

**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](http://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 2) OF THE AGENDA**

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

**"ALLOCATION OF THE 2017 NET PROFIT"**

### **BOARD OF DIRECTORS' REPORT**

Dear Shareholders,

your attention is drawn to the following proposed resolution submitted for examination by the Ordinary Shareholders' Meeting concerning the allocation of the 2017 net profit.

At individual level, the Company's net profit for 2017 amounted to Euro 27,560,433.46.

The Board of Directors is proposing to allocate the 2017 net profit as follows:

- Euro 6,916,210.47 as *dividend* on 80,421,052 ordinary shares, equivalent to Euro 0.086 per share;
- the remainder of Euro 20,644,222.99 *to be carried forward*.

No provision is to be made to the Legal Reserve since the limits set out in Article 2430 of the Italian Civil Code have been reached.

In relation to the above, the Board is proposing to pay the dividend in cash in accordance with applicable laws and regulations, with the dividend date set as 7 May 2018 and the payment date as 9 May 2018. Pursuant to art. 83-terdecies of Legislative Decree 58/1998 (Consolidated Law on Finance) all persons who are listed as shareholders, based on the accounting records available at the end of 8 May 2018 (so-called record day) shall be entitled to the dividends.

\* \* \*

Dear Shareholders,

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

*"The ordinary session of the Shareholders' Meeting of Banca Sistema S.p.A., having taken into the decisions passed on approval of the Financial Statements as at 31 December 2017,*

***resolves:***

- (i) *to allocate the 2017 net profit of Banca Sistema S.p.A., equal to Euro 27,560,433.46, as follows:*
  - *Euro 6,916,210.47 as dividends on 80,421,052 ordinary shares, equivalent to a Euro 0.086 per share;*
  - *the remainder of Euro 20,644,222.99 to be carried forward.**by the methods and in accordance with the terms established in this Report. No provision is to be made to the Legal Reserve since the limits set out in Article 2430 of the Italian Civil Code have been reached.*
- (ii) *to arrange the payment of the aforesaid dividends for 9 May 2018. The payment shall be made via the authorised intermediaries at which the shares are registered in the Sistema Monte Titoli.*

Milan, 30 March 2018

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