

PRESS RELEASE

BANCA SISTEMA: 2016- 2019 STOCK GRANT PLAN

Milan, 16 December 2015

The Board of Directors of Banca Sistema has met today and has resolved, with the favourable opinion of the Remunerations Committee, an incentives and retention plan (the “2016-2019 Stock Grant Plan” or the “Plan”) based on Company shares in favour of managers with strategic responsibilities and other persons falling within the category of “key personnel”.

According to the Plan, with reference to the bonus for the year 2016, ordinary shares of the Company will be freely assigned, subject to the achievement of certain corporate and personal performance objectives, and following the approval of the consolidated financial statements as at 31 December 2016, and for the deferred part of the bonus of 2016, the approval of the consolidated financial statements as at 31 December 2017, 31 December 2018 and 31 December 2019.

The aim of the 2016-2019 Stock Grant Plan, that will be submitted for approval to an ordinary Shareholders’ Meeting, is to (i) correlate the remuneration of the individuals designated as beneficiaries of the Plan with the actual performance of the Company and the creation of new value for Banca Sistema, as also envisaged in the Listed Companies’ Corporate Governance Code; (ii) steer the key company resources towards the creation of value and strategies to pursue medium/long-term results; (iii) align the interests of the beneficiaries of the Plan with those of shareholders and investors; (iv) introduce retention policies aimed at creating loyalty in the beneficiaries of the Plan and ensure their permanence with the Company or the Banca Sistema Group; (v) motivate and retain the current management of the Company, as well as develop the ability of the Company to attract new prospective managers, in keeping with the market practice in the banking sector.

The shares included in the Plan may be retrieved from a free share capital increase, pursuant to Article 2349, paragraph 1, of the Italian Civil Code, to be approved – after the approval of the Supervisory Authority - by an extraordinary Shareholders’ Meeting. The shares included in the Plan may also be retrieved, at the discretion of the Board of Directors, from any share possibly purchased and/or held by the Bank in accordance with the resolution of the Shareholders’ Meeting of 27 November 2015 and disclosed to the market on the same date, subject to the obtainment of the required authorization of the Bank of Italy.

In consideration of the above, the Board of Directors has resolved to bring to the attention of an extraordinary Shareholders’ Meeting – subject to the approval of the Supervisory Authority - the approval of a free divisible share capital increase pursuant to Article 2349, Italian Civil Code, for the purposes of the Plan, in the maximum amount of Euro 49,920, corresponding to a maximum number of 416,000 ordinary shares with a nominal value of Euro 0.12 each, to be issued in several tranches, through the use of a proper restricted equity reserve for the Plan, named Restricted reserve for capital

increase under the 2016-2019 Stock Grant Plan, to be taken from a pre-existing free equity reserve made up of retained earnings, whose establishment must be approved by a Shareholders' Meeting.

In addition to the aforementioned proposals, the subsequent amendment to Article 5 of the Articles of Association will be submitted, after the approval of the Supervisory Authority, to an extraordinary Shareholders' Meeting for approval.

For further information, see the information note pursuant to Article 84-bis of the Issuer Regulation and the directors' explanatory reports on the items of the agenda of the Shareholders' Meeting that will be available to the shareholders in accordance with the methods and terms set out by the law.

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Banca Sistema

Banca Sistema was founded in 2011, as a bank specialized in financing and managing trade receivables owed by the Italian Public Administrations, thereby entering a sector of the Italian financial system aimed at granting liquidity to corporate entities in their business dealings with the PA's, mainly through factoring and credit management services.

With main offices in Milan, Rome and London, during this time Banca Sistema has extended its activities and services available both to business and retail Clients.

As an independent financial operator characterized by a diversified business model, Banca Sistema can offer, today, recourse and non-recourse factoring services. This includes receivables between private companies, yearly and quarterly VAT receivables refunds, current accounts, time deposits with durations up to 10 years, guarantees, securities deposit, reverse factoring, certification of Public Administration credits, salary and pension backed loans, and small and medium enterprises financing.

The Bank is also active in the purchasing and management of non-performing financial and trade receivables as well as management and debt recovery from individuals, thanks to its shareholding in CS Union S.p.A..