

PRESS RELEASE

BANCA SISTEMA: APPROVED TECHNICAL-FORMAL RECLASSIFICATION OF THE DRAFT FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

Milan, 29 March 2021

Today, the Board of Directors of Banca Sistema resolved on a technical-formal reclassification of the draft financial statements as at 31 December 2020 already approved in the meeting held on 11 March, that has no effect on net income for the year and on the capital ratios reported to the market on 10 February.

The reclassification is aimed exclusively at accounting for loans under disposal – totaling euro 5.6 million out of total assets of euro 3.7 billion – that cannot be derecognized from an accounting point of view. This leads to an increase by an equal amount in the line-item “Financial assets measured at amortized cost” and in the line-item “Financial liabilities measured at amortized cost”. The above disposals had been recognized for the same amounts as off-balance sheet items.

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.

1/5

Contacts:

Investor Relations

Carlo Di Pierro
 Tel. +39 02 80280358
 E-mail carlo.dipierro@bancasistema.it

Media Relations

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

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.

Attachments

- Consolidated statement of financial position
- Consolidated income statement
- Asset Quality

BANCA SISTEMA GROUP: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in thousands of Euro

		31.12.2020	30.09.2020	30.06.2020	31.03.2020	31.12.2019 B	Difference % A - B
	ASSETS						
10.	Cash and cash equivalents	1,930	6,706	717	644	652	nm
30.	Financial assets held to collect and sell (HTCS)	430,966	549,056	754,084	749,312	556,383	-23%
40.	Financial assets held to collect (HTC)	3,142,791	3,241,105	3,119,600	2,954,184	3,112,387	1%
	a) Loans and advances to banks	92,481	110,001	65,711	72,813	81,510	13%
	b) Loans and advances to customers	3,050,310	3,131,104	3,053,889	2,881,371	3,030,877	1%
	<i>of which: Factoring</i>	1,481,673	1,588,765	1,637,906	1,628,664	1,714,661	-14%
	<i>of which: Salary-/pension-backed loans (CQS/CQP)</i>	933,873	931,004	891,347	866,307	817,229	14%
	<i>of which: Collateralised loans</i>	77,694	74,966	13,340	13,043	11,757	nm
	<i>of which: Securities</i>	447,864	447,703	447,346	315,072	435,177	3%
70.	Equity investments	1,000	-	-	-	-	nm
90.	Property, plant and equipment	32,607	31,614	29,142	29,290	29,002	12%
100.	Intangible assets	32,725	33,982	3,921	3,921	3,921	nm
	<i>of which: goodwill</i>	32,355	33,720	3,920	3,920	3,920	nm
110.	Tax assets	10,313	9,184	8,886	10,146	8,476	22%
130.	Other assets	19,039	16,214	16,347	14,720	19,260	-1%
	Total assets	3,671,371	3,887,862	3,932,697	3,762,217	3,730,081	-2%
	LIABILITIES AND EQUITY						
10.	Financial liabilities at amortised cost	3,282,230	3,489,308	3,593,664	3,438,955	3,416,486	-4%
	a) Due to banks	869,648	839,266	754,266	806,239	388,359	nm
	b) Due to customers	2,164,244	2,226,365	2,317,152	2,164,453	2,551,600	-15%
	c) Debt securities issued	248,338	423,677	522,246	468,263	476,527	-48%
60.	Tax liabilities	16,903	19,819	15,275	18,818	16,433	3%
80.	Other liabilities	136,894	155,914	107,348	99,567	94,662	45%
90.	Post-employment benefits	4,428	4,379	3,295	2,955	3,051	45%
100.	Provisions for risks and charges:	23,430	18,750	21,927	22,690	22,297	5%
120. + 150. + 160. + 170. + 180.	Share capital, share premiums, reserves, valuation reserves and treasury shares	172,412	170,734	169,399	174,611	147,401	17%
190.	Minority interests	9,297	9,448	9,661	32	32	nm
200.	Profit for the period	25,777	19,509	12,128	4,589	29,719	-13%
	Total liabilities and equity	3,671,371	3,887,862	3,932,697	3,762,217	3,730,081	-2%

