



illimity 2Q20 results

4 August 2020

Key highlights

Corrado Passera, CEO



illimity - 2Q20: a resilient quarter



Good economic results in 2Q20: €10mln net profit



Net customer loans and investments up 9% qoq in 2Q20 on a pro-forma basis despite an even more selective approach and **solid pipeline ahead**

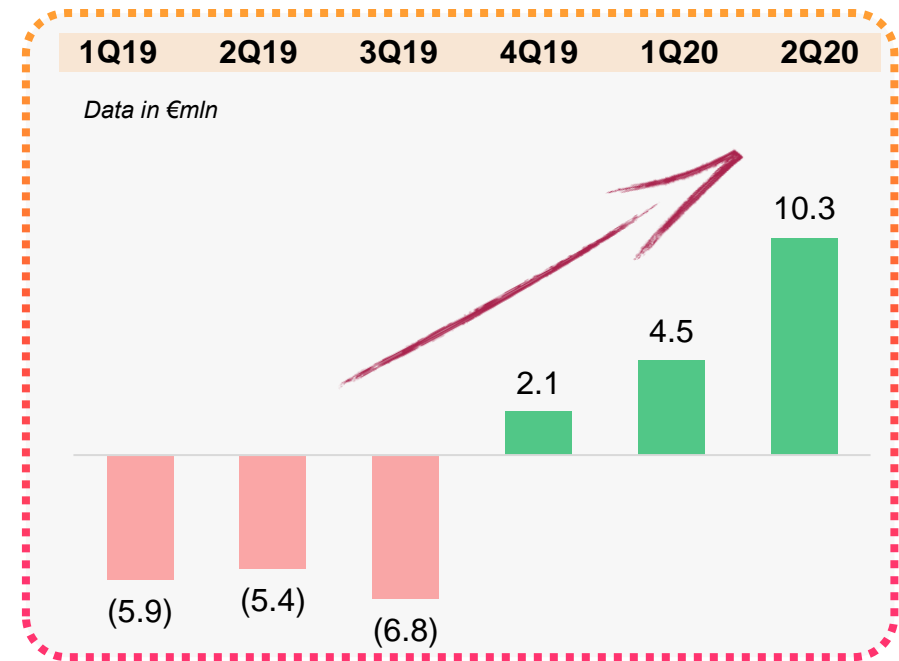


Quality of the existing business confirmed: no deterioration in the SME Division loan book, strong cash flow in the DCIS Division



Robust capital at over 18% - reaching up to 19.5% on a pro-forma basis

NET RESULT EVOLUTION



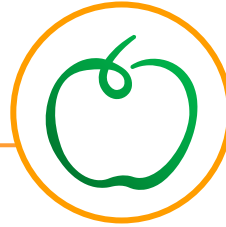
illimity - Resilience driven by diversification and fast decision-making process



SME

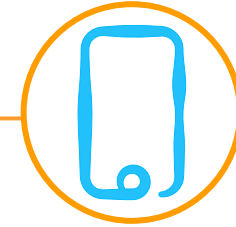
Recovery in activity since June and **new customers acquisition** even during lockdown

Profitable use of **public support measures**



Distressed Credit I&S

Strong performance continued in **gross cash flow** despite limited contribution from judicial strategies



Direct banking

Investments in user experience is paying off: strong increase in number of transactions and active customers

Launch of **illimity Hubs**: opening the platform to non-financial partners – a further step in our unique open banking strategy

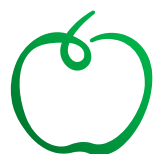
Unique value proposition
*to exploit **UTP portfolios** opportunities leveraging on cross-competencies*

illimity - Good progress in business origination

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



**SME
Division**



**Distressed
Credit I&S
Division**



**Cross-over
& Acq. Finance**



Turnaround



Factoring



**Distressed Credit
Investments**



Senior Financing



Servicing⁽⁹⁾

AUM (GBV/Managed assets)

	A	B	C	A+B+C	BP 2018-23 Target 2020
	Originated Business ⁽¹⁾ inception to date (31 July 2020)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
	~2,096	~231	~670	~3,000	~3,000-3,500
	425 ⁽⁴⁾	~82	~121	~628	~300
	196 ⁽⁵⁾	~18	~50	~264	600-700
	137 ⁽⁶⁾ T/O 339⁽⁷⁾	~115	~101 ⁽⁸⁾	~353	~300
	913	-	~346	~1,259	1,700-2,000
	425	~16	~52	~493	100-200
	~8,600	-	~1,800	~10,400	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes both the SME loans granted/purchased and the distressed credit investments booked in the period already income-producing, and the value of the deals signed but yet to be booked, owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes part of the net loans to existing customers of BIP, due to their features considered consistent with illimity's SME segment for about €65mln. It includes also the portfolio sold; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €65mln and contribution of high yield bond for €23mln; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in the balance sheet item "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Outstanding at 31 July 2020; (7) Turnover related to Factoring only for the year 2020; (8) Credit line to be granted; (9) The AUM of the servicing unit includes the gross book value of distressed credit and the value of property and capital goods managed by IT Auction.

illimity - Outlook for full year 2020



We aim at reaching a **FY20 net profit in the range of €30mln**



In 2020 we **are laying the foundations for a number of strategic initiatives** – also in response to the changes and the new opportunities we see across our markets – which **will start paying off from next year**



Revenue reinforced by **business generated since outset** and further boosted by our **solid pipeline**

2Q20 Financial review

Francesco Mele, CFO & Head of Central Functions



illimity - **Doubled net profit without trading contribution**



Net customer loans and investments up 9% qoq on selective volume growth concentrated in the last part of the quarter⁽¹⁾



Steady revenue with good progression in net interest income, lower commissions and no trading profits



SME Division resilient performance with first recognition of a credit revaluation event in Turnaround



DCIS Division: strong performance in gross cash flow and steady generation of profits from closed positions



Provisioning stabilising in 2Q20

illimity - Steady growth despite selective approach

Data in €mln

	30.06 2019	31.12 2019	31.03 2020	30.06 2020	Δ 30.6/ 31.3.2020	Δ 30.6.2020 / 30.6.2019
Reclassified Balance sheet						
1 Cash and cash equivalent	42	772	219	311	42%	634%
Due from banks and other financial institutions	123	345	657	643	(2%)	424%
2 Customer loans	775	1,638	1,662	1,766	6%	128%
- DCIS ¹ investments	158	667	674	724	8%	359%
- DCIS ¹ senior financing	241	341	334	337	1%	40%
- SME ²	247	527	556	613	10%	148%
- Cross-over & Acq. Finance ²	162	261	278	315	13%	95%
- High yield bond	-	-	-	13	n.s.	n.s.
- Turnaround	59	131	154	156	1%	164%
- Factoring	26	135	123	129	5%	397%
- Non-core former Banca Interprovinciale	129	103	99	92	(7%)	(29%)
Financial assets Held To Collect (HTC)	103	-	-	-	0%	n.s.
3 Financial assets Held To Collect & Sell (HTCS) ³	90	126	335	286	(15%)	218%
Financial assets measured at FVTPL ⁴	17	9	8	12	61%	(30%)
Goodwill	22	22	36	36	-	67%
Intangible assets	9	19	22	26	19%	186%
Other assets (Incl. Tangible and tax assets)	72	95	114	158	39%	118%
Total assets	1,253	3,025	3,052	3,238	6%	158%
Due to banks	239	377	468	583	25%	144%
4 Due to customers	381	1,979	1,911	1,915	0%	402%
Shareholders' Equity	549	544	537	563	5%	3%
Other liabilities	84	125	135	176	31%	110%
Total liabilities	1,253	3,025	3,052	3,238	6%	158%
5 Common Equity Tier 1 Capital	480	462	439	466	6%	(3%)
Risk Weighted Assets	995	2,162	2,347	2,548	9%	156%

1 **Robust liquidity profile:** approximately **€500mln** between cash, net adjusted interbank position and liquidity buffers

2 **Net customer loans up 6% - and 9%** restated for repossessed assets⁽⁵⁾ – with good contribution from both DCIS and SME Divisions

3 **Securities portfolio at €286mln** with reduced negative mark-to-market from equity of approximately €4mln after tax

4 **Retail & corporate funding up 3% to nearly €1.8bn** on further growth in deposits at illimitybank.com

5 **CET1 capital up to €466mln** mainly underpinned by profit generated in the quarter, the effect of the buyout of 30% of IT Auction and the lower M-t-M of the securities portfolio

