

PRESS RELEASE

## **CAPITAL RATIOS WELL ABOVE BANK OF ITALY'S MINIMUM CAPITAL REQUIREMENTS**

Milan, 5 January 2018

Banca Sistema has received the communication of the final decision of the Bank of Italy on the capital requirements to be complied with from 1 January 2018 on a consolidated basis, based on the results of the Supervisory Review and Evaluation Process (SREP).

The capital requirements based on phase-in criteria are:

- Common Equity Tier 1 ratio ("CET1 ratio") 7.125%;
- Tier 1 ratio 8.875%;
- Total Capital ratio ("TC ratio") 11.225%.

At 30 September 2017, Banca Sistema reported the following capital ratios:

- CET1 ratio 12.4%;
- Tier 1 ratio 13.2%;
- TC ratio 16.1%;

which are all well above the afore-mentioned requirements.

In addition to the minimum regulatory requirements, the following requirements contributed to the calculation of the overall capital requirements in 2018:

- the Pillar 2 requirement of 0.75% in terms of CET1 ratio, and of 1.35% in terms of TC ratio;
- the Capital Conservation Buffer requirement of 1.875% based on the phase-in criteria effective in 2018 (2.5% under the fully-loaded criteria in 2019).

Moreover, the Bank of Italy notified the minimum levels for the CET1 ratio, Tier 1 ratio and TC ratio at 31 December 2017, notably 6.5%, 8.25% and 10.6%, respectively (inclusive of the Pillar 2 requirement mentioned above and of the Capital Conservation Buffer at 1.25% under the phase-in criteria effective in 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 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, 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.