illimity Bank S.p.A.

3Q22 Results Conference Call

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MODERATORS: CORRADO PASSERA, CHIEF EXECUTIVE OFFICER

SILVIA BENZI, CHIEF FINANCIAL OFFICER

ENRICO FAGIOLI, HEAD OF GROWTH CREDIT DIVISION

ANDREA CLAMER, HEAD OF DISTRESSED CREDIT DIVISION

CARLO PANELLA, HEAD OF DIRECT BANKING DIVISION

Corrado Passera – CEO

Good morning and thank you for joining us.

With me, today, I have:

- Silvia Benzi, for the first time as our new CFO, one of the pillars of illimity, right from the beginning
- Enrico Fagioli, Head of Growth Credit Division
- Andrea Clamer, Head of Distressed Credit Division
- and Carlo Panella, Head of Direct Banking Division

A few weeks ago, illimity celebrated its 4th birthday.

Over the first four years, the illimiters have achieved impressive results, remarkably impressive given the two black swans we had to navigate.

Whenever we came face to face with any challenge we responded effectively and, where necessary, we positively refined and strengthened our strategy.

Today, we will highlight the 2022 results and illustrate our vision for the future. Let me start on slide 2.

Slide 2 – Three main messages

Three main messages

1st Message – In the first 9 months of this year, we met our budget forecasts. We reported 19 million euro net profit in 3Q, bringing the nine months to 51 million.

2nd message - The guidance for 2022: the positive trends are set to continue in Q4, which will bring the net result for 2022 to at *least* 75 million with a ROE of approximately 10%. This estimate includes 20 million euro of nonrecurring losses from our three tech ventures.

3rd message - Our strategy is more valid now than ever. We are confident we will generate growth and profitability, structurally among the *highest* in the industry. At the beginning of 2023, we will assess the additional opportunities and challenges the new landscape will bring.

Slide 3 – 9m22 on track; over €75mln net profit expected in FY22

Our third quarter results, and the forecast for 4Q22 are in line with our budget forecasts, even if we faced the second black swan, after the 2022 targets had been set for months.

And I note again here that the net profit of at least 75 million euro - which we expect at year end - *already* includes the 20 million euro of pre-tax losses from our 3 tech investments: Bilty, Quimmo and Hype. This figure will be *drastically* lower in 2023 and then it will turn into profits in 2024. I will come back to this point shortly.

Slide 4 – All-round solid 3Q22 results

So far this year, our solid numbers were further strengthened by:

- *Very* strong growth – in excess of 34% - in loans and investments across all business lines, reaching 3.3 billion as of the end of September;

- A *very* low risk profile, with the gross organic NPE ratio down to 0.7%;
- *Very* robust liquidity, worth half a billion euro;
- A *very* solid capital base, with a CET1 ratio totalling 18%.

These numbers, for a financial services start-up are rarely seen, especially if we combine them with a two-digit ROE!

Slide 5 – We look ahead with confidence

And now, if we look beyond 2022, our confidence is supported by 3 main items

- Our core businesses are already very successful, and each of them has a solid growth plan with endless opportunities
- Our operations set up is substantially complete, which means from now on the more we grow, the more visible the operational leverage gains will be. We will see these as early as 2023.
- We expect our three tech ventures – Bilty, Quimmo and Hype – to be close to breakeven in 2023 and to be profitable by 2024, thus boosting growth and generating substantial value for our shareholders.

Slide 6 – Successful and profitable core businesses

Enrico and Andrea will further elaborate how profitable and cost effective our core businesses are. We are talking about revenue of approximately 215 million euro over the 9 months, with an aggregate Cost/Income ratio of around 36%.

Let me just highlight a few points:

- Our Growth Credit Division is now an established player with net customer loans advancing at a 54% annual growth, by *far* the highest in the sector. Also, a v*ery* high asset quality with Gross NPE ratio contained at 0.9%. Its origination capabilities will progressively benefit also our SGR.
- The Investment banking Division heavily complements our SME offer. Despite operating for only several months, it has already achieved considerable results.
- The Distressed Credit Division is now one of the top three private investors in the Italian NPE market with *over* 2.5 billion investments in NPE, 155 million euro worth of revenue and outstanding profitability. The division has also developed a distinctive presence in the real estate and renewable energy segments.

