illimity Bank S.p.A.

"4Q20 and preliminary results for FY20 Conference Call"

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CARLO PANELLA, HEAD OF DIRECT BANKING AND DIGITAL OPERATIONS

CORRADO PASSERA, CHIEF EXECUTIVE OFFICER

Good morning everyone and thank you for joining us today.

Here with me is:

- Francesco Mele CFO & Head of Central Functions,
- Enrico Fagioli Head of SME Division,
- Andrea Clamer, Head of Distressed Credit Investments and Servicing Division,
- Carlo Panella, Head of Direct Banking & Digital Operations.

Let me start by confirming that illimity exceeded its guidance of 30-million-euro net profit for 2020.

In the fourth quarter, we enjoyed a notable acceleration in business origination and a strong revenue progression.

The operational and strategic progress we made throughout the year allows us to look ahead with confidence.

Let's move to Slide 2.

Slide 2 - FY20 profit of €31mln, equal to 5.5% ROE

We fully met our mid-year net profit guidance, delivering 31mln euro of net profit for 2020, corresponding to 5.5% ROE for our first full year of activity.

We achieved the targets we set for ourselves while also starting to invest in new initiatives that will pay-off from 2021.

Throughout the year, our performance in both investments and lending activities was very strong. This led to over 2.2bn euro of net customer loans and investments, a 35% advance on end 2019 and an approximate 45% increase adjusted for disposals and early repayments of distressed credit positions. Our servicing activities have also grown substantially: neprix ended 2020 with over 9.1 billion euro of assets under management.

The quality of our existing business has confirmed to be rock-solid: we recorded no deterioration in our SME loan book, and we continue seeing strong cash flows on our distressed credit portfolios.

This solid asset quality is the result of our obsession with selectivity in underwriting, and of the effectiveness of our approach in lending based on the experience of our Tutors combined with advanced technology in data analytics.

We ended the year with a very strong capital and liquidity position. Our Core Equity Tier 1 Ratio stood at 17.9%, one of the highest in the industry. Including the special shares, this figure would be 18.4%. We also show a very robust liquidity position of around 1 billion Euro already partially deployed in the first weeks of 2021.

Let's now move to Slide 3.

Slide 3 - Strong business origination

I am particularly proud of how the bank has been able to grow.

After an initial slowdown in activity consequent to the outbreak of Covid, the momentum in new business generation accelerated powerfully from the summer. This momentum allowed us to book over 900 million euro of new volumes in 2020.

Since inception, the originated business – including both the business already booked and the business signed, which will be booked in the following months – would reach around 2.7 billion euro (column A).

On top of this figure (column B) there is nearly 130-million-euro worth of volume referring to transactions where we are negotiating the final agreement terms, and 400 million euro worth of transactions in the advanced pipeline (column C).

The sum of the three columns, A+B+C, totals approximately 3.2 billion euro of customer loans and investments in line with our target for the year 2020, even if with a somewhat different mix.

neprix, our servicing platform, is well above planned targets with assets under management reaching 9.1bn euro including both loans and assets.

Let's now move to slide 4.

Slide 4 - Investments lead to future benefits

In the initial stage of illimity's life we aimed at balancing two different objectives: the desire to grow and achieve a satisfactory level of profitability swiftly, with the commitment of building a real new paradigm bank.

For this reason, our cost base and our investments are not solely directed at generating the actual revenue for the year; they will support the evolution of all the components.

A few examples:

- We entered a new, promising, and attractive segment**: the UTP portfolios market**. It's a business where we can capitalize on the complementarity of competences between our Distressed Credits Division and the SME Division. We have established a skilled team with a dedicated technological infrastructure and have recently won one of the most important bids in this market. We incurred costs and investments in 2020, but revenue will start being seen as early as 2021.
- We set-up our asset management company - **illimity SGR** - which is launching its first UTP fund. The subsequent funds we will launch over the following months and years will play an important role in illimity's future strategy. The funds will support additional growth beyond the bank's balance sheet and boost fee-based profitability. We have already incurred costs and made investments and more will follow in 2021, while the contribution to our P&L will begin to be seen in the near future.
- We accelerated our **Open banking** strategy. We successfully launched illimitybank.com at the end of 2019 and thanks to the use of AI-based tools we are rapidly becoming an industry leader in customer engagement. At the end of 2020 we set up a **joint venture in HYPE** which provided us with an immediate customer base of around 1.4 million, by far the largest in the country. Today, our digital Direct Bank Division requires significant costs and investments, yet this investment is fundamental to support all the projects that will turn today's costs into tomorrow's profits. Some early signs of this trend will be visible as early as 2022.