Notes: Rounded figures. IT Auction consolidated for the first time in 1Q20; (1) DCIS: Distressed Credit Investment & Servicing Division (previously named NPL I&S); (2) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's SME segment; (3) HTCS: Financial assets measured at fair value through comprehensive income; (4) FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of a turnaround transaction and junior tranches acquired as part of senior financing transactions and investments in distressed energy credit purchased as part of the DCIS division's activities. (5) ~€49mln of real estate assets owned directly by the Bank as of 30.6.2020 as a result of a *datio in solutum* transaction and other repossession workout strategies, accounted for as tangible assets.

illimity - Doubled net profit without trading contribution

Data in €mln

	Reclassified Profit & Loss	4Q19	1Q20	2Q20	Δ 2Q20/ 1Q20 %
1	Interest income	27.5	32.1	33.2	4%
	Interest expenses ¹	(9.0)	(10.2)	(8.9)	(13%)
	Net interest income	18.5	21.8	24.3	11%
2	Net fees and commissions	1.5	2.5	2.1	(15%)
	Net result from trading	8.9	3.7	(0.0)	n.s.
	Net other income/expenses	1.6	0.0	0.2	n.s.
3	Gains from closed purchased distressed credit positions ²	9.1	9.1	7.9	(13%)
	Operating income	39.7	37.2	34.5	(7%)
	Staff costs	(9.1)	(11.3)	(13.2)	17%
	Other operating expenses	(19.0)	(16.3)	(12.9)	(21%)
	Depreciation & Amortisation	(1.1)	(1.8)	(2.0)	11%
4	Operating costs	(29.2)	(29.4)	(28.2)	(4%)
	Operating profit	10.4	7.8	6.4	(18%)
5	Loan loss provision charges	(1.0)	(2.7)	(1.2)	(55%)
6	Value adjustments on purchased distressed credit	(8.2)	2.8	4.6	64%
	Value adjustments on HTC securities and loans to banks	0.0	(0.3)	0.2	n.s.
	Other net provisions	0.1	(0.5)	0.2	n.s.
	Provisions for risks and charges	0.1	0.1	(0.1)	n.s.
	Profit (loss) before tax	1.4	7.2	10.0	40%
7	Income tax	0.6	(2.7)	0.3	n.s.
	Net result	2.1	4.5	10.3	130%

- Growth in net interest income** only partially benefiting from the business originated at the end of the quarter. Interest income includes **€0.8mln** arising from the **first recognition of a credit revaluation event** on a **Turnaround** transaction
- Net fees** affected by lower contribution from factoring and IT Auction's subdued activity due to Law court inactivity
- Steady stream of gains** from closed distressed credit positions either sold to third parties or agreed with debtors (DPO⁽³⁾)
- Operating costs** largely flat vs 1Q20; include €0.9mln of costs related to the ESOP⁽⁴⁾ plan (a cost typically booked in the second quarter of each year)
- Stabilisation of collective provisioning** following 1Q20 conservative approach
- €4.6mln Distressed Credit positive value adjustments** mostly driven by actual cash flow in excess of expectations
- Positive tax effect** due to goodwill tax recognition

Notes: Rounded figures. IT Auction consolidated for the first time in 1Q20; (1) Interest expenses restated to exclude costs related to Debt for leasing, now included as administrative costs; (2) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor; (3) Discounted pay off recovery strategy (the so-called "saldo e stralcio"); (4) Employee Stock Ownership Plan.

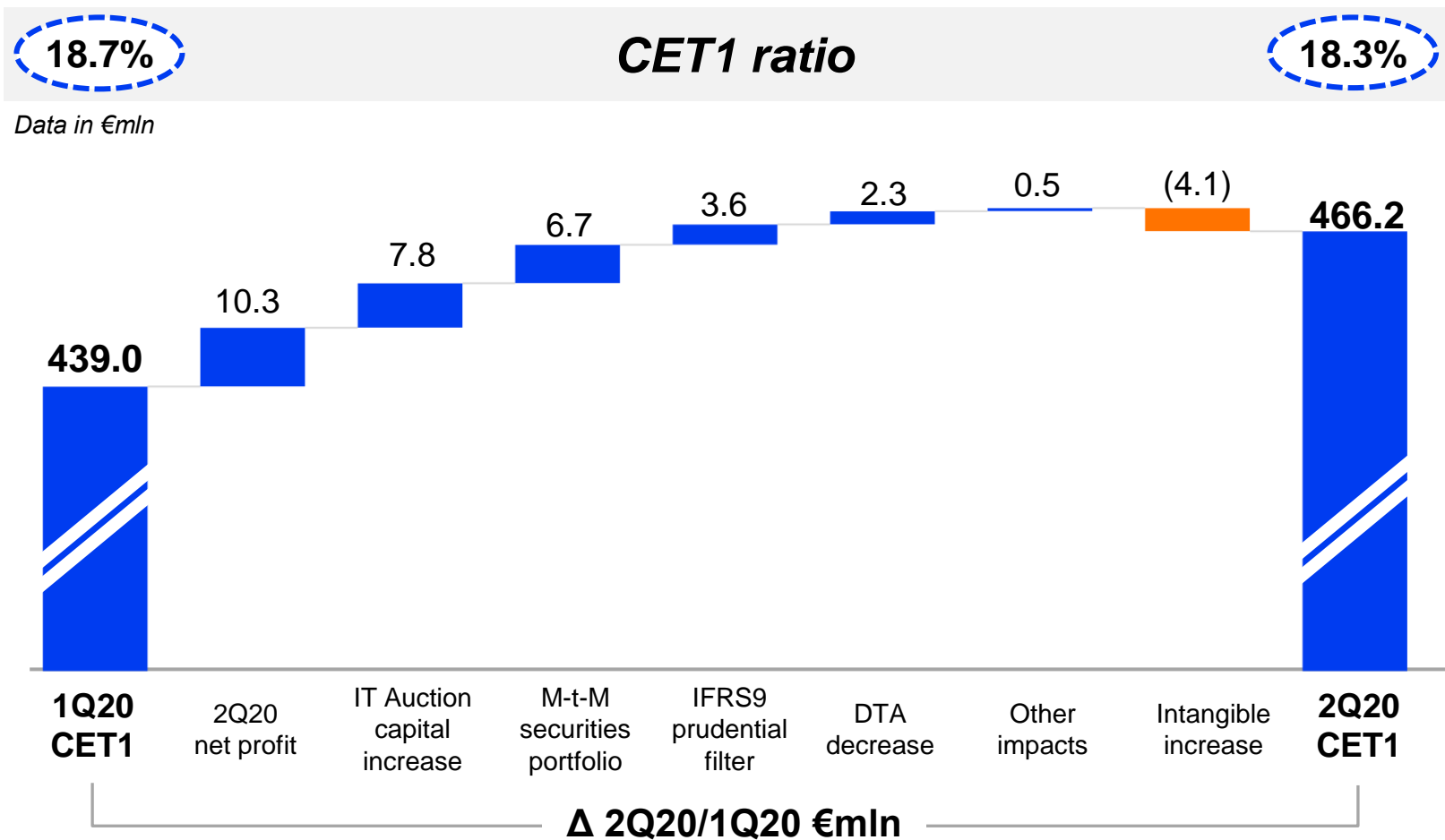
illimity - KPIs confirming strong asset quality and liquidity

	4Q19	1Q20	2Q20
Cost-Income	73%	79%	82%
Organic Cost of Risk (bps) annualised ⁽¹⁾	46bps	124bps	52bps
Gross Organic NPE ratio ⁽²⁾	4.2%	4.2% ⁽³⁾	4.2%
LCR	>1,000%	>1,000%	>1,000%
CET1 ratio	21.4%	18.7%	18.3%

- **Cost of risk** at 52bps on normalization of provisioning after very conservative approach in 1Q20; **coverage ratio of performing loans⁽⁴⁾ stable at 1.56%**
- **Organic NPE ratio stable at around 4%**
- Ample liquidity buffer
- **NSFR** comfortably above minimum requirements
- **CET1 ratio at 18.3%**

Notes: (1) Ratio of loan loss provisions to net loans to customers end of period (€926.4mln as of 2Q20) from factoring, cross-over, acquisition finance, BIP legacy book and senior financing - thus excluding UTP loans purchased or originated as part of the Turnaround business and the investments in Distressed Credit portfolios; (2) Ratio of gross NPE to total gross loans to customers from factoring, cross-over, acquisition finance, BIP legacy book and senior financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased or originated as part of the Turnaround and the investments in Distressed Credit portfolios. Any failure to reconcile the stated figures arise exclusively from rounding; (3) Restated for the exclusion of loans to financial institutions other than banks (4) Excluding factoring.

