

PRESS RELEASE

BANCA SISTEMA: TAP ISSUE OF TIER II SUBORDINATED BOND OF 1 MILLION EURO

Milan, 10 October 2017

Following the Board resolution passed on 27 July 2017 to approve the tap issue of the TIER II subordinated bond launched on 30 March 2017 with a 10-year duration and a six-monthly coupon of 6M EURIBOR + 450bps (with early-redemption option triggered by a regulatory event), we herewith announce that a tap issue of 1 million of the above bond has been launched.

The issue will be subscribed by Fondazione Cassa di Risparmio di Alessandria, which holds a 7.40% stake in Banca Sistema, and is a related party to the Bank in view of the Shareholder's Agreements signed on 28 April 2016 and effective on 4 July 2016 by and among the above mentioned Fondazione, Società di gestione delle partecipazioni di Banca Sistema S.r.l., Fondazione Sicilia and Fondazione Pisa.

The tap issue is an add-on to the previous one of 1.5 million euro (communicated on 27 July 2017) and to the 14 million euro one placed on 30 March 2017.

The issue subscription does not exceed the threshold values identified by the Operational Procedure to manage transactions with persons in conflict of interest adopted by Banca Sistema, pursuant to art. 4, paragraph 1, letter a) of Consob Regulation no. 11721/2010 and following amendments and additions ("Regulation on Related Party Transactions"). The transaction has received the positive opinion of the Internal Control and Risk Management Committee.

The 1 million issue will be settled by 13 October 2017.

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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.