

PRESS RELEASE

### **BANCA SISTEMA:**

#### **- APPROVED 2017 DRAFT FINANCIAL STATEMENTS**

#### **- PROPOSED DIVIDEND OF €0.086 PER SHARE**

Milan, 8 March 2018

The Board of Directors of Banca Sistema has approved today the Bank's draft financial statements and the draft consolidated financial statements of Gruppo Banca Sistema as at 31 December 2017, confirming the results already approved by the Board and disclosed to the market with a press release published on 8 February.

The Parent company closed financial year 2017 with a net income of 27.6 million, up by 13% compared to 2016. At consolidated level the financial year closed with a net income of 26.8 million.

The Board of Directors decided to submit the distribution of a dividend of 0.086 euro per ordinary share for approval to the Shareholders' Meeting, to be convened on 23 April 2018. If approved by Shareholders, the dividend will be paid out on 4 May 2018, with ex-dividend date on 2 May (coupon no. 6) and record date on 3 May 2018.

At the General Meeting, Shareholders will be called to approve the renewal of the Board of Directors and their compensation, the 2018 remuneration policies, as well as the request submitted by the audit firm KPMG S.p.A. to supplement the compensation for FY 2017 and 2018.

The Notice to convene will be published within the compliance deadlines under the law.

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The Board of Directors of Banca Sistema will approve the 2018 - 2020 Business Plan on 10 April 2018. The next day a conference call is scheduled for the presentation of the Business Plan.

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#### **Statement of the Manager in charge of preparing corporate financial reports**

The manager in charge of preparing the corporate financial reports, Alexander Muz, in compliance with paragraph two of art. 154 bis of the "Consolidated act for financial intermediation", hereby states that the accounting information illustrated in this press release is consistent with documental evidence, accounting books and book-keeping entries.

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All financial amounts reported in the press release are expressed in euros.

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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.

## Attachments

- Consolidated balance sheet
- Consolidated income statement
- Normalized consolidated income statement as at 31 December 2016
- Parent Company balance sheet
- Parent Company income statement

### BANCA SISTEMA GROUP: CONSOLIDATED BALANCE SHEET

Figures in thousands of Euro

		31.12.2017 A	31.12.2016 B	Difference % A - B
	<b>ASSETS</b>			
10.	Cash and cash equivalents	161	98	64.3%
20.	Financial assets held for trading	1,201	996	20.6%
40.	Available-for-sale financial assets	285,610	514,838	-44.5%
50.	Held to maturity	84,178	-	n.a.
60.	Loans and advances to banks	36,027	83,493	-56.9%
70.	Loans and advances to customers	1,850,290	1,348,329	37.2%
100.	Equity investments	1,190	1,030	15.5%
120.	Property, plant and equipment	24,272	23,313	4.1%
130.	Intangible assets	1,790	1,835	-2.5%
	<i>of which: goodwill</i>	<i>1,786</i>	<i>1,786</i>	<i>0.0%</i>
140.	Tax assets	10,198	10,528	-3.1%
160.	Other assets	14,316	14,903	-3.9%
	<b>Total assets</b>	<b>2,309,233</b>	<b>1,999,363</b>	<b>15.5%</b>

Figures in thousands of euro

		31.12.2017 A	31.12.2016 B	Difference % A - B
	<b>LIABILITIES AND EQUITY</b>			
10.	Due to banks	517,533	458,126	13.0%
20.	Due to customers	1,284,132	1,262,123	1.7%
30.	Debt securities issued	281,770	90,330	211.9%
80.	Tax liabilities	10,118	8,539	18.5%
100.	Other liabilities	71,996	59,825	20.3%
110.	Post-employment benefits	2,172	1,998	8.7%
120.	Provisions for risks and charges:	6,745	4,105	64.3%
140. +170. + 180. +190.	Share capital, share premiums, reserves, valuation reserves and treasury shares	107,944	88,984	21.3%
210.	Minority interests	30	20	50.0%
220.	Profit (loss) for the year	26,793	25,313	5.8%
	<b>Total liabilities and equity</b>	<b>2,309,233</b>	<b>1,999,363</b>	<b>15.5%</b>

