



illimity

BANCA OLTRE LA FORMA

3Q23 & 9M23

Consolidated Results

10th November 2023

Key highlights

Corrado Passera, CEO



illimity - 3Q23 highlights core profitability increase and resilient asset quality

3Q23 acceleration in core profitability with net profit at €22.8m
bringing 9M23 to €75m (+48% Y/Y)

High solidity with CET1 ratio at 14.75%
well above SREP requirement

Robust liquidity position bolstered by
significant retail deposit growth +755m YTD

SME business confirmed strong earning momentum
posting record quarter

Distressed Credit business profitability picked up in 3Q23
with PBT at €32m (+47% QoQ)

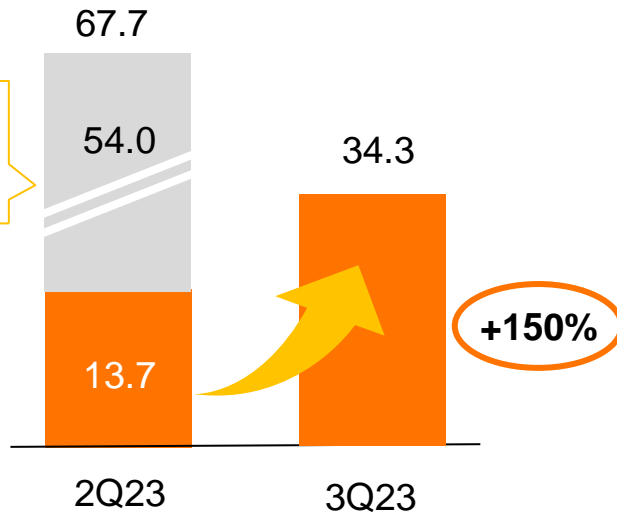
Asset quality under control with cost of risk down at 34bps⁽¹⁾
(vs. 42bps in 1H23)

Pillimity - Q323 shows overall improvement in core profitability

Quarterly Profit Before Tax

€m

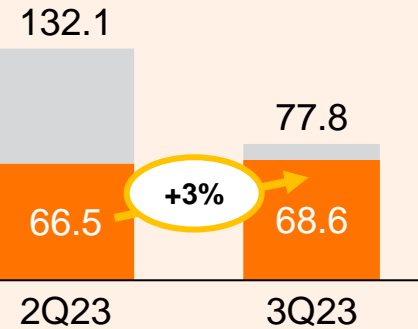
IT platform Revenue⁽¹⁾



Operating Income

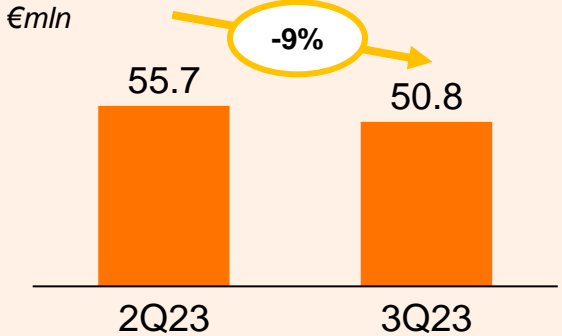
€m

Other income⁽²⁾
NII+Net fees



Operating Costs

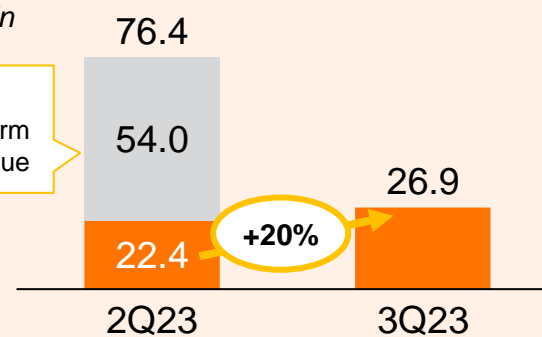
€m



Operating Profit

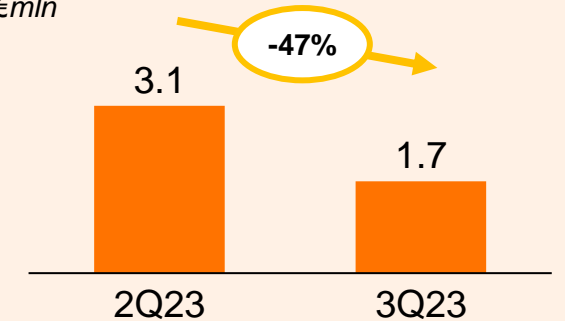
€m

IT platform revenue



LLPs

€m



Notes: (1) Revenue booked in 2Q23 related to the new IT partnership agreement signed with Engineering (2) Includes the following P&L items: "Net result from trading and fair value assets", "Net other income/expenses" and "Profit from closed purchased distressed credit positions".

illimity - 9M23 results in line with expectations

MAIN P&L TRENDS

€/mln	9M22	9M23	Chg. Y/Y	
Net interest income	116.1	147.7	27%	+26% Y/Y
Net fees and commissions	41.8	50.9	22%	
Other net operating income ⁽¹⁾	75.7	83.3	10%	
Operating income	233.6	282.0	21%	+5% excl. one-offs and perimeter change
Staff costs and OAE	(128.5)	(140.8)	10%	Increase due to tech investments
D&A	(11.9)	(15.8)	33%	
Operating profit	93.2	125.4	35%	Cost income core business at 40%
LLPs	(3.7)	(7.6)	109%	Cost of risks at 34bps annualised
Other provisions, value adjustments and equity investments ⁽²⁾	(7.2)	6.1	n.s.	
Contribution to banking sector schemes and other non-recurring charges ⁽³⁾	(4.7)	(9.8)	108%	
Income tax	(27.1)	(39.3)	45%	
Net result	50.6	75.0	48%	

Notes: (1) Includes net effect of new IT partnership equal to €41.2mln calculated as follows: +€54mln revenues from IT partnership, taking into account -€12.8mln of lower revenues (€17mln for the full year) following the consensual resolution of previous IT agreement (2) Includes the following P&L items: "Value adjustments on purchased distressed credit", "Value adjustments on securities and loans to banks and off-balance", "Other net provisions for risks and charges" and "Other income from equity investments" (3) Includes resolution cost of previous IT partnership booked in 1Q23.

illimity - **Solid capital position**



14.75%
CET1 ratio



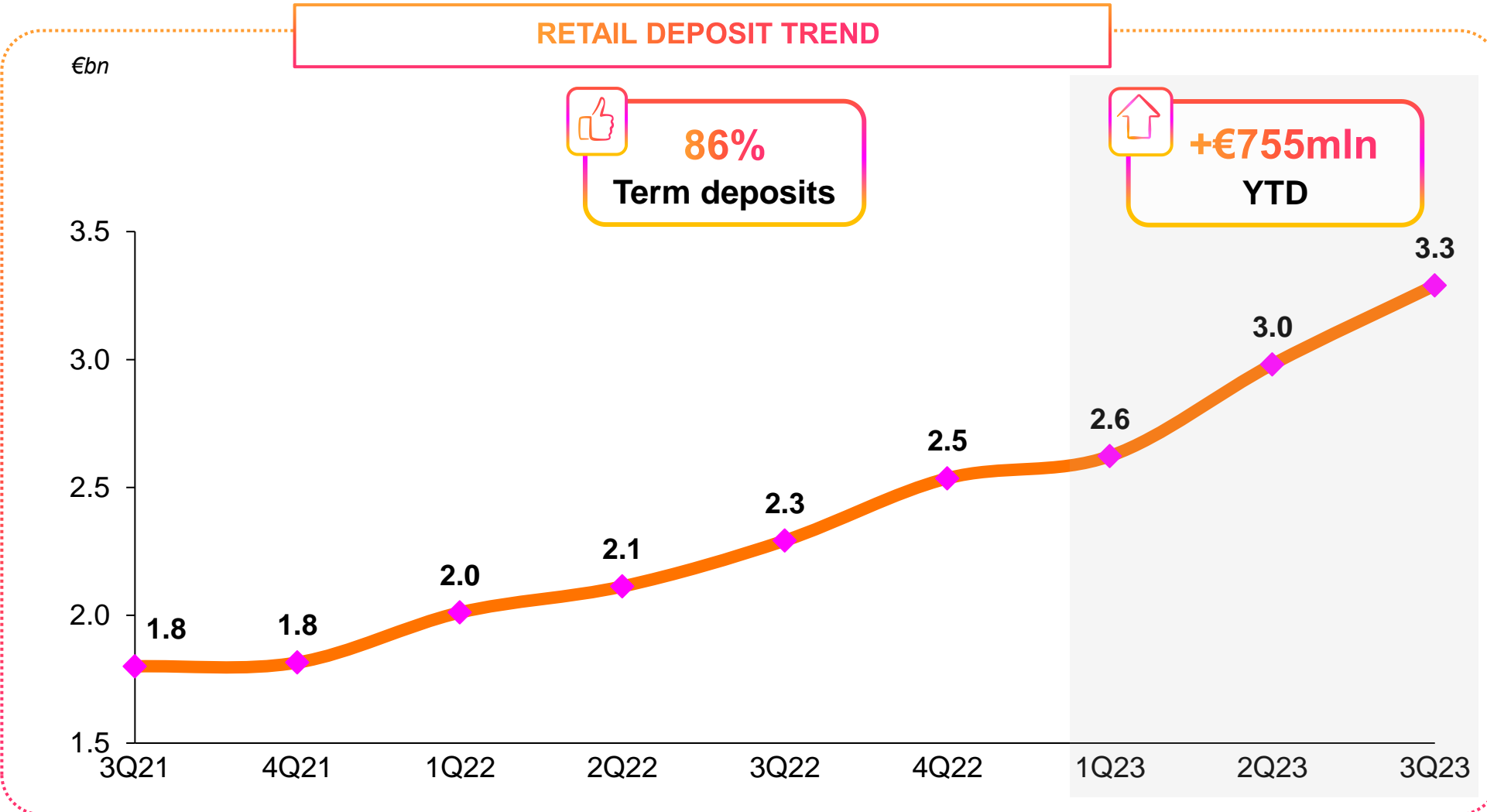
+560bps
Buffer vs. SREP



19.0%
Total Capital ratio

**Unrealised losses on HTC securities limited to 1.6% of Shareholders' Equity
(€14mIn euro)**

illimity - Solid liquidity bolstered by retail deposits



235%
LCR

114%
NSFR

900MLN
Liquidity⁽¹⁾

illimity - SME profit climbs 78% Y/Y with record 3Q23



GROWTH CREDIT DIVISION

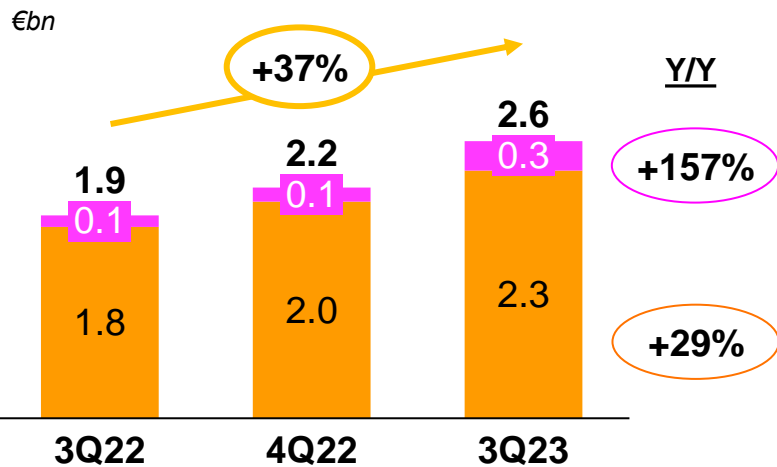
- **Net customer loans up 29% YoY**, despite loan repayments
- **Excellent operating leverage** confirmed
- **Strong profitability improvement** with profit before tax at €63.1m almost doubled Y/Y (+42% Q/Q)