illimity - Building up CET1 capital

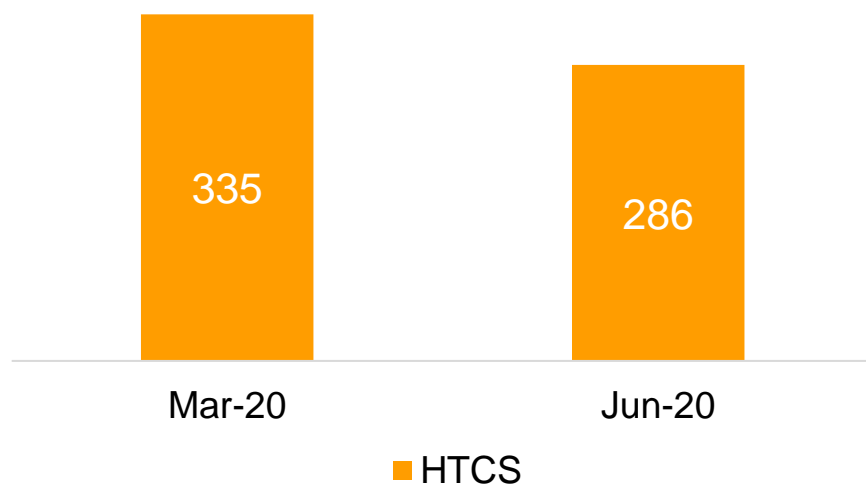


- Including special shares⁽¹⁾ and estimated benefit from the EU banking package, CET1 ratio would reach around **19.5% on a pro-forma basis**
- Increase in RWA density as of June 2020 expected to revert in 2H20
- Capital optimisation initiatives expected to generate 5-10% RWA relief

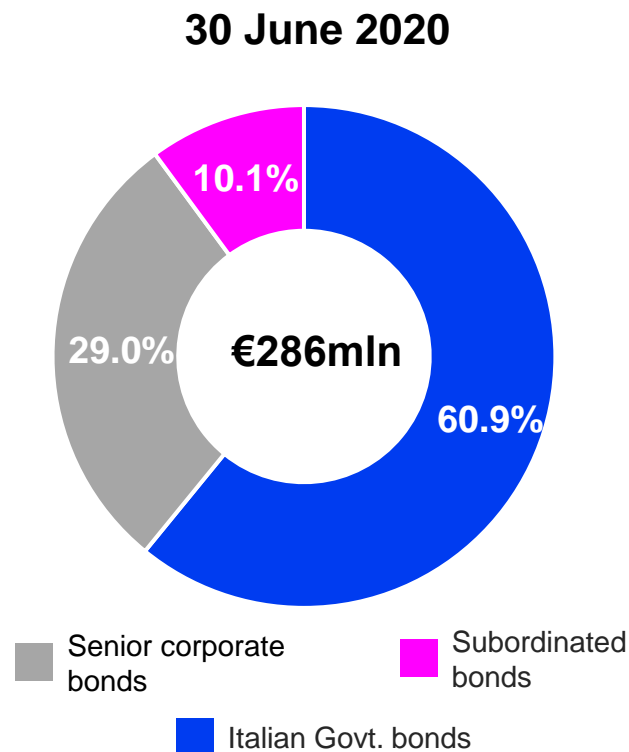


illimity - Securities M-t-M moving in right direction

Securities portfolio



Portfolio composition



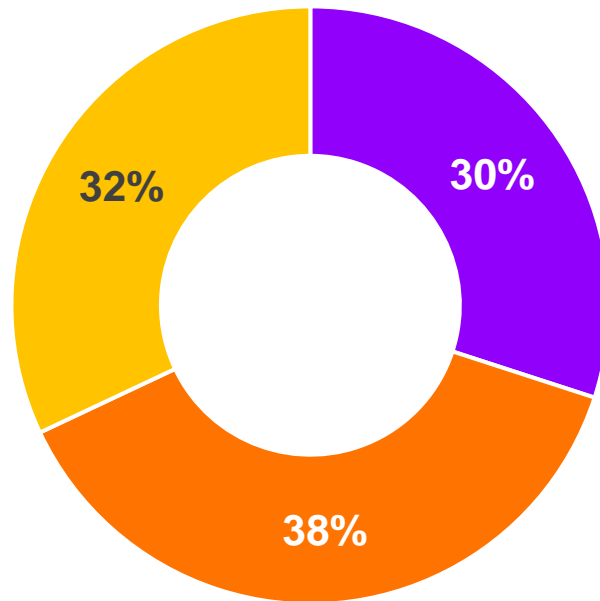
Dynamic treasury management

- Dynamic treasury portfolio management to reduce exposure to market volatility
- Portfolio size in line with target of 10% of total assets by YE20
- M-t-M at approx. €4m on 30 June, further reduced to around €2m as of today
- Duration 3.6 years
- Average yield approx. 1.0%

illimity - **Balanced and inexpensive funding**

Maturity mix

Total funding
€2.5bn



■ Sight ■ Short Term ■ Medium-Long Term



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



~1.5% blended average cost
of funding



€185mln **TLTRO-III**

illimity - **Looking positively at full year 2020**



Significant volumes expected in the last part of 2020 with SME volumes concentrated in 3Q and DCIS seasonally stronger in 4Q20



Strong progression in net interest income driven by business origination coupled with limited growth in interest expenses, due to the re-composition of funding towards less expensive maturities and mix



Rebound in net commission on revamping business activity in IT Auction and factoring



Costs increase will also reflect **investments in new strategic initiatives**, some of which are set to bear fruit as early as 4Q20



Recently introduced **initiatives** and **measures** – in support of the economy and the banking sector – will be beneficial in terms of stabilising provisions and contributing to capital optimisation strategies

SME Division

Enrico Fagioli



illimity - Specialist partner of Italian SME



Cross-over and Acquisition Finance

SMEs with industrial potential and support of external growth strategies



- Cross-over
- Acquisition Financing



Turnaround finance

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



- Refinancing
- Restructuring
- New finance
- UTP portfolios



Factoring

Support to industrial districts value chain



- Short-term financing through factoring

illimity - Growth and pipeline with a selective approach



Visible recovery in business origination since June

- Encouraging signs of recovery starting from June after Covid-19 related slowdown in business origination in April and May
- Continual selective approach
- Strong pipeline for 2H20



First deals with **public guarantees** signed: risk mitigation, capital optimisation and opportunity to originate new business



Launch of **high yield bonds** desk capitalising on deep market knowledge



Turnaround business model put to work: first **credit revaluation** booked




illimity - Originated business: selectiveness and return on capital

Selective approach

- **397 deals analysed** since inception **worth ~€4.2bn** in nominal value
- **265 deals declined** worth **~€3.0bn**
- **13 deals** with **terms agreed** and **to be signed shortly** worth **~€100mln**
- **21 deals** currently under evaluation in **advanced status** worth **~€171mln**
- **Other opportunities** identified for additional **~€360mln**

