



Leasing in Europe & Beyond: State of Play & Outlook

Bucharest | November 2014

1 - Leasing in Europe & beyond

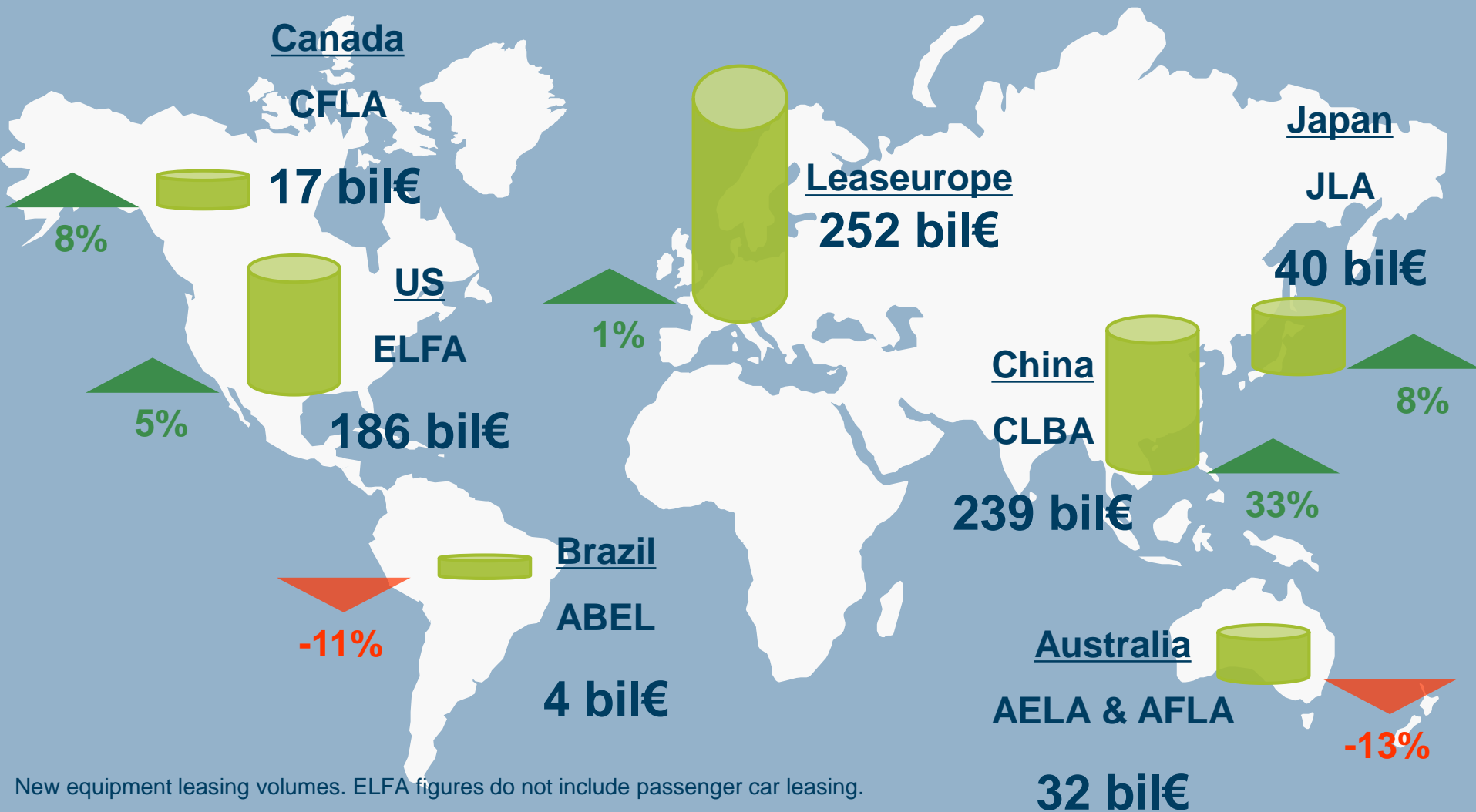
2 - State of the industry

3 - Industry performance

4 - Outlook for the future

1- Leasing in Europe & beyond

Global Leasing Markets in 2013



New equipment leasing volumes. ELFA figures do not include passenger car leasing.

Source: Leaseurope 2013 Annual Survey, local leasing associations, Leaseurope estimates

European leasing market - new volume growth (% YoY)

**Total outstandings:
(2012 vs 2013)**



0.5%

1.9%

0.7%

-17.4%

Total volumes

€251.9 bil

Real Estate

€13.5 bil

Equipment incl vehicles

€238.4 bil

New Volumes 2013

Growth rates are calculated based on a homogenous sample of members reporting from year to year & are adjusted for exchange rate fluctuations 2007 onwards


Source: Leaseurope Annual Surveys

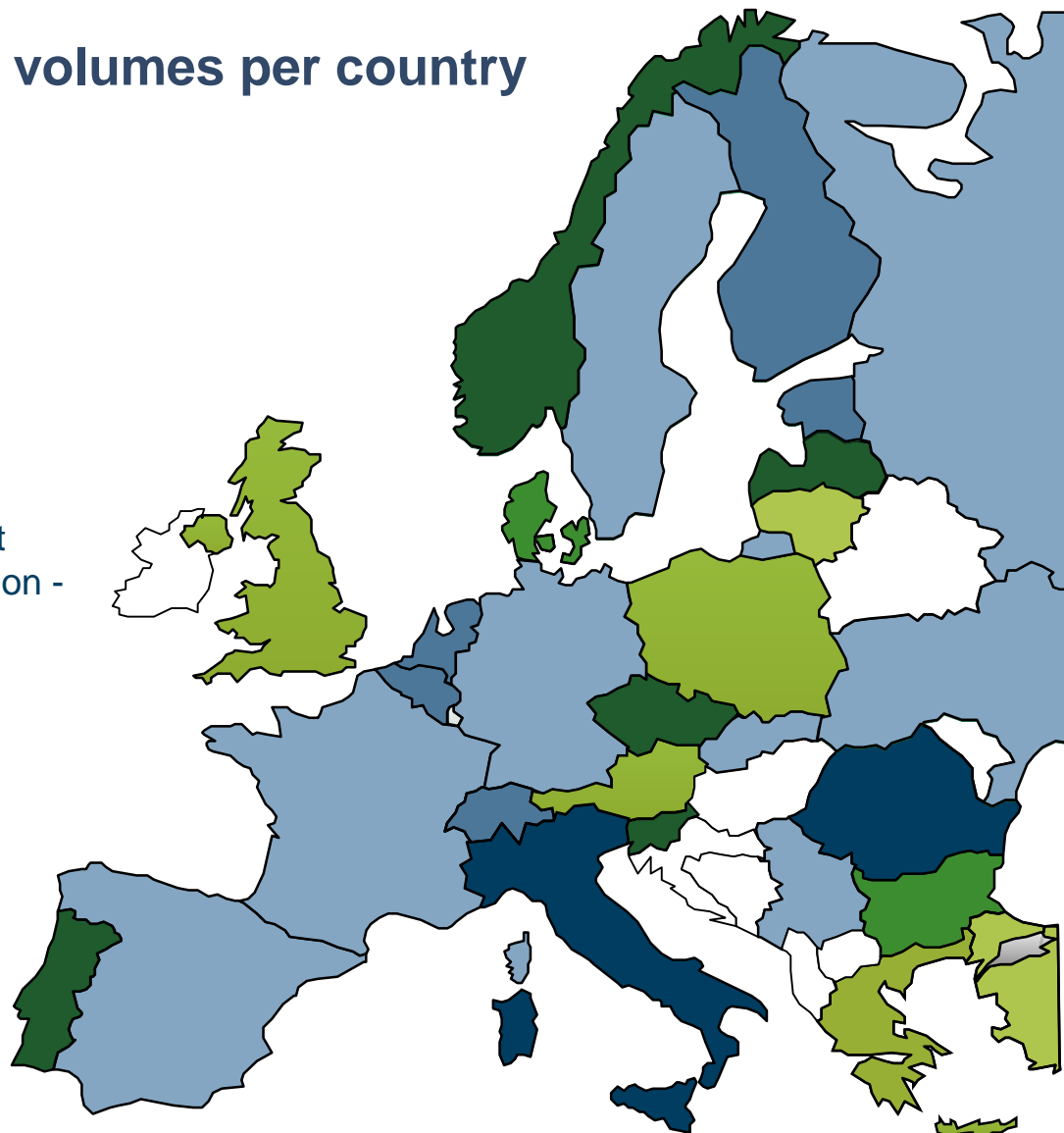
Annual growth of new leasing volumes per country

