



## Focus on Leasing – Italy

Luca Lorenzi – Locat CEO

Verona, July 19<sup>th</sup>, 2007





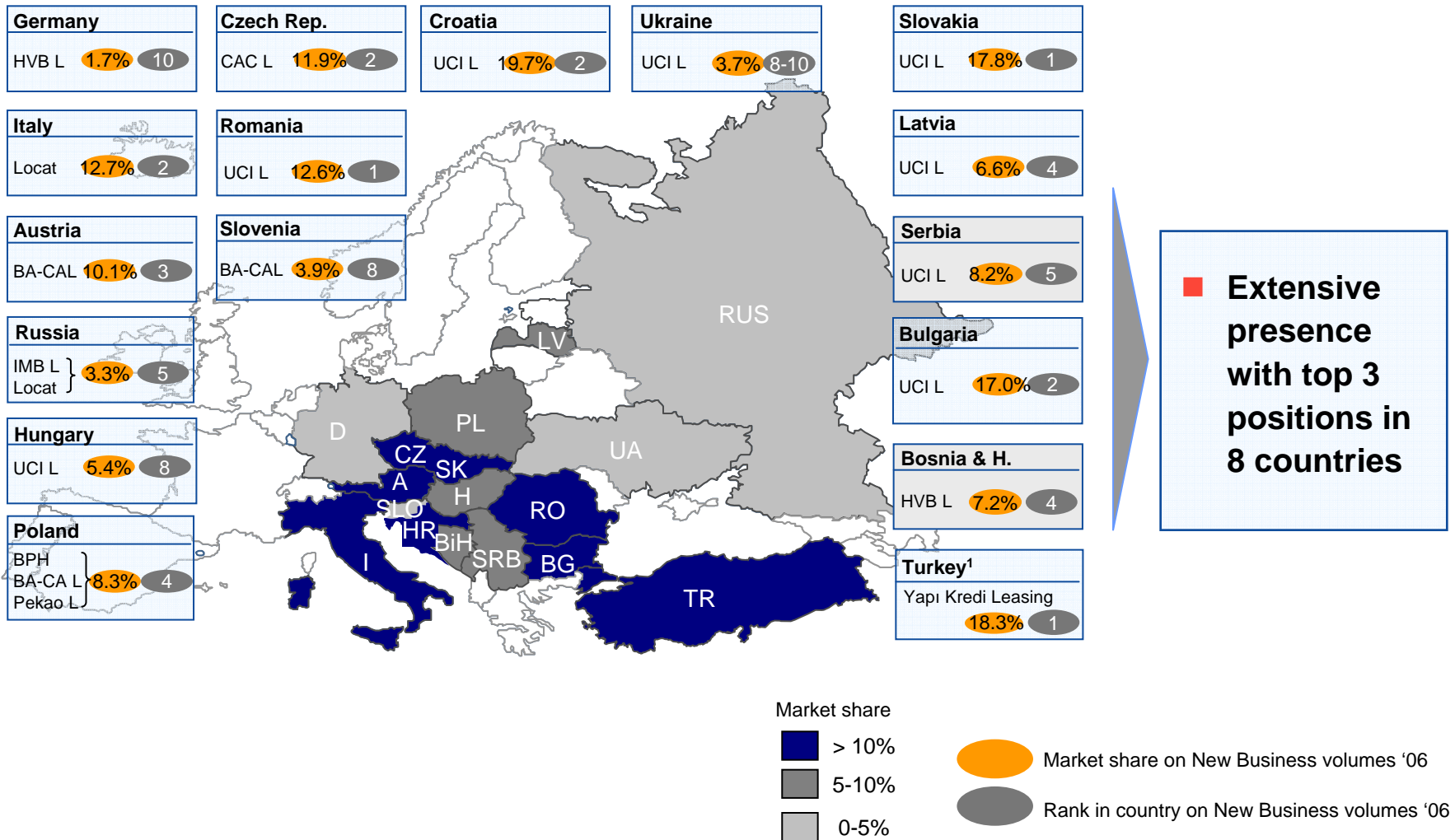
## AGENDA

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- **UniCredit Global Leasing**

