

**SOUND RESULTS FOR ILLIMITY ALSO IN THE SECOND QUARTER OF 2022**

**NET PROFIT OF 15.8 MILLION EURO (+6% Y/Y), BRINGING THE NET RESULT FOR THE FIRST HALF YEAR TO 31.5 MILLION EURO (+15% VS 1H21)**

**EARNINGS DRIVEN BY GROWTH IN REVENUE, WHICH ROSE TO 80.6 MILLION EURO IN 2Q22 (+13% Y/Y), ILLIMITY'S BEST QUARTERLY FIGURE, AND TO 159 MILLION EURO IN 1H22 (+25% Y/Y)**

**NET CUSTOMER LOANS AT 3.2 BILLION EURO (+37% Y/Y)**

**EXCELLENT ASSET QUALITY AND CAPITAL BASE:  
ORGANIC NPE RATIO<sup>1</sup> OF 0.9% AND CET1 RATIO OF OVER 17%<sup>2</sup>**

**PURCHASE OF AREC FINALISED AT THE END OF THE QUARTER,  
POSITIONING NEPRIX AS THE THIRD OPERATOR SPECIALISING IN THE MANAGEMENT  
OF CORPORATE UTP LOANS<sup>3</sup>**

**POSITIVE EARNINGS PROSPECTS THANKS TO A VIGOROUS BUSINESS PIPELINE  
FOR THE COMING MONTHS**

**SILVIA BENZI INDICATED AS NEW ILLIMITY'S CFO FOLLOWING THE RESIGNATION  
OF FRANCESCO MELE**

*Milan, 5 August 2022* – Chaired by Rosalba Casiraghi, the Board of Directors of illimity Bank S.p.A. (“illimity” or the “Bank”) approved yesterday the illimity Group's results at 30 June 2022.

**illimity continued on its growth path driven by a further expansion in business volumes, posting a net profit of 15.8 million euro in the second quarter of 2022 (+6% y/y), to reach a total of 31.5 million euro in the first half of 2022, representing an increase of 15% over the first half of 2021 (27.4 million euro).**

More specifically, the quarter was characterised by:

- **the best second quarter in terms of new business volumes, with around 394 million euro of originated business between loans and investments, a rise of 51% over the figure for the second quarter of the previous year. The Bank's business Divisions all displayed great vivacity and can count on a particularly significant pipeline for the next few months. Taken overall, net customer loans rose to almost 3.2 billion euro at 30 June 2022, an increase of 37%**

<sup>1</sup> Related to the business originated by illimity, excluding the loan portfolio of the former Banca Interprovinciale.

<sup>2</sup> A pro-forma phased-in CET1 ratio to take account of the amendment to article 127 of Regulation (EU) No.575/2013 (the “CRR”) on the weighting of unsecured NPEs effective from the beginning of July 2022 with an estimated impact of ca. 271 million euro on the basis of the balance at 30 June 2022.

<sup>3</sup> Source: “The Italian NPE Market – Wind of Change” issued in July 2022, data referred at 31 December 2021.

over the same period of the previous year and 13% over March 2022;

- **steady growth in revenue to reach 80.6 million euro** (+3% q/q, +13% y/y) in the second quarter of 2022, taking **total revenue for the first half of 2022 to 159.0 million euro** (+25% y/y), while keeping a good balance between net interest income and other revenue components. The Distressed Credit Division continued to be the leading contributor, generating 68% of total revenues for the half year, while the Growth Credit Division posted significant growth, with revenues almost double those of the first half of 2021, taking its contribution to consolidated revenues to ca. 20%, to which should be added the Investment Banking Division contributing a further 5%. Taken as a whole, the revenue generated by illimity with SME customers in the Growth Credit and Investment Banking Divisions together reached 39.5 million euro in the first half of 2022, nearly double the corresponding figure for the previous year;
- **a Cost income ratio standing at 60% in the second quarter of 2022**, a rise of three percentage points over the previous quarter **as a result of the investments made in new initiatives** - including **b-ilty** and **Quimmo** – whose contribution in terms of revenue will only be seen over the coming months. **The Cost income ratio stood at 59% in the first half of 2022**, a decrease of approximately one percentage point over the same period of the previous year;
- as a result of the above dynamics, **operating profit** reached **32.1 million euro** in the second quarter of 2022, a rise on an annual basis (+4% over the figure of 30.7 million euro posted in the second quarter of 2021). **Operating profit accordingly amounted to ca. 65.6 million euro in the first half of 2022**, representing an increase of ca. 31% over the first half of 2021;
- **a pre-tax profit of 24.0 million euro for the second quarter of 2022**, representing an increase of 7% on an annual basis and substantially in line with the figure of 24.1 million euro posted in the previous quarter; **pre-tax profit for the half year** therefore amounted to **48.1 million euro, a rise of ca. 16%** over the first half of the previous year;
- **excellent organic credit quality**: on 30 June 2022 the ratio between gross doubtful organic loans and total gross organic loans originated since the start of illimity's operations remained contained at 0.9%, a figure becoming 2.2% if the loan portfolio of the former Banca Interprovinciale, which is gradually running off, is included. The annualised organic cost of risk<sup>4</sup> for the quarter stood at 49 bps;
- **a robust capital base** with ratios positioned at top levels of the system – a phased-in CET1 ratio of 16.1% (17.7% pro-forma taking into account the amendment to article 127 of the CRR which had effect from 11 July 2022 and the inclusion of the special shares which will be automatically converted to ordinary shares in the current quarter), a phased-in Total Capital Ratio of 21.3% (23.3% pro-forma taking into account the amendment to article 127 of the CRR and including the special shares) – and a **solid liquidity position** (of approximately 600 million euro), available for reinvestment in future business opportunities.

In line with the execution of 2021-25 Strategic Plan, **work continued in the second quarter of**

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<sup>4</sup> Calculated as the ratio between loan loss provisions and net organic loans to customers at 30 June 2022 (2,031 million euro) for the Factoring, Cross-over, Acquisition Finance, Turnaround and b-ilty segments and loans purchased as part of investments in distressed credit portfolios that have undergone a passage of accounting status subsequent to acquisition or disbursement (excluding loans purchased as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans.

**2022 on implementing initiatives with high technological features** developed in markets synergic with or complementary to the Bank's core business. Once these activities have become fully operational and reached significant size, they will act as an important driver for the creation of shareholder value.

- **illimitybank.com, the retail banking platform**, the first in Italy to provide Open Banking functionalities, reached around 1.5 billion euro deposits at the end of June 2022 from a loyal customer base, as confirmed by its Net Promoter Score<sup>5</sup>, one of the highest in the system;
- **b-ilty, the first digital business store for credit and financial services developed by illimity for Small Corporates**, which is completing its test phase ("beta phase") and building up its commercial network;
- **HYPE, the leading fintech challenger in Italy by number of users** which consolidated its leadership in the second quarter of 2022, reaching over 1.6 million customers and constantly enhancing its product offer;
- **Quimmo, the innovative proptech**, an evolution of neprix Sales and already a **remarketing leader on the judicial real estate market**, has **entered the open real estate market** with a new platform and a new brand and sold 689 properties in the second quarter of 2022, taking the number of properties sold since the beginning of the year to over 1,250.

