

### **Company Presentation**

March 2023





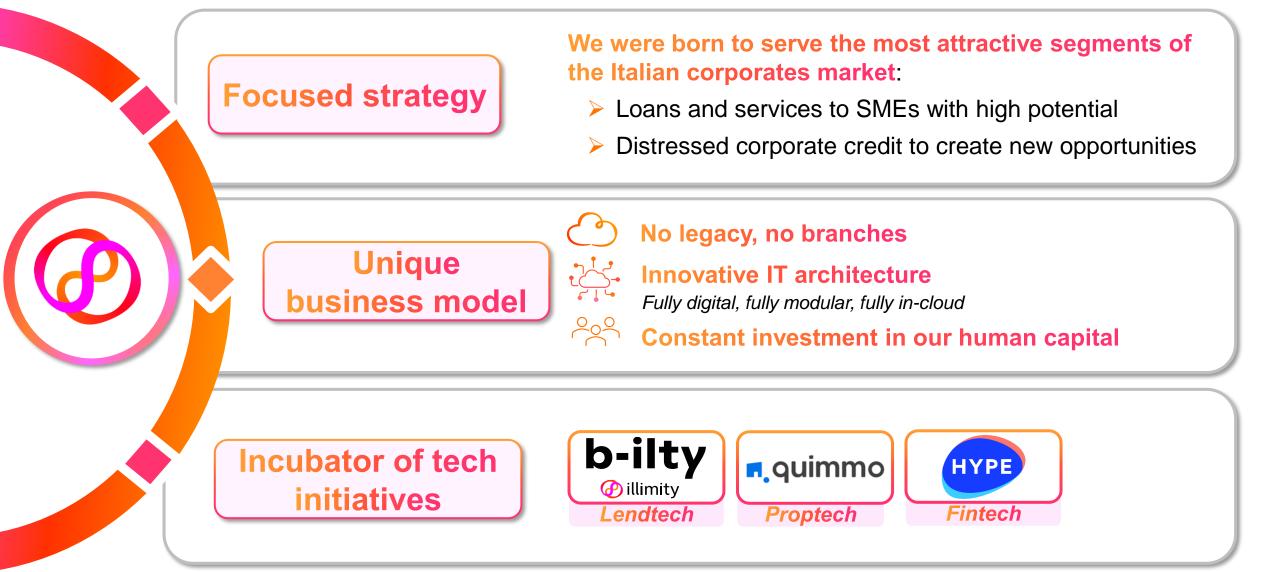
## Foundations for success: people, technology and values



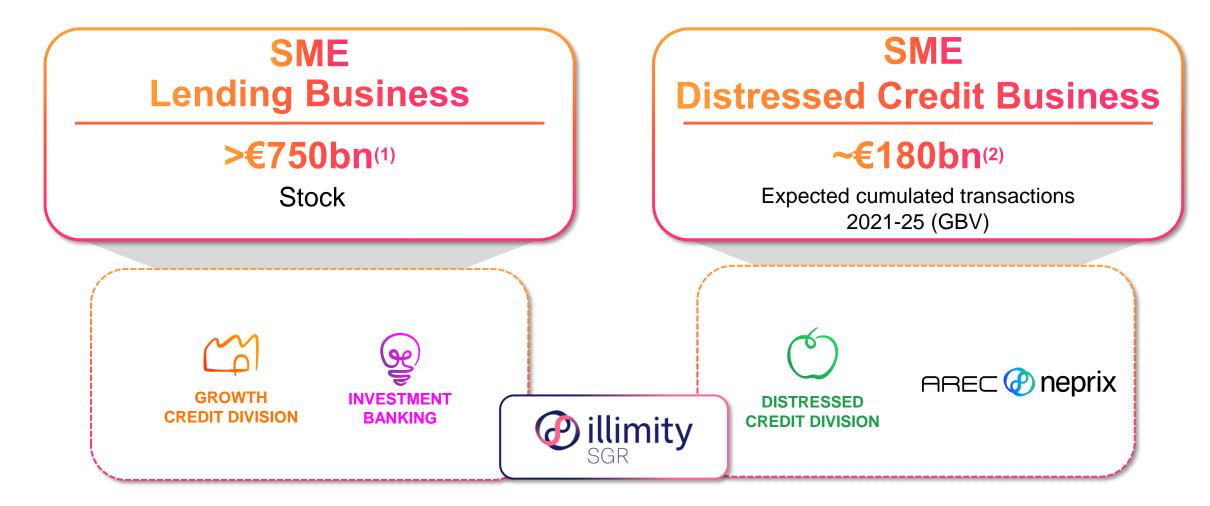
**Tech Initiatives to create high value** 

Our recent results: 4Q22 & FY22

### illimity - A new paradigm bank

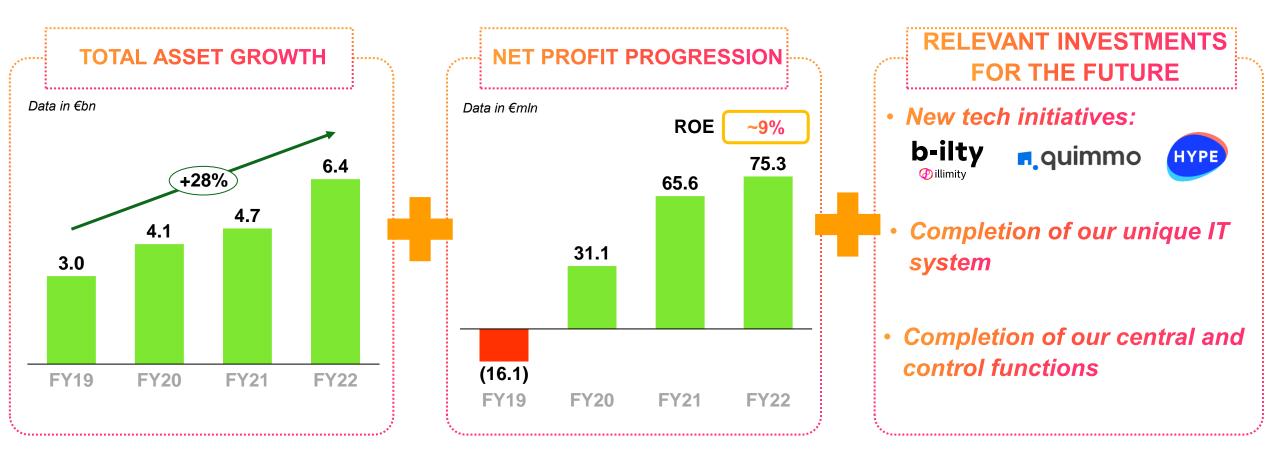


## Illimity - We focus on immense and growing core markets



Sources: (1) Stock of gross performing loans to non-financial companies and producer households at 31.09.22 - "Banks and Financial Institutions: Financing and Funding by Sector and Geographical Area" - Bank of Italy; (2) Market estimates based on various sources (among others Bank of Italy, PwC). Estimates refer to the entire NPE transaction market as there are no available estimates on the SME segment only - See Disclaimer attached at the end of this Document.

## Illimity - Remarkable combination of growth and profit trends with investments for the future



### O illimity - Forerunner in ESG commitment



**ESG** integrated in our business model



& in credit risk assessment

ESG objectives linked to bonuses





The lowest Scope 1 & 2 emission intensity



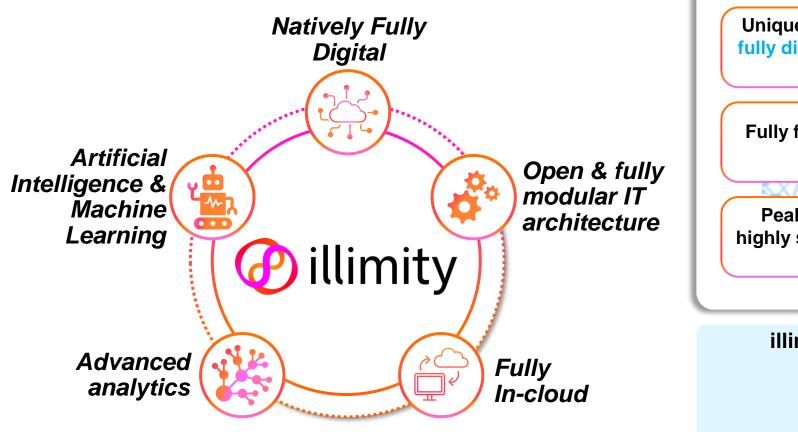
Great Place to Work® award for 4 years

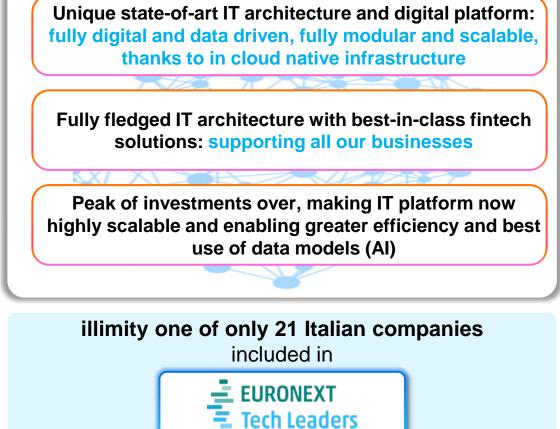


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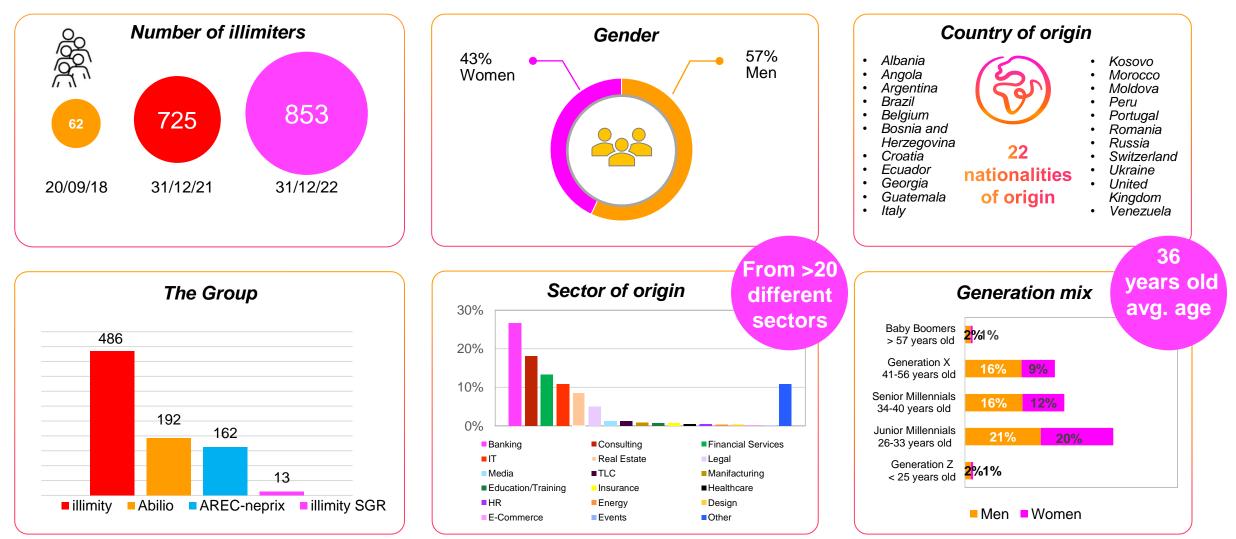
Real estate impact projects through illimity Foundation

