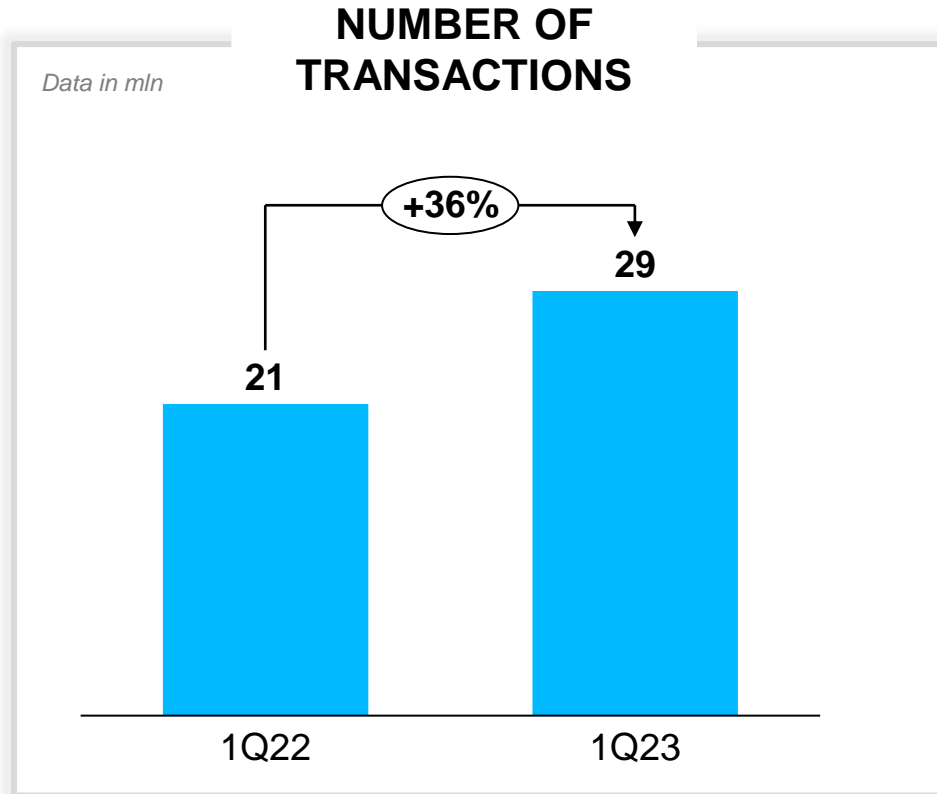
Net Customer Loans

Data in €mIn





- Top retail fintech in Italy with 1.7 million customers (+11% YoY)



Average customer transaction in 1Q23 ~17 +25% YoY

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

illimity - Significant achievements driven by strong commitment to ESG values



Carbon Neutrality Scope 1&2



4.6% Gender Pay Gap
(Among lowest in sector)



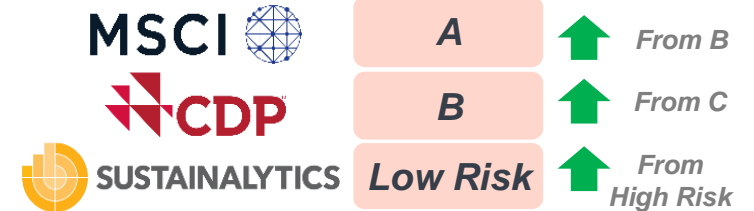
Great Place to Work® for 4 years in row



Gender Equality certified



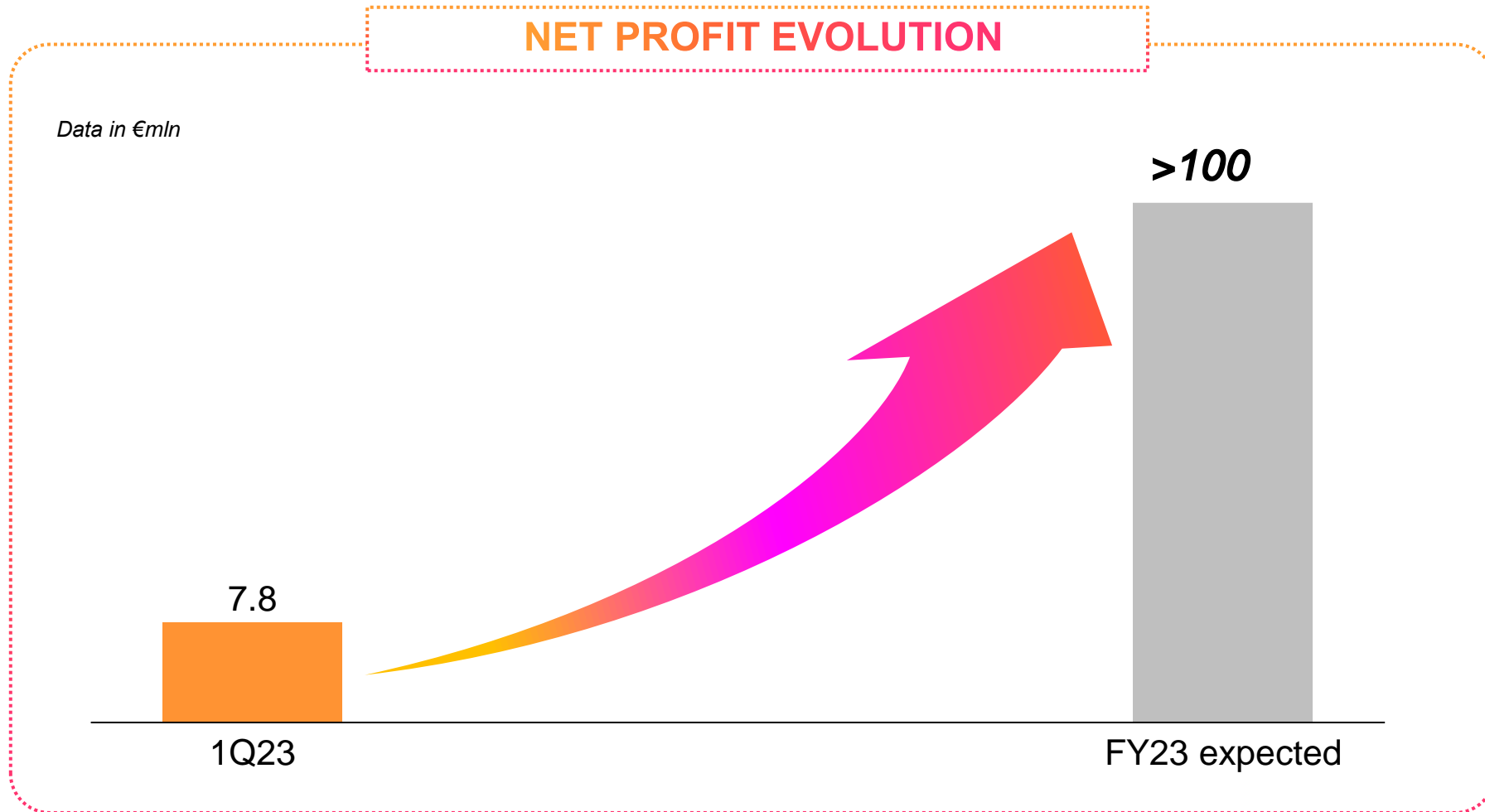
Signatory of PRI by illimity SGR



Upgrade of all ESG Ratings

Notes: (1) See slide 40 for all rating improvements achieved

illimity - Outlook: 2023 net profit progression skewed towards second half



Financial review

Silvia Benzi, CFO



illimity - Steady volume growth

Reclassified Balance sheet	31.03 2022	30.06 2022	30.09 2022	31.12 2022	31.03 2023	Δ 31.03.2023 / 31.12.2022	Δ 31.03.2023 / 31.03.2022
1 Cash and cash equivalent	695	397	364	681	340	(50)%	(51)%
Due from banks and other financial institutions	215	191	184	183	213	17%	(1)%
2 Customer loans	2,832	3,194	3,318	3,776	3,927	4%	39%
- Distressed Credit investments	938	921	860	1,021	991	(3)%	6%
- Distressed Credit senior financing	402	436	446	469	505	8%	26%
- Growth Credit	1,421	1,733	1,800	2,037	2,116	4%	49%
- Cross-over & Acq. Finance ¹	643	731	809	891	903	1%	40%
- Turnaround	488	630	612	665	725	9%	49%
- Factoring	289	372	379	481	488	2%	69%
- b-ilty	7	24	38	50	71	44%	878%
- Investment banking	-	16	108	133	178	33%	n.s.
- Non-core former Banca Interprovinciale	64	64	64	66	65	(0)%	2%
3 Financial assets Held To Collect (HTC) ²	108	161	215	428	403	(6)%	275%
Financial Assets Held To Collect & Sell (HTCS) ³	424	416	396	392	384	(2)%	(9)%
Financial assets measured at FVTPL ⁴	82	118	150	105	111	5%	34%
Investments in associates and companies subject to joint control	78	76	78	76	83	9%	6%
Goodwill	36	71	65	65	65	0%	80%
Intangible assets	52	56	65	70	72	3%	37%
Other assets (incl. Tangible and tax assets) ⁵	400	446	455	579	500	(14)%	25%
Total assets	4,922	5,127	5,291	6,355	6,098	(4)%	24%
Due to banks	412	539	581	1,205	899	(25)%	118%
4 Due to customers	3,065	3,107	3,186	3,409	3,411	0%	11%
Bond/Securities	505	510	515	653	662	1%	31%
Shareholders' Equity	777	802	813	841	857	2%	10%
Other liabilities	163	169	196	246	270	10%	66%
Total liabilities	4,922	5,127	5,291	6,355	6,098	(4)%	24%

1 **Strong liquidity position** – with approx. **€0.9bn** liquidity buffer

2 **Solid net customer loans growth** – up **39% YoY** and **4% QoQ**, driven by our performing loans businesses, with b-ilty and Investment Banking division taking off

