SOLID START BY ILLIMITY IN THE FIRST QUARTER OF 2022, IN LINE WITH THE GROWTH TRAJECTORY OF ITS STRATEGIC PLAN

OPERATING PROFIT AT 33.5 MILLION EURO, A RISE OF 72% Y/Y

NET PROFIT OF 15.7 MILLION EURO (+25% Y/Y)

THE STRONGEST EVER FIRST QUARTER IN TERMS OF NEW BUSINESS GENERATION, TAKING CUSTOMER LOANS AND INVESTMENTS TO OVER 2.8 BILLION EURO (+27% Y/Y) AND TOTAL ASSETS TO 4.9 BILLION EURO

ASSET QUALITY AND CAPITAL BASE REMAIN AT EXCELLENT LEVELS IN THE BANKING SYSTEM: ORGANIC NPE RATIO[1] AT 0.7% AND CET1 RATIO AT 17.7%

SUCCESSFUL LAUNCH OF B-ILTY AND QUIMMO, HIGHLY INNOVATIVE DIGITAL INITIATIVES

REINFORCEMENT OF LEADERSHIP IN THE MANAGEMENT OF LARGE TICKET CORPORATE REAL ESTATE UTP LOANS THROUGH THE PURCHASE OF AREC WITH OVER 2 BILLION EURO CORPORATE UTP UNDER MANAGEMENT

Milan, 11 May 2022 – Chaired by Rosalba Casiraghi, the Board of Directors of illimity Bank S.p.A. ("**illimity**" or the "**Bank**") yesterday approved the illimity Group's results at 31 March 2022.

illimity continued its growth path also in the first quarter of 2022, in line with the trajectory forecast in its 2021-25 Strategic Plan, posting **a net profit of 15.7 million euro**, representing an increase of 25% over the first quarter of 2021 (12.6 million euro).

More specifically, the quarter was characterised by:

- **the best ever first quarter in terms of new business volumes, with loans and investments of more than 330 million euro originated in the first quarter of 2022**, more than double the figure for the first quarter of the previous year. The Bank's business divisions all displayed great vivacity, contributing to the significant momentum in the quarter;
- **a robust upswing in revenue to reach 78.5 million euro** (+41% y/y, +1% q/q) in the first quarter of 2022, increasingly diversified and well-balanced between the net interest income and non-interest income components. The Distressed Credit Division continued its position as the main contributor, generating 69% of total revenues earned in the quarter, while the Growth Credit Division posted revenue growth of over 50% compared to the first quarter of 2021, taking its contribution to consolidated revenues to around 19%;

[1] Related to the business originated by illimity, excluding the loan portfolio of the former Banca Interprovinciale.

- **a continuous improvement in operating leverage:** the Cost income ratio stood at 57% in the first quarter of 2022, a decrease of 8 percentage points over the same period of the previous year and 5 percentage points over the previous quarter;
- thanks to the above dynamics, an **operating profit of 33.5 million euro**, representing a significant rise on both an annual basis (+72% over the figure of 19.5 million euro posted in the first quarter of 2021) and a quarterly basis (+14% over the figure of 29.4 million euro for the fourth quarter of 2021);
- **a pre-tax profit of 24.1 million euro**, representing an increase of 26% on an annual basis (and 98% on a quarterly basis), despite impairments to organic credit based on an approach that remained prudent also in the quarter and value adjustments to part of the existing portfolio of the Distressed Credit Division, arising physiologically from the regular review of the business plans of each loan and the relative recovery strategies;
- **the excellent quality of organic loan book**: at 31 March 2022 the ratio between gross doubtful organic loans and total gross organic loans originated since the start of illimity's operations stood at 0.7%, a figure becoming 2.3% if the loan portfolio of the former Banca Interprovinciale is included. The annualised organic cost of risk[2] for the quarter stood at 13 bps;
- **a robust capital base** with ratios positioned at the top levels of the system – a CET1 ratio of 17.7% (18.1% pro-forma with the inclusion of the special shares), a Total Capital Ratio of 23.2% (23.6% pro-forma) - and, despite the significant deployment of funds in new loans and investments, a **sound liquidity position** (of approximately 1 billion euro).

Two initiatives with high technological features were launched in the first part of 2022, in execution of the 2021-25 Strategic Plan:

- February saw the launch of **b-ilty, the first digital business store for credit and financial services developed by illimity for SME having revenues of between 2 and 10 million euro**. Although currently at the test phase ("beta") for finalising the offer and the operating platform, b-ilty can already count on around 100 active relationships;
- the beginning of April saw the launch of **Quimmo**, innovative proptech, a development of neprix Sales, already a remarketing leader in the judicial property sales market with 564 real estate properties sold in the first quarter; the launch of Quimmo marks the entry in the free property market with a new brand and an innovative platform.

The possibilities of serving large markets and creating future partnerships, together with the typical scalability of such initiatives arising from their high technological content, are all factors that will determine a strong growth potential for the results of the two initiatives and lead to a significant contribution to the illimity Group's results.

Lastly, illimity reached an agreement for the **acquisition**, through incorporation of a new company, **of 100% of Aurora Recovery Capital S.p.A. ("Arec")**, a company specialised in managing Unlikely to Pay ("UTP") loans with a focus on the corporate real estate segment. The operation is subject to the approval of the Supervisory Authority and illimity's Shareholders' Meeting, as well as to the occurrence of standard conditions precedent for this kind of transaction. With the subsequent

[2] Calculated as the ratio between loan loss provisions and net organic loans to customers at 31 March 2022 (1,679 million euro) for the Factoring, Cross-over, Acquisition Finance and Turnaround segments and for loans purchased as part of investments in distressed credit portfolios that have undergone a passage of accounting status subsequent to acquisition or disbursement (excluding loans purchased as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans.

integration of Arec in neprix, the latter will further strengthen its market positioning and significantly expand the number of its third party servicing mandates, increasingly asserting itself as a market servicer and being able to count on a consolidated experience, a brand and a high level of reliability recognised by the market. This transaction is expected to lead to significant synergies:

- in servicing activities deriving from the further opening up of neprix to third party asset management mandates;
- in strengthening deal structuring expertise – which it is expected will generate additional fees from complex transactions originated by the illimity Group;
- in terms of optimisation of management and subsequent value-enhancement of the real estate assets under management – which will translate into higher divestment values with positive effects on the performance of managed loans;
- in co-investment opportunities for illimity alongside other investors in UTP positions identified on the market, including in senior financing.