Slide 7 – Optimal sizing reached by 2022, scalability visible from 2023

2023, as planned, will mark the start of our scaling phase:

- Our core businesses have reached their critical mass.
- Much of our investment in digitalisation has already been completed
- By the end of 2022, our HQ functions will achieve optimal sizing and the cost base will be highly scalable.

Slide 8 – Tech ventures set to create high value without diverting attention from core business

We invested a small portion of our core business profits and approximately 10% of our equity, in three tech ventures: Bilty, Quimmo and Hype, because:

- All of them will create high value for our shareholders. We are open to explore ways of capitalizing on their value - in part or in full – as a way of accelerating new equity creation,
- They are or they have the potential to be leaders in their market segments.
- They feature structurally high growth rates, efficient use of capital and scalability that are superior to our core businesses and should therefore command higher valuation once fully established.

I want to emphasize that these tech ventures do *not* divert any attention from our core businesses

Let me briefly go over the rationale of each venture

Slide 9 – Bilty: Unique fully-fledged digital platform bank for small corporates

BILTY is a strategic project and a pillar of our business plan: it combines two of our distinctive competitive strengths: quality credit for SMEs and a quality technology platform.

- Bilty is a fully-fledged bank for small corporates, much more than a monoliner. Bilty was built to sell more than just one or two products, which some competitors are doing. Bilty will completely replace traditional banks with tens of thousands of small corporates.
- It serves a potentially enormous market of more than 1 million target companies
- The beta-testing stage was a success, taking only a few months longer than expected due to further enriching the offering, the credit engines and the origination channels.
- The investment to set up and launch Bilty was significant but was certainly worth it. The total investment in the year will likely reach 12 million euro.
- Nearing break-even is set for 2023 and being fully profitable in 2024

Slide 10 – Quimmo: Leading real estate digital brokerage platform on market

Quimmo is already a leading real estate digital brokerage platform in Italy. It is not a new activity for us, but rather an integral part of our business model because it deals with remarketing the assets that the Distressed Credit Division sells on the market.

- This activity was incorporated because it will bring greater value to illimity if kept separate.
- Although it is already a market leader, we see significant room for growth in the judicial sector of the market and we are preparing to exploit the potential of a highly attractive, large free market.
- Quimmo has been profitable for many years, unlike most of its peers. This year's margins have been used enter the free market.

Slide 11 – Hype: The Top fintech challenger in Italy

And lastly Hype. Hype is a separate investment we own with the Sella group. It is not part of either shareholder group as it is a stand-alone company developing along its own path

- Hype is the top retail fintech in Italy with over 1.7 million customers (it has more active customers than its four competitors combined).
- During the first 18 months, we invested primarily in structure and technology and now we will begin some fundamental promotional initiatives
- Revenue is growing at a notable rate
- A new CEO will be announced shortly, further strengthening the management team
- Break-even is expected by the end of 2024

These three tech ventures will create significant *extra* value and, as I mentioned earlier, they do NOT divert attention from our core business.

Now, moving to my last slide…

Slide 12 – A passionate and committed team

As we enter our 5th year, it is very easy to see what makes illimity special and unique: it is our passionate and committed people.

Here on this slide, you can see some of the faces of the incredibly talented and highly motivated illimiters. We are a very strong and cohesive team.

We are the team who transformed a Power Point Presentation into a credible and profitable bank, in just 4 years, which is truly remarkable.

The illimity team – is heavily committed – as I am – to achieve our targets, no matter what it takes. We started this bank together and the business plan targets are a personal goal for each and every one of us. There is nothing that will stop us. We believe in our vision, our values and our potential.

I now hand over to Silvia to look at quarterly results in detail.

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Silvia Benzi – CFO

Thank you, Corrado, and good morning everyone.