# Illimity - Exploiting shift from analogue to digital in financial services market: products, channels and processes





## Illimity - The illimiters: talent and diversity fosters innovation



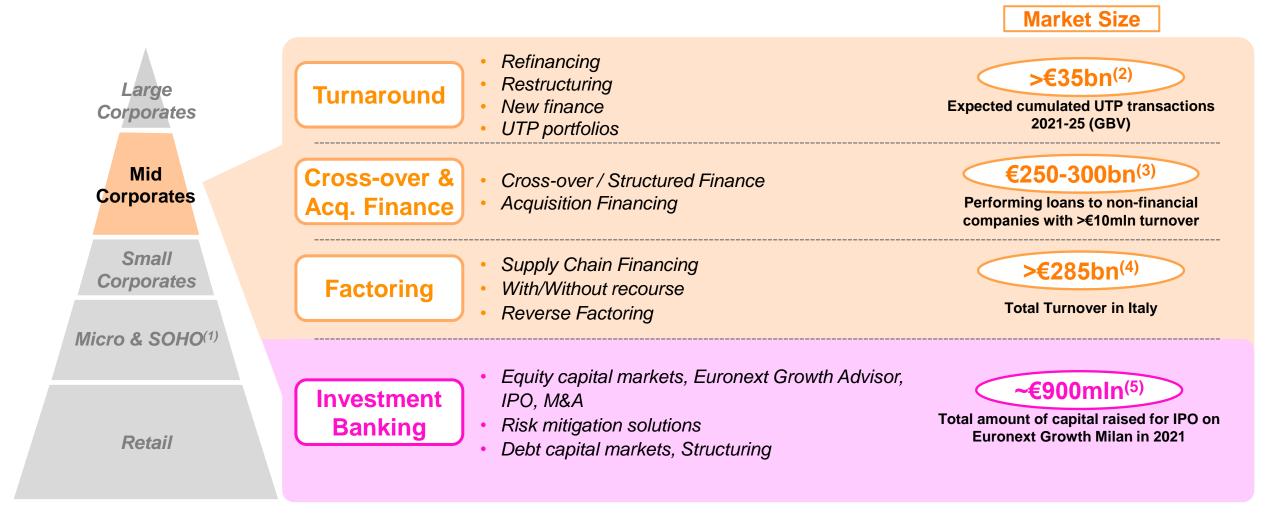




## Core business drives profitability: SME lending business & Distressed Credit business



### Illimity - Large and growing Italian SME market



Notes: (1) Small Office Home Office; (2) Market estimates based on various sources (among others Bank of Italy, PwC). Estimates refer to the entire NPE transaction market as there are no available estimates on the SME segment only - See Disclaimer attached at the end of this Document; (3) Management estimates based on Bank of Italy data; (4) Preliminary report Assifact as of December 2022; (5) Source: Borsa Italiana. This aggregate does not include SPAC (special purpose acquisition companies); (6) Source: Osservatori Entrepreneurship Finance & Innovation – 8° Report italiano sui Minibond – Politecnico Milano - March 2022.

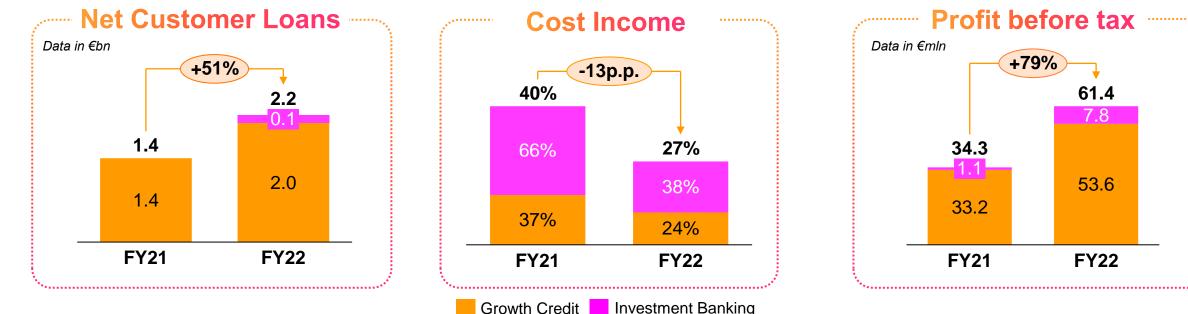
### Illimity - Excellent results in SME businesses

#### **GROWTH CREDIT DIVISION**

- Significant volume growth driven by strong business origination up 18% YoY
- Operating leverage always best in class
- Further strong progression in profitability

#### ध्रे INVESTMENT BANKING DIVISION

- **5 IPOs completed since inception**. Solid pipeline ahead
- Alternative debt stock reached €151mln<sup>(1)</sup> from €20mln as of June 2022
- Significantly progression in profit before tax, with strong operating leverage gain



Notes: (1) Including ~€18mln of instruments classified Financial assets Hold To Collect & Sell (HTCS) and ~€0.4mln classified as Financial asset Fair Value Through Profit & Loss (FVTPL).

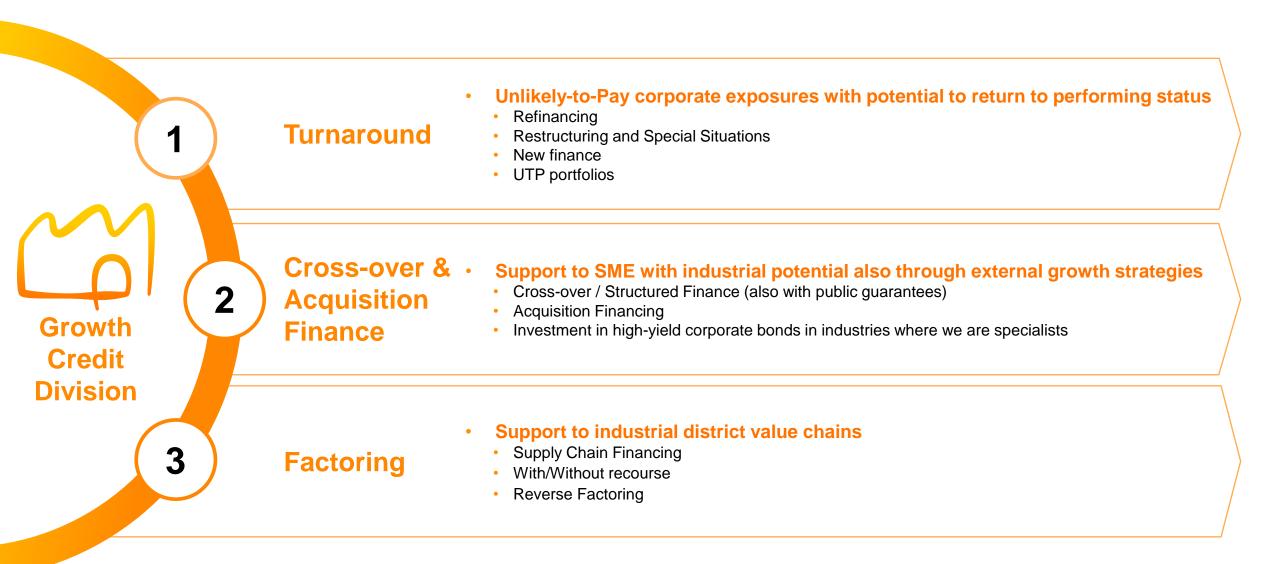




## Core business drives profitability: SME lending business & Distressed Credit business



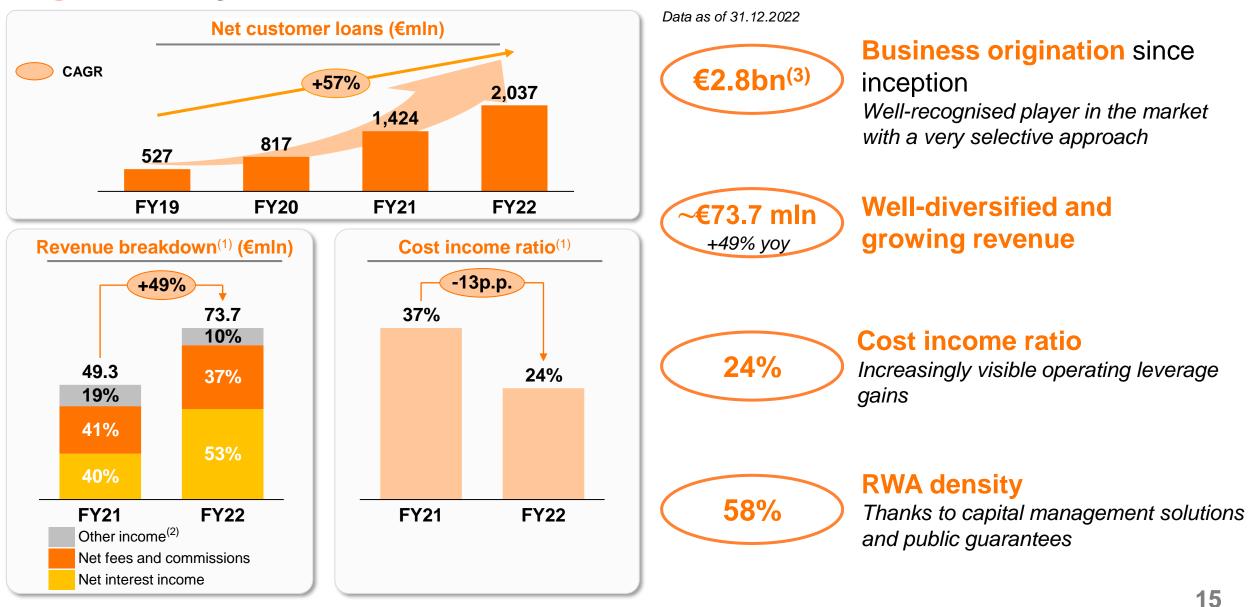
### illimity - Italian SME specialist







### illimity - Outstanding growth



Note: Rounded figures; (1) FY21 restated for segment reporting purposes; (2) It includes credit revaluation events and net result from trading; (3) Including origination as of January 2023 contributing with €118mln.