2013/2012

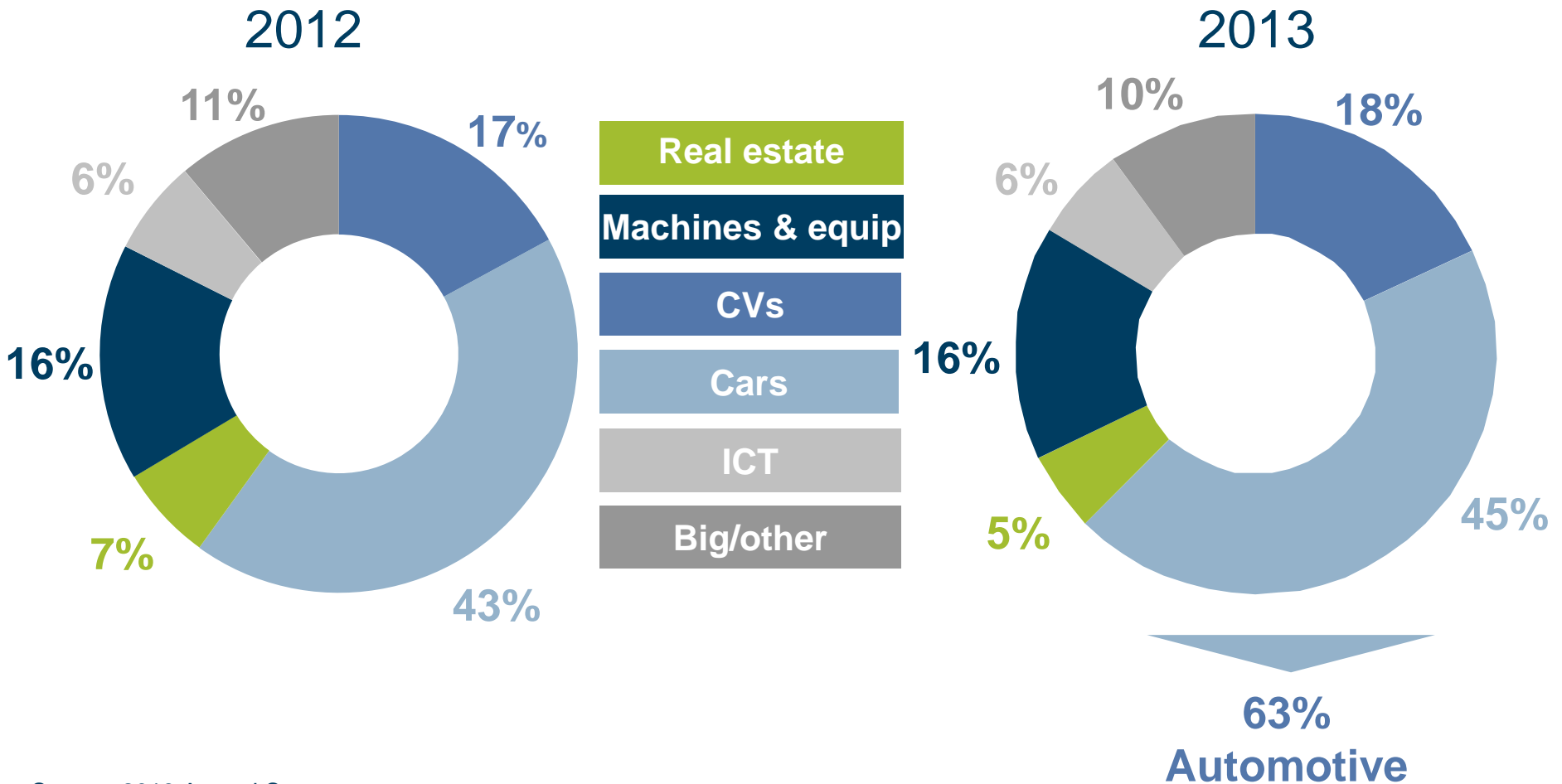
0.7%



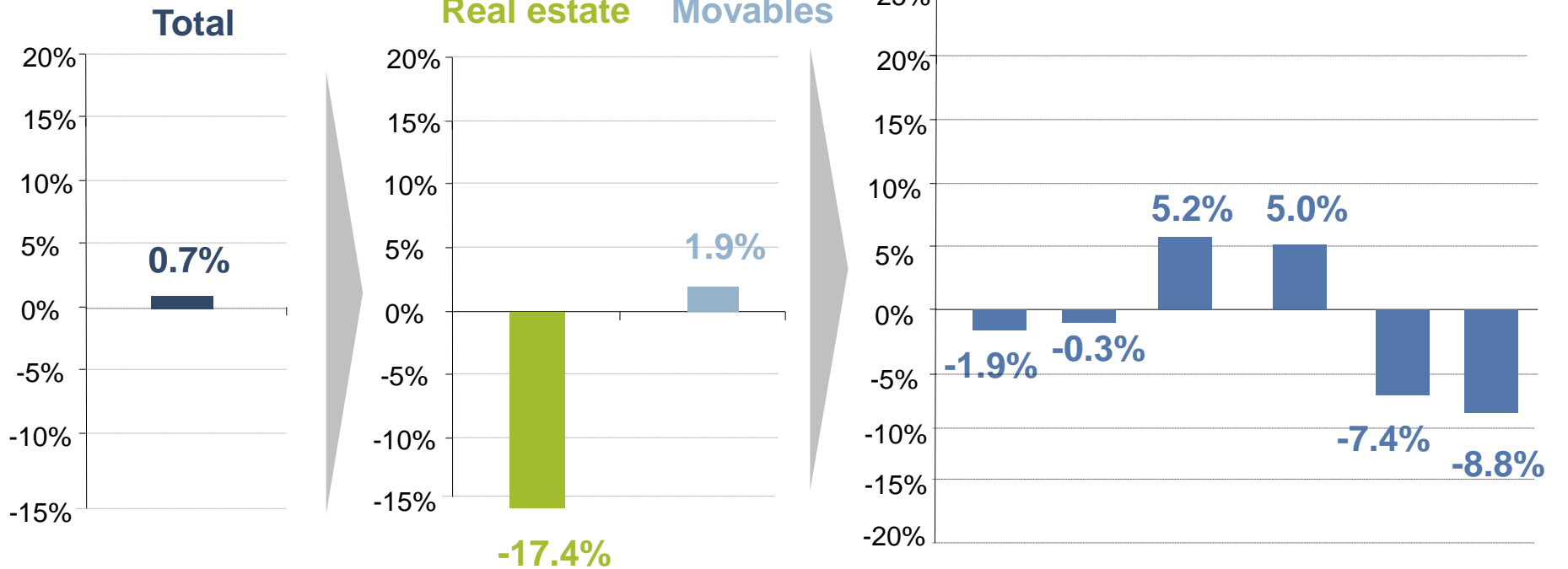
 Members not reporting & non-members



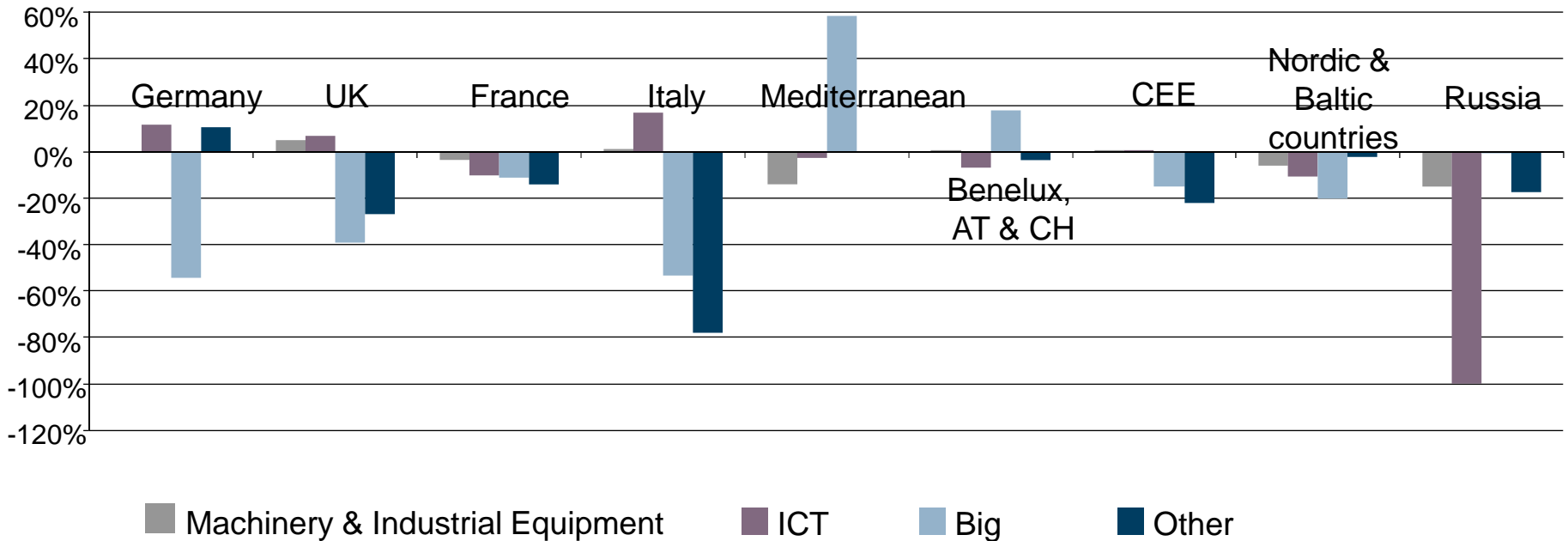
Leased assets
Total new lease volumes per asset category, %



New lease volumes per asset type – % period on period (2013/2012)



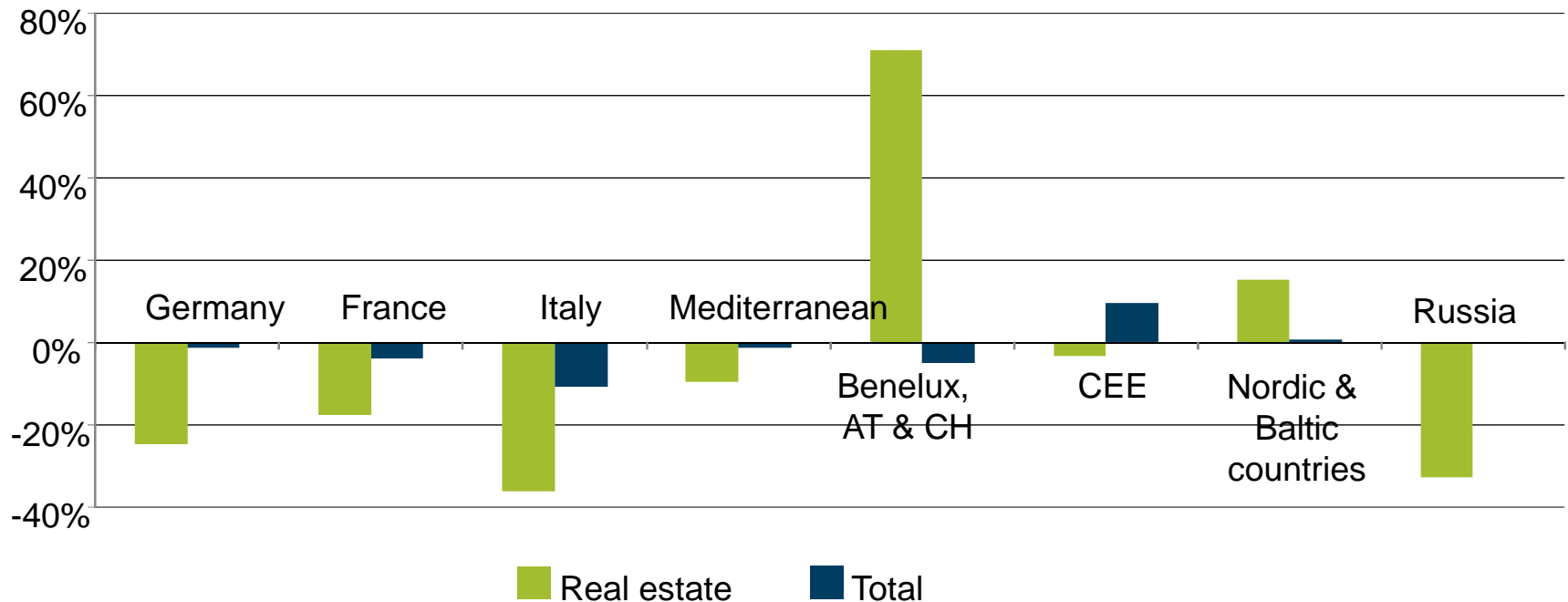
Regional performance by movable asset category New business growth - annual % change (2013/2012)



