



illimity 1Q20 results

12 May 2020

Key highlights

Corrado Passera, CEO



illimity - 1Q20: a strong start



Solid economic results: €7.2mln pre-tax profit even after conservative provisioning with further acceleration in quarterly revenue growth



Robust capital with CET1 ratio at approx. 19%; almost ~20% on a like-for-like basis. Enhanced focus on capital optimisation



Solid liquidity profile with €750mln liquid assets

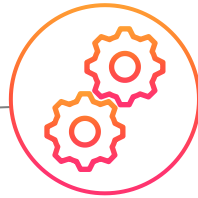


Dynamic portfolio management and even further **selective growth**, anticipating future business opportunities. New projects started

illimity - COVID-19 prompt reaction



All illimiters in **smart working** since Feb-24 with no additional investments, thanks to our **digital DNA**

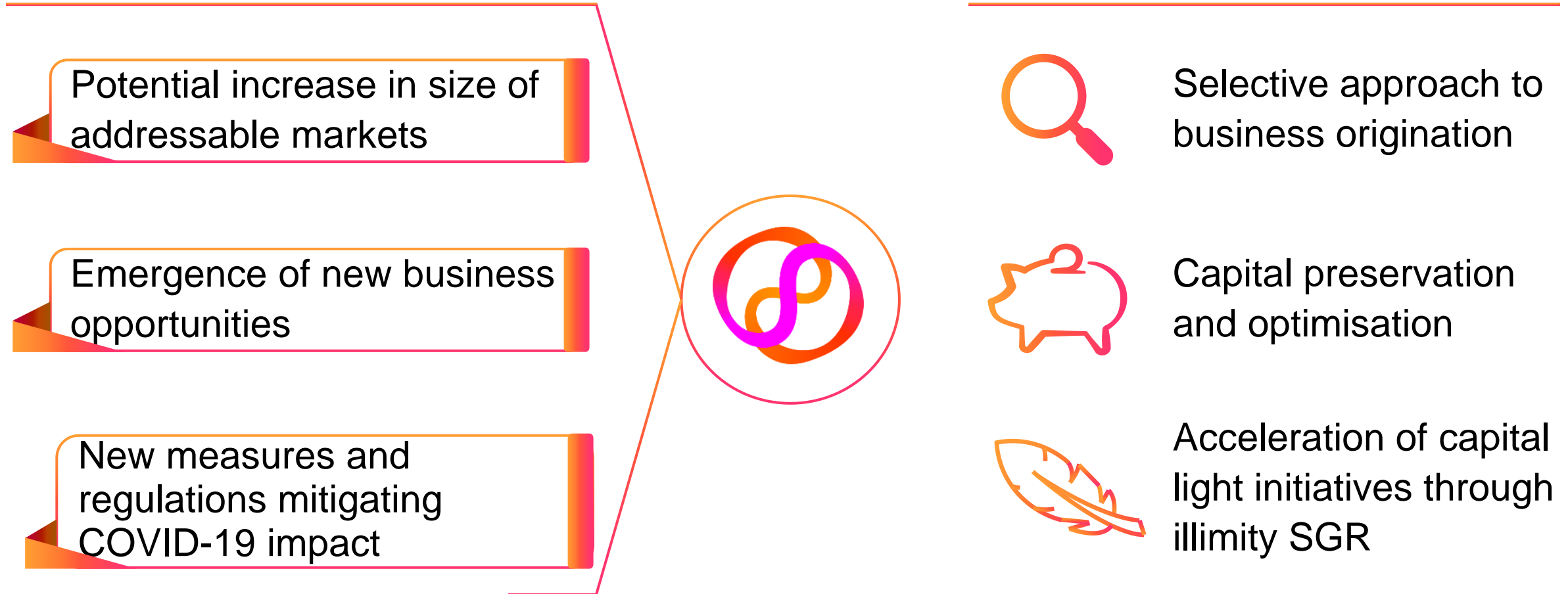


Business up and running across all divisions and business segments



All **strategic projects and initiatives** still proceeding as planned

Illimity - Opportunities & uncertainties call for selectiveness and capital optimisation



illimity - Business origination: more selective and return driven

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



	Cross-over & Acq. Finance
	Turnaround
	Factoring
	Distressed Credit Investments
	Senior Financing
	Servicing⁽⁹⁾ <i>AUM (GBV/Managed assets)</i>

A	B	C	A+B+C	BP 2018-23 Target 2020
Originated Business ⁽¹⁾ inception to date (30 April 2020)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
~1,930	~251	~509	~2,690	~3,000-3,500
362 ⁽⁴⁾	~69	~129	~560	~300
180 ⁽⁵⁾	~43	~73	~296	600-700
118 ⁽⁶⁾ T/O 186⁽⁷⁾	~85	~83 ⁽⁸⁾	~286	~300
869	~38	~218	~1,125	1,700-2,000
401	~16	~6	~423	100-200
~8,500	~50	~4,450	~13,000	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes both the SME loans granted/purchased and the Distr. Credit investments booked in the period already income-producing, and the value of the deals signed but yet to be booked, owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. This aggregate additionally includes part of the net loans to existing customers of Banca Interprovinciale, due to their features considered consistent with illimity's SME segment for about €69mln. It also includes the retail Distressed Credit portfolio sold on 6 February 2020; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP Core SME loans for about €69mln; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in the balance sheet item "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Data refer to 30 April 2020; (7) Turnover related to Factoring only for 2020; (8) Credit line to be granted; (9) The AUM of the servicing unit includes the gross book value of Distr. Credit purchased and the value of property & capital goods managed by IT Auction.

illimity - COVID-19: limited impact expected

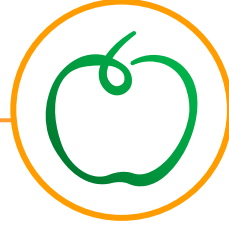


SME

Crossover & Acq. Finance: sector diversification and limited exposure to economic sectors with highest impact

Turnaround transactions mostly senior in debtor's waterfall payments, underwriting based on stress scenario

Factoring largely covered by credit insurance

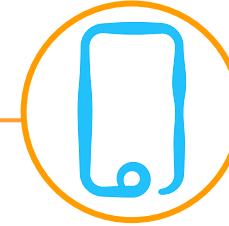


Distressed Credit I&S

Distressed Credit Investment: limited exposure to real estate assets with highest impact and selective portfolio pricing approach

Negligible impact from a delay in collection due to temporary Law Court inactivity

No issues foreseen in **senior financing** business



Direct banking

New ~7,000 **customers** in *illimitybank.com* in 1Q20

Strong increase in offline payment and number of transactions

Stable funding

New **partnership** developed in 1Q20

illimity - Outlook 2020



Lower than planned profit for 2020 expected on **conservative business selection** leading to deal postponement and **prudent approach to collective provisioning**



Recently introduced **initiatives** and **measures** – not yet in 1Q20 numbers – in support of the economy and the banking sector will provide **significant risk mitigation** to the COVID-19 challenge



We expect our core markets to become **even more attractive** in terms of size and competitive dynamics. Our **digital DNA** will be a key enabler in the “new-normal” environment

We will update the market with new guidance for 2020 profit outlook following second quarter

1Q20 Financial review

Francesco Mele, CFO & Head of Central Functions



illimity - 1Q20 off to a good start



Further **leg up in recurring revenue** on a quarterly basis also due to significant business booked at the very end of 2019



DCIS⁽¹⁾ Division strong performance with positive fee income contribution from first-time consolidation of **IT Auction**



SME Division resilient performance particularly in **factoring**



More selective approach to business origination and underwriting also to capture new future business opportunities



Conservative approach to collective provisioning in 1Q20

illimity - Further progress on a strong YE19

Data in €mln

	31.12 2019	31.03 2020	Δ31.3.20/ 31.12.19
Reclassified balance sheet			
1 Cash and cash equivalent	772	219	(72%)
Due from banks and other financial institutions	345	657	90%
2 Customer loans	1,638	1,662	1%
- DCIS ¹ investments	667	674	1%
- DCIS ¹ senior financing	341	334	(2%)
- SME	527	556	5%
- Cross-over & Acq. Finance ²	261	278	7%
- Turnaround	131	154	17%
- Factoring	135	123	(8%)
- Non-core former Banca Interprovinciale	103	99	(4%)
3 Financial assets Held To Collect & Sell (HTCS) ³	126	335	166%
Financial assets measured at FVTPL ⁴	9	8	(13%)
Goodwill	22	36	67%
Intangible assets	19	22	13%
Other assets (incl. tangible and tax assets)	95	114	19%
Total assets	3,025	3,052	1%
Due to banks	377	468	24%
4 Due to customers	1,979	1,911	(3%)
Shareholders' equity	544	537	(1%)
Other liabilities	125	135	8%
Total liabilities	3,025	3,052	1%
5 Common equity tier 1 capital	462	439	(5%)
Risk weighted assets	2,162	2,347	9%

- 1 **Strong liquidity of €750mln** between cash, net adjusted interbank position and liquidity buffers
- 2 **Net customer loans slightly up** thanks to SME core business growth and DCIS growth consistent with distressed credit seasonality and net of disposals and positions closed (+6% on a like-for-like basis)
- 3 **Securities portfolio gradually restored in 1Q20** through reinvestment of part of the excess liquidity – €11mln after tax negative mark-to-market deducted from equity
- 4 **Retail & corporate funding up 7% in 1Q20 to €1.7bn** on further growth in deposits at illimitybank.com
- 5 CET1 capital down to €439mln largely on goodwill from acquisition of IT Auction (to partially revert in coming quarters) and M-t-M of securities portfolio

Notes: Rounded figures. IT Auction consolidated for the first time in 1Q20; (1) DCIS: Distressed Credit Investment & Servicing Division (previously named NPL I&S); (2) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's SME segment; (3) HTCS: Financial assets measured at fair value through comprehensive income; (4) FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of a turnaround transaction and junior tranches acquired as part of senior financing transactions.

illimity - Recurring revenue and net profit

advancing

Data in €mln

	Reclassified Profit & Loss	4Q19	1Q20	Δ1Q20/ 4Q19 %
	Interest income	27.5	32.1	16%
	Interest expenses	(9.4)	(10.6)	13%
1	Net interest income	18.1	21.4	18%
2	Net fees and commissions	1.5	2.5	65%
	Net result from trading	8.9	3.7	(58%)
	Net other income/expenses	1.6	0.0	(97%)
3	Gains from closed purchased distressed credit positions ⁽¹⁾	9.1	9.1	0%
	Operating income	39.3	36.8	(6%)
	Staff costs	(9.1)	(11.3)	25%
	Other operating expenses	(18.7)	(15.9)	(15%)
	Depreciation & amortisation	(1.1)	(1.8)	64%
4	Operating costs	(28.8)	(29.0)	1%
	Operating profit	10.4	7.8	(26%)
5	Loan loss provision charges	(1.0)	(2.7)	165%
6	Value adjustments on purchased distressed credit	(8.2)	2.8	n.s.
	Value adjustments on HTC securities and loans to banks	0.1	(0.3)	n.s.
	Other net provisions	0.1	(0.5)	n.s.
	Provisions for risks and charges	0.1	0.1	n.s.
	Profit (loss) before tax	1.4	7.2	408%
	Income tax	0.6	(2.7)	n.s.
	Net result	2.1	4.5	119%

- 1 **Additional growth in net interest income in 1Q20** mostly boosted by business originated at the end of the previous quarter
- 2 **Net fees** in 1Q20 benefitting from first-time consolidation of **IT Auction**
- 3 **Gains** from closed distressed credit positions either sold to third parties or agreed with debtors (DPO⁽²⁾); reclassified separately from value adjustments
- 4 Operating costs in 1Q20 including **€0.8mln of non-recurring** costs and affected by first time consolidation of IT Auction
- 5 **Prudent approach to loans collective provisioning in 1Q20** on the new COVID-19 scenario
- 6 **€2.8mln Distressed Credit positive value adjustments** mostly driven by actual collections in excess of expectations