50 deals signed since inception

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

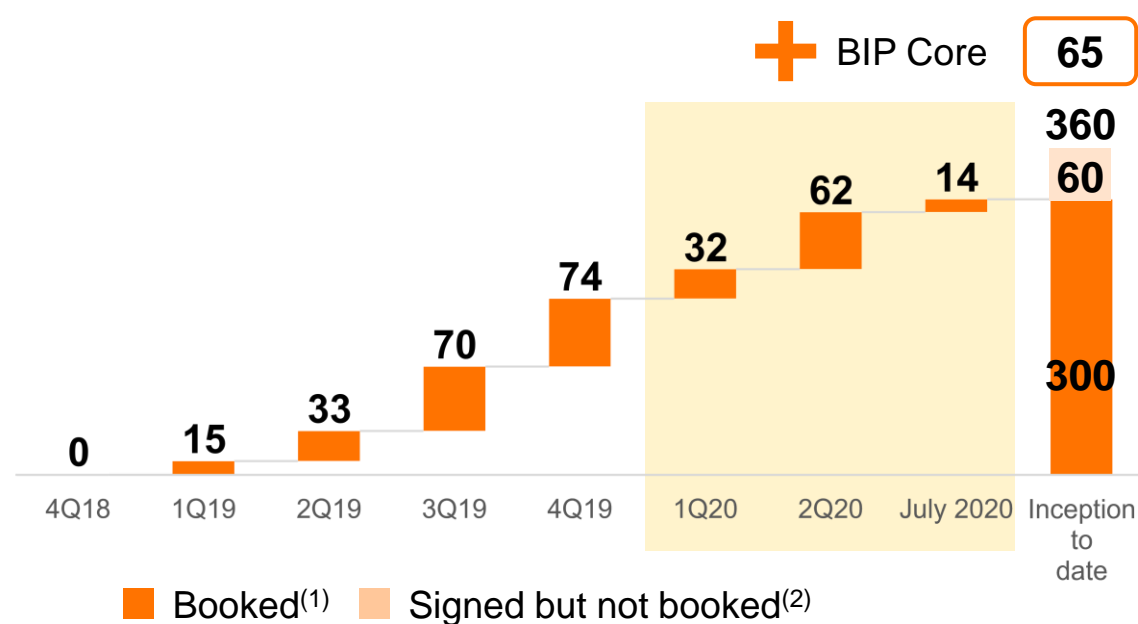
	A	B	C	A+B+C	
	Originated business ⁽¹⁾				BP 2018-23 Target 2020
	Inception to date (31 July 2020)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
 Cross-over & Acq. Finance	425 ⁽⁴⁾	~82	~121	~628	~300
 Turnaround⁽⁵⁾	196	~18	~50	~264	600 - 700
 Factoring	137 ⁽⁶⁾ T/O⁽⁷⁾ 339	~115	~101 ⁽⁸⁾	~353	~300
Total SME Originated business	758	~215	~272	~1,245	~1,200-1,300

Notes: Non accounting figures; (1) This aggregate includes the loans originated/purchased in the period, thus already income-producing, and the deals signed but yet to be booked, due to a settlement structure in multiple tranches or to a time lag between the signing and the date of loan disbursement; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €65mln and contribution from high yield bond for €23mln; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Outstanding at 31 July 2020; (7) Turnover related to Factoring only for the year 2020; (8) Credit line to be granted.

illimity - **Cross-over & Acq. Finance**: solid business origination and de-risking

Originated business

Data in €mln



A

B

C

A+B+C

Target 2020

Terms agreed to be signed

Advanced pipeline

Total

~82

~121

~628

~300



Business origination in the quarter largely with **new customers**



Selective de-risking of existing portfolio through use of public guarantees



Confirmed **selective approach to pipeline** in a dynamic market

illimity- **Bond desk**: an **extension of our Cross-over activity** by capitalising on our industry expertise



Business opportunity

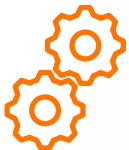
Purchase of **listed bonds** issued by **performing** corporates on the **secondary market**



Strategic rationale

- **Profitability booster**
- Capitalise on our deep industry know-how to exploit **undervalued bonds' pricing**
- Loan book **diversification**

Main features



- Bonds generally listed on **Italian exchanges** (MOT, Extra MOT, TLX)
- **Hold-to-Collect** business model⁽²⁾
- **Avg. ticket size** approx. 3-5mln

€27mln

INVESTMENT⁽¹⁾

€23mln

**CARRYING
AMOUNT**

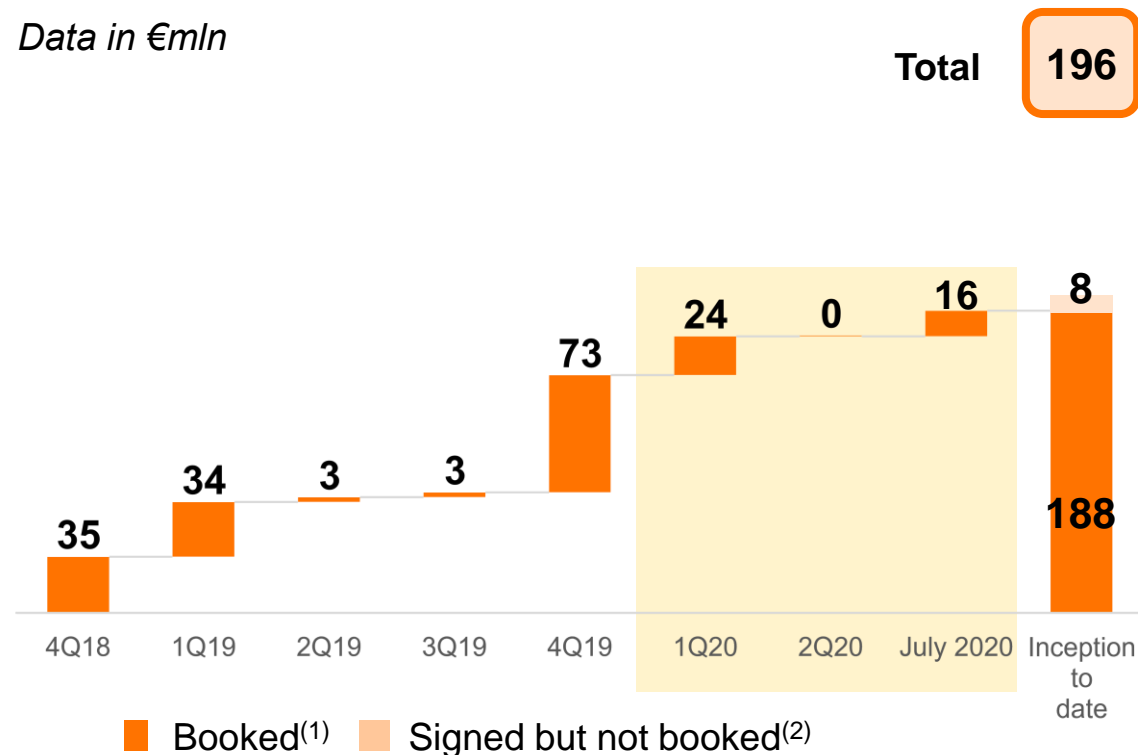
~10%

AVG. YIELD

illimity - **Turnaround**: ready to acquire going-concern UTP portfolios

Originated business

Data in €mln



A

B

C

A+B+C

Target 2020
600 - 700

Terms agreed to be signed

Advanced pipeline

Total

~18

~50

~264



Over €20mln **potential revenue upside**⁽³⁾ from credit revaluation events – of which first €0.8mln booked in 2Q



No sign of increase in credit risk in existing portfolio



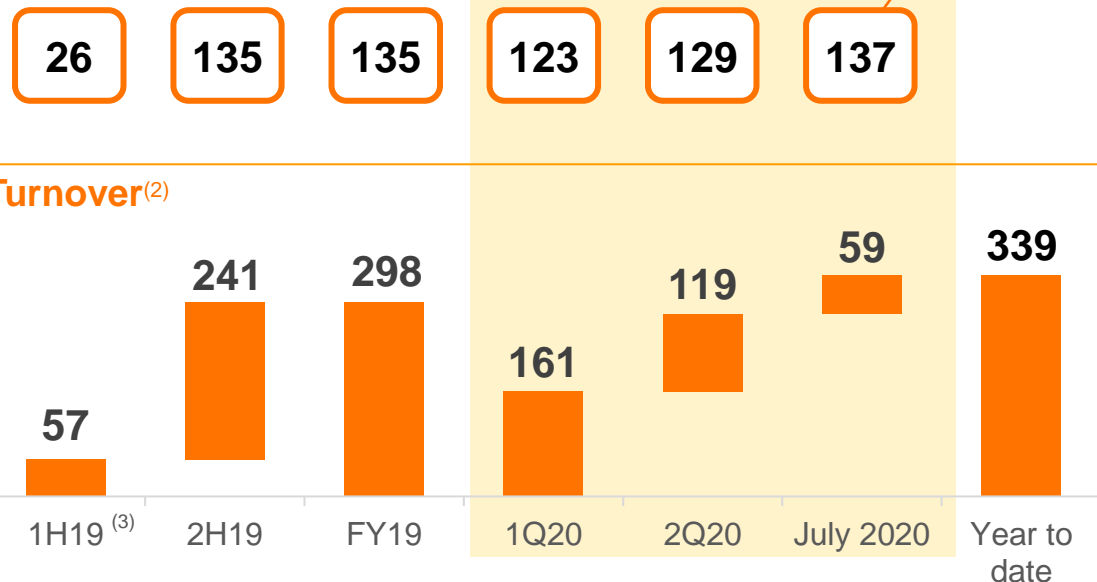
Emerging new opportunities from public measures for eligible turnaround situations

illimity - **Factoring**: strong recovery from June

Originated business

Data in €mln

Outstanding⁽¹⁾



Total

137

A

B

C

A+B+C

Target
2020

Terms agreed to
be signed

Advanced
pipeline

Total

~115

~101

~353

~300



New clients acquired even during the lockdown, bringing number of clients⁽⁴⁾ to over 100 and debtors to nearly 500