- Focus on Locat and Italy

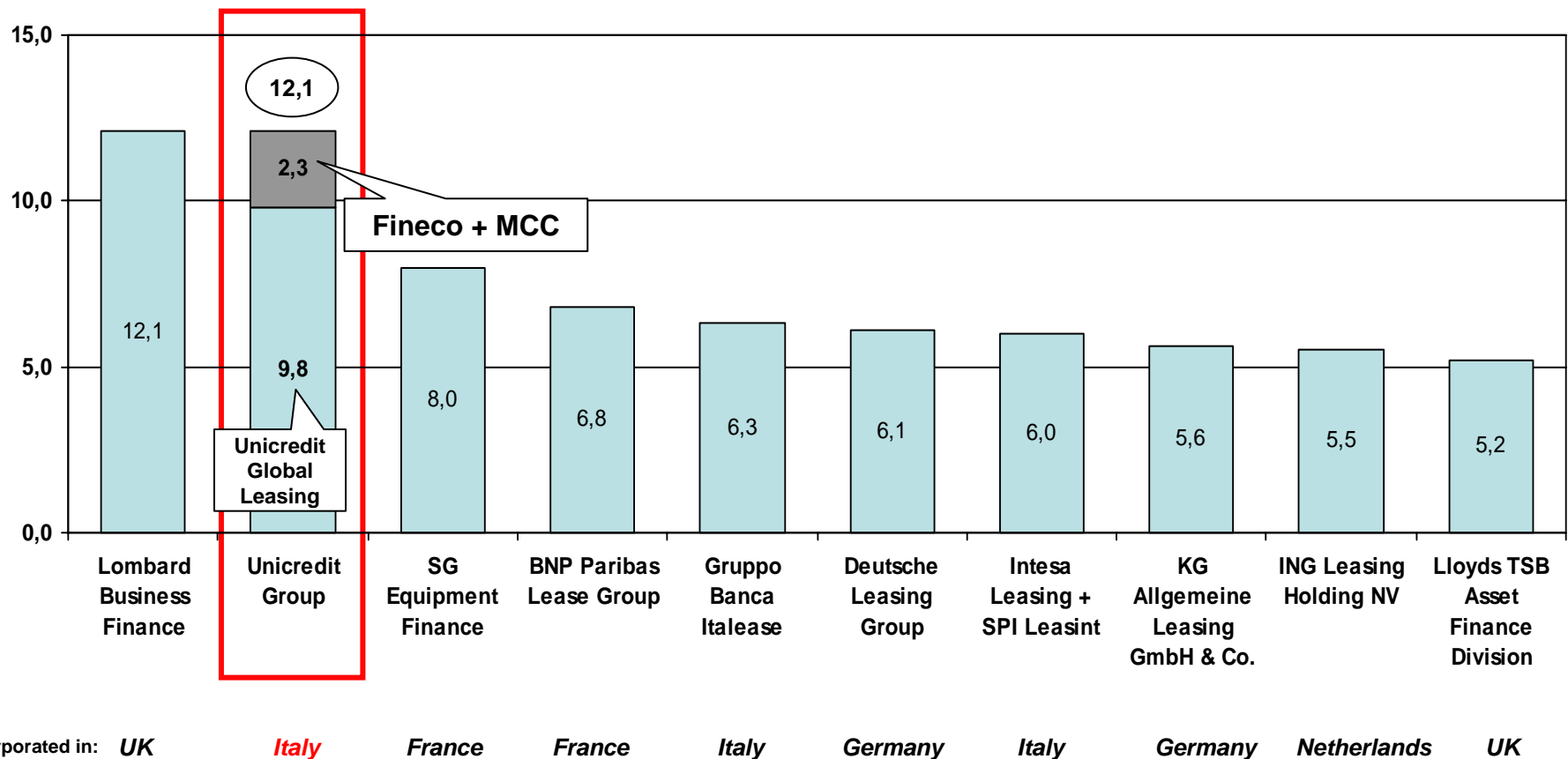
# UNICREDIT GLOBAL LEASING: A PAN-EUROPEAN PRESENCE IN 17 DIFFERENT COUNTRIES