Management estimates that the acquisition and potential synergies above mentioned will have a positive effect on the illimity Group's pre-tax profit of around 8 million euro in 2023 and around 11 million euro in 2025, incremental to the targets included in the 2021-25 Strategic Plan. As of 2025, pre-tax profit of the combined entity would therefore set at over 30 million euro. For further information about the transaction, please refer to the press release published today.

Corrado Passera, **CEO** and **Founder** of **illimity**, commented: "*The solid results we have achieved in the first quarter allow us to look ahead to the rest of the year with great optimism.*

In this respect a new growth phase has opened up for illimity: our markets of reference - performing, restructuring and distressed credit – will become even bigger in the current scenario, and the significant generation of new investments and loans in the first quarter, together with the robust pipeline, indicate that this trend will continue.

We are proud to have launched two highly technological initiatives over the past few months which are capable of further supporting illimity's growth path and can serve enormous markets with unsatisfied needs: b-ilty, the first complete digital platform for credit and financial services for SMEs, and Quimmo, the extremely innovative proptech that will revolutionise the free property market. If to these we add HYPE, which continues to consolidate its leadership on the Italian fintech market, we can truly say that illimity is increasing its technological component even further and significantly, driving growth and value creation for all our stakeholders.

In addition, the purchase of Arec enables us to strengthen our positioning in UTP credit management with a particular focus on the large ticket corporate real estate segment and puts us in a position for grasping the key market opportunities that will arise in the future.

Lastly, there is a very rich pipeline of new business opportunities and, as forecast, 2022 will be the year when the first significant synergies with the ION Group will start materialising.

The first results for 2022 are in line with the growth and earnings trajectory included in the 2021-25 Strategic Plan (net profit exceeding 240 million euro in 2025), as confirmation that our business model remains sound even in the current macroeconomic situation."

Key balance sheet figures

Figures in millions of euro

Reclassified Balance sheet	31.03 2021	31.12 2021	31.03 2022	Δ 31.03.2022 / 31.12.2021	Δ 31.03.2022 / 31.03.2021
Cash and cash equivalent	752	508	695	37%	(8)%
Due from banks and other financial institutions	657	468	215	(54)%	(67)%
Customer loans	**2,234**	**2,762**	**2,832**	**3%**	**27%**
- Distressed Credit[1] investments	*973*	*923*	*938*	*2%*	*(4)%*
- Distressed Credit[1] senior financing	*316*	*336*	*402*	*20%*	*27%*
- Growth Credit[2]	*869*	*1,434*	*1,421*	*(1)%*	*64%*
- Cross-over & Acq. Finance[3]	*452*	*628*	*643*	*2%*	*42%*
- Turnaround	*260*	*438*	*488*	*11%*	*88%*
- Factoring	*157*	*368*	*289*	*(21)%*	*84%*
- b-ilty	*-*	*3*	*7*	*173%*	*n.s.*
- Non-core former Banca Interprovinciale	*76*	*66*	*64*	*(3)%*	*(16)%*
Financial assets Held To Collect (HTC)[4]	-	-	*108*	n.s	n.s.
Financial Assets Held To Collect & Sell (HTCS)[5]	310	300	424	42%	37%
Financial assets measured at FVTPL[6]	50	*77*	*82*	7%	63%
Investments in associates and companies subject to joint control	86	80	78	(2)%	(9)%
Goodwill	36	36	36	--	0%
Intangible assets	33	49	52	7%	57%
Other assets (incl. Tangible and tax assets)[7]	157	382	400	5%	154%
Total assets	**4,316**	**4,661**	**4,922**	**6%**	**14%**
Due to banks	627	411	412	0%	(34)%
Due to constumers	2,568	2,818	3,065	9%	19%
Other liabilities	302	500	505	1%	67%
Shareholders' Equity	665	773	777	1%	17%
Other liabilities	154	159	163	3%	6%
Total liabilities	**4,316**	**4,661**	**4,922**	**6%**	**14%**
Common Equity Tier 1 Capital	530	642	646	1%	22%
Risk Weighted Assets	**3,018**	**3,411**	**3,662**	**7%**	**21%**

1. Distressed Credit Division, formerly the DCIS Division.
2. Growth Credit Division, formerly the SME Division.
3. This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's Growth Credit segment. It also includes the corporate high-yield bonds classified as HTC.
4. This includes the Bank's securities portfolio classified at amortised cost.
5. HTCS: financial assets measured at fair value through comprehensive income. This item includes the Bank's securities portfolio and any loans of the Distressed Credit Division that are likely to be sold.
6. FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of Turnaround transactions, junior tranches of securitised non-performing loans acquired as part of Senior Financing transactions and investments in distressed energy credit purchased as part of the DC Division's activities.
7. This includes assets of ca. 69 million euro deriving from the purchase of tax credits (the "Ecobonus" scheme) and senior notes of ca. 38 million euro resulting from the securitisation of a portfolio of non-performing loans classified as assets held for sale.
Any failure of the above figures to reconcile arises exclusively from rounding.

At 31 March 2022, the Bank's **total assets** stood at **4.9 billion euro**, an increase of 6% over the end of 2021 and 14% over the same period of the previous year.

Included in this figure are **net customer loans and investments** which at the end of March 2022 exceeded **2.8 billion euro**, up by 3% over the previous quarter and by 27% over 31 March 2021. The main contribution to growth was provided by the Distressed Credit Division – which rose by 6% over December 2021 and 4% over the same period of the previous year – driven above all by Senior Financing and the growth in the Real Estate segment. Volumes in the Growth Credit fell slightly over the figure at the end of 2021 (while there was an increase of 64% over the same period of the previous year) due to the early termination of a number of significant loans and the fall in the stock of net customer loans in the Factoring segment, owing to the typical seasonality of this business and the increased rotation, almost entirely offset by the tonic dynamic of new loans and investments at other business lines during the quarter. The recognition of the early net receivables arising from b-ilty in the quarter should also be noted.

The quality of the Bank's loan portfolio remains positioned at the top levels of the system. **Gross doubtful organic loans relating to the new business originated by illimity stood at 10.9 million euro at the end of March 2022**, leading to a ratio between gross doubtful organic loans and total gross organic loans of approximately **0.7%**[3]. Including also the portfolio inherited from Banca Interprovinciale, the stock of gross doubtful organic loans rises to 39.7 million euro, corresponding to a **ratio between gross doubtful organic loans and total gross organic loans of 2.3%**, effectively unchanged compared to the previous quarter and one of the best in the Italian banking system. The corresponding stock of **net doubtful organic loans** amounted to 21.2 million euro at 31 March 2022, equal to a **ratio between net doubtful organic loans and total net organic customer loans of 1.3%**, this too effectively unchanged over the end of the previous quarter.