In addition, on 30 June illimity completed the acquisition of **Aurora Recovery Capital S.p.A. ("Arec")**, a company specialised in the management of Unlikely to Pay ("UTP") loans with a focus on the large-ticket corporate real estate segment, which will be merged into neprix – the illimity Group's servicing platform. This operation strengthens the market positioning of neprix, taking its managed loans to around 10.3 billion euro<sup>6</sup>, and will provide a valuable contribution to the generation of third party servicing mandates, increasingly establishing its position as a market servicer and, in particular, as the third operator specialising in the management of UTP corporate real estate loans. On 30 June 2022, all the conditions for completing the acquisition had been met and the business combination became effective as of that date. As a result, the business combination was recognised in illimity's consolidated balance sheet on 30 June 2022, while the economic results will be visible starting from the current quarter.

Lastly, as confirmation of its considerable commitment in the sustainability field, illimity has recently received an **especially important uplift in its ESG ratings**:

- **MSCI**, one of the world's leading index and benchmark providers, increased its rating from "B" to "A", also as recognition of illimity's leadership in corporate governance matters;
- **Standard Ethics**, one of the leading independent rating agencies on sustainability issues, lifted its rating from "E" to "EE-", thanks, in particular, to illimity's alignment with the United Nations, OECD and European Union guidance, as well as to its integrated sustainability management model.

**Corrado Passera, CEO and Founder of illimity**, commented: *"We are very satisfied with the sound results posted in the second quarter of the year, the best in terms of business generation. The robust pipeline for the next few months confirms the dynamism of all the Divisions, which are ready*

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<sup>5</sup> Net Promoter Score ("NPS") of illimitybank.com equal to 43 in second quarter 2022 (with market average equal to 1).

<sup>6</sup> Considering also deals signed on 4 August 2022, whose execution is subject to the positive conclusion of the authorisation process with the Supervisory Authority.

*to grasp the opportunities arising from the constant expansion of the markets in which we operate.*

*The two highly technological initiatives launched over the past few months - b-ilty, the complete digital platform for credit and financial services for SMEs, and Quimmo, the innovative proptech - are proceeding as planned. If together with these new initiatives with a "tech" soul, we also consider illimitybank.com, which provides customers with top quality direct banking retail services, and HYPE, which continues to consolidate its leadership in the Italian fintech market, we can say that illimity is making significant additional strides in its ability to create technological platforms, which will be the driver of further growth and value creation for all our stakeholders.*

*At the same time, the acquisition of Arec is an important step in reinforcing our positioning in UTP loan management with particular focus on the large-ticket corporate real estate segment and puts us in the right position for grasping the important business opportunities arising on this market in the future.*

*Lastly, I am especially pleased with the new ESG ratings assigned to us by MSCI and Standard Ethics, which confirm the value of the decisions we have taken on sustainability issues from the start of the Bank's activities and represent a stimulus to do even better.*

*Finally, I want to thank Francesco Mele for the passionate work he has done over the years. He was among the first to join us and played a fundamental role in the construction and development of illimity. We are sorry to lose him in the team that will bring illimity to new goals in the coming years, but we are pleased to know that he is engaged in an important task. Silvia Benzi represents the best choice in the spirit of continuity and once again demonstrates the capital of skills, experience and passion that illimity has been able to accumulate over the years "*

## Key balance sheet figures

Figures in millions of euro

Reclassified Balance sheet	30.06 2021	31.03 2022	30.06 2022	Δ 30.06.2022 / 31.03.2022	Δ 30.06.2022 / 30.06.2021
Cash and cash equivalent	514	695	397	(43)%	(23)%
Due from banks and other financial institutions	608	215	191	(11)%	(69)%
<b>Customer loans</b>	<b>2,330</b>	<b>2,832</b>	<b>3,194</b>	<b>13%</b>	<b>37%</b>
- Distressed Credit <sup>1</sup> investments	943	938	921	(2)%	(2)%
- Distressed Credit <sup>1</sup> senior financing	311	402	436	8%	40%
- Growth Credit <sup>2</sup>	1,006	1,421	1,733	22%	72%
- Cross-over & Acq. Finance <sup>3</sup>	517	643	731	14%	41%
- Turnaround	303	488	630	29%	108%
- Factoring	186	289	372	29%	100%
- b-ilty	-	7	24	232%	n.s.
- Investment banking			16	n.s.	n.s.
- Non-core former Banca Interprovinciale	70	64	64	0%	(9)%
Financial assets Held To Collect (HTC) <sup>4</sup>	-	108	161	50%	n.s.
Financial Assets Held To Collect & Sell (HTCS) <sup>5</sup>	315	424	416	(2)%	32%
Financial assets measured at FVTPL <sup>6</sup>	139	82	118	43%	(15)%
Investments in associates and companies subject to joint control	84	78	76	(3)%	(9)%
Goodwill	36	36	71	96%	96%
Intangible assets	37	52	56	8%	52%
Other assets (incl. Tangible and tax assets) <sup>7</sup>	267	400	446	12%	67%
<b>Total assets</b>	<b>4,331</b>	<b>4,922</b>	<b>5,127</b>	<b>4%</b>	<b>18%</b>
Due to banks	582	412	539	31%	(7)%
Due to costumers	2,643	3,065	3,107	1%	18%
Bond/Securities	304	505	510	1%	68%
Shareholders' Equity	681	777	802	3%	18%
Other liabilities	121	163	169	4%	40%
<b>Total liabilities</b>	<b>4,331</b>	<b>4,922</b>	<b>5,127</b>	<b>4%</b>	<b>18%</b>
Common Equity Tier 1 Capital	543	646	642	(1)%	18%
<b>Risk Weighted Assets</b>	<b>3,168</b>	<b>3,662</b>	<b>3,974</b>	<b>9%</b>	<b>25%</b>

1. Distressed Credit Division, formerly the DCIS Division.

2. Growth Credit Division, formerly the SME Division.

3. 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. It also includes the corporate high-yield bonds classified as HTC.

4. This includes the Bank's securities portfolio classified at amortised cost

5. HTCS: financial assets measured at fair value through comprehensive income. This item includes also 4.5 million euro of investments in Alternative Debt carried out by Investment Banking Division and classified in HTCS strategy.

6. FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of Turnaround transactions, junior tranches of securitised non-performing loans acquired as part of Senior Financing Transactions and investments in distressed energy credit purchased as part of the DC Division's activities.

7. This includes assets of ca. 84 million euro deriving from the purchase of tax credits (the "Ecobonus" scheme) and senior notes of ca. 38 million euro resulting from the securitisation of a portfolio of non-performing loans classified as assets held for sale.

Any failure of the above figures to reconcile arises exclusively from rounding.

On 30 June 2022, the Bank's total assets stood at 5.1 billion euro, an increase of 4% over the

end of the previous quarter and 18% over the same period of the previous year.

This figure includes **net customer loans and investments** which at the end of June 2022 stood at around **3.2 billion euro**, up by 13% over the previous quarter and by 37% over 30 June 2021. The main contribution to volume growth in the quarter was provided by the Growth Credit Division – which rose by 22% over March 2022 and 72% over the same period of the previous year – driven by the Turnaround segment and the rise in Factoring. The Distressed Credit Division posted increasing volumes, both over March 2022 (+1% q/q) and over June 2021 (+8% y/y), despite the fact that new investments and loans were offset by the significant performance of collections and sales characteristic of the Division with a relevant impact on Group's income statement results.

