

PRESS RELEASE

FOR IMMEDIATE RELEASE

NEW LEASEUROPE INDEX SEGMENT SURVEY: 2011 RESULTS

Brussels, 29 November 2012 – The Leaseurope Index is a unique survey that tracks key performance indicators of a sample of 17 European lessors on a quarterly basis. The Segment Survey is an annual supplement to the quarterly Index, reporting on the financial ratios broken down by four asset types; equipment, real estate, passenger cars and commercial vehicles. This 2011 survey is the first edition of the project.

Both weighted average ratios and median ratios are reported in order to provide a clearer view of the trends. The weighted average ratios are useful as they take into account the size of the firms, so that bigger firms contribute more to the final value than smaller firms, but they can be heavily influenced by extremely positive or negative values (outliers). The median ratio reports the value of the mid-point or 'typical' firm and therefore is not influenced by these outliers. However, it does not take into account the firm size. Taking into account both of these ratios should give a better picture of the market trends.

Please note that the results of the Segment Survey may not be directly comparable to the Leaseurope Index Quarterly Survey. Various assets that are included in the Quarterly Survey results and which do not fit into one of the four categories used in the Segment Survey, such as renewable energy or big ticket assets, may not be taken into account in the Segment Survey results. Various costs and incomes related to international co-ordination of the business may also not be included, as they can be difficult to allocate to different asset types. In some cases the company figures for each asset type are estimates. For instance, if financial indicators split by assets include a variety of products, then the portion attributable to leasing needed to be estimated. Equally, if asset splits were only available for the total automotive portfolio, then the split by passenger cars and heavy commercial vehicles had to be estimated in some cases.

2011 SEGMENT RESULTS

The following paragraphs provide a brief overview of the results of the survey, focusing on the median values of the indicators. The results of the 2011 Segment Survey show improvements between 2010 and 2011, but a deterioration across all indicators towards the end of 2011. However, results differed across the various asset categories. Of the total outstanding portfolio reported, 41% is attributed to equipment, 30% to real estate, 22% to passenger cars and 7% to commercial vehicles.

Profitability

All asset categories saw improvements in profitability between 2010 and 2011, with the exception of real estate. Equipment leasing saw profitability ratios exceeding 30% for the first three quarters of 2011, and passenger cars experienced slightly higher figures nearing 40%. However, both these asset categories suffered significant drops in profitability in the fourth quarter, especially equipment leasing which fell below 20%. Real estate saw a lot of volatility in profitability over the course of 2011, whereas commercial vehicles was the only asset class to enjoy an increase in profitability in the last quarter of the year.

Cost/income

Passenger cars was the only category to see a decrease in the cost/income ratio between 2010 and 2011. Cost/income remained fairly stable over 2011 for real estate (around 35%) and passenger cars (around 50%), although both saw slight increases in the fourth quarter. Equipment and commercial vehicle leasing both experienced significant cost/income escalation over 2011, reaching almost the same levels as passenger cars by the end of the year.

Cost of risk

All asset types saw decreases in cost of risk between 2010 and 2011. Real estate leasing enjoyed the lowest levels of cost of risk, fluctuating during 2011 between 0.3% and 0.4%. All other assets saw an escalation in cost of risk towards the end of 2011, with equipment leasing experiencing the highest levels and the highest increase in the fourth quarter.

Return on assets

With the exception of real estate, all asset categories saw an increase in return on assets between 2010 and 2011, with yearly averages in 2011 reaching the same level across all three assets. Return on real estate assets remained the lowest during 2011, reaching all-time lows of less than 0.2% in the fourth quarter. While the automotive market saw declining asset returns over the course of 2011, equipment suffered the largest drop, falling to under 0.7%.

Please refer to the attached tables and graphs for more detailed information.

We would like to take this opportunity to thank the participating companies for all the hard work that went into collecting these figures for the first time. Your efforts are much appreciated.

Table 1: Weighted Average Ratios¹ - Equipment

Weighted Average Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	28.8%	13.9%	30.6%	35.4%	34.2%	21.2%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	46.3%	50.5%	43.8%	45.8%	45.8%	45.0%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.8%	1.2%	0.8%	0.6%	0.7%	1.2%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	1.0%	0.5%	1.1%	1.2%	1.1%	0.7%

Table 2: Weighted Average Ratios - Real Estate

Weighted Average Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	22.4%	-12.9%	37.0%	25.7%	34.1%	26.3%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	37.8%	48.9%	33.6%	34.8%	37.0%	36.7%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.6%	0.9%	0.4%	0.5%	0.4%	0.5%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	0.3%	-0.1%	0.5%	0.3%	0.5%	0.4%

* denotes that the quarterly numerator (either loan loss provision or net profit) has been annualised in order to calculate the relevant ratio for each individual quarter.