**BANCA SISTEMA GROUP: CONSOLIDATED FINANCIAL REPORT***Figures in thousands of Euro*

		31.12.2017 A	31.12.2016 B	Difference % A - B
10.	Interest income	87,234	86,321	1.1%
20.	Interest expenses	(16,584)	(15,321)	8.2%
<b>30.</b>	<b>Net interest income</b>	<b>70,650</b>	<b>71,000</b>	<b>-0.5%</b>
40. - 50.	Net fee and commission income	10,652	9,060	17.6%
70.	Dividends and similar income	227	227	0.0%
80. + 90. + 100. + 110.	Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	940	1,196	-21.4%
<b>120.</b>	<b>Operating income</b>	<b>82,469</b>	<b>81,483</b>	<b>1.2%</b>
130.	Net impairment losses on loans	(5,352)	(9,765)	-45.2%
<b>140.</b>	<b>Net operating income</b>	<b>77,117</b>	<b>71,718</b>	<b>7.5%</b>
180. a)	Staff costs	(17,631)	(15,169)	16.2%
180. b)	Other administrative expenses	(19,705)	(22,529)	-12.5%
190.	Net allowance for risks and charges	(8)	(431)	-98.1%
200. + 210.	Net provisions for risks and charges	(303)	(308)	-1.6%
220.	Other net operating income/expense	(415)	150	-376.7%
<b>230</b>	<b>Operating expenses</b>	<b>(38,062)</b>	<b>(38,287)</b>	<b>-0.6%</b>
240.	Profits of equity-accounted investees	(140)	2,281	-106.1%
<b>280.</b>	<b>Pre-tax profit from continuing operations</b>	<b>38,915</b>	<b>35,712</b>	<b>9.0%</b>
290.	Taxes on income for the period/year from continuing operations	(12,122)	(10,399)	16.6%
<b>340.</b>	<b>Profit (loss) for the year attributable to the shareholders of the Parent</b>	<b>26,793</b>	<b>25,313</b>	<b>5.8%</b>

### BANCA SISTEMA GROUP: CONSOLIDATED FINANCIAL REPORT (Normalized figures as at 31 December 2016)

Figures in thousands of Euro

		31.12.2017 A	31.12.2016 B	Difference % A - B
10.	Interest income	87,234	86,321	1.1%
20.	Interest expenses	(16,584)	(15,321)	8.2%
<b>30.</b>	<b>Net interest income</b>	<b>70,650</b>	<b>71,000</b>	<b>-0.5%</b>
40. - 50.	Net fee and commission income	10,652	9,060	17.6%
70.	Dividends and similar income	227	227	0.0%
80. + 90. + 100. + 110.	Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	940	1,196	-21.4%
<b>120.</b>	<b>Operating income</b>	<b>82,469</b>	<b>81,483</b>	<b>1.2%</b>
130.	Net impairment losses on loans	(5,352)	(9,765)	-45.2%
<b>140.</b>	<b>Net operating income</b>	<b>77,117</b>	<b>71,718</b>	<b>7.5%</b>
180. a)	Staff costs	(17,631)	(15,169)	16.2%
180. b)	Other administrative expenses	(19,705)	(20,907)	-5.7%
190.	Net allowance for risks and charges	(8)	(431)	-98.1%
200. + 210.	Net provisions for risks and charges	(303)	(308)	-1.6%
220.	Other net operating income/expense	(415)	150	-376.7%
<b>230</b>	<b>Operating expenses</b>	<b>(38,062)</b>	<b>(36,665)</b>	<b>3.8%</b>
240.	Profits of equity-accounted investees	(140)	2,281	-106.1%
<b>280.</b>	<b>Pre-tax profit from continuing operations</b>	<b>38,915</b>	<b>37,334</b>	<b>4.2%</b>
290.	Taxes on income for the period/year from continuing operations	(12,122)	(10,926)	10.9%
<b>340.</b>	<b>Profit (loss) for the year attributable to the shareholders of the Parent</b>	<b>26,793</b>	<b>26,408</b>	<b>1.5%</b>