Notes: Rounded figures. IT Auction consolidated for the first time in 1Q20 makes comparability of results on a quarterly basis less significant; (1) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor; (2) Discounted pay off recovery strategy (the so-called "saldo e stralcio").

illimity - KPIs improving further

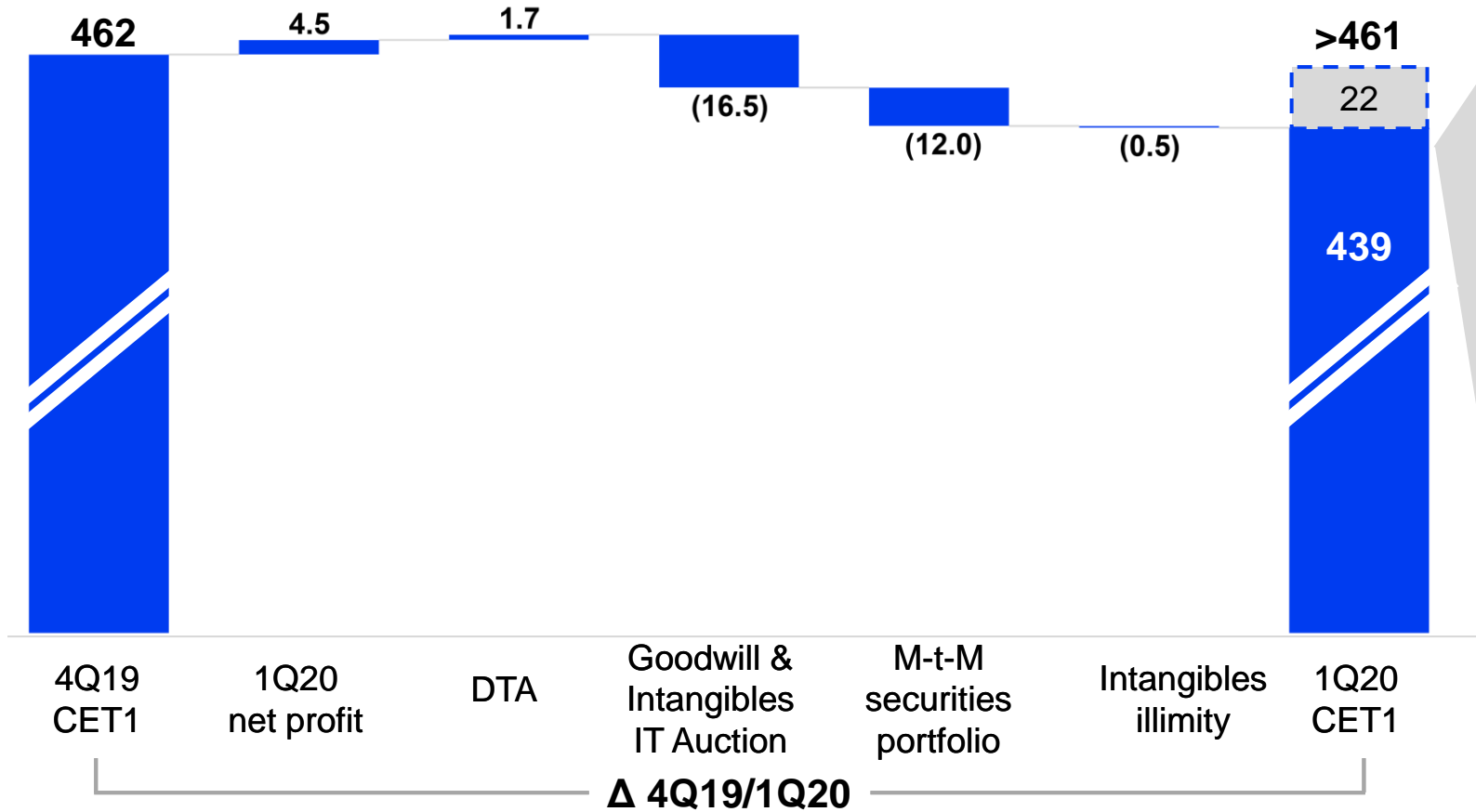
	1Q19	2Q19	3Q19	4Q19 ⁽¹⁾	1Q20
Cost-Income	187%	184%	132%	73%	79%
Organic Cost of Risk (bps) annualised ⁽²⁾	124bps	190bps	138bps	46bps	124bps ⁽³⁾
Gross Organic NPE ratio ⁽⁴⁾	8.2%	6.2%	5.0%	4.2%	3.9%
CET1 ratio	82.6%	48.3%	28.9%	21.4%	18.7%
LCR	813%	~210%	>1,000%	>1,000%	>1,000%

- **Cost of risk** at 124bps reflects conservative approach; **coverage ratio of performing loans⁽⁵⁾ >1.5%**
- **Organic NPE ratio below 4%**
- **CET1 ratio at 18.7%**
- Ample liquidity buffer
- **NSFR** comfortably above minimum requirements

Notes: (1) Restated according to reclassification criteria used in 1Q20; (2) Ratio of loan loss provisions to net loans to customers end of period from factoring, cross-over, acquisition finance, BIP legacy book and senior financing - thus excluding UTP loans purchased or originated as part of the Turnaround business and the investments in Distressed Credit portfolios; (3) Excluding provisions on loans to banks and financial institutions; 118bps including those components; (4) Ratio of gross NPE to total gross loans to customers from factoring, cross-over, acquisition finance, BIP legacy book and senior financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased or originated as part of the Turnaround and the investments in Distressed Credit portfolios. Any failure to reconcile the stated figures arise exclusively from rounding; (5) Excluding factoring.

illimity - CET1 evolution

Data in €mln



Gradual capital build-up throughout 2020:

- **€8mln from reserved capital increase** in connection to IT Auction 30% buyout
- **€14.4mln special shares** due to be included in CET1 capital⁽¹⁾
- As a result, CET1 ratio of **approx. 20% on a like-for-like basis**

2,162 RWA

21.4% CET1 ratio

2,347

18.7%

2,347

RWA

~20%

CET1 ratio

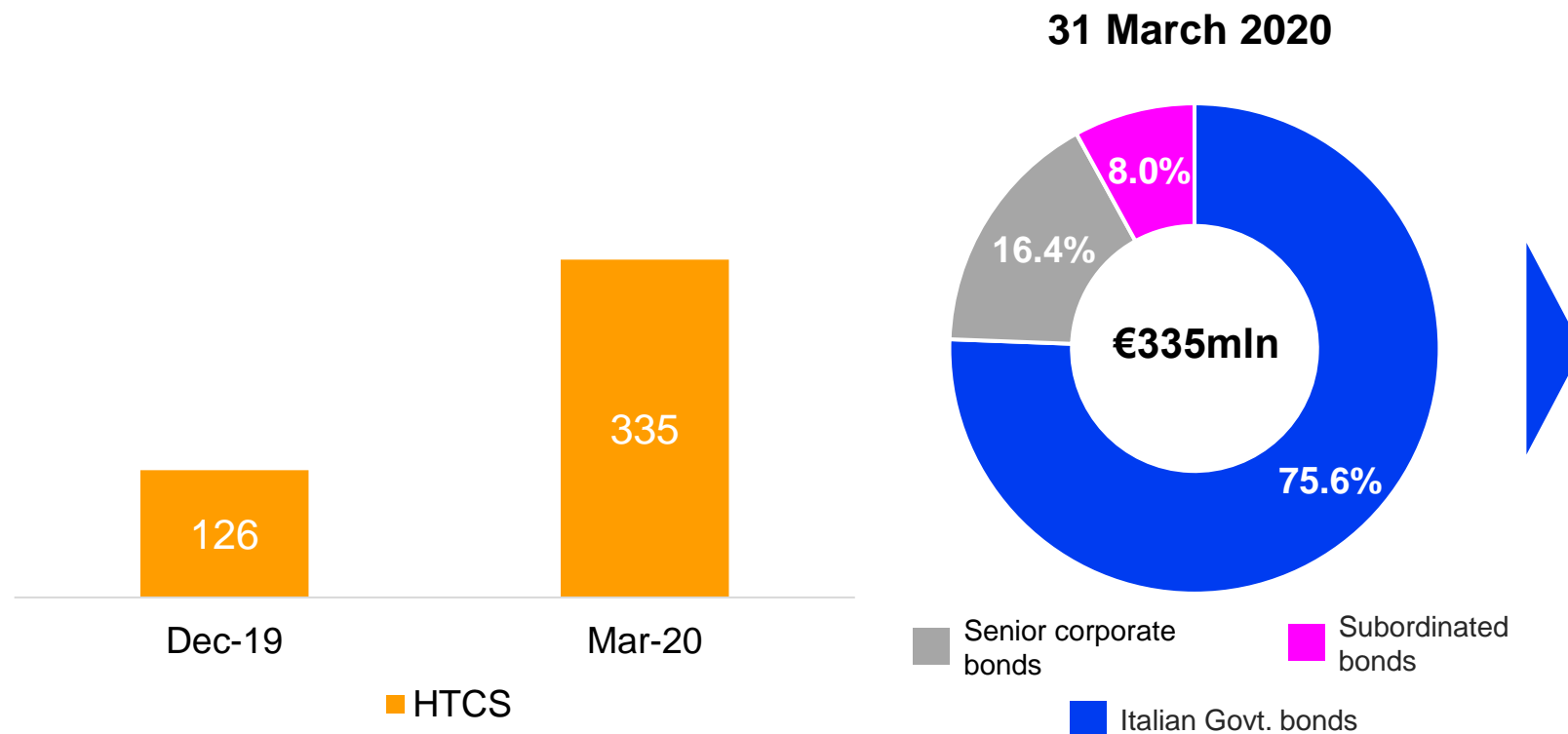
Note: (1) Following EBA approval process.

illimity - Securities portfolio

Securities portfolio

Portfolio composition

Portfolio rebuilt



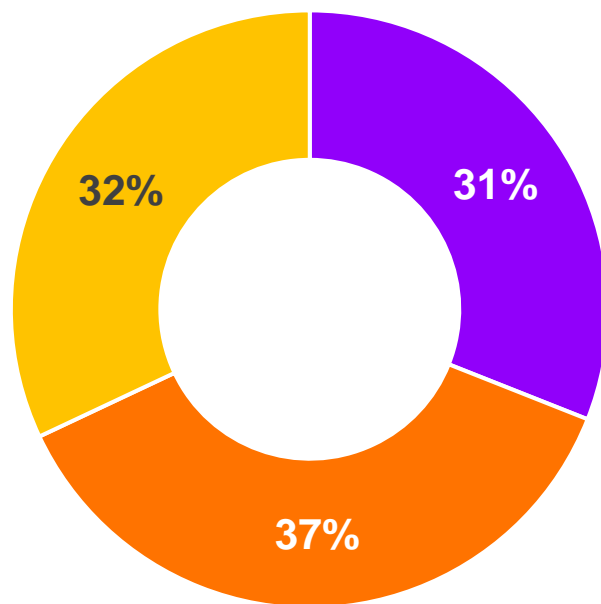
- Gradual build-up of securities portfolio at the beginning of 1Q20
- Target size: up to 10% of total assets by YE20
- New investments largely in high quality liquid assets
- Duration 3.3 years
- Average yield ~0.80%
- Portfolio strategy generating €3.7mln positive trading gains

Note: Rounded figures.

illimity - Stable and cost-effective funding base

Maturity mix

Total funding
€2.4bn



■ Sight ■ Short Term ■ Medium-Long Term



Medium-Long Term
funding maturity over
3.7 years



1.5% blended average
cost of funding

Note: Non accounting figures; short term maturity includes funding with residual maturity below 18 months.

illimity - 2020 outlook



Capital preservation is a key strategic focus for the year 2020. Several initiatives under study to reduce RWA density



Revenue progression set to continue in line with growth in new business and gradual onboarding of the €112mln DCIS volumes already signed (mostly leasing)