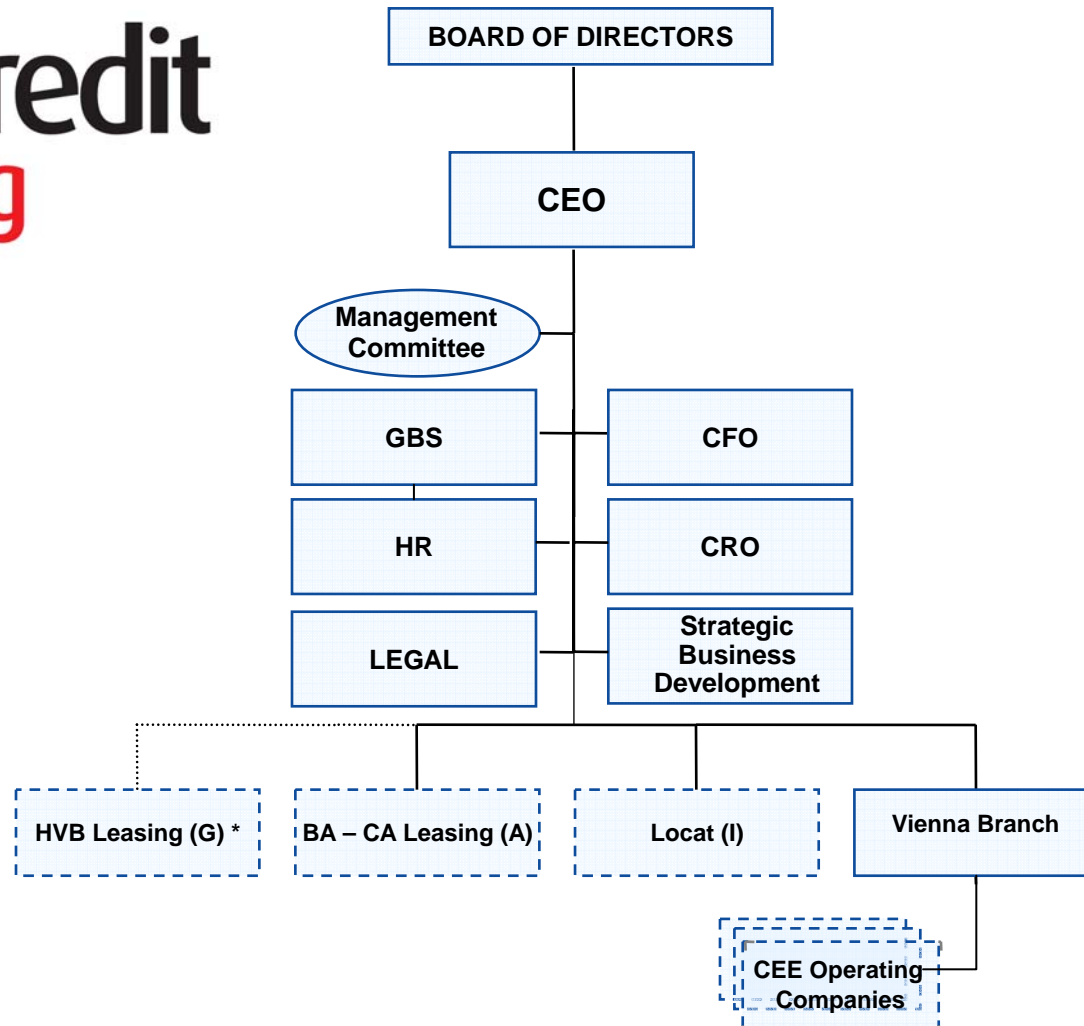
Source: UniCredit analysis based on locally published data 2007  
 (1) Joint Venture with Koc Holding