INVESTMENT BANKING DIVISION

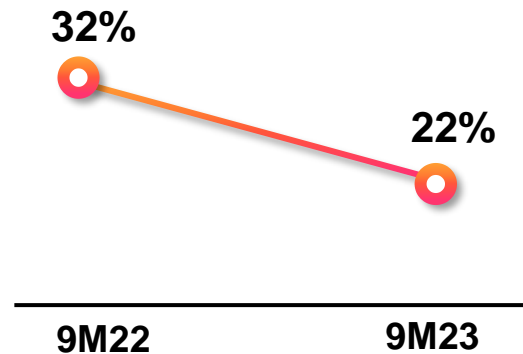
- **Strong volumes increase: +157% Y/Y**
- **3Q23 business origination acceleration** at 100mln (+82% Q/Q) with strong pipeline ahead
- **Profit before tax at €4.9m**, with acceleration in 3Q23 driven by structuring and capital markets activity

Net customer loans

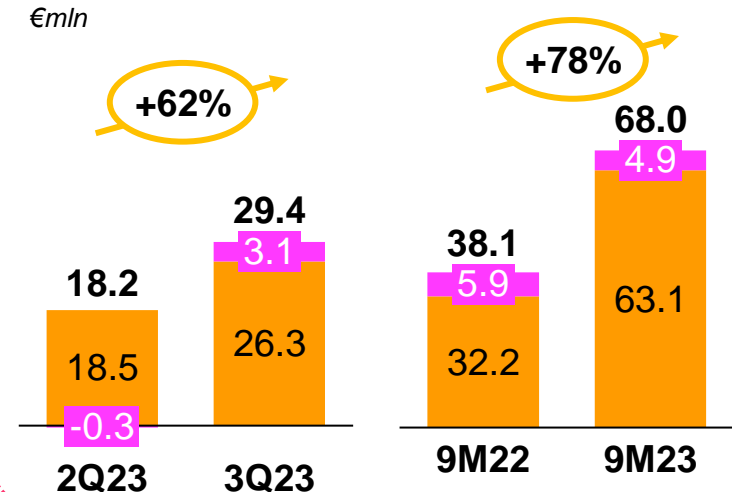


■ Growth Credit ■ Investment Banking

Cost Income (GC+IB)



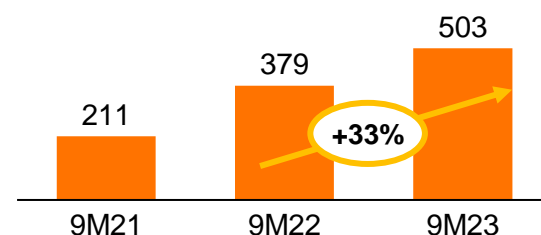
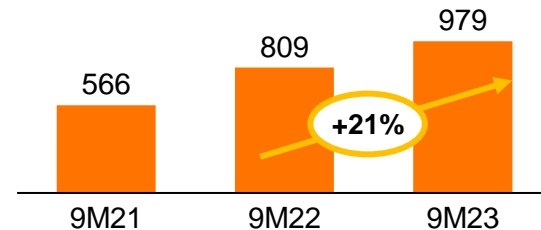
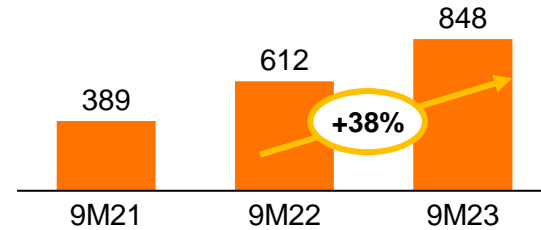
Profit before tax



■ Growth Credit ■ Investment Banking

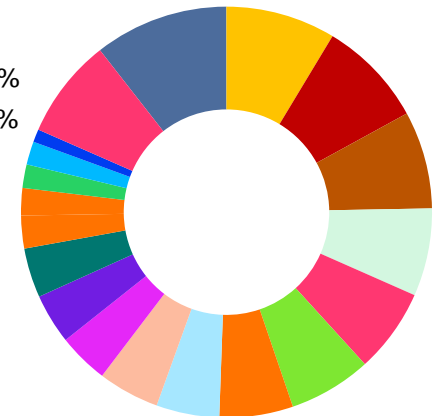
illimity - SME lending: all desks report rising volumes

NET CUSTOMER LOANS



LOAN BOOK BREAKDOWN BY ECONOMIC SECTOR⁽¹⁾

- Mechanics 11%
- Automotive & Transportation 9%
- Food & Beverage 8%
- Logistics, Shipping & Shipyards 8%
- Beauty, Fashion, Textile & Apparel 7%
- Engineering & General contractors 7%
- Iron & Steel industry 7%
- Energy & Utilities 6%
- Retail & Distribution 5%
- Services 5%
- Pharma & Healthcare 4%
- Construction Products 4%
- IT 4%
- Real Estate 3%
- Paper, Plastic & Rubber 2%
- Electronic goods 2%
- Media&Telco 2%
- Hotel, Restaurants and Leisure 1%
- Other 8%



Illimity - SME lending: resilient asset quality with decreasing cost of risk at 34bps



~53%

Guaranteed/Insured loans

as % of total gross loans ⁽²⁾



~1.4%

Stage 2 Loans

as % of total gross loans ⁽²⁾⁽³⁾

GROSS NPE RATIO⁽¹⁾

Gross NPE ratio
(including State guaranteed positions)

4.7% 4.8%

2Q23 3Q23

Gross NPE ratio
(excluding State guaranteed positions)

Most exposures under restructuring process aimed at back to bonis

1.5% 1.3% 1.3%

1Q23 2Q23 3Q23

ANNUALISED COST OF RISK

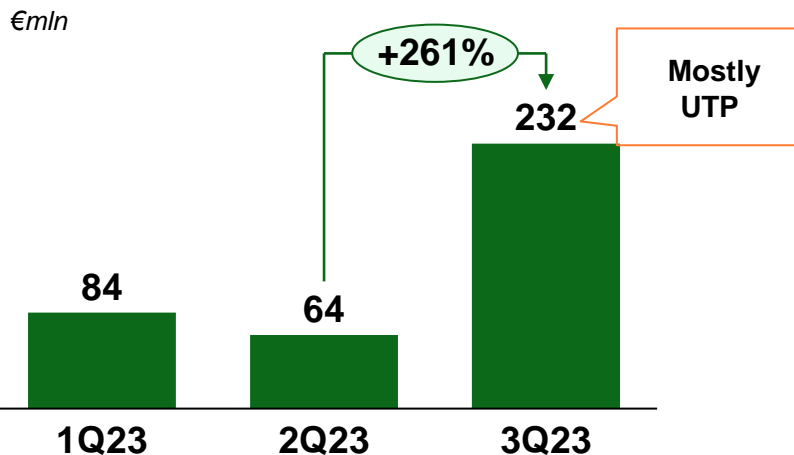
Bps

42 34

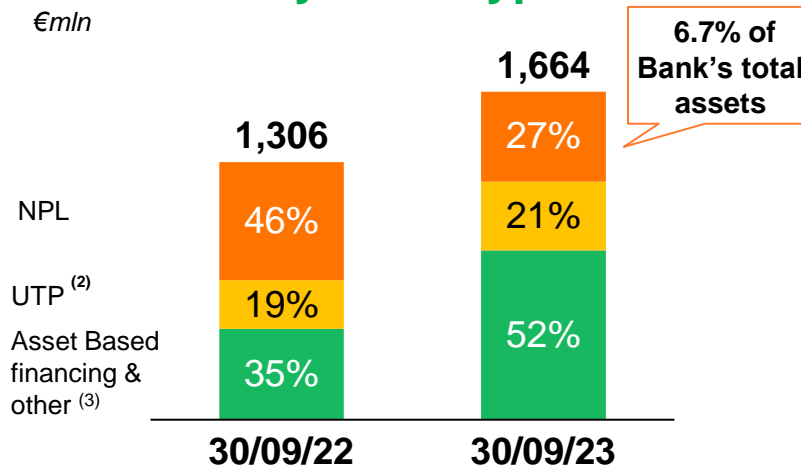
1H23 9M23

illimity - Distressed credit & asset based financing: profitability and origination increase with focus on UTP

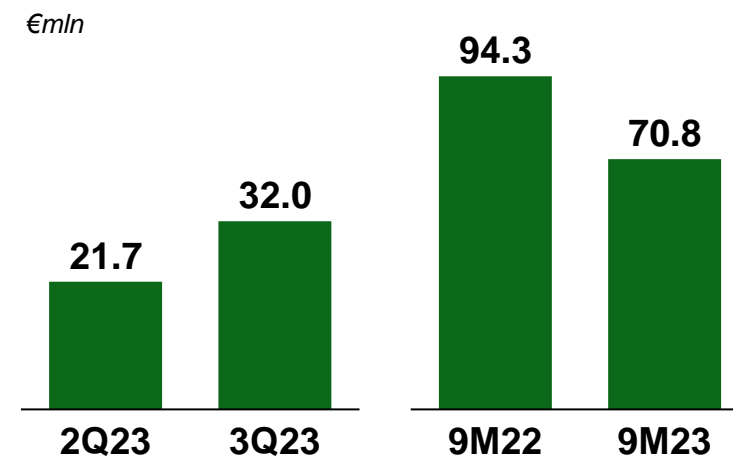
Business origination⁽¹⁾



Division book composition by asset type



Profit before tax⁽⁴⁾



New business origination (mostly UTP) accelerated
at €232mIn (+261% QoQ)

Declining NPL investments in loan book
from 46% to 27%,
expected to further decrease

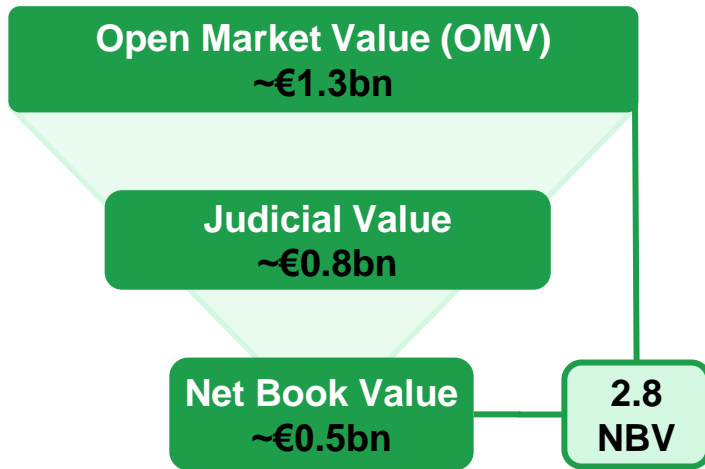
3Q23 PBT increased to €32.0mIn (+47% QoQ)
benefitting from NPE transactions
finalised in quarter

Notes: Non accounting figures. (1) Includes Senior Financing (2) Includes 2% past due (3) Include €350mIn assets classified in the B/S item "Non-current assets held for sale and discontinued operations"

(4) Managerial data. PBT related to the sole Distressed Credit investments & Senior Financing businesses, excluding ARECneprix and Quimmo

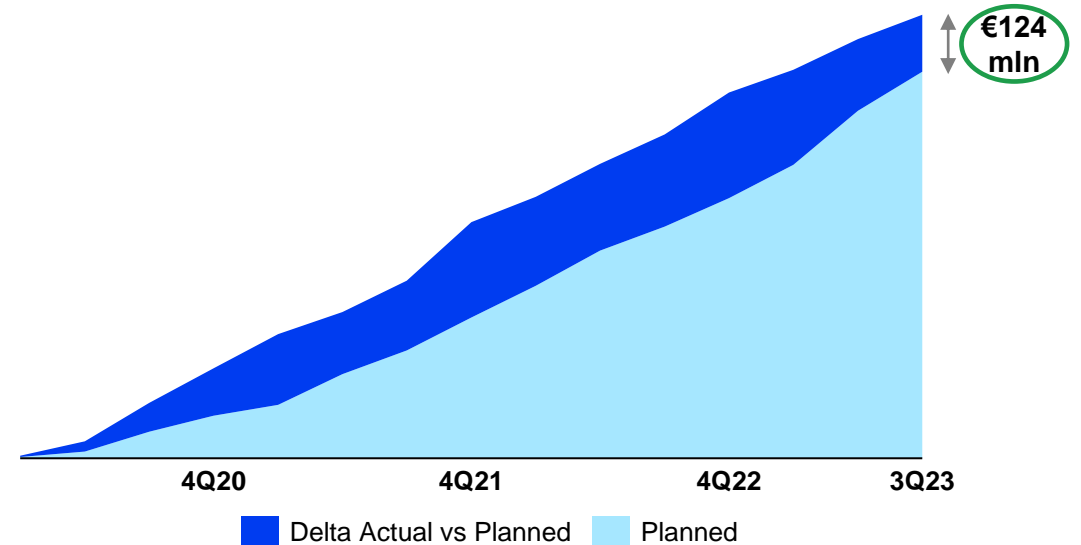
illimity - **NPE investments backed by 2.8x buffer on collateral values and over performance in collections**