All these projects and many others will be disclosed in May when we present our revised business plan. We decided to wait for our General Shareholders Meeting in April before updating the market with our strategy. At that time, we will also take the opportunity to share the journey that made illimity a true data-centred bank. A bank able to make the most of the latest technologies in credit and risk management, to automate all procedures and to integrate digitally with a variety of partners.

Let's move to the last Slide, number 5.

Slide 5 - A confident year ahead

We believe the market backdrop will continue to be supportive over the following years:

All our target markets are already large, and some of them are now set to increase further: the NPE markets – both UTP's and NPL's – will grow significantly over the next few years; digital financial services will continue to develop exponentially; and there will be an increasing number of SME's with growth plans in need of being funded.

As a result, revenue will continue to grow strongly in 2021, also fuelled by the robust business originated in the fourth quarter.

We remain confident in the solidity of our business portfolios and we anticipate a contained level of provisions going forward.

All in all, for this year we foresee a further significant growth in our profits, despite the non-recurring costs we'll sustain for the strategic initiatives I mentioned earlier that will complete the construction of a real new paradigm bank.

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FRANCESCO MELE, CHIEF FINANCIAL OFFICER AND HEAD OF CENTRAL FUNCTION

Slide 7 - FY2020 mid-year guidance fully met

Thank you Corrado and good morning everyone.

Let's move to slide 7.

With a net profit of around €7mln in the last quarter and €31mln for the full year we fully met the guidance we provided back in August thanks to our resilient business model, which allowed further progression.

I would like to highlight the following trends for this quarter:

- first, recurring revenue made further progress driven by steady net interest income q/q growth;
- if we look at our business lines, the SME Division delivered a strong acceleration in business origination leading to a significant increase in commissions;
- the DCIS Division confirmed a solid performance with cash collections exceeding expectations, and steady streams of profits from closed positions;
- if we look at operating costs, on one side the increase reflects growth in business and on the other side the anticipation of investments in strategic initiatives due for full deployment in 2021;
- and last, loan loss provisions remained below ordinary levels in light of confirmed strong asset quality and new origination concentrated in state-guaranteed lending schemes.

Let's now look at the figures.

Slide 8 - Business assets grow steadily

…starting from the balance sheet on slide 8…

Total assets increased 22% q/q to €4.1bn.

If we start from liquidity, as you can see it increased to over €980mln between cash, net adjusted interbank position and liquidity buffers also on the back of the recent senior bond issue. Such liquidity remains available, to be redeployed into new loans and investments.

Turning to business volumes, customer loans are up 20% q/q and 35% y/y to €2.2bn. Looking at our business lines:

- DCIS investments accelerated 33% q/q to €972mln;
- on the other side SME was up 19% q/q to €817mln.

Then there is the financial portfolio which, during the quarter, was trimmed down to €91mln.

Switching to the liabilities side, retail and corporate funding increased 22% q/q to €2.4bn, driven by our digital platform illimitybank.com and by the offline channel. During the quarter we successfully placed our first institutional senior bond worth €300mln.

Finally, CET1 capital is up 6% q/q and 10% y/y to €509mln, mostly due to quarterly profit and the impact of the Banking Package. RWA are up 14% to €2.9bn due to business growth.

Slide 9 - Solid revenue progression drives resilient economic performance

Moving to profit and loss on slide 9 …

Net interest income further accelerated in 4Q, posting a 14% progression q/q benefitting from new business despite a significant portion being booked towards the end of the quarter.

Moving to commissions, you can see a 101% jump q/q to €5.9mln mostly due to significant origination in the quarter, resumed contribution from neprix sales (former IT Auction core business) and factoring rapidly rotating turnover.