Let's move to slide 14

Slide 14 – 9M results and profit guidance

Q3 has been another good quarter, in line with our budget forecasts.

I want to give you the key messages.

We recorded good volume growth, despite some seasonality effects in business origination and sizeable loans repayment and disposals.

Q4 started off very strongly, as several deals were signed right after quarter-end.

Our pipeline for the year remains promising and well diversified.

Revenue in 3Q grew at a solid 12% versus the same period last year. Compared with 2Q, it reflects some seasonality patterns, especially in net fees and profit from closed positions.

Asset quality confirmed rock solid, with stable non performing exposures. Cost of risk remains rather low .

We expect revenue progression to drive profit acceleration in the last part of the year, and forecast profit in Q4 to be above the run rate of previous quarters.

This should lead to a net profit of at least 75 million euro for this year.

Let's now look at the figures in more detail.

Starting from the balance sheet on slide 15.

Slide 15 – Further growth in interest-earning assets

Our balance sheet, as of 30 September, grew by 13% yoy and 3% on the previous quarter.

Our liquidity position remains very comfortable at around 0.6 billion euro – and largely stable on the previous quarter.

Net customer loans and investment progressed further – by 4% on 2Q and a strong 34% on 3Q last year. Growth Credit – mostly in cross-over & acquisition finance – and Investment banking were the main drivers in volumes growth. The other business lines remained substantially stable, as new business was offset by repayments, collections and disposals.

Our financial portfolio grew slightly, driven by investments in the hold-to-collect strategy.

Switching to liabilities, financing sources also expanded in the quarter. Our retail funding platform illimitybank.com, and wholesale collateralised sources, contributed the most.

The CET1 capital increased while Risk Weighted Assets declined, thus leading to a strong capital ratio. I will explain that in more detail on slide 19.

Moving to Profit & Loss on the next slide.

Slide 16 – Continual profit progression

Net interest income advanced strongly in 3Q. Growth was fuelled by volume progression, while the impact from the hike in interest rates will start filtering through from next quarter.

Commissions in 3Q were up 38% on the previous year. The comparison with 2Q reflects the seasonal slowdown in Law Court activity (affecting Quimmo) and in Capital markets. Both businesses have started off strongly in 4Q.

Profits from closed positions were also affected by some seasonality patterns, but we printed good growth versus the same period last year. Some disposal processes were still ongoing at the reporting date, thus the relevant gains were booked as value adjustments.

Operating costs declined mildly QoQ, also thanks to the release of the holiday backlog provisions in relation to staff costs.

Loan loss provisions reflect generic provisions on the loans originated in the quarter.

Finally, the quarter displays positive value adjustments on the distressed credit portfolio.

Here there are three main drivers:

- An increase in cash flow projections following data enrichment
- An increase in the valuation of collaterals, backed by binding offers received on portfolios for sale
- The credit revaluation on some UTP positions returning to a performing status.

As a note, the net result of 19.1 million euro includes Hype's pro-rata negative result of 1.8 million.

Let's now have a look at segment reporting on slide 17.

Slide 17 – Core business profitability accelerating further

Distressed Credit remains the largest profit contributor. Revenue of 155mln euro is growing nicely yoy, and accounts for 66% of the group's total. Operations remain very lean, with cost income ratio marginally increasing to 38% owing to investments in the proptech Quimmo. Pre-tax profit stood at 92 million euro, broadly stable versus the same period a year ago.

Growth Credit: pre-tax profit almost doubled yoy to 32 million euro. Here you can clearly see the benefit of the operating leverage, with the cost income ratio steadily improving to 28%.

Investment Banking recorded a 6.2 million euro pre-tax profit, a very satisfactory result considering it was born just a year ago, and allowing for the seasonality of some of its businesses.

According to our Plan, in 2022 we have reinvested part of the profit generated by our core businesses to develop three tech ventures. Two of them, Bilty and HYPE, are included in the Direct Banking Division, and we expect revenue to increase in 2023, driving operating performances.