The Bank's asset quality remains at the top levels of the system, displaying resilience even in the present macroeconomic situation. **Gross doubtful organic loans relating to new business originated by illimity stood at around 17.3 million euro at the end of June 2022** (around 10.9 million euro at the end of March 2022 and around 6.0 million euro at the end of June 2021), leading to a ratio between gross doubtful organic loans and total gross organic loans of **0.9%**<sup>7</sup>, a slight rise but essentially related to positions backed by public guarantees. Including also the portfolio inherited from Banca Interprovinciale, the stock of gross doubtful organic loans rose to 45.9 million euro, **corresponding to a ratio between gross doubtful organic loans and total gross organic loans of 2.2%**, slightly down over the previous quarter and one of the best in the Italian banking system. The corresponding stock of **net doubtful organic loans** amounted to **26.2 million euro** on 30 June 2022, equal to a **ratio between net doubtful organic loans and total net organic customer loans of 1.3%**, stable as well at the end of the previous quarter.

The Bank's **liquidity** – which consists of cash, the net adjusted interbank position and high-quality liquid securities – reached **ca. 0.6 billion euro** at the end of the second quarter of 2022 and remains available to finance the Bank's pipeline of new business volumes.

illimity's **securities portfolio** reached **572 million euro** at the end of June 2022, rising by 8% over the figure of 532 million euro posted at the end of March 2022 and maintaining the same incidence on total assets. The diversification of the Bank's securities portfolio is recalled, with the introduction, at the beginning of 2022, of the strategy of investment in **securities at amortised cost** (the so-called Hold to Collect strategy – HTC) which runs alongside the strategy of investment in securities at fair value through comprehensive income (the so-called Hold to Collect and Sell strategy – HTCS). The HTC securities – which amounted to 161 million euro at the end of June 2022 – enable illimity to optimise the various durations of the portfolio (with the Hold to Collect and Sell securities focused on shorter maturities going forward), while at the same time maintaining a neutral effect on the Bank's liquidity, to optimise the effect on income statement and to reduce the exposure of the Bank's own funds to market volatility. The Hold to Collect and Sell (HTCS) securities fell to around 411 million euro at the end of June 2022, a decrease of 3% over the figure of 424 million euro posted at the end of March 2022. The HTCS securities portfolio mark-to-market net of tax stood at negative 43 million euro at the end of the quarter (19 million euro at the end of the previous quarter), due to the recent performance of the financial markets, but, as far as government bonds component is concerned, will benefit from a temporary prudential filter of 40% until end of December 2022; the figure is, however, in line with the portfolio's sensitivity to changes in interest rates and credit risk. Taken as a whole, approximately 71% of the securities portfolio consisted of almost entirely Italian

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<sup>7</sup> Calculated using gross organic customer loans excluding the loans portfolio of the former Banca Interprovinciale amounting to 1,951 million euro at 30 June 2022.

government bonds, 20% of senior bonds and 9% of subordinated bonds.

The item “**Other assets**” includes balances arising from the purchase of tax credits – the government’s “Ecobonus” scheme – the total amounting to 84 million euro, a figure which stood at 69 million euro at the end of March 2022.

**Total financing** amounted to circa **4.2 billion euro** at the end of June 2022, representing an increase of 4% over the figure at the end of March 2022 and 18% over that at the end of June 2021.

**Phased-in CET1 Capital** decreased to **642 million euro** in the second quarter of 2022, due mainly to the increase of 12.4 million euro in the negative market-to-market posted at the end of the second quarter of 2022 and goodwill of 34.9 million euro arising from the acquisition of Arc, which more than offset the positive contribution made by the net profit for the quarter, excluding the portion of the dividend accrued from the quarter’s profits, and the capital increase of 28.8 million euro connected with the purchase of Arc. Fully-loaded **CET1 Capital** – obtained by excluding the effect of the temporary prudential filters on the government bonds and expected loan losses (the so-called “Banking package”) amounting in total to 14.0 million euro – stood at **628 million euro**.

**Risk-weighted assets (RWAs)** rose by 9% over the previous quarter to ca. **4.0 billion euro**, mainly due to the increase in loans and investments in the second quarter of 2022. The ratio between the Bank’s RWAs and total assets, increasing slightly over the previous quarter, remained at around 78%.

As a result of these dynamics, illimity’s **phased-in CET1 Ratio** stood at a robust **16.1%** at the end of June 2022. If special shares of 14.4 million euro and the effect of the amendment to article 127 of the CRR - which will both become effective in the third quarter of 2022 - are included in own funds, the Bank’s pro-forma phased-in CET1 Ratio becomes 17.7%, in line with that posted in the first quarter of 2022 against a significant rise in assets.

The **phased-in Total Capital Ratio**, which includes the 200 million euro Tier 2 subordinated bond in regulatory capital, amounted to **21.3%** on 30 June 2022 (23.3% if the special shares and the amendment to article 127 of the CRR are included).

The **Liquidity Coverage Ratio (LCR)** stood at **approximately 365%** at the end of June 2022, confirming a considerable liquidity buffer, while the **Net Stable Funding Ratio (NSFR)** was **significantly above minimum regulatory requirements**.

## Key income statement figures

Figures in millions of euro

Reclassified Income Statement	1Q21	1Q22	2Q22	Δ Q/Q%	Δ Y/Y%	1H21	1H22	Δ H Y/Y%
Interest income	46.0	51.7	54.4	5%	15%	93.5	106.1	14%
Interest expenses <sup>1</sup>	(14.8)	(15.7)	(16.4)	4%	15%	(29.1)	(32.1)	10%
<b>Net interest income</b>	<b>31.2</b>	<b>36.0</b>	<b>38.0</b>	<b>5%</b>	<b>14%</b>	<b>64.4</b>	<b>74.1</b>	<b>15%</b>
Net fees and commissions	4.9	12.8	14.8	15%	70%	13.6	27.6	103%
Net result from trading and fair value assets	3.8	2.8	5.9	114%	454%	4.9	8.6	76%
Net other income/expenses	2.0	6.3	5.7	(9%)	166%	4.1	12.0	189%
Profit from closed purchased distressed credit positions <sup>2</sup>	11.4	20.6	16.2	(21%)	(38%)	37.4	36.8	(2%)
Gain (loss) from disposal of investments	2.3	-	-	-	-	2.3	-	(100%)
<b>Operating income</b>	<b>55.7</b>	<b>78.5</b>	<b>80.6</b>	<b>3%</b>	<b>13%</b>	<b>126.8</b>	<b>159.0</b>	<b>25%</b>
Staff costs	(16.6)	(20.7)	(22.8)	10%	20%	(35.6)	(43.5)	22%
Other operating expenses	(16.5)	(20.8)	(21.9)	5%	14%	(35.8)	(42.7)	19%
Depreciation & Amortisation	(3.0)	(3.4)	(3.9)	15%	77%	(5.2)	(7.3)	41%
<b>Operating costs</b>	<b>(36.1)</b>	<b>(44.9)</b>	<b>(48.5)</b>	<b>8%</b>	<b>20%</b>	<b>(76.6)</b>	<b>(93.5)</b>	<b>22%</b>
<b>Operating profit</b>	<b>19.5</b>	<b>33.5</b>	<b>32.1</b>	<b>(4%)</b>	<b>4%</b>	<b>50.3</b>	<b>65.6</b>	<b>31%</b>
Loan loss provision charges	0.8	(0.5)	(2.5)	358%	55%	(0.8)	(3.0)	259%
Value adjustments on purchased distressed credit	3.9	(4.6)	(3.2)	(31%)	(31%)	(0.7)	(7.8)	993%
Value adjustments on securities and loans to banks	(1.6)	(0.5)	(0.2)	(50%)	(188%)	(1.3)	(0.7)	(43%)
Other net provisions for risks and charges	(0.0)	(0.0)	(0.0)	(64%)	(140%)	-	(0.0)	n.m.
Other income from equity investments	(2.1)	(1.8)	(2.0)	11%	9%	(4.0)	(3.8)	(3%)
Contribution to banking sector schemes	(1.4)	(2.0)	(0.1)	(94%)	(78%)	(2.0)	(2.1)	6%
<b>Profit (loss) before tax</b>	<b>19.1</b>	<b>24.1</b>	<b>24.0</b>	<b>(0%)</b>	<b>7%</b>	<b>41.5</b>	<b>48.1</b>	<b>16%</b>
Income tax	(6.5)	(8.4)	(8.2)	(2%)	9%	(14.1)	(16.6)	18%
<b>Net result</b>	<b>12.6</b>	<b>15.7</b>	<b>15.8</b>	<b>1%</b>	<b>6%</b>	<b>27.4</b>	<b>31.5</b>	<b>15%</b>