One of the recurring features of our P&L, profits from closed positions, was confirmed in 4Q with €14mln of profits to confirm a dynamic management of distressed credit positions.

Overall, operating income increased by 31% q/q and by 126% y/y.

Now, on the cost side, you can see operating costs increased by 42% to €43.9mln. If we look at staff costs the 39% increase was mainly due to the seasonal adjustment for the variable component of compensation. The 49% increase in other operating costs was mostly due to higher collection and onboarding costs and to early investments in new strategic initiatives (such as the UTP portfolio servicing platform) which are going to produce material benefits as soon as in 2021.

Moving to loan loss provisions, they increased during the quarter but remained low at €1.7mln mostly thanks to volumes in government guaranteed lending and overall stable asset quality.

Resulting from such trends and thanks to a €1.3mln positive impact from IT Auction goodwill tax recognition net profit for the quarter was €6.8mln leading to a net result of €31.1mln for the full year.

Slide 10 - DCIS delivers, SME to follow suit…

Moving to slide 10 …

From this quarter we start providing our divisional performance.

Let's look at the entire 2020.

As originally planned, contribution to profitability reflects the different nature and speed of deployment of our businesses. DCIS is expected to grow faster in early years and SME will progressively follow suit.

Hence DCIS represents total revenue of €142mln and profit before tax of €87mln. Cost income (before allocation of central costs) is already quite satisfactory at below 40%.

The SME Division shows, as expected, a more gradual deployment further affected by the temporary slowdown in the spring months following the pandemic outbreak but momentum was back in 2H2020. The SME Division's figures include also the former Banca Interprovinciale loan portfolio for €134mln, mostly in run off and with a significantly lower risk adjusted yield. Without such a component the profit before tax would be a touch less than €8mln for a nearly 7% ROE. The SME Division has substantially completed building its platform and its business model is now quite scalable.

Direct Bank absorbed €22mln in net costs in line with initial plans. The JV in Hype that accelerated the building of the customer base and the several projects under way are expected to structurally cover such costs and turn also this Division into a net contributor to illimity profits in 2-3 years.

Last, the corporate centre absorbed €31mln (of which 13mln referring to digital operations) costs required to build a scalable platform. Once again, we do expect some additional costs also in 2021 in relation to strategic initiatives and a flat trajectory from 2022 onwards.

Slide 11 - KPIs confirm strong asset quality and robust capital

Let's move to KPIs on slide 11 ...

Starting from cost income it increased in the quarter to 75% (similar ratio for the full year) due to seasonal costs and set up costs for new strategic initiatives.

Then there is the cost of risk on loans to customers which, excluding lending to financial institutions, is up – on an annualised basis - to 59bps in the quarter (or 52bps for the full year) to reflect significant government guaranteed lending and stable asset quality. Cost of risk excluding the government guaranteed component would be 74 bps in the FY20. Also, coverage of the performing portfolio remains very prudent, and excluding factoring, is 1.36%.

To confirm a fairly stable asset quality the gross organic NPE ratio continued to decrease and is now 3.2%.

In terms of liquidity LCR stands at above 700% confirming ample buffers.

Lastly, CET1 ratio remains very robust at 17.9%.

Slide 12 - Resilient CET1 ratio at 17.9%

Moving to slide 12 let me give you a few data points on CET1 capital evolution ...

During the quarter we continued building up our common equity through accrued earnings.

Regulatory capital increased by around €31mln to €509mln, with the main contributions coming from the more favourable treatment of software related intangible for €19.2mln deriving from the so called Banking Package, 4Q net profit for €6.8mln, reduced negative mark to market of the securities portfolio for €1.6mln and the use of DTA for €3.2mln.

RWA increased by around €350mln in the quarter to €2.85bn due to assets growth and related operating risk - for a CET1 ratio of 17.9%.

If we include €14.4mln of illimity special shares our CET1 ratio will reach 18.4% on a pro forma basis.

Slide 13 - Dynamic securities portfolio

Moving to our securities portfolio on slide 13 … and very briefly.

During the quarter we further trimmed down our portfolio to €91mln.

In terms of asset mix, 69% is invested in senior corporate and 31% in subordinated debt.

Our portfolio has a duration of 3 years and an average yield of 1.7%. Mark to market is substantially neutral.

