

November 2017

## Clariss Leasing – Company Profile

**CLARIS LEASING**

Financa - 2017 11 20 Procedura di vendita di Clariss Leasing S.p.A.  
Pierpaolo Gorgucci - 2/12/2018 - 23:44:22

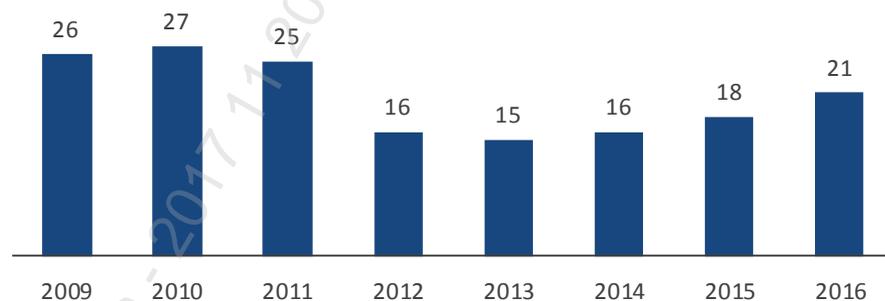
## The Italian leasing market

The Italian leasing market has registered at the end of 2016 a new business of approx. € 21 bn (+16.8% vs. 2015)

### Overview

- ◆ The leasing market has been growing since 2014, mainly driven by motor and equipment components, stimulating a positive impact on investments
- ◆ After the crises of 2007-2008 and 2011, the leasing market has been considerably regaining relevance and recently undertook a process of restructuring in order to improve profitability. The strategies to achieve this objective are: reduction of the excess of production capacity, reorganization of players' groups and assets, re-focus of the business model and of the distribution channels
- ◆ In 2016, the leasing market has registered an improvement in both total value stipulated and number of contracts, which have increased by 16.8% and 15.8%, respectively. The main driver of this growth has been the motor leasing components

### New business – 2009-2016 Trend (€ bn)



Source: Assilea

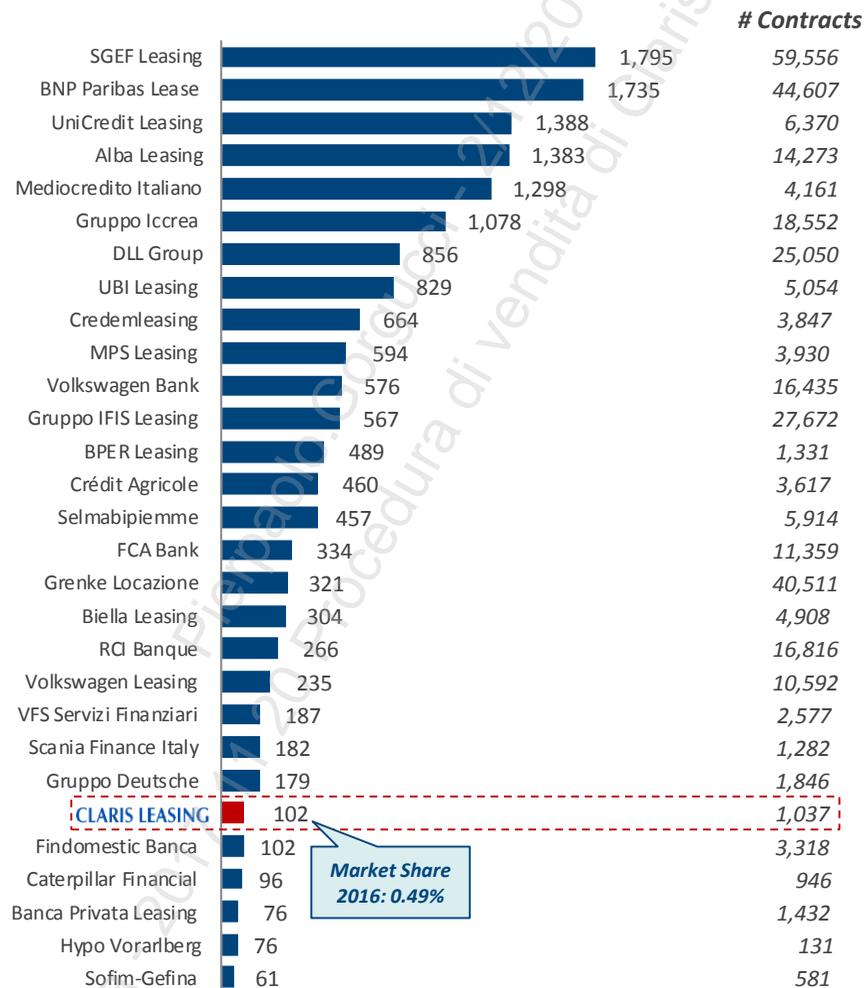
### Potential market developments and future outlook