3 **Financial portfolio** largely stable

4 **Further growth in customer funding in 1Q23**, especially in retail component, while wholesale funding declined

Notes: Rounded figures; (1) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's Growth Credit Division segment; it also includes corporate high yield bonds classified as HTC; (2) This figure includes the Bank's securities portfolio classified at amortised cost; (3) HTCS: financial assets measured at fair value through comprehensive income; (4) This item includes equity financial instruments purchased as part of a Turnaround transaction, junior tranches acquired as part of Senior Financing transactions and investments in distressed credits, as part of the Distressed Credit Division's activities; (5) It includes assets arising from the purchasing of tax assets (the so-called "Ecobonus") for ~€102mln.

illimity - Core business in line with budget

Data in €mln

Reclassified Profit & Loss	1Q22	2Q22	3Q22	4Q22	1Q23	Δ Q/Q%	Δ Y/Y%
Interest income	51.7	54.4	59.1	73.5	86.3	17%	67%
Interest expenses ¹	(15.7)	(16.4)	(17.0)	(27.3)	(37.9)	39%	142%
Net interest income	36.0	38.0	42.0	46.1	48.4	5%	34%
Net fees and commissions	12.8	14.8	14.1	19.8	15.1	(24)%	18%
Net result from trading and fair value assets	2.8	5.9	4.6	(0.1)	(0.1)	15%	n.s.
Net other income/expenses	6.3	5.7	5.2	6.7	1.0	(86)%	(85)%
Profit from closed purchased distressed credit positions ²	20.6	16.2	8.6	18.5	7.8	(58)%	(62)%
Gain (loss) from disposal of investments	-	-	-	-	-	-	-
Operating income	78.5	80.6	74.5	91.0	72.1	(21)%	(8)%
Staff costs	(20.7)	(22.8)	(20.9)	(21.8)	(23.1)	6%	12%
Other operating expenses	(20.8)	(21.9)	(21.4)	(26.6)	(21.6)	(19)%	4%
Depreciation & Amortisation	(3.4)	(3.9)	(4.6)	(4.9)	(5.2)	8%	54%
Operating costs	(44.9)	(48.5)	(46.9)	(53.2)	(50.0)	(6)%	11%
Operating profit	33.5	32.1	27.6	37.8	22.1	(41)%	(34)%
Loan loss provision charges	(0.5)	(2.5)	(0.6)	(3.7)	(2.8)	(24)%	423%
Value adjustments on purchased distressed credit	(4.6)	(3.2)	7.3	(6.4)	0.8	n.s.	n.s.
Value adjustments on securities and loans to banks and off-balance	(0.5)	(0.2)	(0.2)	(0.5)	(0.7)	36%	44%
Other net provisions for risks and charges	(0.0)	(0.0)	-	-	(0.2)	n.s.	n.s.
Other income from equity investments	(1.8)	(2.0)	(1.8)	(2.0)	(1.2)	(41)%	(36)%
Contribution to banking sector schemes and other non-recurring charges	(2.0)	(0.1)	(2.6)	(2.0)	(6.0)	202%	207%
Profit (loss) before tax	24.1	24.0	29.6	23.2	12.1	(48)%	(50)%
Income tax	(8.4)	(8.2)	(10.4)	1.5	(4.3)	n.s.	(49)%
Net result	15.7	15.8	19.1	24.7	7.8	(68)%	(50)%

- Net interest income up 5%** mainly benefitting from higher volumes, and more than compensating for increase in interest expenses owing to sizeable wholesale funding issued in Dec-2022
- Net fees and commissions up +18% YoY** driven by higher contribution from all business divisions. Comparison with 4Q22 affected by business seasonality
- Other income** affected by termination of previous IT platform agreement
- Profit from closed purchased DC positions** impacted by soft NPE market
- Operating costs** up YoY due to annualization of costs related to completion of bank's operating structure and IT investments carried out during 2022
- Organic loan loss provisions at €2.8mln** due to some analytical adjustments on non performing exposures
- Contribution to banking sector schemes and other non-recurring charges** include one-off impact related to waiver of part of previous IT platform agreement claim

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

illimity - Core businesses drive profitability



Data in €mln	DISTRESSED CREDIT DIVISION		GROWTH CREDIT DIVISION (BIP included)		INVESTMENT BANKING		b-ilty		CIO DIVISION		HQ FUNCTIONS		illimity SGR		HYPE		TOTAL	
	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23
Net interest income	26.5	28.7	7.9	15.8	0.5	2.1	-	0.4	1.1	1.4	-	-	-	-	-	-	36.0	48.4
Net fees and commissions	3.5	5.4	5.9	6.2	2.8	2.0	0.1	0.5	(0.1)	(0.2)	-	-	0.6	1.2	-	-	12.8	15.1
Other income	24.2	8.0	0.8	0.6	0.5	0.1	-	-	4.3	0.1	-	-	(0.1)	(0.1)	-	-	29.7	8.7
Operating income	54.2	42.1	14.6	22.5	3.8	4.2	0.1	0.9	5.3	1.3	-	-	0.5	1.1	-	-	78.5	72.1
Staff costs	(7.3)	(9.4)	(3.3)	(2.9)	(1.1)	(1.2)	(1.1)	(1.5)	(1.7)	(1.9)	(5.6)	(5.5)	(0.6)	(0.7)	-	-	(20.7)	(23.1)
Other operating expenses and D&A	(9.6)	(11.1)	(1.8)	(1.4)	(0.2)	(0.7)	(2.1)	(1.2)	(6.4)	(7.8)	(3.9)	(4.6)	(0.2)	-	-	-	(24.2)	(26.8)
Operating costs	(16.9)	(20.5)	(5.1)	(4.4)	(1.3)	(1.9)	(3.2)	(2.7)	(8.1)	(9.7)	(9.5)	(10.1)	(0.8)	(0.7)	-	-	(44.9)	(50.0)
Operating profit	37.3	21.6	9.5	18.1	2.5	2.3	(3.1)	(1.8)	(2.8)	(8.4)	(9.6)	(10.1)	(0.3)	0.4	-	-	33.5	22.1
Provisions	(5.3)	(2.1)	0.1	0.2	(0.4)	(0.2)	-	(0.6)	-	-	-	-	-	-	-	-	(5.6)	(2.7)
Other net provisions for risks and charges	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)
Other income from equity investments	(0.1)	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	(1.7)	(1.1)	(1.8)	(1.2)
Contribution to banking sector schemes and other non-recurring charges	-	-	-	-	-	-	-	-	-	(4.3)	(2.0)	(1.8)	-	-	-	-	(2.0)	(6.0)
Profit (loss) before tax	31.9	19.3	9.6	18.3	2.1	2.1	(3.1)	(2.4)	(2.8)	(12.7)	(11.6)	(11.8)	(0.3)	0.4	(1.7)	(1.1)	24.1	12.1
Interest earning assets	1,698	1,809	1,685	2,612	93	321	8	83	-	0	910	553	0	1	-	-	4,394	5,378
Other assets	102	210	119	163	-	2	-	1	73	83	156	179	0	0	78	83	528	721
RWA	2,112	2,070	1,034	1,601	92	169	3	23	86	93	298	339	3	5	35	44	3,662	4,344

Combined: ~€20.4mln
+74% YoY

Distressed Credit profitability affected by a soft NPE market, as expected, while 1Q22 benefited by some large disposal transactions

Growth Credit significant profitability increase with visible operating leverage gains

Investment Banking in line with last year

b-ilty Activity has visibly kicked-in, with remarkable revenue progression while costs are declining as bulk of set-up investments incurred in 2022

illimity SGR higher commissions driven by new funds

CIO negative pre-tax impacted by termination of previous IT license agreement

Corporate centre in line YoY with set-up substantially completed and target sizing reached



illimity - KPIs

	1Q22	2Q22	3Q22	4Q22	1Q23
Cost income ratio ⁽¹⁾	57%	60%	63%	58%	69%
Gross organic NPE ratio (excluding BIP) ⁽²⁾	0.7%	0.9%	0.7%	1.4 %	3.7%
Gross organic NPE ratio ⁽³⁾	2.3%	2.2%	2.0%	2.6%	4.7%
Organic cost of risk (bps) annualised ⁽⁴⁾					
LCR	~220%	~365%	~307%	~317%	~310%
NSFR	123%	115%	120%	116%	114%
CET1 Ratio ⁽⁵⁾	17.7%	16.1%	18.0%	15.8%	15.6%
Total Capital Ratio ⁽⁵⁾	23.2%	21.3%	23.6%	20.4%	20.3%

- **Cost income at 69%** reflect one-off impact from termination of previous IT platform license agreement and soft distressed credit market. C/I in 2023 expected to be well below FY22
- **Organic NPE ratio on portfolio originated by illimity at 3.7%** (4.7% including former BIP portfolio) but nearly half of it with guarantees
- **Organic cost of risk still contained** backed by high share of guaranteed loans
- **LCR and NSFR** comfortably above minimum requirements
- Solid capital position with **robust CET1 Ratio at 15.6%**

