

Presentation of 1H 2015 Results

30 July 2015



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1H 2015 Results at a Glance*

High quality earnings

- **Net Interest income +20% y/y**, equal to **€29.0m**, due to a continued increase of factoring Turnover, additional contribution from the newly launched business lines and decreasing cost of funding
- **Cost income** down at **42%** vs. 49% at the end of 2014
- **Profit before taxes +27% y/y**

Business performance well on track

- **Factoring** 1H 2015 Turnover **+36% y/y** and 2Q 2015 **+37% y/y**, with 90% of the **€600m** Turnover being recurring business (94% in 2014)
- **CQS** outstanding reaching **€65m** (€13m year-end 2014)
- **SMEs financing** outstanding reaching **€60m** (€19m year-end 2014)

Diversified funding base

- **Retail funding** representing **41%** of Total funding
- **Retail funding cost** down at **~240bps** vs **~310bps** FY 2014 (Take on rate on term deposits in June 2015: 1.1%)
- **LCR** and **NSFR** respectively, **121%** and **114%**, well above B3 2018 targets

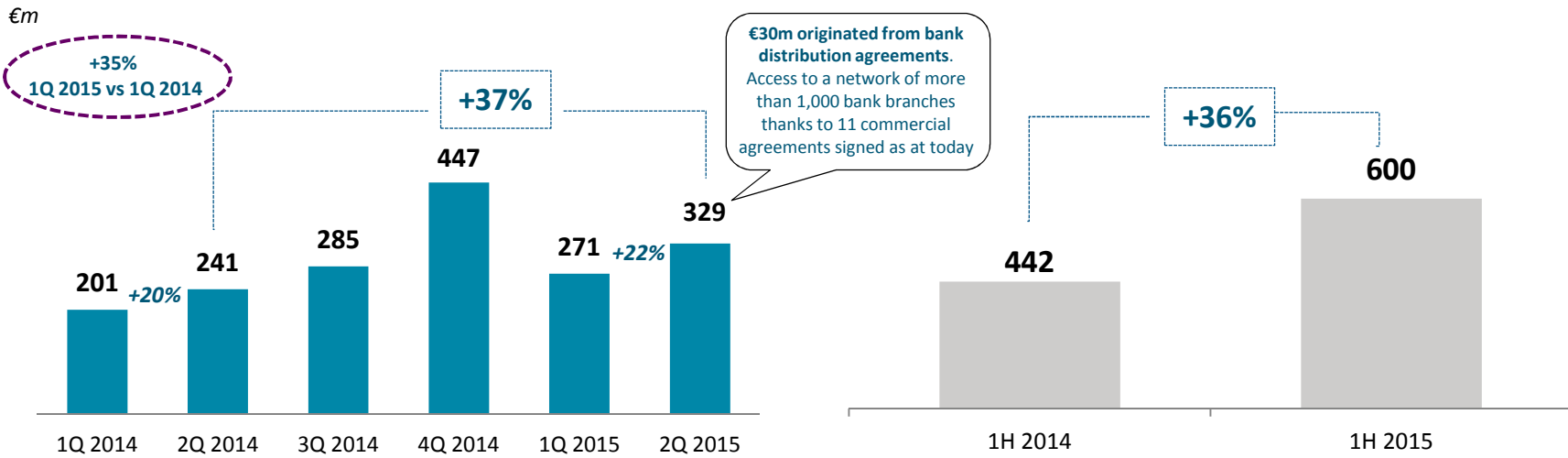
Strong Balance Sheet

- **CET1** and **Total Capital Ratio** reached respectively **17.9%** and **22.2%** due to 1H 2015 results and the primary component of the IPO
- Conservative **Leverage Ratio** at **4.4%**, well above regulatory threshold
- **ROAE 38%**, including €37.5m of the IPO primary component

Note: (*) 1H 2015 P&L results and related ratios do not include non-recurring items.