The Bank's **liquidity** – which consists of cash, the net adjusted interbank position and high-quality liquid securities – reached **ca. 1 billion euro** at the end of the first quarter of 2022 and remained available for use in financing the Bank's pipeline of new business volumes.

illimity's **securities portfolio** reached ca. **532 million euro** at the end of March 2022, rising by 77% over the figure of 300 million euro posted at the end of 2021 and by ca. 72% over that at the end of March 2021. Of particular note is the diversification of the Bank's securities portfolio with the introduction, at the beginning of 2022, of the strategy of investment in **securities at amortised cost (so called Hold to Collect strategy – "HTC")** which runs alongside the strategy of investment in securities at fair value through comprehensive income (so called Hold to Collect and Sell strategy – "HTCS"). The HTC securities – which amounted to ca. 108 million euro at the end of March 2022 – enable illimity to optimise the various durations of the portfolio (with the Hold to Collect and Sell securities focused on shorter maturities going forward), at the same time maintaining a neutral effect on the Bank's liquidity, to optimise the effect on the result and to reduce the exposure of the Bank's own funds to market volatility. The Hold to Collect and Sell ("HTCS") securities reached ca. 424 million euro at the end of March 2022, a rise of 41% over the figure of 300 million euro posted at the end of December 2021 and 37% over that at the end of March 2021. The HTCS securities portfolio mark-to-market net of tax stood at negative 18.9 million euro at the end of the quarter (5.8 million euro in the previous quarter), due to the recent performance of the financial markets; the figure is, however, in line with the expected sensitivity of the portfolio to a change in interest rates

[3] Calculated using total gross organic customer loans excluding the loans portfolio of the former Banca Interprovinciale amounting to 1,595 million euro at 31 March 2022.

and credit risk. Taken as a whole, approximately 70% of the securities portfolio consisted of Italian government bonds, 19% of senior bonds and 11% of subordinated bonds.

The line item “**Other assets**” consists of balances arising from the purchase of tax credits – the government’s “Ecobonus” scheme – the total amounting to ca. 69 million euro, a figure which stood at 92 million at the end of 2021. This activity has been reduced in line with an estimate of fiscal capacity of the Bank in light of the recent changes restricting the sale of tax credits to other financial institutions.

Total financing stood at circa **4.0 billion euro** at the end of March 2022 representing an increase of 7% over the figure at the end of December 2021 and 14% over that at the end of March 2021.

CET1 Capital increased to ca. **646 million euro** in the first quarter of 2022, supported mainly by the net profit for the quarter, net of the accrual made, for the first time since the start of operations, of the portion of the dividend arising from the quarter’s profits in line with the dividend policy established for 2022, the decrease in intangible assets and the release of deferred tax assets recognised in previous periods, substantially offset by the increased negative mark-to-market booked at the end of the first quarter of 2022.

Risk-weighted assets (RWAs) rose by 7% over the previous quarter to ca. **3.7 billion euro**, mainly due to the increase in loans and investments in the first quarter of 2022. The ratio between the Bank’s RWAs and total assets, slightly increasing over the previous quarter, remained at around 74%.

As a result of these dynamics, illimity’s **CET1 Ratio** continued to be robust at **17.7%** at the end of March 2022. If special shares of 14.4 million euro are included in own funds, the Bank’s pro-forma CET1 Ratio becomes 18.1%.

The **Total Capital Ratio**, which includes the 200 million euro Tier 2 subordinated bond in regulatory capital, amounted to **23.2%** (and 23.6% if the special shares are included).

The **Liquidity Coverage Ratio (LCR)** stood at **approximately 220%** at the end of March 2022, confirming a considerable liquidity buffer, while the **Net Stable Funding Ratio (NSFR)** was **significantly above minimum regulatory requirements**.

Key income statement figures

Figures in millions of euro

Reclassified Income Statement	1Q21	4Q21	1Q22	Δ Q/Q%	Δ Y/Y%
Interest income	46.0	50.8	51.7	2%	13%
Interest expenses[1]	(14.8)	(16.4)	(15.7)	(4%)	6%
Net interest income	**31.2**	**34.5**	**36.0**	**5%**	**16%**
Net fees and commissions	4.9	11.6	12.8	10%	160%
Net result from trading and fair value assets	3.8	6.2	2.8	(55%)	(28%)
Net other income/expenses	2.0	6.6	6.3	(5%)	213%
Profit from closed purchased distressed credit positions[2]	11.4	19.0	20.6	8%	80%
Gain (loss) from disposal of investments	2.3	-	-	-	n.s.
Operating income	**55.7**	**77.8**	**78.5**	**1%**	**41%**
Staff costs	(16.6)	(22.2)	(20.7)	(7%)	24%
Other operating expenses	(16.5)	(23.3)	(20.8)	(11%)	26%
Depreciation & Amortisation	(3.0)	(2.9)	(3.4)	18%	15%
Operating costs	**(36.1)**	**(48.5)**	**(44.9)**	**(7%)**	**24%**
Operating profit	**19.5**	**29.4**	**33.5**	**14%**	**72%**
Loan loss provision charges	0.8	0.6	(0.5)	n.s.	n.s.
Value adjustments on purchased distressed credit	3.9	(14.1)	(4.6)	(67%)	n.s.
Value adjustments on securities and loans to banks	(1.6)	(0.4)	(0.5)	25%	(69%)
Other net provisions for risks and charges	(0.0)	(0.2)	(0.0)	(87%)	12%
Other income from equity investments	(2.1)	(1.8)	(1.8)	2%	(14%)
Contribution to banking sector schemes	(1.4)	(1.4)	(2.0)	45%	40%
Profit (loss) before tax	**19.1**	**12.1**	**24.1**	**98%**	**26%**
Income tax	(6.5)	7.3	(8.4)	n.s.	n.s.
Net result	**12.6**	**19.4**	**15.7**	**(19%)**	**25%**

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

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

illimity ended the first quarter of 2022 with profits in line with the growth path envisaged as part of its 2021-25 Strategic Plan, posting a net profit of **15.7 million euro (+25% y/y)**.

Net interest income in the first quarter of 2022 totalled ca. **36.0 million euro**, a rise of approximately 5% over the fourth quarter of 2021 and of 16% over the same period of the previous year. Of this total, **51.7 million euro** came from **interest income**, this too increasing on a quarterly basis, by 2% (13% y/y), which in particular benefited from the contribution made by the Growth Credit Division, while **interest expense** fell to **15.7 million euro**, representing a decrease of 4% on a quarterly basis (+6% y/y) as the effect of a rebalancing of funding towards funding instruments with a more contained cost.