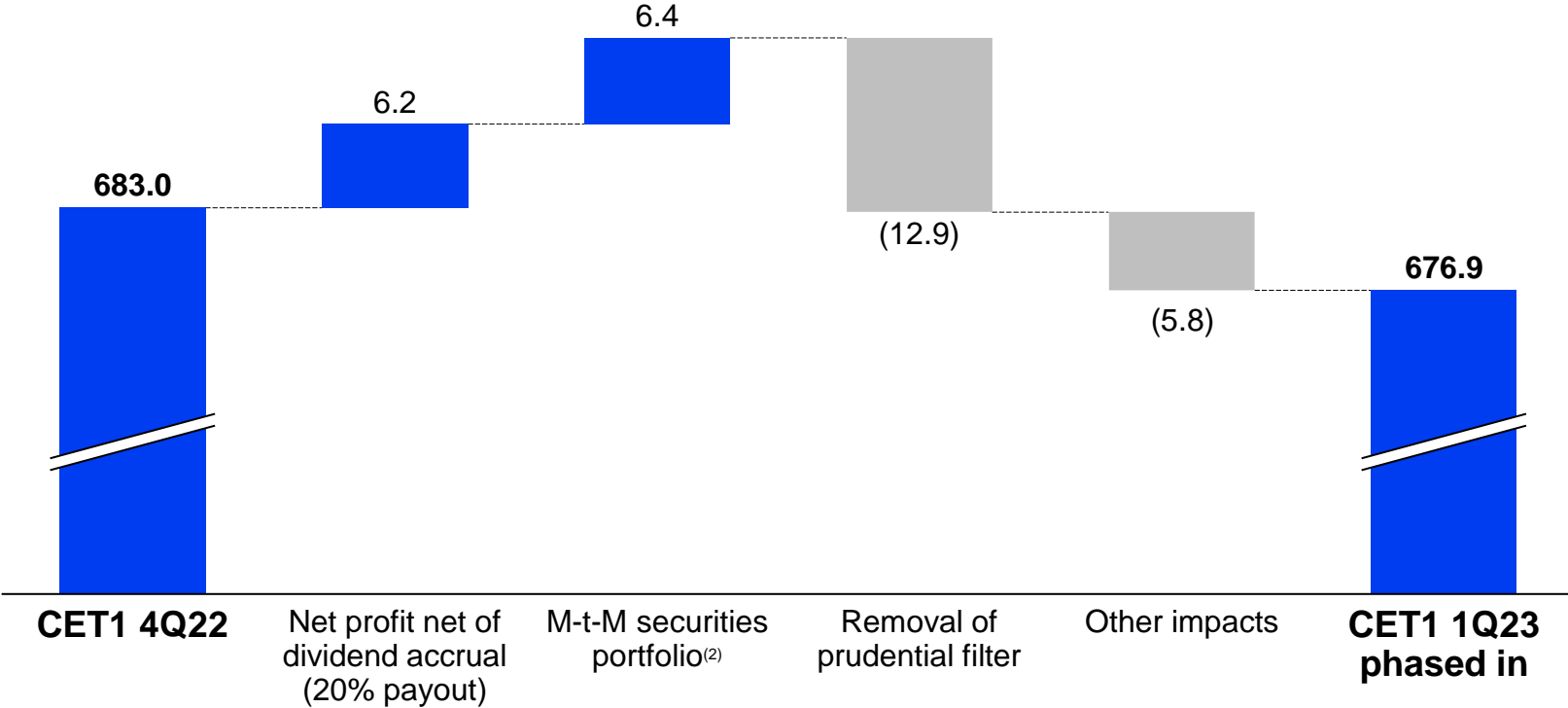
Notes: (1) Cost income ratio restated due to contribution to banking sector schemes reclassified out of Operating costs (2) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (3) See 'Gross organic NPE ratio' in the Glossary at the end of this document. Any failure to reconcile the stated figures arises exclusively from rounding; (4) Calculated as the ratio between loan loss provisions and net organic loans at 31 March 2023 (€2,459 million) for the segments Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans; (5) Phased-in definition.

illimity - Robust CET1 ratio at 15.6%

20.4% **Total Capital ratio** **20.3%**

15.8% **CET1 ratio** **15.6%**

Data in €mln

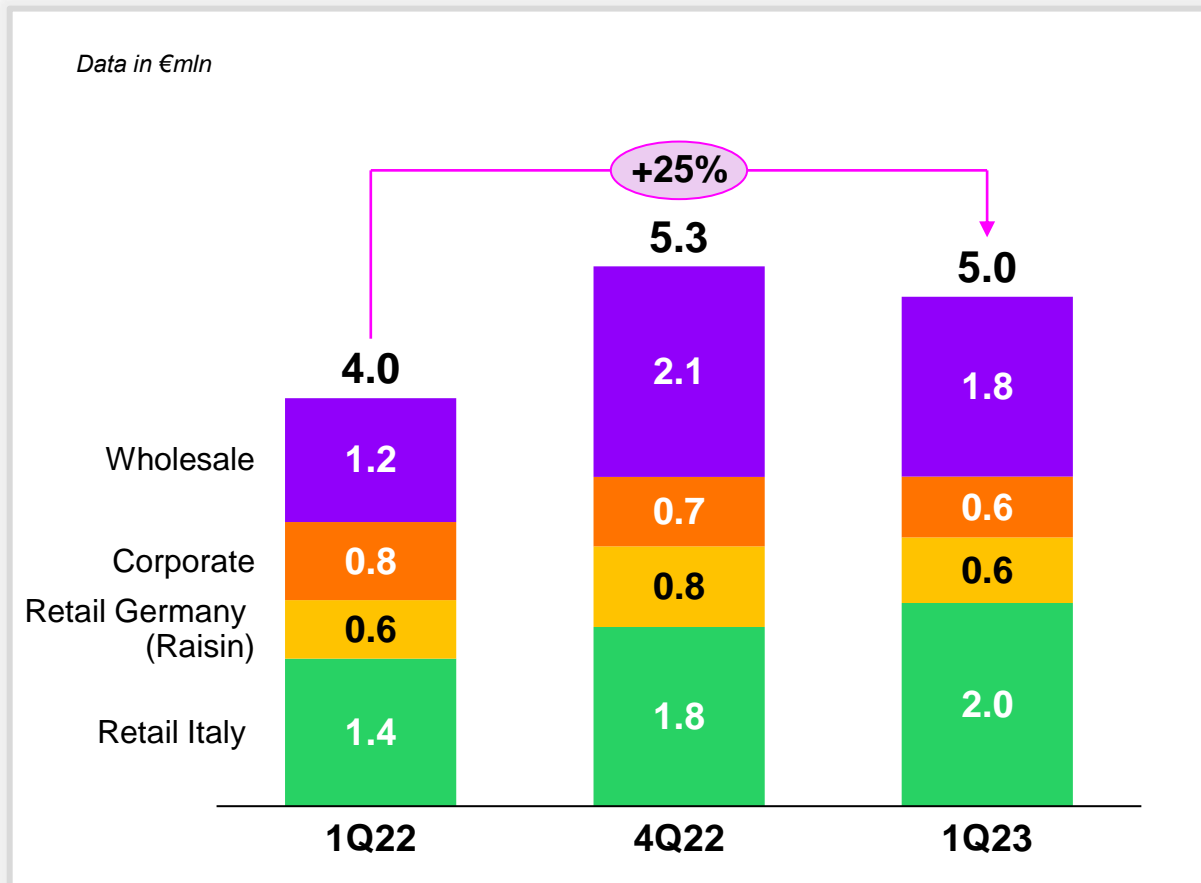


4,330 **RWA** **4,344**

- CET1 ratio phased-in to 15.6% (15.5% fully loaded) – more than 650bps vs. SREP requirement
- CET1 Capital⁽¹⁾ in 1Q23 decreased by about €6mln, driven by removal of prudential filter on negative reserve valuation related to Government bonds
- RWA and RWA density stable
- Total Capital ratio phased-in at 20.3% (20.1% fully loaded)

Notes: Rounded figures; (1) Phased-in definition; (2) Including also other minor components.

illimity - Well balanced funding sources with increasing retail component



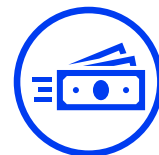
Well-diversified funding mix through access to all funding sources



Retail deposits totalled €2.6bn, up 3% QoQ with strong contribution from our proprietary retail platform illimitybank.com



Wholesale funding down 15% QoQ owing to reduction in short-term component (mostly ECB funding)

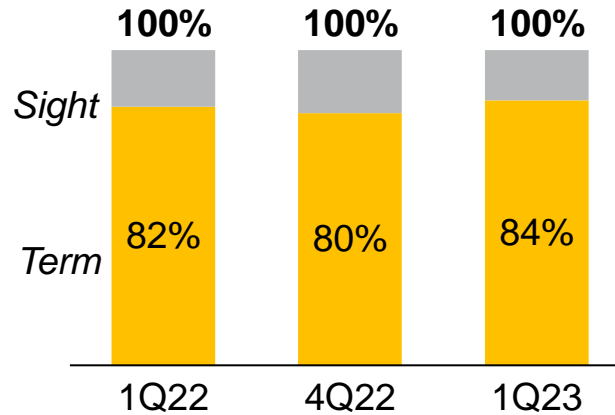
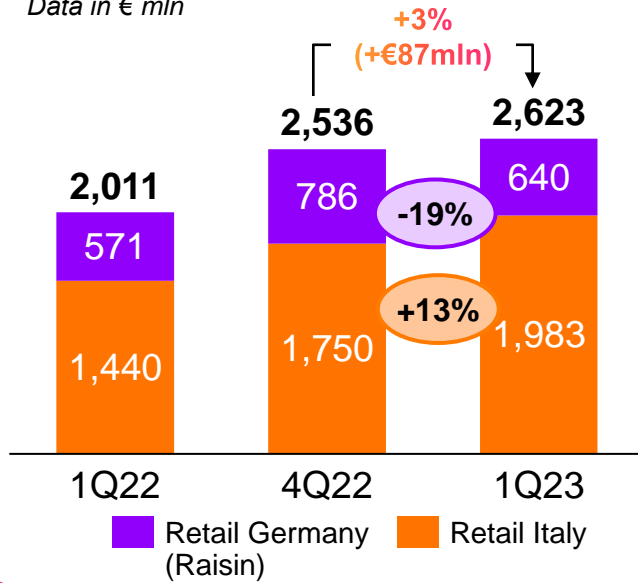


Blended average cost of funding for 1Q23 at 2.7% owing to higher market rates and sizeable long-term funding measures completed in Dec-2022

illimity - Retail funding is core to funding strategy

FOCUS ON RETAIL FUNDING

Data in € mln



illimitybank.com drives retail funding growth, up 13% QoQ, while Raisin declined, in line with our strategy



Term funding represents a high **84% of total retail funding**



New retail banking offer with **remuneration of current accounts** to satisfy customer expectations in structurally high-rate environment and supporting the acceleration we expect in business origination in forthcoming quarters