Real Estate collateral value



**80% of DC investment portfolio is secured
Solid real estate values
with high buffer vs. Open Market Value**

Cumulated cash flow: actual vs. planned



**Cumulated cash flows remained well above
initial plans**

AREC neprix - Strong acceleration in third-party mandates



3rd largest market player in corporate UTP management industry in Italy⁽¹⁾ **with €11bn of managed assets, o/w 34% non-captive**, (vs. 27% 2Q23)

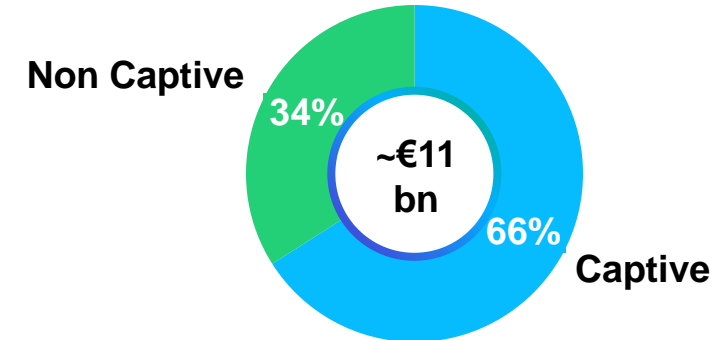


Serving as asset manager and credit servicer for recently established Olympus fund⁽²⁾, **one of Italy's largest** with initial GBV of approx. €2bn **specialised in large UTP portfolios**



4Q23, Profit before tax expected more than double 9M23 result, benefitting from third party-mandate increase

Managed Assets⁽³⁾



Key results 9M23



€24.5mln

Revenue



21%

EBITDA margin



€4.2mln

Profit before tax

- AUM +60% YoY driving profitability increase

FUNDS LAUNCHED

Launched in March 2021

Credit & Corporate Turnaround Fund

- UTP
- AuM⁽¹⁾ of around €239mln

Launched in August 2022

Real Estate Credit Fund

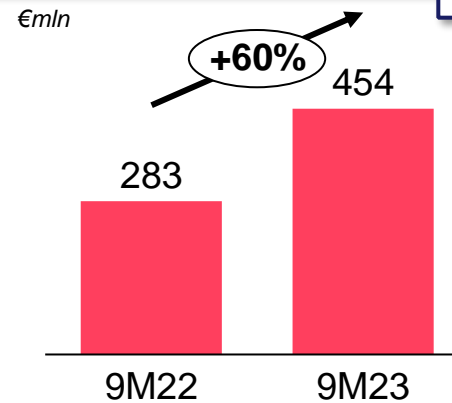
- NPE
- AuM⁽¹⁾: €124mln

Launched in April 2023

Selective Credit Fund (art. 8 SFDR)

- Single name performing unlisted SMEs
- First closing for €91mln finalised and **already deployed in first deal**

AUM



- **Total AUM** reached **ca. €454mln⁽¹⁾** up 60% YoY expected to further increase, thanks to launch of new funds over next quarters



Revenue at €3.8mln up 90% YoY, driving Profit before tax at €1.3mln from breakeven in 9M22



Synergies between **SGR**, and business divisions **already visible** and set to generate further benefits

illimity - Leveraging tech ventures for core business equity

CORE BUSINESS



Growth Credit

- Factoring, structured finance
- Restructuring of UTP loans to performing



Investment Banking

Capital markets & advisory services



Distressed Credit

Investment in UTP and NPL portfolios
Asset based financing
Asset management & servicing

AREC  neprix



illimity SGR | AUM company

Contribution funds
Private debt funds
Private equity funds

ILLIMITY TECHNOLOGY



Digital Division

New area of business,
with unique digital,
modular and in-cloud
architecture for next-
generation banks
boosted by
partnership with
Engineering

TECH VENTURES

(Potential additional value creation)



illimity
BANCA OLTRE LA FORMA

illimitybank.com, fully fledged
Direct Bank for retail clients



Leading Retail Fintech in Italian
market



quimmo
il tuo immobile è qui

Innovative Digital Real Estate
Brokerage Platform (Proptech)



b-ilty
illimity

First fully-fledged Lendtech
Platform for Small Corporates



- Profitability improvement and customers expansion

Top retail fintech in Italy

~1.8mln

+8%
YoY

Growing customers

~54

+21%
YoY

Average transactions per client in 9M23

€27.5mln

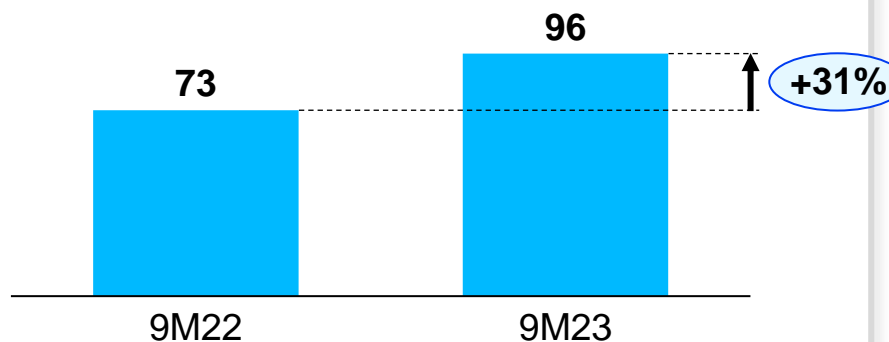
+94%
YoY

Gross revenue (including NII)
in 9M23

Profitability set to further improve
following enrichment of commercial offer

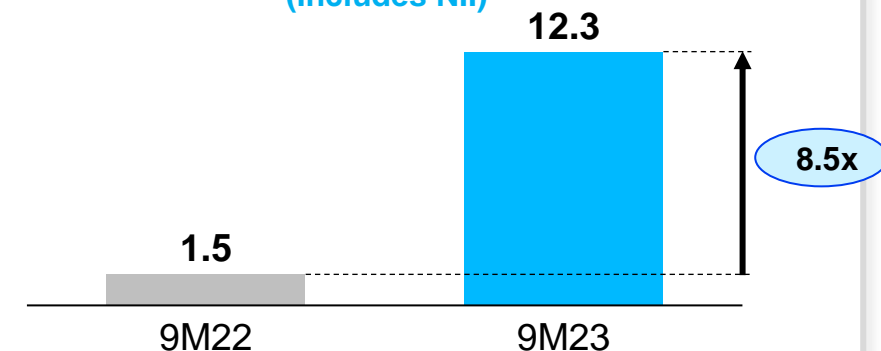
TRANSACTION NUMBERS

€mln



CONTRIBUTION MARGIN⁽¹⁾ (Includes NII)

€mln



b-ilty- **Further progression both in volumes and profitability**



Net customer loans at €217mln up 41% QoQ and 338% YTD



Counterparty numbers increased to approx. ca. 2,000 from 325 at end of 2022



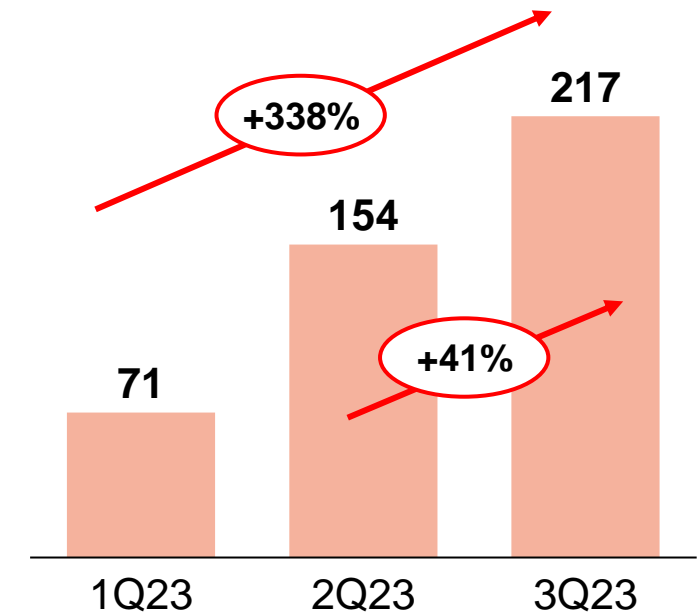
Additional partnership and commercial distribution agreements finalised to support business growth



Gradual improvement in profitability (9M 23 PBT at -€5.4mln vs -€8.2mln in 9M22)

Net Customer Loans

€mln

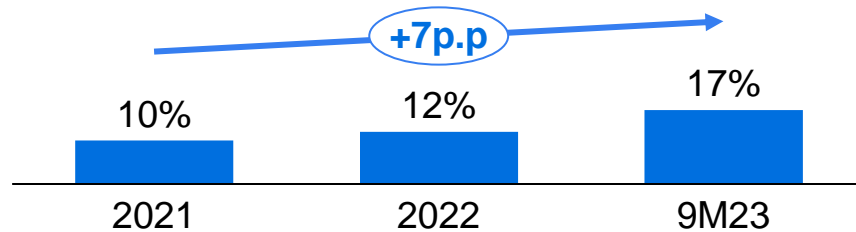


All customer loans are assisted by **public guarantees**

- Proptech leader on judicial market sets pace for open market strategy

JUDICIAL MARKET

- Leader in judicial market with growing market share



OPEN MARKET

- Signed partnership in open residential market brokerage with COIMA⁽¹⁾
- Pipeline of €1bn, with impact on profitability starting from 2024



- Assets sold in 9M23: €252mln
- Generated leads 36K in 9M23

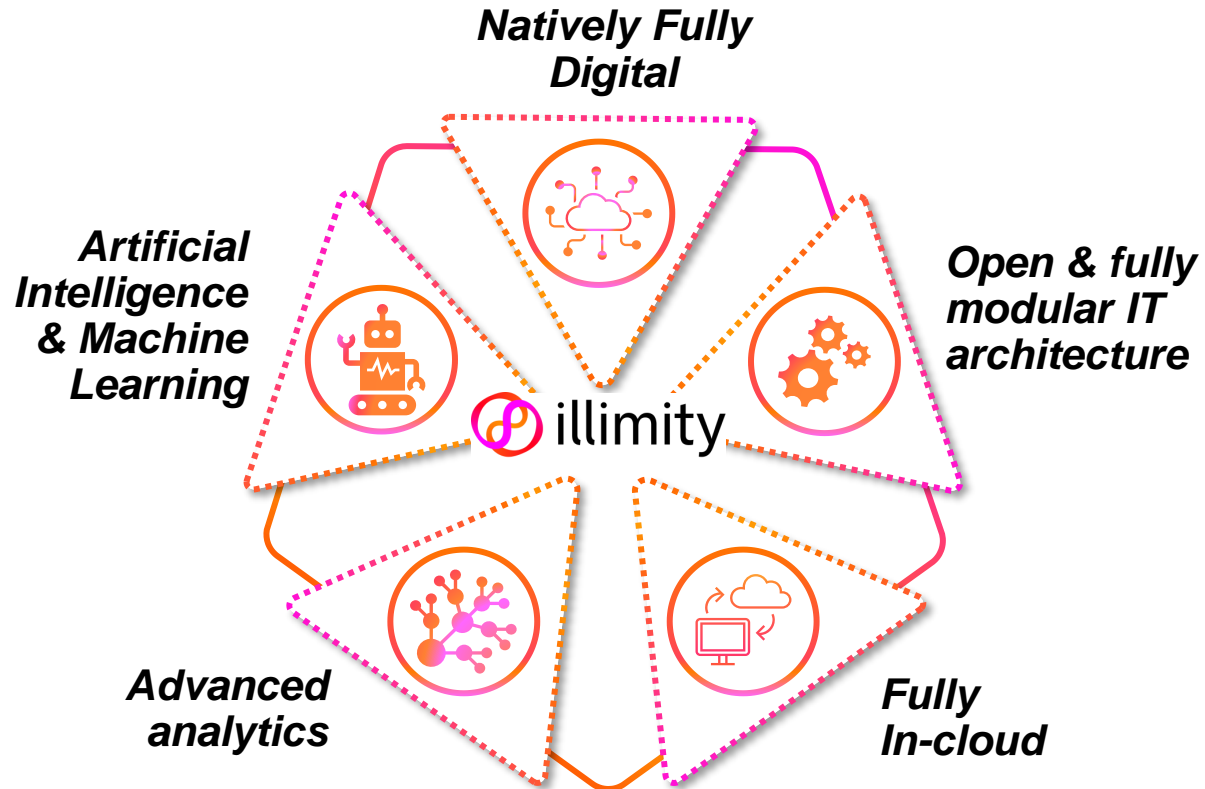


- AuM ~€2.2bn, of which 92% non-captive



- As of 9M23 revenue at €12.7m with pre-tax result of €-3.5m⁽²⁾, set to improve in 2024 following acceleration both in judicial and open real estate market

illimity - Unique IT architecture boosted by partnership with Engineering



Partnership on illimity IT platform with Engineering

€55.5mIn*

Revenue booked in
2Q23

+

€4.5mIn

in return for further optional
platform upgrades

**Significant royalties for
10 years**

**State-of-art solutions of illimity IT platform,
immediately deployable to market in proprietary,
licensing or "as service" solutions in high-
potential segments**

illimity - Strong commitment to sustainability led to important ESG achievements

3Q23 achievements



ESG ratings upgrades

- ↑ **“AA” by MSCI**, moving from “Average” to “Leader” in its industry
- ↑ **positive outlook** from Standard Ethics