Moderate cost inflation; cost base managed consistent with revenue expected progression



Confident on loan loss provisions on the remaining part of the year following 1Q20 conservative approach

SME Division

Enrico Fagioli



illimity - Specialist partner of Italian SME



Cross-over and Acquisition Finance⁽¹⁾

SMEs with industrial potential and support of external growth strategies



- Cross-over
- Acquisition Financing



Turnaround finance

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



- Refinancing
- Restructuring
- New finance
- UTP portfolios



Factoring

Support to industrial districts value chain



- Short-term financing through factoring

Note: (1) The measures introduced by the Italian Government in order to ensure liquidity to companies and firms damaged by the COVID-19 emergency (so-called “DL Cura Italia” and “DL Liquidità”) are managed within Crossover & Acquisition Finance, also with reference to BIP Core and BIP non-core loans.

illimity - **COVID-19: limited impact expected**



No major issues from COVID-19 on outstanding SME loans portfolio

- Sector diversification
- Limited exposure to economic sectors most affected by COVID-19, with additional risk mitigants
- Factoring business largely covered by credit insurance
- No economic impact from moratorium – 150 requests for €52mln GBV



Continued to grow in all market segments with strong pipeline



Risk mitigation and potential opportunities from **public guarantees**




illimity - More selective growth

Deal focus

- **328 deals analysed** since inception **worth ~€3.7bn** in nominal value
- **212 deals declined** worth ~€2.4bn
- **11 deals with terms agreed and to be signed shortly** worth ~€112mIn
- **20 deals** currently under evaluation in **advanced status** worth ~€202mIn
- **Other opportunities** identified for additional ~€435mIn

38 deals signed since inception

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

	A Originated business ⁽¹⁾	B Terms agreed ⁽²⁾ to be signed	C Advanced pipeline ⁽³⁾	A+B+C Total	BP 2018-23 Target 2020
 Cross-over & Acq. Finance	Inception to date (30 April 2020) 362 ⁽⁴⁾	~69	~129	~560	~300
 Turnaround⁽⁵⁾	180	~43	~73	~296	600 - 700
 Factoring	118 ⁽⁶⁾ T/O ⁽⁷⁾ 186	~85	~83 ⁽⁸⁾	~286	~300
Total SME Originated business	660	~197	~285	~1,142	~1,200-1,300

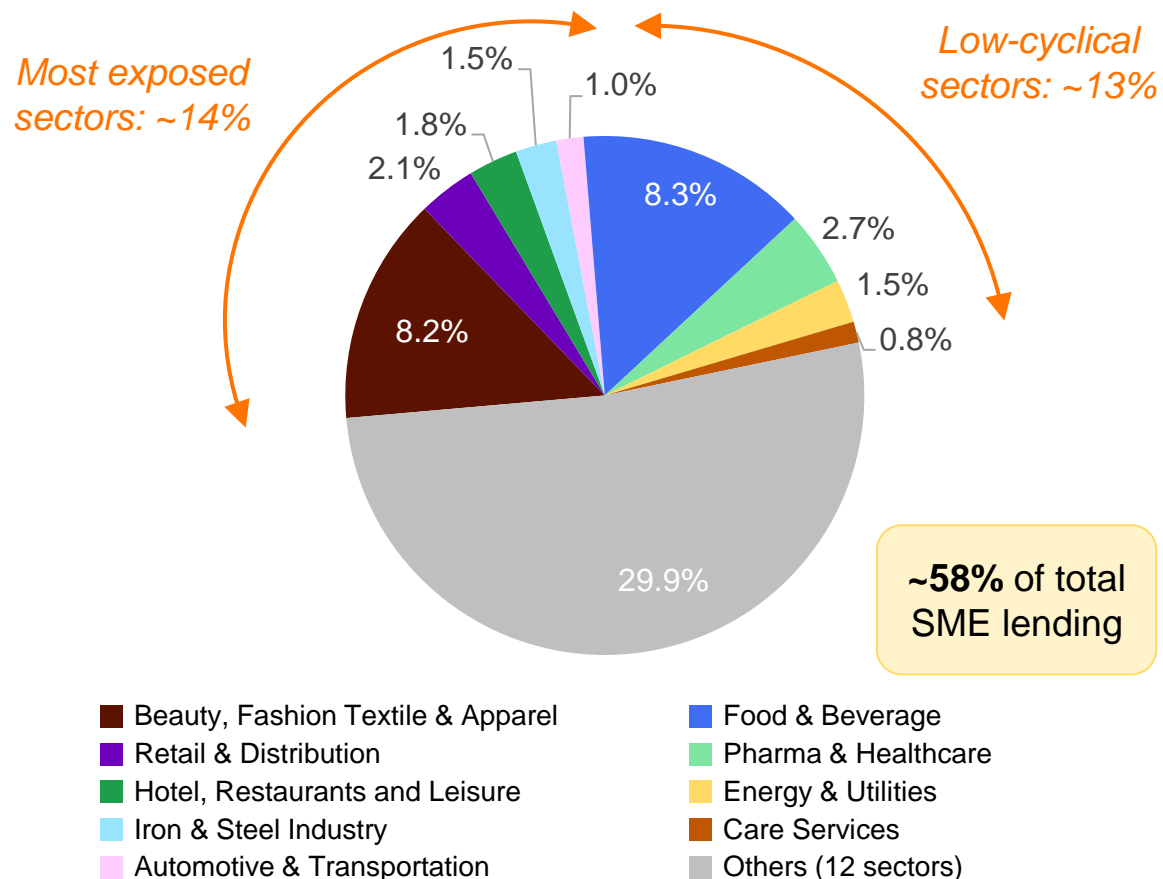
Notes: Non accounting figures; (1) This aggregate includes the loans originated/purchased in the period, thus already income-producing, and the deals signed but yet to be booked, due to a settlement structure in multiple tranches or to a time lag between the signing and the date of loan disbursement; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €69mIn; (5) It also includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (6) Data refer to 30 April 2020; (7) Turnover related to Factoring only for 2020; (8) Credit line to be granted.

illimity - Cross-over & Acq. Finance: a well diversified loan book

GBV breakdown by sector⁽¹⁾

As % total SME lending

Data as of 31 March 2020



Exposures spread across over # 20 sectors



~14% exposure towards sectors most exposed to COVID-19

Risk reduced by debtor's characteristics and public measures



~13% exposure towards low-cyclical sectors



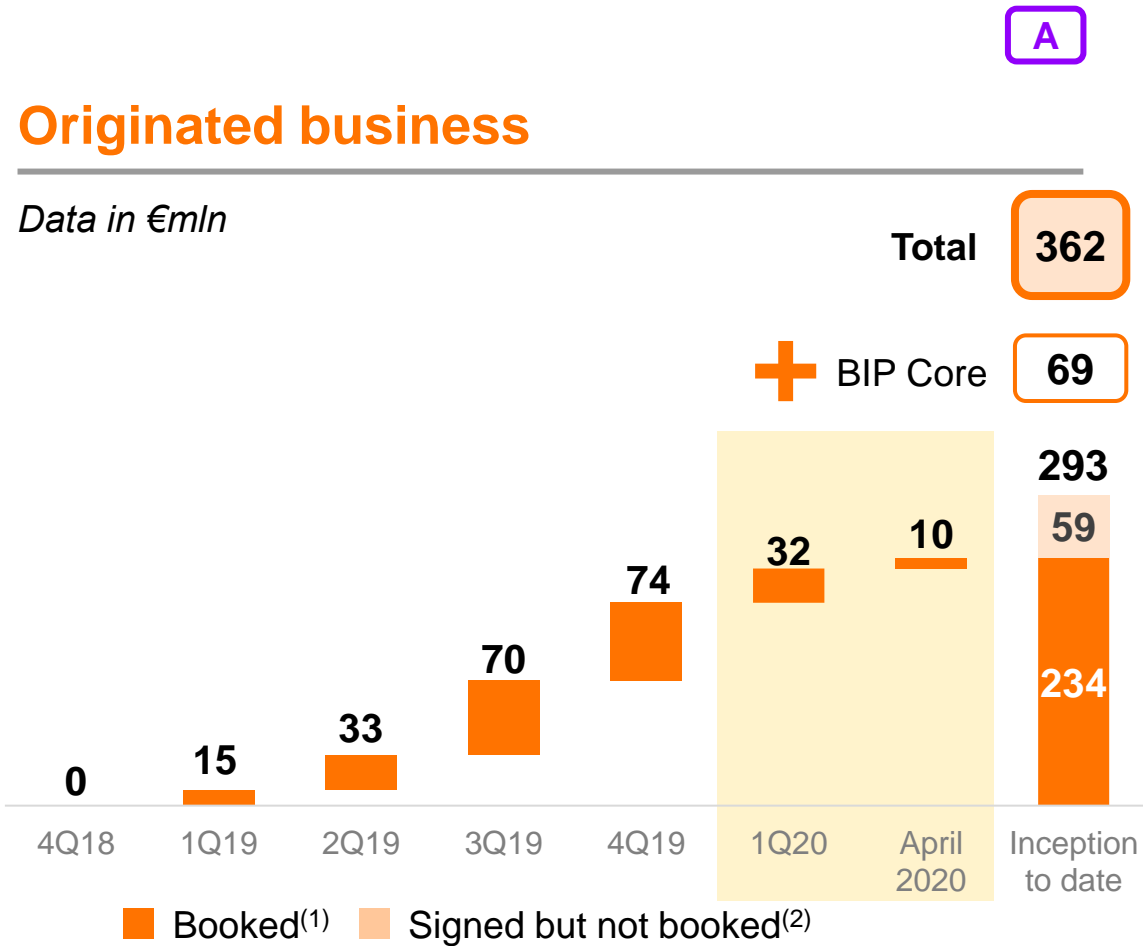
Conservative collective loan provisions booked in 1Q20 under IFRS9 rules

Note: Non accounting figures; (1) Excluding bad loans and including BIP Core and BIP non-core. This aggregate also includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes.

illimity - Cross-over & Acq. Finance: selective approach

Originated business

Data in €mln



A	B	C	A+B+C	Target 2020
	Terms agreed to be signed	Advanced pipeline	Total	
	~69	~129	~560	~300



Avg. ticket size ~€5 – 10 mln



Business origination becoming even more selective in a market full of opportunities



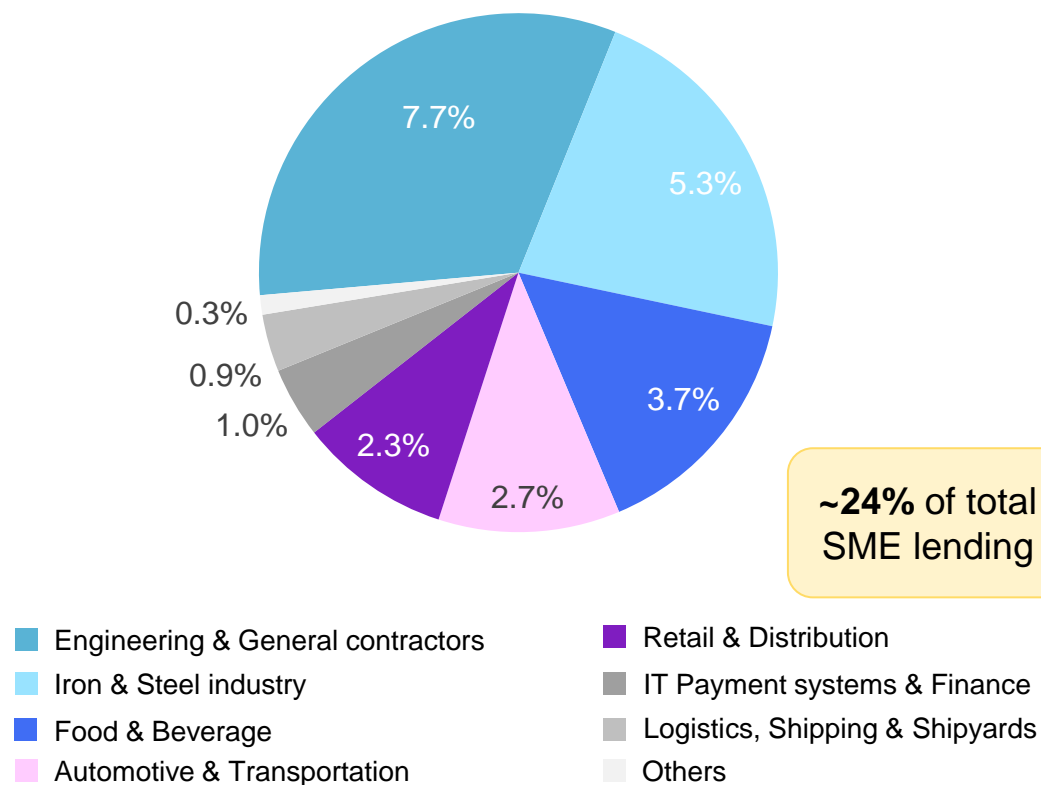
27 deals, of which 13 Acquisition Finance

illimity - **Turnaround:** limited impact on existing exposures

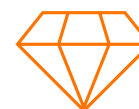
GBV breakdown by sector⁽¹⁾

As % total SME lending

Data as of 31 March 2020



Underwriting based on heavily stressed scenario



In some significant cases, super seniority position compared to the debtor's other creditors