Premium bank account

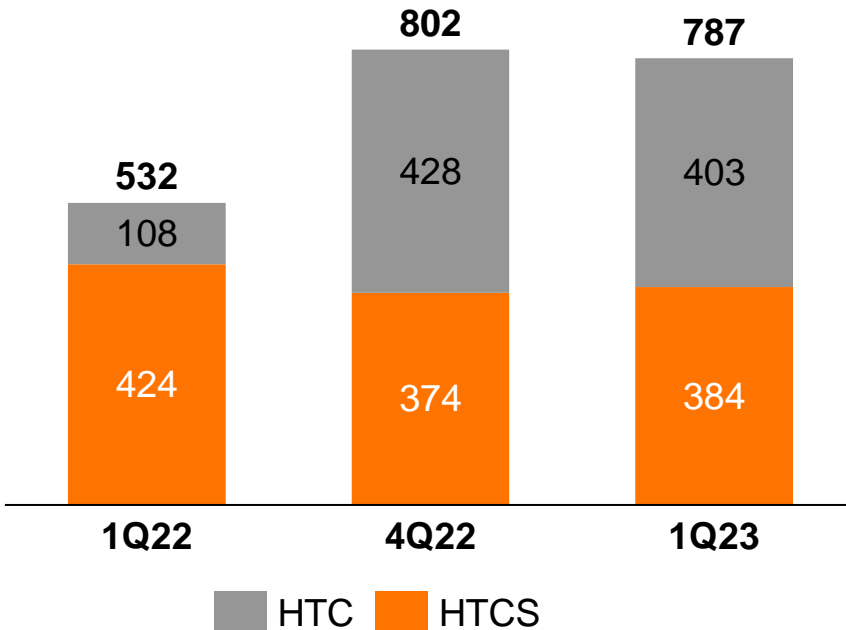
Deposit account is paid by 2.5%

- Deposit account remuneration at 2.5% until 31 December 2024
- Term Deposit with rates up to 4.75%
- Stamp duty paid by illimity
- Credit and debit cards are free of charge on request
- Priority Assistant

illimity - Prudent strategy on securities portfolio

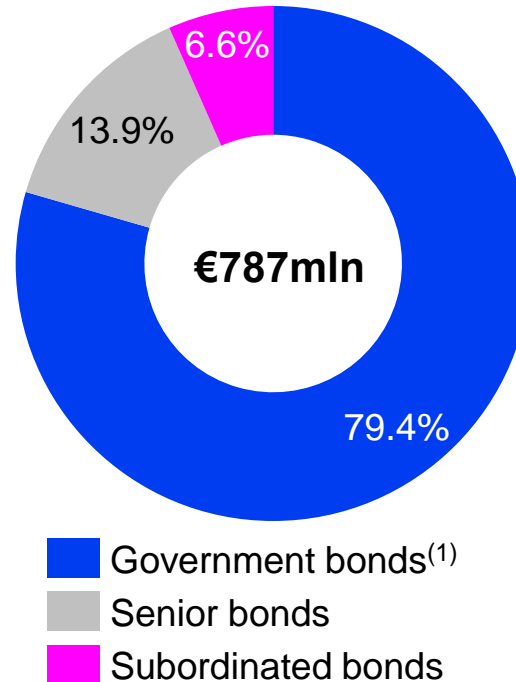
Securities portfolio

Data in €mln



Portfolio composition HTCS / HTC

31 March 2023








- **Prudent strategy** with securities portfolio hold for liquidity purposes representing less than 47% of illimity shareholders' equity
- **Negligible unrealised losses on HTC securities, hedge accounting strategy in place on a large part of HTCS securities** to mitigate impact from further interest rates volatility
- Duration **~3.0 years**
- Average yield approx. **2.9%**

Appendix



illimity - Originated volumes

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

		Originated Business ⁽¹⁾			
		1Q22	1Q23	Δ%YoY	Pipeline ⁽²⁾
	Growth Credit Division	~337	~324	-2%	~1,668
		152	127	-16%	277
	Factoring turnover	332	658	+98%	~795
	Investment Banking Division	-	90	n.m.	320
	Distressed Credit Division	179 ⁽³⁾	84 ⁽³⁾	-53%	921
	b-ilty	6	23	n.m.	150

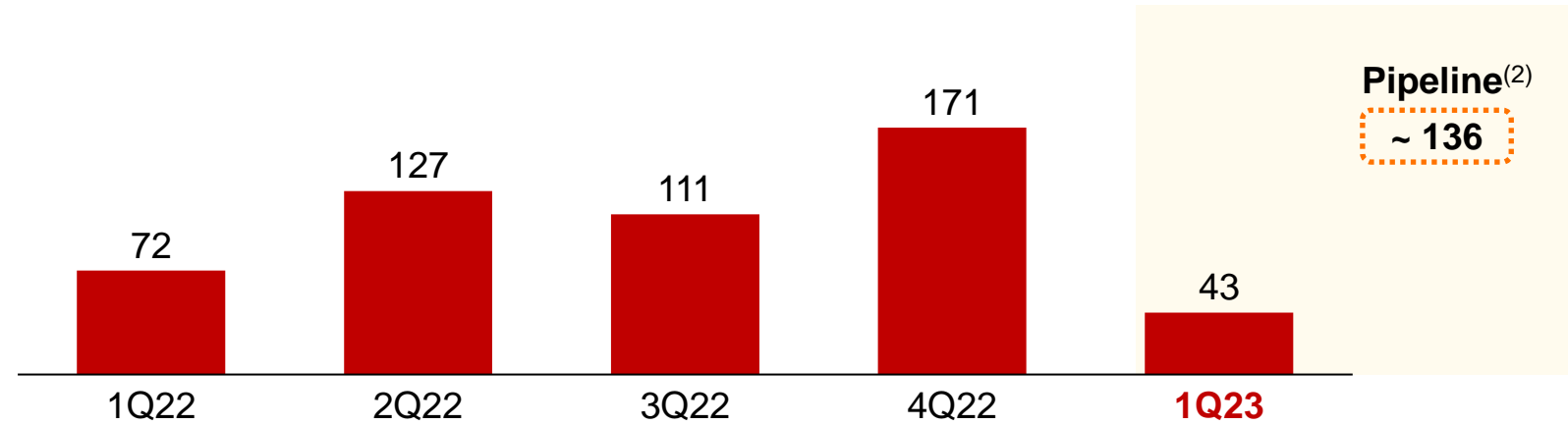
Notes: Non accounting figures; (1) See 'Originated Business' in the Glossary at the end of this document; (2) See 'Pipeline' in the Glossary at the end of this document; (3) It also includes financial instruments, such as quasi-equity instruments which are accounted for in the balance sheet item "20. c) Other financial assets mandatorily at fair value" for accounting purposes;

illimity - Originated business Growth Credit: focus on Cross-over & Acquisition Finance and Turnaround