Growth rates are calculated based on a homogenous sample of members reporting & are adjusted for exchange rate fluctuations

Source: Leaseurope 2013 Annual Survey

RE leasing vs total leasing by region (2013/2012)

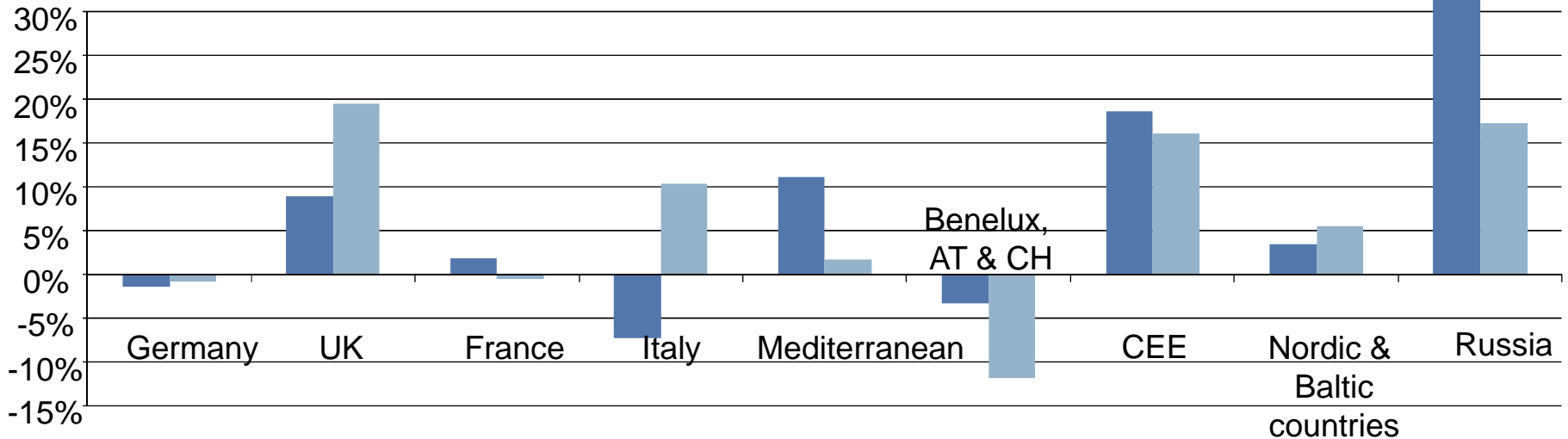


Growth rates are calculated based on a homogenous sample of members reporting & are adjusted for exchange rate fluctuations