Employees' satisfaction

- illimity confirms its presence in Europe's Best Workplaces 2023 ranking, only bank, among best companies in Europe



Carbon Neutrality
Scope 1&2



4.6%
Equity Pay Gap
(Among lowest in sector)



Gender Equality
certified

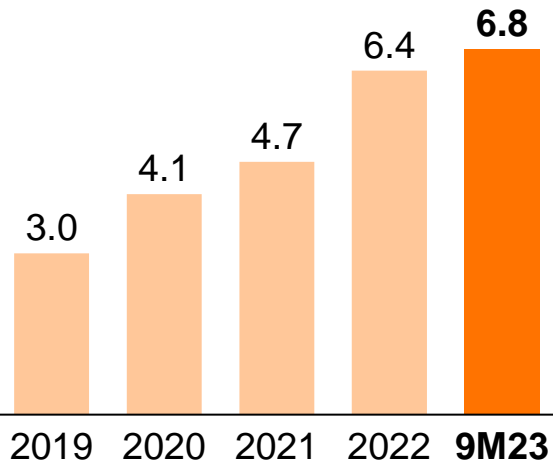


Signatory of PRI by
illimity SGR

illimity - Progression in volumes and profitability keeping low risk profile while investing for future

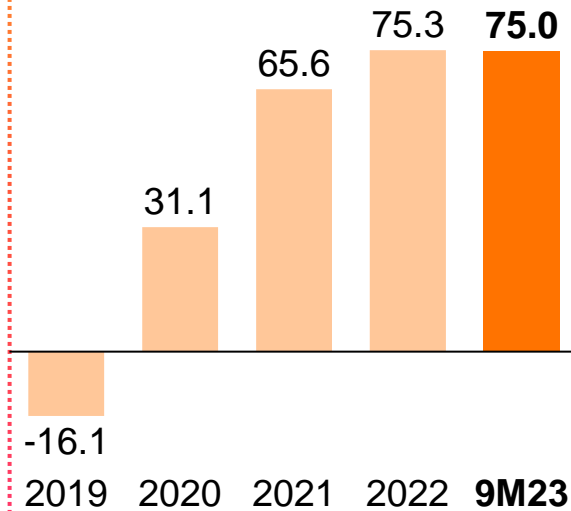
Growing Total assets

€bln



Increasing Net profit

€mln



Low risk profile

1.3%
Gross NPE ratio⁽¹⁾

14.75%
CET 1 ratio

~ 900MLN
Liquidity⁽²⁾

Tech investments for future



(1) Excluding NPE covered by public guarantees (2) Including Cash and High Quality Liquid Assets

Financial review

Silvia Benzi, CFO



illimity - Performing SME business drives growth

	Reclassified Balance sheet	30.09.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023	Δ Q/Q	Δ Y/Y
1	Cash and cash equivalent	364	681	340	536	321	(40)%	(12)%
	Due from banks and other financial institutions	184	183	213	228	120	(47)%	(35)%
2	Customer loans	3,318	3,776	3,927	4,222	4,207	(0)%	27%
	- Distressed Credit investments	860	1,021	991	1,054	911	(14)%	6%
	- Distressed Credit senior financing	446	469	505	429	403	(6)%	(10)%
	- Growth Credit	1,800	2,037	2,116	2,294	2,330	2%	29%
	- Cross-over & Acq. Finance ¹	809	891	903	933	979	5%	21%
	- Turnaround	612	665	725	833	848	2%	38%
	- Factoring	379	481	488	528	503	(5)%	33%
	- b-ilty	38	50	71	154	217	41%	464%
	- Investment banking	108	133	178	223	278	24%	157%
	- Non-core former Banca Interprovinciale	64	66	65	67	68	2%	5%
	Financial assets Held To Collect (HTC) ²	215	428	403	428	485	13%	125%
3	Financial Assets Held To Collect & Sell (HTCS) ³	396	392	384	451	454	1%	15%
	Financial assets measured at FVTPL ⁴	150	105	111	118	159	34%	6%
	Investments in associates and companies subject to joint control	78	76	83	82	81	(1)%	4%
	Goodwill	65	65	65	70	70	--	7%
	Intangible assets	65	70	72	75	75	1%	16%
	Other assets (incl. Tangible and tax assets) ⁵	455	579	500	514	858	67%	89%
	Total assets	5,291	6,355	6,098	6,724	6,831	2%	29%
4	Due to banks	581	1,205	899	951	949	(0)%	63%
	Due to customers	3,186	3,409	3,411	3,863	3,928	2%	23%
	Bond/Securities	515	653	662	731	740	1%	44%
	Shareholders' Equity ⁶	813	841	857	899	923	3%	13%
	Other liabilities	196	246	270	281	291	4%	49%
	Total liabilities	5,291	6,355	6,098	6,724	6,831	2%	29%

1 **Robust liquidity position** with approx. ~€900mln liquidity buffer

2 **Net customer loans remaining stable QoQ – and up 27% YoY.** Our performing loan business advanced strongly, driven especially by b-ilty, Investment Banking and Structured finance. Distressed Credit investments affected by Olympus fund transaction

3 **Financial portfolio** increasing slightly while keeping very conservative profile – duration <3years, mostly Government bonds

4 **Funding little changed** with growth in direct customer funding

Notes: Rounded figures; (1) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's Growth Credit Division segment; it also includes corporate high yield bonds classified as HTC; (2) This figure includes the Bank's securities portfolio classified at amortised cost; (3) HTCS: financial assets measured at fair value through comprehensive income; (4) This item includes equity financial instruments purchased as part of a Turnaround transaction, junior tranches acquired as part of Senior Financing transactions and investments in distressed credits, as part of the Distressed Credit Division's activities; (5) It includes assets arising from the purchasing of tax assets (the so-called "Ecobonus") for €98mln and Assets held for sale for €350mln; (6) Includes 5.3mln of minority interests.

illimity - Robust profitability despite challenging environment

Data in €mln

Reclassified Profit & Loss	1Q23	2Q23	3Q23	Δ Q/Q%	9M22	9M23	Δ Y/Y%
Interest income	86.3	94.6	106.3	12%	165.2	287.2	74%
Interest expenses ¹	(37.9)	(45.2)	(56.3)	25%	(49.1)	(139.5)	184%
1 Net interest income	48.4	49.4	50.0	1%	116.1	147.7	27%
2 Net fees and commissions	15.1	17.1	18.7	9%	41.8	50.9	22%
Net result from trading and Fair Value assets	(0.1)	(0.9)	1.5	n.s.	13.3	0.5	(96)%
3 Net other income/expenses	1.0	55.3	2.3	(96)%	17.1	58.6	242%
Profit from closed purchased distressed credit positions ²	7.8	11.1	5.3	(52)%	45.3	24.2	(47)%
Operating income	72.1	132.1	77.8	(41)%	233.6	282.0	21%
Staff costs	(23.1)	(27.2)	(22.2)	(18)%	(64.4)	(72.6)	13%
Other operating expenses	(21.6)	(23.2)	(23.3)	0%	(64.1)	(68.2)	6%
Depreciation & Amortisation	(5.2)	(5.2)	(5.3)	2%	(11.9)	(15.8)	33%
4 Operating costs	(50.0)	(55.7)	(50.8)	(9)%	(140.4)	(156.6)	12%
Operating profit	22.1	76.4	26.9	(65)%	93.2	125.4	35%
5 Loan loss provision charges	(2.8)	(3.1)	(1.7)	(47)%	(3.7)	(7.6)	109%
6 Value adjustments on purchased distressed credit	0.8	(4.4)	13.3	n.s.	(0.5)	9.7	n.s.
Value adjustments on securities and loans to banks and off-balance	(0.7)	(0.1)	0.2	n.s.	(1.0)	(0.6)	(35)%
Other net provisions for risks and charges	(0.2)	0.4	-	n.s.	(0.0)	0.2	n.s.
Other income from equity investments	(1.2)	(1.3)	(0.8)	(33)%	(5.7)	(3.3)	(42)%
Contribution to banking sector schemes and other non-recurring charges	(6.0)	(0.2)	(3.6)	n.s.	(4.7)	(9.8)	108%
Profit (loss) before tax	12.1	67.7	34.3	(49)%	77.7	114.0	47%
Income tax	(4.3)	(23.3)	(11.7)	(50)%	(27.1)	(39.3)	45%
Minority Interest	-	0.0	0.2	n.s.	-	0.3	n.s.
Net result	7.8	44.4	22.8	(49)%	50.6	75.0	48%

1 Net interest income up 1% QoQ despite increasing cost of funding, benefitting from higher volumes and further repricing of our performing SME business. 9M23 results up 27% YoY

2 Net fees and commissions up +9% QoQ (22% YoY) driven by b-ilty and by Investment Banking business

3 Other income in 9M23 benefited from partnership on our **IT platform**, with profits recorded in **2Q**. Trends in 3Q returned to normal levels










4 Operating costs are down 9% QoQ thanks to positive seasonal trends in staff costs and overall good cost control. **9M23 YoY growth** is driven by IT investments and change in perimeter (AREC acquisition in 2H22)

5 Organic loan loss provisions decline in 3Q driven by extension of factoring credit insurance and overall good asset quality

6 Positive value adjustments on purchased distressed credit

Notes: Rounded figures; It should be noted that starting from the fourth quarter of 2021 operating costs are restated as a result of the reclassification of contribution to banking sector schemes to a specific item in the Group's income statement, in line with industry practice. (1) Interest expenses restated to exclude costs related to Debt for leasing, now reclassified as administrative costs, and to include commission expenses and stamp duty of European deposit platform (Raisin), previously classified as commission expenses and other operating expenses; (2) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor. See 'Profit from closed purchased distressed credit positions' in the Glossary at the end of this document.