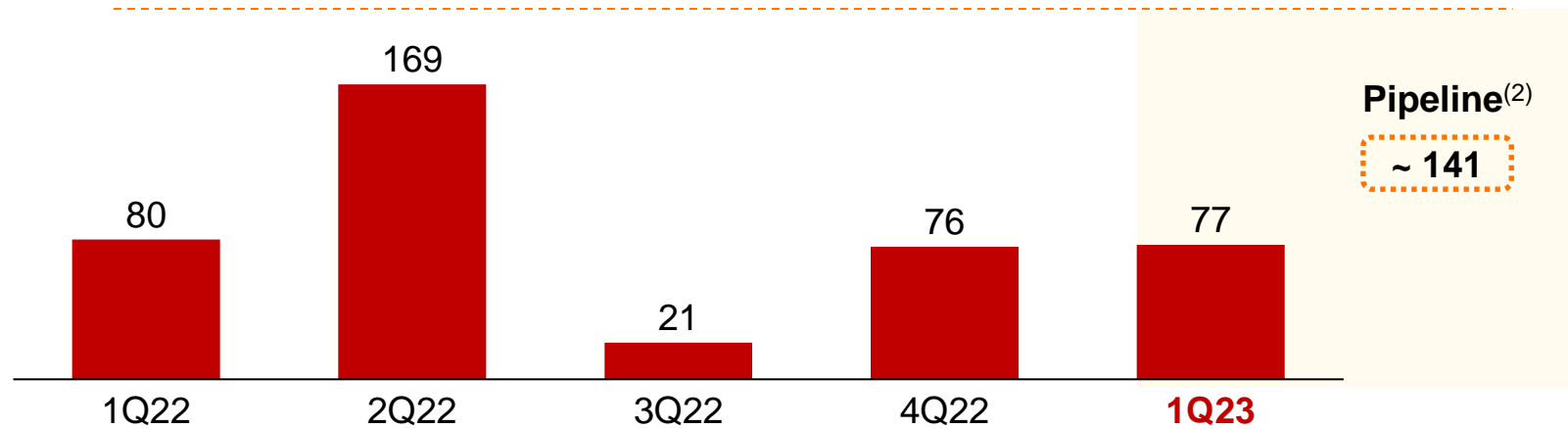
Originated business

Data in €mln


Cross-over & Acq. Finance⁽¹⁾



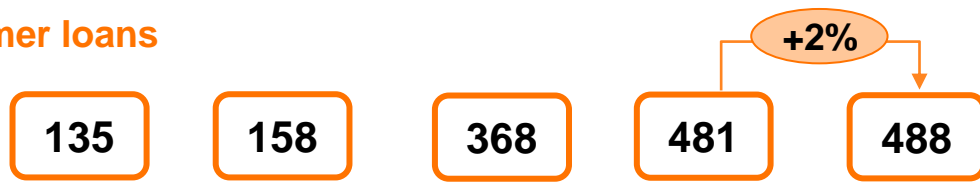

Turnaround



illimity - Originated business Growth Credit: focus on Factoring

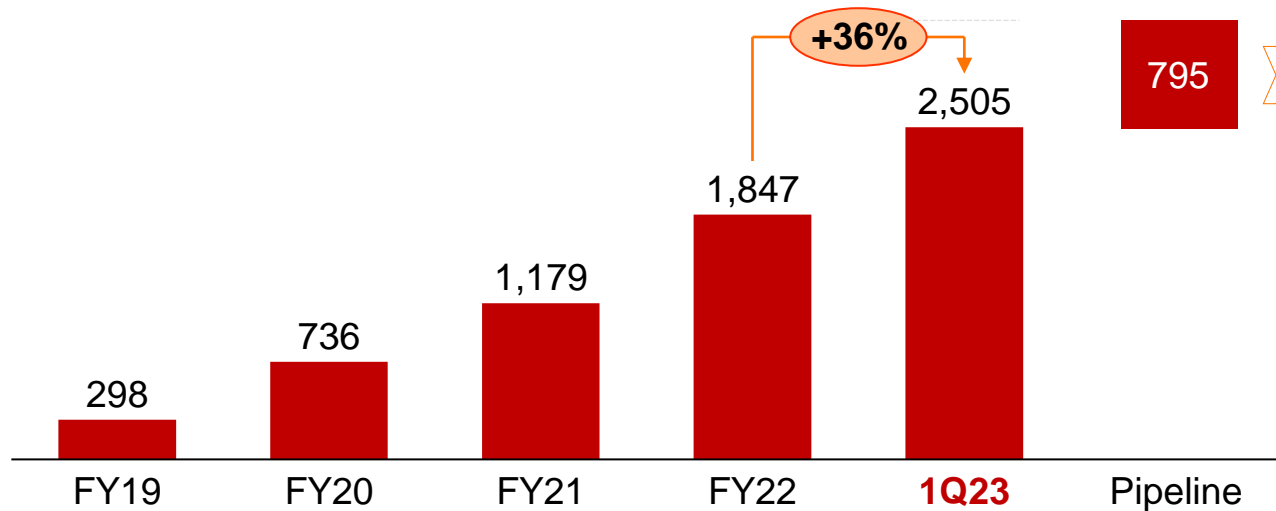
Originated business

Net Customer loans



Net Customer loans up 69% YoY

Turnover⁽¹⁾



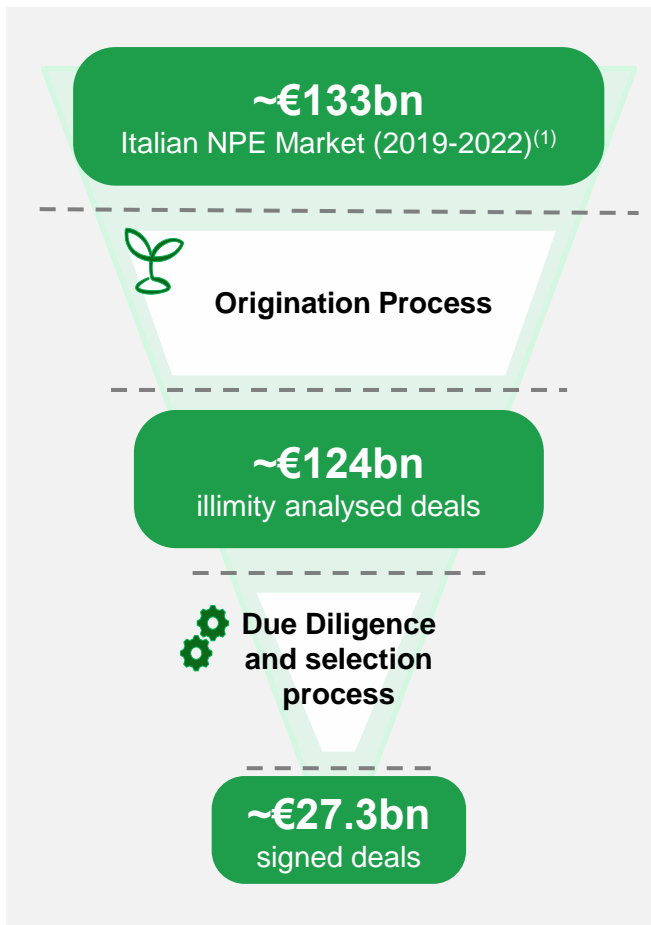
1Q23 Factoring turnover up 2% QoQ



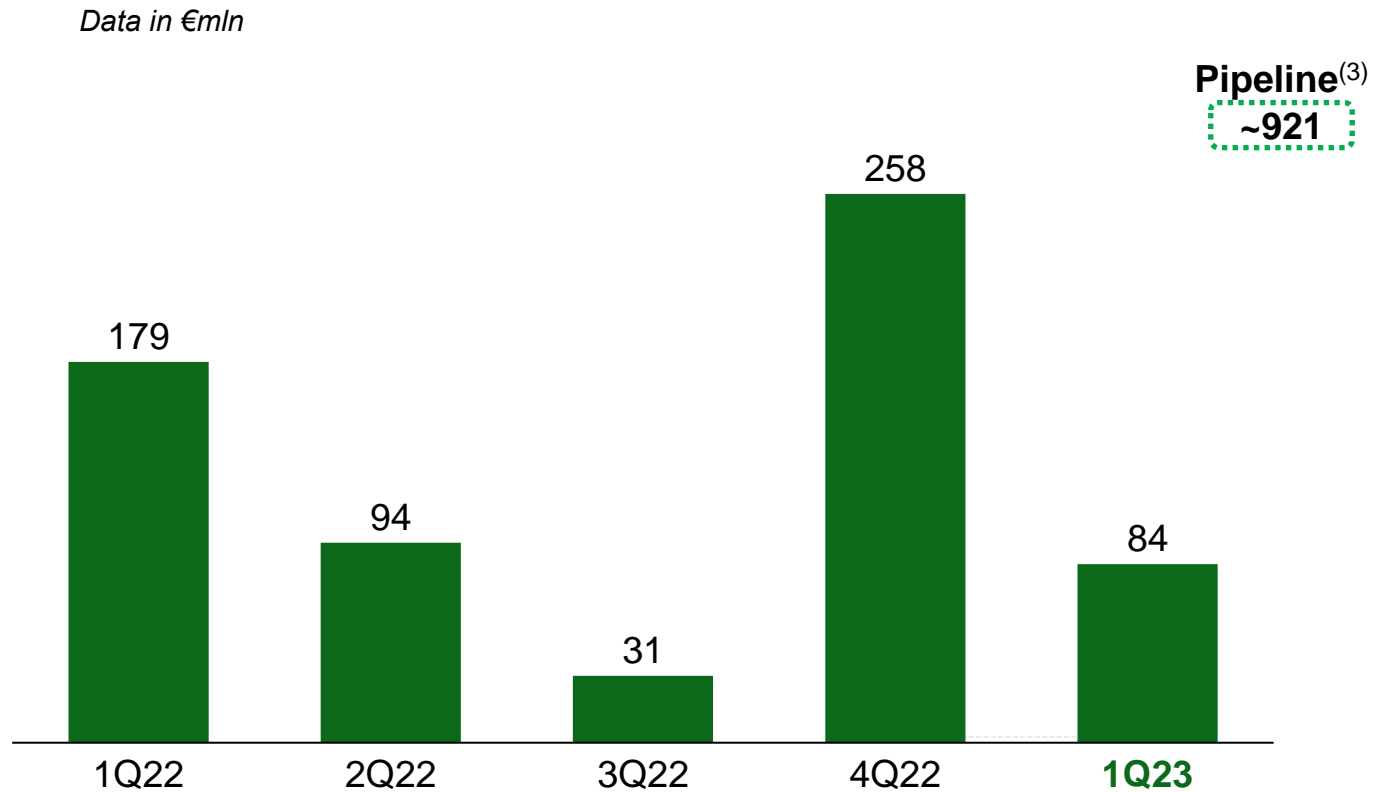
Number of clients⁽²⁾ at 1Q23 increasing further to 257 and approximately 1,086 debtors

illimity - Originated business Distressed Credit

Selective approach



Originated business⁽²⁾

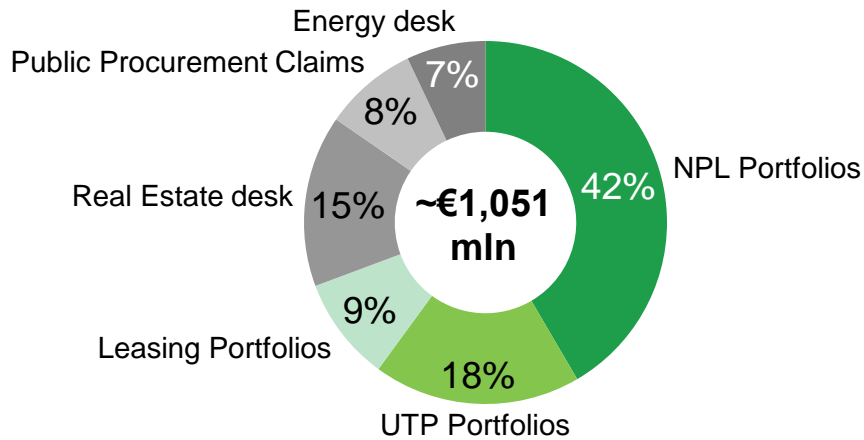


Notes: (1) Rounded figures; (1) Source: PwC, "The Italian NPE market"; (2) Distressed Credit Investments booked, and Senior Financing loans granted in the period; (3) See 'Pipeline' in the Glossary at the end of this document.

