

November 2017

## Clarifactor – Company Profile

### CLARIS FACTOR

ncalca - 2017 11 20 Procedura di vendita di Claris Leasing S.p.A.  
Pierpaolo Gorgucci - 2/12/2018 - 23:44:17

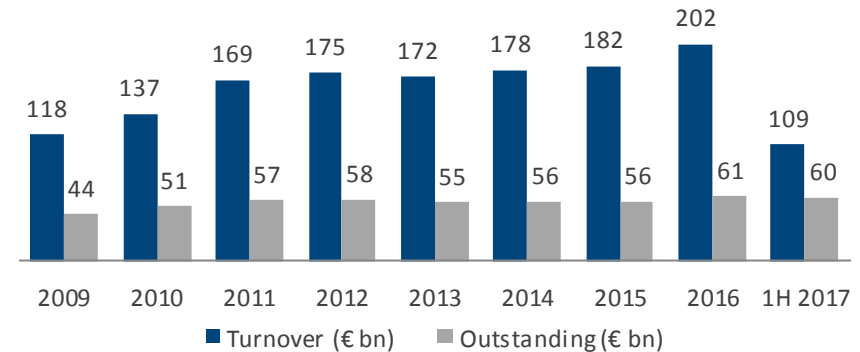
## The Italian factoring market

The Italian factoring market has grown in the recent years, showing a total turnover of approx. €202 bn at the end of 2016

### Overview

- The global factoring market has grown fast in the recent years. In Italy, this trend has been positively affected by the recent difficulties for Italian companies to obtain access to financing
- The Italian factoring market, with a total turnover of approx. €202 bn at the end of 2016, is in a leading role in the global landscape and represents approx. 9% of the global factoring market and over 13% of the European factoring market
- The importance of the Italian factoring market in the context of the European market has been established over 2009-2012 period, with a turnover increase close to 50%. This trend is in line with the typical anti-cyclicality of the business. The factoring, indeed, responds to the liquidity needs of companies that arise due to the payments' delays of commercial transactions, which have been increasing during the economic crisis
- During the first months of 2017, the volumes of receivables have significantly increased and the cumulative turnover in the first half of 2017 has reached €109 bn, showing a 16% increase compared to 1H 2016

### Turnover and Outstanding in Italy – 2009-1H 2017 Trend



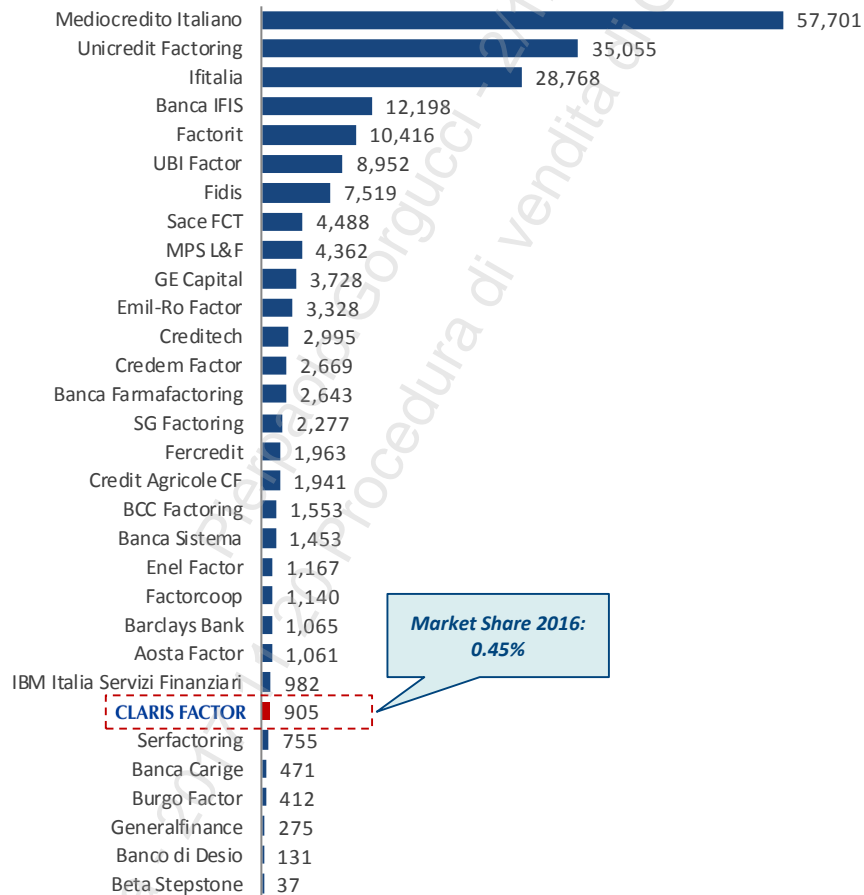
### Potential market developments and future outlook