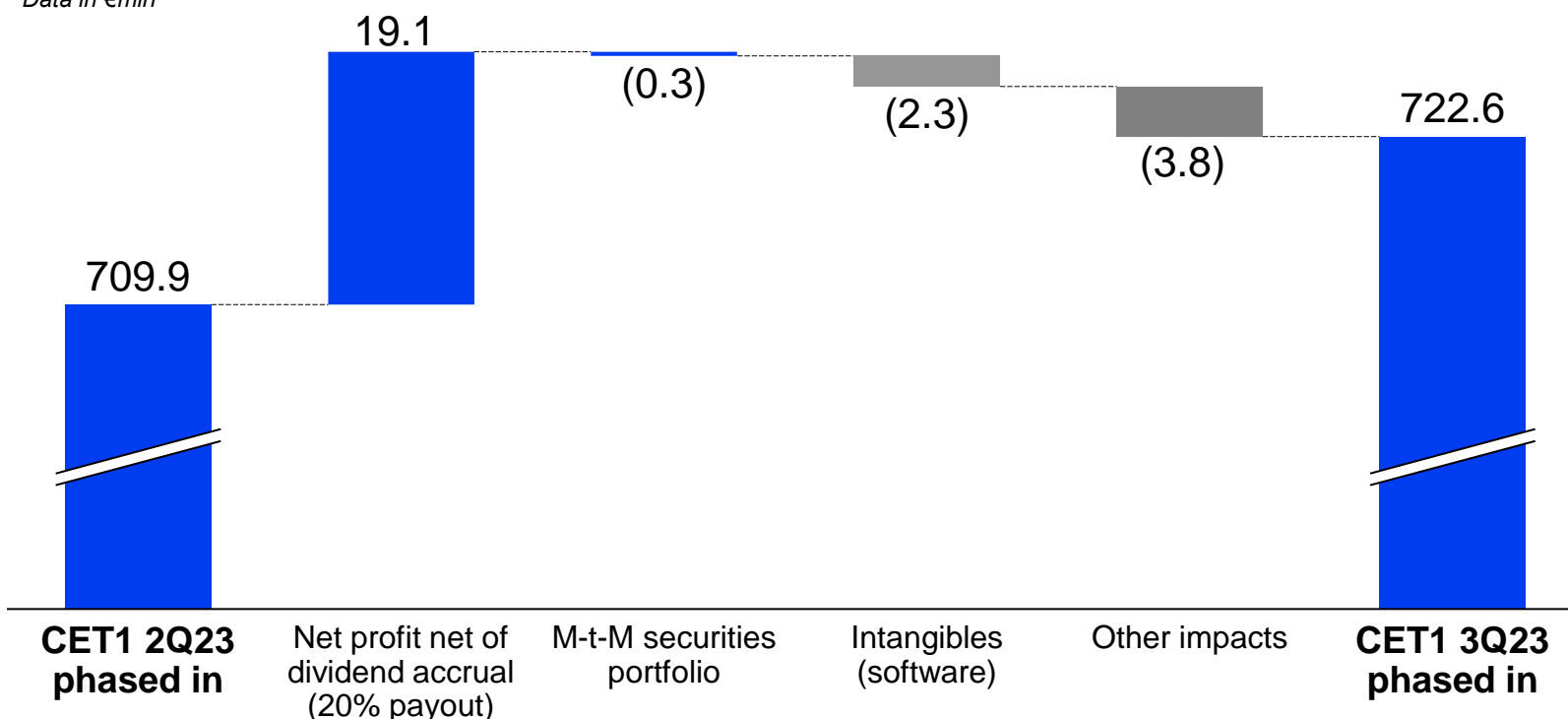
illimity - Diversification is paying off

																		
Data in €mIn	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23
Net interest income	25.1	53.0	2.9	6.6	84.5	81.2	0.3	2.4	3.3	4.5	-	-	-	-	-	-	116.1	147.7
Net fees and commissions	19.9	21.5	6.8	5.1	13.1	18.6	0.6	2.9	(0.6)	(0.9)	-	-	2.0	3.7	-	-	41.8	50.9
Other income	4.8	1.9	1.4	(0.8)	56.7	27.9	-	-	12.8	54.3	-	-	-	0.1	-	-	75.7	83.4
Operating income	49.8	76.4	11.1	10.9	154.3	127.7	0.9	5.3	15.5	57.9	-	-	2.0	3.8	-	-	233.6	282.0
Operating costs	(15.4)	(14.1)	(4.3)	(5.5)	(57.8)	(65.4)	(9.0)	(8.3)	(23.3)	(29.5)	(28.6)	(31.3)	(2.0)	(2.5)	-	-	(140.4)	(156.6)
Operating profit	34.4	62.3	6.8	5.4	96.5	62.3	(8.1)	(3.0)	(7.8)	28.4	(28.6)	(31.3)	-	1.3	-	-	93.2	125.4
Contribution to banking sector schemes & other non-recurring charges	-	(0.6)	-	-	(0.2)	0.5	-	-	-	(4.3)	(4.7)	(5.5)	-	-	(5.4)	(3.0)	(10.3)	(12.9)
Profit (loss) before tax	32.2	63.1	5.9	4.9	94.3	65.8	(8.2)	(5.4)	(7.8)	24.1	(33.3)	(36.8)	-	1.3	(5.4)	(3.0)	77.7	114.0
Cost income ratio	31%	18%	39%	50%	37%	51%	n.s.	n.s.	150%	51%	n.s.	n.s.	100%	66%	n.s.	n.s.	60%	56%

illimity - Robust CET1 ratio at 14.75%

19.9%	Total Capital ratio	19.0%
15.4%	CET1 ratio	14.75%

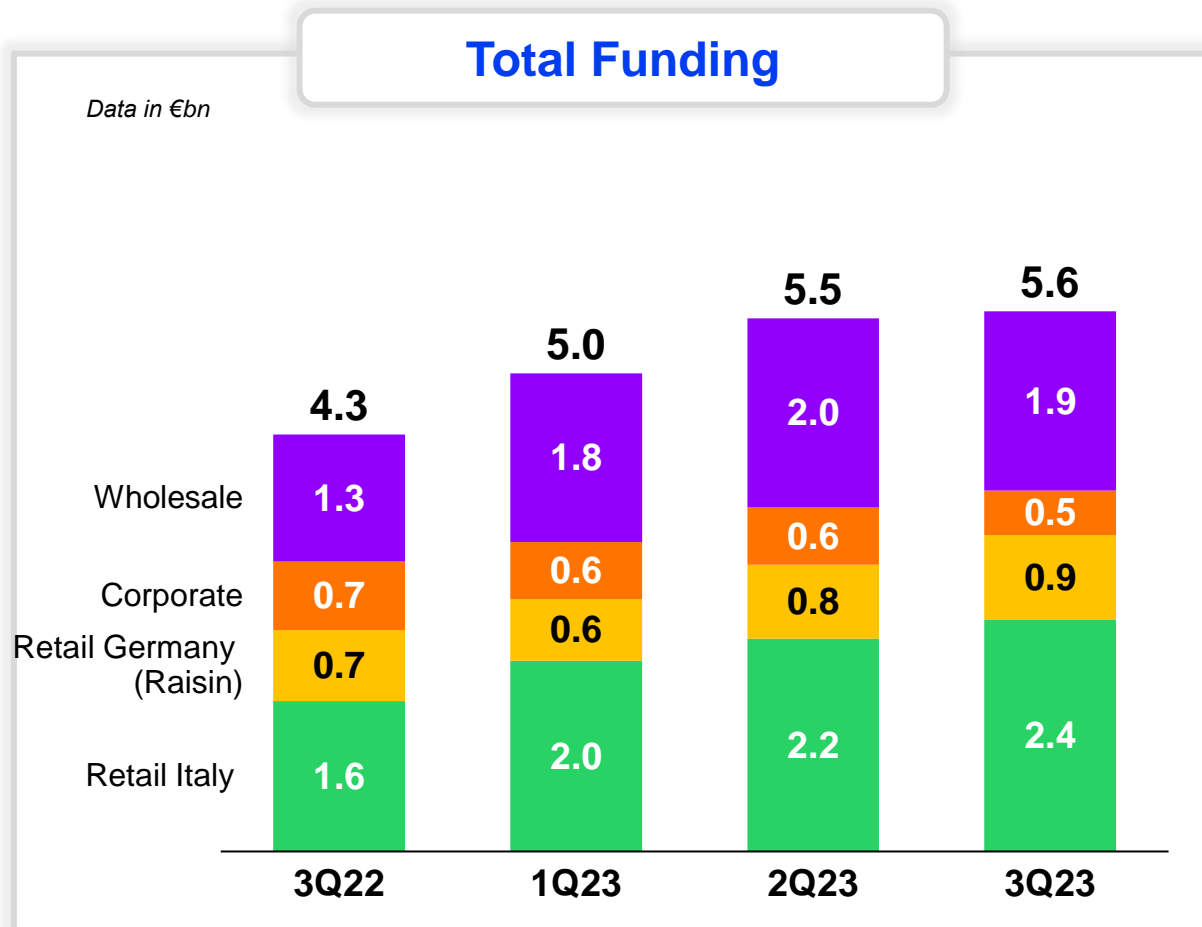
Data in €mln



4,601	RWA	4,900
-------	------------	-------

- CET1 ratio phased-in to 14.75% (14.7% fully loaded) – 560bps vs. SREP requirement
- CET1 Capital⁽¹⁾ in 3Q23 increased by about €13mln, still driven by profit generation in quarter
- RWA increase driven by business origination in quarter

illimity - Direct banking leads funding advance



Retail deposits totalled €3.3bn, up 10% QoQ with strong contribution from our proprietary retail platform illimitybank.com



Wholesale funding is slightly down QoQ on lower use of ECB and interbank funding



Well-diversified funding mix with balanced contribution from all sources

Appendix





illimity - KPIs trend

	2Q23	3Q23	9M22	9M23
CET1 Ratio ⁽¹⁾	15.4%	14.75%	18.0%	14.75%
Total Capital Ratio	19.9%	19.0%	23.6%	19.0%
LCR	276%	235%	307%	235%
NSFR	116%	114%	115%	114%
Cost income ratio ⁽²⁾	42%	65%	60%	56%
Gross organic NPE ratio (excluding BIP) ⁽³⁾	4.7%	4.8%	0.7%	4.8%
Gross organic NPE ratio ⁽⁴⁾	5.6%	5.6%	2.0%	5.6%
Organic cost of risk (bps) annualised ⁽⁵⁾	44bps	22bps	22bps	34bps

1.3% excluding State guarantees⁽³⁾

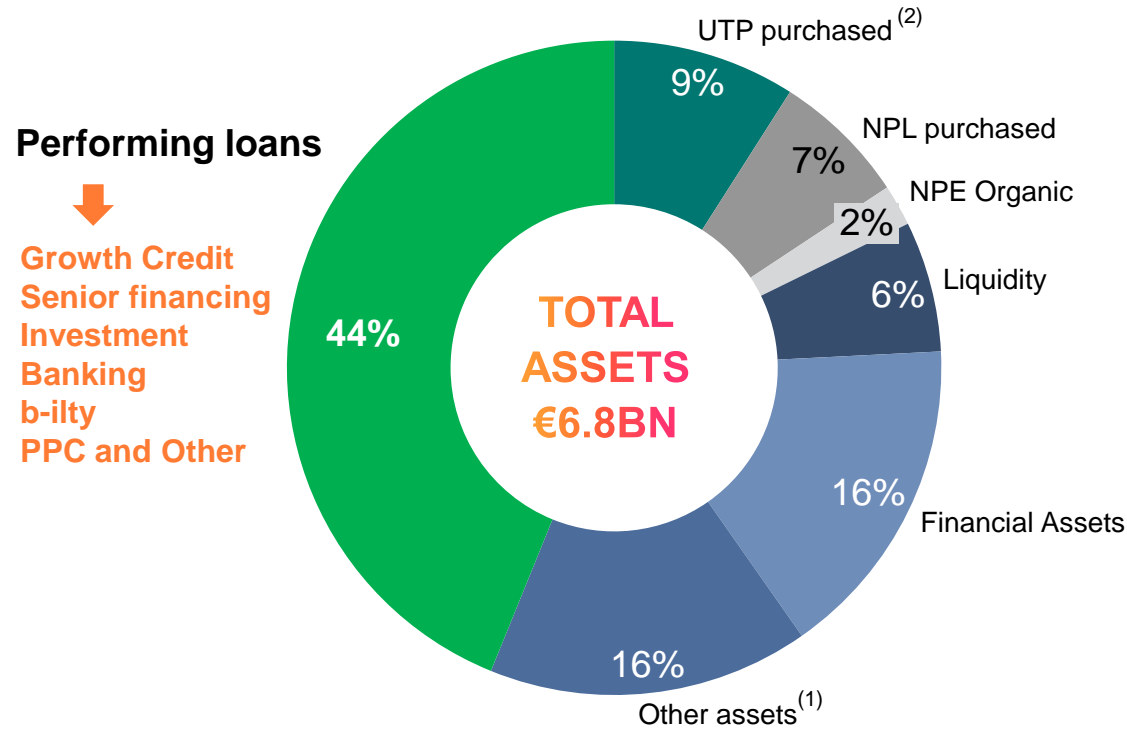
- Solid capital position with **robust CET1 Ratio**
- **LCR** and **NSFR** comfortably above minimum requirements
- **Cost income at 56%** for first 9 months 2023 reflecting IT platform agreement. C/I core business at 40%.
- **Organic NPE ratio on portfolio originated by illimity at 4.8%** (5.6% including former BIP portfolio) but 1.3% excluding State guarantees
- **Organic cost of risk down contained at 34 bps**, reflecting high share of guaranteed loans

