

FOR IMMEDIATE RELEASE

LEASEUROPE INDEX LATEST RESULTS: Q1 2012

Brussels, 30 May 2012 – The Leaseurope Index is a unique survey that tracks key performance indicators of a sample of 17 European lessors on a quarterly basis. This Q1 2012 is the fifth edition of this survey.

The results of the Q1 2012 Index show that all three key ratios (profitability, cost/income and cost of risk) have recovered after deteriorating in Q4 2011, although the individual indicators for the first quarter of 2012 have worsened slightly in relation to the same period last year (Q1 2011). Total new leasing volumes reported by the sample of firms was just under €16 billion, the lowest level of new business recorded since the start of this survey. This most likely reflects customers' decisions to postpone investment spending decisions in light of current uncertainties.

While total pre-tax profit of the companies in the sample decreased by 9% for Q1 2012 in comparison to Q1 2011, there was a significant improvement on Q4 2011, with figures almost doubling (see table 1). Similarly, although the average profitability ratio was down slightly from 37% in Q1 2011 to 34% in Q1 2012, the latest results represent a clear and significant increase over the Q4 2011 figure of 14% (see table 3). The average profitability ratio for the last quarter of 2011 was severely impacted by the very poor performance of a small number of companies within the sample but the situation has now stabilised in Q1 and individual results are more evenly spread (see quartiles in table 4).

Compared to the same period a year ago, operating income decreased slightly (-0.8%), while operating expenses increased (0.4%). Nevertheless, there was a substantial improvement of the average cost/income ratio in Q1 2012 in comparison to the peak attained in Q4 2011 (46% in Q1 2012 vs. 53% in Q4 2011) and cost/income is now back to the low levels of the first part of 2011.

Similarly, the average annualised cost of risk underwent a major improvement in Q1 compared to the end of last year and reached 0.7% (1.0% in Q4 2011)

Didier Chappet, CEO of BNP Paribas Leasing Solutions, commented that, *“Some of the firms in the Leaseurope Index sample went through a rough fourth quarter in 2011. It is therefore very positive that the industry’s average KPIs have improved in the first quarter of this year, in spite of the highly uncertain economic environment we are all experiencing and which is reflected in the level of new business reported in the survey. In particular, I’m glad to see that industry profitability is back up and above the average for 2011 and it is encouraging that both cost/income and cost of risk levels are under control after the Q4 2011 spike. Indeed, it is crucial that we maintain this path as the near-term outlook for equipment investment in the EU and in the Eurozone in particular remain weak.*

In these turbulent times, I find that it is important to recall that our industry has continued to outpace total equipment investment growth in Europe and remains uniquely positioned to enable business investment.”

Table 1: Aggregate Data, Q1 2011 – Q1 2012¹

| Aggregated data provided by companies (all figures in millions of euro for the relevant period) | 2012 Q1 | | 2011 Q4 | | 2011 Q3 | |
|---|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
| | Sum of values (€ millions) | % change versus Q1 2011 | Sum of values (€ millions) | % change versus Q4 2010 | Sum of values (€ millions) | % change versus Q3 2010 |
| 1. Operating income | 1,993 | -0.8% | 2,024 | -0.8% | 2,040 | 4.3% |
| 2. Operating expenses | 960 | 0.4% | 1,089 | 6.4% | 994 | 4.7% |
| 3. Loan loss provision | 378 | 20.7% | 560 | 8.9% | 355 | -21.7% |
| 4. Pre-Tax Profit | 665 | -9.3% | 359 | -24.4% | 701 | 27.3% |
| 5. Portfolio at end of period | 226,802 | 2.9% | 226,209 | 2.1% | 225,445 | 2.6% |
| 6. New business volumes | 15,982 | -7.1% | 19,292 | -8.8% | 19,028 | 13.0% |

| Aggregated data provided by companies (all figures in millions of euro for the relevant period) | 2011 Q2 | | 2011 Q1 | |
|---|-------------------------------|----------------------------|-------------------------------|----------------------------|
| | Sum of values (€ millions) | % change versus Q2 2010 | Sum of values (€ millions) | % change versus Q1 2010 |
| 1. Operating income | 2,079 | 5.0% | 2,008 | 6.3% |
| 2. Operating expenses | 1,014 | 10.7% | 962 | 6.2% |
| 3. Loan loss provision | 351 | -22.6% | 313 | -35.0% |
| 4. Pre-Tax Profit | 700 | 25.2% | 733 | 49.4% |
| 5. Portfolio at end of period | 224,285 | 1.7% | 220,487 | 0.6% |
| 6. New business volumes | 20,011 | 7.5% | 17,207 | 8.7% |