# N.1 EUROPEAN LEASING GROUP ON NEW BUSINESS AFTER INTEGRATION WITH CAPITALIA

## Total New Business in Europe



# A NEW ORGANIZATIONAL STRUCTURE TO SUPPORT GROWTH

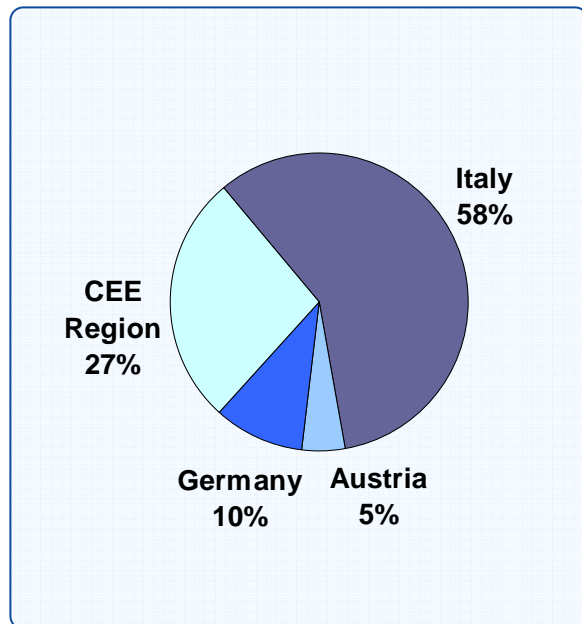




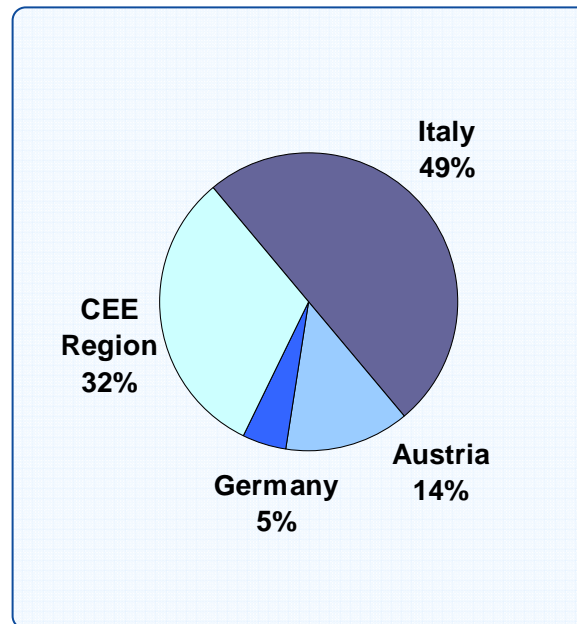
# LOCAT REPRESENTS DEFINITELY THE MAIN CONTRIBUTOR TO UNICREDIT LEASING BUSINESS

2006 data

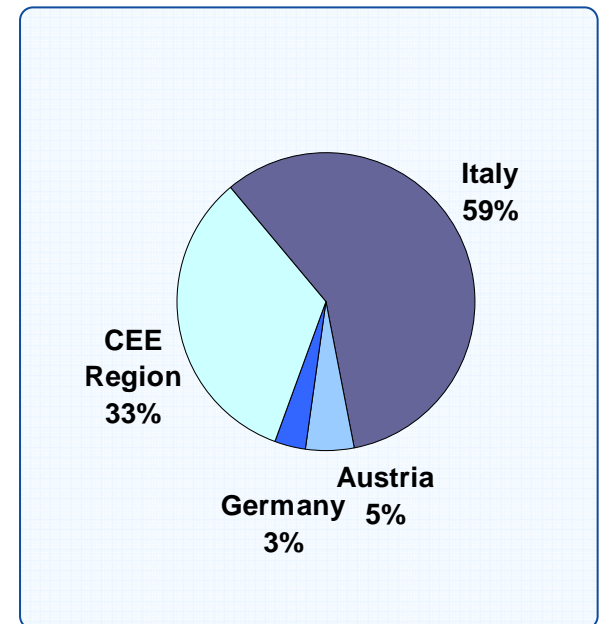
**PRODUCTION\***  
100% = ~11,000 mln



**REVENUES\***  
100% = ~615 mln



**NET PROFIT\***  
100% = ~180 mln



\* Not including shareholdings, managed by other systems (Leasfinanz and Fuhrparkmanagement for BACAL; Mobile Concept, LFL, HVB Investitionbank, Structure lease for HVB Leasing); Russia is a sum of IMB Leasing and Locat Russia. **Revenues and net profit do not include Turkey**  
Source: Accenture analysis on UniCredit Leasing data (Locat, BACAL, HVB Leasing, Vienna branch, UniCredit sub-holding)