Due to COVID-19 forcing a slowdown, our clients' sales and turnover **started recovering from June**

Illimity - First impact from **significant public measures and guarantees**

REGULATORY FRAMEWORK



'Cura Italia'
l. 27/2020



'Liquidità'
l. 40/2020

MORATORIUM

- Art. 56 DL 18/2020
- ABI Moratorium
- Bilateral agreements

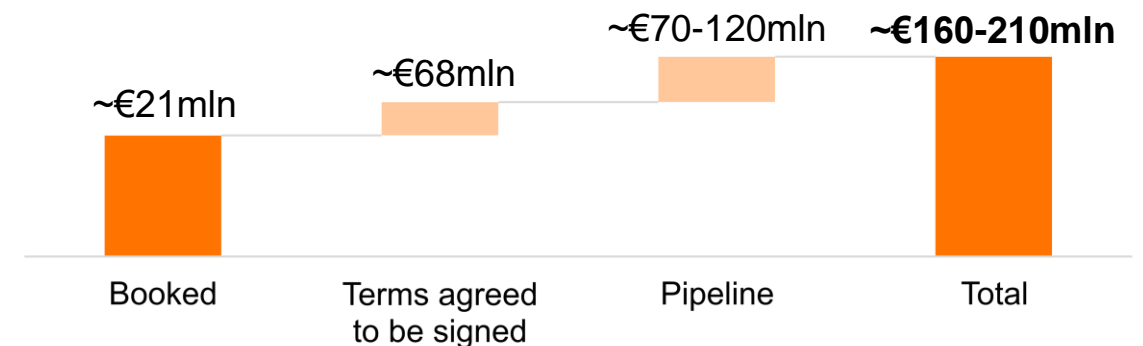
Agreed requests for **~€86mIn**

*o/w 35% with an already defined
refinancing operation with public guarantee*

Enhanced monitoring on these
positions

PUBLIC GUARANTEES⁽¹⁾

- Fondo Centrale Garanzia
- SACE



Distressed Credit I&S Division

Andrea Clamer



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



Investment



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



Senior Financing



Financing solutions for NPL non-bank investors



Servicing



Workout services and remarketing for captive and 3rd parties' corporate Distressed Credit



Investment



Servicing



Remarketing

Origination

Due
Diligence

Pricing

Bidding

Onboarding

Workout &
Recovery

Remarketing of
Distressed Credit collaterals

 illimity

 neprix

 illimity

 neprix

illimity - A very positive 2Q20 with limited impact from COVID-19



Outperformance of **gross cash flow** in 2Q, underpinned by the out-of-court workout component, a key feature of our activity



For the third quarter in a row, our **dynamic portfolio strategy generated sizeable profit**



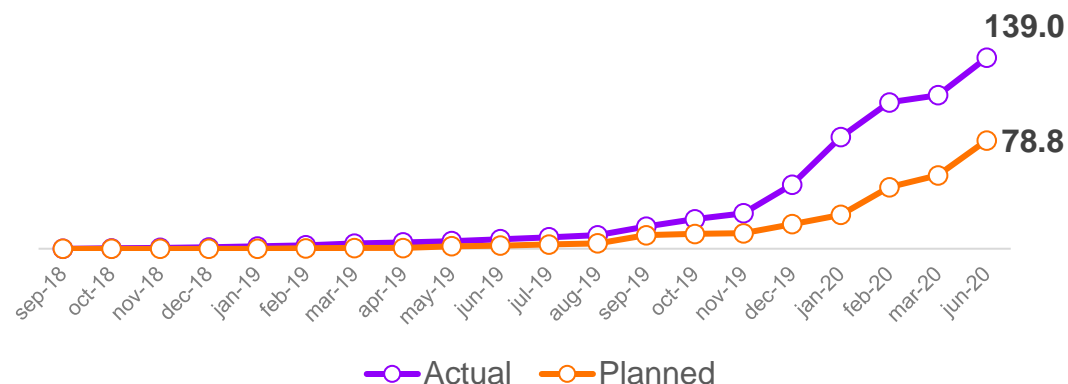
Distressed credit market very dynamic and with lower competition – **strong pipeline ahead**

illimity - Outperformance of cash flow continued despite lockdown

Cash Flow view⁽¹⁾

Data in €mln

Cumulative cash flow: actual vs. planned



	Actual Cash Flow	Expected Cash Flow	Delta Cash Flow
Q2 20	28.5	18.9	+9.6
Cumulative	139.0	78.8	+60.1

Economic quarterly view

Data in €mln

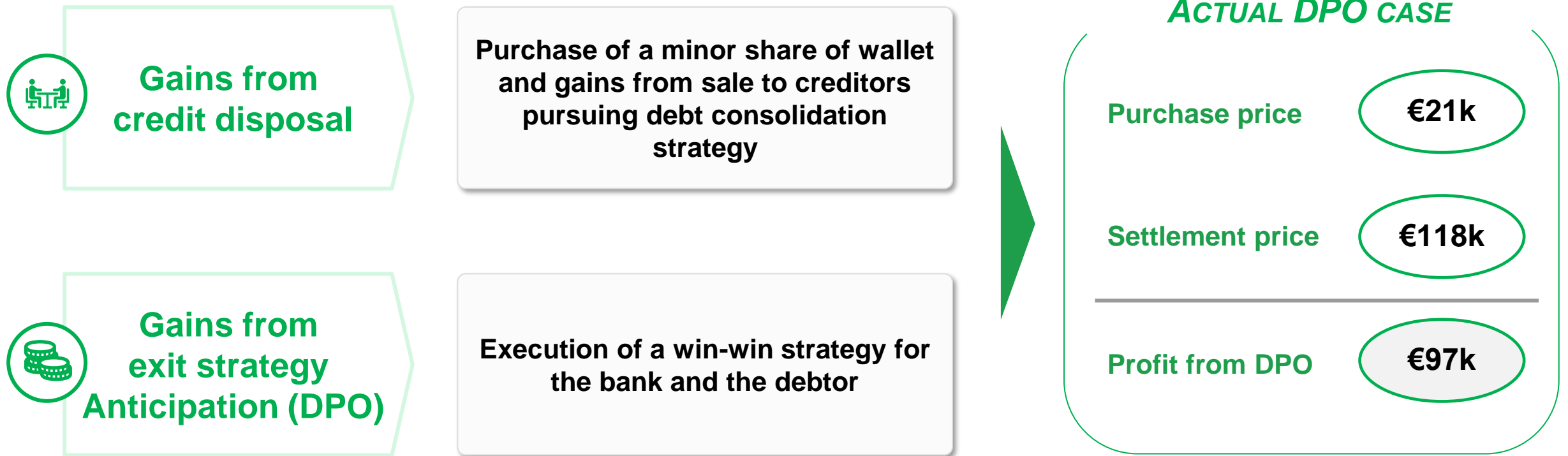
	Interest ⁽²⁾ Q2	Fee income Q2	Adjustments ⁽³⁾ Q2	Revenues Q2
Investment	21.5	-	12.5	34.0
Senior Financing	3.6	0.3	-	3.9
Total	25.1	0.3	12.5	37.9

Of which €7.9mln from credit disposal or DPO

Interest ⁽²⁾ Q2	=	NBV	×	Gross IRR	×	Period from onboarding
Adjustments Q2 12.5	=	Delta Cash Flow 9.6	+	ERC ⁽⁴⁾ Update 2.9		
Adjustments 1H 24.1	=	Delta Cash Flow 39.1	+	ERC Update (15.0)		

Notes: Rounded figures; (1) Cash flow from receivables; (2) Measured based on amortized cost; (3) Outcome of the Distressed Credit business plan periodic review; it includes €7.9mln reclassified in operating income (gains from closed purchased distressed credit positions) and €4.6mln accounted for in value adjustments on purchased distressed credit. (4) Estimated Remaining Collection.

illimity - Revenue from closed positions are core to the DCIS business model



Dynamic approach to portfolio management facilitated by very conservative pricing

illimity - Strong out-of-court workout component drives cash flow performance

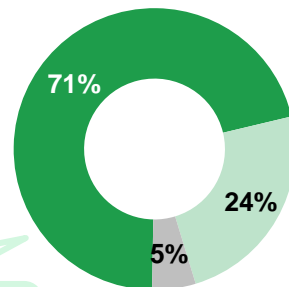
Data as of 30 June 2020



Pricing vs. actual workout strategy

On Judicial strategy, real estate asset value is 50% below market value

Workout strategy in pricing model (NBV breakdown)