¹ The figures for Q1-Q3 2011 have been revised slightly since the results were last published due to some re-statements by reporting companies.

Table 2: Aggregate Data, 2009 – 2011 Annual²

| Aggregated data provided by companies (all figures in millions of euro for the relevant period) | 2011 | | 2010 | | 2009 |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Sum of values (€ millions) | % change versus 2010 | Sum of values (€ millions) | % change versus 2009 | Sum of values (€ millions) |
| 1. Operating income | 8,182 | 4.4% | 7,839 | 11.0% | 7,063 |
| 2. Operating expenses | 4,062 | 7.2% | 3,787 | 5.5% | 3,589 |
| 3. Loan loss provision | 1,581 | -16.3% | 1,889 | -14.6% | 2,212 |
| 4. Pre-Tax Profit | 2,550 | 21.2% | 2,104 | 68.8% | 1,247 |
| 5. Portfolio at end of period | 226,844 | 2.4% | 221,475 | 0.7% | 220,010 |
| 6. New business volumes | 75,244 | 4.6% | 71,919 | 1.8% | 70,659 |

Table 3: Weighted Average Ratios³

| Weighted Average Ratios | 2012 | 2011 | | | | |
|--|--------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Average Q1 2012 | Average 2011 full year | Average Q4 2011 | Average Q3 2011 | Average Q2 2011 | Average Q1 2011 |
| Profitability (%) - average of all companies' pre-tax profit as a % of total operating income | 34.3% | 29.9% | 14.4% | 33.9% | 33.8% | 37.0% |
| Cost/Income (%) - average of all companies' operating expenses as a % of operating income | 46.2% | 47.1% | 52.7% | 45.5% | 45.5% | 45.3% |
| Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period | 0.7% | 0.7% | 1.0% | 0.6% | 0.6% | 0.6% |

* denotes that the quarterly loan loss provision figure has been annualised for the cost of risk ratio for individual quarters.

² The aggregate annual data are shown here as reported in the Q4 2011 survey.

³ Leaseurope calculates weighted average ratios based on the data provided by participating companies. The profitability and cost/income ratios are weighted by new business volumes over the relevant period. For example, each company's individual profitability ratio is weighted by its new business over the period Q1 2012 to arrive at the weighted average ratio of 34.3% shown in the table for Q1 2012. The cost of risk ratio is weighted by the average portfolio over the relevant period.