- This item does not include costs relating to leasing liabilities, which have been classified as administration costs; on the other hand, it includes commission expenses and stamp duty related to deposits on the Raisin platform.*
- Gains from the definitive closure of non-performing exposures either through disposal to third parties or through a discounted payoff strategy ("saldo e stralcio") agreed with the debtor.*

Any failure of the above figures to reconcile arises exclusively from rounding.

illimity ended the second quarter of 2022 with profits in line with the previous quarter, posting a **net profit of 15.8 million euro** (+1% q/q and +6% y/y).

**Net interest income** in the second quarter of 2022 totalled **38.0 million euro**, a rise of 5% over the first quarter of 2022 and 14% over the same quarter of the previous year. Of this total, **54.4 million euro** arose from **interest income**, this too increasing on a quarterly basis by 5% (15% y/y), which, in particular, benefited from the contribution made by the Growth Credit Division, while **interest expense** rose to **16.4 million euro**, representing an increase of 4% on a quarterly basis (+15% y/y). Taken as a whole, net interest income reached around **74.1 million euro** in the first six months of 2022, a rise of ca. 15% over the first half of 2021.

**Net fees and commissions** continued their constant growth in the second quarter of 2022 reaching **14.8 million euro**, corresponding to a rise of 15% on a quarterly basis and 70% over the same quarter of the previous year. This positive dynamic is mainly due to loans disbursed by the Growth Credit Division. Net fees and commissions amounted to **27.6 million euro** in the first half of 2022, more than double the figure for the same period in 2021.

The majority of **net profit from trading activities and assets accounted for at fair value** arose from revenues earned from the Bank's ordinary investment activity and from customer services and rose to **5.9 million euro** in the second quarter of 2022 (+114% q/q and +454% y/y). This item includes net profit of 3.0 million euro arising from the Distressed Credit Division's **workout strategies**, which are classified as part of the **net result from trading** as they regard financial instruments relating, in particular, to the Energy sector accounted for at fair value. In the first half of 2022 the net profit from trading activities and assets accounted for at fair value rose by 76% over



the first half of 2021 to reach 8.6 million euro.

**Other operating income of 5.7 million euro** (-9% q/q and +166% y/y) includes the quarterly revenue of 4.25 million euro due under the licence agreement with the ION Group for the use of the IT system developed by illimity. Other operating income amounted to **12.0 million euro** in the first half of 2022 (+189% y/y).

**Profit from closed distressed credit positions** arose almost entirely from the Distressed Credit Division and continued to be a significant and distinctive component of illimity's revenues, amounting to around **16.2 million euro** in the second quarter of 2022 (-21% q/q and -38% y/y) and around 36.8 million euro in the first half of 2022 (-2% y/y). This profit was generated from the final settlement of positions using "discounted payoff" transactions and from the sale of positions.

As a result of the above items, **operating income** reached **80.6 million euro** in the second quarter of 2022, representing a rise of 13% over the same period of the previous year and 3% over the first quarter of 2022. There was a good balance between the various sources of revenue, with net interest income representing ca. 47% of operating income. In this way operating income reached 159 million euro in the first half of 2022, a rise of 25% over the same period of the previous year.

**Operating costs** for the second quarter of 2022 amounted to around **48.5 million euro** (+8% q/q), up by 20% over the second quarter of 2021, mainly as the result of the increase in the Bank's staff and the investments in the new initiatives which will begin to produce important results over the coming months and will make a significant contribution to the Bank's growth over the next few years. Operating costs in the second quarter include costs of 1.5 million euro<sup>8</sup> arising from the annual instalment of the Employee Stock Ownership Plan (ESOP), an item that is fully recognised in the second quarter of each year. It should also be noted that from the fourth quarter of 2021 the contribution to banking sector schemes has been separated out as a specific item in the Group's income statement, in line with industry practice. Taken overall, therefore, operating costs amounted to 93.5 million euro in the first six months of 2022, an increase of 22% over the first half of 2021.

As a consequence of the above dynamics, the **Cost income ratio for the second quarter of 2022 closed at 60%**, an increase of 3 percentage points over the previous quarter (57%) and the second quarter of 2021 (57%), bringing the figure **for the first half of 2022 to 59%**, essentially in line with that for the same period of the previous year (60%). This figure includes the investments arising from the development of new initiatives, which totalled several million euro in the first half.

During the quarter, the Bank recognised **net write-downs of organic loans of around 2.5 million euro** (net write-downs amounted to around 0.5 million euro and 1.6 million euro in the first quarter of 2022 and the second quarter of 2021 respectively), reflecting the significant growth in business volumes and the conservative approach to the existing portfolio. As a result of these dynamics, the **annualised organic cost of risk for the quarter<sup>9</sup>** stood at contained levels and amounted to **49 bps**, which took the annualised cost of risk for the **first half-year of 2022 to 30 bps** (ca. 17 bps higher than the first half of 2021). It is recalled that the Bank performs an active and thorough monitoring of its loans, especially regarding the direct and indirect exposures of its customers given the current turbulence of the macroeconomic situation.

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<sup>8</sup> Non accounting figure.

<sup>9</sup> Calculated as the ratio between loan loss provisions and net organic loans to customers at 30 June 2022 (2,031 million euro) for the Factoring, Cross-over, Acquisition Finance, Turnaround and b-ilty segments and loans purchased as part of investments in distressed credit portfolios that have undergone a passage of accounting status subsequent to acquisition or disbursement (excluding loans purchased as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans.

During the second quarter of 2022 the Bank recognised **net write-downs of purchased distressed credit** of ca. **3.2 million euro** (compared to 4.6 million euro in the first quarter of 2022 and net reversals of 3.9 million euro in the second quarter of 2021), mainly as the result of an updating of the business plan for certain positions in the Distressed Credit Division. Net write-downs of purchased distressed credit amounted to 7.8 million euro in the first six months of 2022, representing an increase over the figure of 0.7 million euro recognised in the first half of 2021.

