

BANCA SISTEMA S.P.A.

Fully paid up Share Capital € 9,650,526.24

Tax Code and Milan Companies' Register No. 12870770158 – ABI (Italian Banking Association)

Code 03158.3

Corso Monforte, 20 - 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING HELD ON SINGLE CALL
AT THE REGISTERED OFFICE IN MILAN - CORSO MONFORTE 20
27 APRIL 2017, 10:00 AM**

**BOARD OF DIRECTORS' EXPLANATORY REPORT ON
ITEM 2) OF THE AGENDA**

(prepared pursuant to article 125-*ter* of Italian Legislative Decree No. 58 of 24 February 1998,
as amended and supplemented)

**“APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2016 OF
BANCA SISTEMA S.P.A. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2016. REPORTS OF THE BOARD OF DIRECTORS, THE BOARD OF
STATUTORY AUDITORS AND THE AUDITING COMPANY. RELATED AND RESULTING
RESOLUTIONS”**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

the folder "Annual Report as at 31 December 2016 of Banca Sistema S.p.A. (the "Company") will be made available to the public in accordance with law at the registered office, at Borsa Italiana S.p.A., on the centralised storage system authorised by Consob called "1Info" (www.1info.it) and on the Company's website and will include the draft financial statements of Banca Sistema S.p.A. and the consolidated financial statements, as well as the report on operations, the statement required under art. 154-bis, paragraph 5 of Legislative Decree No. 58 of 24 February 1998, the external auditor's report and the Report of the Board of Statutory Auditors.

Reference should therefore be made to the foregoing documents.

* * *

Dear Shareholders,

in relation to the foregoing, we are therefore asking you to pass the following resolutions:

"The Shareholders' Meeting of Banca Sistema S.p.A.,

resolves:

to approve the financial statements as at 31st December 2016 of Banca Sistema S.p.A., which shows a net profit of Euro 24,481,013.26."

Milan, 30 March 2017

On behalf of the Board of Directors
Ms Luitgard Spögler
Chairman of the Board of Directors