Notes: (1) Phased-in definition; (2) Cost income ratio restated due to contribution to banking sector schemes reclassified out of Operating costs; (3) Excluding BIP legacy portfolio, see 'Gross organic NPE ratio' in the Glossary at the end of this document for further details; (4) See 'Gross organic NPE ratio' in the Glossary at the end of this document. Any failure to reconcile the stated figures arises exclusively from rounding; (5) Calculated as the ratio between loan loss provisions and net organic loans at 30 June 2023 (€2,846 million) for the segments Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans;

illimity - Strong asset diversification to remain key strength to adapt to evolving scenario

BREAKDOWN OF TOTAL ASSETS







Data as at 30 September 2023



Notes: (1) Include tangible and intangible assets, fiscal assets and other. (2) Includes €9mln past due purchased.

illimity - Originated volumes

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


		Originated Business ⁽¹⁾			
		9M22	9M23	Δ%YoY	Pipeline ⁽²⁾
		~1,070	~1,267	+18%	>1,000
 Growth Credit Division	 CO&AF TURNAROUND	580	466	-20%	>370
	 Factoring Turnover	1,258	1,876	+49%	
	 Investment Banking Division	146	245	+68%	>100
	 Distressed Credit Division	304	381	+25%	>443
	 b-ilty	39	175	347%	>110

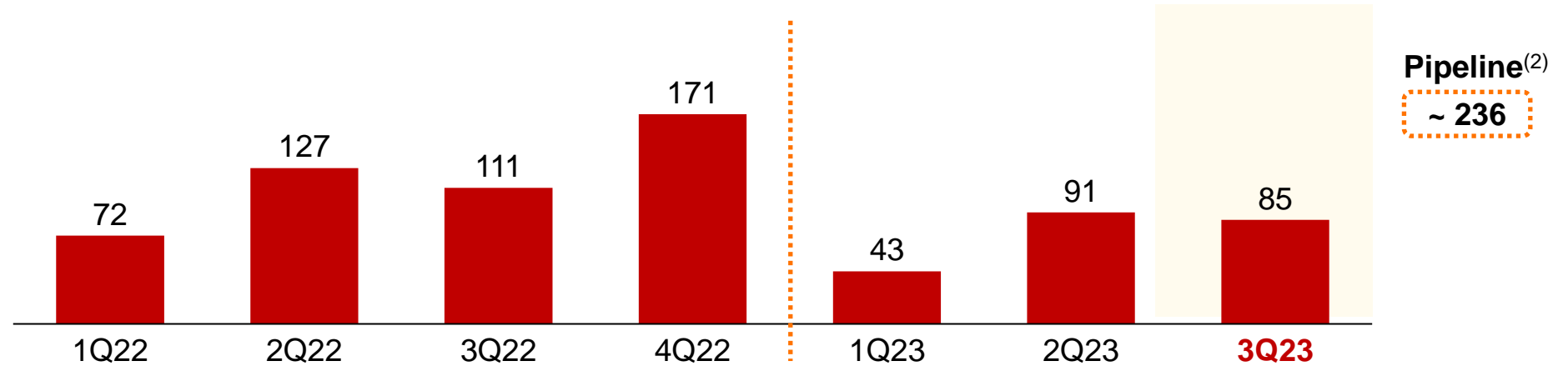
Notes: Non accounting figures; (1) See 'Originated Business' in the Glossary at the end of this document; (2) See 'Pipeline' in the Glossary at the end of this document.

illimity - Originated business Growth Credit: focus on Cross-over & Acquisition Finance and Turnaround

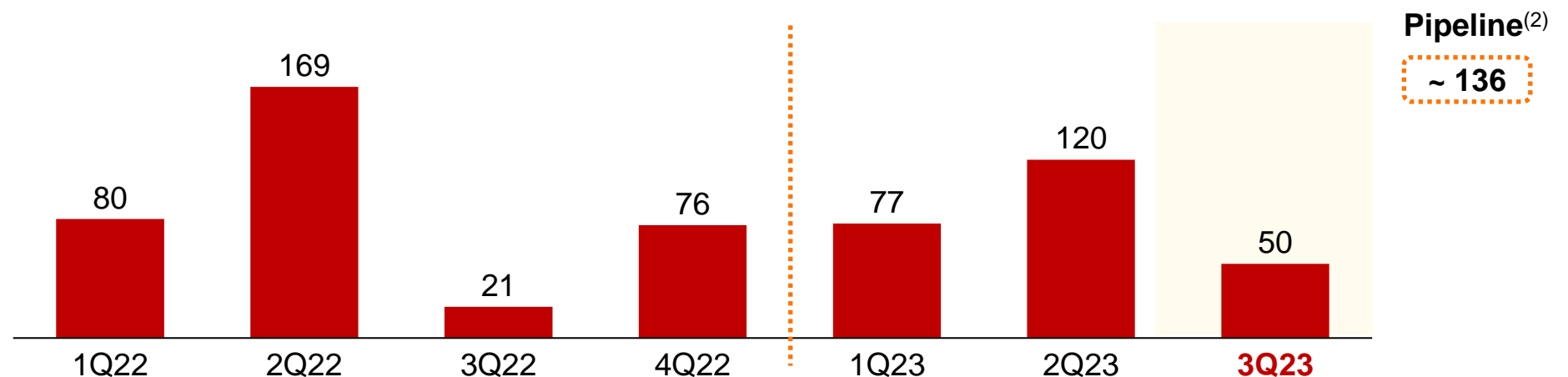
Originated business

Data in €mln


**Cross-over &
Acq. Finance⁽¹⁾**




Turnaround



illimity - Originated business Growth Credit: focus on Factoring

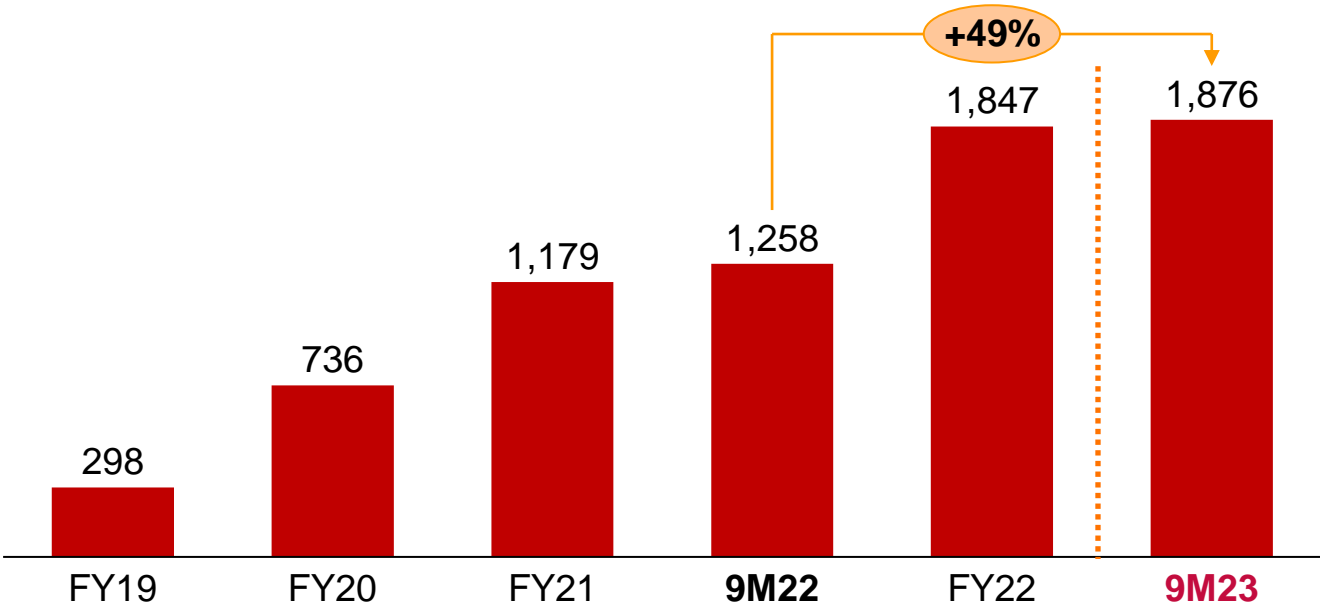
Originated business

Net Customer loans



Net Customer loans up 33% YoY

Turnover⁽¹⁾



9M23 Factoring turnover up 49% YoY

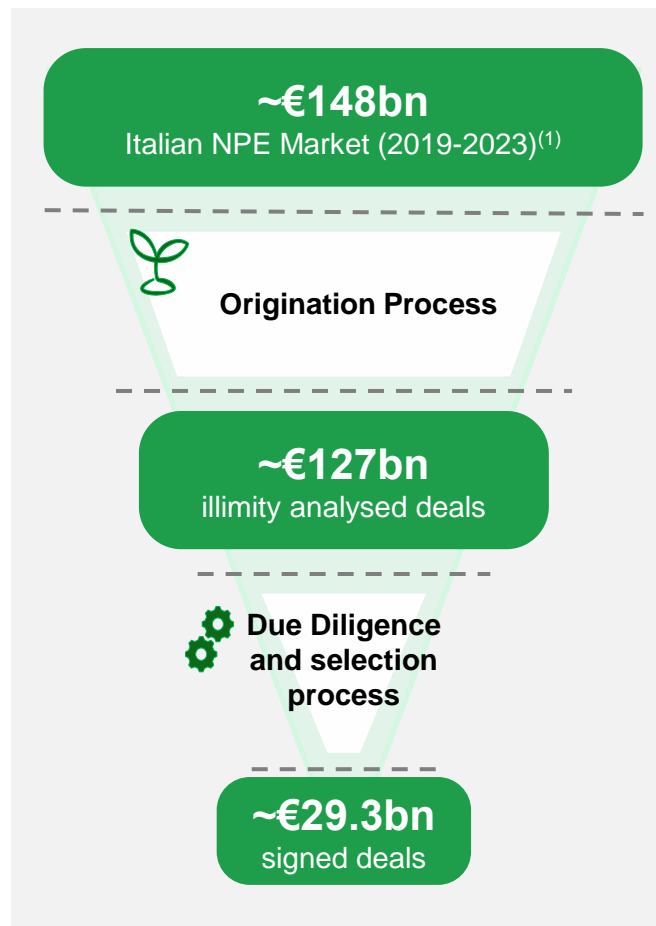


Number of clients⁽²⁾ at 3Q23 increasing further to 259 and more than 1,000 debtors

Notes: Rounded figures; Non accounting figures; (1) Turnover: in a Factoring transaction, the total amount of receivables transferred over a defined period of time; (2) The corporate that transfers its account receivables to the Bank (so-called factor).