Source: Leaseurope 2013 Annual Survey



* Real estate for IT includes some renewable energy assets

Regional performance – automotive sector
New business growth - annual % change (2013/2012)



Cars @ Leaseurope (2013)

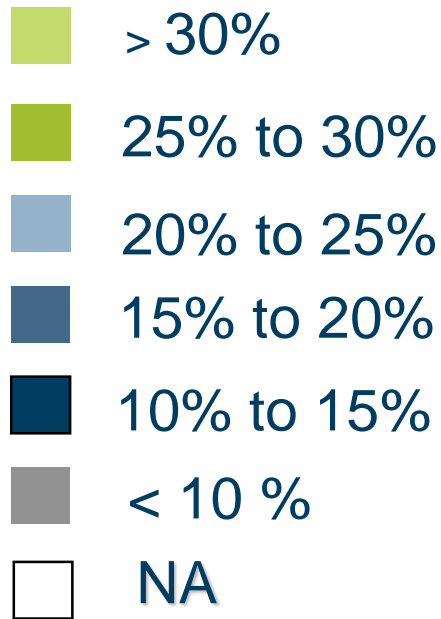
New business	Fleet
• 6.8 million units	• 16 million units
• €129 billion	
• 36.8% of new car sales	

-  Passenger cars
-  Commercial vehicles

Growth rates are calculated based on a homogenous sample of members reporting & are adjusted for exchange rate fluctuations

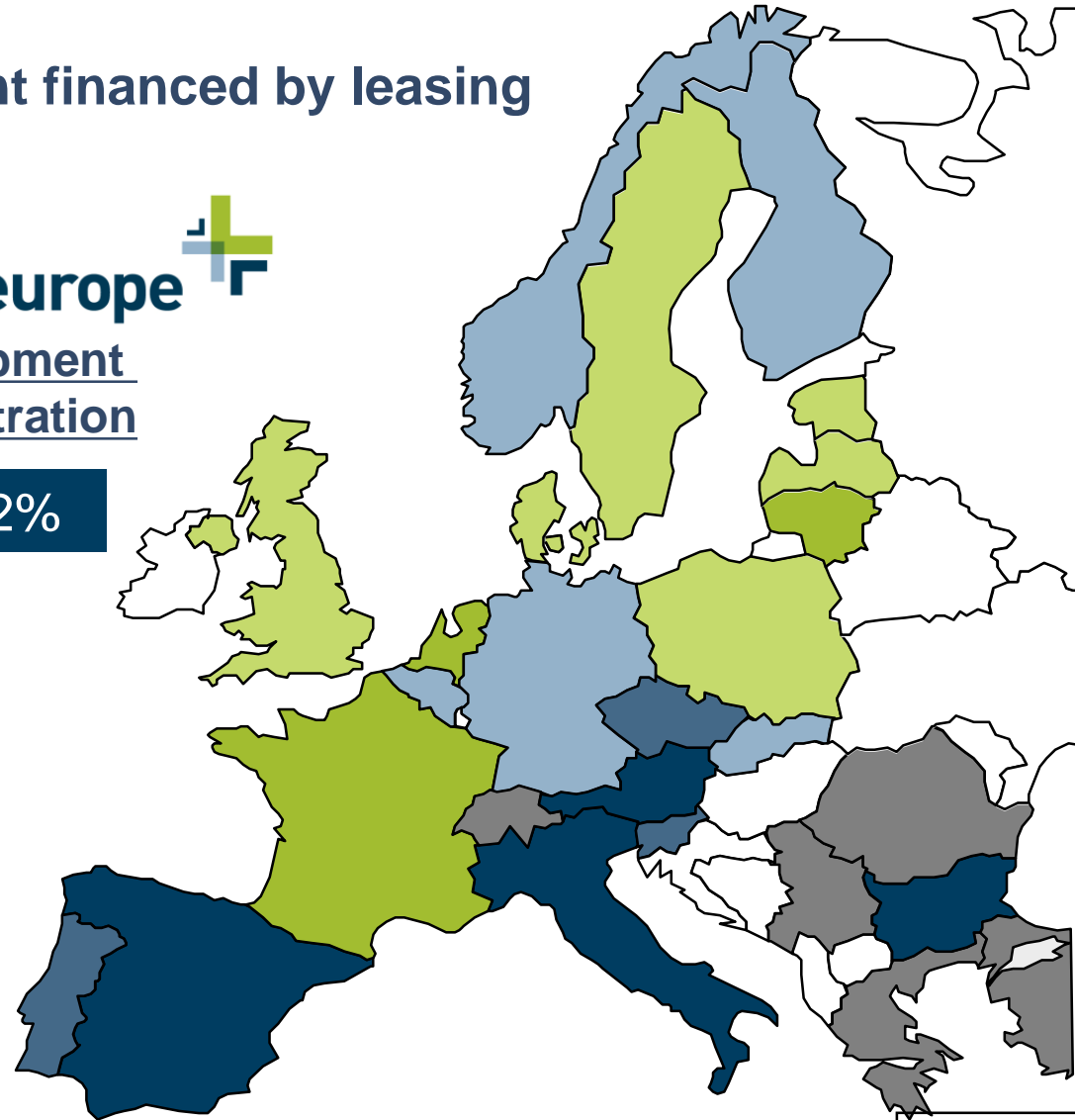
Source: Leaseurope 2013 Annual Survey

Share of equipment investment financed by leasing (2013)