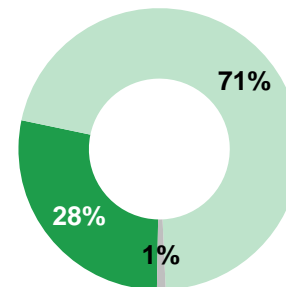


Judicial⁽¹⁾

Out-of-court settlement

Other⁽²⁾

Actual workout strategy (Cash flow breakdown)

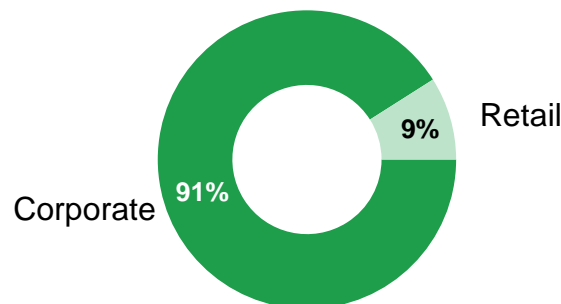


Out-of-court settlement represents >70% of actual gross cash flow – vs ~24% in pricing model



Type of borrower

Type of borrower (GBV breakdown)



- Retail borrowers **strategically non-core** (will be sold in due course)
- ~ 40% of DCIS stock has a GBV ticket size > €2.5mIn




Our debtors usually have significant assets

illimity - A resilient business origination combined with pricing discipline

Strong discipline drives selective approach

- ~€50bn of GBV analysed since inception
- ~€40bn of GBV declined/lost since inception
- ~€6bn of GBV signed since inception
- ~€4bn of GBV currently under evaluation

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

	A	B	C	A+B+C	
	Originated business ⁽¹⁾				BP 2018-23 Target 2020
	Inception to date (31 July 2020)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
 Distressed Credit Investment	913	-	~346	~1,259	1,700-2,000
 Senior Financing	425	~16	~52	~493	100-200
Total Originated Business	1,338	~16	~398	~1,752	1,800-2,200
 Servicing⁽⁴⁾ <i>AUM (GBV/Managed assets)</i>	~8,600	-	~1,800	~10,400	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes the origination/purchase of income-producing loans and Distressed Credit investments, and deals signed but yet to be booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. It includes also the portfolio sold within the Dynamic Portfolio management strategy; (2) Deals in final stage of the formalisation of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) The AUM of the servicing unit includes the gross book value of distressed credit and the value of property and capital goods managed by IT Auction.

illimity - Diversified growth

Originated business

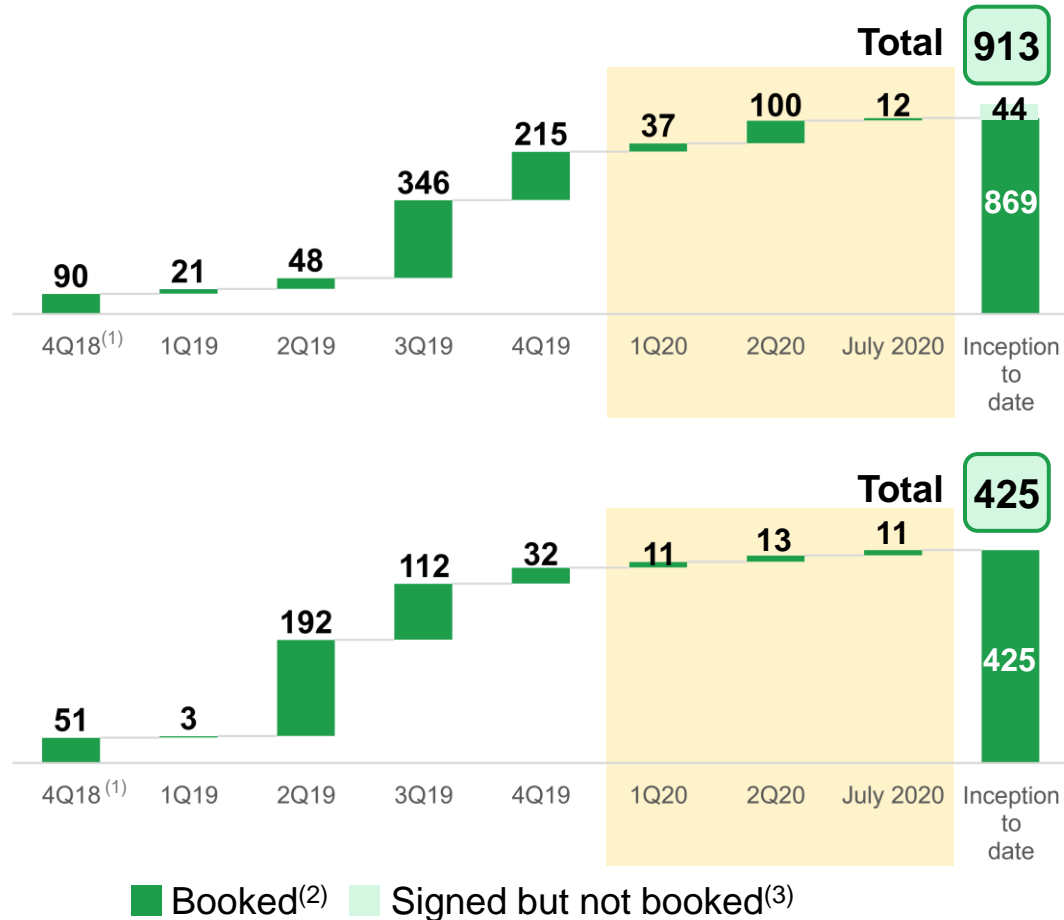
Data in €mln



**Distressed
Credit
Investment**



**Senior
Financing**



Business **origination**
doubled compared to 2Q19



First investment in the
Energy sector

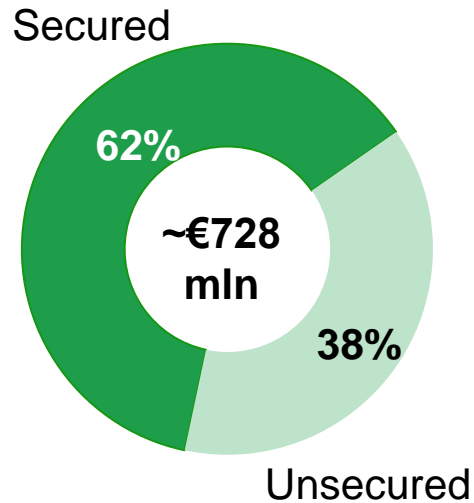


Very dynamic **Special
Situation Real Estate**

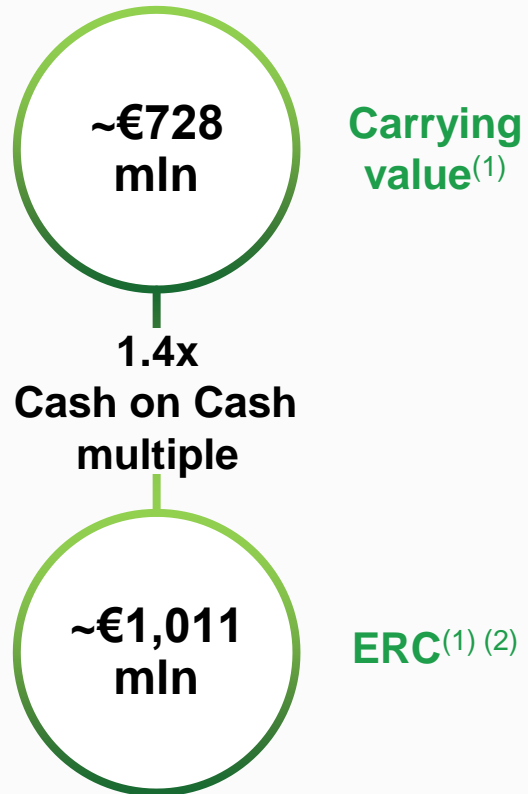
illimity - Portfolio growing steadily

Data as of 30 June 2020

NBV breakdown by type of guarantee



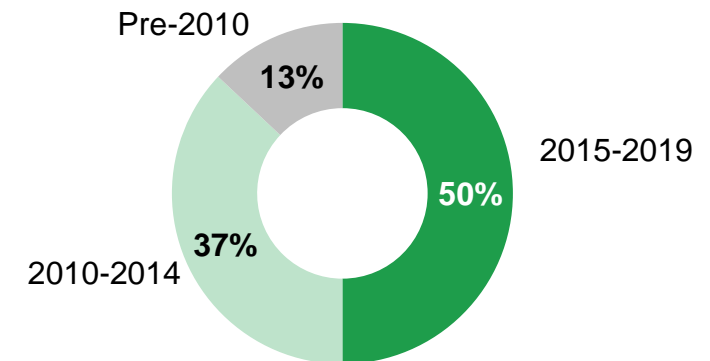
KPIs



Not considered **€49mln** of real estate assets owned directly by the Bank

- Repossession/datio-in-solutum as part of workout strategy
- To be pursued very selectively

