PRESS RELEASE

BANCA SISTEMA:
- APPROVED 2020 DRAFT FINANCIAL STATEMENTS
- PROPOSED "2020 DIVIDEND" OF €0.080 PER SHARE
- PAYMENT OF "2019-2020 TOTAL DIVIDENDS" AFTER 30 SEPTEMBER 2021
- SHARE BUYBACK TO SUPPORT MANAGEMENT INCENTIVE PLANS

Milan, 11 March 2021

Today, the Board of Directors of Banca Sistema has approved the Bank's draft annual report and the draft consolidated financial statements of Gruppo Banca Sistema as at 31 December 2020, confirming the results that had already been approved by the Board and communicated to the market with the press release of 10 February, to which you may refer.

The Parent company reported a net income of euro 25.7 million for FY 2020. At consolidated level, the FY ended with a net income attributable to the Parent company of euro 25.8 million. The Board of Directors, taking into account the absence of Covid-19 related impacts, together with the Bank's capital solidity and business growth outlook – in line with the quarterly financial reports already approved - resolved to propose to Shareholders at the General Meeting to be held on 30 April 2021 to allocate 19,311,856.49 euro to retained earnings, and the residual amount of 6,433,684.16 euro to dividends, corresponding to 0.080 euro per each ordinary share (accounting for 25% of the Group net income).

Hence, Shareholders at the General Meeting on 30 April will be called upon to decide on the distribution of the above dividend as well as of the dividend on the net income of the financial year ended on 31 December 2019, if the proposal to postpone the decision on the distribution of the 2019 Dividend is going to be confirmed by Shareholders at the General Meeting to be convened on 25 March 2021.
In this event, the sum of the dividends related to the financial years ended on 31 December 2019 and on 31 December 2020, respectively, would bring the total amount of the potentially distributable "2019-2020 Total Dividends" to 13,912,842 euro, corresponding to 0.173 euro per share.

Today, in light of the Recommendations issued by the Bank of Italy on 16 December 2020, the Board of Directors has decided to propose to Shareholders at the General meeting to be convened on 30 April 2021 to postpone the payment of the 2019-2020 Total Dividends until a later date after 30 September 2021, and to proceed with the payment after that date, unless in the meantime legal or regulatory provisions are issued or an indication as to how to construe the passage of the Recommendation stating that "*the "term "dividend" (…) refers only to cash payments that have the effect of reducing the level and quality of Common Equity Tier 1"* (cfr. Press release of 22 February 2021) is made public by the Supervisory Authority, that may hinder the distribution of Total Dividends.

On 30 April 2021, Shareholders at the General Meeting will be called upon to decide on the share buyback plan, subject to the revocation of the resolution on treasury shares taken by Shareholders at the General Meeting held on 23 April 2020, granting the Board of Directors the powers to launch a share buyback plan

for 18 months from the date of approval by Shareholders, for a maximum purchase price of not more than euro 2,810 thousand (which, based on yesterday's closing price would correspond to 1,433,673 shares, accounting for about 1.78% of the bank's share capital). The plan aims at setting up a share reserve to be assigned to personnel falling within the "key employees" category, in compliance with Banca Sistema's remuneration and incentive policies. The price at which the shares can be purchased shall be no lower than 15% and no higher than 15% of the price reported on the last working day of each week taken as the average of the official price reported by the Banca Sistema stock in the last two weeks of the TARGET calendar before the day the average price is calculated. Said minimum and maximum price will be effective throughout the period starting from the day after the average price was calculated up until the day the new weekly price is calculated (included). Ordinary shares may be purchased exclusively via trading on the Market on which the Banca Sistema stock is listed, in compliance with procedures that abide by the principle of fair treatment of shareholders pursuant to art. 132 of TUF and in accordance with applicable regulations and market practices accepted by Consob under article 13 of Regulation (EU) no. 596/2014. Own shares will be assigned as part of the variable pay component to be granted to certain company officers in keeping with the policies approved from time to time by the Shareholders at the General meetings. The share buyback and disposal plan, if and when approved by Shareholders, is subject to the prior authorization of the Bank of Italy under the current regulations. To date, Banca Sistema holds no. 28,939 treasury shares.

Shareholders at the General Meeting will also be called upon to resolve on the renewal of the Board of Directors, once the number of the Board members has been defined, on the appointment of the Chairperson of the Board of Directors and on the related compensation, as well as on the "Report on the remuneration policy and on fees paid", first and second section, under art 123-*ter* of TUF.

The notice to convene will be published within the time limit required by law. The amendments introduced in art. 10 – Board of Directors – of the Articles of Association by Shareholders at the Extraordinary general meeting held on 23 April and 27 November 2020 will come into force as of that date.

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Operational outlook and main risks and uncertainties

2020 ended confirming the volume growth trend across all three business lines. In 2021 the Group, which by the end of the quarter is going to approve the new Business Plan, will continue to examine growth options, including acquisition opportunities in its core business areas.

The Group's profitability reported a slight decline, especially in the factoring segment, due to the lower contribution of the late-payment interest component, that might continue also in 2021. The situation is constantly monitored, and any future impact not yet emerged to date will be reflected, if necessary, in the estimated financial assets recovery values.

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Statement of the financial reporting officer

The financial reporting officer of Banca Sistema, 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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Gruppo Banca Sistema

Banca Sistema, founded in 2011 and listed in 2015 on Borsa Italiana's Star segment, is a financial institution specialized in purchasing trade receivables owed by the Italian Public Administrations and tax receivables, and engages in consumer credit through salary- and pension-backed loans, by purchasing loan pools and through the direct origination of the QuintoPuoi product, and through gold/jewelry-backed loans, via the subsidiary ProntoPegno S.p.A. The bank offers also deposit products to a base of about 35 thousand customers, with an offering that includes current accounts, deposit accounts and securities accounts, in addition to other services as credit management and recovery, bank guarantees and security bonds, PA receivables certification and e-billing. With head offices in Milan and Rome, Banca Sistema is also present in Bologna, Pisa, Naples, Palermo, Rimini, Turin, Florence, Mestre, Parma and Civitavecchia, has 269 employees and relies on a multichannel structure.