The **pro-rata consolidation of HYPE** led to a loss of **2.0 million euro**<sup>10</sup> in the second quarter of 2022 and around 3.8 million euro in the first half of 2022 (-3% y/y), accounted for as **other income from equity investments**. It is recalled that HYPE's results are consolidated using the equity method and that these results, in addition to only partially benefiting from the contribution expected to arrive from the new Open banking services and products launched at the end of September 2021, reflect the anticipation of certain investments designed to strengthen the company's technological infrastructure and organisational structure.

The second quarter of 2022 accordingly closed with a **pre-tax profit** of 24.0 million euro, substantially in line with that of the previous quarter and exceeding the second quarter of 2021 by 7%.

After charging income tax of 8.2 million euro, **net profit for the quarter amounted to 15.8 million euro**, up by 6% over the same period of the previous year (and by 1% over the previous quarter).

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<sup>10</sup> The item "Other income from equity investments" includes a loss of ca. 53 thousand euro incurred in the second quarter of 2022 and a loss of 100 thousand euro incurred in the first quarter of 2022 arising from the pro-rata portion of the investment in SpicyCo S.r.l., leading to a total loss of 153 thousand euro recognised in the first half of 2022.

## Contribution of the business units to the Group's results

The following table sets out the key figures summarising the way in which the illimity Group's business segments evolved during the first half of 2022.

1H22, figures in million euro	Distressed Credit Division	Growth Credit Division	Investment Banking Division	Direct Banking Division	SGR	Corporate Centre	Total
Net interest income	54.8	15.8	1.3	2.2	-	-	74.1
Net fees and commissions	7.3	13.4	5.6	-	1.3	-	27.6
Other income	45.6	2.7	0.7	7.0	(0.1)	1.5	57.4
<b>Operating income</b>	<b>107.7</b>	<b>31.9</b>	<b>7.6</b>	<b>9.2</b>	<b>1.2</b>	<b>1.5</b>	<b>159.0</b>
Staff costs	(15.5)	(6.1)	(1.8)	(3.8)	(1.2)	(15.1)	(43.5)
Other operating expenses and D&A	(23.0)	(4.0)	(0.5)	(8.7)	(0.2)	(13.6)	(50.0)
<b>Operating costs</b>	<b>(38.5)</b>	<b>(10.1)</b>	<b>(2.3)</b>	<b>(12.5)</b>	<b>(1.4)</b>	<b>(28.7)</b>	<b>(93.5)</b>
<b>Operating profit</b>	<b>69.2</b>	<b>21.8</b>	<b>5.3</b>	<b>(3.3)</b>	<b>(0.2)</b>	<b>(27.2)</b>	<b>65.6</b>
Provisions	(8.9)	(1.9)	(0.6)	(0.1)	-	-	(11.5)
Other income from equity investments	(0.1)	-	-	(3.7)	-	-	(3.8)
Contribution to banking sector schemes	(0.3)	(0.4)	-	(0.4)	-	(1.0)	(2.1)
<b>Profit (loss) before tax</b>	<b>59.8</b>	<b>19.5</b>	<b>4.7</b>	<b>(7.5)</b>	<b>(0.2)</b>	<b>(28.2)</b>	<b>48.1</b>
Interest earning assets	1,717	2,055	130	26	0	588	4,515
Other assets	145	135	-	89	-	243	611
<b>RWA</b>	<b>2,146</b>	<b>1,270</b>	<b>119</b>	<b>73</b>	<b>3</b>	<b>363</b>	<b>3,974</b>

### Distressed Credit Division

The Distressed Credit Division confirmed its ability to lead the Group's results again in the second quarter of 2022, achieving also an excellent generation of new business volumes and posting a robust pipeline covering the next few months.

At the end of June 2022, **net loans to customers** of the Distressed Credit Division stood at **1,357 million euro**, substantially in line with the figure at the end of March 2022 (+1% q/q), also as the result of a significant achievement in collections and sales posted during the quarter, representing an increase of 8% over June 2021.

In the second quarter of 2022, the Distressed Credit Division originated new investments in distressed credit totalling around **73 million euro**, bringing total loans acquired in the first half of the year to 195 million euro, a rise of 24% over the business volumes originated in the first half of 2021 and representing around 70% of the total investments made throughout the whole of 2021. This performance is above all attributable to a diversification strategy guided by a high level of specialisation in various business segments that enabled all the opportunities available on the market to be taken. In addition, new investments of ca. 3 million euro were made in July 2022, to which should be added a further 209 million euro of loans signed but not yet booked. Leveraging on the increasing vitality of the market and illimity's excellent positioning, there is a solid pipeline available for the next few months of around 673 million euro.

**Senior Financing** also experienced a very positive second quarter in 2022, with **21 million euro of disbursed loans**. In the first half of 2022 alone, disbursed loans reached a total of around 78 million euro, therefore already exceeding the amount disbursed throughout the whole of 2021. It is recalled that new transactions are the result of a highly selective process designed to grasp

opportunities with particularly high yields, thereby ensuring a greater return on capital, thanks also to the strong experience acquired in the real estate market. The Senior Financing pipeline is also highly promising, amounting to 328 million euro.

The total assets managed by **neprix**, the illimity Group company specialising in servicing distressed corporate loans, stood at around **10.3 billion euro**<sup>11</sup> in terms of the gross book value (“GBV”) of the loans serviced. On 30 June 2022 illimity completed the purchase for cash of 10% of Arec, and a deed was signed under which the shares representing the remaining 90% of Arec’s share capital were contributed to illimity, to enable it to acquire 100% of the company and subsequently merge it into neprix<sup>12</sup>. This deal has led to the creation of a complete operator, a leader in servicing corporate distressed credit, which is capable of maximising the value of the various types of distressed loans, regardless of size, with specific focus on the UTP credit segment.

In addition, Quimmo, a latest-generation platform created to cover the entire value chain of both judicial and open market real estate deals (from the publication of real estate advertisements to agency services), has been developing. A marketing campaign was launched during the quarter aimed at real estate sellers to increase the number of mandates and an app for mobile devices was released. A total of 689 property units were sold in the second quarter of 2022, taking the total for the first six months of 2022 to 1,253, a rise of 22% over the first half of 2021.

With **pre-tax profits of 59.8 million euro**, the Distressed Credit Division proves to be the main contributor to the Group’s results for the first half of 2022. The Division’s Cost income ratio remained at excellent levels and equal to 36% in the first half of 2022, an increase of 4 percentage points over the first half of 2021, due also to the effect of investments planned in the new initiatives. The Division’s results reward the strategic decision made to operate in highly-specialised market segments with a very diversified logic and the proven ability to grasp the opportunities provided by the market in a dynamic manner.

### **Growth Credit Division**

The Growth Credit Division accelerated its growth trajectory even further in the second quarter of 2022, achieving an excellent result in terms of new originated business volumes and further increasing its contribution to the Group’s results.

The Division’s **net customer loans** stood at **1,733 million euro**, up by 22% on a quarterly basis and by 72% over June 2021, with growth being driven by all business segments.