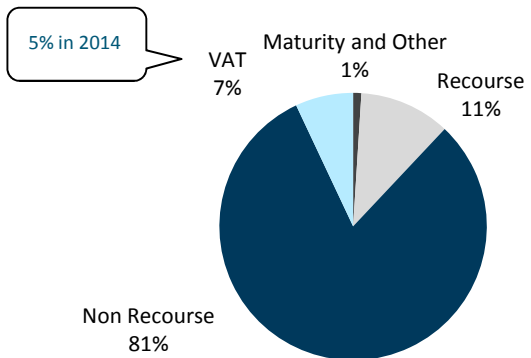
Factoring growth in line with Q1 2015

Factoring Turnover Evolution



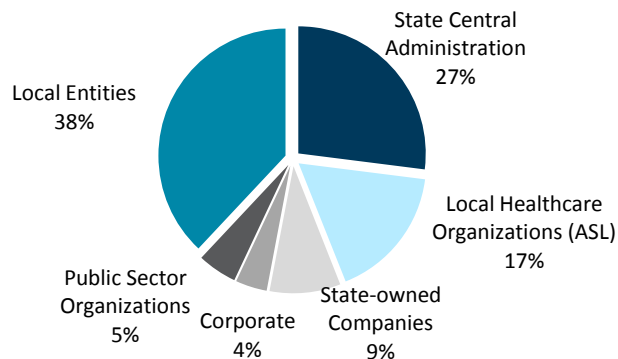
Factoring Outstanding Breakdown (1H 2015) - €898m

By Type of Product

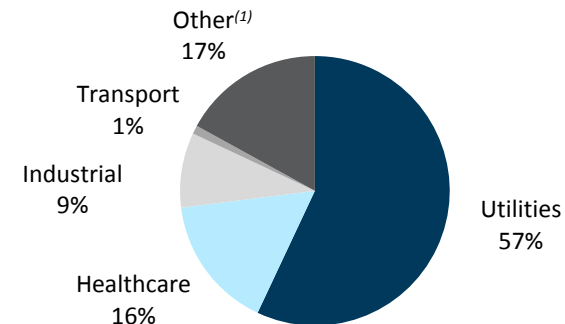


By Obligor

PA accounts for 96%



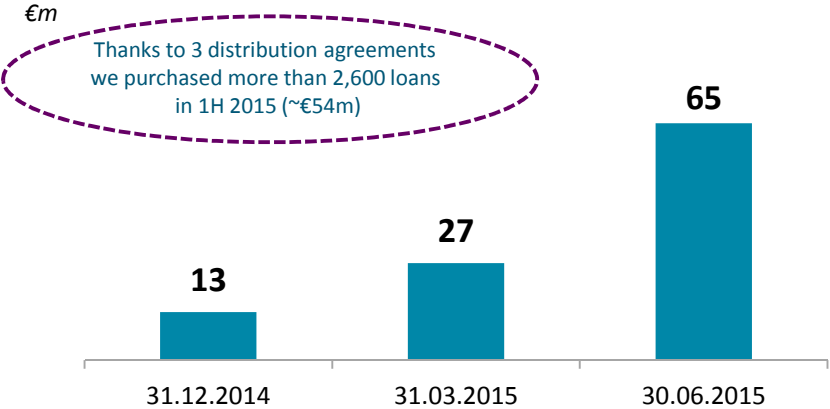
By Client



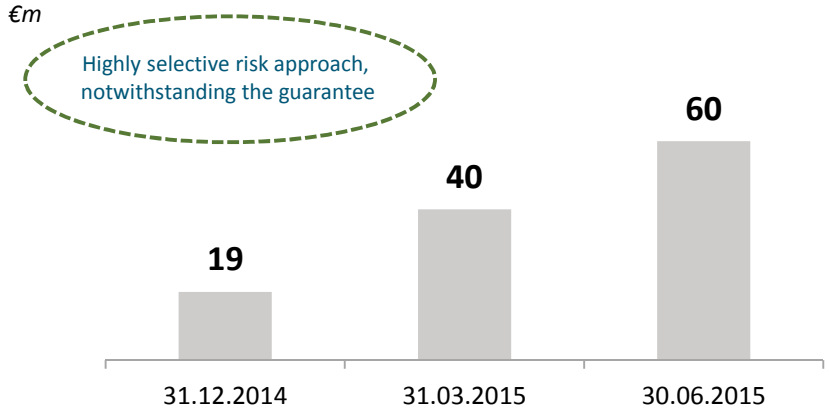
Note: 1. Including waste management, services, entertainment, agriculture and IT, among others

