illimity Bank S.p.A.

3Q21 results Conference Call

Thursday, 11 November 2021, 09:00 a.m. CET

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ANDREA CLAMER, HEAD OF DISTRESSED CREDIT DIVISION

CARLO PANELLA, HEAD OF DIRECT BANKING DIVISION

Corrado Passera - CEO

Good morning and thank you for joining us today.

Here with me I have:

- Francesco Mele, CFO & Head of Central Function
- Enrico Fagioli, Head of Growth Credit Division
- Andrea Clamer, Head of Distressed Credit Division
- Carlo Panella, Head of Direct Banking Division

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Q3 was another strong quarter, and all our new initiatives are advancing according to plan.

We are well on the way to delivering our short and medium term targets.

Let's move to Slide 2.

Slide 2 – **9M21: very strong results**

- Based on a nine-month period, our operating profit tripled from €28mln to €77mln.
- Net profit continues to grow quarter by quarter: we reported approximately €19mln in Q3, advancing further versus 2Q, which benefited from a particularly remarkable profit from closed positions
- This brings our nine-month bottom line to over €46mln
- Our balance sheet is extremely solid with CET1 surpassing 20% and over €1bn of available liquidity
- Finally, our ROE reached 9% on the nine months annualised

On the following Slide, a few important messages.

Slide 3 – FY21 targets led by strong overall performance

First: revenue

Revenue posted a strong 49% progression in Q3 versus the same period last year, driven by recurring business.

Notably, as various new initiatives gained traction – for example, Capital markets, SGR, and the Ecobonus - our revenue mix has become increasingly balanced, with non-interest income components accounting for nearly 50% of the total.

Second: operating leverage

Our Cost income ratio keeps decreasing and reached 56% in Q3 notwithstanding the investment in new initiatives. At least €15mln worth of operating costs relate to activities and projects that will start producing revenue, as planned, starting from next year.

By 2021 the construction of the bank will be complete. From 2022, the operating leverage will become much more visible as the dynamic of revenue and costs will diverge significantly, and all the investments will start to pay off. Our digital DNA and advanced IT platform empowers scalability of operations and creates a strong competitive advantage.

Third: quality of our business

A 0.5% Gross organic NPE ratio on all the new business we have developed is the best evidence of the quality of our loan portfolio. Even if we add the legacy book of the small bank we bought when we first began, to speed up the licence process, the NPE ratio reaches only 2.5%. Also, the quality of our Distressed Credit portfolio confirmed to be excellent, with strong cash flows generating returns above our initial expectations.

Over on Slide 4, let's look at some data on business origination.

Slide 4 – Solid business origination

In Q3 our Growth Credit Division generated almost €160mln between loans and investments to Italian SME's with a strong contribution from all segments, and a further €111mln in October.

We completed a few important Turnaround deals, and we see a vibrant pipeline ahead for the whole Division: we already agreed €108mln of loans, ready to be disbursed in the following weeks, and there is a robust pipeline worth €136mln.

70% of the new lending in Q3 enjoys public guarantees with a significant effect on our profitability. As of today, nearly half of our loan portfolio is guaranteed.

Factoring recorded a strong turnover exceeding €250mln. Over 60% of outstanding positions at the end of September were covered by this scheme by specialised insurance Companies

Enrico will provide details in a short while.

As anticipated, transactions in distressed loans remained moderate during Q3 following the extension of payment holiday schemes to the end of December. Against this unexpected development, our Distressed Credit Division fared well, thanks to our specialisation in some very attractive segments, namely Energy and Real Estate. We are the leader in these segments where we see lower competition, higher returns and enormous areas for growth.

Starting from August, the distressed credit market has picked up steam and we are currently working on a very robust pipeline of over €300mln worth of potential deals. We expect momentum in distressed credit transactions to continue into 2022, and we will use our strong capital and liquidity position to capture it.

Andrea will provide further details on this topic later.

Alongside good results, we also made significant progress on the strategic initiatives we presented in our Strategic Plan.

Let's move to Slide 5 and take a better look.

Slide 5 – New initiatives on track

Starting with HYPE. HYPE has consolidated its leadership as a fintech challenger in the domestic market. In nine months, HYPE opened 200 thousand new accounts, bringing the total number of customers to 1.5 million, and the number of monthly transactions increased by nearly 50% on a year-on-year basis. In September, HYPE launched new Open banking tools and a number of new products, becoming a real Money Management Hub. This launch will further accelerate HYPE's growth strategy and profit generation capability, turning the company profitable by 2023.

