

PRESS RELEASE

**BANCA SISTEMA:
- APPROVED 2018 DRAFT FINANCIAL STATEMENTS
- PROPOSED DIVIDEND OF €0.087 PER SHARE**

Milan, 1 March 2019

The Board of Directors of Banca Sistema has approved today the Bank's draft financial statements and the consolidated financial statements of Gruppo Banca Sistema as at 31 December 2018, 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 2018 with a net income of euro 28.1 million. At consolidated level the financial year closed with a net income of euro 27.2 million.

The Board of Directors resolved to submit the distribution of a dividend of 0.087 euro per ordinary share for approval to the Shareholders' Meeting, to be convened on 18 April 2019. If approved by Shareholders, the dividend will be paid out on 8 May 2019, with ex-dividend date on 6 May (coupon no. 7) and record date on 7 May 2019.

On 18 April 2019, the Shareholders gathered at the General Meeting will be called to approve the share-buyback plan, delegating to the Board of Directors the powers to launch a share-buyback plan for a period of 18 months starting on the date of the General Meeting, for a maximum amount of about 300 thousand euro (which based on yesterday's closing price would be equal to 184,049 shares, which correspond to roughly 0.36% of the bank's share capital including the 104,661 own shares currently held in portfolio). The plan aims at setting up a share reserve dedicated to stock grants to employees falling under the "key personnel" category, in application of the remuneration and incentive policies of Banca Sistema. The share purchase price may be no lower than 15% - and no higher than 15% - of the price reported on the last working day of each week resulting from the average of the official closing price of Banca Sistema shares in the last two weeks of the TARGET calendar prior to the day the average price was determined. These minimum and maximum prices will be effective over the period starting the day after the average price was determined up until and including the day the new weekly price is determined. The purchases of the ordinary shares may be performed only through trades on the stock Market where the Banca Sistema stock is listed, in compliance with procedures that ensure the fair treatment of shareholders pursuant to art. 132 of TUF, and in compliance with applicable regulations and market practices authorized by Consob pursuant to article 13 of the EU Regulation no. 596/2014. Own shares will be assigned as part of the variable remuneration to be paid to some company employees in compliance with the policies in time approved by the Shareholders' Meeting. The share-buyback plan, if approved by the Shareholders, is subject to the prior authorization of the Bank of Italy in compliance with applicable laws.

The Shareholders will also be called to approve the remuneration policies, the appointment of a director (pursuant to art. 2386 of the Italian Civil Code) and the appointment of the new auditing firm (pursuant to art. 13, par. 1, of Lgs. D. no. 39 of 27 January 2010) covering the nine-year period from 2019 to 2027.

As regards the appointment of a director pursuant to art. 2386 of the Italian Civil Code, the Board of Directors, in their executive report to be submitted to the General Meeting and which will be published within the time limits required by law, shall recommend Shareholders to notify the Company in advance of their appointment proposals to be presented to the General Meeting (at the registered office in Milan - Largo Augusto, 1/A – corner Via Verziere, 13 – to the attention of the *Funzione Affari Societari*, or by certified email at bancasistema.affarisocietari@legalmail.it). Please be reminded that the Board of Directors, in the meeting held on 13 June 2018, had co-opted Mr. Daniele Pittatore to replace Mr. Claudio Pugelli.

As regards the appointment of the new auditing company, the Board of Directors, in their executive report to be submitted to the General Meeting and which will be published within the time limits required by law, shall illustrate the appointment proposal presented by the Board of Statutory Auditors, pursuant to art. 13, par. 1, of Lgs. D. no. 39 of 27 January 2010.

The Notice to convene will be published within the time limits required by law.

Operational outlook, risks and uncertainties

Year-end 2018 confirms the growth trend reported by factoring and salary/pension-backed loan volumes. In 2019 the Group shall keep on pursuing the guidelines set forth in the business plan and will continue to look out for possible options for growth in the Bank's core business areas, not limited to organic growth.

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Statement of the financial reporting officer

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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Banca Sistema

Banca Sistema was founded in 2011, as a bank specialized in financing and managing trade receivables owed by the Italian Public Administration, 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 these years 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 today can offer recourse and non-recourse factoring services. This includes receivables between private companies, yearly and quarterly VAT receivables refunds, current accounts, time deposits with duration up to 10 years, pawnbroking, guarantees, securities deposits, reverse factoring, certification of Public Administration credits, salary- and pension-backed loans.