- ◆ The leasing market in Europe has been registering a steady growth in the last 4/5 years, both in terms of new business and operating results. In particular, a significant growth in the operational leasing and in the renting and fleet management has been observed in Europe
- ◆ The strategic importance of the client segment «consumer» has surged thanks to its potential relevance as a growth driver in the market
- ◆ The leasing market, through its investments, could potentially be a key driver of Italy's economic recovery
- ◆ Although the macroeconomic context is still uncertain and the level of investments is slowly recovering, the number of new contracts is increasing. This positive trend has been reinforced in 2016 by the «Super Ammortamento» and «Nuova Sabatini» acts related to corporate equipment and motor
- ◆ Leasing is the third financial instrument employed by the most growing, innovating and exporting SMEs and drives 37% of investments under the «Nuova Sabatini» plan and 31% of BEI funds
- ◆ In 2015-2016, the leasing market has benefited from the tax simplifications introduced with the Stability Law 2014 and the government support policies to SME's investments

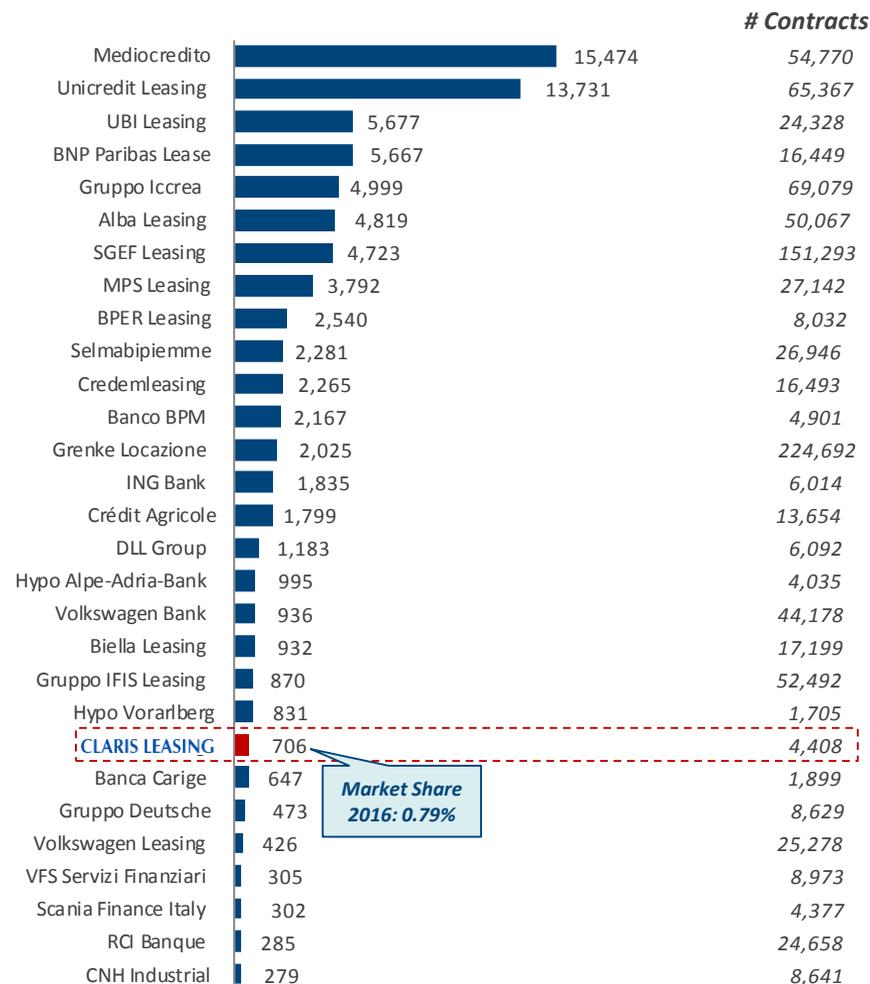
## The Italian leasing market (cont.)