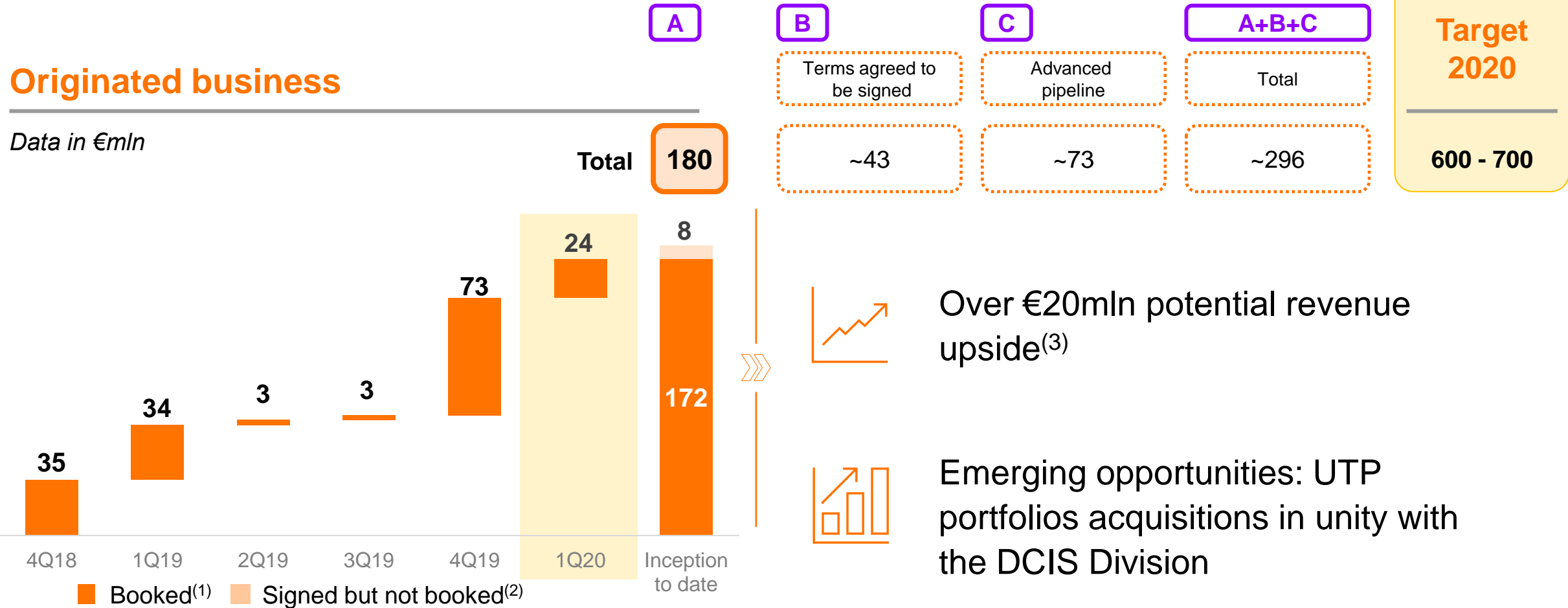


Limited number of counterparties, constantly monitored

illimity - Steady progression in Turnaround

Originated business

Data in €mln



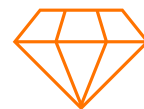
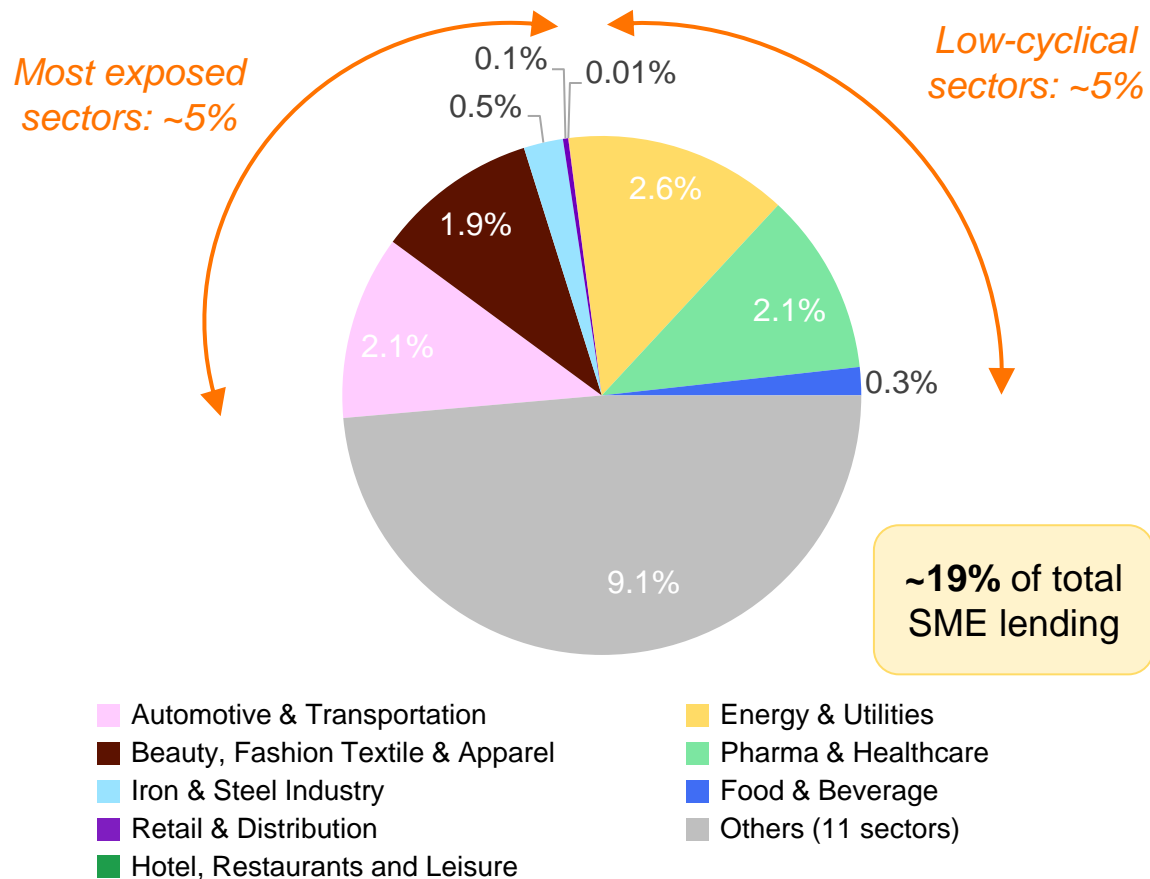
Notes: (1) Income-producing gross loans origination, including new finance, acquired credit and related instruments. It includes financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (2) deals signed but not yet booked, due to a time lag between the signing of the master agreement and the date of loan disbursement; (3) Additional potential revenue related to revaluation of equity, quasi-equity instruments and credit revaluation.

illimity - Factoring covered by credit insurance

GBV breakdown by sector⁽¹⁾

As % total SME lending

Data as of 31 March 2020



Relevant portion of the exposure covered by credit insurance



Balanced sector exposure

Notes: Non accounting figures; (1) Excluding bad loans and including financial instruments, such as quasi-equity instruments, which are included in "20. c) Other financial assets mandatorily at fair value" for accounting purposes.

illimity - Strong progression in factoring

Originated business

Data in €mln

Outstanding⁽¹⁾

135

123

118

Total

118

Turnover⁽²⁾

298

161

25

186

FY2019

1Q20

April 2020

Year to date

A

B

C

A+B+C

Target
2020

Terms agreed to
be signed

Advanced
pipeline

Total

~85

~83

~286

~300



~50% exposure covered by credit insurance



Over 90 clients⁽³⁾ and over 500 debtors

illimity - Benefits of public guarantees yet to come

Risk mitigation through refinancing of existing positions with public guarantee



'Cura Italia' Decree
17 March 2020



'Liquidità' Decree
8 April 2020



Capital release on existing loan book combined with lower capital absorption on new origination generates significant reinvestment opportunities

Distressed Credit I&S Division

Andrea Clamer



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



Investment



Acquisition of secured and unsecured Corporate Distressed Credit



Senior Financing



Financing solutions for NPL non-bank investors



Servicing



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



Investment



Servicing



Remarketing

Origination

Due
Diligence

Pricing

Bidding

Onboarding

Work-out &
Recovery

Remarketing of
Distressed Credit collaterals

 illimity

 neprix

 illimity

 neprix

illimity - **Business opportunities confirmed**



Strong start to 1Q20 with **gross cash collection well above expectations**



Dynamic portfolio management, resulting in **€9mIn profit from anticipated exit strategy** on some distressed credit positions



Limited impact from the COVID-19 under the baseline scenario

- Negligible impact from Tribunals' delay
- Limited exposure to asset classes most exposed to COVID-19
- Prudent pricing approach






Rising business opportunities

illimity - A significant player in the Corporate Distressed Credit sector

Deal focus: Distressed Credit Investment

- ~€48bn of GBV analyzed since inception
- ~€37bn of GBV declined/lost since inception
- ~€6bn of GBV signed since inception
- ~€5bn of GBV currently under evaluation

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

	A	B	C	A+B+C	
	Originated business ⁽¹⁾				BP 2018-23 Target 2020
	Inception to date (30 April 2020)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
 Distressed Credit Investment	869	~38	~218	~1,125	1,700-2,000
 Senior Financing	401	~16	~6	~423	100-200
Total Originated Business	1,270	~54	~224	~1,548	1,800-2,200
 Servicing⁽⁴⁾ <i>AUM (GBV/Managed assets)</i>	~8,500	~50	~4,450	~13,000	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes the origination/purchase of income-producing loans and Distressed Credit investments, and deals signed but yet to be booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding. It includes also the retail Distressed Credit portfolio sold on 6 February 2020; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) The AUM of the servicing unit includes the gross book value of Distr. Credit purchased and the value of property & capital goods managed by IT Auction.