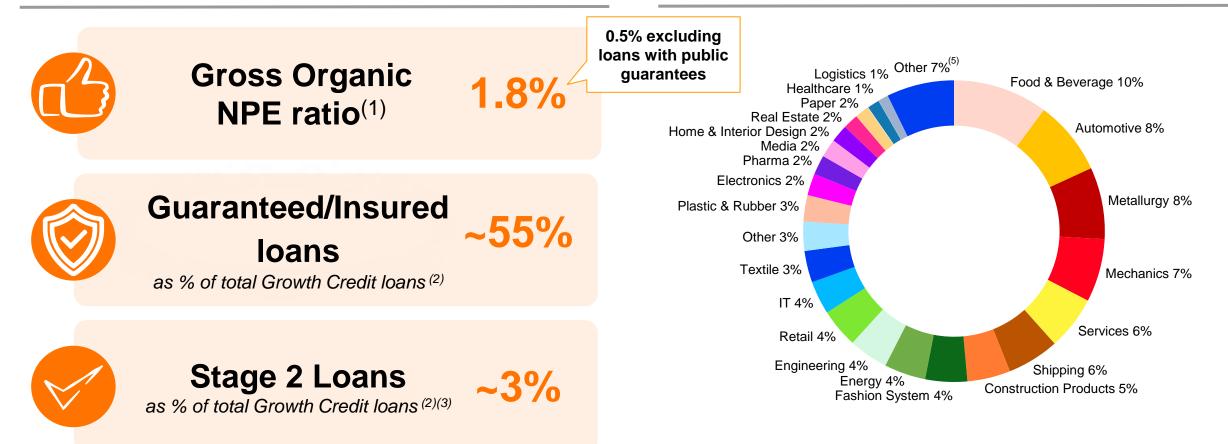
## illimity - Growth Credit: excellent asset quality of SME loan book

### **Solid asset quality**

#### **Diversified portfolio**<sup>(4)</sup>

**Growth Credit Division** 

16



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 BIP legacy portfolio; (3) Considering only stage 2 loans arising from credit deterioration; (4) Non accounting figures. Based on Growth Credit loans, including also financial instruments accounted for as FVTPL; (5) Including more than 15 sectors with an exposure equal to or lower than 1%.



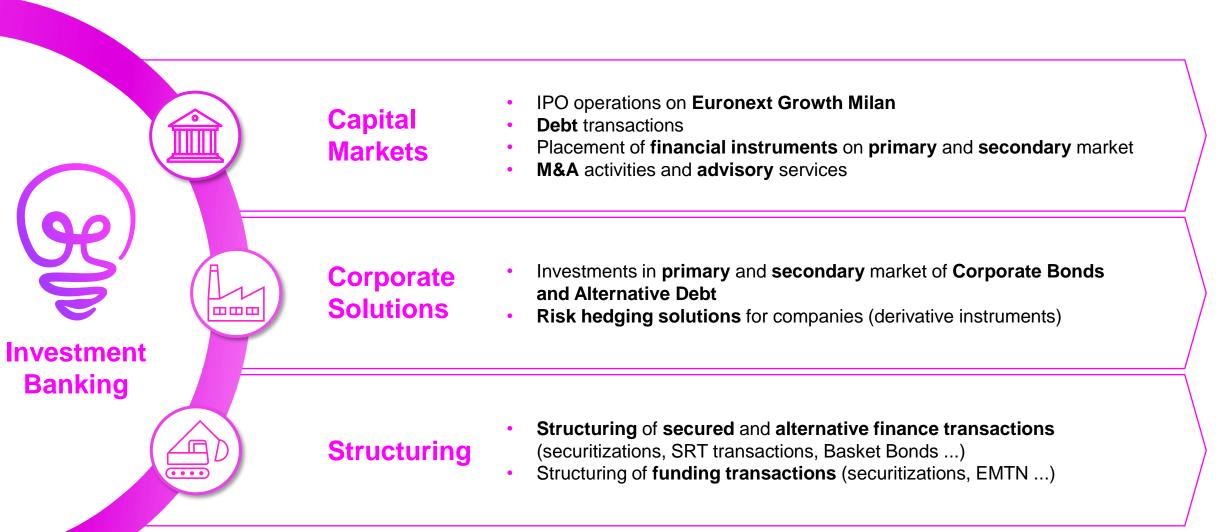


## Core business drives profitability: SME lending business & Distressed Credit business

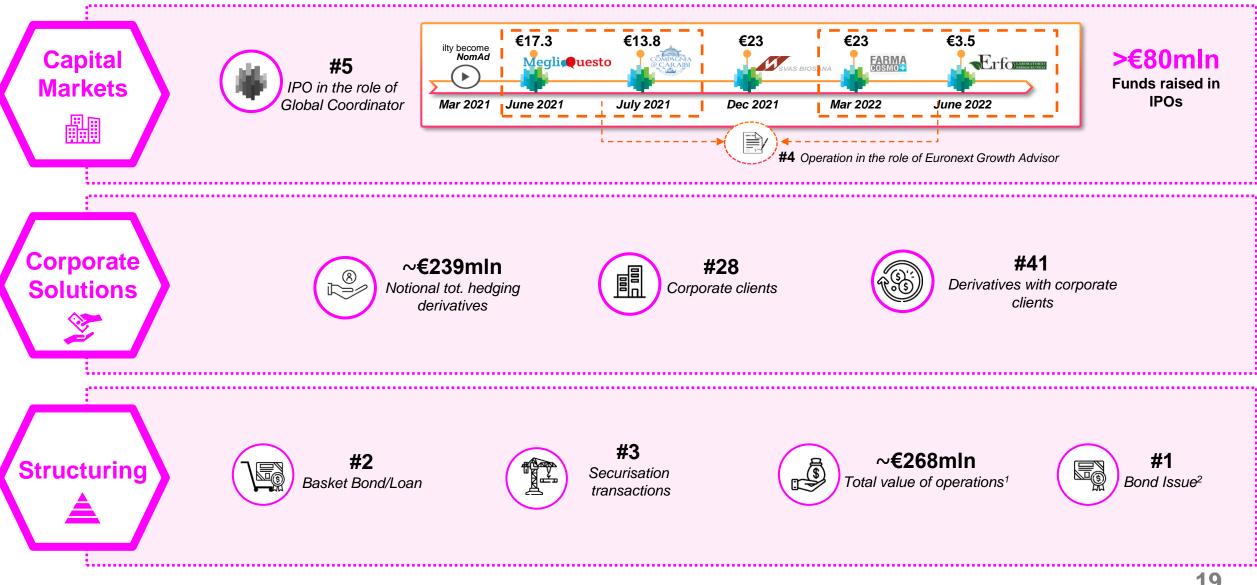




### illimity - Division Overview



#### **Investment Banking Division** Illimity - Investment Banking up and running







## Core business drives profitability: SME lending business & Distressed Credit business



## Illimity - A national champion in Corporate distressed credit

#### Distressed Credit Investment business

#### Investment specialist desks

- Corporate Portfolios: Secured, Unsecured & Leasing
- Special Situations Energy
- Special Situations Real Estate
- Unlikely-To-Pay Portfolios
- Public Procurement Claims

#### Senior financing

- · Financing solutions to non-bank NPE investors
- Structuring and financing credit disposals



Corporate Distressed Credit Management

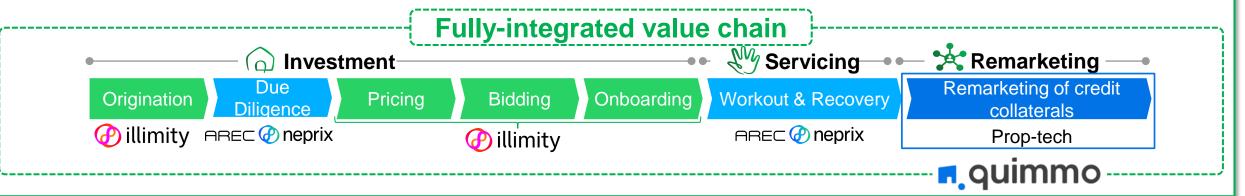
**Distressed Credit Division** 

- Unlikely-To-Pay corporate loans
- Real Estate and Renewable Energy Advisory



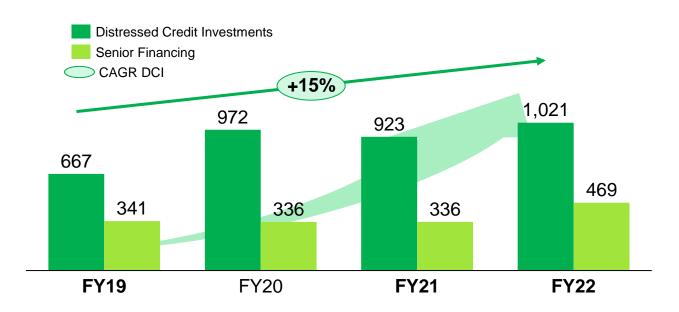
#### **Proptech**

- Remarketing of capital goods & Real Estate properties
- Real estate brokerage on free market



### Illimity - Top investor with very strong track record

#### Net customer loans (€mln)





~ €13bn<sup>(2)</sup>

Business origination since inception Among top investors in Europe leveraging on highly-specialised market segments

#### **Servicing & Remarketing GBV**

Between credit and assets being already one of the largest special servicers in corporate NPEs



Selective approach

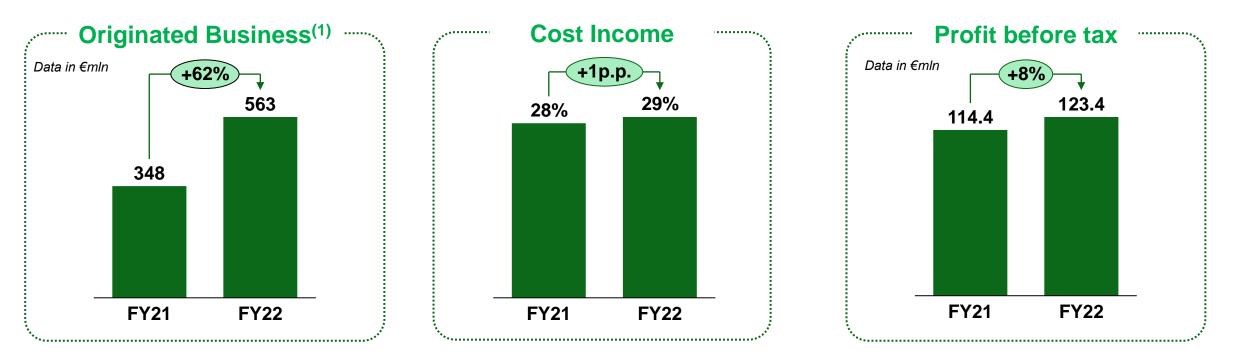
**Distressed Credit Division** 

## Illimity - Solid results in Distressed Credit Investment business

Robust business origination with well-diversified investments across all target markets