BANCA SISTEMA GROUP: CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

		2020 A	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2019 B	1Q 2019	2Q 2019	3Q 2019	4Q 2019	Difference A - B	Difference %
10.	Interest income	98,067	22,354	23,535	25,746	26,432	110,336	21,638	26,937	31,741	30,020	(12,269)	-11%
20.	Interest expenses	(23,796)	(6,433)	(6,115)	(6,274)	(4,974)	(29,642)	(6,965)	(7,141)	(7,824)	(7,712)	5,846	-20%
30.	Net interest income	74,271	15,921	17,420	19,472	21,458	80,694	14,673	19,796	23,917	22,308	(6,423)	-8%
40.	Fee and commission income	24,328	6,006	5,674	5,583	7,065	22,490	5,115	5,898	5,981	5,496	1,838	8%
50.	Fee and commission expense	(6,900)	(1,803)	(1,788)	(1,733)	(1,576)	(6,422)	(1,114)	(1,725)	(1,616)	(1,967)	(478)	7%
60.	Net fee and commission income	17,428	4,203	3,886	3,850	5,489	16,068	4,001	4,173	4,365	3,529	1,360	8%
70.	Dividends and similar income	227	-	227	-	-	227	-	227	-	-	-	0%
80.	Net income from trading	37	(18)	56	-	(1)	208	256	(45)	(2)	(1)	(171)	-82%
100.	Profits (Losses) on disposal or repurchase of:	9,531	1,889	2,302	2,910	2,430	3,716	374	633	695	2,014	5,815	nm
	a) financial assets measured at amortised cost	4,214	1,276	650	547	1,741	1,106	-	-	-	1,106	3,108	nm
	b) financial assets measured at fair value through other comprehensive income	5,301	613	1,637	2,362	689	2,610	374	633	695	908	2,691	nm
	c) financial liabilities	16	-	15	-	1	-	-	-	-	-	16	nm
120.	Operating income	101,494	21,995	23,891	26,232	29,376	100,913	19,304	24,784	28,975	27,850	581	1%
130.	Net impairment losses on loans	(11,000)	(1,922)	(3,146)	(2,161)	(3,771)	(9,055)	(2,625)	(2,135)	(1,665)	(2,630)	(1,945)	21%
150.	Net operating income	90,494	20,073	20,745	24,071	25,605	91,858	16,679	22,649	27,310	25,220	(1,364)	-1%
190. a)	Staff costs	(25,532)	(5,716)	(5,414)	(6,058)	(8,344)	(23,166)	(4,897)	(5,578)	(5,226)	(7,465)	(2,366)	10%
190. b)	Other administrative expenses	(25,534)	(6,621)	(5,621)	(7,282)	(6,010)	(22,939)	(5,265)	(6,086)	(6,045)	(5,543)	(2,595)	11%
200.	Net allowance for risks and charges	(2,520)	(672)	(471)	(38)	(1,339)	(1,996)	(337)	(948)	(61)	(650)	(524)	26%
210. + 220.	Net impairment losses on property and intangible assets	(1,956)	(376)	(375)	(570)	(635)	(1,632)	(374)	(503)	(382)	(373)	(324)	20%
230.	Other net operating income/expense	260	106	159	431	(436)	(768)	120	316	27	(1,231)	1,028	nm
240.	Operating expenses	(55,282)	(13,279)	(11,722)	(13,517)	(16,764)	(50,501)	(10,753)	(12,799)	(11,687)	(15,262)	(4,781)	9%
280.	Profits from investments disposal	1,090	-	1,090	-	-	(8)	-	(8)	-	-	1,098	nm
290.	Pre-tax profit from continuing operations	36,302	6,794	10,113	10,554	8,841	41,349	5,926	9,842	15,623	9,958	(5,047)	-12%
300.	Tax expenses (income) for the period from continuing operations	(11,009)	(2,205)	(2,693)	(3,387)	(2,724)	(12,192)	(1,976)	(3,184)	(5,362)	(1,670)	1,183	-10%
310.	Profit after tax from continuing operations	25,293	4,589	7,420	7,167	6,117	29,157	3,950	6,658	10,261	8,288	(3,864)	-13%
320.	Profit (Loss) after tax from discontinued operations	-	-	-	-	-	562	565	(3)	-	-	(562)	-100%
330.	Profit for the period	25,293	4,589	7,420	7,167	6,117	29,719	4,515	6,655	10,261	8,288	(4,426)	-15%
340.	Profit for the period attributable to the Minority interests	484	-	119	214	151	-	-	-	-	-	484	nm
350.	Profit for the period attributable to the shareholders of the Parent	25,777	4,589	7,539	7,381	6,268	29,719	4,515	6,655	10,261	8,288	(3,942)	-13%

4/5

The item Interest income includes the negative component, registered by the subsidiary ProntoPegno SpA, of the PPA relating to the year 2020 equal to €0.3 million.

BANCA SISTEMA GROUP: CREDIT QUALITY

Figures in thousands of Euro

31.12.2020	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	251,164	46,027	205,137
<i>Bad loans</i>	52,354	25,240	27,114
<i>Unlikely to pay</i>	148,433	20,352	128,081
<i>Past-dues</i>	50,377	435	49,942
Performing Exposures	2,404,623	7,315	2,397,308
Total Loans and advances to customers	2,655,787	53,342	2,602,445

30.09.2020	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	255,573	39,997	215,576
<i>Bad loans</i>	49,759	21,212	28,547
<i>Unlikely to pay</i>	144,848	18,265	126,583
<i>Past-dues</i>	60,966	520	60,446
Performing Exposures	2,477,606	9,781	2,467,825
Total Loans and advances to customers	2,733,179	49,778	2,683,401

31.12.2019	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	245,618	37,217	208,401
<i>Bad loans</i>	50,622	20,078	30,544
<i>Unlikely to pay</i>	139,349	16,042	123,307
<i>Past-dues</i>	55,647	1,097	54,550
Performing Exposures	2,392,985	5,686	2,387,299
Total Loans and advances to customers	2,638,603	42,903	2,595,700