

BANCA SISTEMA S.P.A.

Fully paid-up share capital € 9,650,526.24

Tax code and Milan Company Register No. 12870770158 - ABI code No. 03158.3

Largo Augusto 1/A, angolo Via Verziere 13, 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN
30 APRIL 2021, 10:00 A.M.**

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

(prepared pursuant to Art. 125-ter of Legislative Decree No. 58 of 24 February 1998,
as amended and supplemented)

ORDINARY MEETING

**“APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS OF BANCA SISTEMA S.P.A AT 31
DECEMBER 2020. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 31
DECEMBER 2020. REPORTS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY
AUDITORS AND THE INDEPENDENT AUDITORS. RELATING AND RESULTING RESOLUTIONS”**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

As from the year 2019, Banca Sistema will prepare a single reporting package referred to as "Financial Statements and Reports for 2020", which contains the consolidated financial statements of the Banca Sistema Group and the separate financial statements of Banca Sistema S.p.A. Integrating content from the two financial statements into a single package has eliminated duplication in some of the qualitative disclosure, which was previously in both packages.

The "Financial Statements and Reports for 2020" reporting package, containing the consolidated financial statements and the separate financial statements of Banca Sistema S.p.A., the Directors' Reports on the consolidated and separate financial statements, and the statement under article 154-bis, paragraph 5, of Legislative Decree no. 58 of 24 February 1998, the independent auditors' reports and the Board of Statutory Auditors' report on the separate financial statements of Banca Sistema S.p.A., will be made available to the public in accordance with the terms established by law at the registered office, on the website of Banca Sistema S.p.A. and on the centralised storage mechanism authorised by Consob called "1Info" (available at www.1info.it).

We inform you that the draft financial statements at 31 December 2020 was approved at the meeting of 11 March, and on 29 March the Board of Directors resolved on a technical-formal reclassification, that has no effect on net income for the year and on the capital ratios disclosed to the market on 10 February (please refer to the press releases of 25 and 29 March 2021).

We invite you to read the above document and approve the proposed resolution submitted in the relevant section of the separate financial statements of Banca Sistema S.p.A., to which we refer.

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We also submit the consolidated financial statements at 31 December 2020 which have not yet been approved by the Shareholders' Meeting, but provide disclosure in addition to that provided in the separate financial statements of Banca Sistema S.p.A.

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Dear Shareholders,

With reference to the above, we invite you to approve the following resolutions:

"The Shareholders' Meeting of Banca Sistema S.p.A.,

resolves:

to approve the separate financial statements at 31 December 2020 of Banca Sistema S.p.A. that show a profit of € 25,745,540.65".

Milan, 30 March 2021

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