PRESS RELEASE

GRUPPO BANCA SISTEMA: ACQUISITION OF GRUPPO INTESA SAN PAOLO'S GOLD/JEWELRY-BACKED LENDING BUSINESS LINE COMPLETED

THE #1 BANKING INSTITUTION IN ITALY IN GOLD/JEWELRY-BACKED LENDING IS BORN

Milan, 10 July 2020

Today, Banca Sistema has finalized the acquisition of the gold/jewelry-backed lending business line of Gruppo Intesa Sanpaolo, which will come into effect on 13 July 2020 and will give rise to the no. 1 banking institution in Italy in gold/jewelry-backed lending with 12 branches and total loans in excess of 70 million euro.

This acquisition is a crucial stepping-stone for Gruppo Banca Sistema to consolidate its presence on the national territory and go ahead with the implementation of its pledge-secured credit strategy on a greater scale. The Group is poised to seize further opportunities in this business segment, characterized by a low risk with more than 90% secured by gold, by leveraging its long-standing credentials in terms of solidity, innovation, and growth.

Gruppo Banca Sistema has been active in the pledged asset lending market since 2017, as of 2019 through the dedicated subsidiary ProntoPegno S.p.A. and a network of six branches in Milan, Rome, Naples, Rimini, Palermo and Pisa.

The gold/jewelry-backed lending business line acquired from Gruppo Intesa Sanpaolo has originated 57 million euro of loans through a network of six branches in Turin, Naples, Florence, Mestre, Parma and Civitavecchia staffed by 58 resources. Loans have been rather stable in the last three years, generating a yearly total income of about 9 million euro.

The acquisition, worth 34 million euro including goodwill, was made by ProntoPegno, owned 75% by Banca Sistema and 25% by the banking foundations Fondazione Cassa di Risparmio di Cuneo, Fondazione Pisa and Fondazione Cassa di Risparmio di Alessandria, each with varying stakes in the share capital of ProntoPegno purchased from Banca Sistema, which generated at 30 June 2020 a net income for the Bank of 1.1 million euro. Later on, the foundations subscribed a pro-rata share, together with Banca Sistema, in the rights issue of ProntoPegno, to serve the acquisition of the business line, totaling 34 million euro.

The impact of the acquisition on the pro-forma CET1 ratio, amounting to 13.4% on 31 March 2020[1], comes at about -207bps (-170bps compared to the regulatory ratio at the same date). The revenues and net income generated by the acquired business line shall increase the contribution of the

[1] As indicated in the press release of 22.6.2020, following the reduction of the risk weighting for salary/pension-backed loans to 35% from the current 75%, effective already on 30.6.2020.

gold/jewelry-backed lending business at Group level, in line with the diversification strategy pursued by the Bank in these years.

Gianluca Garbi, CEO of Banca Sistema, remarked: *"With this acquisition ProntoPegno strengthens its market positioning, becoming the number one banking institution in Italy in gold/jewelry-backed lending, thus ushering in a new chapter of Banca Sistema's constant growth history, in line with the diversification strategy we have long pursued. This important step will allow us to consolidate the investments made up to now in gold/jewelry-backed lending business and to keep on growing this business, which carries a strong social value, as confirmed also by the interest shown by the Foundations which decided to be at our side and invest with us."*

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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 and gold/jewelry-backed loans. The Bank engages in the salary- and pension backed loans business by purchasing loan pools and through the direct origination of the QuintoPuoi product. The gold/jewelry-backed lending business is carried out 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 and Rimini, has 216 employees and relies on a multichannel structure.

ProntoPegno S.p.A. is a company owned 75% by Banca Sistema and 25% by the Banking Foundations Cassa di Risparmio di Cuneo, Cassa di Risparmio di Alessandria and Fondazione Pisa, dedicated to pledged asset lending, which went into operation on 1 August 2019. Gruppo Banca Sistema started to engage in pledged asset loans at the beginning of 2017, combining the credentials of a solid bank with the advantages of a specialist keen on innovating and growing to offer more value to its clients, in terms of professionalism and timeliness. ProntoPegno, the gold/jewelry-backed lending unit of Gruppo Banca Sistema is today active across the national territory with 6 branches: Milan, Rome, Pisa Naples, Palermo and Rimini, plus 6 additional branches in Turin, Naples, Florence, Mestre, Parma and Civitavecchia that came with the acquisition of the gold/jewelry-backed loans business unit of Gruppo Intesa Sanpaolo.