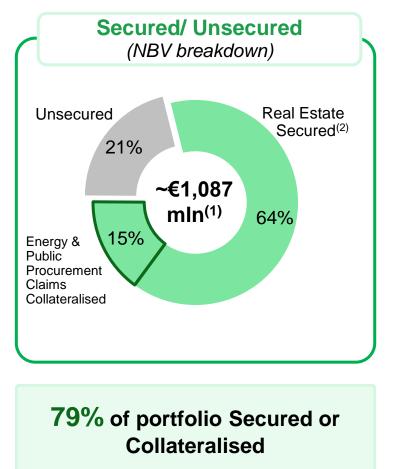
High profitability confirmed and further improved (not including mark to model revaluation)

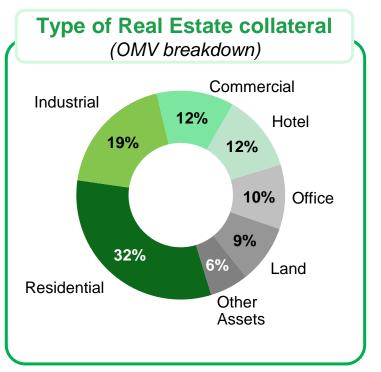
Strong track record in cash flow (+€156mln overperformance as of 31 December 2022)



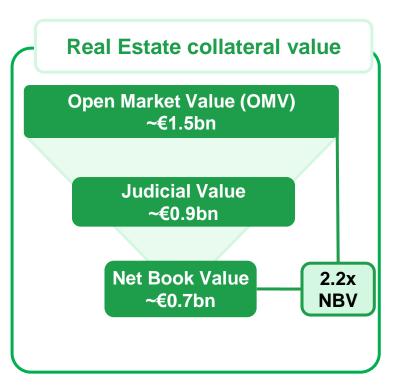
### illimity - Distressed Credit Investment business: prudent valuation criteria

Data as of 31 December 2022





Strong diversification in type of collateral

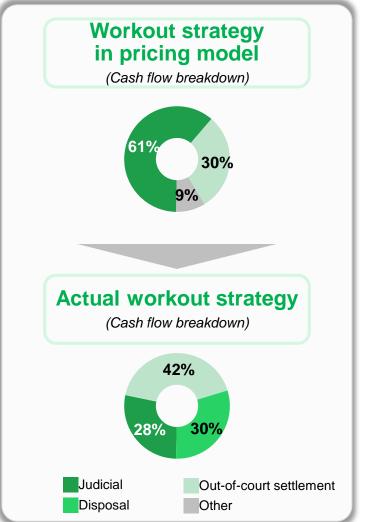


Solid real estate values, with high buffer vs. Open Market Value

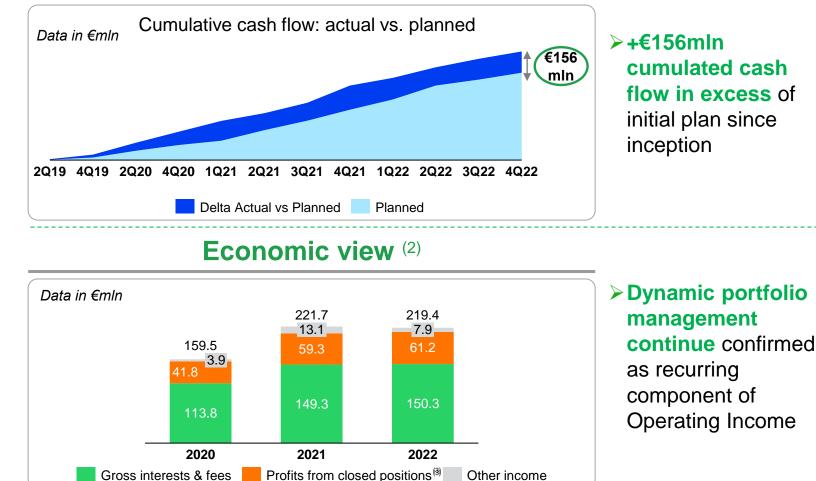
**Distressed Credit Division** 



### illimity - Distressed Credit key data



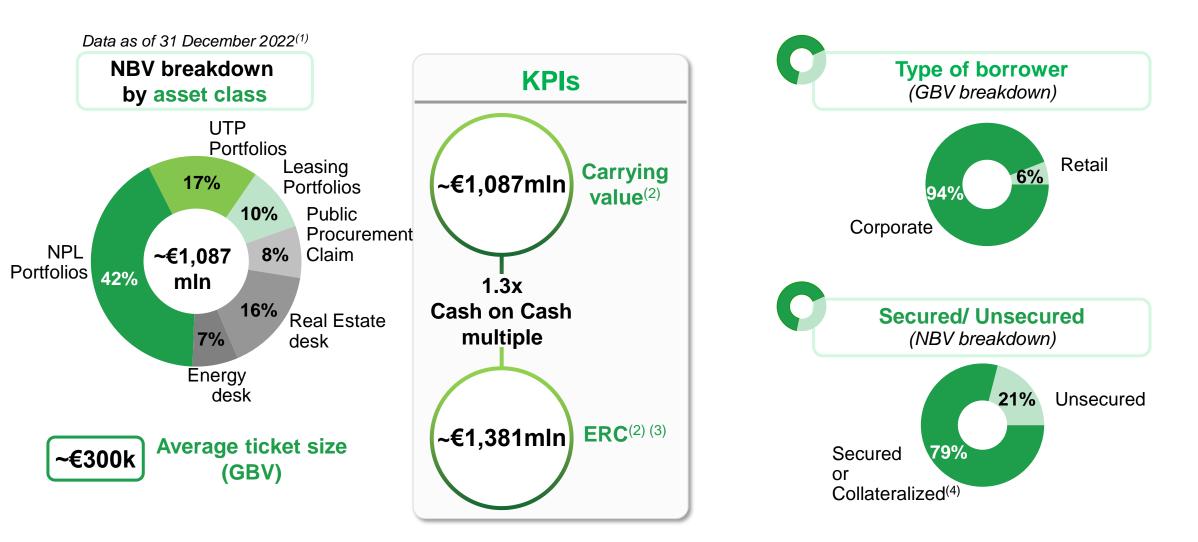
Cash flow view <sup>(1)</sup>



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.

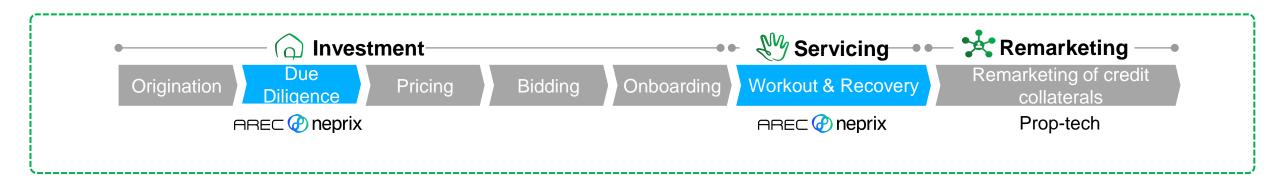
#### **Distressed Credit Division**

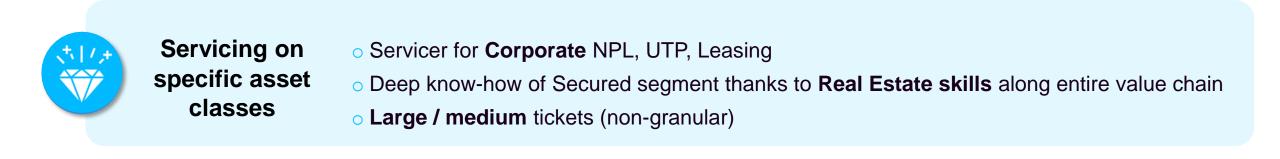
### Illimity - Distressed Credit portfolio highlights



Notes: Rounded figures; (1) Data does not include repossessed assets (through ReoCo and *datio in solutum*); (2) This includes distressed credits purchased by the Energy desk, which for accounting purposes are recognised at Fair Value (item 120 c) and distressed credit classified as 'Financial assets measured at fair value through other comprehensive income' (item 30); (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).