¹ 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 quarter to arrive at the weighted average ratio shown in the table. The cost of risk, RoA and RoE ratios are weighted by the average portfolio over the relevant period.

Table 3: Weighted Average Ratios – Passenger Cars & LCVs

Weighted Average Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	37.0%	30.3%	7.5%	39.8%	40.5%	37.0%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	53.8%	59.9%	67.9%	51.0%	51.3%	54.5%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.4%	0.5%	0.3%	0.3%	0.3%	0.4%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	2.1%	1.6%	2.1%	2.4%	2.5%	1.9%

Table 4: Weighted Average Ratios – Commercial Vehicles

Weighted Average Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	56.6%	53.9%	63.1%	49.1%	49.3%	40.8%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	37.5%	43.3%	38.3%	35.5%	33.2%	38.7%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.5%	0.6%	0.4%	0.4%	0.5%	0.7%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	1.5%	1.4%	1.5%	1.7%	1.6%	1.1%

* denotes that the quarterly numerator (either loan loss provision or net profit) has been annualised in order to calculate the relevant ratio for each individual quarter.

Table 5: Median Ratios² - Equipment

Median Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	33.3%	17.5%	31.9%	35.4%	32.2%	27.3%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	40.5%	47.5%	39.3%	39.2%	34.6%	39.2%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.8%	1.2%	0.8%	0.7%	0.7%	1.0%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	1.1%	0.7%	1.1%	1.1%	1.2%	1.0%

Table 6: Median Ratios - Real Estate

Median Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	34.9%	16.4%	52.0%	29.6%	43.9%	39.5%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	39.1%	37.2%	34.0%	38.3%	35.6%	34.8%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.4%	0.4%	0.3%	0.4%	0.3%	0.4%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	0.3%	0.1%	0.5%	0.5%	0.6%	0.5%

* denotes that the quarterly numerator (either loan loss provision or net profit) has been annualised in order to calculate the relevant ratio for each individual quarter.

² The median ratio shows the value at which half of the companies lie below this value and half lie above this value. It represents the 'typical' firm in the sample and is not as heavily influenced by outliers (extreme results) as the weighted average.

Table 7: Median Ratios – Passenger Cars & LCVs

Median Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	34.9%	30.4%	37.8%	34.6%	37.0%	27.8%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	45.6%	50.1%	48.1%	49.6%	48.8%	46.6%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.5%	0.6%	0.4%	0.5%	0.4%	0.6%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	1.1%	1.0%	1.1%	1.2%	0.9%	0.8%

Table 8: Median Ratios – Commercial Vehicles

Median Ratios	2011					2010
	Average 2011 full year	Average Q4 2011	Average Q3 2011	Average Q2 2011	Average Q1 2011	Average 2010 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	35.6%	36.0%	38.8%	50.0%	37.5%	31.6%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	44.8%	48.3%	39.6%	34.4%	38.0%	41.9%
Cost of Risk (%)* - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.4%	0.4%	0.3%	0.3%	0.6%	0.6%
Return on Assets (%)* - average of all companies' net profit before tax (annualised) as a percentage of average portfolio over the period	1.0%	1.0%	1.3%	1.4%	1.2%	0.9%

* denotes that the quarterly numerator (either loan loss provision or net profit) has been annualised in order to calculate the relevant ratio for each individual quarter.