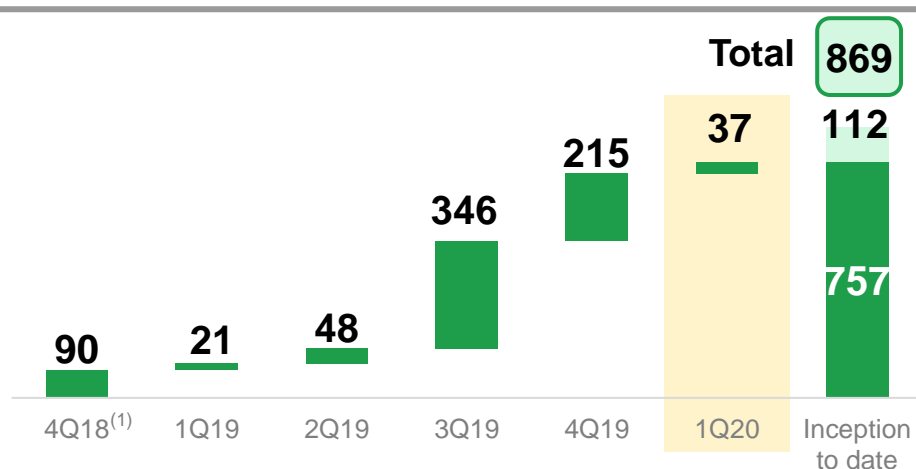
illimity - Investments in 1Q20 reflect seasonality and selective approach

Originated business

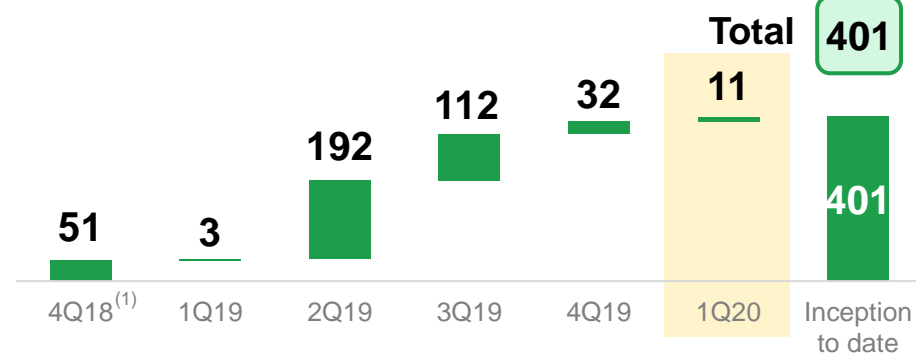
Data in €mln



Distressed Credit Investment



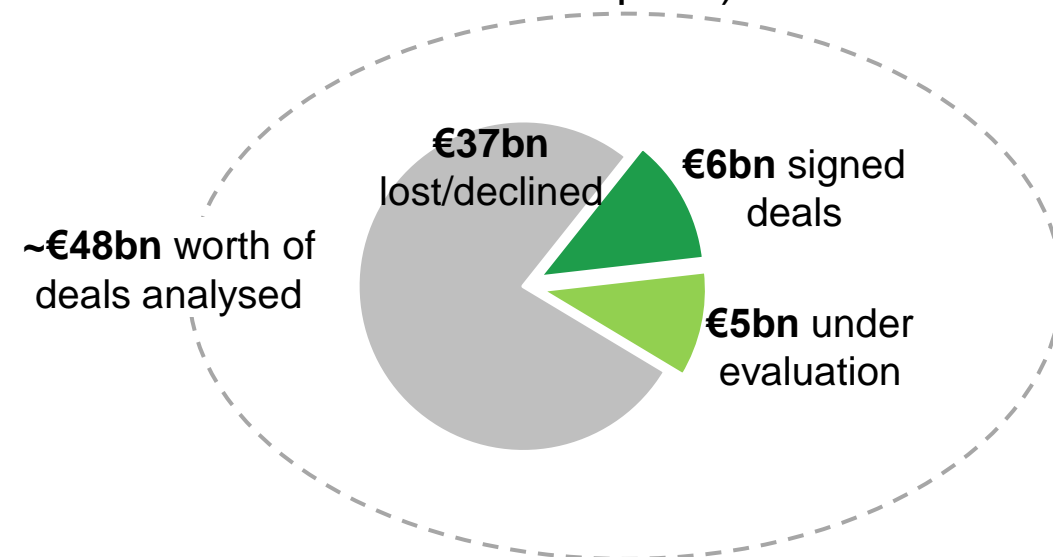
Senior Financing



■ Booked⁽²⁾ ■ Signed but not booked⁽³⁾

Even more selective on investments

(data in terms of GBV since inception)



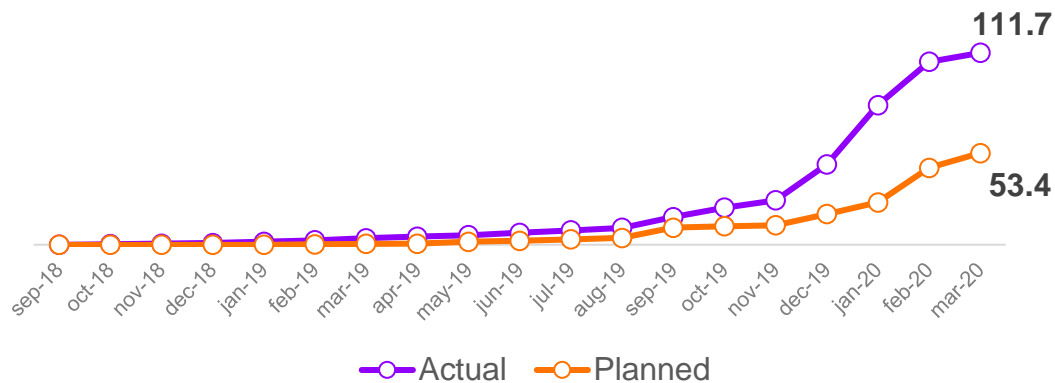
Notes: Rounded figures; (1) Including September 2018; (2) Income-producing gross loans origination (Distressed Credit senior financing) and Distressed Credit investments (portfolios including leasing and single name); (3) Deals signed but not yet booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/purchase.

illimity - Strong outperformance in collection

Cash Flow view⁽¹⁾

Data in €mln

Cumulative collections: actual vs. planned



	Actual Cash Flows	Expected Cash Flows	Delta Cash Flows
Q1 20	65.0	35.5	29.5
Cumulative	111.7	53.4	58.3

Economic quarterly view

Data in €mln

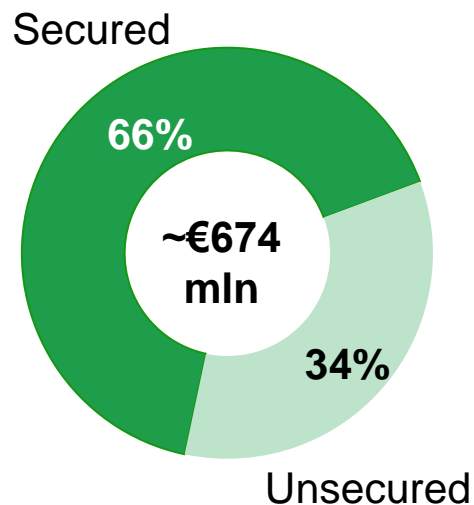
	Interest ⁽²⁾ Q1	Fee income Q1	Adjustments ⁽³⁾ Q1	Revenues Q1
NPL Investment	22.2	-	11.6	33.8
Senior Financing	3.7	0.3	-	4.0
Total	25.9	0.3	11.6	37.8

Interest ⁽²⁾ Q1	=	NBV	×	Gross IRR	×	Period from onboarding
Adjustments Q1 11.6	=	Delta Cash Flow 29.5	+	ERC Update - 17.9		

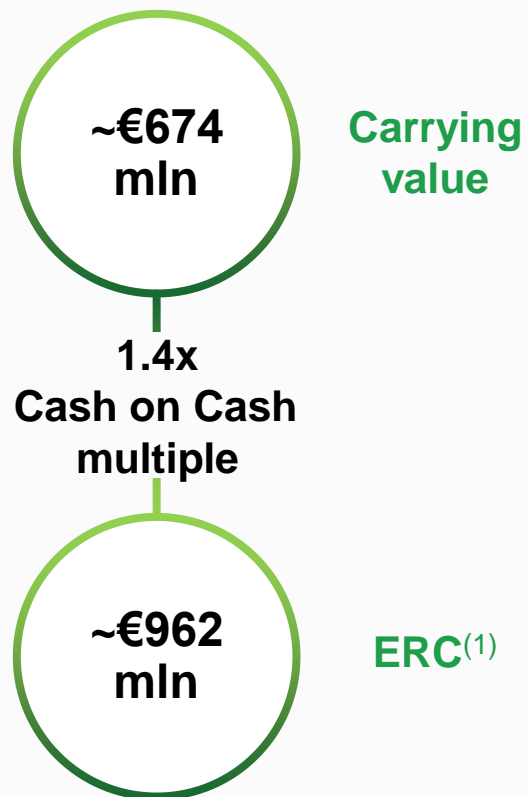
illimity - Portfolio in line with Business Plan

Data as of 31 March 2020

**NBV breakdown
by type of guarantee**

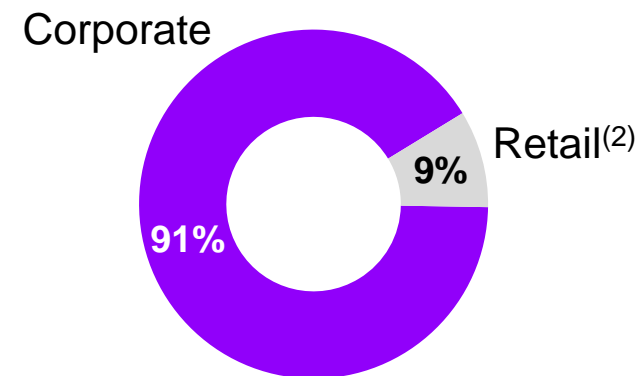


KPIs

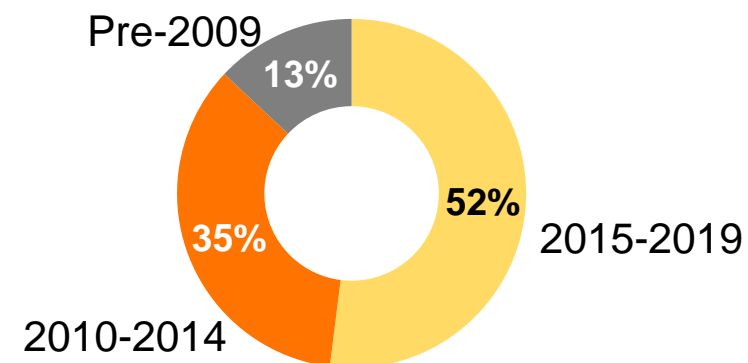


Data as of 31 March 2020

**GBV breakdown
by type of borrower**



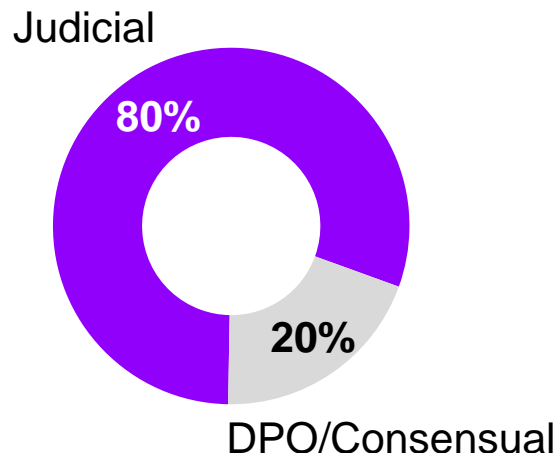
**GBV breakdown
by vintage⁽³⁾**



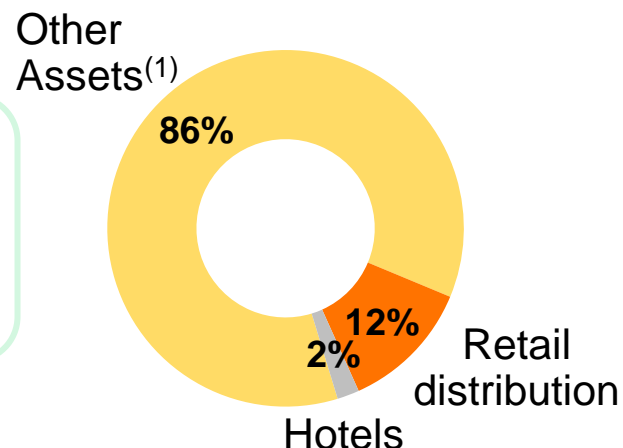
illimity - COVID-19: limited risk thanks to portfolio features