B-ILTY

B-ILTY is a paradigm shift in small corporates lending. We are creating the first fully-fledged direct bank, designed around their needs, and using the best technology. BILTY will profoundly change the way small corporates use banking services.

In just a few months we developed a good part of the IT engines and the marketing structures, and we have already reached the testing phase for the first lending facility. We confirm B-ILTY will be launched at the beginning of 2022.

Neprix Sales

With its six online auction portals, 900 thousand registered users and 19 million visits in 9 months, neprix sales is already a leader in remarketing services of "judicial" real estate assets – a market worth €7bn. We are getting ready to elevate the game to a whole new level by entering the "free" Real Estate market – a much bigger addressable market - with an innovative digital offering. We will present the new platform in 1Q22.

Slide 6 - Targets confirmed

We met a few months ago to present our new Strategic Plan for the period 2021-25.

Our target is to achieve significant profitability already in 2021 and to further strengthen it over time. We are aiming for an ROE of 10% already for this year, growing to 15% in 2023 and to a further 20% in 2025.

All with a contained risk profile.

The first nine months of 2021 are in line.

We completed, as planned, the capital increase reserved to the ION Group and several important areas of potential synergies with the new shareholder are presently under study. The IT licensing has begun it will generate an income of €90mln in the next five years, about €4.3mln every quarter. In Q3 we started booking this income and we will register a total of €9mln in 2021, less than the €18mln previously expected for the current financial year.

Nevertheless, we confirm this year's profit guidance between €60 and €70mln.

I will now leave it to Francesco.

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Francesco Mele – CFO & Head of Central Functions

Slide 8 - 3Q21 heading for FY21 profit guidance

- Thank you Corrado and good morning, everyone. As Corrado mentioned, this has been another good quarter
- Let's move to Slide 8
- 3Q operating performance was driven by solid recurring revenue, up 49% y/y with a balanced contribution from net interest and non-interest income, which I remind you is one of the targets of the business plan
- Net interest income was affected by robust Growth Credit origination on one side and soft trend in the distressed credit market and the cost of anticipating the Tier 2 issuance on the other side
- Progression in commissions was remarkable – up over 200% y/y - thanks to business origination and contribution from recently launched businesses (such as the Ecobonus and capital markets)
- The Distressed Credit Division confirmed its strong recurring profitability mostly through profit from closed positions and cash credit revaluations
- All in all, we confirm the profit guidance for FY21 including a €9mln pre-tax contribution from the ION licence agreement
- Let's now look at the figures.

Slide 9 - Steadily growing balance sheet

- … starting from the balance sheet on Slide 9 …
- Liquidity increased to €1.1bn between cash, net adjusted interbank position and liquidity buffers in anticipation of the investment pick-up expected in 4Q21
- Turning to business volumes, customer loans are up 6% q/q driven by Growth Credit – up 16% q/q - with Distressed Credit investments substantially stable in the context of a lower supply
- Tax assets from the so-called Ecobonus increased to €62mln. We expect to fully use them to offset tax payments
- Switching to liabilities, retail and corporate funding grew to €2.5bn, driven by our digital platform illimitybank.com
- Wholesale funding benefitted from the €200mln Tier 2 bond issued in July
- Finally, CET1 capital increased to €625mln due to ION's capital injection and quarterly profit. RWA are down 2% to €3.1bn due to RWA optimisation.

Slide 10 - Significant profit progression

- Moving to profit and loss on Slide 10 … where we can see a robust progression in profitability across all business lines leading to our best net quarterly result of almost €19mln
- Net interest income remained largely stable in 3Q, with interest expenses from Tier 2 offsetting strong volume origination in Growth Credit

- Commissions continued to grow - up 224% y/y or 18% q/q to €10.3mln mostly due to structuring fees generated by business origination and to visible results from recently launched businesses such as capital markets and Ecobonus operations. Neprix sales and factoring also delivered a solid performance
- One of the recurring features of our P&L, profits from closed positions, was confirmed in 3Q with €5.3mln generated by the Distressed Credit Division and €1.8m by the Growth Credit Division in relation to credit revaluation events for Turnaround positions
- Distressed credit workout strategies generated also €6.5mln of cash credit revaluations
- Operating income includes, for the first time, €5mln from the IT licence agreement with ION. From 4Q we will register income of €4.25mln from this agreement every quarter
- Overall, operating income increased by 49% y/y to €66.6mln
- On the costs side, despite we are still investing in new initiatives, you can see operating costs decreased by 9% q/q also thanks to the release of holiday backlog provisions – typical in 3Q – in relation to staff costs and to lower due diligence costs
- Loan loss provisions remained low thanks to origination largely in loans with state guarantee and to the release of excess provisions on organic NPE closed positions
- Net result takes into account Hype's €1.9mln pro-rata negative result which doesn't benefit yet from the new initiatives launched at the end of September