## AGENDA

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- UniCredit Global Leasing

- **Focus on Locat and Italy**

**LOCAT – VERY POSITIVE PERFORMANCE EXPECTED IN 2007:  
 ~+20% OUTSTANDING VOLUMES AND NET PROFIT, ~+20 BP MARKET  
 SHARE, C/I RATIO APPROX. UNCHANGED**

	<b>Locat 2006</b>	<b>Locat 2007E</b>	<b>'07E vs '06</b>
<b>Tot. New Business, mln</b>	<b>6,143</b>	<b>~6,400</b>	<b>+ ~4%</b>
<b>Outstanding Volumes<sup>(1)</sup>, mln</b>	<b>14,579</b>	<b>~17,400</b>	<b>+ ~20%</b>
<b>Average spread, %</b>	<b>1.58%</b>	<b>~1.55%</b>	<b>- ~3bp</b>
<b>Market Share<sup>(2)</sup>, %</b>	<b>12.7%</b>	<b>12.9%</b>	<b>+ ~20bp</b>
	<b>Locat 2006</b>	<b>'07E vs '06</b>	
<b>Tot Revenues, mln</b>	<b>308</b>	<b>+ ~5%</b>	
<b>Net profit, mln</b>	<b>105</b>	<b>+ ~20%</b>	
<b>C/I ratio, %</b>	<b>20.5%</b>	<b>~ unchanged</b>	

**Standard & Poor's rating:**  
 A-1 for short term,  
 A for medium-long term

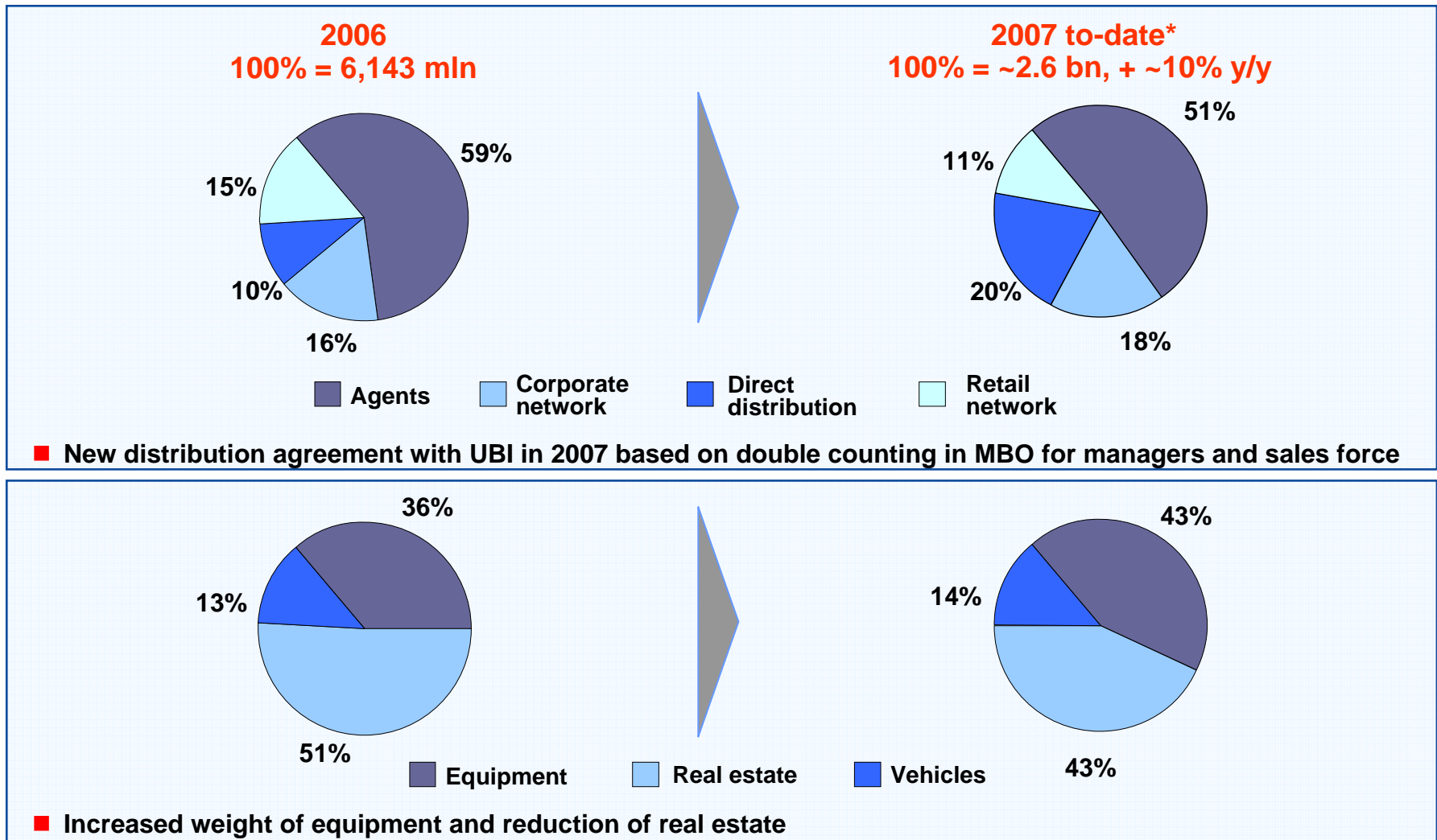
<sup>(1)</sup> Gross of securitizations; ~13.7 bn as of 31.12.2006 net of securitizations