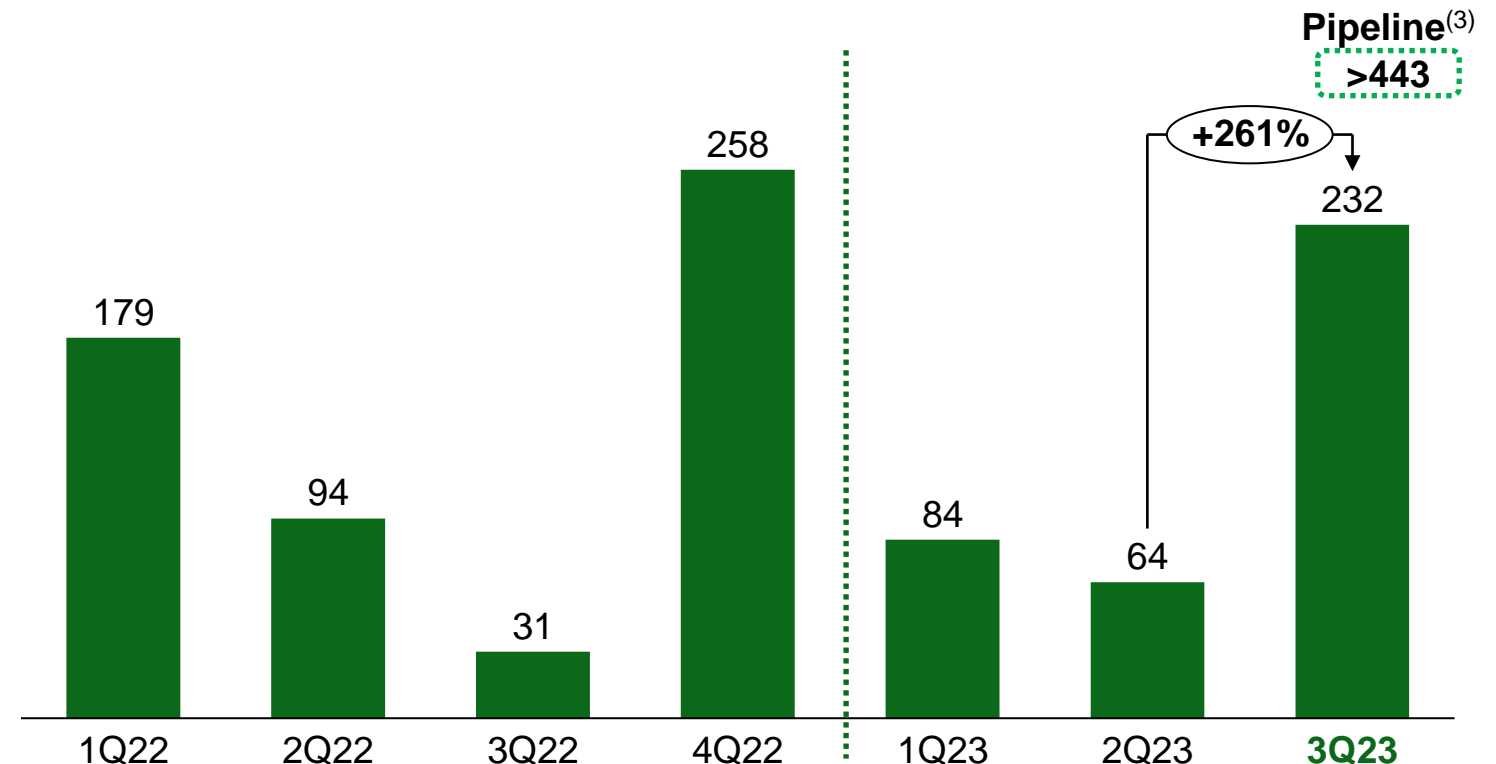
illimity - Originated business Distressed Credit

Selective approach



Originated business⁽²⁾

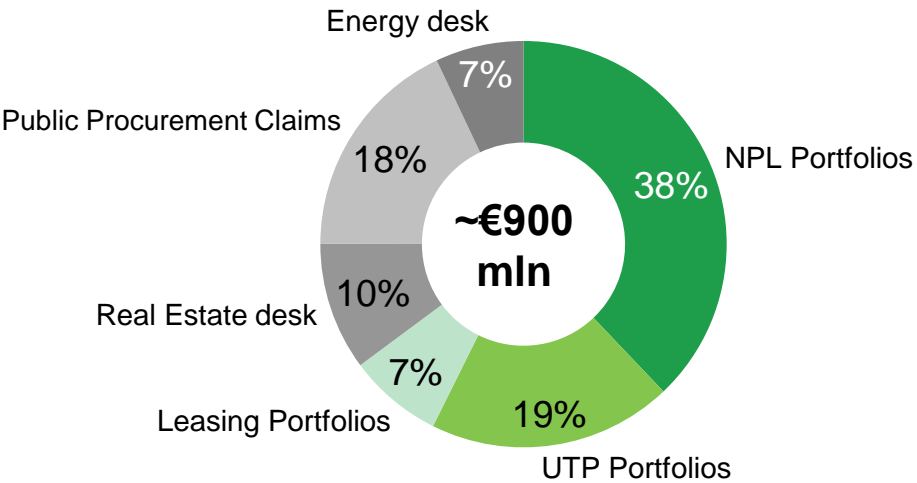
Data in €mln



illimity - Distressed Credit portfolio highlights

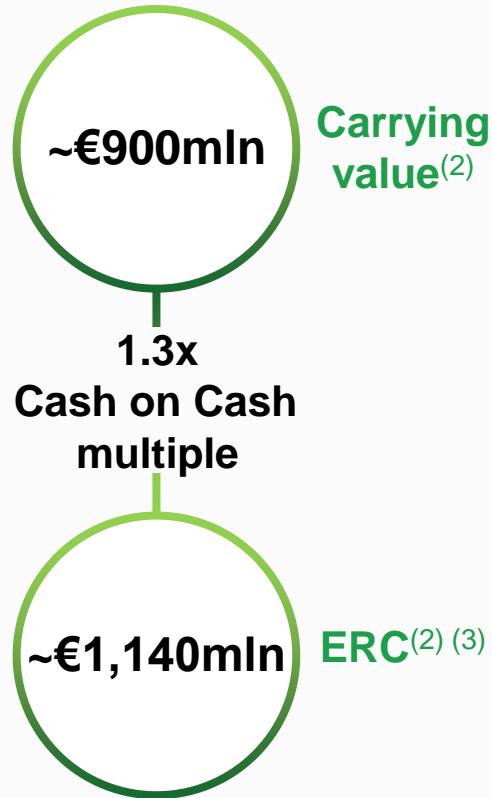
Data as of 30 September 2023⁽¹⁾

NBV breakdown by asset class

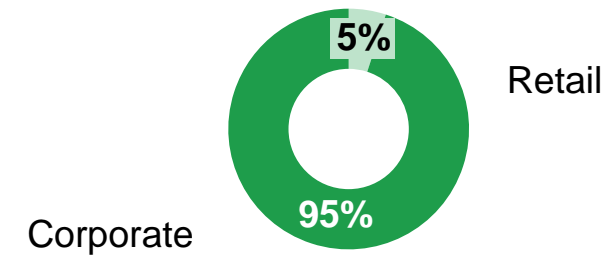


~€330k Average ticket size
(GBV)

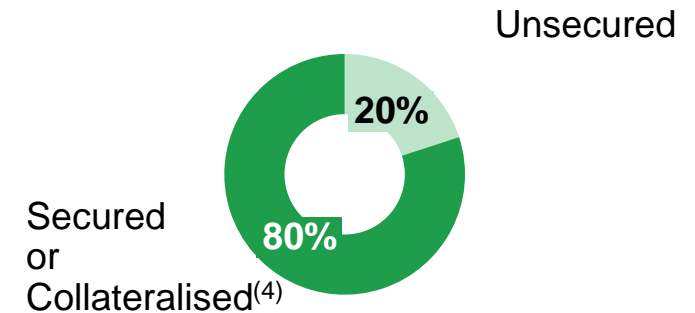
KPIs



Type of borrower (GBV breakdown)



Secured/ Unsecured (NBV breakdown)

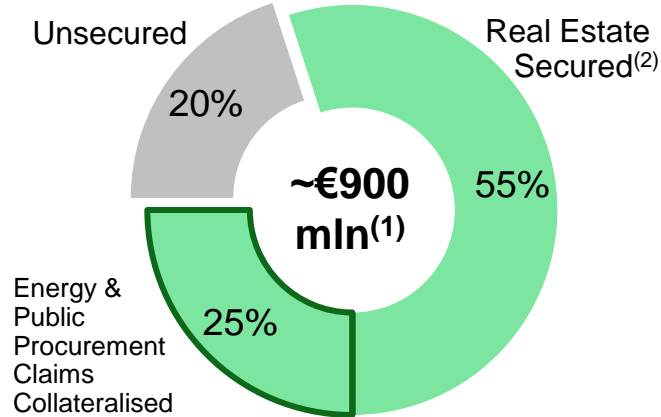


Notes: Rounded figures; (1) Data does not include repossessed assets (through ReoCo and *datio in solutum*); (2) Includes Distressed Credits investments, assets purchased by the Energy desk and some senior financing assets; (3) Estimated Remaining Collections on booked investments. See 'ERC' in the Glossary at the end of this document; (4) Secured portion includes Public Procurement Claims (15% of total) and Energy (6% of total).

illimity - Highly collateralised and diversified Distressed Credit investments

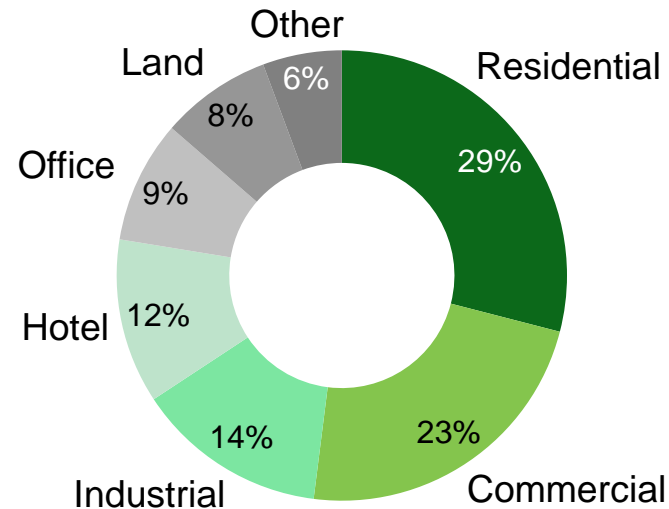
Data as of 30 September 2023

Secured/ Unsecured
(NBV breakdown)



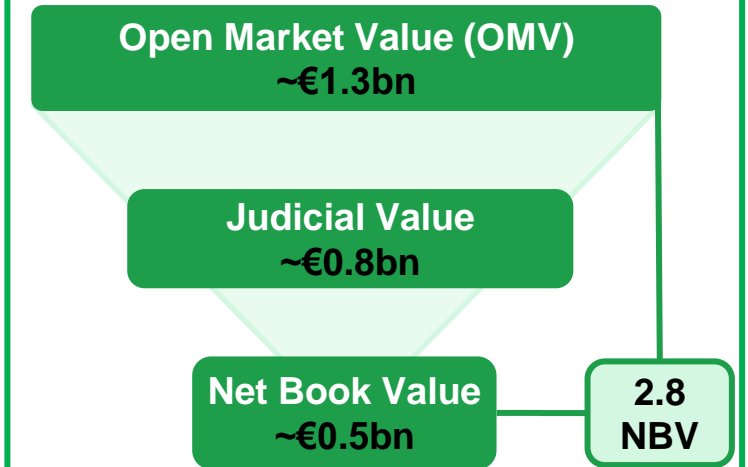
80% of portfolio Secured or Collateralised

Type of Real Estate collateral
(OMV breakdown)



Strong diversification in type of collateral

Real Estate collateral value

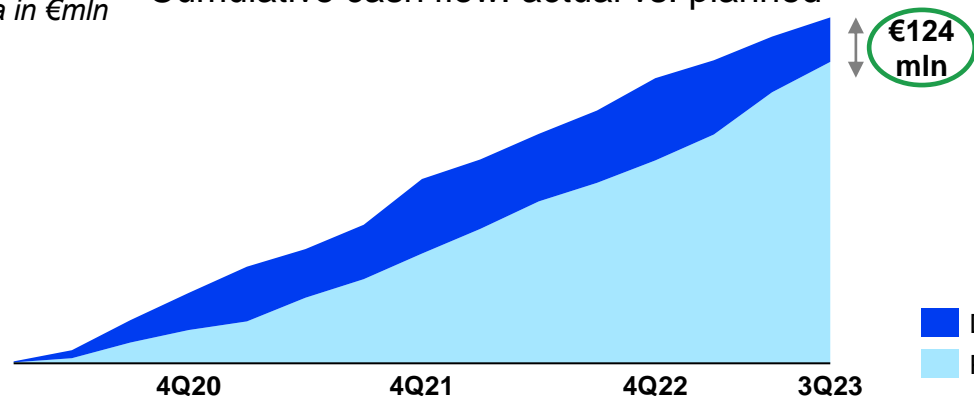


Solid real estate values, with high buffer vs. Open Market Value

illimity - Distressed Credit key data

Cash flow view (1)

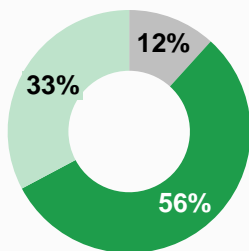
Data in €mln Cumulative cash flow: actual vs. planned



➤ **+€124m**
cumulated cash
flow in excess of
initial plan since
inception

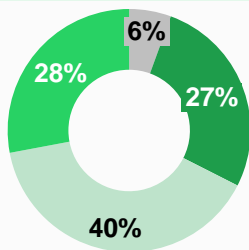
Workout strategy in pricing model

(Cash flow breakdown)