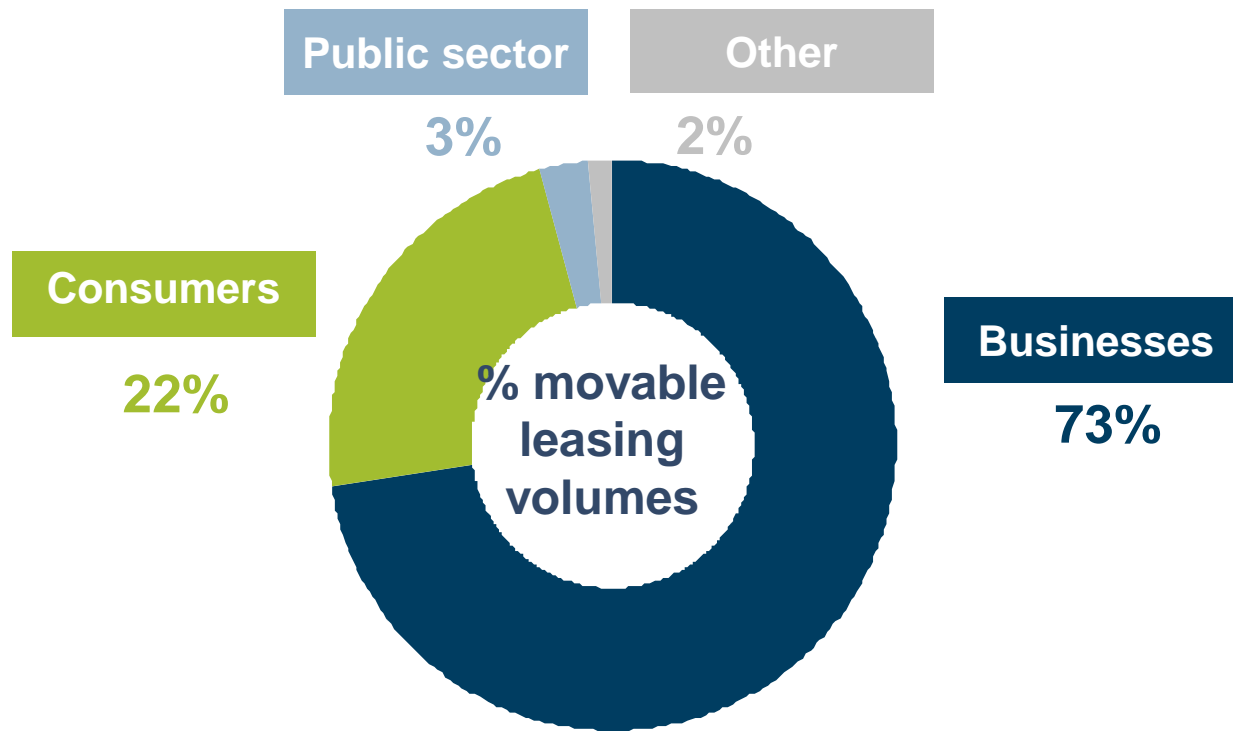
Leaseurope 
Equipment
penetration

22%



Lease penetration is the share of total investment financed by leasing calculated as new leasing volumes (excluding consumers)/ gross fixed capital formation in equipment

Leasing clients New movables leasing volumes by client sector (2013)



2- State of the industry

<i>Rank</i>	<i>Company name</i>	<i>Country</i>	<i>New business 2013 (€ bil)</i>	<i># of European countries</i>
1	Société Générale Leasing Solutions (incl. ALD Automotive)	France	11,966,354	29 *
2	BNP Paribas Leasing Solutions (incl. Arval)	France	11,920,580	19 *
3	Volkswagen Leasing	Germany	10,366,097	-
4	De Lage Landen	Netherlands	9,735,033	21 *
5	UniCredit Leasing	Italy	8,807,820	16
6	Deutsche Leasing	Germany	7,387,000	19 *
7	Nordea Finance	Sweden	5,089,070	8
8	LeasePlan Corporation N.V.	Netherlands	4,460,192	24 *
9	Alphabet	Germany	4,292,927	14 *
10	OJSC VEB Leasing	Russia	4,154,869	10
11	Credit Agricole Leasing & Factoring	France	4,002,907	5 *

Companies with volumes > €4 billion are shown here, incl. number of countries inside Europe in which they operate

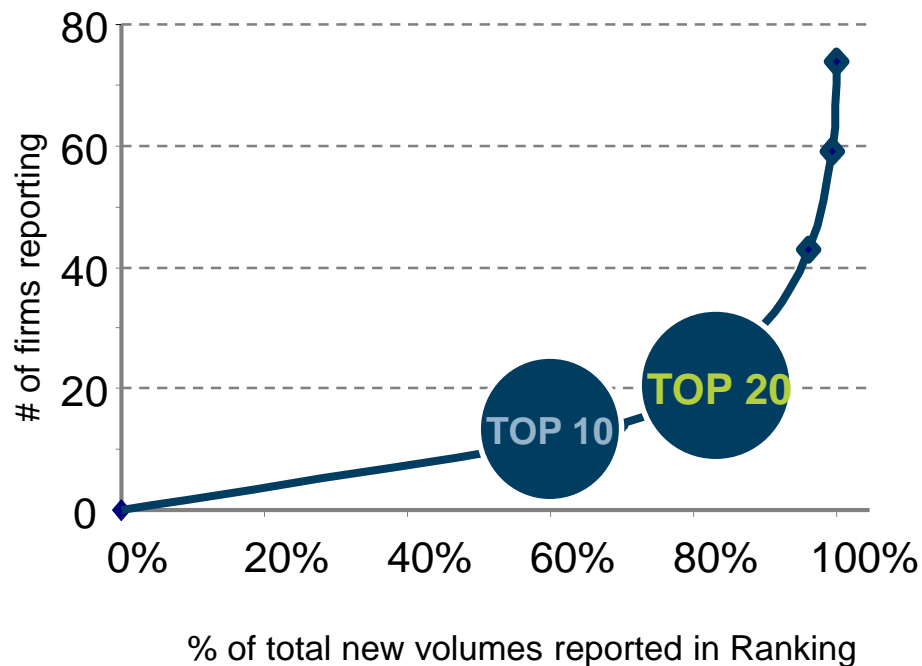
*These companies also have operations outside Europe (e.g. in 2013, DLL granted €11 billion in new volumes outside Europe)

Source: Leaseurope's Ranking Survey 2013 of Top European Leasing Firms

Market concentration: % of total new volumes reported in 2013 Ranking Survey

Trends:

- *New entrants unlikely*
- *Some large firms downscaled*
- *Consolidation amongst existing top players*



All firms in Ranking

All new volumes reported

130 bil €

TOP 20

% of all new volumes reported

81%

TOP 10

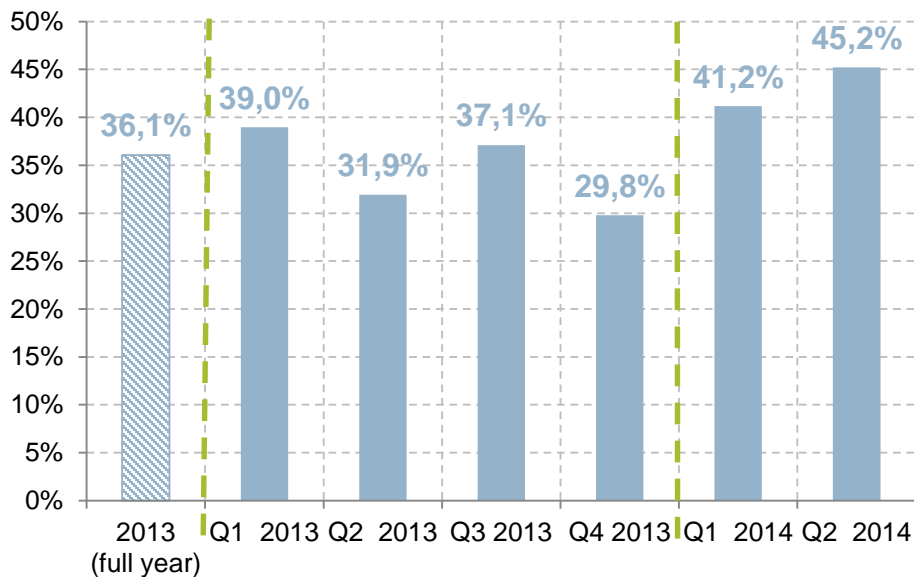
% of all new volumes reported

60%

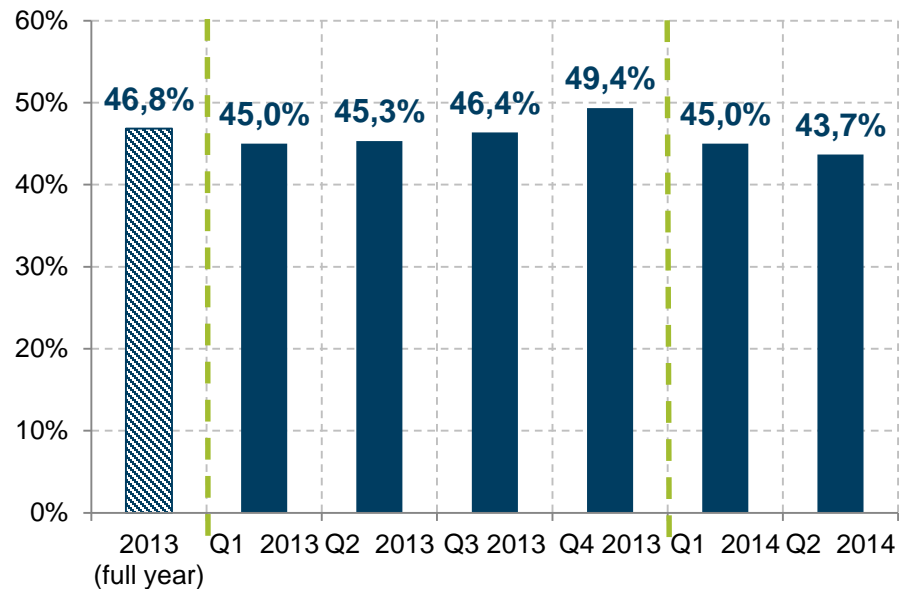
3 - Industry performance

The Leaseurope Index – median ratios (Q1 2013-Q2 2014)