Data as of 31 March 2020

NBV breakdown by recovery strategy

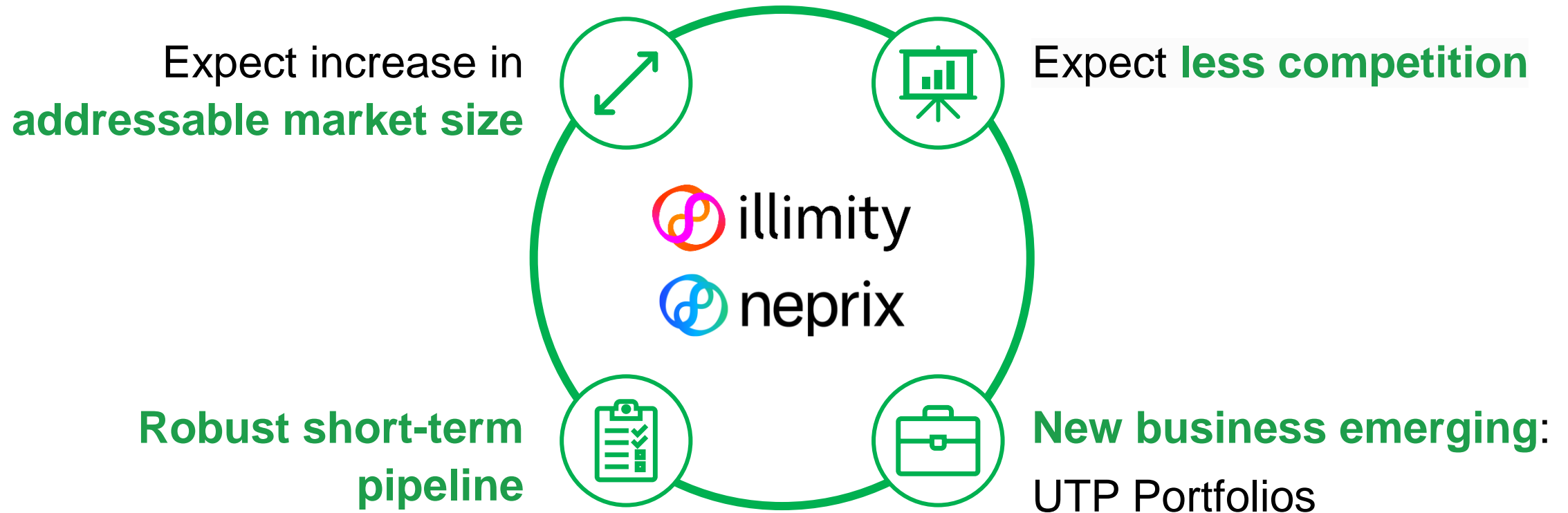


Assets' OMV breakdown by type of collateral



- Impact from a **3-month delay in collection lower than 1%** of carrying value on our estimates **already booked in 1Q20**
- Pricing approach mostly based on judicial strategies, where real estate asset value is **50% below market value**
- Expect **limited impact from near term real estate market volatility** as most of liquidity events on real estate collaterals will occur in 3-4 years from now
- Share of real estate assets most exposed to COVID-19 approx. **14% of total**

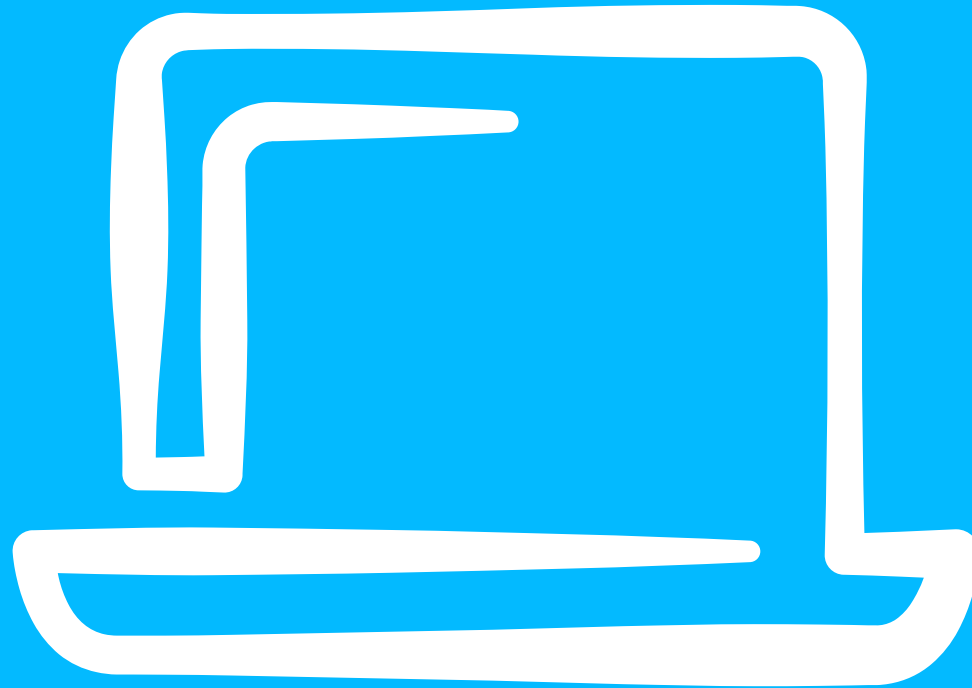
illimity - Potential opportunities



Buyout of remaining 30% of IT Auction approved by the Board in 1Q20, via rights issue reserved for its current shareholders to be completed by June 2020: **full integration between Neprix and IT Auction** has been completed

Digital Operations

Carlo Panella



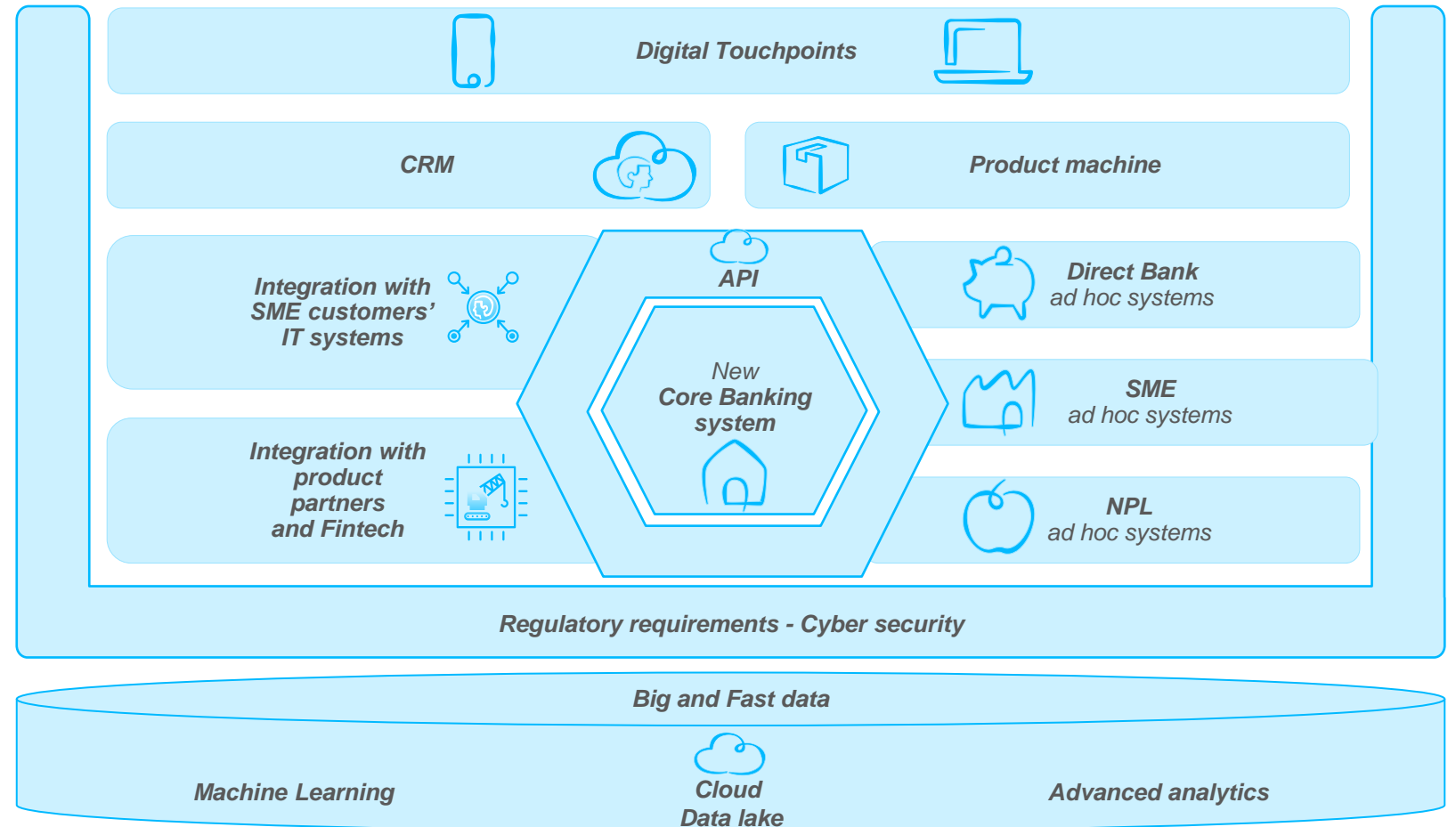
illimity - IT Architecture: completed

We have built an enabling **architecture**:

 fully **digital**

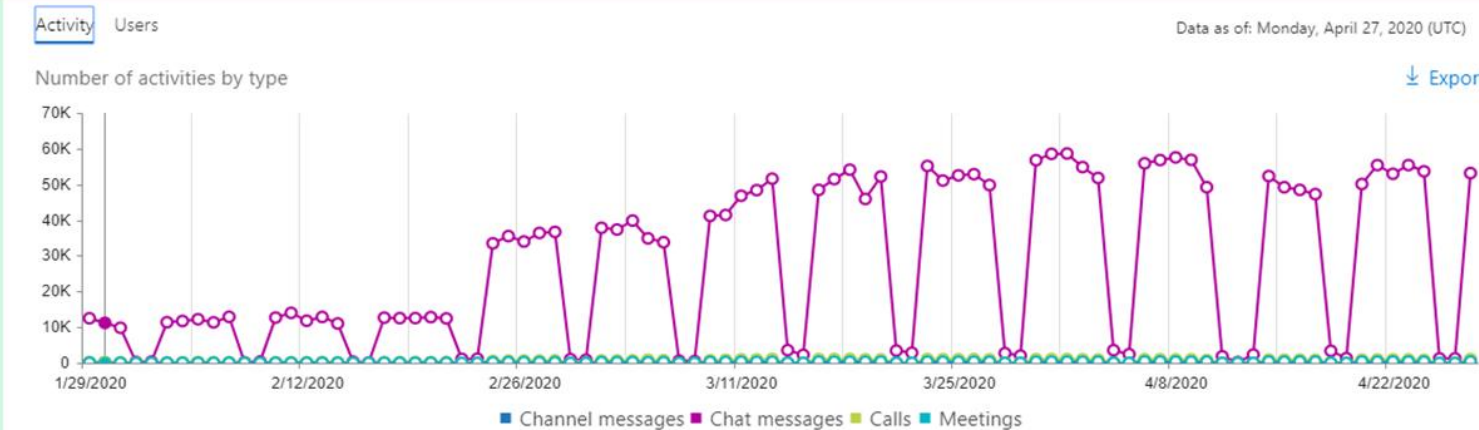
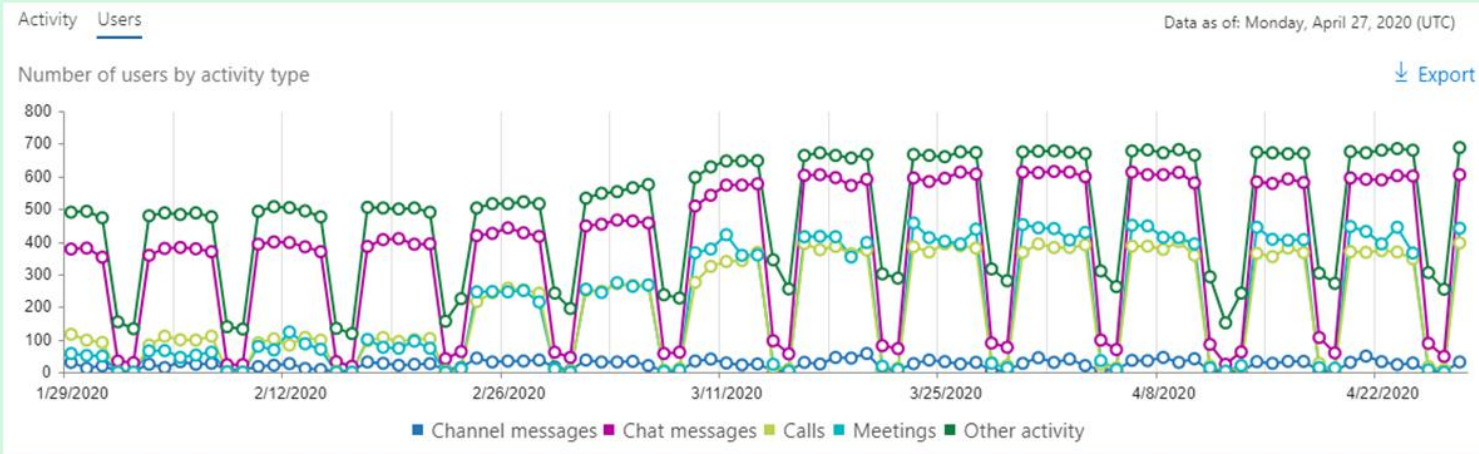
 completely **modular**