Fig 1: Median Profitability Ratio by asset type, 2011

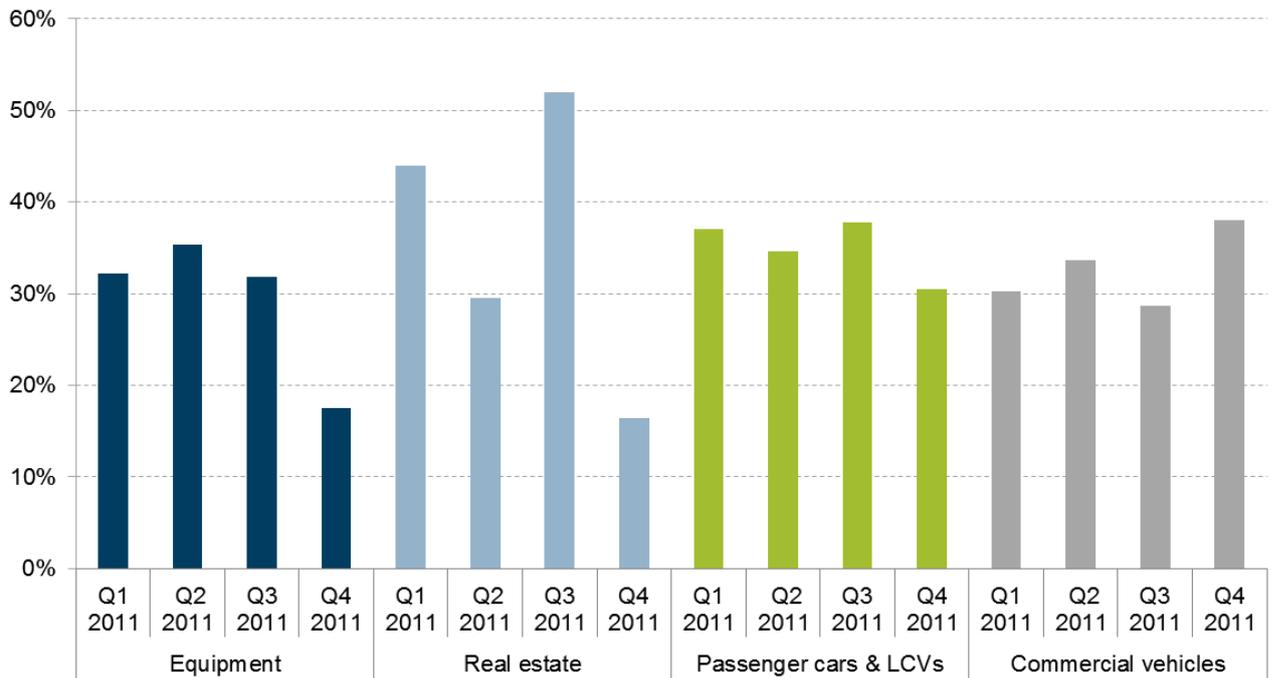


Fig. 2: Median Cost/Income Ratio by asset type, 2011

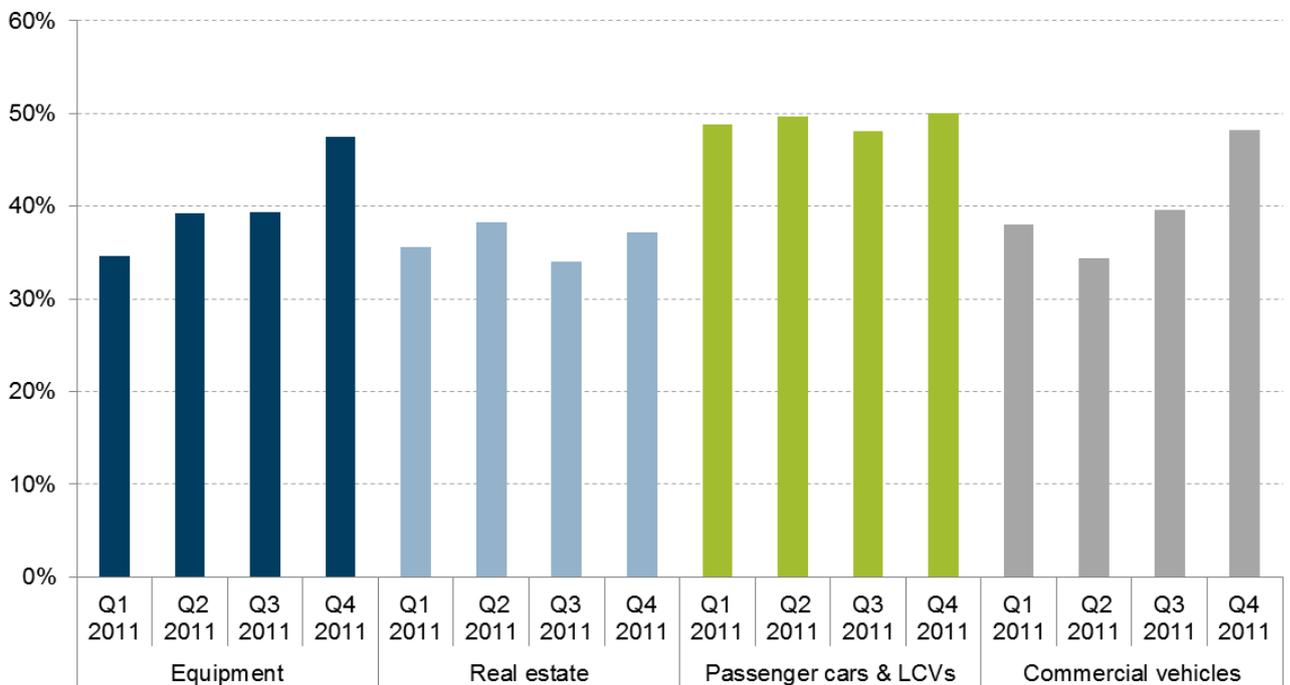