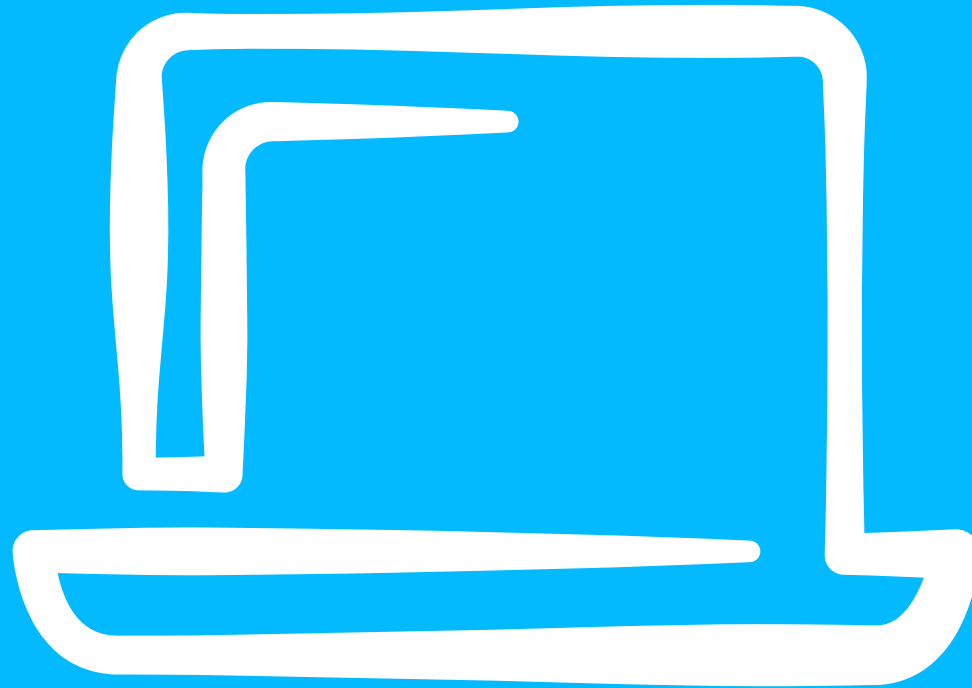
Vintage⁽³⁾
(GBV breakdown)



Notes: Rounded figures; (1) This includes distressed credits purchased by the Energy desk, which for accounting purposes are recognised at Fair Value (item 120 c); (2) Estimated Remaining Collections on booked investments; (3) Only considering bad loans.

Digital Operations

Carlo Panella



illimity - IT Infrastructure leverage

Phase 1: Completed

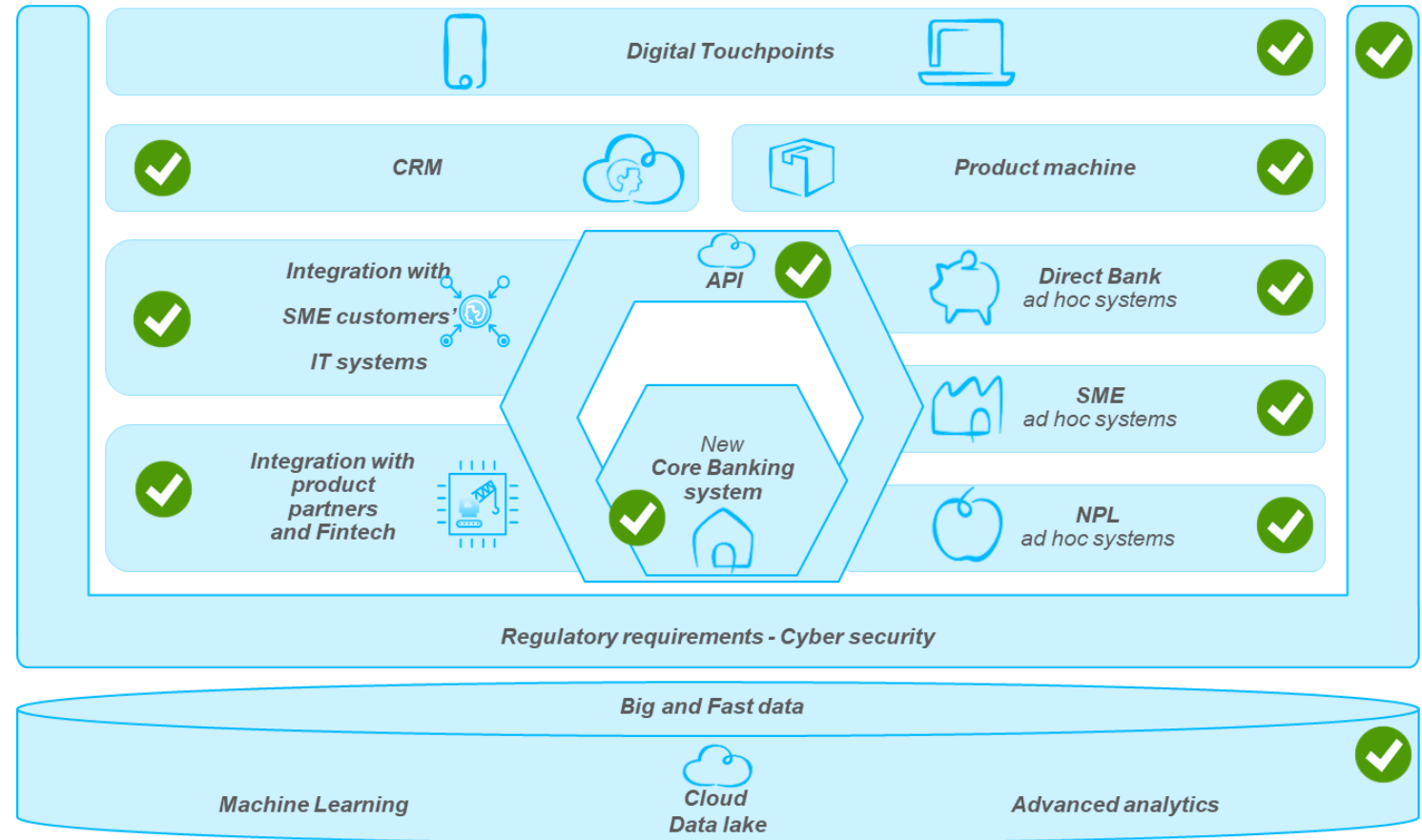
Building a fully-fledged and fully in cloud modular platform

Phase 2: Well underway

Continuous innovation based on data, digital platform and AI technologies

Currently on the way:

- A unique solution to manage NPL
- A brand new system to manage complex credit solutions, with flexibility
- A tool to support customer management in UTP portfolios



Direct Banking

Carlo Panella



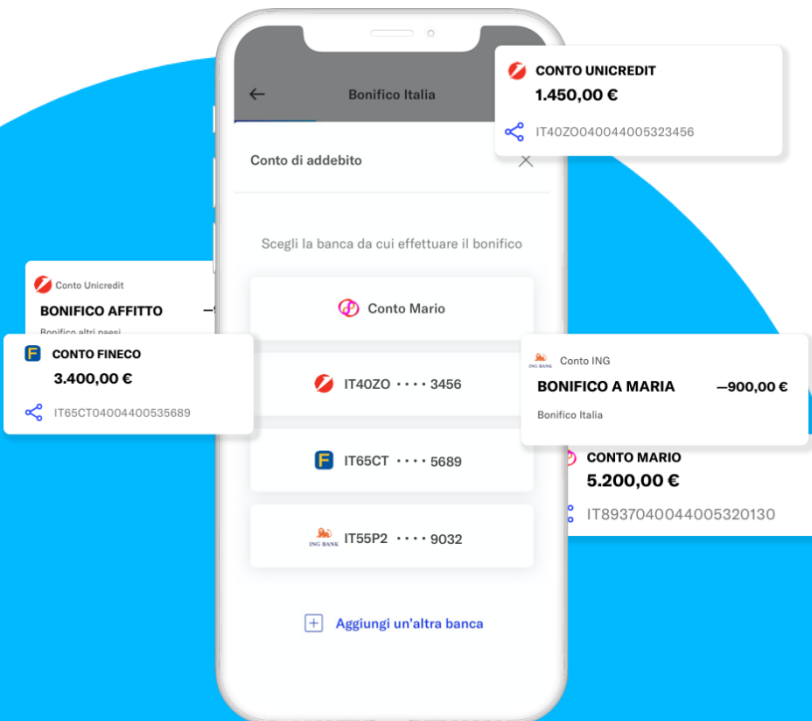
illimity - Combined features of illimitybank.com make it unique