Slide 11 - Growth Credit Division ramping-up. Distressed Credit continues to deliver

- Moving to divisional performance on Slide 11 … to see both highly profitable and accelerating results
- Growth Credit is accelerating thanks to volumes growth with pre-tax profits in the first 9 months of €19mln, almost 150% up compared to the first half. Cost income is steadily improving and is already below 50%
- DC, as we anticipated in our business plan and consistent with faster deployment expectations, still represents 76% of total revenue and a dominant share of profit before tax, (excluding Direct Bank and central costs). Cost income is already strong and now slightly above 30%
- The Direct Bank benefitted from the first recognition of the IT licence agreement while operating costs mostly refer to new initiatives set to produce revenue from 2022 particularly thanks to B-ILTY's expected business volumes
- The Corporate Centre absorbed €34mln in net costs.

Slide 12 - Strong asset quality and capital ratios

- Let's move to KPIs on Slide 12 … which confirm a strong asset quality and robust capitalisation
- Starting from Cost income … which confirmed the positive trend of 2Q marginally decreasing to 56% (or 60% in the first 9 months) thanks to operational improvement and revenue progression
- Cost of risk on loans to customers remained low - on an annualised basis - to 12bps as it still reflects significant government guaranteed lending and solid asset quality including release of excess provisions from organic NPE closed positions

- The solid asset quality is confirmed by the Gross organic NPE ratio down to 2.5% (or below 0.5% if we exclude Banca Interprovinciale legacy portfolio) thanks to a growing portfolio and an absolute reduction of organic NPE
- In terms of liquidity LCR stands at over 300%
- Lastly, CET1 ratio increased to 20.1% and, considering the issue of our Tier 2 in July, for the first time we provide a separate disclosure for Total Capital Ratio which stands at 26.5%.

Slide 13 – CET1 Ratio increase to 20.1%

Strong increase of CET1 ratio at 20.1%

Let me now shed more light on CET1 capital on Slide 13

- During the quarter CET1 capital increased to €625mln mostly driven by the ION capital injection for €57mln, quarterly profits and DTA release
- RWA decreased by around €57mln in the quarter to €3.1bn due to RWA optimisation strategies for a CET1 ratio of 20.1%
- As a usual reminder if we include €14.4mln of illimity special shares our CET1 ratio will reach 20.6% on a pro forma basis.

Slide 14 - Stable securities portfolio

- Moving very briefly to our securities portfolio on Slide 14 … no material changes from previous quarters with a small reduction to €265mln
- In terms of asset mix, 73% refers to Italian govies, 24% to senior bonds
- Our portfolio has a duration of almost 7 years and an average yield of 1.6%.

Slide 15 - Tier 2 enabling longer and more diversified funding mix

- Switching to funding on Slide 15
- At the end of the quarter our total funding increased to around €3.8bn, thanks to the Tier 2 bond issued in July
- As you can see term funding represents 80% of the total, and the maturity of the medium to long term component remains in the region of 3 years to ensure consistency with asset duration
- Wholesale now represents 32% of total funding consistent with the trajectory set in the business plan
- The average cost of funding increased from 1.6% to 1.7% mostly due to the Tier 2 cost
- Let me close by saying that this very strong quarter allows us to confirm the guidance for FY21 (despite a lower than originally expected contribution from the IT licence agreement in the current year) and the consistency with the business plan trajectory
- Now over to Enrico for his section.

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Enrico Fagioli – Head of Growth Credit Division

Thank you, Francesco, now moving onto the Growth Credit Division.

Slide 17 - Italian SMEs specialist partner

This opening Slide gives you a brief summary of the Growth Credit Division's core business. We are a specialist partner for Italian SMEs, providing a complete range of financing solutions for companies.

At the beginning of 2021, we enlarged our range of services by offering capital market advisory and products to fully cover customer needs. And we also began our activity in tax credit discounting and trading, which is an interesting and promising fee-based business, starting with the so-called “Ecobonus”.

Moving on now to Slide 18

Slide 18 - Solid momentum

Let me start by highlighting the positive results reached in this quarter in terms of origination and economic performance.