Fig. 3: Median Cost of Risk Ratio by asset type, 2011

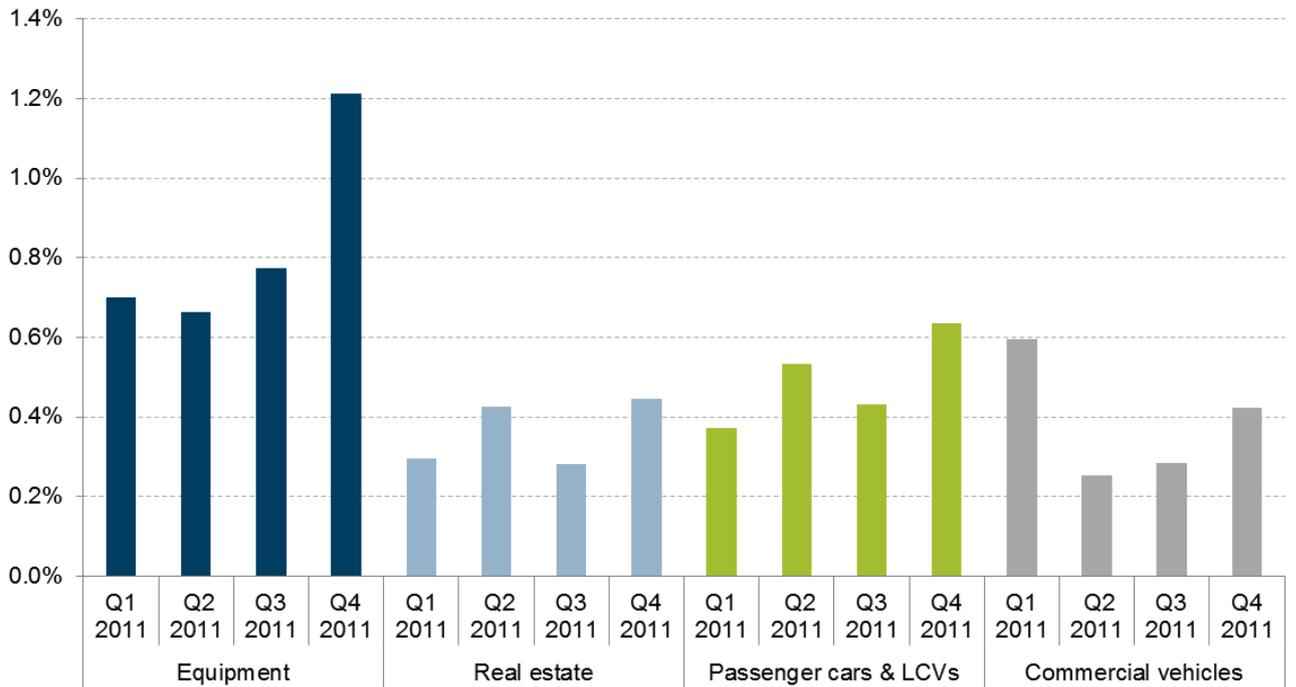


Fig. 4: Median Return on Assets Ratio by asset type, 2011