Net fees and commissions continued their constant growth in the first quarter of 2022 to reach **12.8 million euro**, corresponding to a rise of 10% on a quarterly basis and of 160% over the same quarter of the previous year. This positive dynamic is mainly due to loans disbursed by the Growth Credit Division, the excellent performance of the Investment Banking Division and fees and commissions received for the remarketing of real estate and capital goods by neprix Sales (now incorporated into Abilio S.p.A.), which benefited from a particularly vigorous real estate market during the first part of 2022.

The majority of **net profit from trading activities and assets accounted for at fair value** arose from revenues earned from the Bank's ordinary investment activity and from customer services and fell to **2.8 million euro** in the first quarter of 2022 (-55% q/q and -28% y/y). This item includes net profit of 1.3 million euro arising from the Distressed Credit Division's **workout strategies**, which are classified as part of the **net result from trading** as they regard financial instruments relating to the Energy and Real Estate sectors accounted for at fair value. The item also includes a positive contribution of 1.2 million euro[4] arising from the interest rate risk hedging activity carried out for customers by the Investment Banking Division.

Other operating income of **6.3 million euro** (-5% q/q and +213% y/y) includes the **quarterly revenue** of 4.25 million euro **due under the licence agreement entered into with the ION Group** for the use of the IT system developed by illimity. This agreement was developed as part of a strong strategic alliance with the ION Group which will give rise to important synergies, currently being developed, in all of the illimity Group's activities.

Profit from closed distressed credit positions continued to be a significant and distinctive component of illimity's revenues, amounting to **20.6 million euro** in the first quarter of 2022 (+8% q/q and +80% y/y). This income arises almost exclusively from the Distressed Credit Division and was generated from the final settlement of positions using "discounted payoff" transactions and from the sale of positions.

As a result of the above items, **operating income** reached **78.5 million euro** in the first quarter of 2022, representing a rise of 41% over the same period of the previous year and 1% over the fourth quarter of 2021. There was a good balance between the various sources of revenue, with net interest income representing ca. 46% of operating income.

Operating costs for the first quarter of 2022 amounted to ca. **44.9 million euro** (-7% q/q), up by 24% over the first quarter of 2021, mainly as the result of the rise in numbers of the Bank's staff and the investments in the new initiatives that will begin to produce results during the rest of 2022 and which will make a significant contribution to the Bank's growth over the next few years. In particular, it should be noted that from the fourth quarter of 2021 the contribution to banking sector schemes has been separated out as a specific item in the Group's income statement, with the resulting effect on the presentation of operating costs, in line with industry practice.

As a consequence of the above dynamics, the **Cost income ratio for the first quarter of 2022 closed at 57%, a decrease of 5 percentage points over the previous quarter and 8 percentage points over the first quarter of 2021**.This result is in line with the forecasts included in the 2021-25 Strategic Plan which – it is recalled – envisages that the Cost income ratio will drop to below 50% in 2023 and decrease further to below 40% in 2025.

Net adjustments to organic loans of 0.5 million euro were recognised during the quarter (compared to 0.6 million euro in fourth quarter 2021 and 0.8 million euro net write-backs in first quarter 2021), which despite a significant rise in business volumes reflected the high proportion of loans with public guarantees (around 60% of new loans disbursed during the quarter by the Growth Credit Division in Cross-over, Acquisition Finance and Turnaround segments), the excellent quality of the portfolio of existing loans, the release of provisions arising from the early termination of certain positions in the Growth Credit Division and the return to performing status of certain "non-organic" distressed positions, managed with this in view. As a result of this dynamic, **the organic**

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[4] Non-accounting figure.

cost of risk[5] **for the first quarter of 2022** accordingly stood at particularly contained levels and amounted to **13 bps**. The Bank performs an active and thorough monitoring of its loans, especially regarding the direct and indirect exposures of its customers given the current turbulence of the macroeconomic situation.

During the first quarter of 2022 the Bank recognised **net write-downs of purchased distressed credit** of ca. **4.6 million euro** (write-downs amounted to 14.1 million euro in the fourth quarter of 2021 with net reversals of 3.9 million euro in the first quarter of 2021), mainly as the result of a change in workout strategy (from extrajudicial to judicial) and the updating of the business plan for certain positions in the Distressed Credit Division.

The **pro-rata consolidation of HYPE** led to a loss of **1.7 million euro**[6] in the first quarter of 2022, accounted for as **other income from equity investments**. It is recalled that HYPE's results are consolidated using the equity method and that these results, in addition to only partially benefiting from the contribution expected to arrive from the new Open banking services and products launched at the end of September 2021, reflect the anticipation of certain investments designed to strengthen the company's technological infrastructure and organisational structure.

The quarter accordingly closed with a **pre-tax profit** of **24.1 million euro**, value almost doubled compared to the previous quarter and exceeding the first quarter of 2021 by 26%.

After charging income tax of 8.4 million euro, **net profit amounted to 15.7 million euro**, up by 25% over the same period of the previous year (and down by 19% over the previous quarter, which however included the contribution of the net tax benefit of 10.9 million euro arising from the fiscal recognition of the goodwill, pursuant to article 15, paragraph 10-*ter* of Decree Law no. 185/2008, charged on the higher value recognised in the consolidated balance sheet on the purchase of the 50% interest in HYPE).

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[5] Calculated as the ratio between loan loss provisions and net organic loans to customers at 31 March 2022 (1,679 million euro) for the Factoring, Cross-over, Acquisition Finance and Turnaround segments and for loans purchased as part of investments in distressed credit portfolios that have undergone a passage of accounting status subsequent to acquisition or disbursement (excluding loans purchased as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans.

[6] In the first quarter of 2022, the item "Other income from equity investments" also includes a loss of ca. 0.1 million euro arising from the pro-rata portion of the investment in SpicyCo S.r.l..