Slide 14 - Longer funding maturity due to bond issuance

Switching to cost of funding on slide 14 …

At the end of the quarter our total interest bearing sources of funding increased to €3.4bn, with good progress across all funding lines.

As you can see term funding represents 43% of the total, and the maturity of the medium to long term component is 3 years to ensure consistency with asset duration.

The average cost of funding has slightly increased to 1.6% following the increase in long term funding component as the result of our €300mln bond placement.

Slide 15 - Successfully placement of first bond

Let me conclude mentioning our first institutional senior bond.

illimity is very familiar with institutional investors due to its listed status since its inception. Consistently we started working on our access to institutional fixed income investors back in 2019 targeting a balanced funding diversification. Eventually we decided to postpone our fixed income debut to 2H2020 due to the success of our funding campaign through ilimitybank.com.

Our first senior bond for €300mln, 3-year maturity and a coupon of 3.375%, was well received by the market with a robust demand in excess of €1bn. Pricing was consistent with our B+ corporate rating – which we aim at improving accumulating positive track record – and the bond performed strongly since it was issued.

This is a first step in the funding diversification and we aim at building a liquid and reliable funding curve and fixed income investors base.

All in all, I believe we delivered a consistent and resilient set of results and we are now fully focused and look confidently at the year ahead.

I will now hand you over to Enrico who will provide detailed information on the development of the SME businesses.

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ENRICO FAGIOLI, HEAD OF SME DIVISION

Thank you, Francesco. Now moving onto the SME division.

Slide 17 - Specialist partner of Italian SME

This opening slide of my presentation is just a reminder of what we do. We are a specialist partner for SME, and we serve, with a full range of lending facilities for relevant and growing markets.

Slide 18 - 2020: satisfactory despite challenges

2020 has been a challenging but satisfactory year.

Let me summarize the key achievements of the full year 2020.

Successful entry in the UTP portfolio market, a new and attractive segment within the distressed credit market, thanks to the cooperation and complementarity of our team with the DCIS division.

We have exploited the public guarantees instruments in lending to SMEs. We are well positioned in this segment, which is very profitable in terms of return on equity. This activity is set to continue until at least the first half of 2021, probably extended to the whole year.

We have started to book tangible profit generated by credit revaluation events in our Turnaround business during the year – and this trend is set to continue in 2021.

Factoring has grown strongly, accelerating in the second half of the year and returning to pre-covid level.

Our high yield corporate bond investment was off to a good start in 2020. The positive results we recorded over the year confirm our strategy and we expect to increase the capital allocated to this business in 2021.

Looking at the recent performance, our business origination accelerated strongly in the last part of the year, with a specific focus on deals with public guarantees.

Profit from credit revaluation features accelerated in the fourth quarter.

Our asset quality indicators remain very solid despite the new and more challenging scenario generated by the pandemic.

Slide 19 - Strong business origination

Overall, our business origination, inception to date, amounts to over 1 billion euro, of which €54 million relates to the legacy built portfolio which in total amounts to €134 million.

All our business units reported positive trends, and the good momentum has been continuing into the start of 2021.

There are more than €260mln worth of volumes between those where terms and conditions have already been agreed upon and the short term pipeline.

As you can see on the left side of the slide, we remain very selective in terms of business opportunities. Since the start of our operations, we have analysed 489 deals and signed just 90.

Slide 20 - Cross-over & Acq. Finance: acceleration in 4Q20

Let's look at the performance by segment.

Starting with the Crossover & Acquisition Finance business.

As anticipated, business origination accelerated further in 4Q20 after a resilient 2Q and 3Q. Nearly 50% of the origination in the fourth quarter is in lending with public guarantees and so is most of our pipeline. All public measures will remain in place until June 2021, and we expect those measures to be extended to the end of the year.

Between deals where we have already agreed the terms with the client and the near term pipeline we have an additional €77mln of potential business.

Slide 21 - Turnaround: strong pick up in 4Q20

Let's move to Turnaround.

This is the most dynamic segment of the quarter. The first half of the year proved to be difficult, uncertain market conditions and a very limited visibility on the possible evolution of the situation suggested a conservative approach. We were quite successful in the 2nd half of the year and recovered quickly.