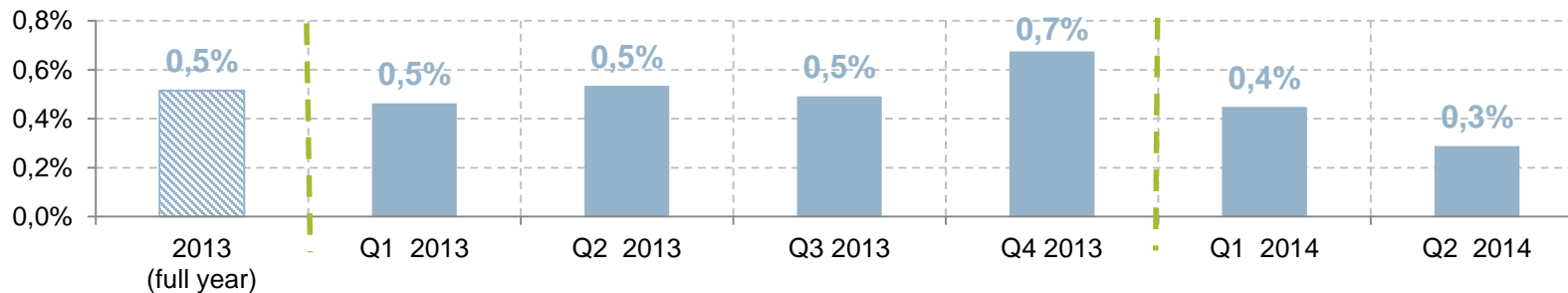
Profitability ratio



Cost / income ratio

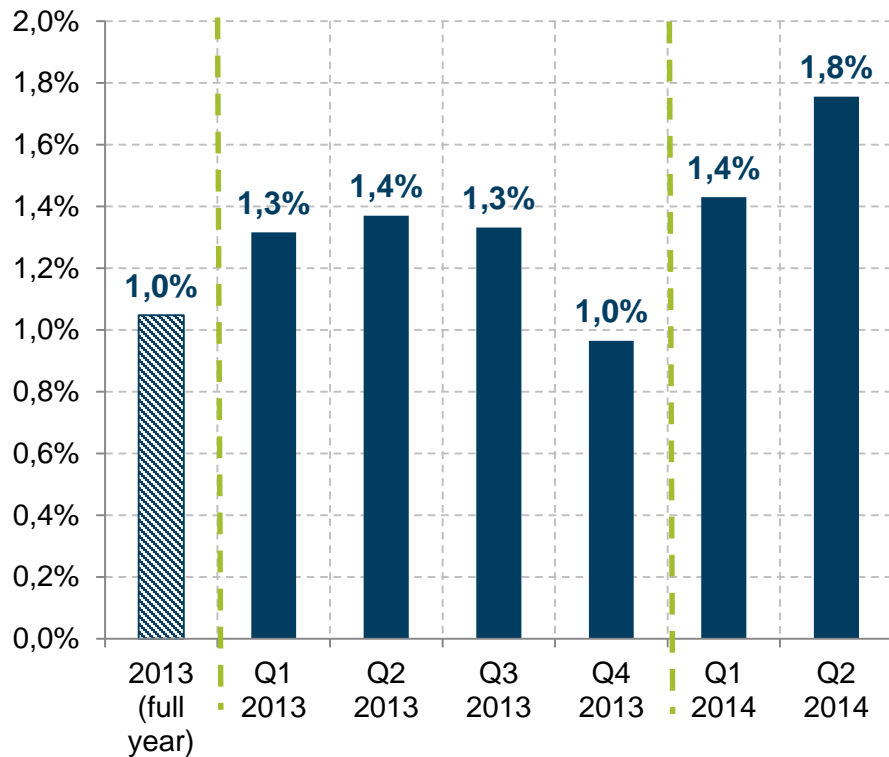


Cost of risk ratio

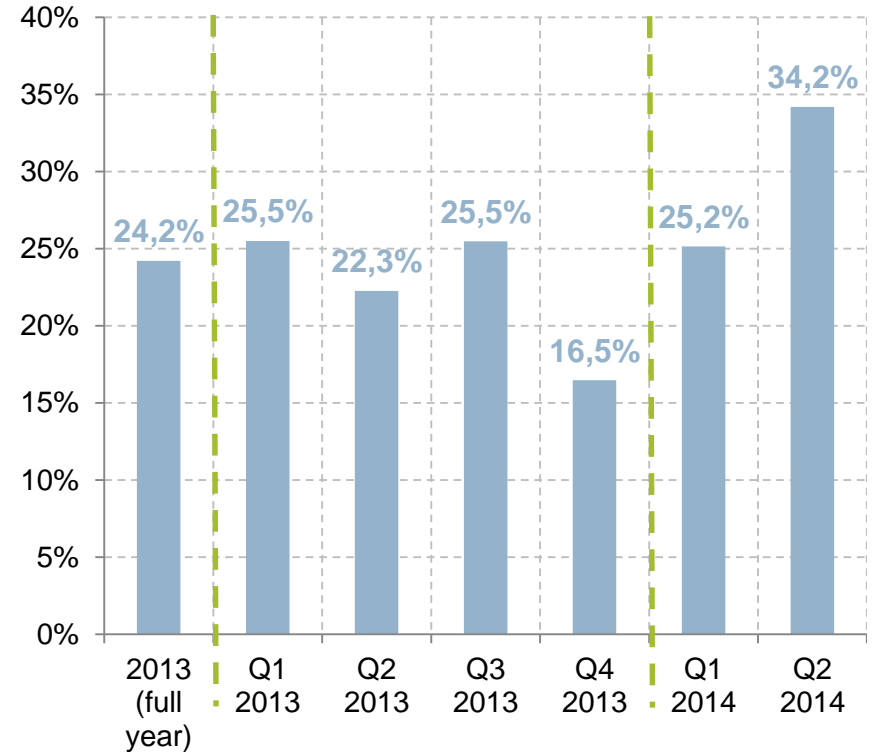


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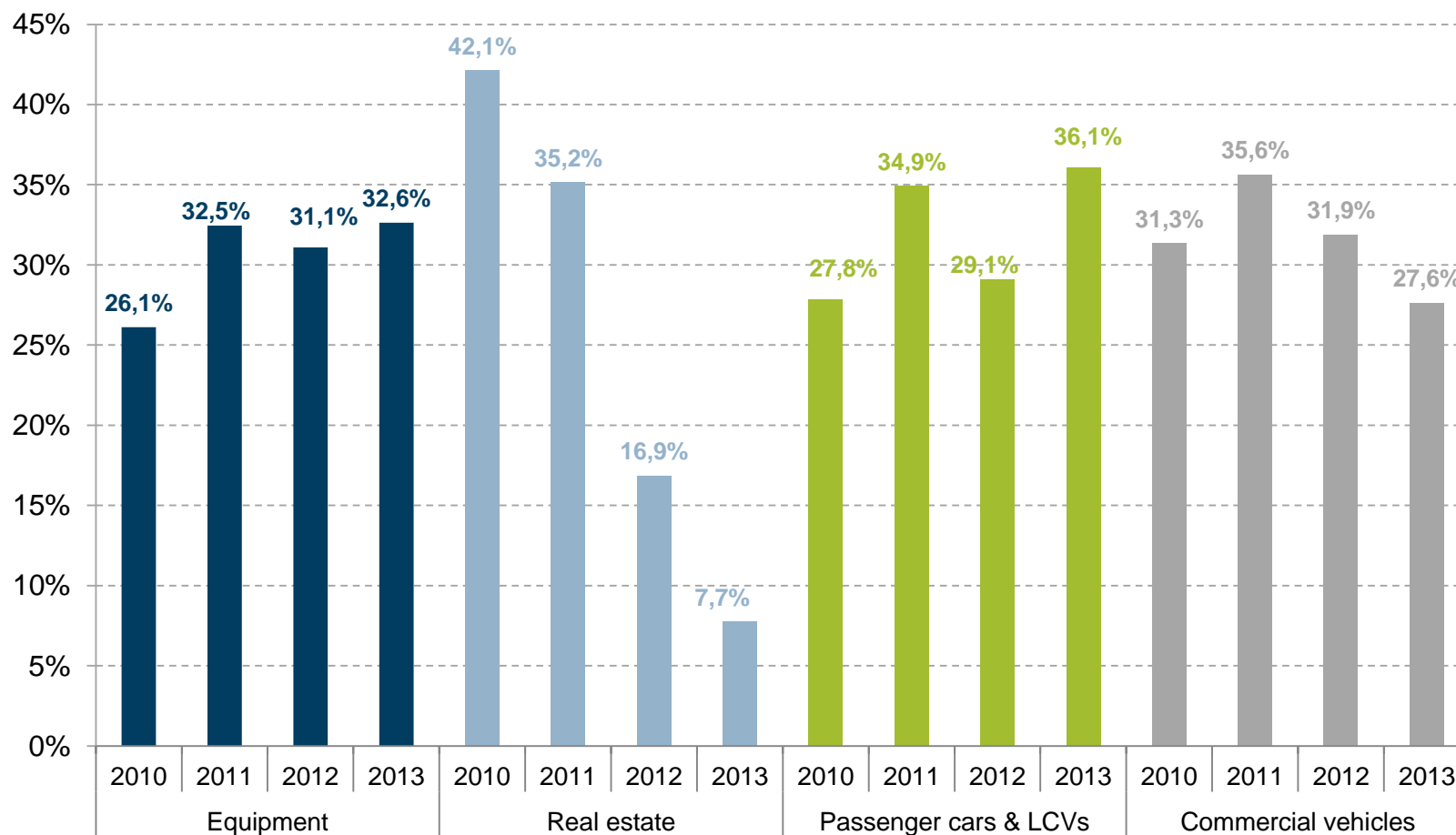
RoA



RoE



Profitability per asset segment, medians (2010-2013)