Claris Leasing ranks #24 in terms of new business and #22 in terms of outstanding as of December 2016

### New Business 2016 (€ mln)



### Outstanding 2016 (€ mln)

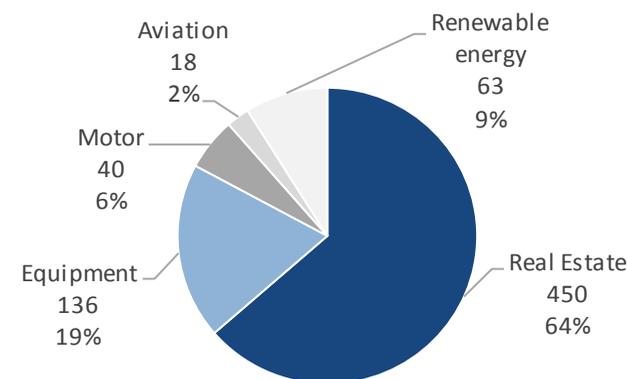


## Company overview

### Overview

- ◆ Claris Leasing S.p.A. ("**Claris Leasing**" or the "**Company**"), headquartered in Treviso and with a staff of 30 employees (of which 4 seconded from the parent company) as of July 2017, is fully owned by Veneto Banca S.p.A. in Liquidazione Coatta Amministrativa ("**Veneto Banca**") and is active in the leasing sector
- ◆ Claris Leasing provides financial leases for: i) corporates' equipment (e.g. industrial equipment, machineries, etc.), ii) real estate, iii) motor and boats and iv) renewable energy installations
- ◆ The leasing products are distributed across two channels: i) Veneto Banca former commercial networks, represented by Group branches (approx. 97% of 2016 new business), and ii) 6 area managers, coordinated by Claris Leasing sales manager (approx. 3% of 2016 new business)
- ◆ Since 2015, the funding has benefitted from a securitization transaction, worth approx. €470 mln, which has allowed Claris Leasing to reduce the funding amount linked to the parent company Veneto Banca (€396 mln as of 2016)
- ◆ At the end of 2016, Claris Leasing new business was equal to €102 mln, with equipment leasing accounting for 45.2%, followed by real estate (27.5%) and motor (23.1%) components
- ◆ In the Italian market, the Company mainly operates in Veneto (70%), Lombardia (12%) and Piemonte (5%), together accounting for more than 85% of Claris Leasing outstanding as of 2016
- ◆ As of December 2016, Claris Leasing had in place service agreements with i) Veneto Banca for general, administrative and audit activities, ii) Liscor for application system, iii) Engineering for regulatory reporting, iv) Italachivi for hardcopy and digital storage, v) Postel for printing and sending documents to clients

### 2016 outstanding breakdown by product (€ mln & %)



**2016 outstanding: €708\* mln**  
**# contracts: 4,524**

### Corporate Governance

#### Board of Directors

**Chairman**  
 Sbalchiero Giuseppe

**Vice-Chairman**  
 Ferretto Umberto

**Member**  
 Invernizzi Oreste Felice

#### General Manager

Brunino Stefano

#### Board of Statutory Auditors

**Chairman**  
 Barbarisi Pasquale

**Statutory Auditors**  
 Piana Michele  
 Raccamari Mauro

## Key financials 2014-2016

Income Statement (€ mln)	2014	2015	2016	CAGR 14-16
Net interest income	14.1	16.2	16.8	9.2%
Operating income	14.5	16.7	17.2	9.1%
Loan loss provisions	(8.7)	(9.9)	(6.5)	(13.4%)
Operating expenses	(3.4)	(4.0)	(3.5)	2.2%
EBT	2.9	3.0	7.8	64.7%
Net profit	1.9	2.2	5.4	68.3%

Balance Sheet (€ mln)	2014	2015	2016	CAGR 14-16
Total assets	783.6	780.9	729.5	(3.5%)
Total loans	767.4	765.4	716.7	(3.4%)
o/w loans to customers	753.2	742.1	695.4	(3.9%)
Total liabilities	725.0	720.1	663.3	(4.3%)
o/w due to banks	705.5	413.9	435.0	(21.5%)
o/w financial liabilities	3.0	288.1	211.5	n.m.
o/w due to customers	6.7	7.6	5.5	(9.1%)
Shareholders' equity	58.6	60.8	66.2	6.3%
CET1 (%)	11.9%	9.8%	11.2%	n.m.