## AREC Preprix - The value chain and key metrics

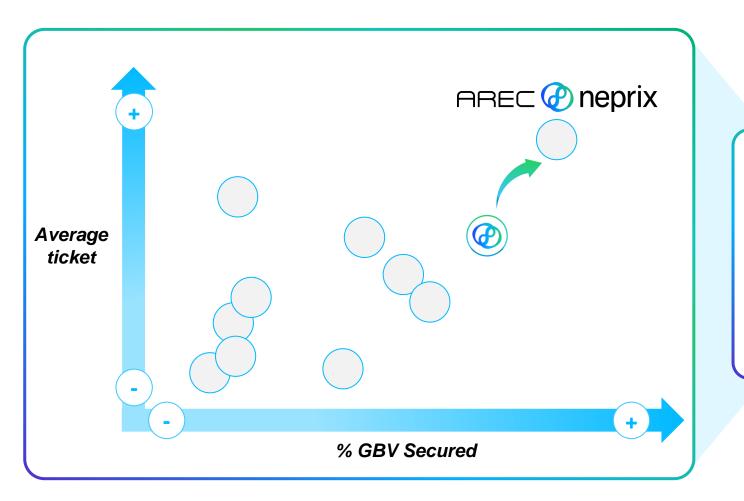






• Highly skilled professionals supported by advanced data management

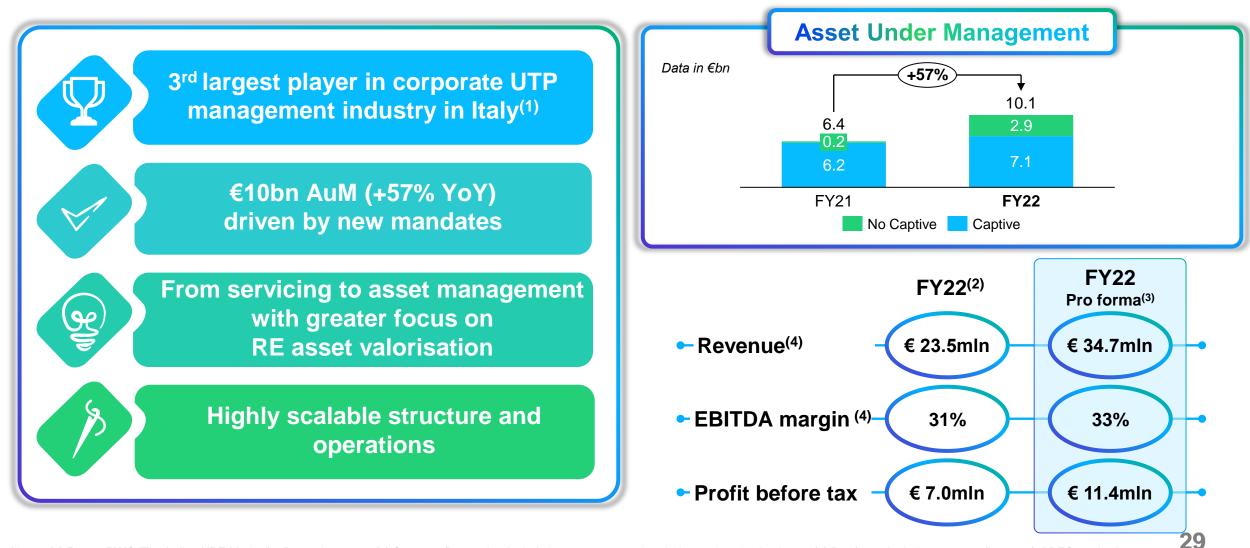
### AREC Oneprix - Unique business model yields higher value





- Real Estate assets valorisation strategy
- Back to Bonis vocation

## AREC Oneprix - Servicing business accelerating and evolving through AREC acquisition

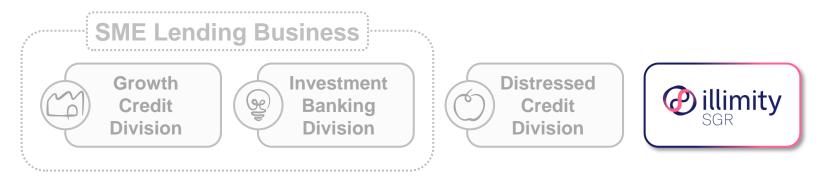


Notes: (1) Report PWC "The Italian NPE Market" – December 2022; (2) Statutory figures that include intercompany and exclude neprix sales business. (3) Pro-forma includes statutory figures of: ARECneprix, Aurora Capital S.p.A., AREC S.p.A. Minor adjustment in order to exclude extraordinary components related to the acquisition process; (4) Without considering rebated costs.



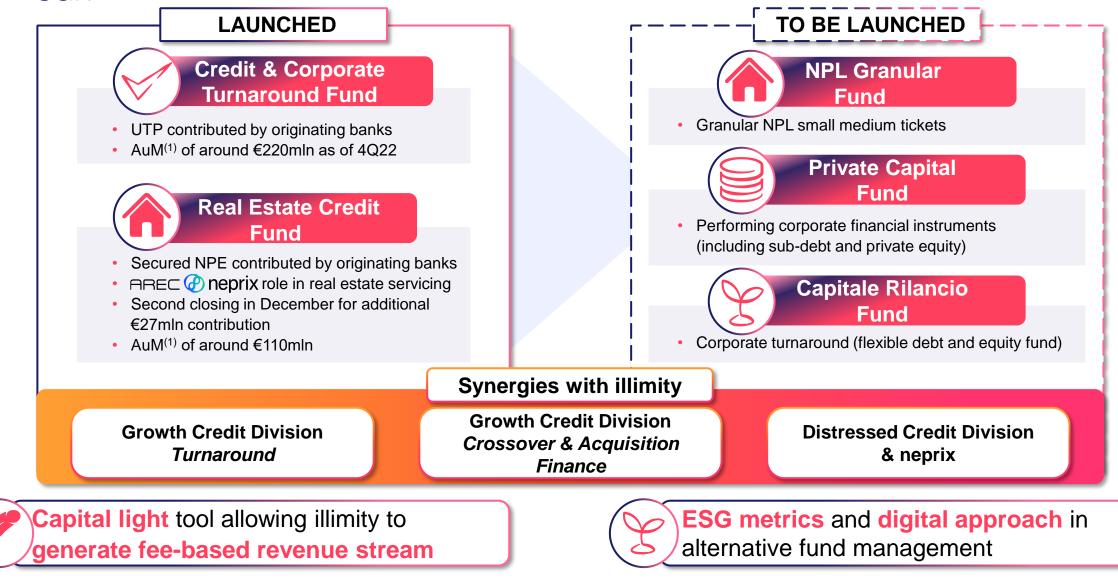


## Core business drives profitability: SME lending business & Distressed Credit business





### **Opillimity - Momentum accelerates in SGR**





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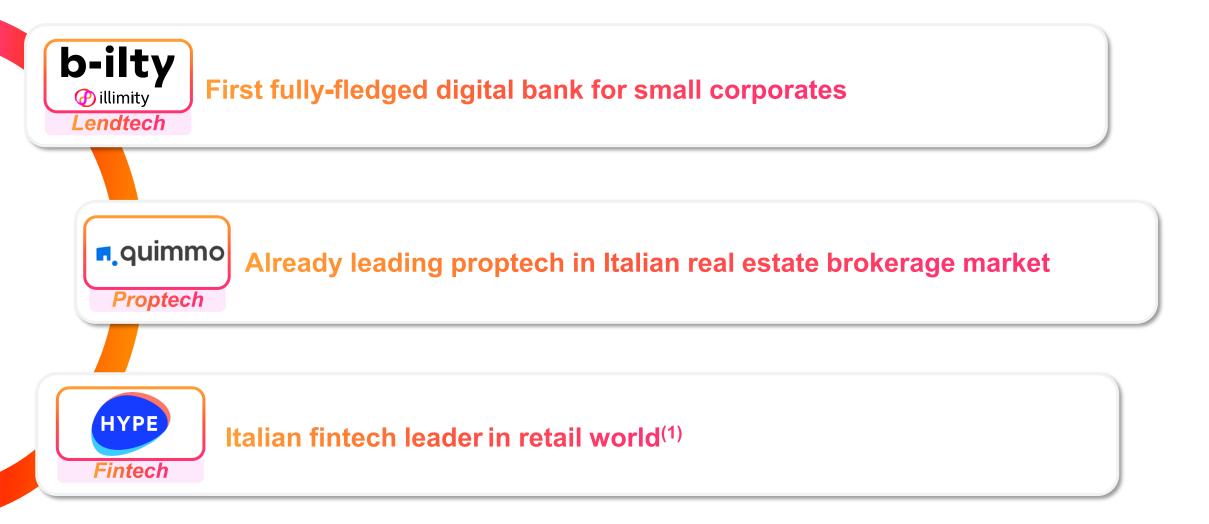




**Tech Initiatives to create high value** 



## illimity - Tech initiatives set to create high value for illimity



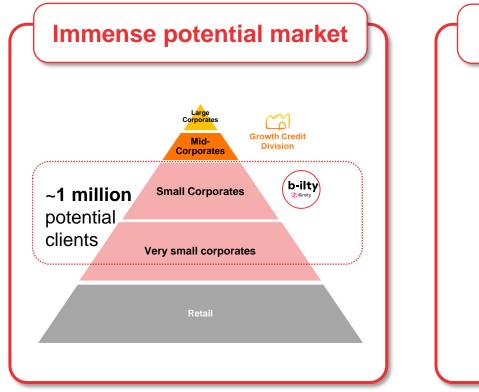


presents

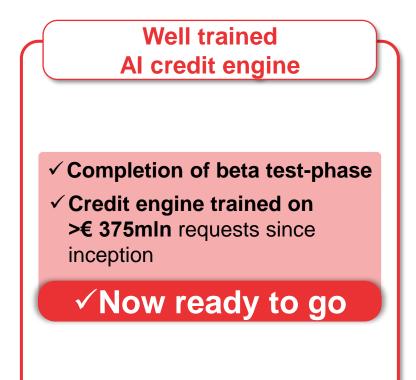
## b-ilty

the first digital business store for Small Corporates

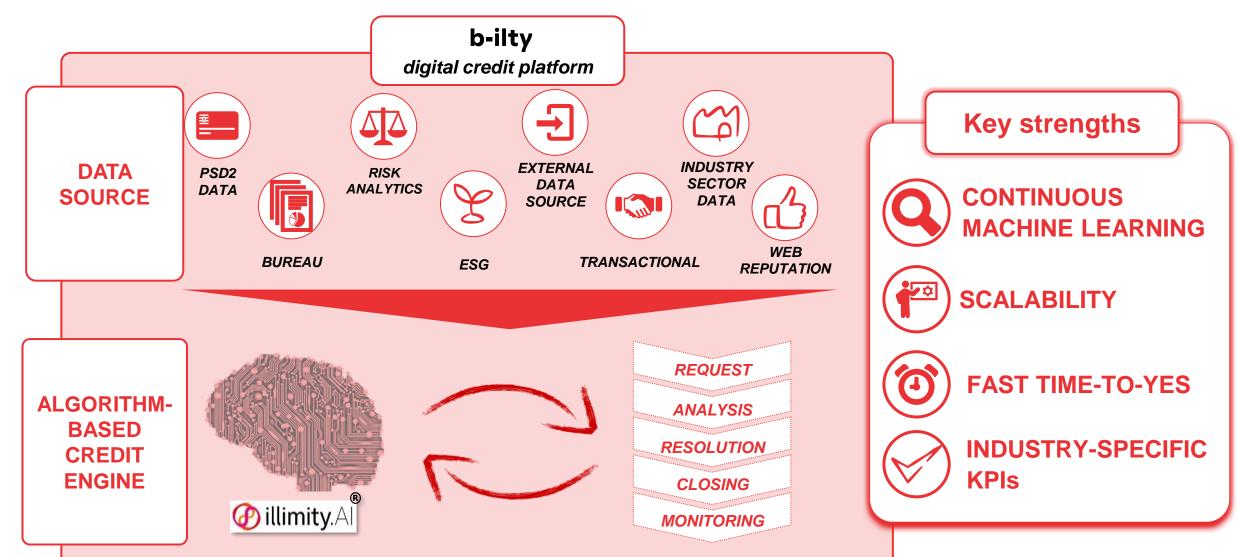
### **b-ilty**- First fully-fledged digital bank for small © illimity corporates: ready to scale