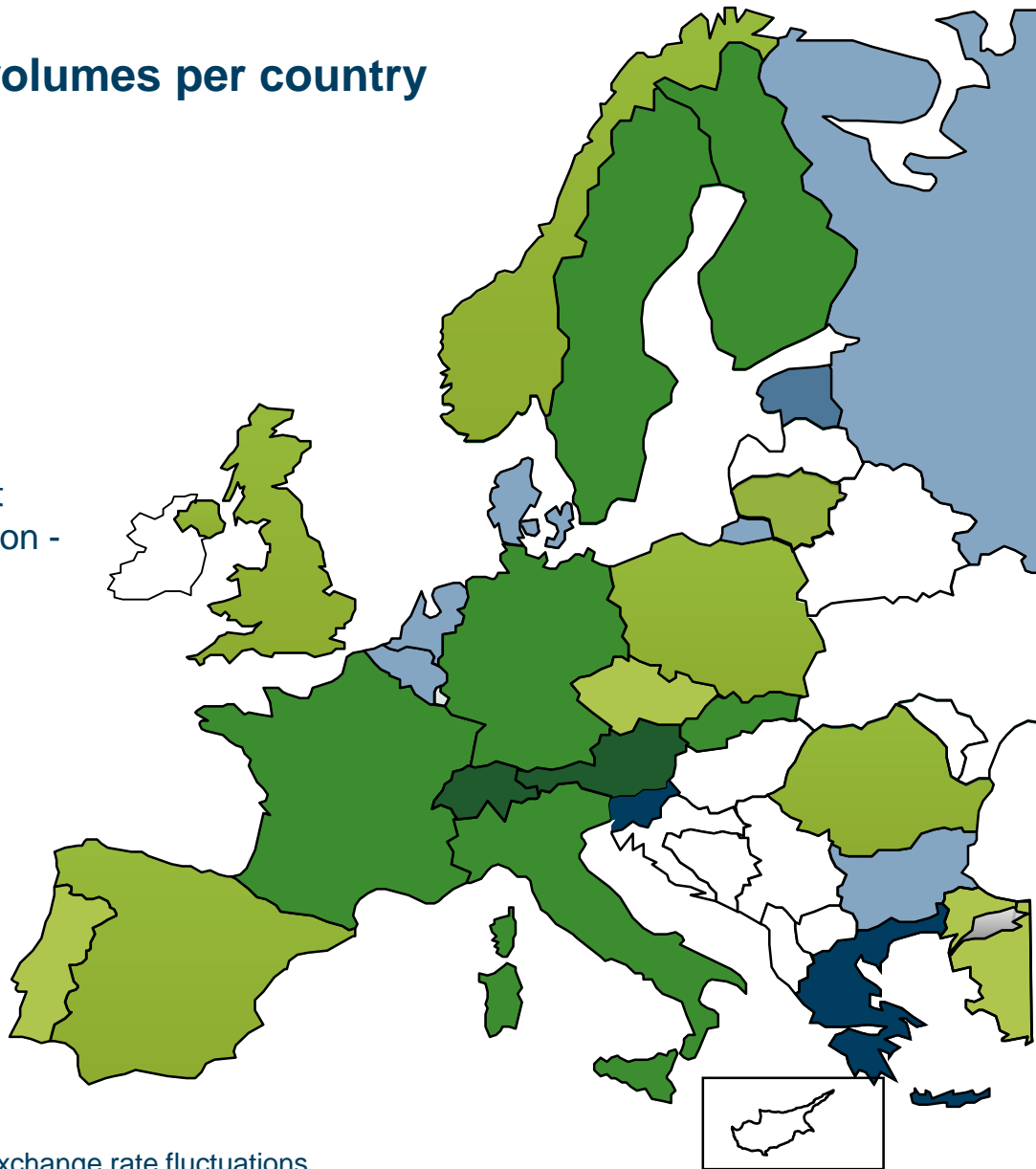
4 - Outlook for the future

Biannual growth of new leasing volumes per country

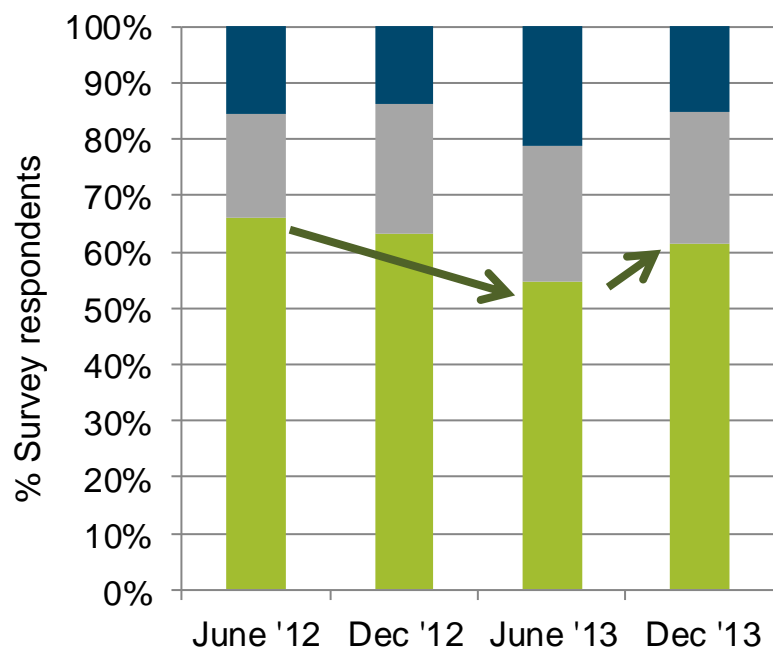
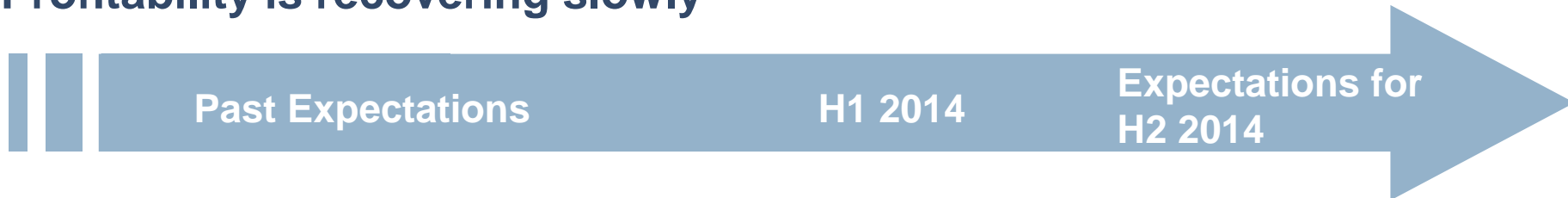
H1 2014/2013
9.5%

-  Over 10%
-  5 to 10%
-  0 to 5%
-  -5 to 0%
-  -10 to -5%
-  Under - 10%

 Members not reporting & non-members

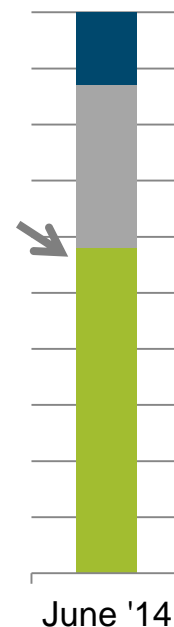


Profitability is recovering slowly



	Q1 2014	Q2 2014
Pre-tax profit (% change*)	16.0%	15.1%
Profitability ratio %	32.7%	33.3%

58% of respondents expect ↑ profit

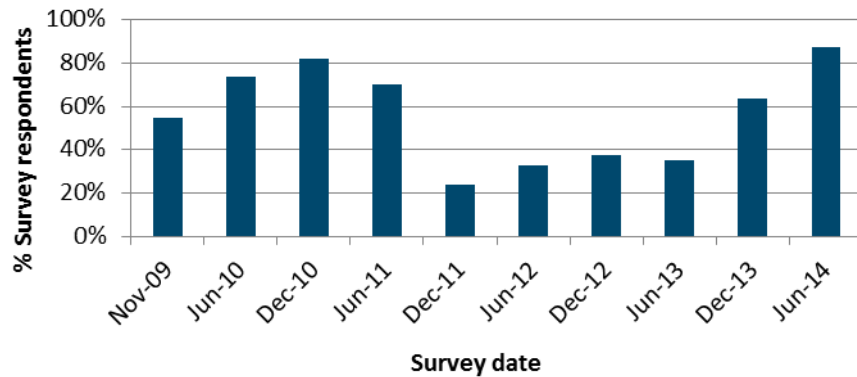


Survey date Decrease No change Increase

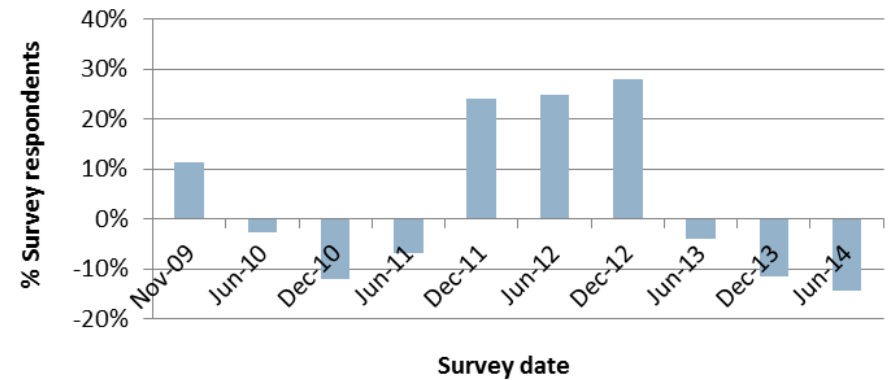
*% change period on same period a year ago
 Source: Business Confidence Survey, June 2014; Leaseurope Index Q2 2014

Balance of expectations for business over next six months

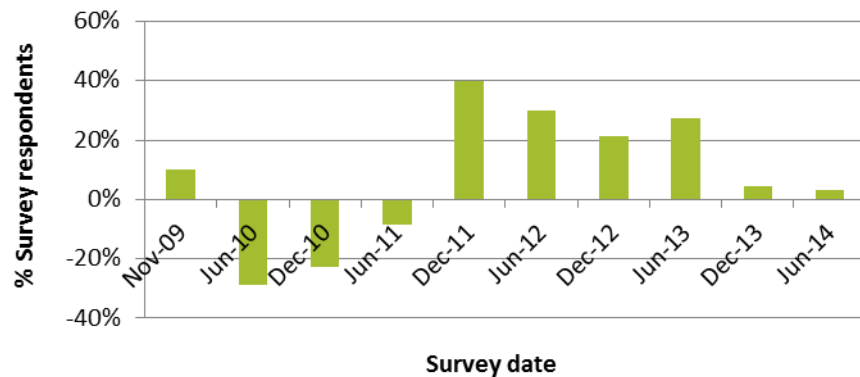