- Factoring will be continuously playing a leading role in both trade receivables management and financing of public and private companies, as already emerged throughout the recent economic crisis, where the industry has put in place a real support to the economy
- Due to the progressive worsening of the payment period of the Public Administration, a new electronic platform for the certification and the billing of receivables has been introduced in order to facilitate the disposal of receivables that private companies have towards the Public Administration
- The legislative context is increasingly focusing on capital requirements and this aspect can lead to consider factoring as an effective opportunity to manage risks

## The Italian factoring market (cont.)

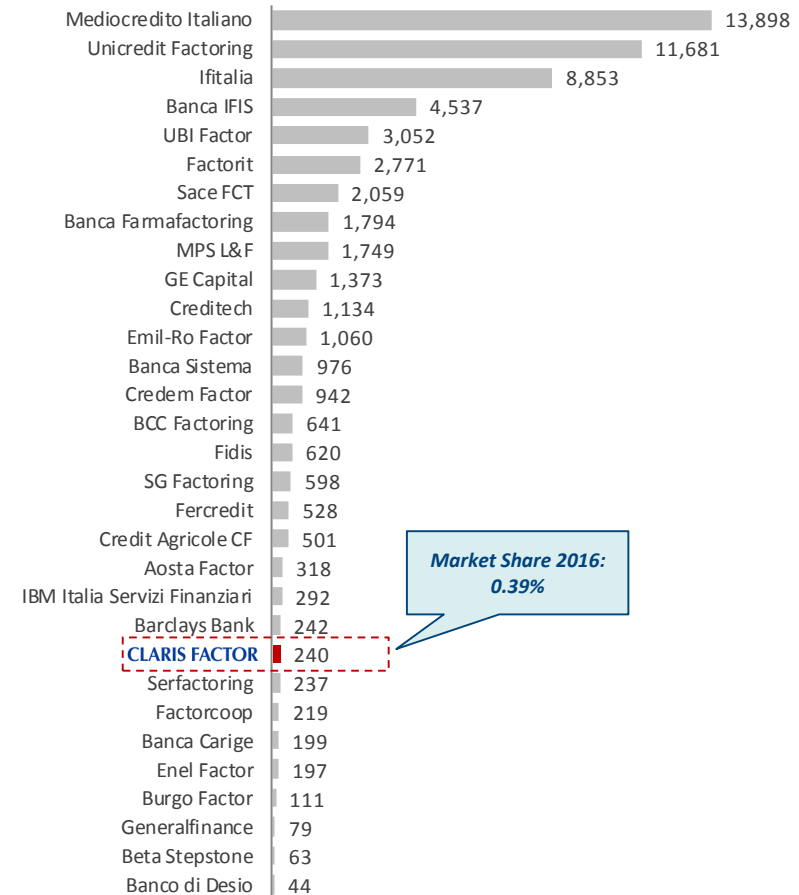
High market concentration among the first three players (Mediocredito, Unicredit and Ifitalia), while the remaining market share is fragmented and divided among approx. 30 players. The Italian factoring market has been recently characterized by several M&A transactions

