PRESS RELEASE

BANCA SISTEMA:
- APPROVED 2024 DRAFT FINANCIAL STATEMENTS AND 2024 NET INCOME ALLOCATION PROPOSAL
- NEW CORPORATE GOVERNANCE PLAN
- APPROVED 2025-2027 CAPITAL PLAN: PROFITABILITY AND CAPITAL IN LINE WITH THE 2024-2026 PLAN

Milan, 21 March 2025

Today, the Board of Directors of Banca Sistema has approved the Bank's draft annual report and Banca Sistema Group's draft consolidated financial statements as at 31 December 2024, confirming the results previously approved by the Board and communicated to the market in the press release of 7 February last, to which you may refer.
The Parent company closed FY 2024 with a net income of euro 22.0 million. At consolidated level, the financial year ended with a net income attributable to the Parent company of euro 25.2 million.
In order to comply with the requests notified by the Bank of Italy on 20 December last at the conclusion of their inspection, the Board of Directors decided to propose to the Shareholders at the Annual General Meeting, to be held on 30 April 2025, the allocation to the retained earnings reserve of the entire FY 2024 net income of Banca Sistema S.p.A., amounting to euro 22,018,986.80.

The Board of Directors has also approved the new Corporate Governance Plan, as part of the initiatives undertaken by the Bank at the request of the Supervisory Authorities, as a result of the findings of the above-mentioned inspection. The new Corporate governance plan, under which an Executive Committee shall be set up to complement the corporate governance boards, shall be submitted to the Shareholders' approval at the AGM on 30 April 2025. As communicated on 7 February 2025, at that time Shareholders shall also be asked to vote a resolution to accelerate the replacement of some of the members of the Board of Directors and Statutory Auditors, as requested by the Bank of Italy as part of the corporate governance initiatives to be undertaken as a result of the inspection. Under the items under discussion in the AGM agenda, there is the adjustment of the remuneration of the members of the Board of Directors to account for the creation of the Executive Committee.

Moreover, Shareholders shall be asked to vote on the "Report on remuneration policy and compensation paid", first and second section, under art 123-ter of TUF (Consolidated Law on Finance). The AGM notice to convene shall be published in compliance with legal deadlines and requirements.

***

In addition, today the Board of Directors has approved the reclassification to default of certain loans and receivables, based on the forecast data as at 31 March 2025, to account for the findings contained in the inspection report delivered on 20 December 2024, regarding rules and practices adopted by the Bank and considered by the Supervisory Authority as non-compliant with the EBA guidance on the implementation of the Definition of Default. Approximately 95% of the Bank's past due loan portfolio consists of exposures to Public Administration, with limited credit risk exposure. Therefore, this reclassification does not alter the Bank's risk profile.

Following the above reclassification, the resulting total estimated amount of past due loans and receivables comes to euro 337 million (of which, 294 million worth of past due nonrecourse factoring receivables).
The estimated consolidated capital ratios as at 31 March 2025, after accounting for the above reclassification and the ineligibility of non bullion gold as a collateral to mitigate credit risk in compliance with CRR III, are: 12.0% for CET1 and 14.4% for T1 and TCR.
The above numbers show that already as at 31 March 2025 all estimated ratios exceed the SREP requirement, and by the end of FY 2025 capital ratios are expected to be in line with those reported before the reclassification required by the Supervisory Authority.

Furthermore, in keeping with a specific request made by the Bank of Italy, the Board of Directors has approved an updated capital plan for the three-year period from 2025 to 2027, and the outcome basically confirms the net income target and the capital ratios mapped out in the 2024-2026 business plan approved in May 2024. The capital plan contemplates the traditional and synthetic securitizations (SRTs), as well as the recent decisions of the European Court of Human Rights and other management initiatives.

The capital plan shall be delivered to the Bank of Italy by the end of March, together with a report, which describes the main actions requested by the Supervisory Authority to handle the audit findings communicated on 20 December last, and includes the assessments of the Board of Statutory Auditors and the Internal control functions.

Contacts:

Investor Relations

Christian Carrese
Tel. +39 02 80280403
E-mail christian.carrese@bancasistema.it

Ufficio Stampa

Patrizia Sferrazza
Tel. +39 02 80280354
E-mail patrizia.sferrazza@bancasistema.it

Banca Sistema Group

Founded in 2011 and listed on the Euronext Star Milan segment of the Italian Stock Exchange since 2015, Banca Sistema is a financial company specialising in the purchase of trade receivables from the PA and tax credits. The Bank is active in the assignment of one fifth of salaries and pensions, both through the purchase of credit portfolios and the direct origination of the QuintoPuoi product. The Bank is also active in financing products, including current accounts, deposit accounts and securities accounts, and offers other types of services such as securitisation servicing, credit management and recovery, guarantees and sureties, certification of PA credits and electronic invoicing. Kruso Kapital S.p.A., listed on Euronext EGM and part of the Banca Sistema Group, is the first operator of a banking group operating both in the pawnbroking sector, through the ProntoPegno brand, and in the market of auction houses for precious metals, art objects and other collectables, through Art-Rite. With offices in Milan and Rome, the Banca Sistema Group is now also present in Bologna, Pisa, Naples, Palermo, Asti, Brescia, Civitavecchia, Florence, Livorno, Mestre, Parma, Rimini, Sanremo and Turin in Italy, as well as in Spain, Portugal and Greece. It has over 100,000 customers and employs 358 people in a multi-channel structure.