First
Business origination was remarkable in this quarter too. All market segments contributed strongly: nearly €160mln of loans and investments were booked between Cross-over, Acquisition Finance and Turnaround in 3Q, and Factoring turnover exceeded €250mln.

Our pipeline is solid, and we expect to complete several deals within the year, providing a strong starting point for 2022.

Second
In the third quarter we reached €7.5mln in commission income, underpinned mainly by structuring and arrangement fees, Factoring and Ecobonus tax discounting, and bolstered by the recently launched SME Capital markets desk, whose activity gained traction during the year. Total commission income for the year to date is €16mln.

I will come back to net commission income shortly.

Third
Our business model in Turnaround keeps delivering solid results: again, this quarter we booked a profit of €2.8mln from credit revaluation events. This income stream is naturally recurring and confirms our ability to produce attractive returns.

Now, going to Slide 19

Slide 19 - Strong business origination and pipeline

For Cross-over & Acquisition Finance, business origination remained robust at €67mln in this quarter, followed by an additional €71mln in October. We see a strong year end, with almost €100mln between transactions with terms agreed to be signed, and a new pipeline.

For Turnaround it has been a dynamic quarter: with business origination of more than €90mln, followed by an additional €40mln in October. Our business origination in the nine months to September more than doubled versus last year.
We are working on a pipeline worth approximately €145mln.
We continue playing an active role in loans with public guarantees, which represented nearly 70% of new business.
Overall, the strong pipeline we are working on makes us confident we will be able to generate strong business also for the rest of the year.
Going to Slide 20.

Slide 20 - Factoring: growth continues…

The third quarter confirmed the momentum for turnover, as we reached the highest volumes of the year.

- Turnover reached €252mln in 3Q, and the amount booked in October confirms positive trends. Furthermore, September registered the highest monthly volumes with €115mln
- It's worth highlighting that on the 25th of October the turnover YTD exceeded the whole amount recorded in 2020
- Net customer loans reached €211mln as at the end of September

Our strong factoring performance has been supported by growth in client numbers, exceeding 160 with related debtors surpassing 750.

Now, going to Slide 21

Slide 21 - … confirming key success factors identified in our Strategic Plan

Let me remind you of 3 fundamental elements behind our successful factoring performance:

- We are among the first in the market adopting an innovative capital management solution which has been boosting our return on capital. Starting from this quarter the insurance cover CRR eligible provides a reduction in credit risk and capital absorption: our RWA density decreased from 80% at the end of June to 44% at the end of September. Our average return on equity for factoring is in double-digits
- We have robust relationships with clients, strengthened by both our speed of response and our ability to structure financing solutions, even for the most complex deals
- Our experience in reverse factoring transactions that create a snowball effect for the growth of the customer base, which increased in customer numbers and debtors in 2021 by 45% and 25% respectively.

Moving to Slide 22

Slide 22 - **Well-diversified revenue mix**

I would like to focus your attention on divisional revenue.

First of all, our positive impact on Group P&L becomes more visible: in the 9M to date, the operating income of the Growth Credit Division stood at €35.9mln compared with €29mln for the full year 2020.

When compared to the end of 2020, our revenue mix is increasingly balanced between interest and non-interest income, with a significant contribution from net commission. You will notice the pie chart on the right clarifies the breakdown:

- Capital markets, a capital light business stood at €3mln
- Ecobonus, another capital light business reached €4.5mln. In the first 9 months we have purchased almost €62mln of tax claims
- Factoring fees moved to €2.1mln, thanks to the increase in turnover
- So far for the first nine months of 2021, we have booked around €360mln both in Cross-over & Acquisition Finance and in the Turnaround business. The upfront fees related to the new origination stands at €6.1mln.

That is all from the Growth Credit Division, I now hand you over to Andrea.

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Andrea Clamer – Head of Distressed Credit Division

Thank you, Enrico, and good morning, everyone.

First of all, let me give you the usual picture of the Distressed Credit Division on Slide 24.

Slide 24 – Specialised player in Corporate Distressed Credit

As you may already know, we are a leading and fully integrated operator in the distressed credit industry, focused on corporate credit. We operate in 3 main spaces:

- Investments, dedicated to the acquisition of distressed credits across various asset classes
- Senior Financing, providing financial solutions for other Distressed Credit investors
- Neprix, our end-to-end servicer covering all activities from workout to remarketing of collateral assets.

I will now present the key elements that characterised the third quarter. Slide 25.

Slide 25 – Specialisation drives origination

This quarter was very positive.