## **b-ilty**- Fast response time: Credit Engine

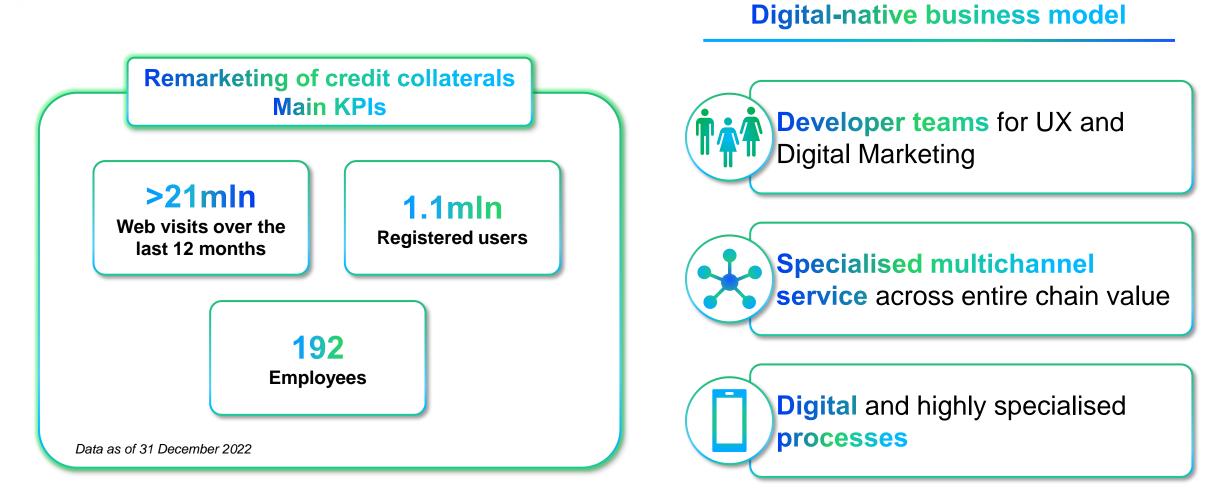


b-ilty

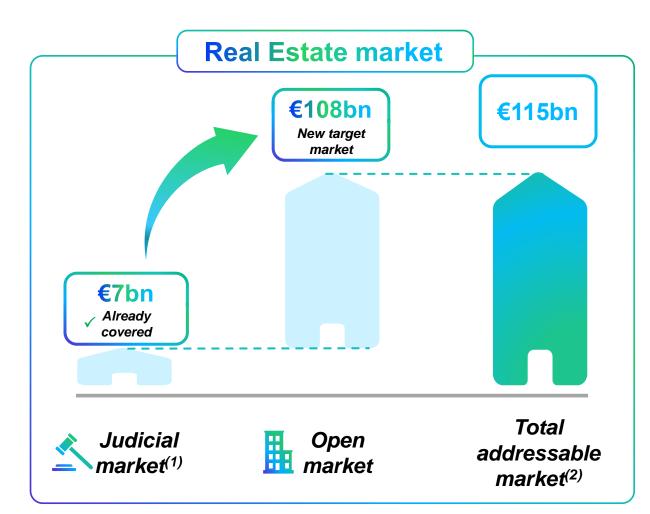
# Rouinmobile è qui



#### • Quimmo - Leading brokerage proptech in Italy already close to breakeven in 2022



## • quimmo - Ready to scale up in the open market





~€2.2bn of assets under management<sup>(3)</sup>, of which almost 90% non-captive



In 2022, revenue at € 18.4mln<sup>(4)</sup> with pretax result of -€3.2mln<sup>(4)</sup> following investments to complete entry into new free market segment



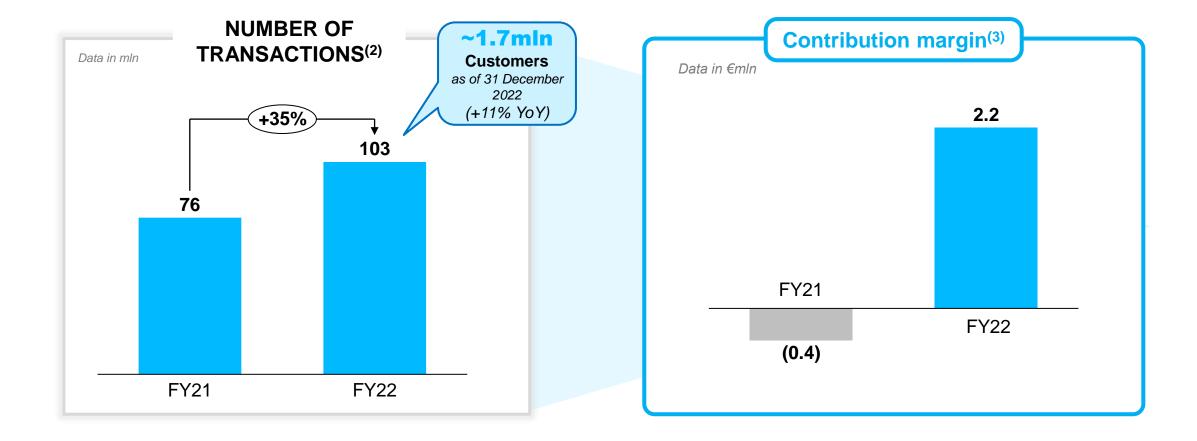
Visible profitability expected already in 2023

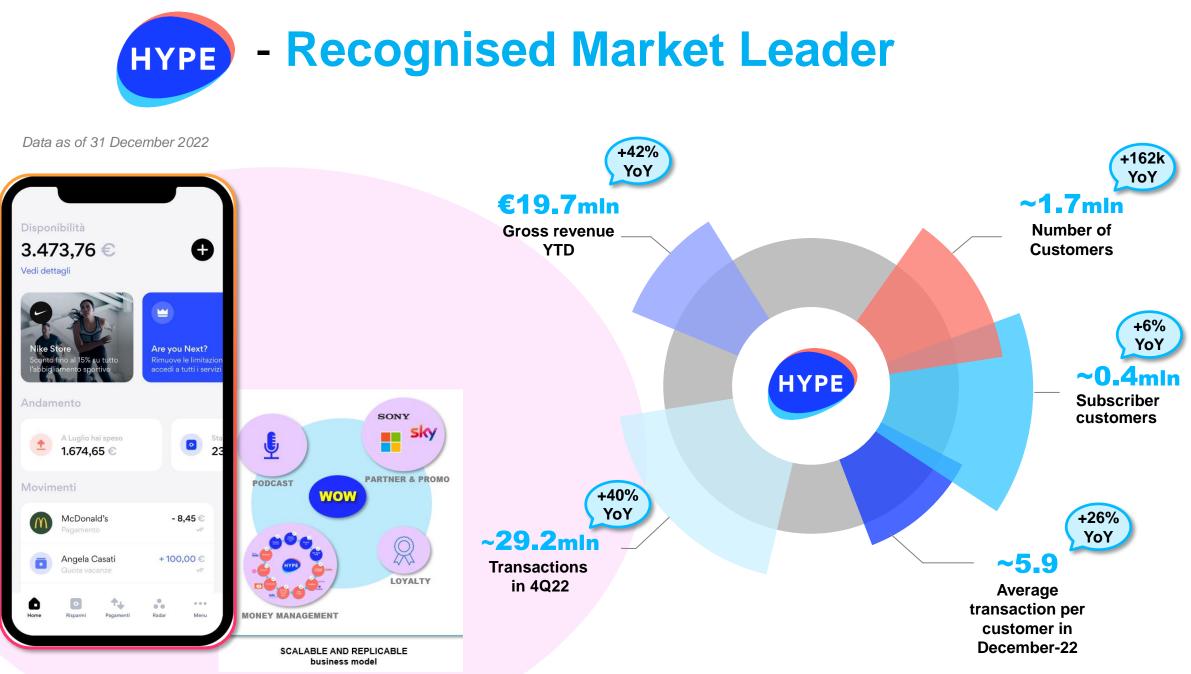
Notes: (1) Sale operated through judicial auctions; (2) Total value of transactions in 2019 Italian real estate market. Sources: OMI, Report Idealista.it, Scenari Immobiliari, MutuiOnline, AstaSY report 2019; (3) AuM in terms of value of Real Estate properties; (4) Statutory figures that include intercompany and former neprix sales business of 2022.



#### **Fintech Market Leader**









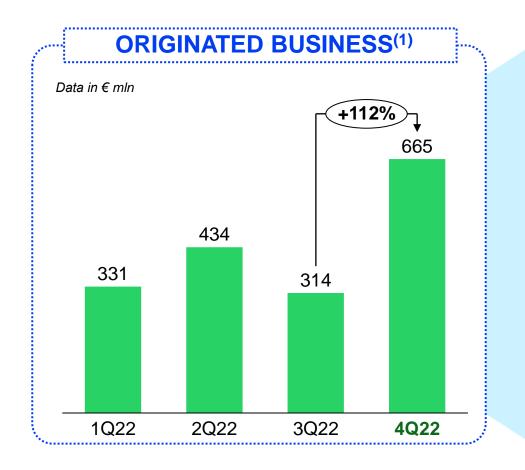


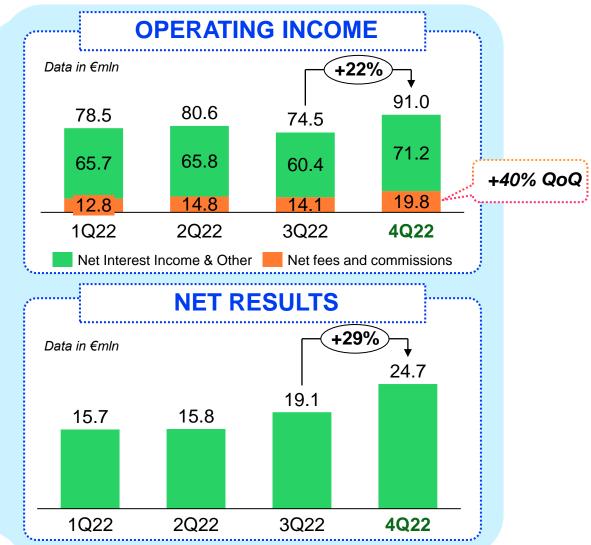


**Tech Initiatives to create high value** 

Our recent results: 4Q22 & FY22

#### illimity - 4Q22 best quarter ever





## Illimity - FY22 results: improving profitability combined with excellent asset quality and solidity

Profit guidance met. Profit before tax €100.9mln and Net Result €75.3mln (+15%YoY)	ROE <sup>(1)</sup>	~9%
Significant loan book expansion	Net customer loans	<b>€ 3.8bn</b> (+37%YoY)
Asset quality among best in class	Gross organic NPE ratio <sup>(2)</sup>	1.4%
High capital level confirmed	CET1 ratio <sup>(3)</sup>	15.8%
Robust liquidity to support future growth	Liquidity <sup>(4)</sup>	€ 0.6bn

Notes: (1) Return on average equity; (2) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (3) Phased-in definition; (4) Included cash, net adjusted 45 interbank position and liquidity buffers.