illimity - Distressed Credit portfolio highlights

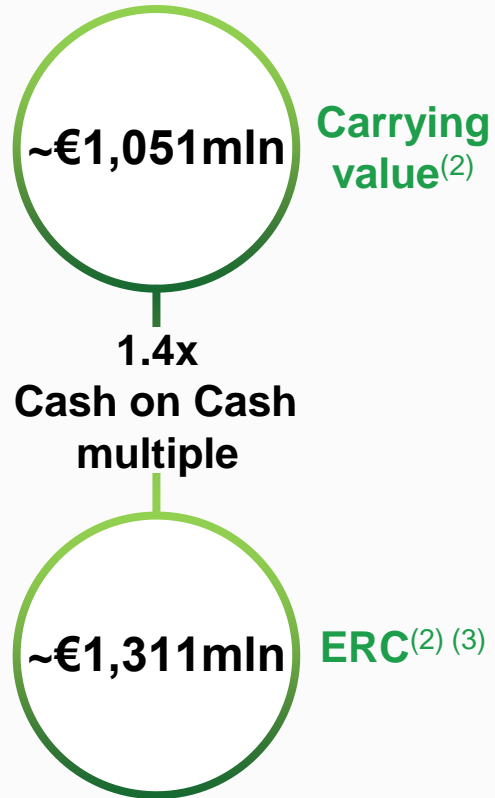
Data as of 31 March 2023⁽¹⁾

NBV breakdown by asset class

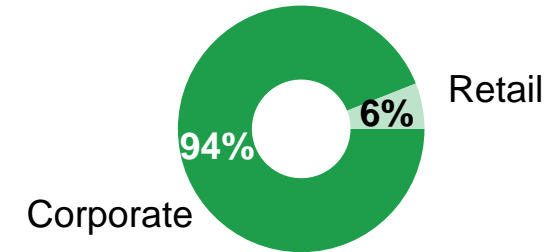


~€300k Average ticket size (GBV)

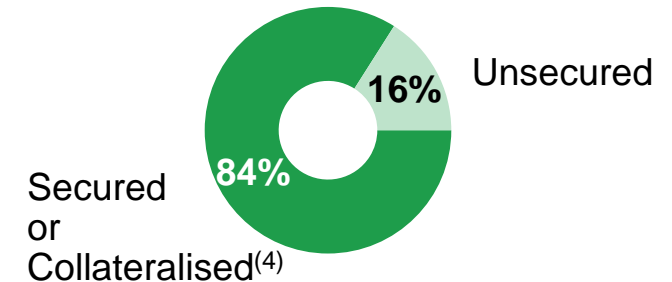
KPIs



Type of borrower (GBV breakdown)



Secured/ Unsecured (NBV breakdown)

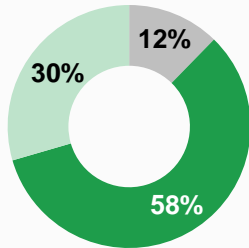


Notes: Rounded figures; (1) Data does not include repossessed assets (through ReoCo and *datio in solutum*); (2) Includes Distressed Credits investments, assets purchased by the Energy desk and some senior financing assets; (3) Estimated Remaining Collections on booked investments. See 'ERC' in the Glossary at the end of this document; (4) Secured portion includes Public Procurement Claims (8% of total) and Energy (7% of total).

illimity - Distressed Credit key data

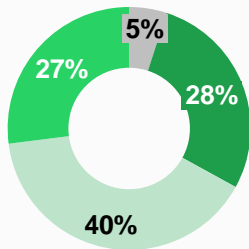
Workout strategy in pricing model

(Cash flow breakdown)



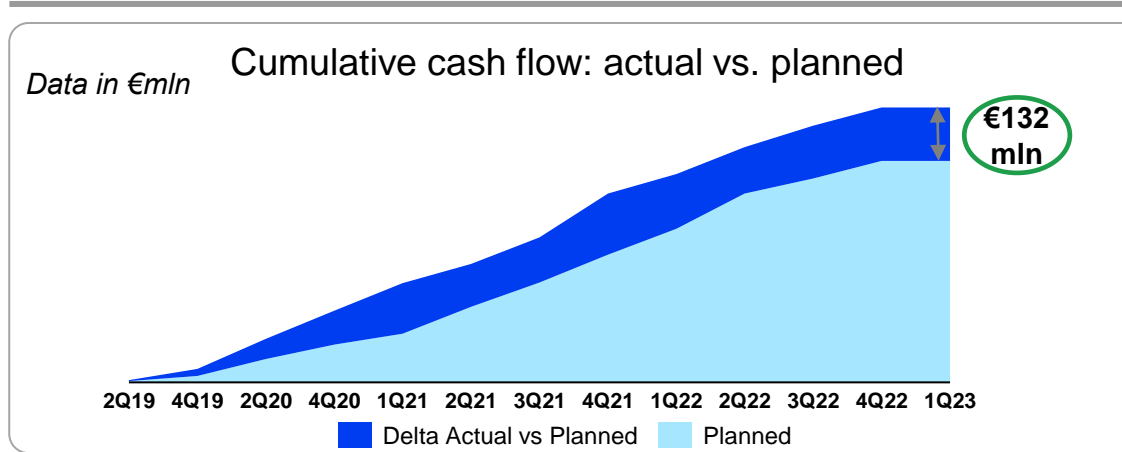
Actual workout strategy

(Cash flow breakdown)



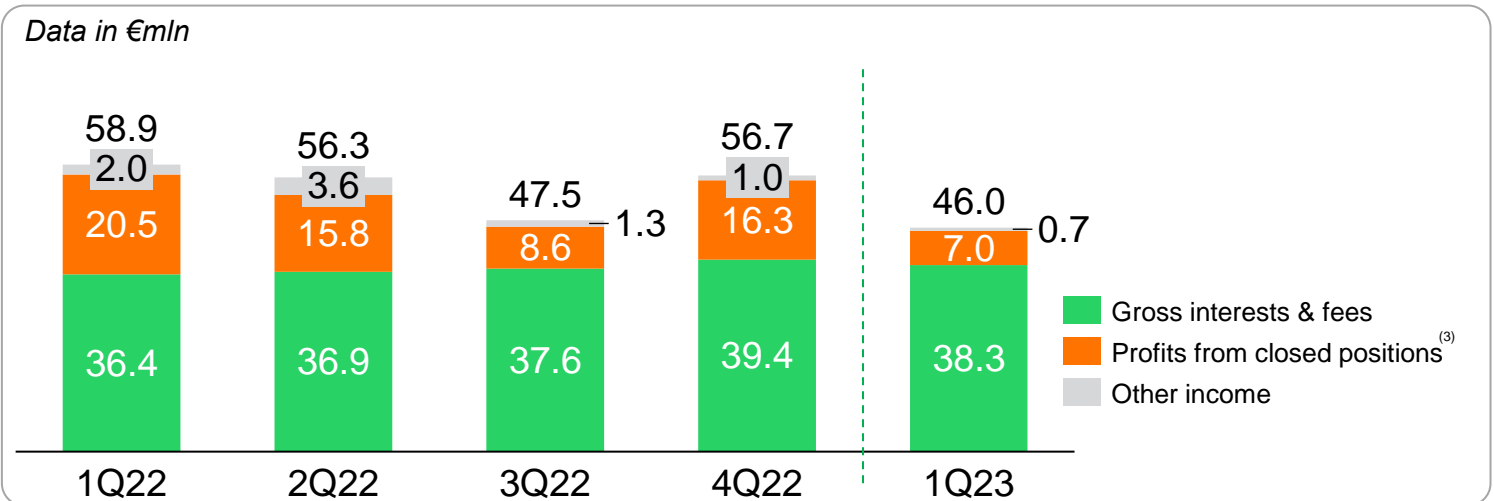
■ Judicial
■ Disposal
■ Out-of-court settlement
■ Other

Cash flow view (1)



➤ **+€132mln** cumulated cash flow in excess of initial plan since inception

Economic view (2)

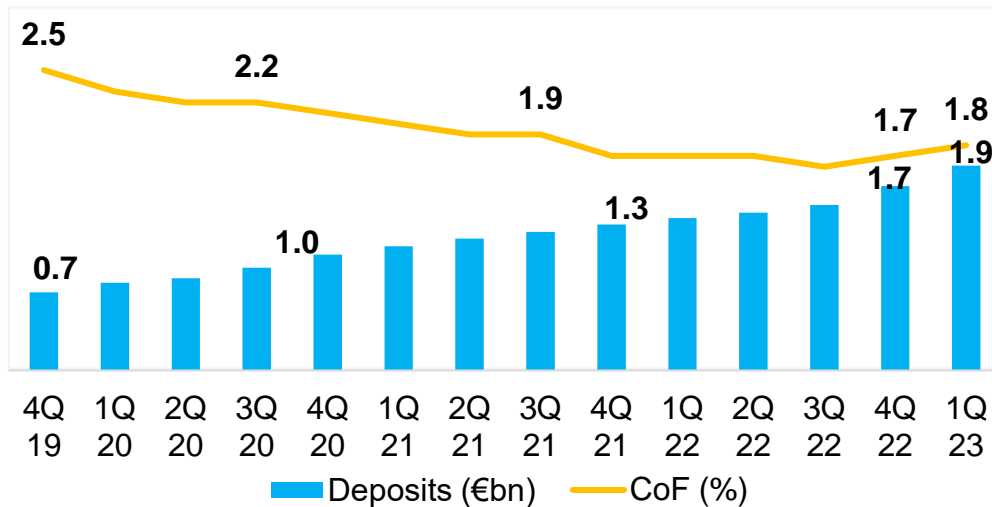


Notes: Rounded figures; (1) Cash flow from receivables; (2) Gross revenue before any cost of funding and other divisional rebates; (3) Profit from rental income on repossessed assets and other income on assets accounted for as FVTPL.