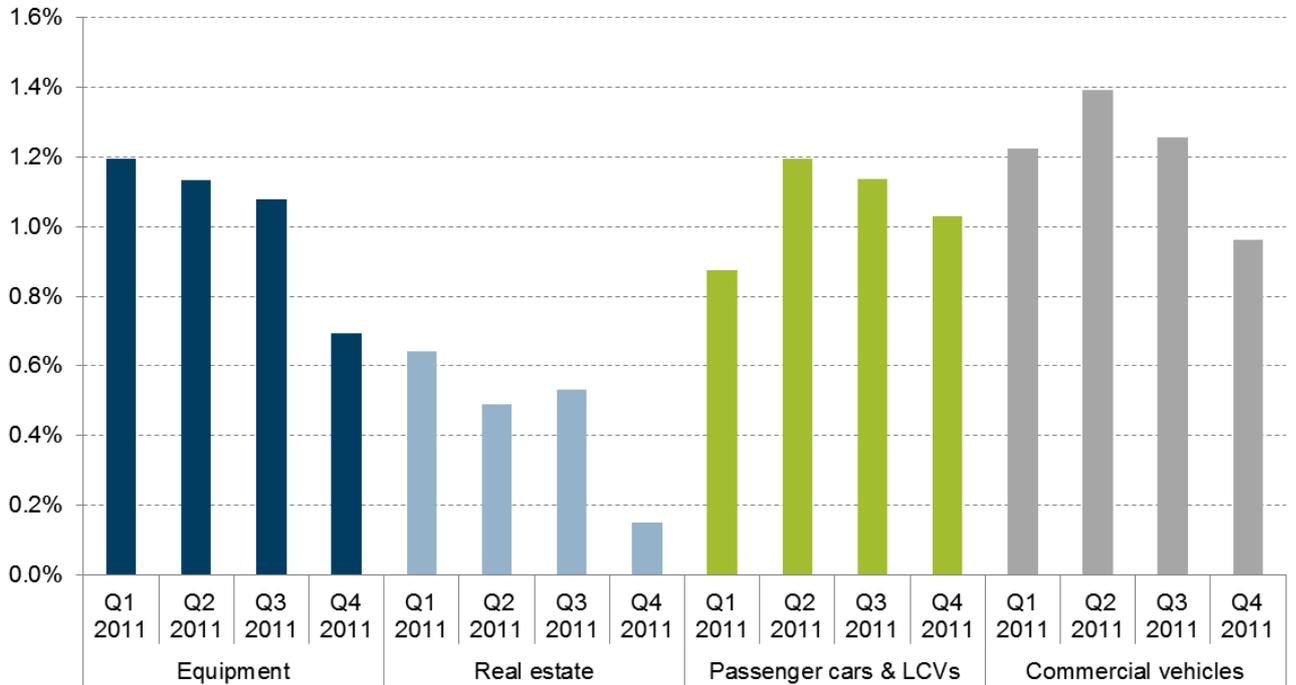


Fig 5: Median Profitability Ratio by asset type, 2011 vs 2010

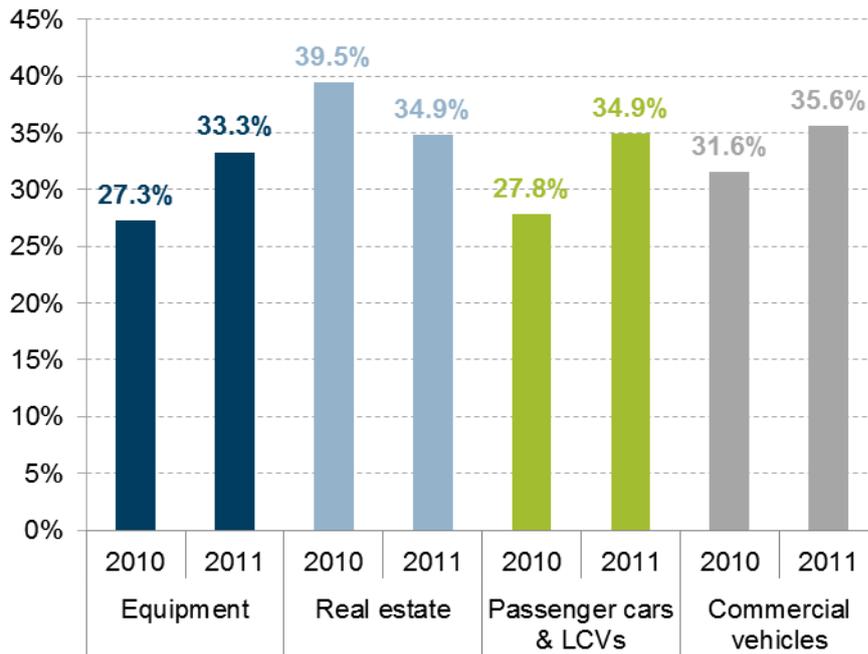


Fig. 6: Median Cost/Income Ratio