

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
23 APRIL 2018, 10:00 AM**

**BOARD OF DIRECTORS' EXPLANATORY REPORT ON
ITEM 1) OF THE AGENDA**

**(Report pursuant to article 125-ter of Italian Legislative Decree no. 58 of
24th February 1998 - "Consolidated Law on Finance")**

**"APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2017 OF
BANCA SISTEMA S.P.A. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2017. 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 annual financial Report as at 31 December 2017 of Banca Sistema S.p.A. (the "Company") - containing the financial statements, the report on operations and the certificate referred to in Article 154-bis, subsection 5, of Legislative Decree no. 58 of 24 February 1998, the external auditors' audit report and the Board of Statutory Auditors' report, will be made available to the public at the Company's registered office and on the Company's website as well as on the centralised storage system authorised by Consob called "1Info" (www.1info.it) pursuant to the law provisions currently in force.

We would therefore invite you to consult these documents and to approve the draft resolution contained in the annual financial Report, to which reference is made.

The Board is also submitting to your attention the consolidated financial statements as at 31 December 2017 which, though not requiring your approval, complete the information provided with the individual financial statements of Banca Sistema S.p.A..

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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 2017 of Banca Sistema S.p.A., which shows a net profit of Euro 27,560,433.46."

Milan, 30 March 2018

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