<sup>(2)</sup> On Tot. New Business; 2006 Source: Assilea



# ~2.6 BN NEW BUSINESS GENERATED IN 2007 YTD (+10% y/y), WITH AN INCREASED WEIGHT OF UNICREDIT GROUP'S PROPRIETARY DISTRIBUTION CHANNELS

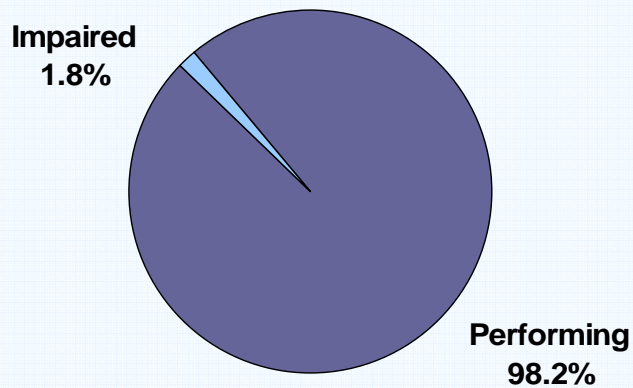
## LOCAT NEW BUSINESS: BREAKDOWN BY CHANNEL & BUSINESS SEGMENT



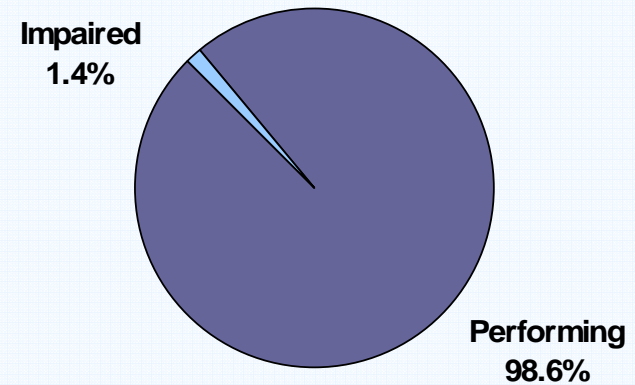
# SOUND ASSET QUALITY

## OUTSTANDING LOANS<sup>(1)</sup>: BREAKDOWN BY PERFORMING AND IMPAIRED

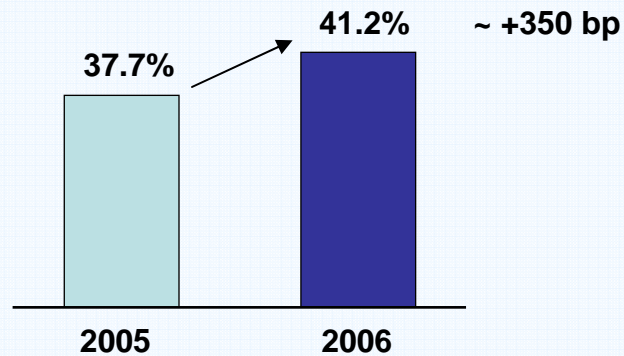
2005: ~11.7 bn



2006: ~13.7 bn



## COVERAGE RATIO ON TOT. IMPAIRED LOANS



- Lower weight of net impaired loans on total outstanding loans, ~ -40 bp y/y
- Coverage ratio significantly increased
- Cost of Risk<sup>(2)</sup> almost flat y/y at ~30 bp

<sup>(1)</sup> Net of securitizations

<sup>(2)</sup> Calculated as Net LLP / Average Credit RWA



## FOCUS ON STRUCTURED PRODUCTS

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- **Structured financial contracts** are negotiated with customers in order to cover the embedded risk in the indexation of the financial plan for the customers
- As of May 2007 LOCAT had in place a total of just 156 structured financial contracts, of which 119 with a cumulated positive fair value of Euro 7.1 mln and 37 with a cumulated negative fair value of ~ Euro 1 mln
- As a results net impact of structured financial contracts is positive for ~ Euro 6.1 mln

## FOCUS ON REAL ESTATE

As of March 31<sup>st</sup> 2007 Locat had 13,751 real-estate contracts in place, with an average volume of ~Euro 1 mln. The tables below highlight a **good diversification** in this type of product **by geographies and volumes**, the latter being **~60% to corporate customers** and **~ to 40% small business customers**