## illimity - Steady balance sheet growth driven by interest-earning assets

Reclassifie	d Balance sheet	31.12 2021	31.03 2022	30.06 2022	30.09 2022	31.12 2022	Δ 31.12.22 / 30.09.22	Δ 31.12.22 / 31.12.21
1 Cash and cas	sh equivalent	508	695	397	364	681	87%	34%
Due from ban	ks and other financial institutions	468	215	191	184	183	(0)%	(61)%
2 Customer los	Customer loans			3,194	3,318	3,776	14%	37%
	Credit investments	923	938	921	860	1,021	19%	11%
- Distressed (	Credit senior financing	336	402	436	446	469	5%	40%
- Growth Cree	dit	1,434	1,421	1,733	1,800	2,037	13%	42%
- Cross-ove	er & Acq. Finance <sup>1</sup>	628	643	731	809	891	10%	42%
- Turnaroun	d	438	488	630	612	665	9%	52%
- Factoring		368	289	372	379	481	27%	31%
- b-ilty		3	7	24	38	50	29%	>100%
- Investment	Banking	-	-	16	108	133	23%	n.m.
- Non-core fo	rmer Banca Interprovinciale	66	64	64	64	66	2%	(1)%
	ets Hold To Collect (HTC)	-	108	161	215	428	99%	n.m.
Financial ass	ets Hold To Collect & Sell (HTCS) <sup>2</sup>	300	424	416	396	392	(1)%	31%
Financial ass	ets measured at FVTPL <sup>3</sup>	77	82	118	150	105	(30)%	37%
Investments i subject to joir	n associates and companies ht control	80	78	76	78	76	(3)%	(4)%
Goodwill		36	36	71	65	65	-	80%
Intangible ass	sets	49	52	56	65	70	7%	42%
Other assets	(Incl. Tangible and tax assets) <sup>4</sup>	382	400	446	455	579	27%	52%
Total assets		4,661	4,922	5,127	5,291	6,355	20%	36%
Due to banks		411	412	539	581	1,205	>100%	>100%
4 Due to custor	ners	2,818	3,065	3,107	3,186	3,409	7%	21%
Bond/Securiti	es	500	505	510	515	653	27%	31%
Shareholders	' Equity	773	777	802	813	841	3%	9%
Other liabilitie	es	159	163	169	196	246	26%	55%
Total liabiliti	es	4,661	4,922	5,127	5,291	6,355	20%	36%

1

**Strong liquidity position** – approx. **€0.6bn** between cash, net adjusted interbank position and liquidity buffers

Robust net customer loans growth – up 37% YoY and 14% QoQ, with all Divisions and business lines contributing positively

**Increase in financial portfolio** driven by investments in hold-to-collect, almost doubled in 4Q22

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**Funding expansion continued in 4Q22** driven by both retail and wholesale funding, thus keeping strong diversification of funding sources

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 item includes ~€17mln of Investment Banking Division Alternative Debt classified HTCS; (3) 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 in the energy sector, as part of the Distressed Credit Division's activities; (4) It includes assets arising from the purchasing of tax assets (the so-called "Ecobonus") for ~€99mln.

### Willimity - Strong increase in overall profitability

Data in €mln

	Reclassified Profit & Loss	4Q21	1Q22	2Q22	3Q22	4Q22	∆ Q/Q%	FY21	FY22	Δ Υ/Υ%	9
	Interest income	50.8	51.7	54.4	59.1	73.5	24%	195.0	238.7	22%	
	Interest expenses <sup>1</sup>	(16.4)	(15.7)	(16.4)	(17.0)	(27.3)	60%	(61.8)	(76.5)	24%	
1	Net interest income	34.5	36.0	38.0	42.0	46.1	10%	133.1	162.2	22%	
2	Net fees and commissions	11.6	12.8	14.8	14.1	19.8	40%	35.6	61.6	73%	
2	Net result from trading and Fair Value assets	6.2	2.8	5.9	4.6	(0.1)	n.m.	18.6	13.2	(29%)	2
-	Net other income/expenses	6.6	6.3	5.7	5.2	6.7	30%	18.2	23.8	31%	6
3	Profit from closed purchased distressed credit positions <sup>2</sup>	19.0	20.6	16.2	8.6	18.5	>100%	63.5	63.8	0%	
-	Gain (loss) from disposal of investments	-	-	-	-	-	-	2.3	-	(100%)	
-	Operating income	77.8	78.5	80.6	74.5	91.0	22%	271.2	324.6	20%	
-	Staff costs	(22.2)	(20.7)	(22.8)	(20.9)	(21.8)	4%	(73.7)	(86.1)	17%	3
-	Other operating expenses	(23.3)	(20.8)	(21.9)	(21.4)	(26.6)	24%	(76.2)	(90.7)	19%	C
	Depreciation & Amortisation	(2.9)	(3.4)	(3.9)	(4.6)	(4.9)	6%	(10.7)	(16.8)	56%	
4	Operating costs	(48.5)	(44.9)	(48.5)	(46.9)	(53.2)	13%	(160.6)	(193.6)	21%	
	Operating profit	29.4	33.5	32.1	27.6	37.8	37%	110.6	131.0	18%	
5	Loan loss provision charges	0.6	(0.5)	(2.5)	(0.6)	(3.7)	>100%	(0.7)	(7.4)	>100%	4
-	Value adjustments on purchased distressed credit	(14.1)	(4.6)	(3.2)	7.3	(6.4)	n.m.	(14.8)	(6.9)	(53%)	
6	Value adjustments on securities and loans to banks	(0.4)	(0.5)	(0.2)	(0.2)	(0.5)	>100%	(1.2)	(1.5)	29%	
	Other net provisions for risks and charges	(0.2)	(0.0)	(0.0)	-	-	-	(0.2)	(0.0)	(83%)	5
-	Other income from equity investments	(1.8)	(1.8)	(2.0)	(1.8)	(2.0)	8%	(7.8)	(7.6)	(2%)	
-	Contribution to banking sector schemes	(1.4)	(2.0)	(0.1)	(2.6)	(2.0)	(24)%	(5.1)	(6.7)	32%	_
-	Profit (loss) before tax	12.1	24.1	24.0	29.6	23.2	(22)%	80.8	100.9	25%	6
-	Income tax	7.3	(8.4)	(8.2)	(10.4)	1.5	n.m.	(15.3)	(25.5)	67%	
	Net result	19.4	15.7	15.8	19.1	24.7	29%	65.6	75.3	15%	

Net interest income up 22% YoY mainly benefitting from core business volume growth. 4Q22 up 10% QoQ despite cost of funding increase

Net fees and commissions +73% YoY and +40% QoQ driven by strong business origination, acceleration in third-party servicing mandates, and good contribution from investment banking and asset management unit

Strong contribution to revenue from Distressed closed positions confirmed both on yearly and quarterly basis

**Operating costs up YoY** on sizeable new hirings and investments to complete operational structure and launch new businesses. 4Q22 increase related to business growth and acceleration in funding plan

Organic loan loss provisions up on generic provisions and some analytical adjustments

Value adj. on purchased distressed credit reflect workout strategies updates and conservative approach to potential impact of economic slowdown

Notes: Rounded figures; Arec 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.

#### Willimity - Core businesses drive profitability

	DISTRE CREI DIVIS	DIT	GROV CRE DIVIS (BIP inc	DIT SION	INVES BAN	<i>⋛</i> TMENT	<b>b-i</b>	<b>ilty</b>		imity R			CORPC CEN & HY	<b>FRE</b>	то	DITAL	
Data in €mln	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	
Net interest income	107.9	113.2	19.7	38.9	1.3	5.0	-	0.6	-	-	4.2	4.5	-	-	133.1	162.2	
Net fees and commission	9.6	21.8	20.4	27.4	3.6	8.8	-	0.8	1.7	3.7	0.3	(0.9)	-	-	35.6	61.6	
Other income	81.2	75.0	9.2	7.4	0.4	1.3	-	-	0.1	0.1	11.6	17.0	-	-	102.5	100.8	
Operating income	198.7	210.0	49.3	73.7	5.3	15.1	0.0	1.4	1.8	3.8	16.1	20.6	0.0	0.0	271.2	324.6	
Staff costs	(26.9)	(33.7)	(10.5)	(11.4)	(2.4)	(3.8)	(4.0)	(4.2)	(2.3)	(2.5)	(7.7)	(7.4)	(19.9)	(23.1)	(73.7)	(86.1)	
Other operating expenses and D&A	(39.8)	(45.7)	(7.7)	(6.5)	(1.1)	(1.9)	(2.6)	(7.1)	(0.5)	(0.5)	(18.4)	(26.2)	(16.8)	(19.6)	(86.9)	(107.5)	
Operating costs	(66.7)	(79.4)	(18.2)	(17.9)	(3.5)	(5.7)	(6.6)	(11.3)	(2.8)	(3.0)	(26.1)	(33.6)	(36.7)	(42.7)	(160.6)	(193.6)	
Operating profit	132.0	130.6	31.1	55.8	1.8	9.4	(6.6)	(9.9)	(1.0)	0.8	(10.0)	(13.0)	(36.7)	(42.7)	110.6	131.0	1
Provisions	(18.3)	(11.5)	2.1	(2.2)	(0.7)	(1.6)	-	(0.5)	-	-	-	-	-	-	(16.9)	(15.8)	
Other income from equity investments	0.4	(0.3)	-	-	-	-	-	-	-	-	-	-	(8.2)	(7.3)	(7.8)	(7.6)	
Contribution to banking sector schemes	-	-	-	-	-	-	-	-	-	-	-	-	(5.1)	(6.7)	(5.1)	(6.7)	
Profit (loss) before tax	114.1	118.8	33.2	53.6	1.1	7.8	(6.6)	(10.4)	(1.0)	0.8	(10.0)	(13.0)	(50.0)	(56.7)	80.8	100.9	
					ned: ~€6 -79% Yo												
Interest earning assets	1,514	1,872	1,625	2,497	40	265	3	67	-	0	-	-	976	864	4,157	5,564	
Other assets	101	226	96	161	-	0	-	1	-	-	53	87	254	317	504	791	
RWA	2,017	2,100	977	1,532	44	169	2	14	3	5	76	89	294	420	3,411	4,330	
																	1

**Distressed Credit** major profit contributor with ~65% of Group's FY22 revenue. Operating profit growing slightly despite investments in new initiatives.