As a result of our increasing specialisation, we continue to confirm our excellent performance in both Cash-flow, and proceedings from workout activity.

Origination-wise, despite the third quarter usually being less strong than the 4Q, the Special Situations desks have driven business forward.

In addition, the recent surge in the Distressed Credit market has given us a very robust pipeline of deals that we expect to originate in the last quarter**.**

Slide 26 – Outstanding performance is our new normal

We are very proud of our strong performance which has been consistently growing since we began.

As you can see in the top-left chart, cumulative cash flows reached €428mln, this relevant result means our cumulative cash flow is one 106mln above our initial collection plans!

In this quarter, the Division realised a remarkable turnover of €51mln, of which we can see a very good stable growth in interests. The interests reached €38.4mln, €10mln more than the same period last year.

Then you can see a further €12mln from closed positions and other income, that was not initially planned.

I am really happy to report that this success is generated by out-of-court settlements and opportunistic disposals.

Slide 27 – 9M21 Revenue very strong and well diversified

On this Slide, what is important to highlight, is that compared to last year, our gross revenue in the first 9 months for 2021 has already exceeded the entire 2020.

Then, on the right-hand side, we have a breakdown of the revenue by the different desks. Having a more diversified mix of desks contributing to revenue makes these results even stronger.

Moving to business origination on.

Slide 28 –Energy & Real Estate desks drive business origination above 9M20.

Investments have increased compared to the previous year Q3. Year-to-date, we realised investments of almost €200mln, compared to €150mln in the same period of 2020. Senior Financing volumes will arrive mostly in the 4th quarter.

As mentioned before, investments in the third quarter involved primarily special situations desks that focus on attractive segments where thanks to our expertise, we are a market leader.

We see a clear evolution of the secondary market, where we can shorten the cashflow curve for funds or servicers. Senior Financing continues selecting high-yield opportunities, with a very strong pipeline for the next quarters.

Now, let's look at our credit portfolio.

Slide 29 - High quality portfolio

Our portfolio composition is in line with our initial targets.

On the left side you can see the total NBV, just over 1 bn, split by secured and unsecured positions.

Cash on cash multiple is stable at 1.3, as well as the GBV breakdown by type of borrower and vintage. The weight of the "extrajudicial" section, which represents 72% of total cash flows realised since inception, is due to the outstanding results of the portfolio management.

Moving to the next Slide, I would like to close my presentation with some insights on neprix's performance and our future plans for the Sales department.

Slide 30 – Neprix - Solid performance across all activities

The neprix Credit department handles approximately 30 thousand tickets worth 6.5 bn.

The neprix Sales department achieved:

- A total of €2.3bn in managed Real Estate and Capital goods
- 903k registered users, up 49% from September 2020 and
- 19 million visits on our own portals year-to-date, up 30% compared to the previous year.

Now, let's look at the neprix Sales market positioning and expansion plans.

Slide 31 – Neprix Sales – We are ready to expand into a huge market

The sector in which neprix sales operates is immense. Total transactions in 2019 in the Italian RE market accounted for 115 billion.

Over the past 2 years, neprix Sales has been operating successfully in the Judicial Market. By leveraging on the consolidated skills cultivated, neprix will enter and expand in the Free market.

The Free market accounts for over 100 billion in transactions, and it is by far the biggest market. Our plan is to transform the situation, bringing a market with consistent pain points into a new digital era.

Just a few words to conclude.

We have had a very good quarter: the divisional contribution to illimity's profit continues to increase through the quarters and I am confident that our entrepreneurial attitude will create further value for illimity in the future. Over to you, Carlo!

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Carlo Panella – Head of Direct Banking Division

Thanks Andrea, and good morning, everybody.

Slide 33 – Leading new strategic initiatives

As Corrado anticipated, Direct Banking is in charge of two of illimity's strategic projects: B-ILTY and HYPE, and in this quarter, both of them reached important milestones.

Let me give you an update starting from B-ILTY, on Slide 34.

Slide 34 - B-ILTY: Small Corporate game-changer

There is a huge underserved market in the small corporate segment, there are at least 1million small corporates, and this is where B-ILTY will be a game changer!

B-ILTY will serve this very interesting segment of the market, with:

- A complete set of products (transactions, lending and VAS)
- A fully fledged digital platform
- The Account Manager's Human Touch, and
- A unique customer experience relying strongly on AI.

The User experience will be something unknown today to these kinds of corporates.

They will enjoy:

- Being completely paperless and with simplified product underwriting
- Having access to a very fast response time for lending, as well as services being
- Available 7 days a week.