### Turnover (€ mln)



Market Share 2016:  
0.45%

### Outstanding (€ mln)



Market Share 2016:  
0.39%

## Company overview

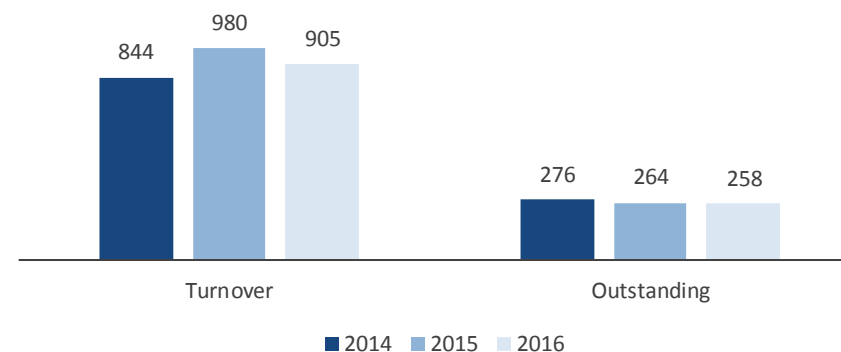
### Overview

- ◆ Claris Factor (“**Claris Factor**” or the “**Company**”), headquartered in Montebelluna (TV) and with a staff of 26 employees (of which 7 seconded from the parent company) as of July 2017, is a financial intermediary (ex art. 106) belonging to Veneto Banca S.p.A. in Liquidazione Coatta Amministrativa (“**Veneto Banca**”)
- ◆ As of December 2016, Claris Factor has a cumulative turnover of €905 mln, with a receivables turnover equal to approx. 97 days, and an outstanding of €258 mln
- ◆ As of December 2016, the funding for the acquisition of receivables was fully financed by Veneto Banca
- ◆ The factoring product is distributed across two channels: i) Veneto Banca former commercial networks (approx. 50% of 2016 turnover) and ii) internal development (approx. 50% of 2016 turnover)
- ◆ Claris Factor operates all over Italy and, in particular, in Lombardia, Veneto and Lazio (together accounting for more than 60% of total turnover as of 2016), while abroad it is mainly active in Romania, Bulgaria, Poland, Switzerland and Greece
- ◆ As of December 2016, Claris Factor had in place service agreements with i) Exprivia Digital Financial solution for the full outsourcing of IT activities, ii) CST Consulting for the outsourcing of electronic invoices towards Public Administration and iii) Veneto Banca for administrative and audit activities

### Corporate Governance as of December, 31<sup>st</sup> 2016

<p><b>Chairman</b> Tessari Federico</p>	<p><b>General Manager</b> Murari Paolo Massimo</p>
<p><b>Vice-Chairman</b> Miotto Ireneo</p>	<p><b>Board of Statutory Auditors</b></p> <p><b>Chairman</b> Cavaliere Diego</p> <p><b>Statutory Auditors</b> Cecchin Francesca Tirindelli Lorenzo</p>
<p><b>Board of Directors Members</b> Accetta Dario* Invernizzi Oreste Felice Pavan Enzo Moratto Eligio</p>	

### Turnover and Outstanding (€ mln)



## Key financials 2014-2016

Income Statement (€ mln)	2014	2015	2016	CAGR 14-16
Net interest income	7.0	6.0	4.7	(17.8%)
Operating income	10.7	9.7	8.2	(12.5%)
Operating expenses	(3.6)	(4.0)	(4.0)	6.1%
Loan loss provisions	(3.5)	(4.3)	(2.3)	(20.2%)
EBT	3.1	1.4	2.6	(9.0%)
Net profit	2.0	0.9	1.8	(4.5%)

Balance Sheet (€ mln)	2014	2015	2016	CAGR 14-16
Loans to customers	222.3	206.5	199.8	(5.2%)
Total liabilities	204.1	188.7	178.8	(6.4%)
o/w due to banks	200.2	184.8	172.9	(7.1%)
Total assets	226.4	211.9	203.9	(5.1%)
Shareholders' equity	22.3	23.2	25.0	5.9%
CET1 Ratio (%)	13.6%	14.1%	11.7%	n.m.