Our asset management company has nearly reached break even, thanks to an additional closing of the UTP fund, and the Real Estate fund we just launched. We are working on 2 new funds, which we plan to present in the next few months.

Finally, results from the Corporate Centre were a negative 42 million euro. The set-up of headquarter and control functions is now largely completed, and by year-end we will approach the definite target sizing. From 2023 these costs will be highly scalable.

Slide 18 – Solid KPIs

I want to focus your attention on three KPIs:

First - Cost income. The increase is due to investments in new initiatives. If we strip out Bilty and Quimmo, our cost income ratio would be 55% for the nine months. From 2023, our operating leverage will become increasingly visible, as our new initiatives will build stronger revenue generation power.

Second – Asset quality. Very resilient. The gross organic NPE ratio of the portfolio originated by illimity was 0.7% (or 2.0% including Banca Interprovinciale's legacy portfolio). There was no deterioration in our loan book in 3Q.

This supports a very low cost of risk of 11bps in the quarter, and 22bps in the 9M.

Third – Capital ratio. I will give more details on the next slide.

Slide 19 – Robust CET1 Ratio at 18%

Two positive announcements on capital ratios this quarter.

The CET1 capital increased to 660 million.

This was driven by the profit generated in the quarter, and the conversion of special shares into ordinary shares, as expected. There are no special shares outstanding as we speak.

In the quarter, the valuation reserve on the securities portfolio dragged a little on our capital.

The second positive news is the decline in RWA. We benefited from the entry into force of the CRR amendment.

The CET1 ratio therefore increased to 18%, and our Total Capital Ratio to 23.6%.

Slide 20 – Securities portfolio

Not much to report on the portfolio this quarter.

The size has changed little. Given market volatility, we have focused our investments on Government bonds classified as Hold-to-Collect, to keep abundant liquidity buffers.

During the Summer we implemented hedging strategies to mitigate capital volatility. As a result, from September, the sensitivity of our equity to rate-moves is substantially reduced.

Finally, our funding on slide 21.

Slide 21 – Confirmed well-diversified funding mix

Total funding has also changed very little, up 100 million euro in the third quarter to 4.3 billion .

Funding is well diversified. Our cost of funding is stable at 1.6%.

Retail remains a core source of funding for us, and our illimitybank.com platform has proven to be a real asset for the bank.

We have just launched a new funding campaign, as we have a strong pipeline of loans and investments in the months ahead.

Now over to Enrico.

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Enrico Fagioli – Head of Growth Credit Division

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

Slide 23 – Italian SME specialist

This opening slide gives you a brief summary of the Growth Credit Division's core business.
We have become a well-known partner for Italian SMEs, an interesting market confirmed to be huge and underserved; we provide a complete range of solutions for companies with potential. As already illustrated, Investment Banking activities, previously included in the Growth Credit Division, are now part of a dedicated division run by Fabiano Lionetti. The synergies between our two divisions are already visible and will lead to further positive results.

Slide 24 – Positive revenue trend and excellent asset quality continue

The third quarter 2022 confirms the positive momentum in our businesses.

The business origination was good and continued into October. We see opportunities for solid growth also in the last part of the year based on the relevant pipeline across all business lines.

The revenue progression continued, leading to almost 50 million euro in revenue in 9M22, up 57% on a yearly basis.

The competitive environment is favourable for our business model, particularly for Crossover & Acquisition Finance, as many mainstream banks have started tightening their lending policy, while it remains favourable for Turnaround, with a focus on restructuring/special situations deals Regarding factoring, it is a growing competitive market, but our market share is rapidly increasing.

The asset quality of our portfolio remains excellent and is confirmed by both a very low Gross Organic NPE ratio and a further sector diversification.

Slide 25 – **Business origination continued in 3Q22 and into October 2022**

Our business origination in Cross-over & Acquisition Finance continued, reaching a total of almost 310 in 9M22, up 48% year on year. Business origination continued after the end of the quarter and our advanced pipeline is robust and stands at almost 140 million euro.