New Business Volumes



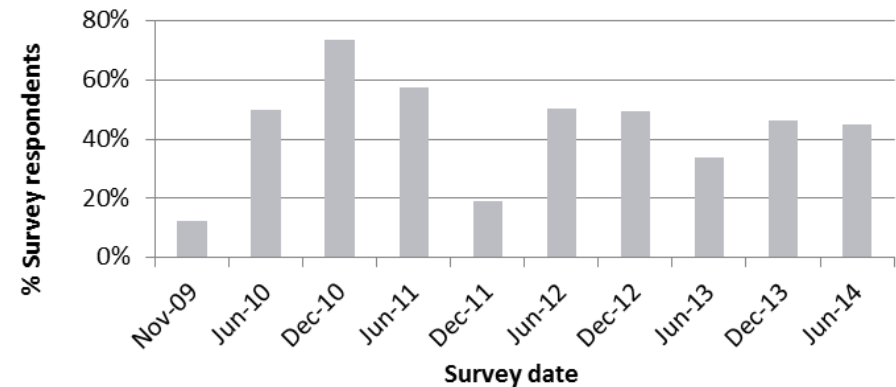
Margins



Bad Debt



Net Profit



Balance between respondents expressing positive and negative opinions of the outlook over the next six months

Source: Leaseurope/Invigors Business Confidence Survey June 2014

The European market is one of the largest leasing markets in the world. Leasing plays a central role at the heart of the real economy.

Future trends

- ✓ Develop services and solutions (mobility...)
- ✓ Finance new markets (cloud, third platform, new energy...)
- ✓ Foster innovation (big data...)
- ✓ Asset focus and specialisation (new energy...)
- ✓ Support customers and vendors globally

Looking ahead, the European leasing industry must be at the forefront of innovative financing solutions in order to take advantage of the shift from “ownership” to “usage”



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