### BANCA SISTEMA: BALANCE SHEET

Figures in thousands of Euro

		31.12.2017 A	31.12.2016 B	Difference % A - B
	<b>ASSETS</b>			
10.	Cash and cash equivalents	161	96	67.7%
20.	Financial assets held for trading	1,201	996	20.6%
40.	Available-for-sale financial assets	285,610	514,838	-44.5%
50.	Held to maturity	84,178	-	n.a.
60.	Loans and advances to banks	35,809	71,282	-49.8%
70.	Loans and advances to customers	1,861,118	1,312,636	41.8%
100.	Equity investments	16,222	61,628	-73.7%
110.	Property, plant and equipment	814	812	0.2%
120.	Intangible assets	1,790	1,821	-1.7%
	<i>of which: goodwill</i>	<i>1,786</i>	<i>1,786</i>	<i>0.0%</i>
130.	Tax assets	10,083	4,954	103.5%
150.	Other assets	13,441	13,447	0.0%
	<b>Total assets</b>	<b>2,310,427</b>	<b>1,982,510</b>	<b>16.5%</b>

Figures in thousands of euro

		31.12.2017 A	31.12.2016 B	Difference % A - B
	<b>LIABILITIES AND EQUITY</b>			
10.	Due to banks	517,533	458,126	13.0%
20.	Due to customers	1,284,132	1,256,843	2.2%
30.	Debt securities issued	281,770	90,330	211.9%
80.	Tax liabilities	10,118	3,570	183.4%
100.	Other liabilities	71,916	58,086	23.8%
110.	Post-employment benefits	2,172	1,640	32.4%
120.	Provisions for risks and charges:	6,698	279	2300.7%
130. +160. + 170. +180. + 190.	Share capital, share premiums, reserves, valuation reserves and treasury shares	108,528	89,155	21.7%
200.	Profit (loss) for the year	27,560	24,481	12.6%
	<b>Total liabilities and equity</b>	<b>2,310,427</b>	<b>1,982,510</b>	<b>16.5%</b>

**BANCA SISTEMA: FINANCIAL REPORT***Figures in thousands of Euro*

		31.12.2017 A	31.12.2016 B	Difference % A - B
10.	Interest income	87,393	83,859	4.2%
20.	Interest expenses	(16,584)	(15,358)	8.0%
<b>30.</b>	<b>Net interest income</b>	<b>70,809</b>	<b>68,501</b>	<b>3.4%</b>
40. - 50.	Net fee and commission income	10,667	8,625	23.7%
70.	Dividends and similar income	227	313	-27.5%
80. + 90. + 100. + 110.	Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	949	1,175	-19.2%
<b>120.</b>	<b>Operating income</b>	<b>82,652</b>	<b>78,614</b>	<b>5.1%</b>
130.	Net impairment losses on loans	(5,352)	(10,226)	-47.7%
<b>140.</b>	<b>Net operating income</b>	<b>77,300</b>	<b>68,388</b>	<b>13.0%</b>
150. a)	Staff costs	(17,549)	(14,171)	23.8%
150. b)	Other administrative expenses	(19,259)	(22,015)	-12.5%
160.	Net allowance for risks and charges	(8)	69	-111.6%
170. + 180.	Net provisions for risks and charges	(303)	(299)	1.3%
190.	Other net operating income/expense	(414)	215	-292.6%
<b>200</b>	<b>Operating expenses</b>	<b>(37,533)</b>	<b>(36,201)</b>	<b>3.7%</b>
210.	Profits of equity-accounted investees	-	2,373	n.a.
<b>250.</b>	<b>Pre-tax profit from continuing operations</b>	<b>39,767</b>	<b>34,560</b>	<b>15.1%</b>
260.	Taxes on income for the year	(12,207)	(10,079)	21.1%
<b>290.</b>	<b>Profit (loss) for the year</b>	<b>27,560</b>	<b>24,481</b>	<b>12.6%</b>