**Growth Credit** significant profitability increase contributing 23% to Group's revenue. Visible operating leverage gains

Investment Banking generating excellent profitability even after only one year in business

**b-ilty** negative pre-tax profit contribution reflects set-up costs and investments

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**illimity SGR** small positive result for year backed by successful launch of a new fund in 2022

**CIO** limited negative pre-tax result despite strong investments in unique IT infrastructure and Open banking platform illimitybank.com

**Corporate centre** set-up substantially completed; target sizing reached by end-2022. Hype contribution here included still negative albeit mildly improving

Notes: Rounded figures; FY21 restate for a like-for-like comparison with FY22. Operating costs restated for reclassification of contribution to banking sector scheme to a specific item in the Group's income statement; (1) Corporate Center and HYPE represent two different operating segments, summed for presentation purposes only.

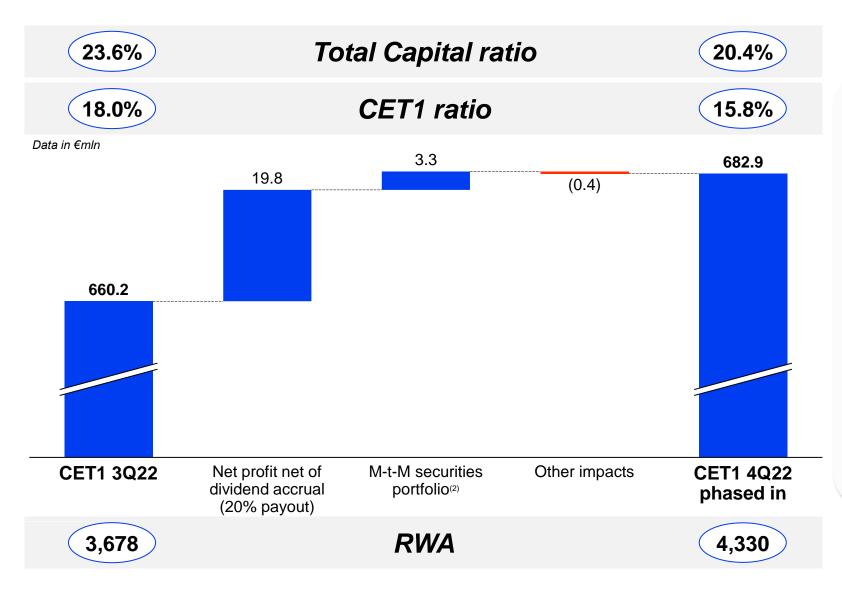
### illimity - Solid KPIs

	4Q21	1Q22	2Q22	3Q22	4Q22	FY21	FY22
Cost income ratio <sup>(1)</sup>	62%	57%	60%	63%	58%	59%	60%
Organic cost of risk (bps) annualised <sup>(2)</sup> V	Net vrite-backs	13bps	49bps	11bps	61bps	4bps	30bps
Gross organic NPE ratio (excluding BIP) <sup>(3)</sup>	0.7%	0.7%	0.9%	0.7%	1.4 %	0.7%	1.4%
Gross organic NPE ratio <sup>(4)</sup>	2.3%	2.3%	2.2%	2.0%	2.6%	2.3%	2.6%
LCR	~180%	~220%	~365%	~307%	~317%	~180%	~317%
CET1 Ratio <sup>(5)</sup>	18.8%	17.7%	16.1%	18.0%	15.8%	18.8%	15.8%
Total Capital Ratio <sup>(5)</sup>	24.7%	23.2%	21.3%	23.6%	20.4%	24.7%	20.4%

- Cost income up at 60% excluding investments in 2022 to establish new tech initiatives (b-ilty and Quimmo) would be 52%
- Organic cost of risk remains low backed by resilient book and high proportion of guaranteed loans
- Organic NPE ratio on portfolio originated by illimity at 1.4% (2.6% including former BIP portfolio), with limited loan book deterioration in last part of year
- LCR and NSFR comfortably above minimum requirements
- Solid capital position with robust CET1 Ratio at 15.8%

Notes: (1) Cost income ratio restated due to contribution to banking sector schemes reclassified out of Operating costs; (2) Calculated as the ratio between loan loss provisions and net organic loans at 31 December 2022 (€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; (3) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (4) 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; (5) Phased-in definition.

#### Willimity - Robust CET1 ratio at 15.8%



- RWA increased 18% QoQ as result of strong business origination in 4Q22. RWA density decreased to 68%
- Higher RWA drove CET1 ratio phased-in to 15.8% (15.3% fully loaded) – more than 660bps vs. SREP requirement
- CET1 Capital<sup>(1)</sup> in 4Q22 increased by almost €23mln, mostly driven by internal capital generation
- Total Capital ratio phased-in at 20.4% (19.9% fully loaded)

## Illimity - Accelerating funding plan to support business momentum

#### **Maturity mix**



In 4Q22 total funding up 23% QoQ with welldiversified mix

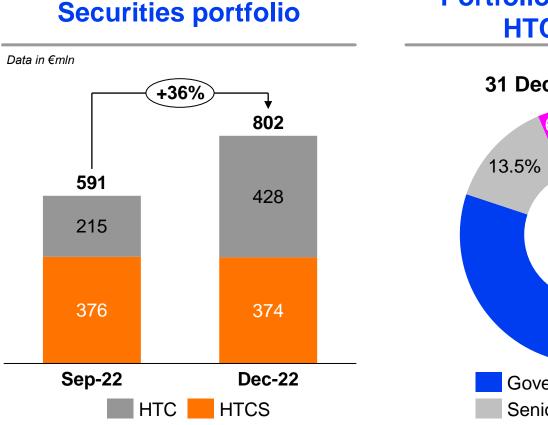
Corporate & Retail component amounts to €3.2bn euro, up 9% QoQ thanks to successful campaign on illimitybank.com

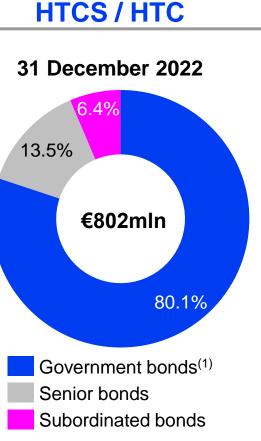
Wholesale funding at €2bn up >60% QoQ, following issuance of 3Y senior bond finalised in December 2022 as part of liability management transaction and collateralised funding



Blended average cost of funding slightly up to **~2.1%** as of December 2022 bringing average Cost of Funding for FY22 at 1.7%

### illimity - Securities portfolio





**Portfolio composition** 

- Securities portfolio growing at € 802mln up 36% QoQ driven by the HTC strategy, now representing more than 50% of securities portfolio
- Hedge accounting strategy in place to largely mitigate impact on valuation reserves from further interest rates volatility
- Duration ~3.2 years
- Average yield approx. 2.7%

#### Illimity - Key pillars of strategy and business model confirmed

Continuous focus on most interesting segments of both SME and Corporate Distressed markets

Optimisation in use of capital thanks to dynamic approach and strengthening of illimity SGR

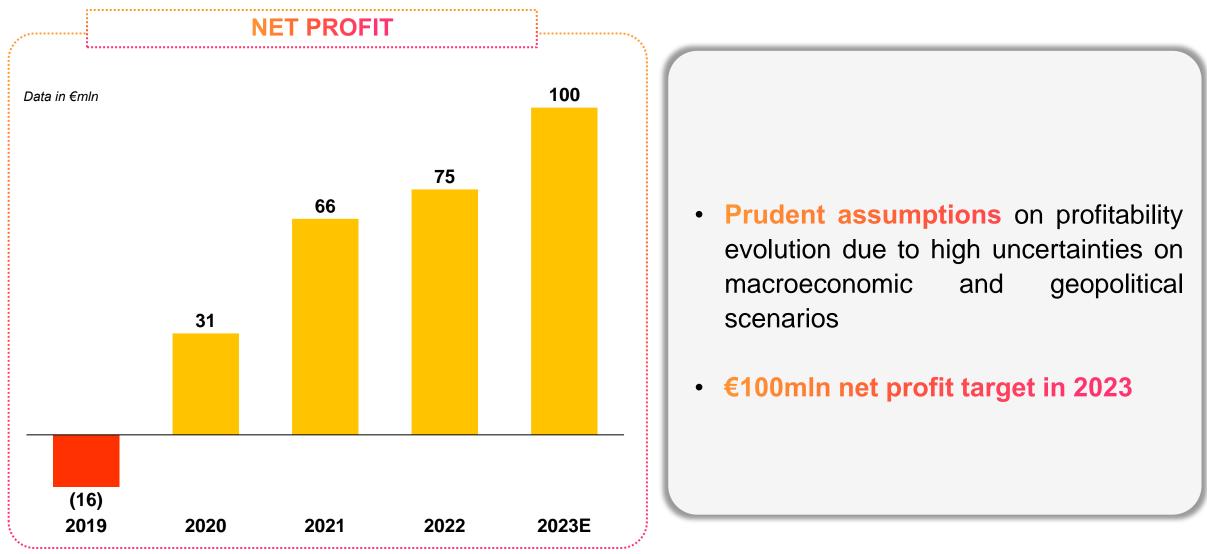
Full deployment of our three tech initiatives

Maintaining our technological edge

Constant investment in our human capital

Strong commitment toward sustainability





### Weight in the second state of the sec



Strong business origination in 2023 across all core markets with current scenario expected to foster additional opportunities



Steady revenue progression. NII boosted by volumes growth and loan repricing, more than offsetting higher expected cost of funding. Continual growth in **net fees** and **other revenue** 



Moderate costs growth mostly related to new business, while operational and technology infrastructure reached optimal sizing hence becoming largely scalable. Operating leverage gains expected to become clearly visible



Tech initiatives will move close to breakeven in 2023, producing positive contribution from 2024



Organic cost of risk expected to grow but still below initial Plan expectations



Quarterly results expected to accelerate throughout the year with progression further skewed toward second half



- Servicing & Remarketing GBV: it equals to the Asset Under Management of the servicing unit - ARECneprix - and Quimmo initiative. It includes the gross book value of distressed credit and the value of property managed by neprix also on behalf of third-parties including a portion of portfolios related to Senior Financing transactions - and the real estate and capital goods assets managed within the remarketing activity
- 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 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
- Originated business: 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 bilty 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

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