Increased contribution from new business lines

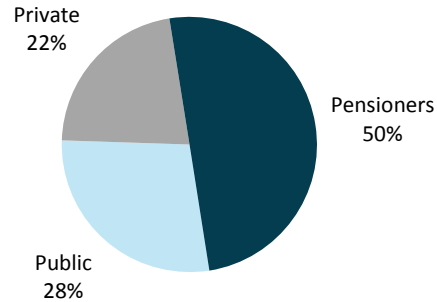
CQS/CQP outstanding



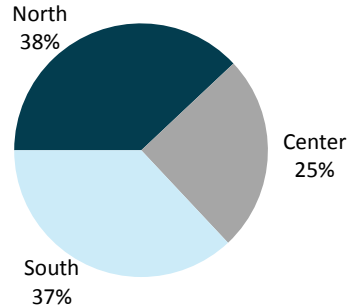
SME State Guaranteed Loans outstanding



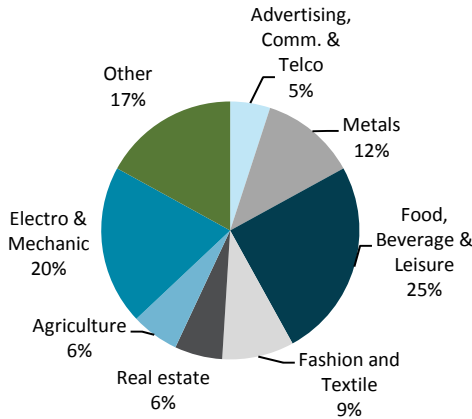
Split by Type



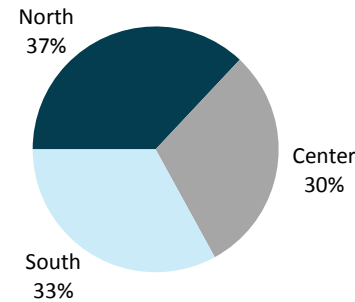
Split by Geography



Split by Industry



Split by Geography



Outstanding as at 30.06.2015

1H 2015 – Income Statement*

Income Statement - €/000	1H 2015	1H 2014	Change
Net Interest income	28,951	24,057	20.3%
Net commission income	5,853	5,560	5.3%
Dividends	-	33	nm
Trading income	2,060	3,431	-40.0%
Total income	36,864	33,081	11.4%
Loan loss provisions	(2,091)	(2,018)	3.6%
Operating income	34,773	31,063	11.9%
Personnel expenses	(6,528)	(5,983)	9.1%
Other administrative expenses	(8,914)	(9,440)	-5.6%
Net provisions for risk and charges	(10)	(300)	-96.7%
Amortization and depreciation	(154)	(89)	73.0%
Operating costs	(15,606)	(15,812)	-1.3%
Income before taxes from continuing operations	19,167	15,251	25.7%
Profits on equity investments	221	-	nm
Profit before taxes	19,388	15,251	27.1%
Tax on income from continuing operations	(6,029)	(5,408)	11.5%
Normalized Net income	13,359	9,843	35.7%
Net non recurring items - IPO costs	(4,743)		
Net income	8,616		

- **NII increase (+20%)** driven by higher factoring volumes, lower cost of funding and higher contribution from CQS/CQP and SMEs loans
- Lower contribution from our short term Italian Government bond portfolio (-40%)
- **Personnel expenses**, excluding the non-recurring items, are in line considering the higher headcount (+17 average FTEs in 1H 2015 vs 1H 2014)
- **Other admin.** stabilizing
- **€0.2m** profits on equity investments derive from stake in CS Union S.p.A.
- **1H 2015 Net income represents 69% of FY 2014 Net Income**

Note: (*) 1H 2015 P&L results do not include non-recurring items.