Actual workout strategy

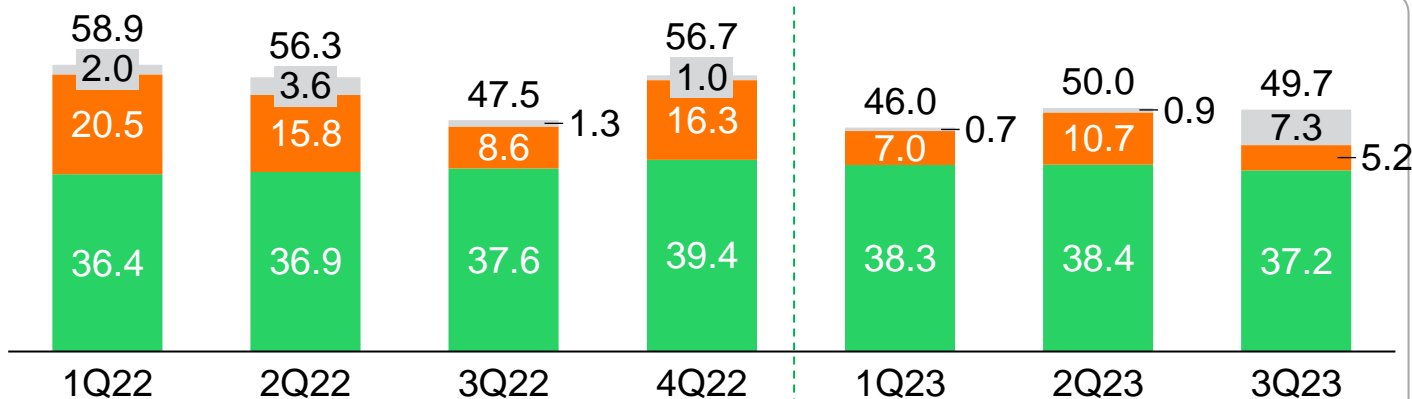
(Cash flow breakdown)



Judicial
Disposal
Out-of-court settlement
Other

Economic view (2)

Data in €mln



(3)

illimity - P&L contribution from Distressed Credit business supported by high level of collections

CASH TO P&L Contribution

Data in €mln

	FY2020	FY2021	FY2022	9M2023
P&L contribution ⁽¹⁾	152	180	195	140
Cash collections	267	403	488	323
Cash to P&L ratio	1.7x	2.2x	2.5x	2.3x

(1) Includes: (i) interest income, (ii) Profit from closed purchased distressed credit positions and (iii) Value adjustments on purchased distressed credits

Stable contribution to P&L supported by solid portfolio constantly regenerated

Strong and consistent cash flow generation

Cash to P&L ratio boosted by different workout strategies aimed at maximising revenue and reducing recovery time

illimity - Strong SME and technology contribution

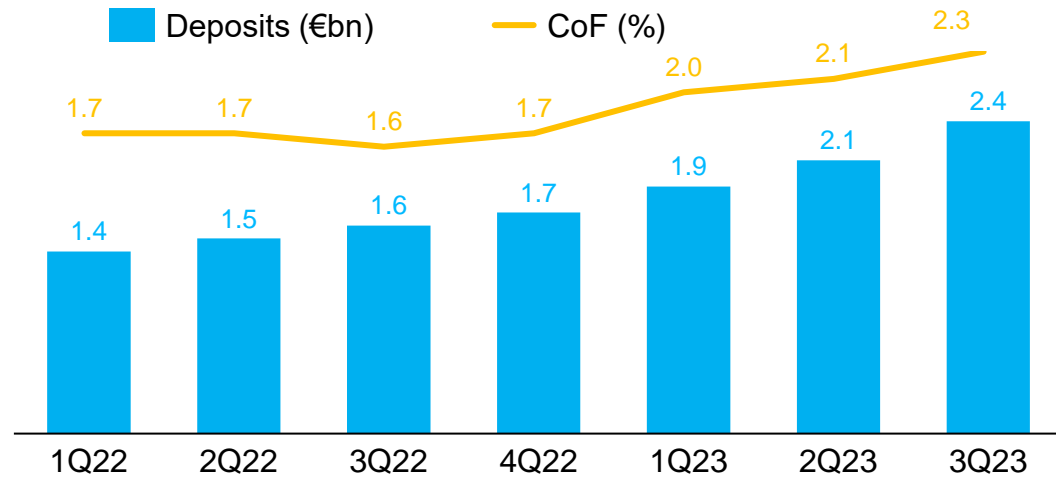
	GROWTH CREDIT (BIP included)		INVESTMENT BANKING		DISTRESSED CREDIT		b-ilty illimity		DIGITAL DIVISION		HQ FUNCTIONS		illimity SGR		HYPE		TOTAL	
Data in €mln	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23
Net interest income	25.1	53.0	2.9	6.6	84.5	81.2	0.3	2.4	3.3	4.5	-	-	-	-	-	-	116.1	147.7
Net fees and commissions	19.9	21.5	6.8	5.1	13.1	18.6	0.6	2.9	(0.6)	(0.9)	-	-	2.0	3.7	-	-	41.8	50.9
Other income	4.8	1.9	1.4	(0.8)	56.7	27.9	-	-	12.8	54.3	-	-	-	0.1	-	-	75.7	83.4
Operating income	49.8	76.4	11.1	10.9	154.3	127.7	0.9	5.3	15.5	57.9	-	-	2.0	3.8	-	-	233.6	282.0
Staff costs	(9.5)	(9.1)	(3.0)	(3.6)	(24.7)	(29.9)	(3.3)	(4.3)	(5.6)	(6.8)	(16.6)	(16.8)	(1.7)	(2.1)	-	-	(64.4)	(72.6)
Other operating expenses and D&A	(5.9)	(5.0)	(1.3)	(1.9)	(33.1)	(35.5)	(5.7)	(4.0)	(17.7)	(22.7)	(12.0)	(14.5)	(0.3)	(0.4)	-	-	(76.0)	(84.0)
Operating costs	(15.4)	(14.1)	(4.3)	(5.5)	(57.8)	(65.4)	(9.0)	(8.3)	(23.3)	(29.5)	(28.6)	(31.3)	(2.0)	(2.5)	-	-	(140.4)	(156.6)
Operating profit	34.4	62.3	6.8	5.4	96.5	62.3	(8.1)	(3.0)	(7.8)	28.4	(28.6)	(31.3)	-	1.3	-	-	93.2	125.4
Provisions	(2.2)	1.4	(0.9)	(0.5)	(2.0)	3.0	(0.1)	(2.4)	-	-	-	-	-	-	-	-	(5.2)	1.5
Other net provisions and contribution to banking sector schemes	-	(0.6)	-	-	-	0.8	-	-	-	(4.3)	(4.7)	(5.5)	-	-	-	-	(4.7)	(9.6)
Other income from equity investments	-	-	-	-	(0.2)	(0.3)	-	-	-	-	-	-	-	-	(5.4)	(3.0)	(5.6)	(3.3)
Profit (loss) before tax	32.2	63.1	5.9	4.9	94.3	65.8	(8.2)	(5.4)	(7.8)	24.1	(33.3)	(36.8)	-	1.3	(5.4)	(3.0)	77.7	114.0
Cost income ratio	31%	18%	39%	50%	37%	51%	n.s.	n.s.	150%	51%	n.s.	n.s.	100%	66%	n.s.	n.s.	60%	56%
Interest earning assets	2,201	2,905	256	488	1,579	1,972	43	247	-	0	548	441	0	0	-	0	4,627	6,054
Other assets	149	152	1	2	195	205	0	1	75	120	165	214	0	0	78	81	664	777
RWA	1,265	1,763	139	205	1,873	2,304	9	67	33	124	314	392	3	5	66	40	3,703	4,900

Notes: Rounded figures; Operating costs restated for reclassification of contribution to banking sector scheme to a specific item in the Group's income statement.

illimity - illimitybank.com: fulfilling funding needs of Group

End of Quarter results

✓ FUNDING QUALITY



€ 2.4 bn

Funding on
illimitybank.com
at 30/09/23

83%

Term Deposits on
Total Funding
as of 30-Sept

✓ ENGAGEMENT

~79k

Total
Customers
as of 30-Sept

92%

Active
Customers
as of 30-Sept

41%

Loyal
Customers
as of 30-Sept

✓ APPRECIATION

42

NPS
avg
3Q23

36%

Awareness
avg
3Q23

3Q23 funding



+196 mln €

New stock
illimitybank

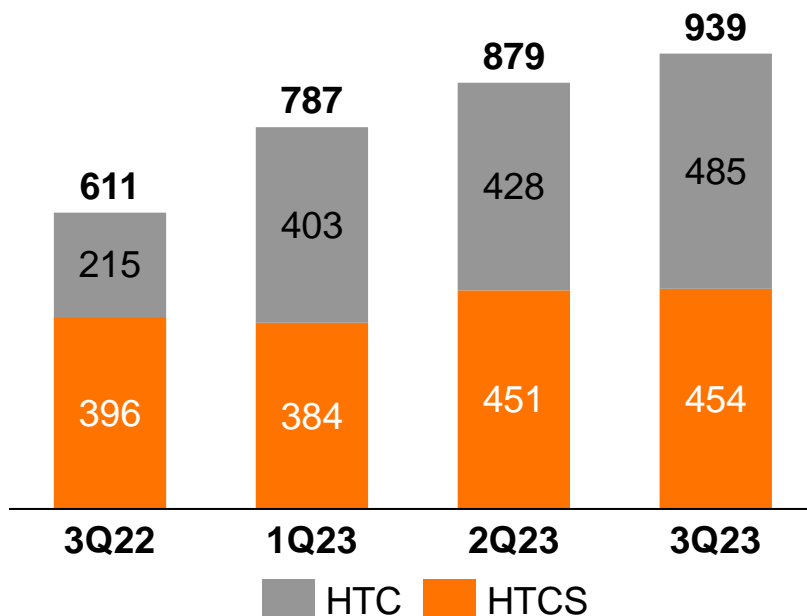
4.06%

Average
cost of "new funding"

illimity - Prudent strategy on securities portfolio

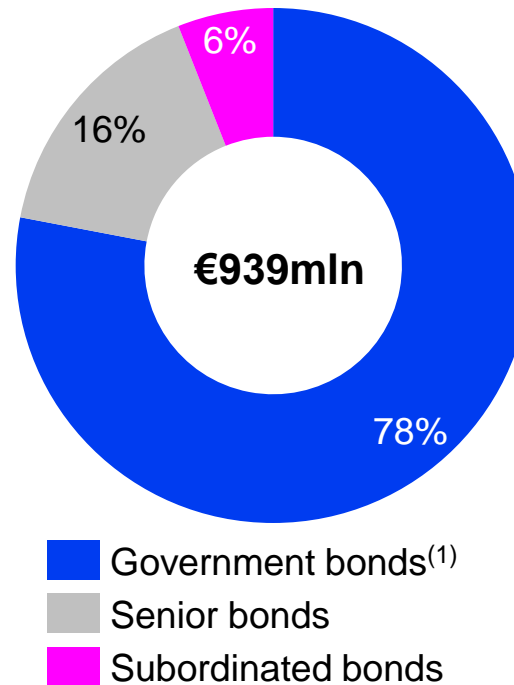
Securities portfolio

Data in €mln



Portfolio composition HTCS / HTC

30 September 2023



- **Prudent strategy** with securities portfolio hold for liquidity purposes representing less than 53% of illimity shareholders' equity
- **Negligible unrealised losses on HTC securities, hedge accounting strategy in place on a large part of HTCS securities** to mitigate impact from further interest rates volatility
- Duration **~2.9 years**
- Average yield approx. **2.9%**

- **Pipeline:** Specific business opportunities for which the Bank envisages there is a reasonable expectation to close the transactions in the forthcoming months
- **ERC:** Estimated Remaining Collections. It is the Bank's estimated remaining gross cash flows on purchased distressed loans
- **Gross organic NPE ratio:** Ratio of gross organic NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, Turnaround, b-ilty, Alternative Debt and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans
- **Business origination:** This aggregate includes Growth Credit Division loans granted/purchased (for factoring only the difference of carrying amount of the period with the historical peak, if positive), Distressed Credit Investments booked, Senior Financing, Alternative Debt and b-ilty loans granted in the period and the value of the deals signed but yet booked in the period, 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.
- **Profit from closed purchased distressed credit positions:** Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff ("DPO") agreed with the debtor

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