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Contribution of the business units to the Group's results

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

Given its increasing contribution to consolidated results, the Investment Banking segment is reported separately from the Growth Credit Division for the first time in the first quarter of 2022

1Q22, figures in million euro	Distressed Credit Division	Growth Credit Division	Investment Banking Division	Direct Banking Division	SGR	Corporate Centre	Total
Net interest income	26.5	7.9	0.5	1.1	-	-	36.0
Net fees and commissions	3.5	5.9	2.8	-	0.6	-	12.8
Other income	24.3	0.8	0.5	3.5	(0.1)	0.7	29.7
Operating income	**54.3**	**14.6**	**3.8**	**4.6**	**0.5**	**0.7**	**78.5**
Staff costs	(7.3)	(3.1)	(0.9)	(1.9)	(0.6)	(6.9)	(20.7)
Other operating expenses and D&A	(10.7)	(1.7)	(0.2)	(4.5)	(0.2)	(6.9)	(24.2)
Operating costs	**(18.0)**	**(4.8)**	**(1.1)**	**(6.4)**	**(0.8)**	**(13.8)**	**(44.9)**
Operating profit	**36.3**	**9.8**	**2.7**	**(1.8)**	**(0.3)**	**(13.2)**	**33.5**
Provisions	(5.5)	0.3	(0.4)	-	-	-	(5.6)
Other income from equity investments	(0.1)	-	-	(1.7)	-	-	(1.8)
Contribution to banking sector schemes	(0.3)	(0.4)	-	(0.4)	-	(0.9)	(2.0)
Profit (loss) before tax	**30.4**	**9.7**	**2.3**	**(3.9)**	**(0.3)**	**(14.1)**	**24.1**
Interest earning assets	1,698	1,685	93	8	0	910	4,394
Other assets	96	120	-	90	-	222	528
RWA	**2,112**	**1,034**	**92**	**69**	**3**	**353**	**3,662**

Distressed Credit Division

The Distressed Credit Division ended the first quarter of 2022 by continuing as the main contributor to the consolidated results and posting an excellent result in terms of the generation of new business volumes.

At the end of March 2022, **net loans to customers** in the Distressed Credit Division stood at **1,340 million euro**, up by ca. 6% over December 2021 and by 4% over the figure at the end of March 2021.

In first quarter of 2022, the Distressed Credit Division originated new investments totalling **122 million euro**, a rise of ca. 160% over the business volumes originated in the first quarter of 2021 and amount representing over 40% of the total investments made throughout the year 2021. The new investments were driven by highly-specialised market segments such as public procurement claims and the Real Estate segment. The latter benefited from the considerable contribution arising from the partnership with Apollo Global Management Inc. set up to invest up to 500 million euro in distressed single name real estate loans in Italy. New investments of ca. 1 million euro were made in April 2022, to which should be added a further **15 million euro of loans approved but not yet booked** in April 2022. In addition, the pipeline of 325 million euro for the next few months is very robust.

In **Senior Financing**, new transactions gained significant momentum in the first quarter of 2022, with the amount of **57 million euro of disbursed loans** being almost five times the figure for the same quarter in 2021 and more than 80% of total disbursements made in 2021. The excellent performance in the quarter is above all attributable to loans backed by underlying public procurement claims, a segment which will moreover contribute to increasing the average profitability of the area. Loans amounting to a further 21 million euro were disbursed in April 2022, while the pipeline for Senior Financing for the next few months is also promising and amounts to 70 million euro.

The total assets managed by **neprix**, the illimity Group company specialising in servicing distressed corporate loans, stood at ca. **7.0 billion euro** at 31 March 2022 in terms of the gross book value ("GBV") of the loans serviced.

The key event for neprix in the quarter was the signing by illimity of the agreement for the purchase of Arec[7]. Founded in 2016 by institutional shareholders having proven experience in the management of distressed loans and real estate assets, Arec, with offices in Rome and Milan, is a leader in the management of UTP loans secured on real estate and medium-sized and large-scale property development projects having an average gross nominal value of ca. 30 million euro. With 2.1 billion euro of third party loans under management (at 31 December 2021), Arec is the third largest servicer on the Italian corporate UTP market and a primary operator for specialisation in UTPs. The combination of neprix and Arec will lead to the creation of a complete operator, a leader in servicing corporate distressed credit, which is capable of maximising the value of the various types of distressed loan, regardless of size, with specific focus on the UTP credit segment. neprix will further strengthen its market positioning with this operation, enhancing its management expertise in large-scale real estate deals, and significantly expand its third party management mandates, increasingly asserting itself as a market servicer and being able to count on a consolidated experience, a brand and a high level of reliability recognised by the market.

In addition, as announced in the press release of 11 February 2022 on the 4Q21 and FY21 results, the assets relating to neprix Sales, already a leader in judicial auction market in Italy, have been incorporated into a new company – Abilio S.p.A. – which on 5 April launched Quimmo, a latest-generation platform created to cover the entire value chain (from the publication of real estate advertisements to agency services) of both judicial and free market real estate deals. Quimmo is the result of the experience gained by neprix Sales in the real estate brokerage market over the past few years and the Group's extensive technological expertise, and is aiming to generate revenues of over 60 million euro[8] in 2025, as envisaged in the 2021-25 Strategic Plan.

With **pre-tax profits of 30.4 million euro**, the Distressed Credit Division was the driver behind the Group's results for the first quarter of 2022. The Division's **Cost income ratio** remained at excellent levels, reaching 33% in the first quarter of 2022, effectively in line with the first quarter of 2021 and the 2021 year. The success of the Division's business model continues to be based on its excellent performance in collecting from existing portfolios, its ability to create value on a recurring basis through the dynamic management of distressed credit portfolios and lastly the winning decision to operate on a wide range of highly profitable asset classes that often belong to market niches.

Growth Credit Division

The Growth Credit Division continued its growth path, achieving very positive results also in the first quarter of 2022 in terms of both new business volumes originated and its contribution to consolidated profits.

[7] Further details can be found in the press release on this operation issued today
[8] Including inter-company revenue.

Net customer loans of the Division stood at **1,421 million euro**, up by 64% over 31 March 2021 and slightly down (by ca. 1%) on a quarterly basis, due above all to the seasonality typical of the Factoring business and the early repayment of certain positions.

The Cross-over & Acquisition Finance segment disbursed **new loans of 72 million euro** during the first quarter of 2022, a rise of ca. 14% over the first quarter of 2021. Around 50% of this new business consists of loans with public guarantees[9], highly-profitable lending for the Bank due to the low risk profile and limited capital absorption. New lending amounted to around 7 million euro in April 2022, to which should be added loans of 39 million euro not yet booked but already approved. The pipeline for the upcoming months, including loans that have already been approved, is highly promising and amounts to 188 million euro.

The **Turnaround** segment continued its growth trajectory also in the first quarter of 2022, generating **new business volumes of 80 million euro** – more than five times the amount originated in the same quarter of the previous year – of which 70% backed by public guarantees. The momentum of this area continued in April 2022, with new business of 66 million euro being generated, to which should be added loans of 14 million euro not yet booked but already approved. The pipeline for the upcoming months, amounting to 99 million euro, confirms the dynamism seen in the past few quarters.