61% of our new business origination in the quarter was in lending with public guarantees. We have become a specialist in this area with both national and European schemes, including recurring schemes that will remain in place also in 2023.

Our business origination in Turnaround continued reaching 270 million euro in 9M22, up 82% year on year. We are working on a very robust pipeline of almost 200 million euro, mainly in restructuring/special situations deals.

Slide 26 – Factoring continues delivering on targets

Our Factoring business continued the progression.

Turnover reached 1.3 billion euro in the first nine months of 2022, up 84% year on year. The amount of net customer loans reached 379 million euro at the end of September, almost doubling the levels achieved a year ago.

The growth in cumulative Turnover, that is higher compared to the growth of factoring net costumer loans indicates a higher rotation of our portfolio. This drives benefits in terms of asset quality and commission income.

Slide 27 – Strong revenue growth drives profitability

While our revenue continued to grow, up 57% year on year, costs remained broadly stable driving the cost income ratio down to 28% in 9M22 from 45% in 9M21.

We believe our business case will continue to benefit from further improvement in the operating leverage going forward.

Slide 28 – Solid asset quality and portfolio diversification confirmed

Our asset quality confirmed to be robust despite the pandemic, the Russia-Ukraine conflict and the rise in energy and commodity prices.

The gross organic NPE ratio of the business we originated since the start of our activity has improved further, reaching 0.9%.

The quality of our lending is also backed by the use of public guarantees and credit insurance for Factoring. All in all, almost 54% of the stock to SMEs is guaranteed or insured.

Stage 2 loans represent only 3% of the outstanding loan book.

Furthermore, our portfolio diversification has increased with more than 30 sectors, none of them with a concentration higher than 10% of the total Growth Credit book.

Slide 29 – Investment Banking diversification supports growth despite market conditions

Let me give you an update on our Investment Banking activities.

Born to complement our offer, it is quickly becoming a recognised player in the market for SMEs.

Investment banking revenue more than double YoY, reaching 10.9 million euro, and cost income improved further, reaching 36% in 9M22, down from 52% of 9M21.

The real driver of this quarter's result is what we call Alternative debt and Structuring, a business that leverages on our existing activities and it is based on our origination capabilities and structuring expertise. We support the issue of third-party financial instruments in the form of securitisation notes, minibonds, Basket Bonds and other hybrid debt instruments. The Alternative debt book was built in less than six months, and reached almost 130 million euro. Additional structuring mandates are in place and will generate revenue in the coming quarters.

Slide 30 – Momentum accelerates in SGR

To conclude, let me give you an update on our SGR.

On April 2021 we launched our first fund, the Credit & Corporate Turnaround Fund. As of September 2022 we reached total assets under management of around 165 million euro and in October we concluded the fourth closing.

In August we launched our second fund, the Real Estate Credit Fund. This fund, focused on secured NPEs that are serviced by neprix, reached a total asset under management of almost 90 million euro.

Additional funds will be launched over the following months.

Synergies between SGR, the Growth Credit Division and the Distressed Credit Division are already visible and will generate further benefits in the next years.

I will now hand you over to Andrea.

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Andrea Clamer – Head of Distressed Credit Division

Thank you, Enrico, and good morning, everyone.

Let's start with slide 32

Slide 32 – Leading player in Corporate Distressed Credit

Here you can see an overview on what we do in the Distressed Credit Division

Moving on to slide 33.

Slide 33 – Very positive overall trend continues

Let me highlight how we continue to create an overall *very* positive trend

To start, we have maintained a solid and selective business origination, with well-diversified new investments.

Our origination approach has given us a robust pipeline focusing on higher return opportunities.

In addition, our portfolio quality is solid and is backed by steady profit yields.

And finally, the integration between neprix and AREC has strengthened our competence in UTP Real Estate management, thus opening more opportunities.