Operational data and KPIs	2014	2015	2016	CAGR 14-16
Average # of employees* (#)	18	20	22	10.6%
Loans to customers per empl. (€ mln)	12.4	10.3	9.1	(14.3%)
Net interest income / Avg. Loans (%)	3.4%	2.8%	2.3%	n.m.
Operating income / Avg. Loans (%)	5.2%	4.5%	4.0%	n.m.
Net interest income / Oper. income (%)	65.4%	61.4%	57.7%	n.m.
Cost / Income ratio (%)	33.3%	41.3%	48.9%	n.m.
ROE (%)	9.0%	3.9%	7.3%	n.m.

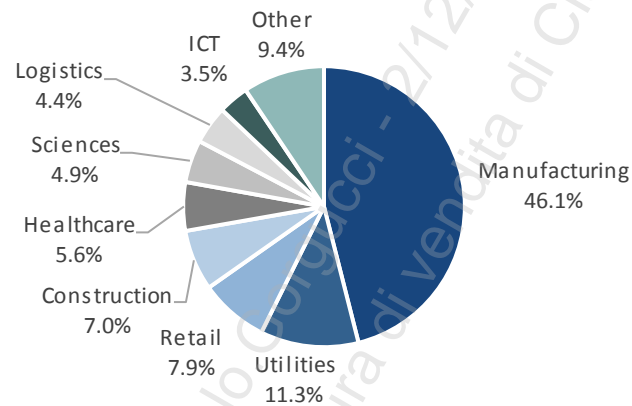
### Key considerations

- ◆ Reduction in net interest income in 2016 (-20.9% vs 2015), mainly due to a decrease in market rates, especially in the last six months of the year, even if mitigated by a relevant reduction in the cost of funding
- ◆ Operating income equal to €8.2 mln in 2016, showing a €1.5 mln drop compared to 2015 (-15.8%)
- ◆ 2016 operating expenses substantially in line compared to 2015 (-0.1%)
- ◆ 2016 loan loss provisions (€2.3 mln) significantly decreasing compared to 2015 (-47.8%), mainly driven by a reduction in non-performing exposures
- ◆ Constantly positive net results over 2014-2016 period, with high-single digit ROE in 2016 (7.3%)
- ◆ 2016 loans to customers substantially in line compared to 2015 (-3.2%), mainly driven by a slight reduction in new business
- ◆ Liabilities due to banks are almost entirely attributed to the parent company Veneto Banca and have declined with respect to 2015 (-6.5%)
- ◆ 1H 2017 financials in line with Claris Factor positive performance registered in 2016

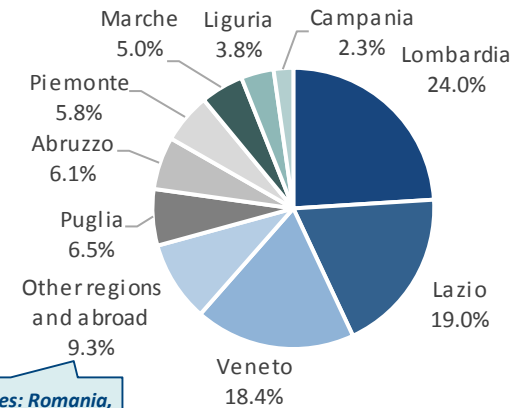
## Focus on turnover and outstanding

Turnover as of 2016 equal to €905 mln with major exposure in “pro-solvendo” activities. Outstanding as of 2016 equal to €258 mln with limited client concentration (top 15 clients accounting for 37% of total outstanding)

