

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 2 OF THE AGENDA**

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

**ORDINARY MEETING
“ALLOCATION OF THE PROFIT FOR THE YEAR 2020.
RELATING AND RESULTING RESOLUTIONS”**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

We refer to the proposed resolution submitted to the Ordinary Shareholders' Meeting, as described below, on the proposed allocation of the profit for 2020.

In the separate financial statements, Banca Sistema S.p.A. reported a profit for the year 2020 of € 25,745,540.65.

In line with the allocations proposed in previous years, the Board of Directors proposes that the profit for the year 2020 should be allocated as follows:

- to dividend of € 6,433,684.16 for the 80,421,052 ordinary shares, equal to € 0.080 per share;
- the remainder of € 19,311,856.49 to *retained earnings*.

Please note that no allocation to the legal reserve was made since the limits set out in Article 2430 of the Italian Civil Code were reached.

* * *

Dear Shareholders,

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

"The Ordinary Shareholders' Meeting of Banca Sistema S.p.A., pursuant to the decisions made during approval of the financial statements at 31 December 2020,

resolves:

- (i) *to allocate the profit for the year 2020 of Banca Sistema S.p.A. equal to € 25,745,540.65 as follows:*
- *to dividend of € 6,433,684.16 for the 80,421,052 ordinary shares, equal to € 0.080 per share;*
 - *the remainder of € 19,311,856.49 to retained earnings.*
- in the manner and within the terms set forth by this Report. Please note that no allocation to the legal reserve was made since the limits set out in Article 2430 of the Italian Civil Code were reached.*

Milan, 30 March 2021

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