Slide 34 – Disciplined business origination approach

Moving on to slide 34, you will see that our disciplined approach is driving continual solid- business origination

Looking to the left, you will see the Italian NPE market, represented at the top of the funnel, this market is valued at 133 billion euro in disposals– from 2019 to 2022. Then, as you can see, we have carefully analysed, until today, almost the entire market - 120 billion euro.

Of this market, we have successfully booked deals, both as DC Investments and Senior Financing, in the range of 18 billion euro.

Looking to the right, we see sizeable deals signed in October, with business origination three-times larger than this time last year, where UTP represents the key focus of new investments.

In Senior financing, volumes are continuously growing and our commitment to a selective approach, is yielding profits.

Slide 35 – Sustained overperformance

Moving to cash flow on slide 35, we can see that we sustained our track record of overperformance.

Our cumulated cash flow is 153 million euro higher than predicted in the initial business plan.

From an economic point of view, our dynamic management approach has resulted in a total gross revenue of just over 51 million euro, including credit revaluations.

The remarkable results path of these quarters is supported by our solid secured portfolio and our proactive workout strategy as represented in the next slide.

Slide 36 – Proactive workout strategy backed by solid Real Estate values

Slide 36, One of the main reasons we feel very confident about our performance, is due to our proactive workout strategy that is backed by solid real estate values.

On the top left, you see our underwriting strategy where we focus mainly on judicial work-out

Our clear advantage, after the underwriting, is to design modular solutions to effectively create value for us and for our corporate customers, you can see that our actual recovery strategy is mainly extra-judicial and disposal strategy counts 29% of cash flows.

And then, we can see how our portfolio value is supported by well-priced real estate assets.

The collateral breakdown demonstrates we have a very diversified while stable collateralization.

Our 625 million euro of secured book value is backed by a judicial value of 770 million euro and 1.3 billion euro of open market value.

Slide 37 – Diversified credit portfolio

Onto slide 37. Let me say that we also get much assurance from the fact that our portfolio composition is very diversified, as the breakdown of the asset class shows.

As you can see specialist market segments, are of growing importance. These now total more than 50% of our portfolio.

The average ticket size is just over 300 thousand euro.

Then, as you can see on the right, corporate customers represent 94% of our gross book value. Below that, 63% of our net book value is secured.

Slide 39 – Unique business model yields higher value

On slide 39, here, I want to highlight some of the successes of the neprix-AREC integration

As indicated on the last PWC report, we are now the third largest Italian player in the UTP management industry.

The integration facilitated a tailor-made scalable model and an even more specialised RE asset valorisation approach that focuses on larger tickets. This unique business model is yielding higher value.

In addition to our credit portfolio, the new combined servicer is now also actively managing 2.8 billion euro of assets in terms of Open Market Value.

Slide 41 – Recognised player in open market

On slide 41, let me go through some results from Quimmo.

As Corrado stated, Quimmo is already a leading real estate digital brokerage platform. We have successfully closed marketing campaigns, targeting sellers to secure new mandates.

Focusing on the 2.2 billion euro under management, you can see we have a substantial share of non-captive assets that promote an increased visibility on the market.

To conclude, we have had a good quarter: our results continue creating an overall positive trend. As always, I firmly rely on our innovative attitude that will generate even more value as we move ahead.

It is my pleasure to now hand over to Carlo. Over to you Carlo.

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Carlo Pannella – Head of Direct Banking Division

Thank you Andrea, and good morning, everybody.

Let me show you the main activities of the Direct Banking division on slide 43;

Slide 43 – Direct banking: our 360° value proposition

we have:

- illimitybank.com the digital funding platform for illimity Group,
- B-ilty, the first digital bank for Small Corporates,
- and Hype, the Fintech market leader.

Let's go now directly to slide 45 for a quick view of illimitybank.com results.

Slide 45 – illimitybank.com: fulfilling funding needs of Group

Illimitybank.com confirms once again its excellent standards in terms of funding quality. I will not go into further details, but let me highlight that at the beginning of October we have launched an important funding campaign to support the group lending pipeline, and we can confirm outstanding results already after the first month: more than 130 million new deposits, with an average duration of 49 months and actual cost of funding well below 3%.