illimity - illimitybank.com: fulfilling funding needs of Group

End of quarter results

✓ FUNDING QUALITY



€1.93bn

Funding on illimitybank.com at 31/03/23

82%

Term Deposits on Total Funding as of 31-Mar

✓ ENGAGEMENT

~74k

Total Customers as of 31-Mar

91%

Active Customers as of 31-Mar

39%

Loyal Customers as of 31-Mar

✓ APPRECIATION

45

NPS avg 1Q23

31%

Awareness avg 1Q23

1Q funding strategy

Premium bank account

Deposit account is paid by 2.5%

+204 mln €

New stock illimitybank

3,01%

Average cost of new funding

-2,5 mln€

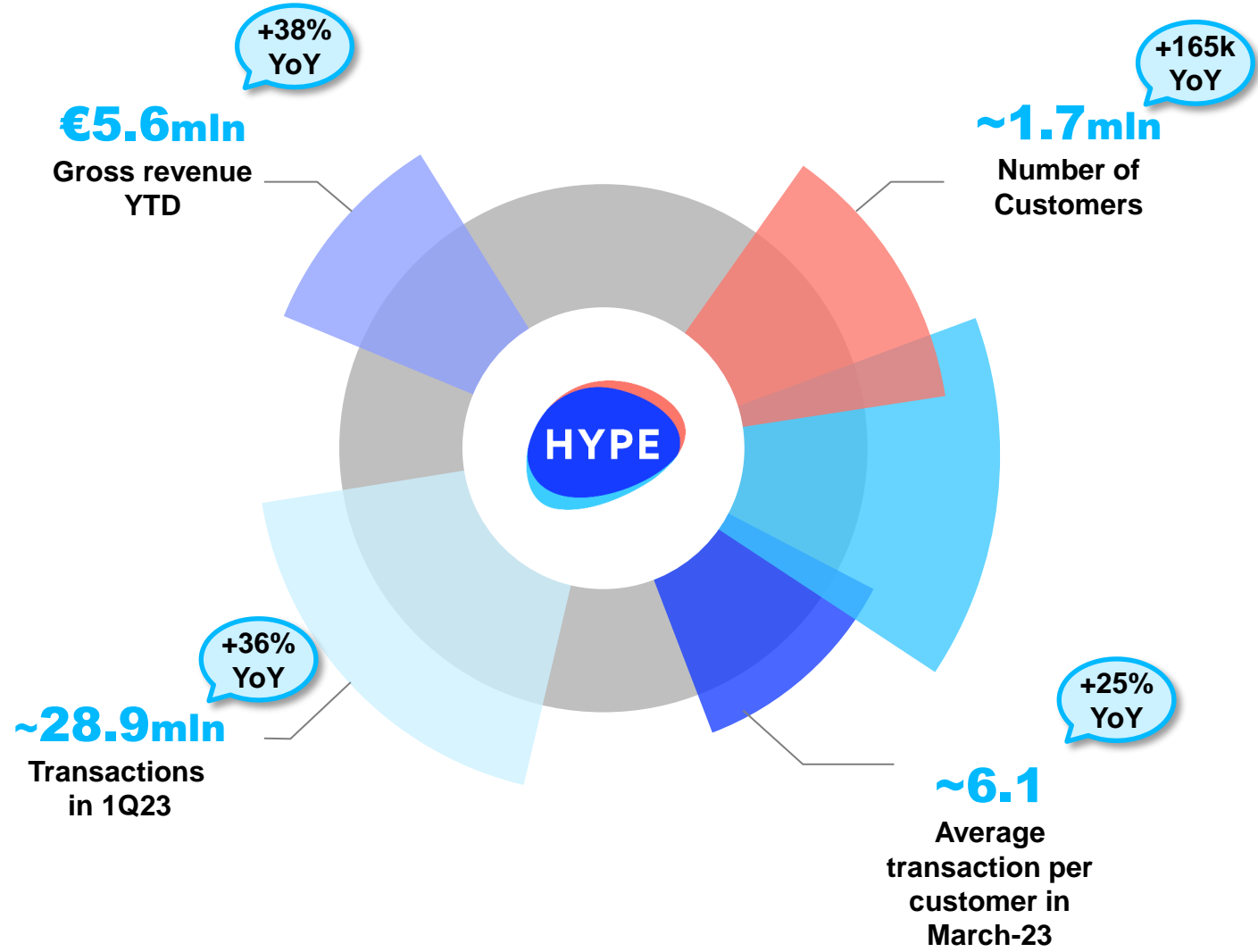
Lower interest and funding costs compared to using Raisin channel

Data as of 31 March 2023



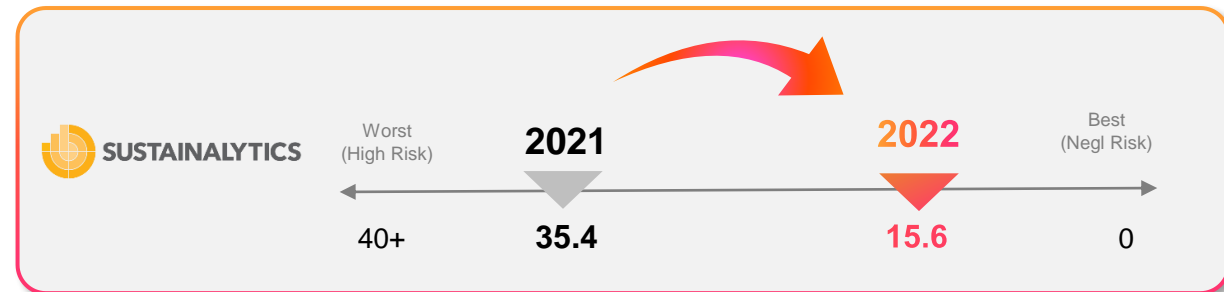
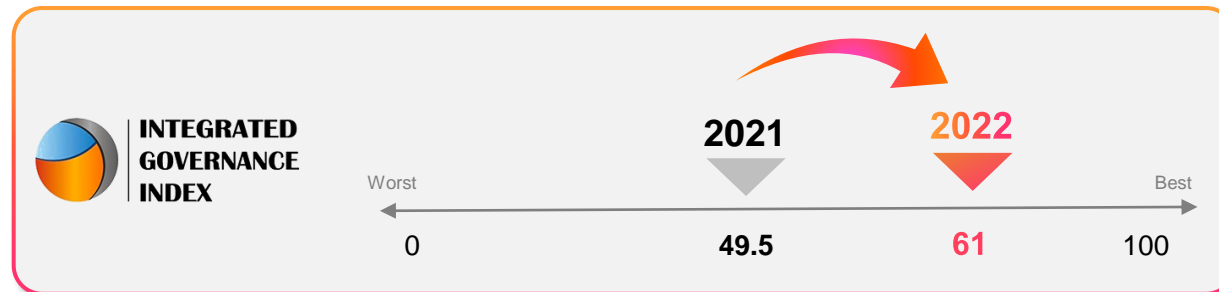
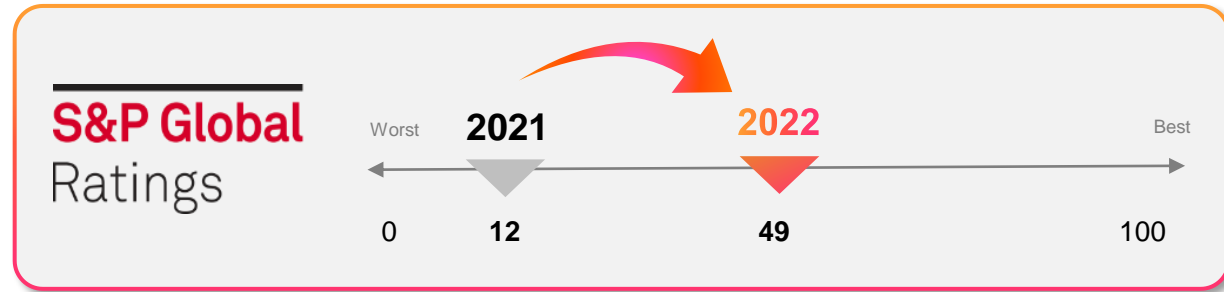
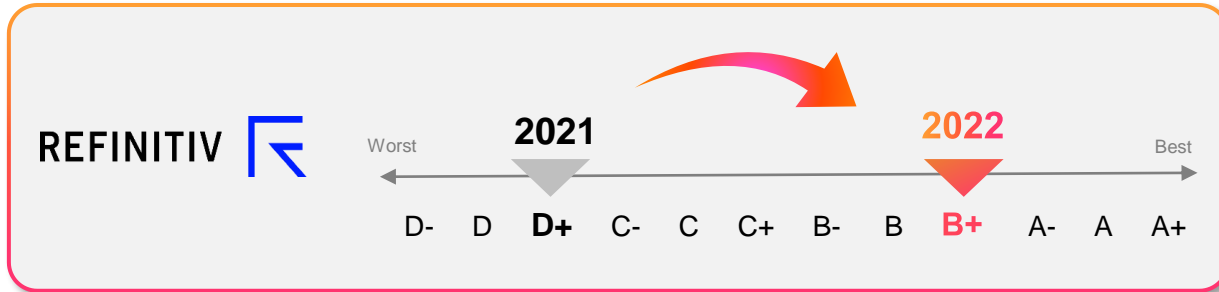
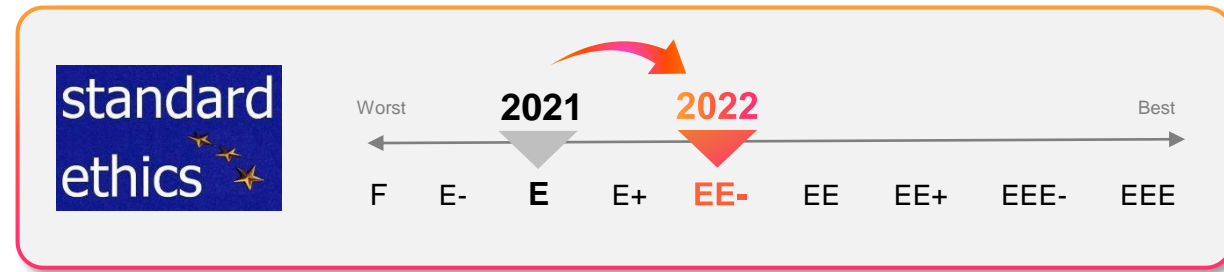
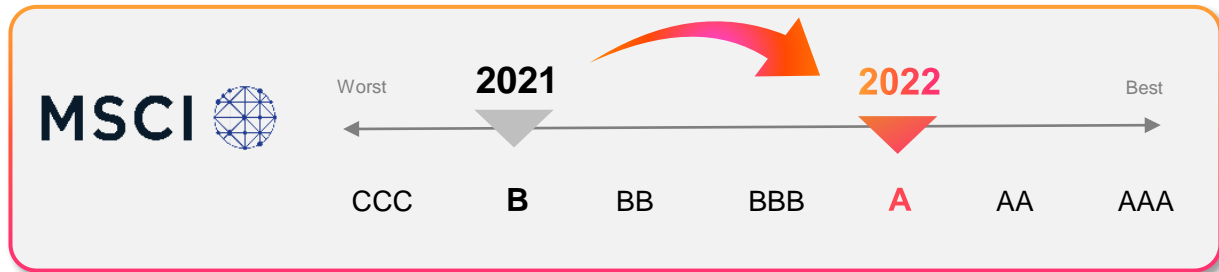
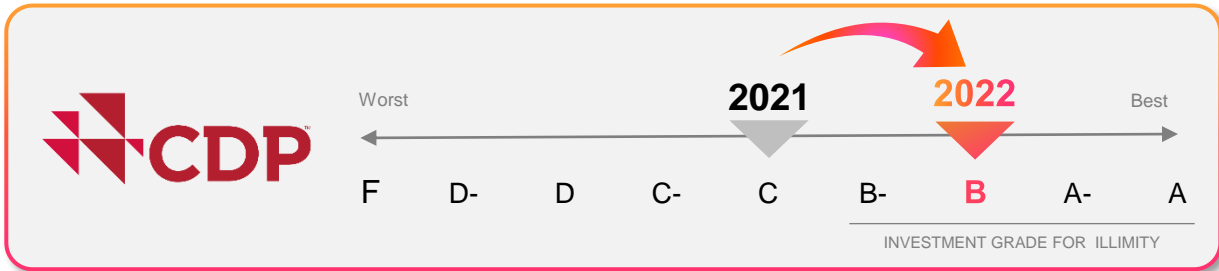
- Recognised Market Leader