	# Contracts	# % on total	Asset value, mln	Value % on total	Avg. Value (.000)
South - Islands	3,664	26.65%	3,636.7	27.37%	992.6
North-West Italy	4,165	30.29%	4,699.4	35.37%	1,128.3
North-East Italy	5,917	43.03%	4,928.7	37.10%	833.0
Other Countries	5	0.04%	20.1	0.15%	4,010.3
<b>TOTAL</b>	<b>13,751</b>	<b>100%</b>	<b>13,285</b>	<b>100%</b>	<b>966.1</b>

	# Contracts	# % on total	Asset value, mln	Value % on total	Avg. Value (.000)
< 1 mln	11,276	82.00%	3,682.1	27.72%	326.5
1-5 mln	2,058	14.97%	4,084.0	30.74%	1,984.4
5-10 mln	254	1.85%	1,770.2	13.33%	6,969.4
> 10 mln	163	1.19%	3,748.5	28.22%	22,997.1
<b>TOTAL</b>	<b>13,751</b>	<b>100%</b>	<b>13,285</b>	<b>100%</b>	<b>966.1</b>



## KEY STRATEGIC TARGETS: STRONGER FOCUS ON BUSINESS DEVELOPMENT AND CUSTOMER SATISFACTION, LEVERAGING ON AN EXCELLENT INTERNATIONAL NETWORK

### Vision towards the future

- **From focus on costs to focus on business and customers**
- **Adapt existing products** to the customer needs
- **Explore business opportunities in emerging sectors / segments** (i.e. plants and renewable energy)

### Product factory

- **Continuous dialogue with the network** to understand all the needs connected to the specific activity, sector, geographical area
- **Specialized support** in the most complicated deals

### Future opportunities

- **Strict partnership with the Corporate Bank** will further reinforce the banking channel
- **Cross-border leasing** leveraging on a strong and widespread presence guaranteed by an international network