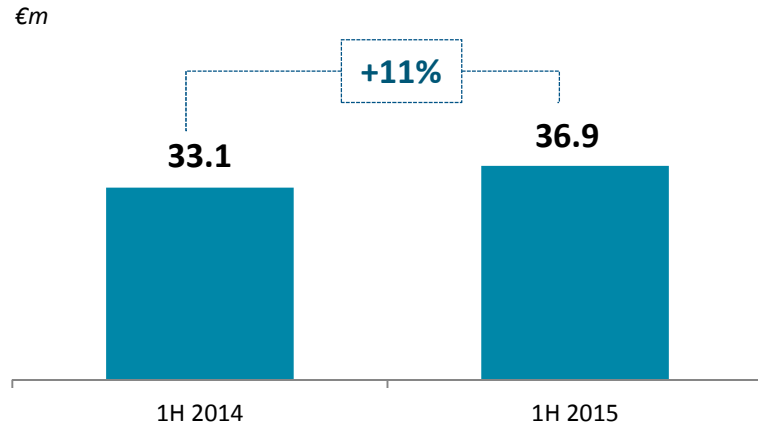
1H 2015 – Balance Sheet

Balance Sheet - €/000	30/06/2015	31/12/2014	Change
Financial assets	917,215	858,070	6.9%
Due from banks	46,013	16,682	175.8%
Customer loans	1,326,403	1,193,754	11.1%
<i>Factoring</i>	837,687	851,856	-1.7%
<i>CQS/CQP loans</i>	65,367	13,228	394.2%
<i>SME State Guaranteed loans</i>	59,872	18,664	220.8%
<i>Repos</i>	334,554	290,316	15.2%
<i>Other</i>	28,923	19,690	46.9%
Equity investments	2,596	2,448	6.0%
Property and Equipment	3,040	3,105	-2.1%
<i>Goodwill</i>	1,786	1,786	nm
Other assets	13,391	7,194	86.1%
Total Assets	2,308,658	2,081,253	10.9%
Due to banks	166,535	821,404	-79.7%
<i>Central banks</i>	35,000	730,020	-95.2%
<i>Banks</i>	131,535	91,384	43.9%
Due to customers	1,991,504	1,153,797	72.6%
<i>Term deposits</i>	560,195	569,410	-1.6%
<i>Repos</i>	1,093,342	238,807	357.8%
<i>Cash accounts</i>	309,541	311,751	-0.7%
<i>Other</i>	28,426	33,829	-16.0%
Debt securities	20,104	20,109	0.0%
Other liabilities	47,224	44,892	5.2%
Shareholders' Equity	83,291	41,051	102.9%
Total Liabilities	2,308,658	2,081,253	10.9%

- **Stable Govies AFS portfolio with an average duration of 9.3 months**
- **Factoring receivables** in line with the end of 2014, despite faster payments
- Reduced exposure to ECB and increased funding from **Repo market** due to lower financing cost
- **Stable Retail term deposits and cash accounts**
- **Debt securities** comprised of: LT2 subordinated bond (€12m) and AT1 (€8m)
- **Shareholders' equity** including the effect of the €37.5m capital increase
- **Total own funds at €102m (TCR 22.2%) and of the CET1 at €82m (ratio 17.9%)**

Strong revenues supporting earnings growth

Total income



- Net interest income representing 79% of the Total Income up +20% y/y

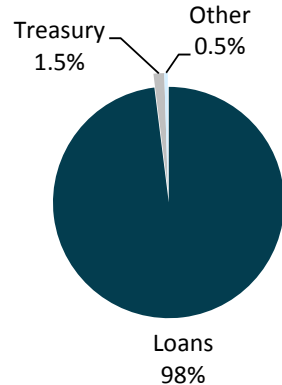
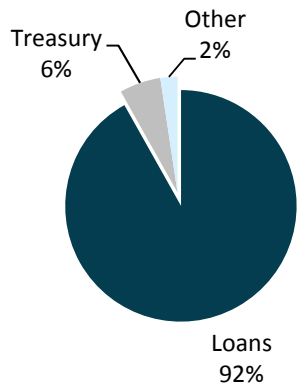
- Reduced contribution from the carry trade, from €1.5m in 1H 2014 to €0.8m in 1H 2015