Data as of 31 March 2023



Notes: Non accounting figures.

illimity - ESG scores improvements in 2022



illimity - Glossary

- **Pipeline:** Specific business opportunities for which the Bank envisages there is a reasonable expectation to close the transactions in the forthcoming months
- **ERC:** Estimated Remaining Collections. It is the Bank's estimated remaining gross cash flows on purchased distressed loans
- **Gross organic NPE ratio:** Ratio of gross organic NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans
- **Business origination:** This aggregate includes Growth Credit Division loans granted/purchased (for factoring only the difference of carrying amount of the period with the historical peak, if positive), Distressed Credit Investments booked, Senior Financing, Alternative Debt and b-ilty loans granted in the period and the value of the deals signed but yet booked in the period, owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding.
- **Profit from closed purchased distressed credit positions:** Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff ("DPO") agreed with the debtor



Fabio Pelati

Head of Investor Relations & Sustainability

Mobile: +39 335 7853370

Email: Fabio.pelati@illimity.com

Disclaimer (1/2)

- *This document (the "Document") has been prepared by and is the sole responsibility of illimity Bank S.p.A. (the "Company") solely for information purposes. In accessing the Document you agree to be bound by the following terms and conditions. A limited number of copies have been made or may be made and these are strictly reserved for the person to whom they are or will be addressed: for this reason the information contained in the Document is confidential and must not be used, in whole or in part, or disclosed to third parties or copied, distributed, transmitted or reproduced.*
- *The Document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Document is not for publication, release or distribution in the United States, Australia, Canada or Japan or in any jurisdiction where it is unlawful to do so. The release or distribution of the Document or access to this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions (when applicable) may constitute a violation of the laws of any such other jurisdiction.*
- *The information and data contained in the Document are not intended and do not constitute in any way investment advice or a solicitation to purchase securities, nor is it an offer or invitation or promotional message for the purchase, sale or underwriting by any person in any jurisdiction or country where such activity is contrary to law or regulation, except where there are exemptions that apply under related law.*
- *The terms, data and information contained in the Document are subject to revision and update; the Company and its consultants assume no responsibility to communicate, in advance or subsequently, should such revisions and updates become necessary or opportune nor for any damages that may result from improper use of the information (including communications of revisions and updates) included in the Document. Within the limits of law, the Company, its corporate executives, managers, employees, and consultants make no statement, give no guarantee or assume any responsibility, express or implied, regarding the accuracy, the adequacy, completeness and up to date nature of the information contained in the Document nor regarding any eventual errors, omissions, inaccuracies or oversights contained herein. The Document does not attempt to describe all terms and conditions that will pertain to the proposed transaction nor does it set forth the specific phrasing to be used in the documentation.*
- *The securities referred to herein (the "Securities") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or any other jurisdiction and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*
- *This Document does not constitute or form part of, and should not be construed as an offer or the solicitation of an offer to subscribe for or purchase the Securities, and nothing contained therein shall form the basis of or be relied on in connection with any contract, commitment or investment decision in relation thereto whatsoever, nor does it constitute a prospectus relating to the Securities or a recommendation by the Company or any of the Company's advisers and/or agents regarding the Securities.*
- *It is recommended that any eventual investment decision regarding an investment be based on the formal documents prepared by the Company as part of the transaction which may contain information different from those included in the Document and on audit from the investors own independent, professional financial and tax advisers.*
- *No representation, warranty or undertaking, express or implied, is made or given by the Company or any of its affiliates, parent or subsidiary undertakings, directors, officers, advisers, agents or employees or any other person as to, and no reliance should be placed on, the fairness, adequacy, accuracy, truthfulness, reasonableness, completeness or correctness of the Document or the opinions contained therein. The Document has not been independently verified and will not be updated. No responsibility or liability whatsoever (whether arising in tort, contract or otherwise) is accepted by the Company or any of its affiliates, parent or subsidiary undertakings, directors, officers advisers, agents or employees, or any other person for any loss howsoever arising, directly or indirectly, from any use of the Document or opinions contained therein or otherwise arising in connection therewith. The Document, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Document, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Document that may result from any change in the Company's expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document. Market data used in the Document not attributed to a specific source are estimates of the Company and have not been independently verified.*
- *Any expected return is not guaranteed and is based on data shown in Euro. The Document contains "forward-looking" and targets information which are based upon certain assumptions about future and/or ongoing events or conditions and may also be based on Company's expectations on ongoing and/or potential new initiatives and is exclusively intended to illustrate hypothetical target results under those assumptions (not all of which are specified herein). Such forward looking statements include all matters that are not historical facts. Forward-looking statements give the Company's intentions, beliefs or current expectations concerning, amongst other things, the Company's financial condition, liquidity, prospects, growth, potential deals, strategies and the industry in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur, in whole or in part, in the future. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "outcome," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "insight," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements take into account the Company's current expectations on the possible achievement of already disclosed or new targets or estimates, which are in no way guaranteed and may be reviewed in light of up to date market and business conditions. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it operates and will operate in the future.*
- *Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary, and the variations may be material. Prospective investors should understand such assumptions and evaluate whether they are appropriate for their purposes. Any data on past performance, modeling, scenario analysis or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling, scenario analysis or back-testing; for investors resident in EC countries that are not part of the Eurozone these returns can increase or decrease due to exchange rate movements.*

Disclaimer (2/2)

- *The tax consequences of an investment depend on the individual circumstances of each investor and may be subject to change in the future; therefore, the present document may not be considered to have been prepared in order to offer an opinion, legal advice or tax opinion regarding the possible tax consequences of the transaction. Every prospective investor is advised to evaluate any potential investment in the transaction on the basis of independent accounting, fiscal and legal advice and should also obtain from their own financial advisors analyses of the adequacy of the transaction, the risks, the protection and the cash flows associated with the transaction, insofar as such analyses are appropriate for ascertaining the risks and merits of the transaction.*
- *Prospective investors must rely on their own evaluation that a potential investment in the transaction described herein does not contravene the laws and regulations of the country of residence of the investor and must also be responsible for obtaining any necessary prior authorization required to make the investment.*
- *Certain industry and market data contained in this Document has come from third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, neither the Company nor its respective affiliates has independently verified the data contained therein. In addition, certain of the industry and market data contained in this document comes from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, no reliance should be placed on any of the industry or market data contained in the information. By receiving this document and attending the presentation, you are certifying that (a) if you are in the European Economic Area, you are a "Qualified Investor"; (b) if you are in the United Kingdom, you are a "Relevant Person"; (c) you are not located in a jurisdiction where it is unlawful to do so and (d) you acknowledge and agree to the limitations and conditions set forth herein.*
- *Acceptance of delivery of the Document by the recipient constitutes acceptance of the terms and conditions set out in this Disclaimer.*
- *Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and other instruments of illimity Bank S.p.A. (the "Securities") have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").*
- *Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure investors who meet the criteria of professional clients and eligible counterparties.*
- *For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.*
- *Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.*
- *By accepting or accessing this Document, you shall be deemed to have represented and warranted that (i) you have read and agreed to comply with the foregoing limitations and restrictions, (ii) you are able to receive this presentation without contravention of any applicable legal or regulatory restrictions, (iii) if you are in a member state of the European Economic Area (other than the United Kingdom), you are a Qualified Investor; (iv) if you are in the United Kingdom, you are a Relevant Person; (v) if you are in Italy, you are an Italian Qualified Investor; and (vi) you acknowledge that you understand that there are legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of this document.*
- *This document includes industry and market data pertaining to Company's business and markets. Such information is based on the Company's analysis of multiple sources such as industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data have primarily been derived and extrapolated from reports provided by third parties. In addition, certain statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Company's business and markets in this document are not based on published data obtained from independent third parties or extrapolations therefrom, but rather are based upon analysis, which are in turn based upon multiple third party sources.*
- *All figures and numbers included in this document are rounded.*
- ***Pursuant to Article 154-bis, paragraph 2, of the Legislative Decree no. 58/1998 (Unified Financial Act), the Financial Reporting Officer, Mr. Sergio Fagioli, declares that the accounting information contained in this Document corresponds to the document results, books and accounting records.***