And these are all things that these small corporates need. To create this entire new B-ILTY experience our engineers:

- Developed 880 web pages and
- Digitalized over 170 processes.

…and this is only the beginning.

There is nothing like this in the market.

We expect to reach at least, the following targets, we embedded in our BP for 2025:

- €3.7bn of lending origination
- 31 thousand customers and with
- A risk profile well under control, also thanks to an almost compete insurance coverage and to an advanced credit engine.

Let’s go to Slide 35 to the digital credit engine of B-ILTY. The secret weapon.

Slide 35 - B-ILTY Credit Engine: the digital heart

B-ILTY’s hook product will be credit:

- Factoring, to cover working capital needs
- Medium term loans, to cover investment needs and
- Credit on account, to give flexibility

But the key to success will be the effectiveness and efficiency of both the underwriting and the monitoring processes: fully automated and supported by innovative AI techniques

Key components of the process are technology and data

- Data: coming from information providers but also from all current accounts thanks to PSD2 and electronic billing. A mix of traditional sources and big data that will enrich the customer view
- Analytics that allow a new approach to rating thanks to AI based scoring models
- Human skills to evaluate specific situations, where automation must leave space for deep analysis.

And all of this has been developed for B-ILTY, but will be a common asset available for all credit processes in the other Divisions of the bank

B-ILTY will begin operations on the open market by the end of Q1 2021

But there is more. Let’s go to page 36 to look at long term value creation.

Slide 36 - B-ILTY: Sustainability in our DNA

I am proud to say that B-ILTY will begin operating with two important partnerships for ESG transition and Digitalization that are already in place.

Open-es is an ESG scoring open platform created by ENI, the Italian leader in the energy sector. illimity will be one of the few partners, and through this partnership illimity will be able to promote ESG specific processes and products to the tens of thousands of exceptional companies that will be in this platform. The platform is growing rapidly, and we expect this channel has great potential**.**

The second partnership, which is represented on the other side of the Slide, is with **Amazon.**

It is dedicated to supporting digitalisation and growth of small corporates adhering to the "Amazon Accelera Italia" initiative: a kind of training camp for entrepreneurs providing courses on e-commerce, banking, supply chain and other topics in the digital arena.

B-ILTY will provide training and specific products available to registered companies. A sound support to address future challenges.

This is only the beginning of our partnership strategy that will accelerate B-ILTY's growth.

Let's now move to Slide 37.

Slide 37 - HYPE: fintech market leader

HYPE is the fintech co-owned with Sella Group and, as Corrado said, is by far the first neobank in Italy having:

- 1.5 million customers, growing by 2 hundred thousand customers since last year
- Almost 6 million transactions in September '21: which is a growth of46% versus 2020
- Revenue doubling year on year
- 22% of customers paying a subscription fee: this figure is closer to Spotify than to neobanks and we expect to almost double it during the years of the BP

These figures make HYPE unique; it is the strongest fintech in Italy: in terms of active customers, HYPE is bigger than the sum of the 4 main competitors

But HYPE on September 20th announced a further strategic step forward: Slide 38.

Slide 38 - From wallet to money management HUB: New HYPE is born

Thanks to significant investments, and also to the technology acquired through illimity, HYPE developed from a digital wallet to a complete money management HUB for its customers: an unicum in the fintech market. Here I am referring to things like:

- A brand-new user interface
- New PSD2 account aggregation features
- And even more complete range of products: Investments, Loans, mortgages and very soon deposits (the latest provided by illimity)

This upgrade and enhancement will further strengthen Hype's leadership. The first results are very positive: New Subscriptions after the recent launch are up 40% versus previous month.

Slide 39 - illimitybank.com – stable funding with an outstanding customer experience

As a final note, let me remind you that illimitybank.com is responsible for raising retail deposits in Italy for the illimity Group.

The results show:

- Deposits are at 1.3 bn euro, with cost of funding decreasing of 31bp versus September last year and with an average duration of 29 months (more than the BP targets)
- Loyal customers are at 90% and the Net Promoter Score at 48: best in class for customer experience

So, a sound funding provider that after two years is still the best of breed in the market.

This is all for Direct Banking, and I now hand over to Corrado for his final remarks.

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Final CEO remarks Q321

I'd like to end just by restating the opening sentence of my presentation today:

We have recorded very solid results in Q3 and all our new initiatives are advancing according to plans.

We are well on the way to delivering our short- and medium-term targets.

We are now ready for your questions.