Taken as a whole, around 60% of the business originated by the Cross-over & Acquisition Finance and Turnaround segments in the first quarter of 2022 was backed by public guarantees.

Factoring generated **turnover of 332 million euro** in the first quarter of 2022, representing a rise of 67% over the first quarter of 2021. Net customer loans reached 289 million euro at 31 March 2022, representing an increase of 84% over March 2021, although falling by 21% over the fourth quarter of that year due to the seasonality typical of this business and increased loan rotation.

The Growth Credit Division ended the first quarter of 2022 with **operating income of 14.6 million euro** (+59% over the first quarter of 2021) and a **pre-tax profit of 9.7 million euro** (+59% over the first quarter of 2021). The results for the first quarter of 2022 were supported by volumes that were significantly higher than those of the same quarter of the previous year, which benefited net interest income, and by the significant contribution of fees and commissions characteristic of the Division resulting mainly from the disbursement of new loans.

As a result of the above dynamics, the **Cost income ratio**[10] **for the first quarter of 2022** closed at **33%**, a sharp rise over the first quarter of 2021 (47%) and 2021 as a whole (39%).

Investment Banking Division

The Investment Banking is reported for the first time as a specific sector of the illimity Group's operations. Activities were launched over the course of 2021 with the aim of creating value for small and medium-sized businesses through alternative solutions that complement those already provided by illimity, exploiting also synergies with the Bank's other divisions in structuring funding operations and optimising capital. The Division's operations are divided into three separate units.

The Capital Markets unit is in charge of defining and performing capital markets activities (in both the equity section and the debt section with regard to corporate customers). In the first quarter of

[9] Guarantees given by the SACE Group, Mediocredito Centrale S.p.A. (MCC) and the European Investment Fund (EIF)
[10] Operating costs restated for reclassification of contribution to banking sector schemes to a specific item in the Group's income statement.

2022, the Capital Markets unit completed its fourth IPO since the start of operations, generating fee and commission income of 2.6 million euro[11] in the quarter, due also to the additional advisory mandates acquired. The Capital Markets pipeline appears very promising, thanks also to two IPO mandates already signed.

The Corporate Solutions unit services the portfolio of the Investment Banking Division – at the end of March consisting of high yield corporate bonds of 84 million euro classified as HTCS – and manages risk-hedging solutions for businesses, an activity which generated a total contribution to income of 1.2 million euro in the first quarter of 2022[12,13].

The Structuring unit deals with the structuring and servicing of funding and capital management solutions on behalf of both the Bank and third parties. As of today, the unit has already received four mandates as arranger from third parties and has a pipeline of additional potential mandates for volumes exceeding 100 million euro.

The Division ended the **first quarter of 2022** with a **pre-tax profit of 2.3 million euro**, showing, just one year since the start of operations, its ability to generate important results despite deploying the Bank's capital to only a limited extent, due above all to the nature of its business which is based mainly on fees and commissions.

Direct Banking Division

On 11 February 2022, the Direct Banking Division launched **b-ilty**: the first digital business store for credit and financial services developed to assist in the growth of SMEs with revenues between 2 and 10 million euro. Although still at the pilot stage, b-ilty has already achieved important results since its launch on the market in February, having received around 1,000 applications for registration with the business store and established around 100 active relationships with SME customers.

One of b-ilty's most important features is its designation as an ecosystem open to the best partners on the market for guaranteeing small and medium-sized business access to a single platform supporting their operations. Partnership agreements will enable the platform's offer to be enriched even further.

The credit offer, though, is still the main product and from this point of view b-ilty can boast a fully scalable model: on the one hand three different commercial channels – digital, illimity's relationship managers and the loan brokering companies – and on the other a credit engine strengthened by artificial intelligence which during the current "beta" stage is also evolving to assess the specificity of the sectors in which the store's corporate customers operate.

On the retail customer front, the fintech platform HYPE, the joint venture between illimity and Fabrick of the Sella Group, continued its growth path. HYPE reported significant results at the end of March 2022: around 1.6 million customers, with an increase of 28 thousand users in the quarter and ca. 160 thousand users over March 2021; ca. 23% of customers holders of a subscription account, basically unchanged over December 2021 and representing an increase of two percentage points over March 2021; and ca. 21.2 million transactions in the first quarter of 2022 (+31% y/y). Gross revenues for the quarter amounted to ca. 4.1 million euro, representing an

[11] Non-accounting figure.
[12] Non-accounting figure.
[13] A portion of the fees and commissions arising from the management of risk-hedging solutions for businesses is allocated to the Growth Credit Division due to the origination work performed.

increase of 42% y/y but a decrease over the revenues of 4.6 million euro earned in the previous quarter due to the normal seasonality. It should be noted that HYPE ended the first quarter of 2022 with its first positive contribution margin[14] since formation, a sign that the investments made and initiatives launched towards the end of September 2021 - which have transformed the digital portfolio fintech into a truly complete money management hub - are beginning to show the efficacy of the direction taken. On the other hand a loss of ca. 3.5 million euro was incurred in the first quarter of 2022. The joint control investment in HYPE is accounted for using the equity method and was carried at 77.8 million euro at the end of March 2022, including the pro-rata loss of 1.7 million euro for the first quarter of 2022.

At the end of March 2022, **direct funding** by customers had risen by 7% over December 2021 to reach ca. **2.8 billion euro**, an increase of 16% on an annual basis. Within this total, the funding of ***illimitybank.com* rose by 5% on a quarterly basis** (and by +23% y/y) to reach ca. 1.4 billion euro by the end of March 2022. At April 2022, the number of clients had risen to more than **57 thousand**, of whom around 38% use *illimitybank.com* as their main bank, with a customer engagement of a good 89%.

The deposits gathered through the partnership with **Raisin** – the pan-European platform for the collection of retail deposits on the German market – increased by 23% over December 2021 to reach **565 million euro** at the end of March 2022 and rose by 15% over the figure for the previous year.

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

Taken overall, the Division ended **the first quarter of 2022 with a pre-tax loss of 3.9 million euro**.

illimity SGR

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

In the first quarter of 2022, illimity SGR earned **fees and commissions of ca. 0.6 million euro** deriving from the "illimity Credit & Corporate Turnaround" contribution fund, which focuses on investments in UTP loans to SMEs with turnaround prospects.

illimity SGR continues its growth path supported by the structuring of new investment funds, including a new credit contribution fund with underlying real estate assets that will be launched during the course of the current year.

As a result of these dynamics, illimity SGR ended **the first quarter of 2022** with a **pre-tax loss of ca. 0.3 million euro**.