- Interest income up y/y across all business lines: factoring; CQS/CQP and SMEs loans. Increased weight from non factoring products: ~6% of Interest income in 1H 2015

Interest income Split

€38.1m 1H 2014

€40.5m – 1H 2015

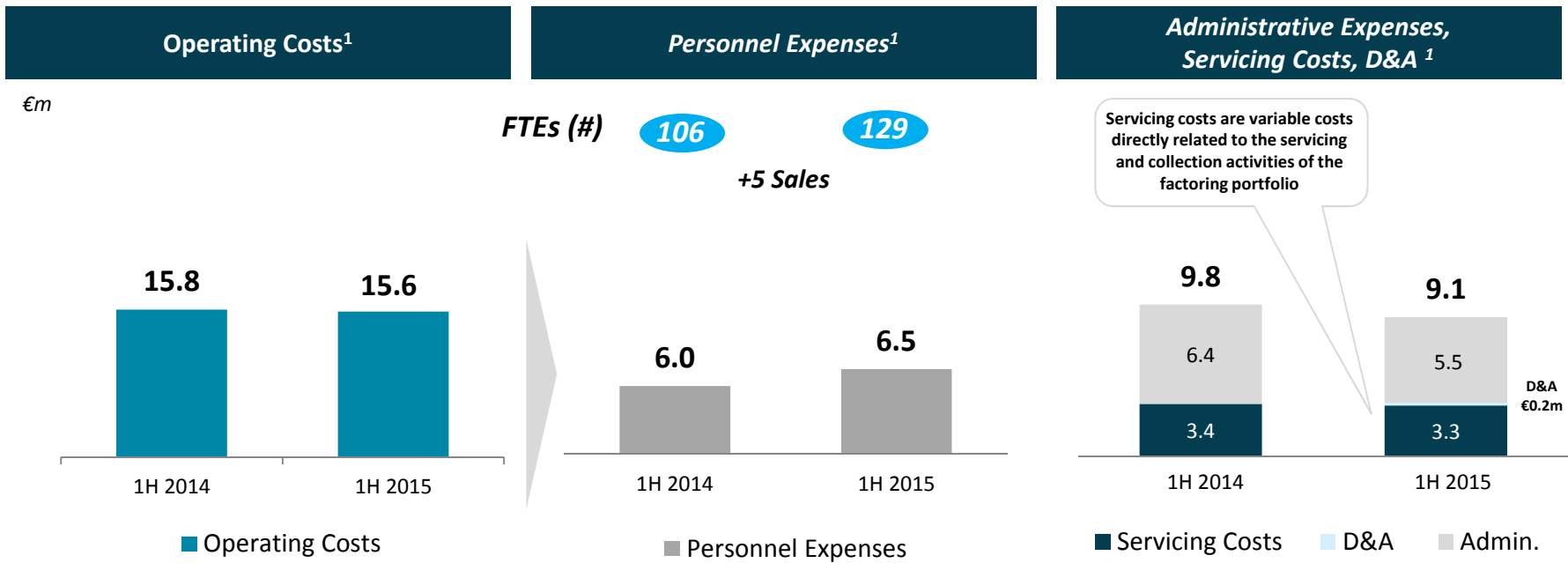


- Retail funding cost is 100bps lower y/y, 240bps in 1H 2015 vs 340bps in 1H 2014, despite a conservative liquidity buffer

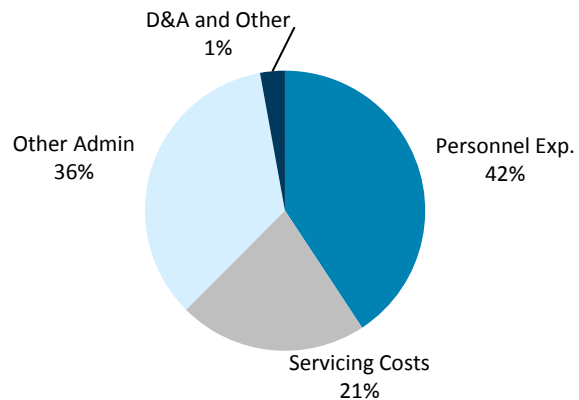
- Factoring net commissions up 12.0% y/y net of origination fees, from €4.8m to €5.4m, due to higher volumes of fee-based factoring products