The second quarter of 2022 was the best quarter for the **Cross-over & Acquisition Finance** segment in terms of disbursed loans, reaching 127 million euro in the quarter and a total of 199 million euro in the first half of 2022, representing an increase of ca. 40% over the first half of 2021. The second quarter also confirmed the important contribution being made by loans with public guarantees<sup>13</sup> with around 41% of this new business based on this instrument, a highly profitable area for the Bank due to the low risk profile and limited capital absorption. New lending amounted to around 49 million euro in July 2022, to which should be added loans of 46 million euro not yet booked but already approved. The pipeline for the upcoming months, including loans that have already been approved, stands at 53 million euro.

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<sup>11</sup> Considering also deals signed on 4 August 2022, whose execution is subject to the positive conclusion of the authorisation process with the Supervisory Authority.

<sup>12</sup> For further details reference should be made to the press release issued on 30 June 2022.

<sup>13</sup> Guarantees given by the SACE Group, Mediocredito Centrale S.p.A. (MCC) and the European Investment Fund (EIF).

The **Turnaround** segment also posted its **best quarter ever in terms of new business volumes** in the second quarter of this year, **with originated volumes of 169 million euro**, thereby bringing total new business volumes for the first half of 2022 to 249 million euro, equal to over 90% of the total volumes originated during 2021. The Turnaround segment's growth trajectory also continued in July 2022 with the generation of new business of 20 million euro, to which should be added loans of 8 million euro not yet booked but already approved. As evidence of a highly dynamic market, the pipeline for the next few months is also very promising, amounting to 110 million euro.

Taken as a whole, around 47% of the business originated by the Cross-over & Acquisition Finance and Turnaround segments in the second quarter of 2022 was backed by public guarantees.

The acceleration seen in the **Factoring** segment was in line with that of the rest of the Growth Credit Division, with a **turnover of 454 million euro** in the second quarter of 2022 and 786 million euro of cumulative turnover in the first half of 2022, representing growth of ca. 82% over cumulative turnover for the first half of 2021.

The Growth Credit Division ended the first half of 2022 with **operating income of 31.9 million euro (+83% over the first half of 2021)** and a **pre-tax profit of 19.5 million euro (+168% over the first half of 2021)**. The increase in the results for the first half of 2022 can be mainly attributed to the significant increase in business volumes, achieved thanks to the increasing recognition of illimity as an operator in the market in which it operates. The **Cost income ratio<sup>14</sup> for the first half of 2022** closed at 32%, a significant improvement over the figure for the first half of 2021 (58%), thereby confirming the effective scalability of the Division's operating structure.

### **Investment Banking Division**

The Investment Banking Division continued its growth trajectory also in the second quarter of 2022. It is recalled that the Division was launched with the aim of creating value for small and medium-sized businesses through alternative solutions that complement those already provided by illimity, also exploiting synergies with the Bank's other Divisions in structuring funding and capital optimisation operations.

The Capital Markets unit completed two IPOs in the second quarter of 2022 as well as various advisory mandates. The pipeline includes further advisory mandates which will be carried out in the second half of 2022.

The Corporate Solutions unit continues its activity of managing risk-hedging solutions for businesses and additionally at the end of June 2022 managed a bond portfolio of around 115 million euro, with securities of 96 million euro consisting of high-yield corporate bonds classified as part of the HTCS strategy.

In the second quarter of 2022 the Structuring unit completed its first mandate as Arranger and, as of today, has already been assigned three further mandates from which it expects revenues to be earned in 2022.

The Division ended the **first half of 2022** with a **pre-tax profit of 4.7 million euro**, confirming its ability to generate results in full synergy with illimity's other Divisions and deploying the Bank's capital to only a limited extent, above all by leveraging on the nature of a business which is based

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<sup>14</sup> Operating costs restated for the reclassification of contributions to banking sector schemes to a specific item in the Group's income statement.

to a large degree on fees and commissions.

### **Direct Banking Division**

The Direct Banking Division continued the growth path of **b-ilty**, the first digital business store for credit and financial services developed to assist the growth of small and medium corporates mostly with a turnover of between 2 and 10 million euro.

b-ilty's business evolved in various directions during the second quarter of 2022: on the one hand the refinement of the growth engine following the around 400 requests for loans already received, on the other the enhancement of the offer model through the addition of further payment options (including bulk transfers) as well as solutions provided by third parties within b-ilty's digital ecosystem.

On the retail customer front, the fintech platform **HYPE**, the joint venture between illimity and Fabrick of the Sella Group, continued its growth trajectory. HYPE reported significant results at the end of June 2022: over 1.6 million customers, with increases of 42 thousand users in the second quarter of 2022 and 158 thousand users over June 2021; around 23% of customers who are holders of a subscription account (basically unchanged figure over March 2022 and representing an increase of one percentage point over June 2021); and 23.8 million transactions in the second quarter of 2022 (+28% y/y). Gross revenues for the first half of 2022 amounted to 8.8 million euro, representing an increase of 48% over the first half of 2021. A loss of around 3.9 million euro was however incurred in the second quarter of 2022. The joint control investment in HYPE is accounted for using the equity method and was carried at 75.9 million euro at the end of June 2022, including the pro-rata loss of around 2 million euro for the second quarter of 2022.

In regards to **illimitybank.com**, the digital direct bank for retail customers, direct deposits from customers at the end of June increased by 4% over March 2022 to reach **1.5 billion euro** and by 19% on an annual basis. The number of customers has risen to almost **60 thousand** by the end of July 2022, of whom around 40% use **illimitybank.com** as their main bank, with a customer engagement of a good 89%.

The deposits gathered through the partnership with **Raisin** – the pan-European platform for the collection of retail deposits on the German market – increased by 7% over March 2022, reaching **0.6 billion euro** at the end of June 2022, and rose by **18%** over the figure for the previous year.

In total, direct deposits made by retail and corporate customers amounted to 2.8 billion euro on 30 June 2022, a rise of 1% over the previous quarter and 15% over the previous year.

It is recalled that Division's results for the second quarter of 2022 include 3.5 million euro arising from the licence agreement between illimity and the ION Group for the use of the IT platform developed by illimity. The remainder, arriving at the overall revenue of 4.25 million euro booked in the quarter, arises from maintenance of the IT platform and is therefore recognised in the Corporate Centre segment.

Taken as a whole, the Division ended the first half of 2022 **with a pre-tax loss of 7.5 million euro**.

## **illimity SGR**

**illimity SGR** was set up to complete illimity's range of operations in the corporate loan segment and to enhance the Bank's ability to generate business beyond the opportunities for direct investment.

In the first half of 2022, illimity SGR earned **fees and commissions of ca. 1.3 million euro** deriving from the "illimity Credit & Corporate Turnaround" contribution fund, which focuses on investments in UTP loans to SMEs with turnaround prospects.

illimity SGR continues its growth path supported by the structuring of new investment funds, and is currently working on three different funds, two of which will be launched by the end of 2022.

As a result of these dynamics, illimity SGR ended **the first half of 2022** with a **pre-tax loss of 0.2 million euro**.

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## **Business Outlook**

The macroeconomic outlook of the second half of 2022 is characterised by the continuation of significant uncertainty arising from the expected dynamics of inflation, the general deterioration in macroeconomic prospects and the Central Bank's possible moves on monetary policy.

In this overall framework illimity is well-positioned to face the second half of the year, being able to count on robust liquidity, excellent credit quality and a high level of capital solidity. The results for the first half of the year demonstrate resilience and a rising diversification, as well as the further progress being made in carrying through the new high-potential initiatives.

Despite the continuing uncertainty, the second half of 2022 has begun with positive prospects.

