

PRESS RELEASE

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BANCA SISTEMA: SUCCESSFUL PLACEMENT OF FIRST SENIOR BOND ISSUE

Milan, 9 October 2017

Banca Sistema has successfully completed its first public bond issue reserved for institutional investors.

The 175 million, euro-denominated, senior, unsecured bond will have a 3-year maturity, it distributes a fixed annual coupon of 1.75% and the issue price is 99.836%. The settlement date is 13 October.

Orders were received from almost 50 institutional investors. Domestic component of demand is predominant and consists mainly of asset managers and banks. The strong demand component from long-term investors has allowed an increase in the originally proposed issue of 150 million euro and, at the same time, a 5 bps reduction compared to the spread offered at the announcement.

The bond, unrated, was reserved for qualified investors, with no offering in the United States of America or in any other country where the offering or the sale is forbidden under applicable laws, including persons residing or located in these countries. The bond will be listed on the regulated market of the Irish Stock Exchange and on ExtraMOT Pro managed and organized by Borsa Italiana.

Intermonte SIM acted as Lead Manager for the transaction. Simmons&Simmons and Clifford Chance assisted Banca Sistema and the Lead Manager with the legal aspects.

The goal of the issue is in line with the Bank's strategy aimed at diversifying its funding sources and supporting the growth of its core business.

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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 and Rome, 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 highly diversified business model, Banca Sistema can offer, today, recourse and nonrecourse factoring services. This includes receivables between private companies, yearly and quarterly VAT receivables refunds, current accounts, time deposits with durations up to 10 years, pawnbroking, guarantees, securities deposit, reverse factoring, certification of Public Administration credits, salary and pension backed loans.

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 stake in the capital of Axactor Italy S.p.A. and in its controlling company Axactor AB, listed to the Oslo Stock Exchange