Fig 1: Growth Rates of Financial Indicators, 2011 – Q1 2012⁴

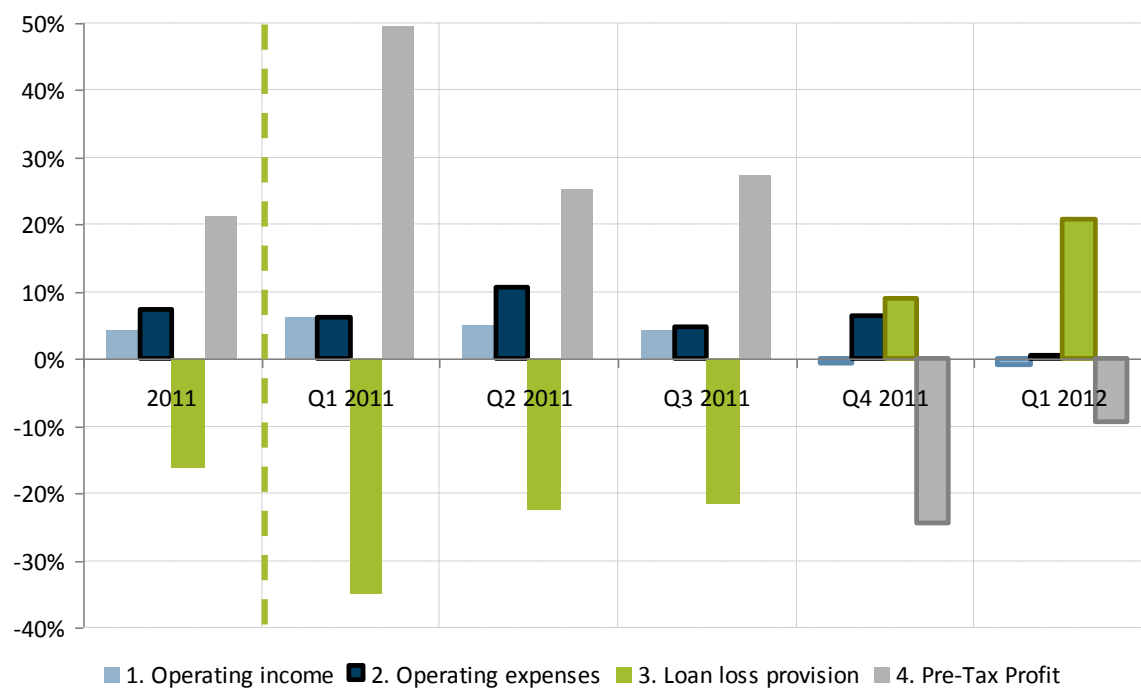
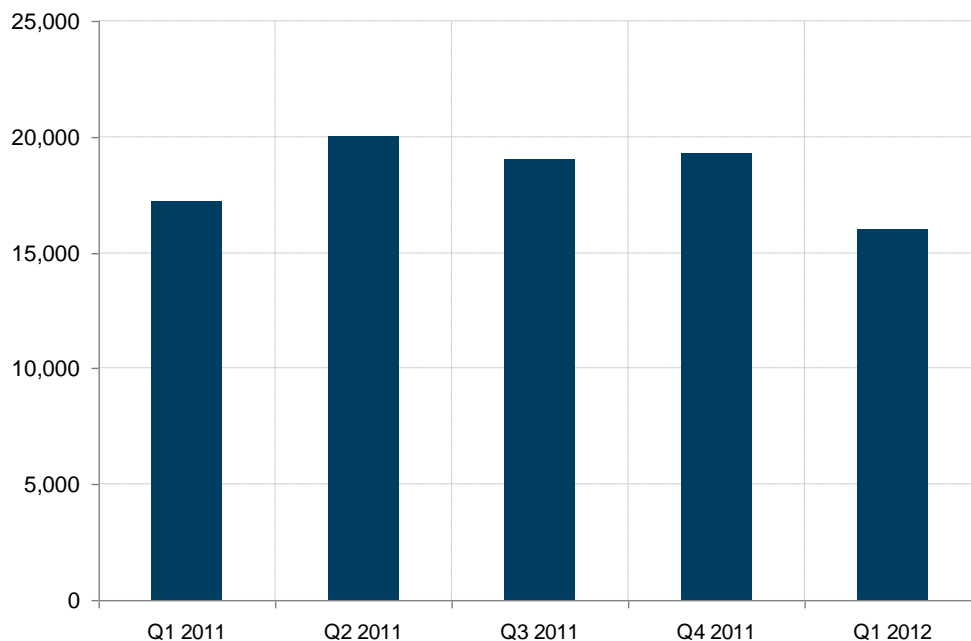


Fig. 2: New Business Volumes, Q1 2011 – Q1 2012



⁴ A thick border around an individual bar in the chart is illustrative of a negative development in the indicator