- Trading income down from €3.4m to €2.1m respectively in 1H 2014 vs. 1H 2015

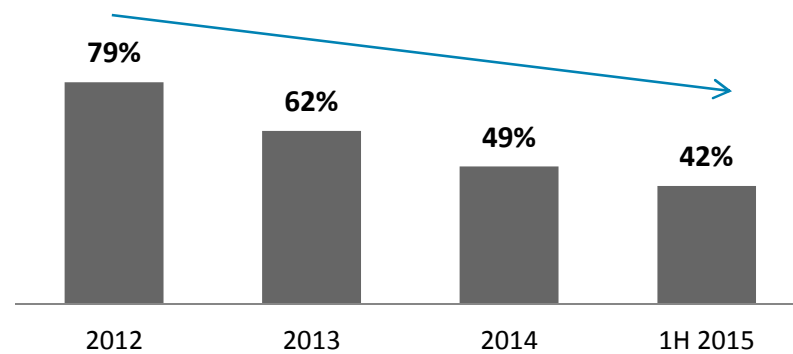
Scalable platform and IT infrastructure



Operating Costs Breakdown¹



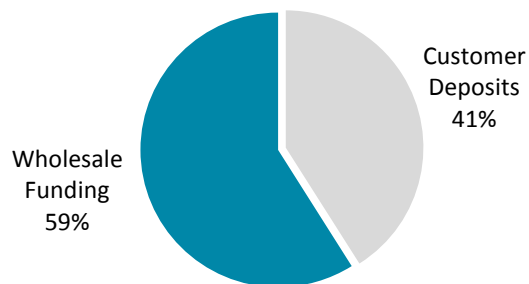
Cost Income Ratio¹



Note: 1. 1H 2015 Costs and related ratios do not include non-recurring items.

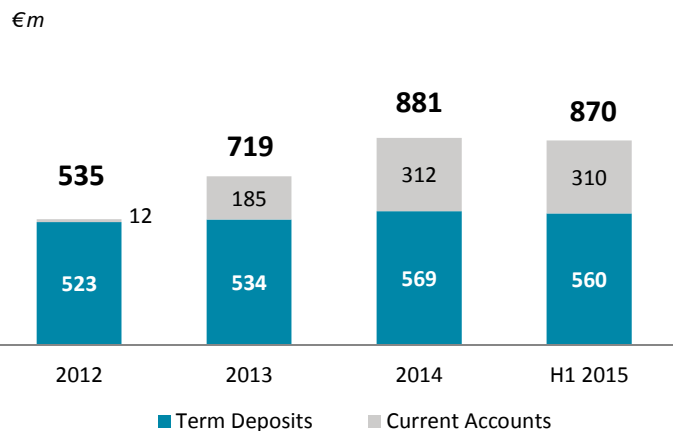
Funding Overview

Funding Breakdown



Wholesale funding is composed primarily of funding from Repos/CC&G and ECB with an average cost close to 0%