The pipeline of new credit and investment opportunities looks abundant for all business lines. As a result, while keeping a highly selective approach to new disbursements and investments, the stock of net customer loans and investments is also expected to rise in the second half of the year.

More specifically, a further increase in business volumes of the Growth Credit Division is envisaged over the next few months, also on the basis of the pipeline totalling over 160 million euro at the end of July 2022, with a positive contribution to be made by all the Division's business segments. It is expected that loans backed by public guarantees will continue to play an important role in terms of a contribution to new disbursements, also on account of the fact that the measures have been extended to the end of 2022.

Given the typical seasonality of the market in distressed credit transactions, an acceleration of the Distressed Credit Division's investments can be envisaged in the second half of the year, also on the basis of a robust pipeline of ca. 1.0 billion euro. The recent acquisition of Arc, a key operator in the large-ticket secured UTP corporate loans sector, will also contribute to the growth prospects in this area.

The generation of new business volumes will be the main driver of net interest income, in a context where the cost of funding might undergo an increase following the tightening of the conditions for access to financing sources, although illimity can count on a wide variety of diversified funding

strategies and a very limited use of its assets as security for loans.

The upwards dynamics of net fees and commissions will continue, also supported by the new initiatives already launched - illimity SGR, investment banking services for SMEs, Quimmo, b-ilty – that will be accompanied by an expected positive contribution from the continuing dynamic management of the distressed loans portfolio.

Operating costs are also expected to increase in the second half of the year as a result of the constant development of the business and the investments made in new strategic projects – first and foremost b-ilty – which will bring their fruits in future years.

Given the quality of the existing portfolio towards businesses and the contribution of loans with public guarantees, into which a significant portion of the new business generated by the Growth Credit Division will be channelled, it is expected that the cost of risk for the year as a whole will remain at levels lower than those forecast in the business plan.

The positive evolution of own funds through the generation of profits will ensure that the Common Equity Tier 1 Ratio will remain significantly above regulatory requirements, despite a further rise in risk-weighted assets resulting from the increase in business volumes.

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*Pursuant to article 154-bis, paragraph 2 of Legislative Decree no. 58/1998 (the Consolidated Law on Finance), the Financial Reporting Officer, Mr. Sergio Fagioli, declares that the accounting information contained in this press release corresponds to the documented results and the accounting books and records.*

\* \* \*

illimity also announces that the Board of Directors, having acknowledged the resignation of the CFO & Head of Central Functions Francesco Mele, has today resolved to identify Silvia Benzi as the new Chief Financial Officer (CFO) of illimity, thus starting the regulatory process for the appointment.

Former Head of Strategy, Sustainability & IR, Silvia Benzi has supported the CEO and the management team in the Bank's foundation process since 2018, participating in the establishment of SPAXS, the vehicle from which illimity was born and following all developments from then on. Silvia Benzi has 20 years of experience in the financial sector with skills in Corporate Development, Strategic Planning, M&A and IR. His career began in JP Morgan as an equity analyst and continues with an experience in consulting in PwC and in investment management as a Buy Side Analyst on the European financial sector in a hedge fund.

illimity takes this opportunity to thank Francesco Mele for the work done since the foundation of the Bank and for the significant results achieved together over the years.

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**illimity** management will present the results for the second quarter of 2022 to the financial community **at 9:00 a.m. CET today 5 August 2022**. The event can be followed via Live Audio Webcast at the following link: <https://87399.choruscall.eu/links/illimity220805.html> or by conference call at the following numbers:

ITALY: +39 02 8020911  
UNITED KINGDOM: +44 1 212818004  
USA: +17187058796; +1 855 2656958

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**illimity Bank S.p.A.**

**illimity** is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform neprix, and provides digital direct banking services through [illimitybank.com](http://illimitybank.com). illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to "illimity Bank S.p.A." which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker "ILTY"), first on the MTA exchange and since September 2020 on the Star segment. The banking group, headquartered in Milan, can already count on over 830 employees and ended the first half of 2022 with assets of around 5.1 billion euro.

**CONSOLIDATED BALANCE SHEET**
*(Figures in thousands of euro)*

	30.06.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022
10 Cash and cash balances	513,830	773,979	507,779	695,296	397,024
20 Financial assets measured at fair value through profit or loss	138,977	87,656	76,679	82,412	118,137
a) financial assets held for trading	33	114	928	3,778	16,400
b) financial assets designated at fair value	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	138,944	87,542	75,751	78,634	101,737
30 Financial assets measured at fair value through other comprehensive income	315,336	280,460	299,508	424,322	415,945
40 Financial assets measured at amortised cost	2,938,786	3,015,980	3,229,766	3,154,007	3,545,818
a) due from banks	438,603	373,040	267,969	54,729	30,737
b) loans to customers	2,500,183	2,642,940	2,961,797	3,099,278	3,515,081
50 Hedging derivatives	-	-	-	-	-
60 Fair value change of financial assets in hedged portfolios (+/-)	-	-	-	-	-
70 Investments in associates and companies subject to joint	83,727	81,775	79,953	78,147	76,145
80 Technical insurance reserves reassured with third parties	-	-	-	-	-
90 Tangible Assets	79,047	78,105	68,735	79,430	91,147
100 Intangible assets	73,324	75,881	85,249	88,661	127,592
of which goodwill	36,257	36,257	36,257	36,257	71,111
110 Tax assets	29,449	24,247	45,672	51,144	61,302
a) current	4,077	4,061	5,168	5,168	4,579
b) deferred	25,372	20,186	40,504	45,976	56,723
120 Non-current assets held for sale and discontinued operations	61,402	61,908	43,117	38,246	38,248
130 Other assets	96,876	165,578	224,132	230,744	255,306
<b>Total Assets</b>	<b>4,330,754</b>	<b>4,645,569</b>	<b>4,660,590</b>	<b>4,922,409</b>	<b>5,126,664</b>

*(Figures in thousands of euro)*

	30.06.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022
10 Financial liabilities measured at amortized cost	3,551,095	3,788,786	3,752,384	4,008,434	4,183,679
a) due to banks	581,628	546,046	411,314	412,190	539,198
b) due to customers	2,665,400	2,735,623	2,841,282	3,091,563	3,134,851
c) debt securities issued	304,067	507,117	499,788	504,681	509,630
20 Financial liabilities held for trading	-	-	59	1,855	13,413
30 Financial liabilities designated at fair value	-	-	-	-	-
40 Hedging derivatives	-	-	-	-	-
50 Adjustments in value of generic hedging financial liabilities (+/-)	-	-	-	-	-
60 Tax liabilities	5,268	8,354	20,256	26,747	16,211
a) current	3,977	7,554	19,156	25,654	15,163
b) deferred	1,291	800	1,100	1,093	1,048
70 Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-
80 Other liabilities	85,422	83,161	105,595	99,124	103,198
90 Employee termination indemnities	2,896	3,137	3,695	3,467	3,457
100 Provisions for risks and charges:	5,331	6,369	5,781	5,355	4,842
a) commitments and guarantees issued	4,086	4,975	4,482	3,725	3,233
b) pensions and similar obligations	8	11	18	21	27
c) other provisions for risks and charges	1,237	1,383	1,281	1,609	1,582
110 Technical reserves	-	-	-	-	-
120 Valuation reserves	(1,502)	(2,941)	(6,057)	(18,784)	(42,035)
130 Redeemable shares	-	-	-	-	-
140 Equity instruments	-	-	-	-	-
150 Reserves	62,980	63,122	63,904	131,154	134,076
160 Share premium reserves	543,803	597,589	597,589	597,589	624,583
170 Share capital	48,870	52,620	52,620	52,620	54,514
180 Treasury shares	(832)	(832)	(832)	(832)	(747)
190 Minority interests	5	5	5	5	5
200 Profit (loss) for the period attributable to the Group (+/-)	27,418	46,199	65,591	15,675	31,468
<b>Group equity</b>	<b>680,737</b>	<b>755,757</b>	<b>772,815</b>	<b>777,422</b>	<b>801,859</b>
Profit (loss) for the period attributable to minority interests (+/-)	-	-	-	-	-
<b>Equity of minority interests</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total liabilities and equity</b>	<b>4,330,754</b>	<b>4,645,569</b>	<b>4,660,590</b>	<b>4,922,409</b>	<b>5,126,664</b>