Fig. 3: Profitability Ratio, 2011 – Q1 2012

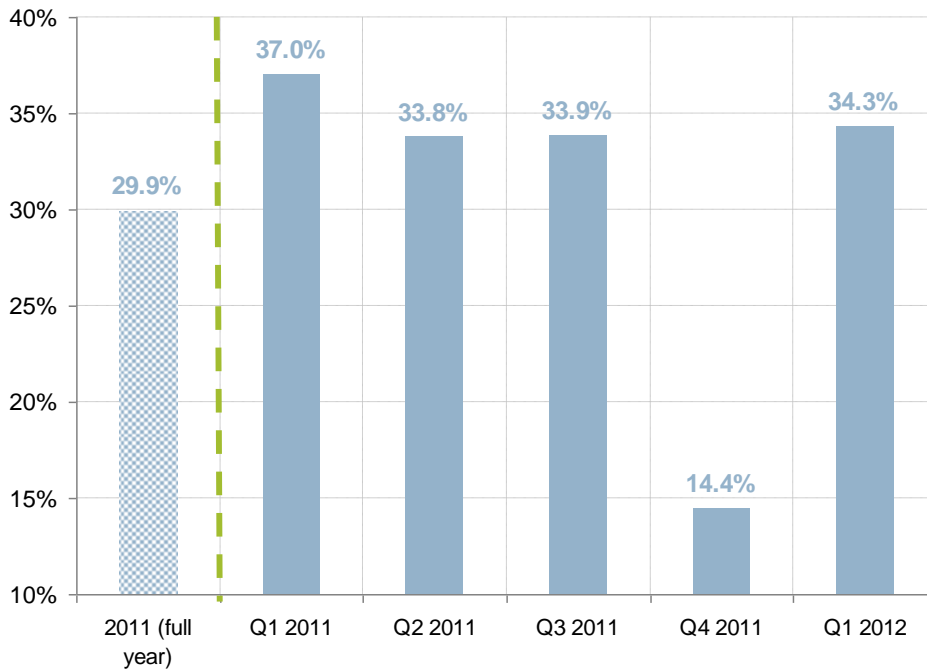


Fig. 4: Cost / Income Ratio, 2011 – Q1 2012

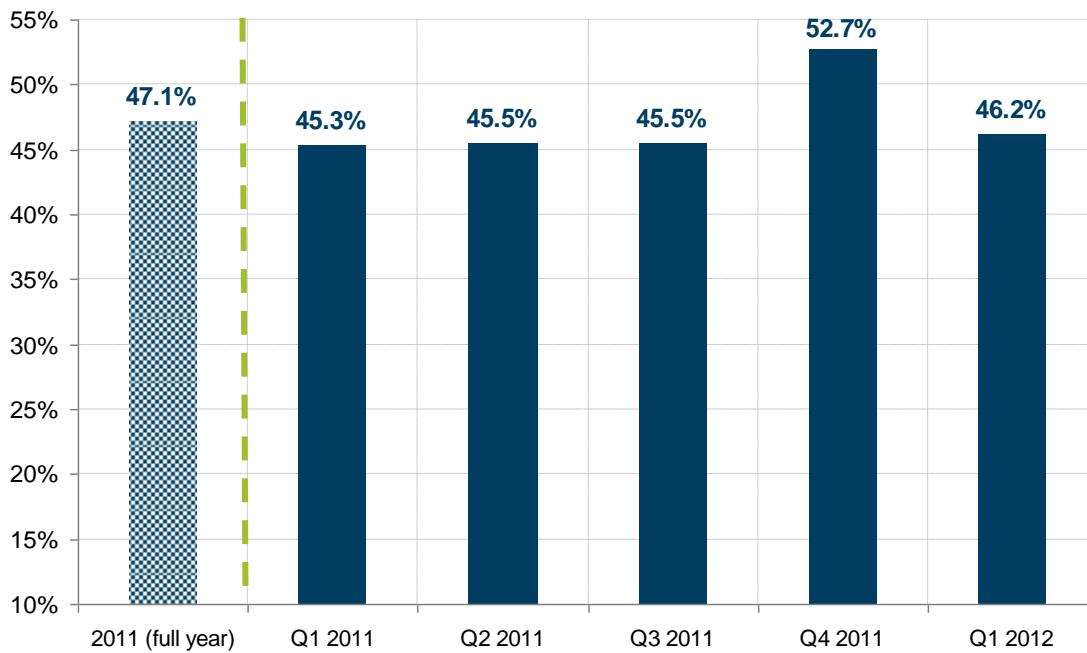


Fig. 5: Cost of Risk Ratio, 2011 – Q1 2012

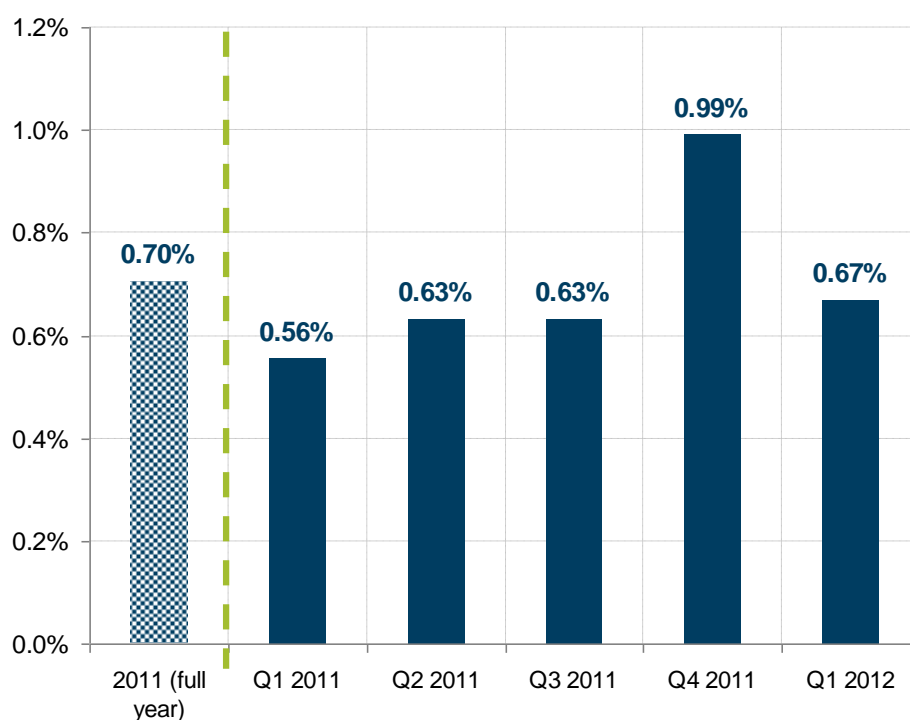


Table 4: Quartiles⁵ for Ratios in Q4 2011 and Q1 2012

| | Quartiles Q1 2012 | | | Quartiles Q4 2011 | | |
|---|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| | Profitability Ratio | Cost / Income Ratio | Cost of Risk Ratio | Profitability Ratio | Cost / Income Ratio | Cost of Risk Ratio |
| Minimum | -29.6% | 23.2% | 0.13% | -96.9% | 20.1% | 0.20% |
| Quartile 1 (25%) | 14.4% | 38.1% | 0.31% | 5.6% | 37.5% | 0.35% |
| Quartile 2 (50%) i.e. median | 38.1% | 41.2% | 0.53% | 20.0% | 54.0% | 0.76% |
| Quartile 3 (75%) | 44.7% | 52.0% | 0.88% | 27.9% | 61.1% | 1.53% |
| Maximum | 63.9% | 67.0% | 3.95% | 55.0% | 82.7% | 3.23% |
| Weighted Average | 34.3% | 46.2% | 0.67% | 14.4% | 52.7% | 0.99% |

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⁵ Quartiles show the value of the boundary at the 25th, 50th, or 75th percentiles of a frequency distribution divided into four parts, each containing a quarter of the values in the dataset. In the table, Quartile 3 (75th percentile or upper quartile) identifies the 3/4 of the population members that have a value below this quartile figure. The median value shows the middle value of the 17 observations in the data set. The median is not influenced by outliers at either end of the dataset and can therefore be a useful metric of the ratio of the “typical” company in the sample.

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About Leaseurope

As a Federation, Leaseurope brings together 45 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 93% of the European leasing market.

About the Leaseurope Index

Who conducts this survey?

Leaseurope conducts this survey. Individual companies report their figures for each indicator to Leaseurope, which aggregates the results on a confidential basis.

What is the purpose of this survey?

The purpose of the Leaseurope Index is to provide timely and regular information on the European leasing and automotive rental market. This is the only survey to report statistics on both volume of business and value creation metrics at European level.