* * *

[14] Contribution margin is calculated as gross revenue less direct costs (i.e. transaction costs, account management costs and customer relationship costs) and non-recurring revenues.

Business Outlook

The robust growth of business volumes is expected to continue over the next few months in all of the Bank's operating segments.

Further growth in the volume of customer loans is also envisaged for the Growth Credit Division in the upcoming quarters, in continuity with what is reported in the first part of 2022, also due to its promising pipeline which, including loans already approved, currently stands at around 290 million euro. All the segments in which illimity operates are displaying a good level of dynamism. It is expected that loans backed by public guarantees will continue to play an important role in terms of the contribution made to new disbursements, also in light of the expected extension of the scheme to the end of 2022.

For the Distressed Credit Division, the pick-up in volumes observed in the first quarter of 2022 is expected to continue, also as a result of the ending of the moratoria, as suggested by the pipeline of investment opportunities which is already highly significant in the second quarter of 2022 and amounts to almost 400 million euro.

The new business volumes will drive growth in net interest income, which is expected to continue its robust growth during 2022. b-ilty will also contribute to this dynamic with an expected rising contribution, especially in the second half of 2022, when the initial testing phase will have been completed, giving full momentum to the potential of a unique initiative capable of guaranteeing a digital platform with a complete offer wholly dedicated to SMEs.

Also the positive trend in net fees and commissions is forecast to continue throughout 2022, supported by the above-mentioned growth in business volumes and by the further development of the new initiatives: alongside the investment banking activity focusing on SMEs and illimity SGR, from which a strong thrust is expected, the contributions arising from the Quimmo initiative and the acquisition of Arec will also become increasingly visible in 2022.

After quarter end, as already mentioned above, illimity finalized the agreement for the purchase of the business of Arec, a leader in the management of UTP loans secured by real estate and medium-sized and large-scale property development projects. The acquisition and the potential synergies described above will produce a positive contribution for illimity starting from the completion of the transaction, expected by 2022.

The income from the closure of distressed credit positions, a recurring item in illimity's business model as can also be seen in the first quarter of 2022, will continue to run alongside these contributions.

It is also recalled that the licensing agreement for the use of the IT platform, entered by illimity and the ION Group in the third quarter of 2021, will lead to income of 4.25 million euro in future quarters, leading to an annual total of 17 million euro.

An increase in operating costs is expected in 2022 as the result of investments in strategic projects, however proportionally less than the forecast rise in revenues as the result of the progressive scalability of the Bank's various businesses which will also benefit from the technological investments completed over the past few years.

The quality of the corporate loan book continues to be solid in this first part of 2022 and at the top levels of the system, despite a difficult macroeconomic situation, owing to the prudent approach taken in the analysis and selection of loans and investments and parameters calibrated on the basis of especially prudent macro scenarios. Backed by the robust starting basis and considering that a significant portion of the new loans disbursed during the year will be covered by insurance and/or public guarantees, it is expected that the cost of risk will continue to remain at reasonably contained levels also for the rest of 2022.

As a result of the above dynamics, the good results reported in the first quarter of 2022 and current prospects confirm the trajectory of achieving the short and medium-long targets envisaged in the 2021-25 Strategic Plan.

To conclude, the high capacity of own funds and the expected generation of profits will ensure that the Common Equity Tier 1 Ratio will remain significantly above regulatory requirements, despite a rise in risk-weighted assets arising from the increase in business volumes.

*** * ***

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

* * *

illimity Management will present the results for the first quarter of 2022 to the financial community **at 9:00 a.m. CET today 11 May 2022**. The event can be followed via Live Audio Webcast at the following link: https://87399.choruscall.eu/links/illimity220511.html or by conference call at the following numbers:

ITALY:	+39 02 8020911
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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform neprix, and provides digital direct banking services through illimitybank.com. illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to "illimity Bank S.p.A." which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker "ILTY"), first on the MTA exchange and since September 2020 on the Star Segment. The banking group, headquartered in Milan, can already count on over 760 employees and closed the financial statements as at 31 March 2021 with assets of around 4.9 billion euro.

CONSOLIDATED BALANCE SHEET

(Figures in thousands of euro)

		31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022
10	Cash and cash balances	752,174	513,830	773,979	507,779	695,296
20	Financial assets measured at fair value through profit or loss	50,475	138,977	87,656	76,679	82,412
	a) financial assets held for trading	32,174	33	114	928	3,778
	b) financial assets designated at fair value	-	-	-	-	-
	c) other financial assets mandatorily measured at fair value	18,301	138,944	87,542	75,751	78,634
30	Financial assets measured at fair value through other comprehensive income	310,461	315,336	280,460	299,508	424,322
40	Financial assets measured at amortised cost	2,890,283	2,938,786	3,015,980	3,229,766	3,154,007
	a) due from banks	516,608	438,603	373,040	267,969	54,729
	b) loans to customers	2,373,675	2,500,183	2,642,940	2,961,797	3,099,278
50	Hedging derivatives	-	-	-	-	-
60	Fair value change of financial assets in hedged portfolios (+/-)	-	-	-	-	-
70	Investments in associates and companies subject to joint control	85,564	83,727	81,775	79,953	78,147
80	Technical insurance reserves reassured with third parties	-	-	-	-	-
90	Tangible Assets	77,585	79,047	78,105	68,735	79,430
100	Intangible assets	69,606	73,324	75,881	85,249	88,661
	of which goodwill	36,224	36,257	36,257	36,257	36,257
110	Tax assets	31,088	29,449	24,247	45,672	51,144
	a) current	3,175	4,077	4,061	5,168	5,168
	b) deferred	27,913	25,372	20,186	40,504	45,976
120	Non-current assets held for sale and discontinued operations	-	61,402	61,908	43,117	38,246
130	Other assets	48,801	96,876	165,578	224,132	230,744
	Total Assets	**4,316,037**	**4,330,754**	**4,645,569**	**4,660,590**	**4,922,409**

(Figures in thousands of euro)