I would like to highlight two important messages on this quarter.

First, the massive acceleration in business origination in the fourth quarter, with deals with public guarantees representing 66% of total. We expect this positive dynamic to continue for all of 2021.

Second, the Turnaround business features that make it so attractive all materialised over the year especially in 4Q. The main features are: early repayment of new finance loans, corporate events in the debtors' company, that led to return of the exposure to performing status and, the full/partial repayment of the exposure itself. All of these features triggered the recognition of profit for a total of €6mln in FY20. Some of these positive features occurred also in exposures acquired as part of UTP portfolios. Our current loan book embeds additional potential revenue upside to be recognised in this year and in forthcoming years.

Slide 22 - Factoring: growth continues

The second part of the year 2020 saw a confirmation of the pick-up in factoring started this summer, with monthly turnover surpassing pre-covid level.

The business continues to grow in the fourth quarter, just bringing the total turnover of the year to 736mln, nearly threefold the level of activity achieved in 2019.

The growth in the business is driven by further growth in the number of clients, which reached nearly 120, and related debtors surpassed 500.

Turnover booked in January 2021 confirms this positive trend.

Our outstanding amount is approaching the level we set to apply for significant risk transfer initiatives resulting in the optimisation of the RWA and thus of the capital absorbed by this business; also the recent possibility to apply public guarantees to non recourse factoring transactions will reduce the capital absorbed. The combination of a significant risk transfer initiative, coupled with the possibility to apply public guarantees will contribute to a further increase on our return on capital.

Slide 23 - Further diversification of our loan book

Underlying quality of our SME loan book remains strong with no tangible deterioration, a further diversification by sector and reducing loans under payment holidays.

Throughout the year 2020 we have further diversified our loan book which now spreads across more than 25 sectors.

Additionally, we have worked a lot with regard to the portion of our loan book with request of moratorium, reducing the overall amount from €86mln as of September 2020 to €47 mln by year end 2020, which represents only 5% of our SME loan book.

That’s all for SME and I now hand you over to Andrea.

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ANDREA CLAMER – HEAD OF DISTRESSED CREDIT INVESTMENT AND SERVICING

Thank you, Enrico, and good morning everyone.

The Distressed Credit Division has reached remarkable results in the past quarter confirming a performance beyond expectation for all of 2020.

Slide 25 - Building the Italian Corporate Distressed Credit champion

As usual, we have an introduction to the DCIS Division.

We represent a leading player in corporate distressed credit, specialised in some attractive segments of the market and fully-integrated in the industry’s value chain: investment, financing, servicing, and remarketing of real estate assets and capital goods.

In the case we acquire retail exposures as part of large credit portfolios, we periodically sell them in the secondary market.

Slide 26 - Strong performance in 2020

In the next Slide 26, let me summarize the key factors of the strong performance for all of 2020 and in particular the 4Q20.

The Division demonstrated robust origination capabilities: despite the COVID-19 difficulties in the last quarter we acquired 284mln worth of investments and senior financings - out of 484mln for all of 2020, and closed the year with a strong pipeline.

Secondly, and even more importantly, the positive cash flow trend was confirmed in 4Q20.

In 2020 we also began new business initiatives with quite interesting returns:

- Firstly the UTP portfolios, in collaboration with illimity's SME Division. We also landmarked our entry by winning a sizeable transaction in November;
- Secondly the distressed credit market for the Renewable Energy industry;
- and Finally the Special Situations Real Estate sector.

In addition through the integration of IT Auction in neprix, we finished by covering the entire value chain of the corporate distressed credit business. The newly-born "neprix Sales" has been experiencing outstanding growth, and is building a unique strategic position.

Slide 27 - A disciplined business origination

Now, let's look at slide 27, with the key features of originated business.

We confirmed our selectivity in business origination: since illimity's birth, we signed "only" 8 bn worth of GBV corresponding to a NBV of 1.7bn, including the senior financing business, out of approximately 56bn analysed opportunities.

Servicing Assets under Management are now over 9bn, well above targets.

Slide 28 - Business origination matures

Moving to Slide 28, we can see how business origination has been evolving over time.