## CONSOLIDATED INCOME STATEMENT

(Figures in thousands of euro)

	2Q21	3Q21	4Q21	1Q22	2Q22	1H21	1H22
10 Interest income and similar income	47,510	50,111	50,699	51,735	54,400	93,478	106,135
<i>of which interest income calculated according to the effective interest method</i>	-	-	-	-	-	-	-
20 Interest expenses and similar charges	(14,171)	(16,241)	(16,124)	(15,500)	(16,158)	(28,858)	(31,658)
<b>30 Net interest margin</b>	<b>33,339</b>	<b>33,870</b>	<b>34,575</b>	<b>36,235</b>	<b>38,242</b>	<b>64,620</b>	<b>74,477</b>
40 Commission receivable	9,815	11,741	12,733	13,620	15,848	15,809	29,468
50 Commission expense	(1,361)	(1,711)	(1,362)	(1,165)	(1,428)	(2,635)	(2,593)
<b>60 Net commission</b>	<b>8,454</b>	<b>10,030</b>	<b>11,371</b>	<b>12,455</b>	<b>14,420</b>	<b>13,174</b>	<b>26,875</b>
70 Dividends and similar income	-	-	-	-	-	-	-
80 Net trading result	1,062	350	1,408	1,366	1,640	1,409	3,006
90 Net hedging result	-	-	-	-	-	-	-
100 Gain (loss) from disposal and repurchase of:	671	1,522	386	30	(29)	3,485	1
<i>a) financial assets measured at amortized cost</i>	-	-	-	40	11	302	51
<i>b) financial assets measured at fair value through other comprehensive income</i>	671	1,522	386	(10)	(40)	3,183	(50)
<i>c) financial liabilities</i>	-	-	-	-	-	-	-
110 Gain (loss) on other financial assets and liabilities measured at fair value through profit or loss	(670)	5,673	4,359	1,355	4,279	2	5,634
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets subject to mandatory fair-value valuation</i>	(670)	5,673	4,359	1,355	4,279	2	5,634
<b>120 Net interest and other banking income</b>	<b>42,856</b>	<b>51,445</b>	<b>52,099</b>	<b>51,441</b>	<b>58,552</b>	<b>82,690</b>	<b>109,993</b>
130 Net write-downs/write-backs for credit risks relating to:	19,875	8,417	(1,198)	14,399	9,887	35,916	24,286
<i>a) financial assets measured at amortized cost</i>	19,514	7,958	(1,512)	14,941	10,058	37,059	24,999
<i>b) financial assets measured at fair value through other comprehensive income</i>	361	459	314	(542)	(171)	(1,143)	(713)
140 Gain/loss from contract amendments without cancellations	-	-	196	-	-	-	-
<b>150 Net result from banking activities</b>	<b>62,731</b>	<b>59,862</b>	<b>51,097</b>	<b>65,840</b>	<b>68,439</b>	<b>118,606</b>	<b>134,279</b>
160 Net insurance premiums	-	-	-	-	-	-	-
170 Other net insurance income/ expenses	-	-	-	-	-	-	-
<b>180 Net result from banking and insurance activities</b>	<b>62,731</b>	<b>59,862</b>	<b>51,097</b>	<b>65,840</b>	<b>68,439</b>	<b>118,606</b>	<b>134,279</b>
190 Administrative expenses:	(39,385)	(35,608)	(47,592)	(44,137)	(45,565)	(74,519)	(89,702)
<i>a) staff costs</i>	(18,926)	(15,849)	(22,174)	(20,651)	(22,702)	(35,540)	(43,353)
<i>b) other administrative expenses</i>	(20,459)	(19,759)	(25,418)	(23,486)	(22,863)	(38,979)	(46,349)
200 Net provisions for risks and charges	215	(1,305)	-	581	388	(1,317)	969
<i>a) commitments and financial guarantees issued</i>	190	(1,305)	218	609	398	(1,317)	1,007
<i>b) other net provisions</i>	25	-	(218)	(28)	(10)	-	(38)
210 Net value adjustments to/recoveries on tangible assets	(692)	(678)	(732)	(792)	(955)	(1,722)	(1,747)
220 Net value adjustments to/recoveries on intangible assets	(1,523)	(1,971)	(2,166)	(2,620)	(2,957)	(3,463)	(5,577)
230 Other operating income/expenses	2,879	8,417	7,417	7,115	6,661	5,587	13,776
<b>240 Operating expenses</b>	<b>(38,506)</b>	<b>(31,145)</b>	<b>(43,073)</b>	<b>(39,853)</b>	<b>(42,428)</b>	<b>(75,434)</b>	<b>(82,281)</b>
250 Profit (loss) on investments in associates and companies subject to joint control	(1,851)	(1,996)	(1,788)	(1,828)	(2,020)	(3,974)	(3,848)
260 Valuation differences on tangible and intangible assets measured at fair value	-	-	-	-	-	-	-
270 Adjustments in value of goodwill	-	-	-	-	-	-	-
280 Gain (loss) from disposal of investments	-	-	6,066	(77)	-	2,278	(77)
<b>290 Pre-tax profit (loss) before tax from continuing operations</b>	<b>22,374</b>	<b>26,721</b>	<b>12,302</b>	<b>24,082</b>	<b>23,991</b>	<b>41,476</b>	<b>48,073</b>
300 Tax income (expenses) for the period on continuing operations	(7,512)	(8,315)	7,212	(8,407)	(8,198)	(14,058)	(16,605)
<b>310 Profit (loss) after tax from continuing operations</b>	<b>14,862</b>	<b>18,406</b>	<b>19,514</b>	<b>15,675</b>	<b>15,793</b>	<b>27,418</b>	<b>31,468</b>
320 Profit (loss) after tax from discontinued operations	-	375	(122)	-	-	-	-
<b>330 Profit (loss) for the period</b>	<b>14,862</b>	<b>18,781</b>	<b>19,392</b>	<b>15,675</b>	<b>15,793</b>	<b>27,418</b>	<b>31,468</b>
340 Profit (loss) for the period attributable to minority interests	-	-	-	-	-	-	-
<b>350 Profit (loss) for the period attributable to the Parent Company</b>	<b>14,862</b>	<b>18,781</b>	<b>19,392</b>	<b>15,675</b>	<b>15,793</b>	<b>27,418</b>	<b>31,468</b>