 fully on **cloud**



illimity - The Digital IT Platform supported full Smart Working

Active Users



Chat Teams

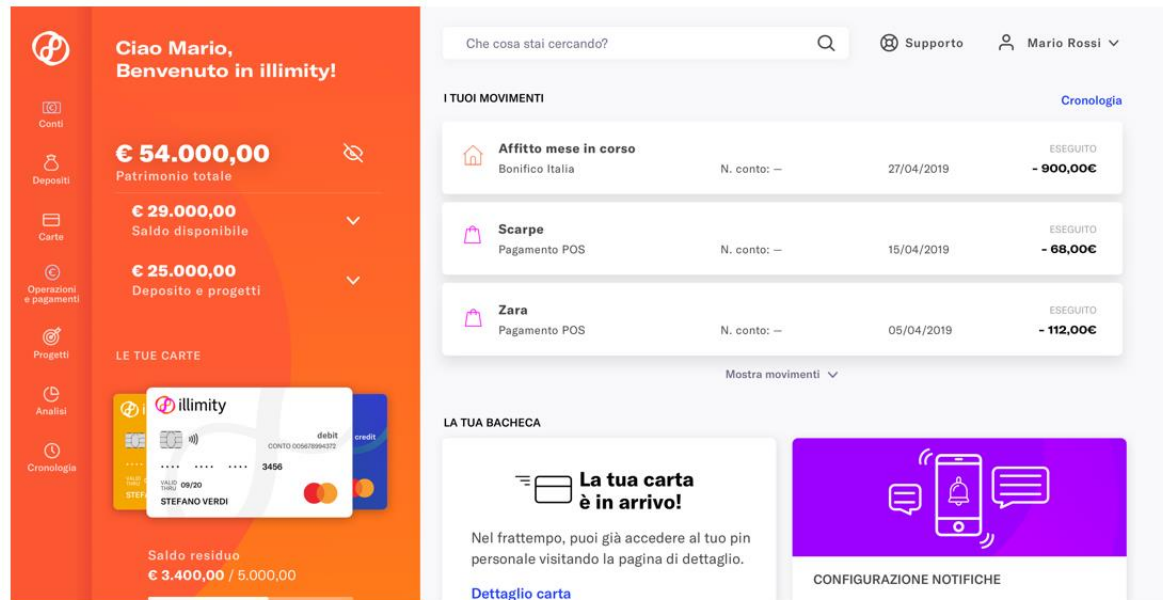
- illimity fully digital and totally in-cloud architecture allowed to switch to “**fully smart-working**” when the necessity arose (24th February), in **less than 12 hours**
- Smart working enabled also for **Contact Center**
- **Business continuity 100% guaranteed**

Direct Banking

Carlo Panella



illimity - **Direct bank** results beyond expectations



**€835
mln**

Deposits as of 30 April 2020
vs €731mln at Dec'19, with a decreasing CoF (-16bps vs Dec '19)

~32k

Customers as of 30 April 2020
vs ~24k as of 31 December 2019

~83%

Active customers
vs 82% as of 31 December 2019

~25%

Loyal customers
vs 16% as of 31 December 2019

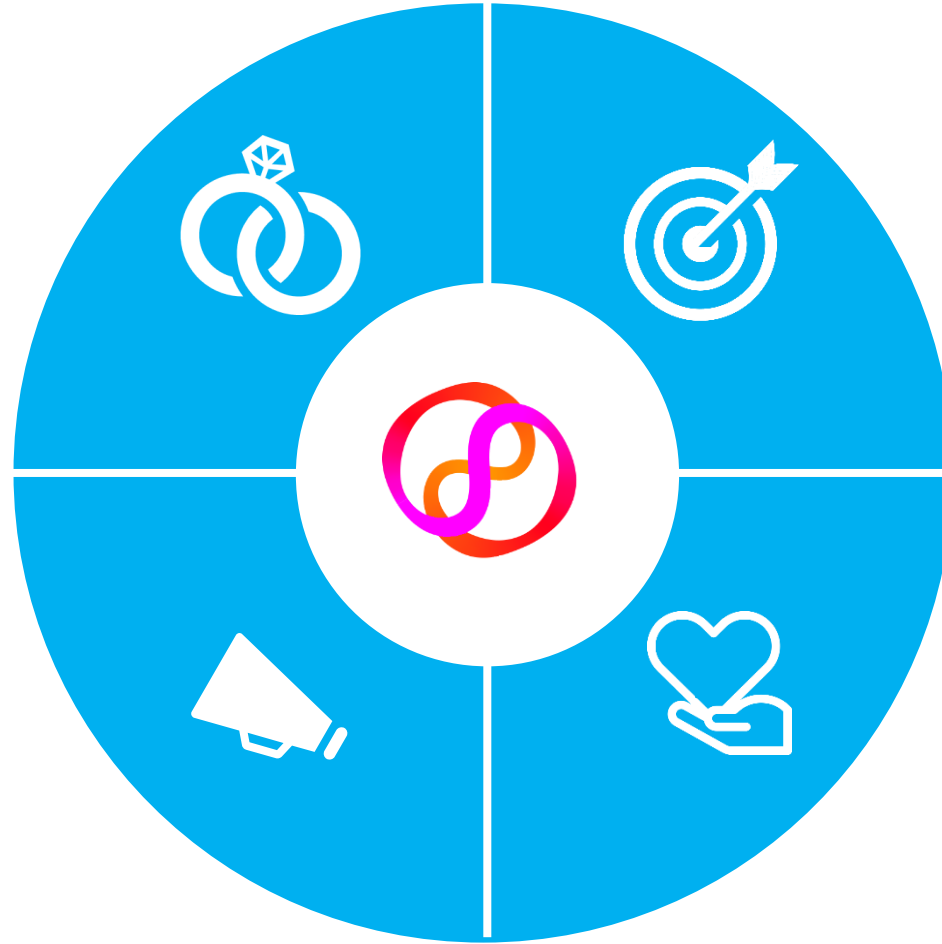
illimity - Loyalty and engagement-driven results

Engaging

~25% of our customers are “loyal” and have chosen illimity as **primary bank**

Recognized

Brand awareness value stable at 25, thanks to a digital marketing strategy based on social media



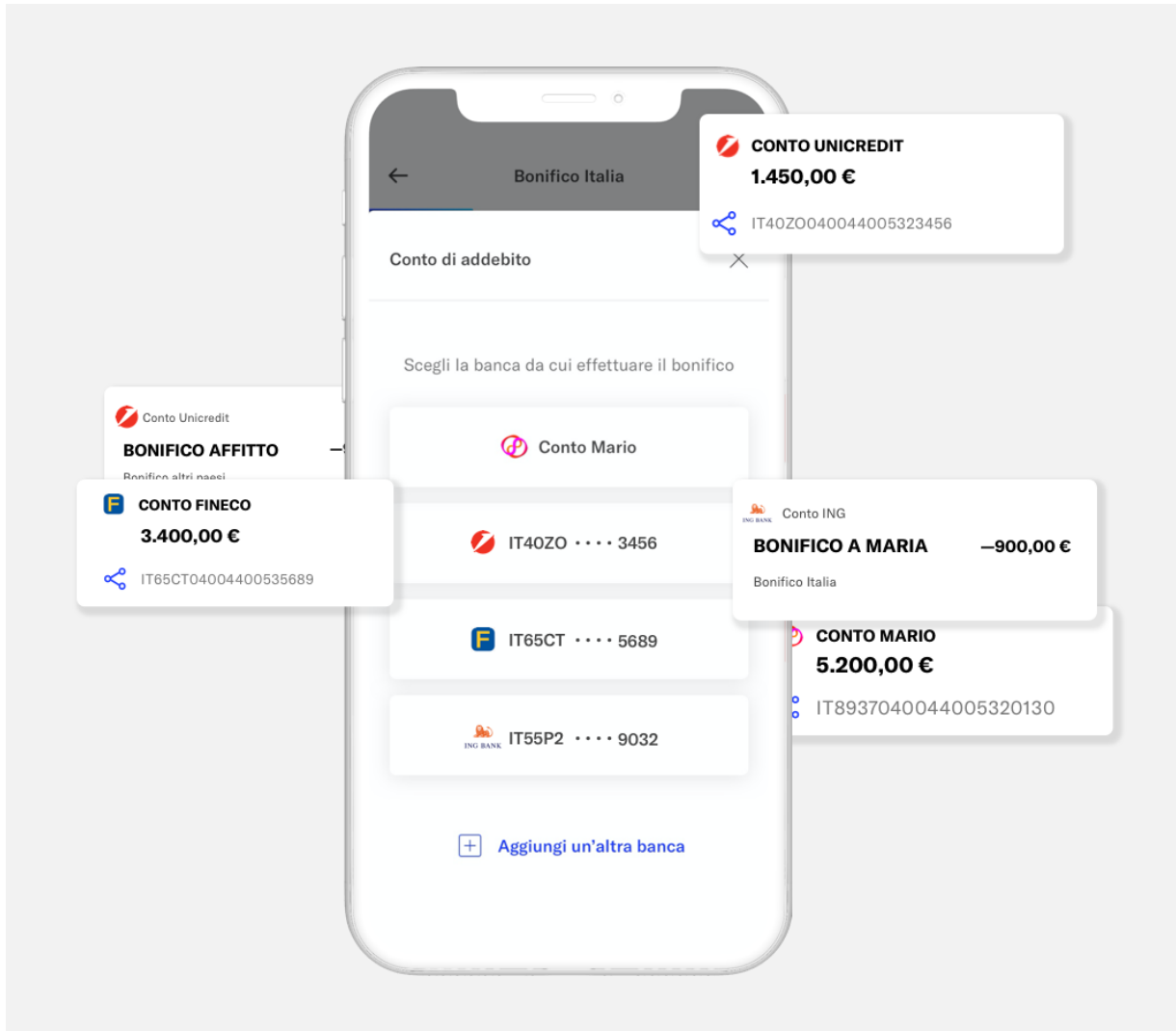
Relevant

70% average **open rate** of our communications thanks to a tailor-made content strategy