KPIs	2014	2015	2016	CAGR 14-16
ROE (%)	3.3%	3.6%	8.2%	n.m.
Cost/Income ratio (%)	23.3%	23.9%	20.5%	n.m.
Average number of employees (#)	26	27	28	3.8%
Loans to customers per empl. (€ mln)	29.0	27.5	24.8	n.m.

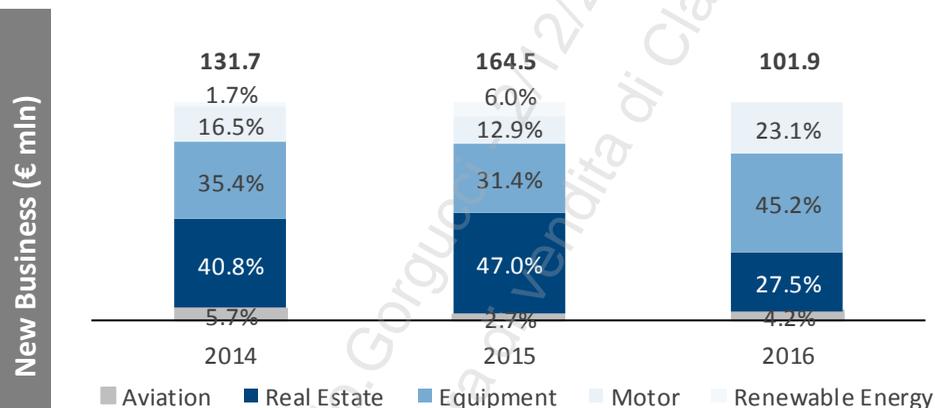
### Key considerations

- ◆ Increase in net interest income in 2016 (+3.4% vs 2015), mainly driven by a decrease in the cost of funding
- ◆ High reduction in operating expenses in 2016, mainly driven by a decrease in administrative expenses, negatively affected by securitization restructuring fees in 2015 (€0.6 mln)
- ◆ 2016 loan loss provisions (€6.5 mln) significantly decreasing compared to 2015 (-34.3%)
- ◆ 2016 net profit equal to €5.4 mln, significantly increasing compared to 2015 (€2.2 mln), mainly driven by a significant reduction in loan loss provisions, as well as higher operating income and absence of non-recurring costs (i.e. securitization)
- ◆ Over 2014-2016 period, the Company showed positive net results, with a ROE ranging between 3.3% and 8.2%
- ◆ Since 2015, the funding has benefitted from a securitization transaction which has allowed Claris Leasing to reduce the funding amount linked to the parent company Veneto Banca
- ◆ 1Q 2017 financials in line with Claris Leasing positive performance registered in 2016

## Focus on new business

2016 new business characterized by a relevant increase in equipment leases (45.2% of new business vs 31.4% in 2015) and almost entirely distributed through Veneto Banca Group channel

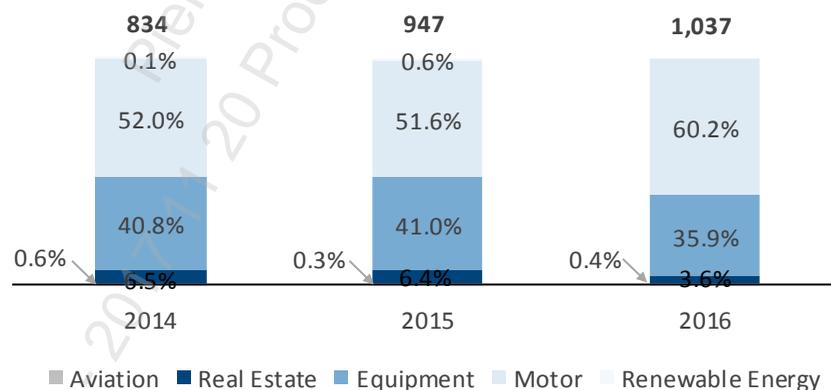
### Breakdown by Sector



### Breakdown by Channel

€ mln	2014	2015	2016
Veneto Banca	123.2	156.3	96.4
Banca Apulia	7.4	4.4	2.2
<b>Total Veneto Banca Group</b>	<b>130.5</b>	<b>160.7</b>	<b>98.5</b>
Other	1.2	3.8	3.4
<b>Total</b>	<b>131.7</b>	<b>164.5</b>	<b>101.9</b>