What indicators are covered by the Leaseurope Index?

The survey tracks operating income, operating expenditure, loan loss provision, pre-tax profit, portfolio of leased assets and new business volumes for each quarter.

Definitions:

- 1) **Total operating income:** Net interest income + net fee and commission income + net insurance result + trading profit + other net income (including rental income net of depreciation on operating leases and profit on sales of assets linked to leasing activities)
- 2) **Total operating expenses:** includes inter alia staff costs, other administrative expenses, depreciation and amortisation
- 3) **Loan loss provision:** Net loan loss provision - write offs + recoveries over the period (including write-offs/recoveries of assets)
- 4) **Pre-tax profit:** Total operating income – costs – provisions
- 5) **Portfolio at end of period:** Total portfolio of leased assets including outstanding loans to customers and assets on operating lease at the end of each period (non-performing loans are included). The figures reflect the depreciated value of assets at the end of the period.
- 6) **New business volumes:** Total value of new contracts approved & signed by both sides (lessor and lessee) during the period during the reporting period, excluding VAT and finance charges

Based on the data provided in millions of euro by each company, Leaseurope calculates weighted average ratios, defined as follows:

Profitability ratio: weighted average of all companies' pre-tax profit as a % of total operating income. The weight used is the new business volume for the relevant period.

Cost / Income ratio: weighted average of all companies' operating expenses as a % of operating income. The weight used is the new business volume for the relevant period.

Cost of risk ratio: weighted average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period. The weight used is the average portfolio over the period. Average portfolio is calculated as the mean of the value of the portfolio of leased assets at the beginning and end of each period.

Which companies take part in the survey?

17 companies participate on a voluntary basis: ABN AMRO Lease, ALD Automotive, Arval, Banca Agrileasing, BNP Paribas Leasing Solutions, Caterpillar S.A.R.L., Credit Agricole Leasing & Factoring, De Lage Landen, DnB NOR Finans, ING Lease, Leaseplan, Leasint, Nordea Finance, UniCredit Leasing, Société Générale Equipment Finance, UBI Leasing, Xerox Financial Services Europe

This sample is broadly representative of the European market in terms of geographic coverage and asset coverage. The sample represents a significant share of the total European leasing market. Please see the Leaseurope **2011 Ranking survey** for more information about European leasing companies.

How should the survey results be interpreted?

The survey tracks trends in key performance indicators at European level. The results are only presented in aggregate and no inferences can be made about any individual company's performance based on this aggregate data.

Extreme care should be taken in comparing individual company performance with the Leaseurope Index, which spans a sample of lessors active in different market segments. For example, the sample includes general leasing companies, automotive lessors, captive equipment vendors etc. The companies in the sample are also active in different geographic markets.

For this survey, Leaseurope aggregates self-declared information. While the Leaseurope Secretariat monitors the plausibility of the data, this is not audited data. As such, the Leaseurope Index should only be used for indicative purposes and care should be taken in interpreting the results. Although the sample is broadly representative, care should be taken in making inferences about market trends for the industry as a whole.

What is the geographic scope of this survey?

Consolidated figures are reported for the entire European activities of the participating companies. Europe is defined in the widest sense as EU27 + EFTA + other countries e.g. Turkey, Ukraine, Russia, Serbia, Croatia etc. Each company reports figures in euro regardless of which countries they operate in or which currencies they report in.

What is meant by "leasing"?

The term "leasing" is used in its broadest sense, covering hire purchase, finance and operating leasing which includes long term rental. Leasing is defined according to International Financial Reporting Standards (IAS17).

When will the next Leaseurope Index results be released?

The survey is conducted on a quarterly basis. For future editions of this survey, Leaseurope aims to publish the results on the **Leaseurope Index website** within six weeks of the close of quarter.

Disclaimer

Please note that the information contained in the Leaseurope Index is of a general nature. Nobody should act upon such information without first seeking appropriate professional advice and after a thorough examination of a particular situation. Neither Leaseurope nor participating companies can be held responsible or liable for any losses or damages of any kind arising out of or in connection with the use of the information contained in the Leaseurope Index.