### Turnover by industry

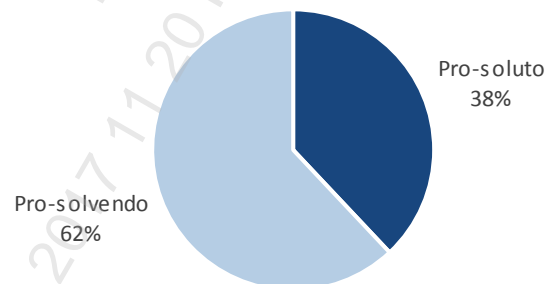


### Turnover by geographical area

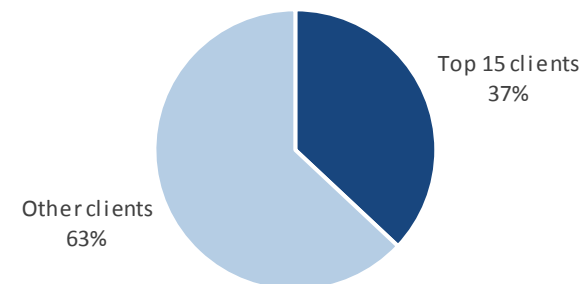


Foreign countries: Romania, Bulgaria, Poland, Switzerland and Greece

### Turnover by activity



### Client concentration\*



## Asset quality

Net NPEs in 2016 decreased by 26% with respect to 2015 (€11.9 mln vs €16.0 mln). NPE ratio fell to 5.9% in 2016, compared to 7.7% in 2015

2014			2015			2016		
€ mln	Gross	Net	€ mln	Gross	Net	€ mln	Gross	Net
NPLs	16.0	5.4	NPLs	16.7	5.1	NPLs	17.2	6.8
Unlikely to pay	3.8	2.3	Unlikely to pay	12.5	9.4	Unlikely to pay	5.5	3.8
Past due	1.0	1.0	Past due	1.5	1.5	Past due	1.2	1.2
<b>Total NPEs</b>	<b>20.8</b>	<b>8.6</b>	<b>Total NPEs</b>	<b>30.7</b>	<b>16.0</b>	<b>Total NPEs</b>	<b>23.9</b>	<b>11.9</b>
Bonis	215.7	213.7	Bonis	192.2	190.5	Bonis	189.9	187.9
<b>Total Loans</b>	<b>236.5</b>	<b>222.3</b>	<b>Total Loans</b>	<b>222.8</b>	<b>206.5</b>	<b>Total Loans</b>	<b>213.8</b>	<b>199.8</b>
<b>NPEs Coverage</b>	<b>58.7%</b>		<b>NPEs Coverage</b>	<b>47.9%</b>		<b>NPEs Coverage</b>	<b>50.4%</b>	
NPLs	66.5%		NPLs	69.2%		NPLs	60.1%	
Unlikely to pay	40.6%		Unlikely to pay	25.0%		Unlikely to pay	30.1%	
Past due	0.9%		Past due	3.0%		Past due	5.7%	
	<b>Gross</b>	<b>Net</b>		<b>Gross</b>	<b>Net</b>		<b>Gross</b>	<b>Net</b>
<b>NPE ratio</b>	<b>8.8%</b>	<b>3.9%</b>	<b>NPE ratio</b>	<b>13.8%</b>	<b>7.7%</b>	<b>NPE ratio</b>	<b>11.2%</b>	<b>5.9%</b>
NPLs	6.8%	2.4%	NPLs	7.5%	2.5%	NPLs	8.0%	3.4%
Unlikely to pay	1.6%	1.0%	Unlikely to pay	5.6%	4.5%	Unlikely to pay	2.6%	1.9%
Past due	0.4%	0.4%	Past due	0.7%	0.7%	Past due	0.6%	0.6%
<b>Texas ratio</b>	<b>39%</b>		<b>Texas ratio</b>	<b>69%</b>		<b>Texas ratio</b>	<b>52%</b>	

## Key investment highlights

### CLARIS FACTOR

<b>Italian factoring market</b>	✓ Italian factoring market continuing to grow and still very attractive, representing an effective alternative to the traditional banking financing channel for SMEs
<b>Geographical presence</b>	✓ Focused and well rooted in the richest and most dynamic economies in Italy
<b>Lean organization</b>	✓ Lean organization capable to fully operate also outside a banking group and able to offer broad opportunities for synergies and integration
<b>Management</b>	✓ Successful, experienced and high performing management team
<b>Stable profitability</b>	✓ 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
<b>Asset quality and capital position</b>	<ul style="list-style-type: none"> <li>✓ Positive and continuously improving asset quality, with low level of non-performing exposures and increasing coverage</li> <li>✓ High capital position, with CET1 ratio constantly above 11% over 2014-2016 period</li> </ul>



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