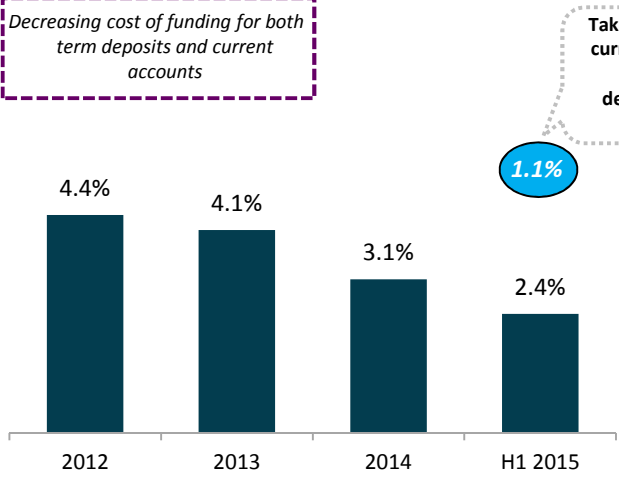
Customer Deposits Evolution



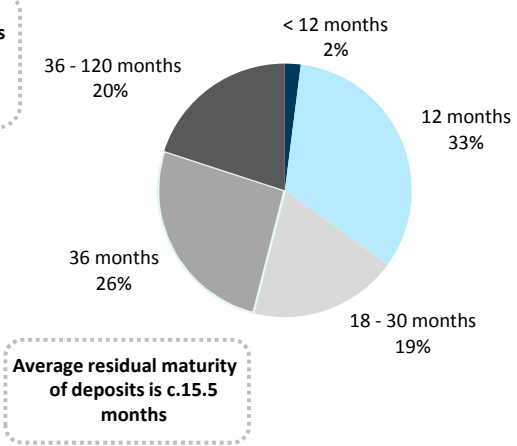
- Funding strategy focused on diversifying financing sources and optimising cost of funds
- Access to wholesale markets including ECB, Interbanking and Repo funding

Retail Cost of Funding¹

Decreasing cost of funding for both term deposits and current accounts



Term Deposits Maturity Profile

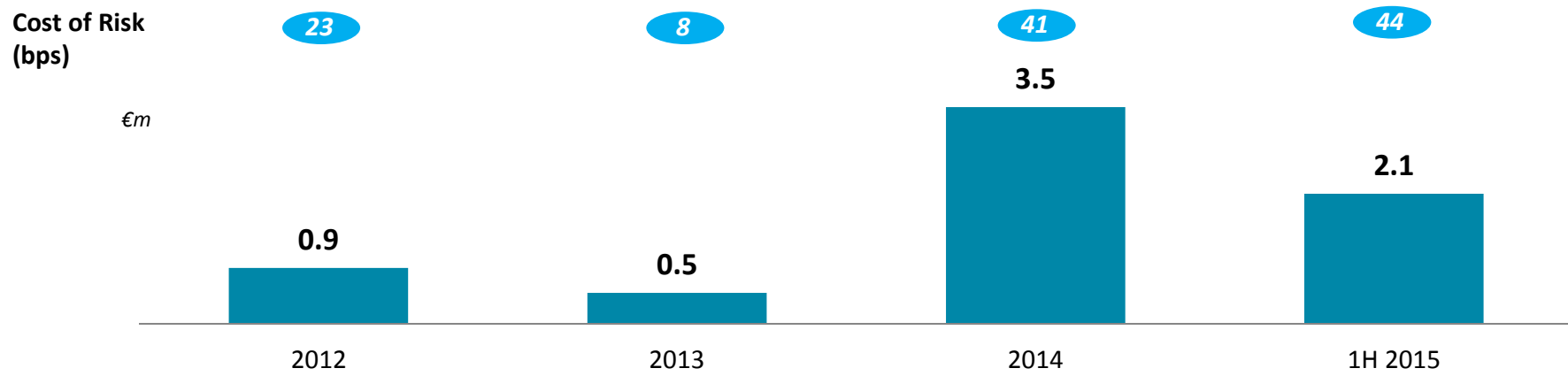


- €0.8bn of customer deposits as of 2014 with a 64%/36% term deposits /current accounts split
- Long term maturity profile with c.65% of term deposits above 12 months and an average deposit size of €49k

Note: 1. Average cost of funding (current accounts and term deposits)

Conservative provisioning policy with no credit losses since 2011

Cost of Risk and Loan Loss Provisions



Loan Loss Provisions Split



Conclusions

We continue to see consistent growth across the Bank, underpinned by the strength of our core business and supplemented by the development of our new business lines.

We have built a stable and diversified funding base, focussed on optimising our cost of funds.

We have demonstrated that our platform is efficient and highly scalable.

We are pleased to be able to deliver a market-leading Return on Equity to our shareholders.