# Contracts



# Contracts	2014	2015	2016
Veneto Banca	788	900	991
Banca Apulia	37	35	39
<b>Total Veneto Banca Group</b>	<b>825</b>	<b>935</b>	<b>1,030</b>
Other	9	12	7
<b>Total</b>	<b>834</b>	<b>947</b>	<b>1,037</b>

## Asset quality

Net NPEs equal to €32.5 mln as of 2016 with increasing coverage ratio (47.0% vs 44.6% in 2015)

2014			2015			2016		
€ mln	Gross	Net	€ mln	Gross	Net	€ mln	Gross	Net
NPLs	25.0	14.1	NPLs	38.3	18.8	NPLs	35.4	14.1
Unlikely to Pay	40.6	31.0	Unlikely to Pay	13.4	8.6	Unlikely to Pay	25.9	18.4
Past Due	1.3	1.1	Past Due	5.1	4.1	Past Due	0.0	0.0
<b>Total NPEs</b>	<b>66.9</b>	<b>46.2</b>	<b>Total NPEs</b>	<b>56.8</b>	<b>31.5</b>	<b>Total NPEs</b>	<b>61.3</b>	<b>32.5</b>
Bonis	713.4	707.1	Bonis	718.3	710.6	Bonis	672.3	662.8
<b>Total loans</b>	<b>780.3</b>	<b>753.2</b>	<b>Total loans</b>	<b>775.1</b>	<b>742.1</b>	<b>Total loans</b>	<b>733.6</b>	<b>695.4</b>
<b>NPEs coverage</b>	<b>31.1%</b>		<b>NPEs coverage</b>	<b>44.6%</b>		<b>NPEs coverage</b>	<b>47.0%</b>	
NPLs	43.7%		NPLs	51.0%		NPLs	60.2%	
Unlikely to Pay	23.7%		Unlikely to Pay	35.9%		Unlikely to Pay	28.9%	
Past Due	18.0%		Past Due	19.0%		Past Due	50.7%	
<b>NPE ratio</b>	<b>8.6%</b>	<b>6.1%</b>	<b>NPE ratio</b>	<b>7.3%</b>	<b>4.2%</b>	<b>NPE ratio</b>	<b>8.4%</b>	<b>4.7%</b>
NPLs	3.2%	1.9%	NPLs	4.9%	2.5%	NPLs	4.8%	2.0%
Unlikely to Pay	5.2%	4.1%	Unlikely to Pay	1.7%	1.2%	Unlikely to Pay	3.5%	2.6%
Past Due	0.2%	0.1%	Past Due	0.7%	0.6%	Past Due	0.0%	0.0%
<b>Texas ratio</b>	<b>79%</b>		<b>Texas ratio</b>	<b>52%</b>		<b>Texas ratio</b>	<b>54%</b>	

## Key investment highlights

**CLARIS LEASING**

<b>Geographical presence</b>	<ul style="list-style-type: none"> <li>✓ Focused and well rooted in the richest and most dynamic economies in Italy</li> </ul>
<b>Lean organization</b>	<ul style="list-style-type: none"> <li>✓ Lean organization capable to fully operate also outside a banking group and able to offer broad opportunities for synergies and integration</li> </ul>
<b>Area managers and client base</b>	<ul style="list-style-type: none"> <li>✓ Area managers, who support products distribution among Veneto Banca branches, are also responsible for widening Claris Leasing business beyond Veneto Banca branches</li> <li>✓ Stable client base, mainly represented by Italian SMEs</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>✓ Successful, experienced and high performing management team</li> </ul>
<b>Stable profitability</b>	<ul style="list-style-type: none"> <li>✓ Constant ability to generate profits, with high single-digit ROE in 2016, even in a context of clients' distrust towards the parent company Veneto Banca</li> </ul>
<b>Asset quality and capital position</b>	<ul style="list-style-type: none"> <li>✓ Positive and above market average asset quality, with low level of non-performing exposures and high coverage ratio</li> <li>✓ High capital position, with CET1 ratio above 11% as of 2016</li> </ul>

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