		31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022
10	Financial liabilities measured at amortized cost	3,519,411	3,551,095	3,788,786	3,752,384	4,008,434
	a) due to banks	*626,660*	*581,628*	*546,046*	*411,314*	*412,190*
	b) due to customers	*2,590,349*	*2,665,400*	*2,735,623*	*2,841,282*	*3,091,563*
	c) debt securities issued	*302,402*	*304,067*	*507,117*	*499,788*	*504,681*
20	Financial liabilities held for trading	-	-	-	59	1,855
30	Financial liabilities designated at fair value	-	-	-	-	-
40	Hedging derivatives	-	-	-	-	-
50	Adjustments in value of generic hedging financial liabilities (+/-)	-	-	-	-	-
60	Tax liabilities	6,859	5,268	8,354	20,256	26,747
	a) current	*5,512*	*3,977*	*7,554*	*19,156*	*25,654*
	b) deferred	*1,347*	*1,291*	*800*	*1,100*	*1,093*
70	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-
80	Other liabilities	115,632	85,422	83,161	105,595	99,124
90	Employee termination indemnities	2,680	2,896	3,137	3,695	3,467
100	Provisions for risks and charges:	5,962	5,331	6,369	5,781	5,355
	a) commitments and guarantees issued	*4,602*	*4,086*	*4,975*	*4,482*	*3,725*
	b) pensions and similar obligations	*8*	*8*	*11*	*18*	*21*
	c) other provisions for risks and charges	*1,352*	*1,237*	*1,383*	*1,281*	*1,609*
110	Technical reserves	-	-	-	-	-
120	Valuation reserves	(559)	(1,502)	(2,941)	(6,057)	(18,784)
130	Redeemable shares	-	-	-	-	-
140	Equity instruments	-	-	-	-	-
150	Reserves	61,733	62,980	63,122	63,904	131,154
160	Share premium reserves	543,803	543,803	597,589	597,589	597,589
170	Share capital	48,792	48,870	52,620	52,620	52,620
180	Treasury shares	(832)	(832)	(832)	(832)	(832)
190	Minority interests	-	*5*	*5*	*5*	*5*
200	Profit (loss) for the period attributable to the Group (+/-)	12,556	27,418	46,199	65,591	15,675
	Group equity	**665,493**	**680,737**	**755,757**	**772,815**	**777,422**
	Profit (loss) for the period attributable to minority interests (+/-)	-	-	-	-	-
	Equity of minority interests	**-**	***5***	***5***	***5***	***5***
	Total liabilities and equity	**4,316,037**	**4,330,754**	**4,645,569**	**4,660,590**	**4,922,409**

CONSOLIDATED INCOME STATEMENT

(Figures in thousands of euro)

		1Q21	2Q21	3Q21	4Q21	1Q22
10	Interest income and similar income	45,968	47,510	50,111	50,699	51,735
20	Interest expenses and similar charges	(14,687)	(14,171)	(16,241)	(16,124)	(15,500)
30	**Net interest margin**	**31,281**	**33,339**	**33,870**	**34,575**	**36,235**
40	Commission receivable	5,994	9,815	11,741	12,733	13,620
50	Commission expense	(1,274)	(1,361)	(1,711)	(1,362)	(1,165)
60	**Net commission**	**4,720**	**8,454**	**10,030**	**11,371**	**12,455**
70	Dividends and similar income	-	-	-	-	-
80	Net trading result	347	1,062	350	1,408	1,366
90	Net hedging result	-	-	-	-	-
100	Gain (loss) from disposal and repurchase of:	2,814	671	1,522	386	30
	a) financial assets measured at amortized cost	*302*	-	-	-	*40*
	b) financial assets measured at fair value through other comprehensive income	*2,512*	*671*	*1,522*	*386*	*(10)*
	c) financial liabilities	-	-	-	-	-
110	Gain (loss) on other financial assets and liabilities measured at fair value through profit or loss	672	(670)	5,673	4,359	1,355
	a) financial assets and liabilities designated at fair value	-	-	-	-	-
	b) other financial assets subject to mandatory fair-value valuation	*672*	*(670)*	*5,673*	*4,359*	*1,355*
120	**Net interest and other banking income**	**39,834**	**42,856**	**51,445**	**52,099**	**51,441**
130	Net write-downs/write-backs for credit risks relating to:	16,041	19,875	8,417	(1,198)	14,399
	a) financial assets measured at amortized cost	*17,545*	*19,514*	*7,958*	*(1,512)*	*14,941*
	b) financial assets measured at fair value through other comprehensive income	*(1,504)*	*361*	*459*	*314*	*(542)*
140	Gain/loss from contract amendments without cancellations	-	-	-	196	-
150	**Net result from banking activities**	**55,875**	**62,731**	**59,862**	**51,097**	**65,840**
160	Net insurance premiums	-	-	-	-	-
170	Other net insurance income/ expenses	-	-	-	-	-
180	**Net result from banking and insurance activities**	**55,875**	**62,731**	**59,862**	**51,097**	**65,840**
190	Administrative expenses:	(35,134)	(39,385)	(35,608)	(47,592)	(44,137)
	a) staff costs	*(16,614)*	*(18,926)*	*(15,849)*	*(22,174)*	*(20,651)*
	b) other administrative expenses	*(18,520)*	*(20,459)*	*(19,759)*	*(25,418)*	*(23,486)*
200	Net provisions for risks and charges	(1,532)	215	(1,305)	-	581
	a) commitments and financial guarantees issued	*(1,507)*	*190*	*(1,305)*	*218*	*609*
	b) other net provisions	*(25)*	*25*	-	*(218)*	*(28)*
210	Net value adjustments to/recoveries on tangible assets	(1,030)	(692)	(678)	(732)	(792)
220	Net value adjustments to/recoveries on intangible assets	(1,940)	(1,523)	(1,971)	(2,166)	(2,620)
230	Other operating income/expenses	2,708	2,879	8,417	7,417	7,115
240	**Operating expenses**	**(36,928)**	**(38,506)**	**(31,145)**	**(43,073)**	**(39,853)**
250	Profit (loss) on investments in associates and companies subject to joint control	(2,123)	(1,851)	(1,996)	(1,788)	(1,828)
260	Valuation differences on tangible and intangible assets measured at fair value	-	-	-	-	-
270	Adjustments in value of goodwill	-	-	-	-	-
280	Gain (loss) from disposal of investments	2,278	-	-	6,066	(77)
290	**Pre-tax profit (loss) before tax from continuing operations**	**19,102**	**22,374**	**26,721**	**12,302**	**24,082**
300	Tax income (expenses) for the period on continuing operations	(6,546)	(7,512)	(8,315)	7,212	(8,407)
310	**Profit (loss) after tax from continuing operations**	**12,556**	**14,862**	**18,406**	**19,514**	**15,675**
320	Profit (loss) after tax from discontinued operations	-	-	375	(122)	-
330	**Profit (loss) for the period**	**12,556**	**14,862**	**18,781**	**19,392**	**15,675**
340	Profit (loss) for the period attributable to minority interests	-	-	-	-	-
350	**Profit (loss) for the period attributable to the Parent Company**	**12,556**	**14,862**	**18,781**	**19,392**	**15,675**