Our business is seasonal by nature and the charts of this slide prove the skewness of acquisitions and financing deals towards the end of the year.

2019 was characterised by the acquisition of large portfolios to accelerate our entry into the market, while in 2020 the Division focused further on more attractive niche segments. The share of UTP and secured exposures also increased.

Likewise, Senior Financing's investment selection refocused on high-yield opportunities.

Slide 29 - High quality portfolio in line with targets

In slide 29, we can see a snapshot of our credit portfolio after the new investments.

The pie chart on the left shows that secured exposures increased from almost 60% of NBV in the 3Q to almost 70% in the 4Q.

New investments have not changed our Cash on Cash multiple, which remained stable at 1.4.

Moving right, we can see the portfolio breakdown in terms of GBV: the disposal of retail exposures carried out in the fourth quarter increased the share of corporate exposures from 92% in the third quarter to 94%, while the vintage remained constant and in line with our standards.

As a final point the dynamic portfolio management is well represented by the cash flow breakdown, showing that the vast majority of cash flows were generated by out-of-court settlements and opportunistic disposals.

Slide 30 - Ongoing outperformance of cash flow

Moving to slide 30, let me give an overview of the outstanding results achieved by the Distressed Credit Division

The left hand-side of the slide shows credit collection's actual performance vs plans.

Despite Covid19 we were able to overtake cash flow plans in the fourth quarter and across the whole year: we collected approximately 222mln since inception. This amount is almost 100mln more than planned thanks to a mix of judicial and out-of-court recovery strategies.

On the right we can see that the total gross revenue for the fourth quarter is around 40mln euro.

Slide 31 - The new neprix: technology boosts performances

Now, in slide 31, I would like to give you a snapshot of what neprix has become.

neprix is already a leading player in the corporate credit servicing industry.

neprix integrated with IT Auction and is now operating two business functions:

- neprix Credit Management, with 6.5bn AuM, and 31,000 tickets and
- neprix Sales, with more than 120 professionals who are dedicated to our web platforms, customers and assets onboarding, remarketing of real estate assets and capital goods.

To support neprix business we have neprix tech that looks after the technological evolution and progression of business.

Slide 32 - neprix sales: more than a window for corporate asset remarketing

Focuses on the newly-born neprix Sales unit.

With seven hundred and eighty thousand registered users and 2.6 bn real estate assets and capital goods, neprix Sales has seen outstanding growth, for example, page visibility grew more than 40% year on year in the fourth quarter. Compared to the top players in the RE advertising business, neprix is growing more rapidly with average 1 thousand and four hundred visits per asset. Capturing market direction through neprix' portals is fundamental to support a data-driven approach and to create additional services for our clients.

To conclude, I am very happy with the results and milestones reached by the Division in 2020, and I am confident that we will continue to make a strong contribution to illimity's performance.

I am now pleased to give you Carlo.

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CARLO PANELLA – HEAD OF DIRECT BANKING AND DIGITAL OPERATIONS

Good morning everybody, and Thank you Andrea

And now, the third Division of illimity: the Direct Bank Division.

The Direct Bank is an **essential** component of illimity's strategy, not only because it provides retail funding to the whole Group, but because it is **expected** to contribute **significantly** to our overall structural results.

Today, as expected, the Digital Bank Division has a negative P&L... But **without a doubt** this will change in due time, thanks to our clear vision and to the current projects already underway!

Slide 34 - Our mission in direct banking

Our vision of the retail banking landscape.

The progress in technology and regulation – as well as the Covid crisis - have given a strong evolutionary momentum to the world of direct banking.

A growing number of customers are moving towards three different types of banking.

The first group is those who want to keep a full banking relationship but with more simple, transparent, comprehensive, services and onboarding procedures.

Our response to these needs is illimitybank.com.

The second group of customers, which is already sizable and growing quickly, do *not* want a formal bank relationship, but are seeking easy-to-use fintech platforms initially for making payments and financial transactions, and is progressively available to buy other products on such platforms.

Our response to these needs is Hype.

Our third offering will be "white label platforms". The customers of large non-financial companies will benefit from our open banking services, through customized versions of our platform, managed directly by the companies themselves.