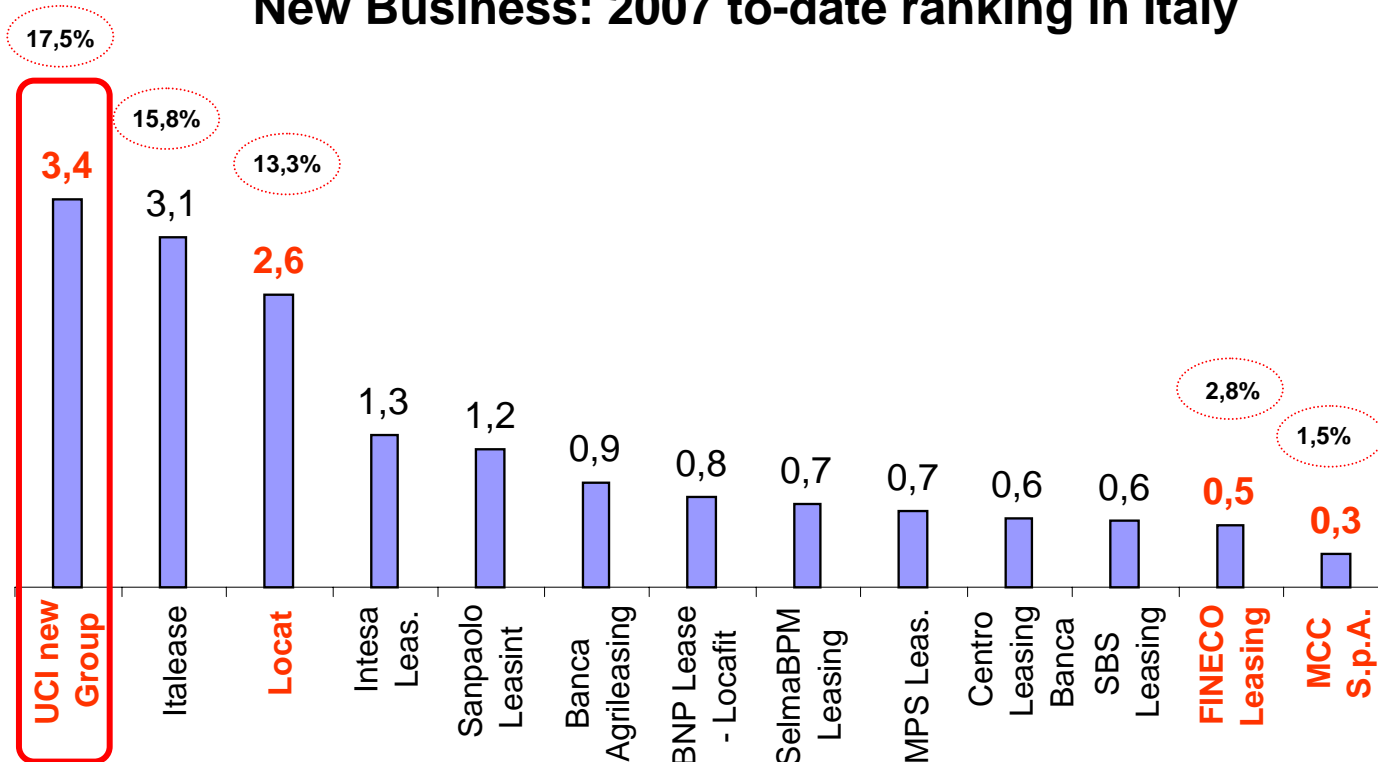
## THE MERGER WITH CAPITALIA: POSITIVE IMPACT FROM THE INTEGRATION, WITH BETTER GEOGRAPHICAL & BUSINESS BALANCE AND INCREASED MARKET SHARE

- **Consolidation of the presence in the domestic market** coupled with a strong reinforcement in the main channels and products
- **Well-balanced geographical and business mix**
- **Integration of the Capitalia's activities into the divisionalized Unicredit model**
- **Relevant potential synergies**, mainly from lower costs
- **2006 New Business: from ~6.14 bn of Locat to 8.33 bn aggregate**
- **2006 Market share\*: from 12.7% of Locat stand-alone to 17.3% aggregate**

# AS A PROOF: N.1 ITALIAN PLAYER AS FOR NEW BUSINESS GENERATED IN 2007 TO-DATE, AFTER MERGER WITH CAPITALIA

Bn, Euro

## New Business: 2007 to-date ranking in Italy



Source: Assilea, 2007 data as of May