Let me now give you an overview of b-ilty results, on slide 47

Slide 47 – Ready to go to market after beta phase completion

We are very happy to highlight that interest by the market is growing significantly in all b-ilty business lines and this is demonstrated by the robust pipeline for the upcoming months.

On top of this, we can confirm that we have performed a targeted training to strengthen the credit engine: the first 50 million euro have been disbursed, marking the end of the beta phase.

In addition, b-ilty offering has been strengthened in this quarter and is now complete:

- current account with digital platform features
- short term lending to support working capital: factoring and invoice financing
- mid-term lending backed by state warranties
- credit and debit cards
- POS acquiring thanks to the partnership with Nexi

There is no other digital offering for Small Corporate like this, so let's move to the following slide, for additional details about business.

Slide 48 – Working to build robust volumes and solid pipeline for upcoming months

During these first quarters we have analysed more than 310 million euro of credit requests and we adopted an highly selective approach to train the credit engine.

Thanks to this targeted training, completed during the beta phase, we approved only loans with excellent KPIs and managed to maintain an elevated asset quality with a warranty coverage on 80% of all the assets. We do really care about our portfolio quality, and we consider it as one of our top priorities.

And there is even more, in fact I want to highlight one important aspect: the business opportunities ahead are robust, with more than 70 million euro of near-future pipeline. We can count on 11 million already approved and ready to be signed, 9 million in advanced stage of analysis and an extra 52 million currently under evaluation.

These first results are very encouraging and show clear signs of business acceleration.

Let's now move on to the next slide for an update on our offering

Slide 49 – Creating state-of-art Direct Bank for Small Corporates

I can say that we are working every day to create a state-of-art Direct Bank for Small Corporates and I want to show you how we are doing it.

In the first half of 2022, we created a complete value proposition with best-in-class products, services and processes.

Now we are even innovating further, by adding additional items to enrich our offering and here you can see our latest major innovations:

- the "power dashboard": a business management tool useful for customers who want to monitor their company cash-flow;
- the partnerships with Microsoft to support our customers to improve their digital readiness;
- and, by the end of November, we will be live with the Green Loan, our ESG product, designed for helping small corporates in their transition to green. A unique offering.

And we are planning to go even further in the following months. Stay tuned!

Let's now continue with an update on HYPE in the next slide.

Slide 51 – Recognised Market Leader

As you know, HYPE is the Fintech we jointly own with the Sella Group.

HYPE confirms again its leadership position also for the 3rd Q 2022 with its 1.7 million customer base.

Looking at the table on the left, and comparing Hype with its direct competitors, in terms of number of operating customers, we can clearly notice that, all together, the four followers, do not total Hype's results

And the third Quarter was very positive:

- A Year on Year growth of More than 160 thousand customers
- Gross Revenue exceeding 14 million euro
- 28 million transactions growing 40% Year on Year
- 1 thousand new customers on average per working day in September 22
- Once again, we are very proud to confirm the positive trend of the previous quarters.

Let's now turn to economics on slide 52

Slide 52 – Accelerating growth-path

In terms of economic growth we are going even faster. In fact, in the third quarter, HYPE reports an important growth in contribution margin: it has doubled compared to the previous quarter, marking a significant acceleration on our grow-path.

I am sure that this positive trend defines a clear opportunity for an exponential growth in the following months and that we will report excellent results by year end.

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

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FINAL CEO remarks 3Q22

Thank you, Carlo, and thank you to the rest of the team.

Before opening the Q and A, I’d like to make a final point which stands to be the absolute most important.

I am sure the presentation of today confirms our very solid results and thus the clear value of illimity.

I strongly believe that the stock price does not reflect adequately the true implicit value of our bank, nor the value of the strategic projects

I will be devoting myself, at the very least, for the next five years, to illimity. I am confident the full potential of our strategy is becoming a reality in the medium-term.

I can assure you that the illimity team is totally and whole-heartedly committed. As am I.

And now I welcome any questions.