Valuable

Net Promoter Score Value over 35, compared to a market average value of 7

illimity - At the height of innovation: first bank in Italy to launch Payment Initiator Services



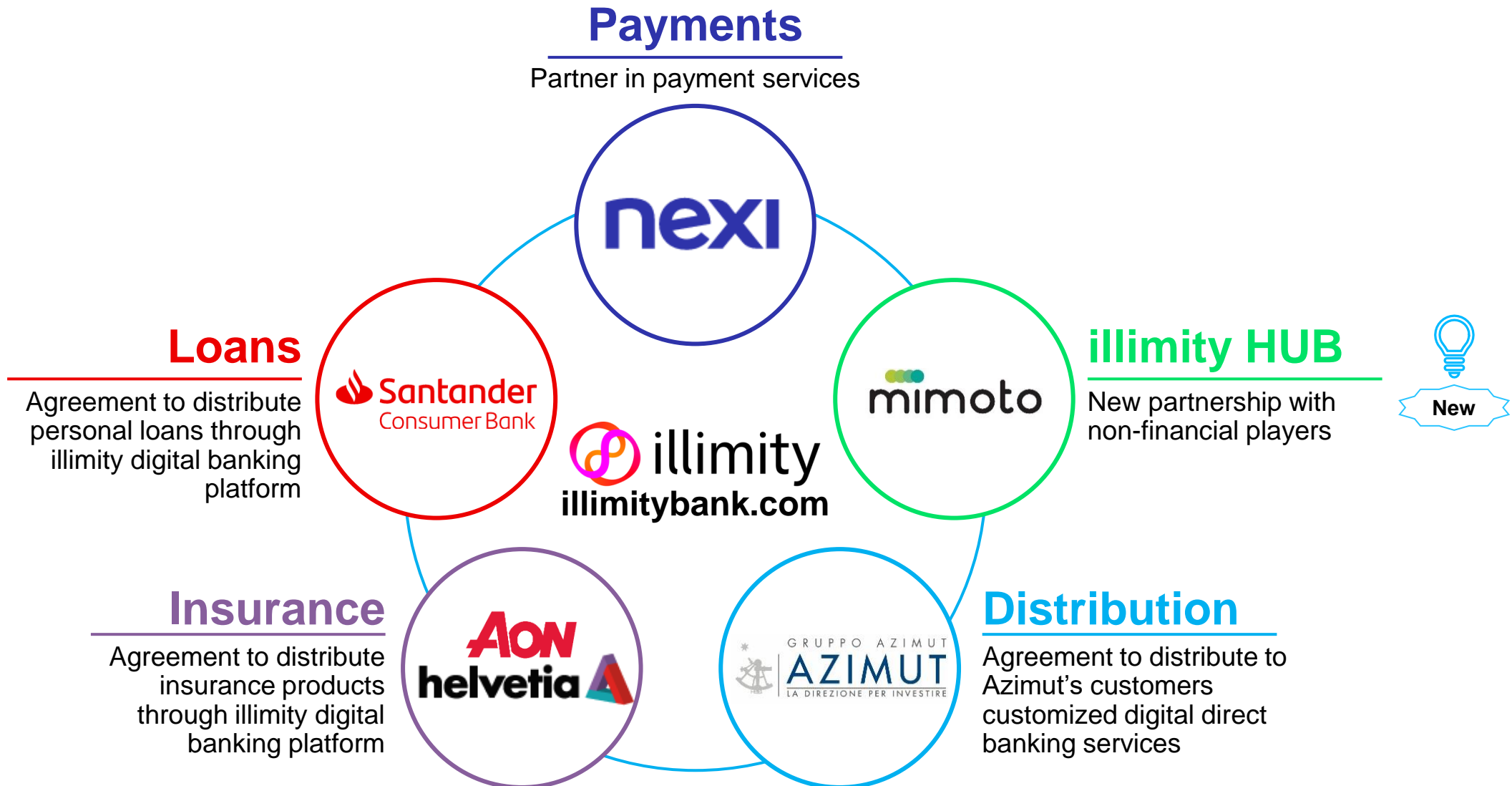
- illimity is **the first Payment Initiator Service Provider** on the Italian market as evolution of the PSD2 service
- illimity customers can now initiate transaction on their current accounts with **5 different banks** straight from their illimity app/web
- PISP as a boost to customers **engagement** and **loyalty**

illimity - The new frontier: opening the platform to non-financial partners



- New paradigm partnership based on **data-sharing**
- **Fully digital** and **API based architecture** as main technological enabler
- First services to be delivered by **mid June**
- Financial products based on **non-banking KPIs**

illimity - Open platform increasingly attractive





Silvia Benzi

Head of Investor Relations & Strategic Planning

Mobile: +39 349 7846537 - +44 7741 464948

Email: silvia.benzi@illimity.com

Disclaimer (1/2)

- This document (the “Document”) has been prepared by and is the sole responsibility of illimity Bank S.p.A. (the “Company”) solely for information purposes. In accessing the Document you agree to be bound by the following terms and conditions. A limited number of copies have been made or may be made and these are strictly reserved for the person to whom they are or will be addressed: for this reason the information contained in the Document is confidential and must not be used, in whole or in part, or disclosed to third parties or copied, distributed, transmitted or reproduced.
- The Document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Document is not for publication, release or distribution in the United States, Australia, Canada or Japan or in any jurisdiction where it is unlawful to do so. The release or distribution of the Document or access to this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions (when applicable) may constitute a violation of the laws of any such other jurisdiction.
- The information and data contained in the Document are not intended and do not constitute in any way investment advice or a solicitation to purchase securities, nor is it an offer or invitation or promotional message for the purchase, sale or underwriting by any person in any jurisdiction or country where such activity is contrary to law or regulation, except where there are exemptions that apply under related law.
- The terms, data and information contained in the Document are subject to revision and update; the Company and its consultants assume no responsibility to communicate, in advance or subsequently, should such revisions and updates become necessary or opportune nor for any damages that may result from improper use of the information (including communications of revisions and updates) included in the Document. Within the limits of law, the Company, its corporate executives, managers, employees, and consultants make no statement, give no guarantee or assume any responsibility, express or implied, regarding the accuracy, the adequacy, completeness and up to date nature of the information contained in the Document nor regarding any eventual errors, omissions, inaccuracies or oversights contained herein. The Document does not attempt to describe all terms and conditions that will pertain to the proposed transaction nor does it set forth the specific phrasing to be used in the documentation.
- The securities referred to herein (the “Securities”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- This Document does not constitute or form part of, and should not be construed as an offer or the solicitation of an offer to subscribe for or purchase the Securities, and nothing contained therein shall form the basis of or be relied on in connection with any contract, commitment or investment decision in relation thereto whatsoever, nor does it constitute a prospectus relating to the Securities or a recommendation by the Company or any of the Company’s advisers and/or agents regarding the Securities.
- It is recommended that any eventual investment decision regarding an investment be based on the formal documents prepared by the Company as part of the transaction which may contain information different from those included in the Document and on audit from the investors own independent, professional financial and tax advisers.
- No representation, warranty or undertaking, express or implied, is made or given by the Company or any of its affiliates, parent or subsidiary undertakings, directors, officers, advisers, agents or employees or any other person as to, and no reliance should be placed on, the fairness, adequacy, accuracy, truthfulness, reasonableness, completeness or correctness of the Document or the opinions contained therein. The Document has not been independently verified and will not be updated. No responsibility or liability whatsoever (whether arising in tort, contract or otherwise) is accepted by the Company or any of its affiliates, parent or subsidiary undertakings, directors, officers advisers, agents or employees, or any other person for any loss howsoever arising, directly or indirectly, from any use of the Document or opinions contained therein or otherwise arising in connection therewith. The Document, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Document, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Document that may result from any change in the Company’s expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document. Market data used in the Document not attributed to a specific source are estimates of the Company and have not been independently verified.
- Any expected return is not guaranteed and is based on data shown in Euro. The Document contains “forward-looking” and targets information which are based upon certain assumptions about future and/or ongoing events or conditions and may also be based on Company’s expectations on ongoing and/or potential new initiatives and is exclusively intended to illustrate hypothetical target results under those assumptions (not all of which are specified herein). Such forward looking statements include all matters that are not historical facts. Forward-looking statements give the Company’s intentions, beliefs or current expectations concerning, amongst other things, the Company’s financial condition, liquidity, prospects, growth, potential deals, strategies and the industry in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur, in whole or in part, in the future. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “outcome,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “insight,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements take into account the Company’s current expectations on the possible achievement of already disclosed or new targets or estimates, which are in no way guaranteed and may be reviewed in light of up to date market and business conditions. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it operates and will operate in the future.
- Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary, and the variations may be material. Prospective investors should understand such assumptions and evaluate whether they are appropriate for their purposes. Any data on past performance, modeling, scenario analysis or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling, scenario analysis or back-testing; for investors resident in EC countries that are not part of the Eurozone these returns can increase or decrease due to exchange rate movements.

Disclaimer (2/2)

- The tax consequences of an investment depend on the individual circumstances of each investor and may be subject to change in the future; therefore, the present document may not be considered to have been prepared in order to offer an opinion, legal advice or tax opinion regarding the possible tax consequences of the transaction. Every prospective investor is advised to evaluate any potential investment in the transaction on the basis of independent accounting, fiscal and legal advice and should also obtain from their own financial advisors analyses of the adequacy of the transaction, the risks, the protection and the cash flows associated with the transaction, insofar as such analyses are appropriate for ascertaining the risks and merits of the transaction.*
- Prospective investors must rely on their own evaluation that a potential investment in the transaction described herein does not contravene the laws and regulations of the country of residence of the investor and must also be responsible for obtaining any necessary prior authorization required to make the investment.*
- Certain industry and market data contained in this Document has come from third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, neither the Company nor its respective affiliates has independently verified the data contained therein. In addition, certain of the industry and market data contained in this document comes from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, no reliance should be placed on any of the industry or market data contained in the information. By receiving this document and attending the presentation, you are certifying that (a) if you are in the European Economic Area, you are a "Qualified Investor"; (b) if you are in the United Kingdom, you are a "Relevant Person"; (c) you are not located in a jurisdiction where it is unlawful to do so and (d) you acknowledge and agree to the limitations and conditions set forth herein.*
- Acceptance of delivery of the Document by the recipient constitutes acceptance of the terms and conditions set out in this Disclaimer.*
- Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and other instruments of illimity Bank S.p.A. (the "Securities") have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").*
- Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure investors who meet the criteria of professional clients and eligible counterparties.*
- For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.*
- Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.*
- By accepting or accessing this Document, you shall be deemed to have represented and warranted that (i) you have read and agreed to comply with the foregoing limitations and restrictions, (ii) you are able to receive this presentation without contravention of any applicable legal or regulatory restrictions, (iii) if you are in a member state of the European Economic Area (other than the United Kingdom), you are a Qualified Investor; (iv) if you are in the United Kingdom, you are a Relevant Person; (v) if you are in Italy, you are an Italian Qualified Investor; and (vi) you acknowledge that you understand that there are legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of this document.*
- This document includes industry and market data pertaining to Company's business and markets. Such information is based on the Company's analysis of multiple sources such as industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data have primarily been derived and extrapolated from reports provided by third parties. In addition, certain statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Company's business and markets in this document are not based on published data obtained from independent third parties or extrapolations therefrom, but rather are based upon analysis, which are in turn based upon multiple third party sources.*
- All figures and numbers included in this document are rounded.*
- Pursuant to Article 154-bis, paragraph 2, of the Legislative Decree no. 58/1998 (Unified Financial Act), the Financial Reporting Officer, Mr. Sergio Fagioli, declares that the accounting information contained in this Document corresponds to the document results, books and accounting records.**