- Focused on the Retail segment and **designed together with our customers**
- **A complete offer**, thanks to the integration of illimity products with third parties products
- **PSD2 native**, open by design
- Fully digital bank, but with a **human touch**
- Born to support customers in their saving goals, thanks to **advanced analytics** to give users insight and a better understanding of their financial wellbeing

illimity - illimitybank.com now a benchmark in customer engagement

- Funding goals over-achieved thanks to a stable **€1.8bn funding** with a decreasing cost of funding (-20bps on illimitybank.com June vs January)



- Focus on the **Digital Platform enhancement and improvement** to increase **stickiness** and **customer engagement**

36k

Total Customers
at 31 July 2020

83%

Active Customers
o/w 26% already chosen illimity as primary bank

+70%

Conveyed payrolls
June vs January

~15%

« PSD2 » customers

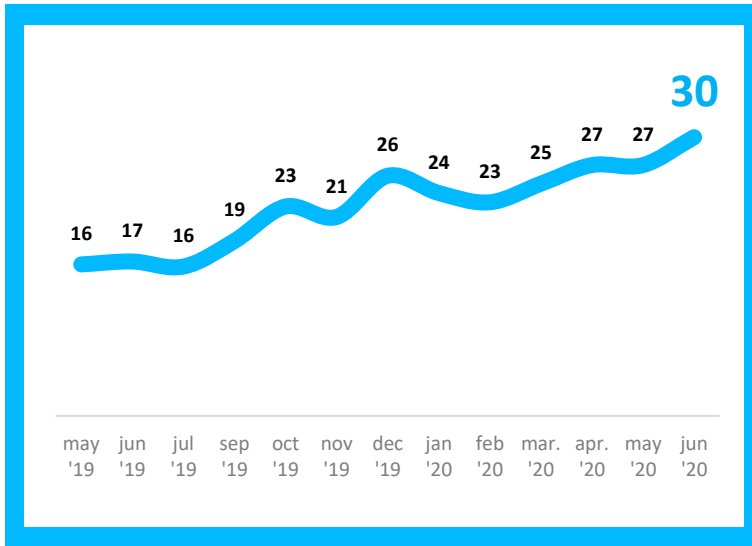
30%

Advanced analytics users⁽¹⁾

Note: Data as of 30 June 2020. Non accounting figures
(1) Web users who interact with the Analysis tools

illimity - What do they say about us...

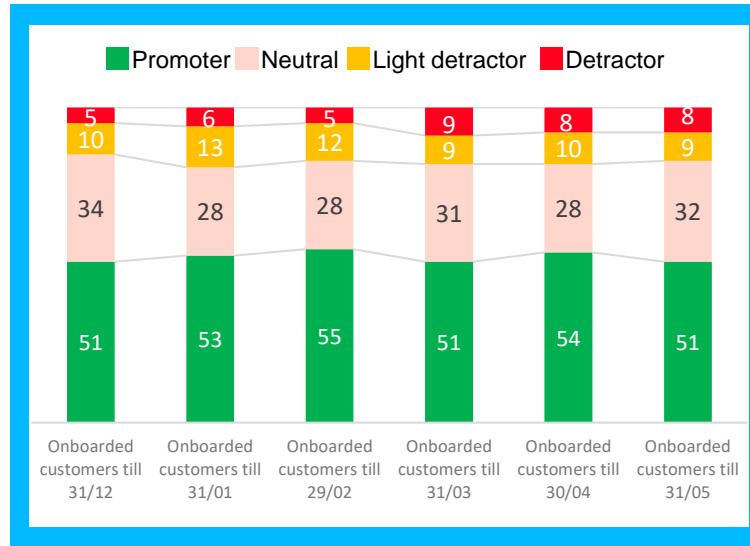
Market



30%
Brand
Awareness

% of interviewed users who know illimity brand

Customers



35
Net Promoter
Score

vs **9** avg market value

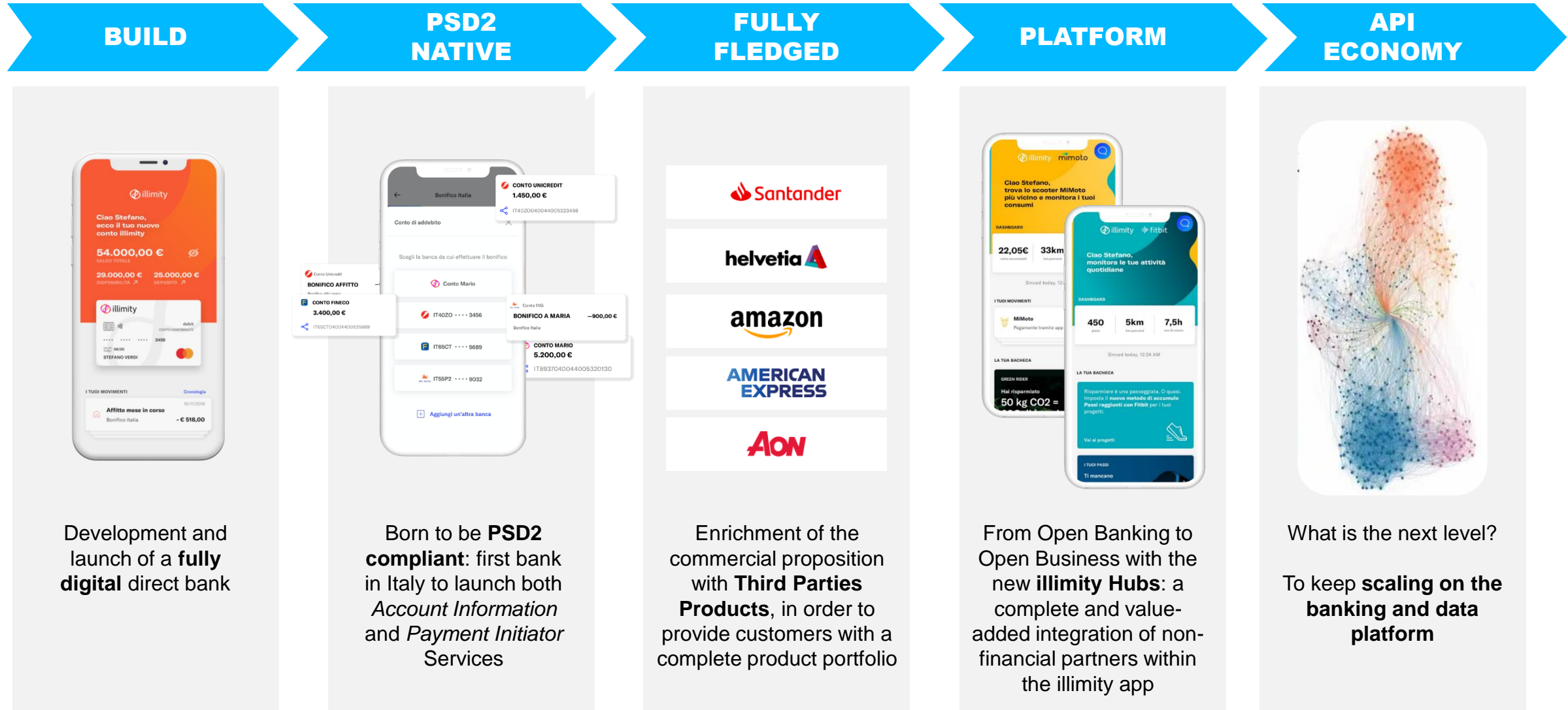
Institutions



ABI
Award

for most innovative Retail Bank for families and young users

illimity - The path towards an API-based economy





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