Let me now give you more details on how illimity is very well positioned in each of these situations.

Slide 35 - illimitybank.com collects impressive results on 3 main levels

2020 was a terrific year for our Banking Platform illimitybank.com: The bank exceeded expectations from several viewpoints:

Funding machine:

- Over 1 bn euro retail funding;
- Decreasing costs of funding: cost of funding decreased by 24% (36 bps) December to January;
- Right mix of funding Average duration of 39 months matching assets duration.

Customers KPI:

- 86% active customers;
- conveyed payrolls doubled and SDD payments tripled: this means illimity's direct bank is acknowledged as the main customer's bank by most of its users.

Quality and positioning:

- 31% of brand awareness index;
- NPS at 45: at the top of the industry.

Taking these points into consideration, it is difficult to find any other online player with such KPIs.

I think we can confirm here that our initial mission of collecting stable deposits and developing a "real" customer base has been accomplished.

Slide 36 - HYPE: strategic and operational update

Fintech platform. Again here I ask you to remember HYPE, the market leader that we just made a joint venture with.

Let me give you some really positive updates about the new venture:

- Closing was executed on January 1º 2021 with the a change in governance;
- 21 Illimity professionals were moved over to Hype;
- the integration phase is fully under way.

I'm really happy to say that everything is on track here.

In addition, since the presentation of the Joint Venture

- hype customers have grown by 50 thousand and reached the total amount of almost 1,4 million;
- a new account with a 2,9€ monthly fee was successfully launched.

Over the next few months Hype is going to make a number of important announcements that will demonstrate how their leadership position on the market is getting stronger.

Everything is on time and consistent with the Business Plan, a plan that will lead to profitability, something that very few similar players in Europe can confirm.

Let's move now to slide 37.

Slide 37 - The new "ABC" of Open Banking

White Label Open banking platforms.

This is the new banking frontier, and we are confident we will be able to make the first announcements very shortly. We will be the first bank in the entire Italian market.

Our platform will be embedded in our partner's business model – typically non-financial partners – and will enable them to improve their customer engagement thanks to data enrichment, real time customer insight, and products and banking services available to address several important needs, such as purchasing, spending and monitoring.

This activity will also significantly increase our product and services' reach inside huge customer bases, will have an impact on the revenues coming from product selling and from platform fees.

The details remain confidential for the time being, but in the next weeks we'll disclose this first initiative.

Let's now move directly to slide 38 to talk about our IT Platform.

Slide 38 - Leveraging IT Infrastructure

The last slide is about our unique IT architecture - one of illimity's hidden weapons. Our IT system offers competitive advantages and benefits which will become even more visible this year and the following years.

Our unique IT architecture is the enabler of many of the Bank achievements we've spoken about today, but I'd like to list several other examples of what such an IT System enabled:

- First bank having PSD2 functionalities in Italy;
- Switched all employees to smart working in less than 24 hours. Including Contact Center;
- Setup of specialized NPL management platform in 6 months;
- Enabled UTP portfolio management, again in less than 6 months.

This has been made possible thanks to the main features:

- Fully in cloud, enabling scalability and supporting evolution;
- API Based, then, open by design;
- Fully fledged with best in class Fintech solutions: supporting specialty banking;
- Based on data and advanced analytics: Datalake, AI and Machine learning are the key ingredients of efficient and digital processes.

It would be hard to find anywhere in Europe an IT architecture that encompasses all these features.

The platform is now complete and will represent structural and sustainable advantage both for effectiveness and efficiency, that means competitiveness, scalability and operating leverage.

We took the commitment of building a truly new paradigm bank and this is what we are delivering.

This ends my presentation.

Thank you, and I hand you over Corrado for final remarks.

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CORRADO PASSERA, CHIEF EXECUTIVE OFFICER

I would like to finish today with these words:

- We made the commitment to build a new paradigm bank, a bank that capitalises on the advantages of new technologies with no legacies from the past. We are proud to say we are delivering on our commitment and are expecting to complete the build by the end of 2021;

- At illimity we are working to combine the best of traditional banking – focus, skills, experiences - with the best of new banking platforms: the combination is already creating sustainable competitive advantages and we expect progressively strong results.