by asset type, 2011 vs 2010

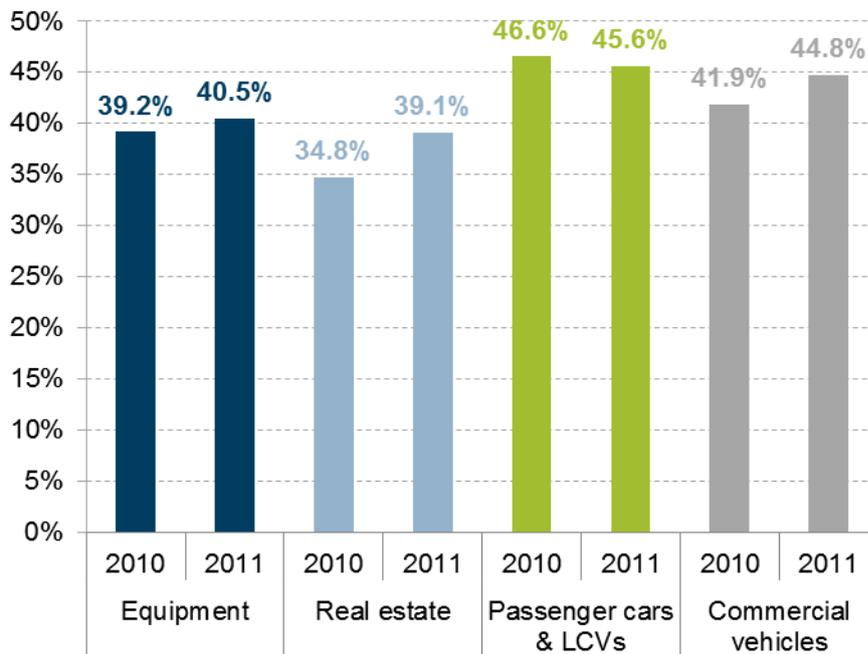


Fig. 7: Median Cost of Risk Ratio by asset type, 2011 vs 2010

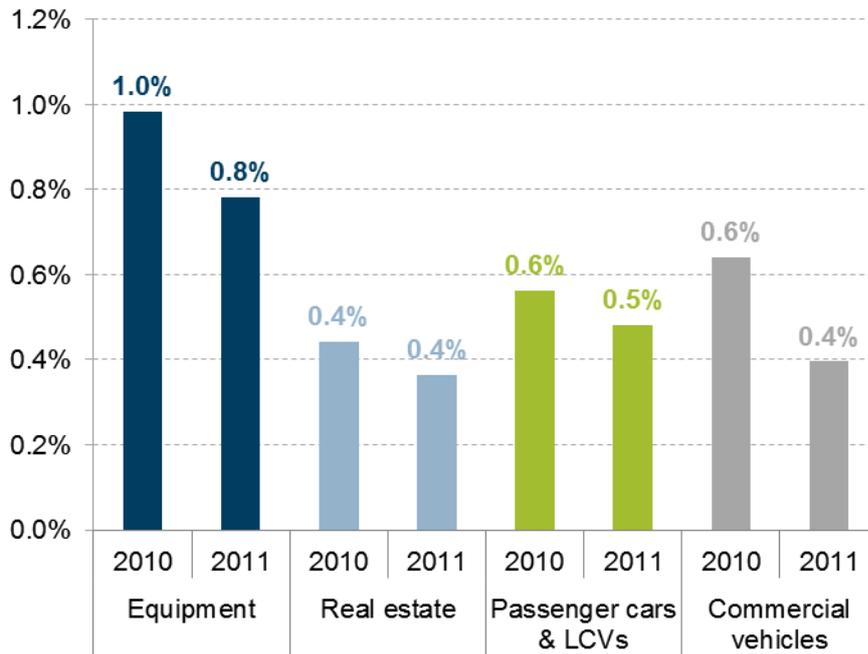
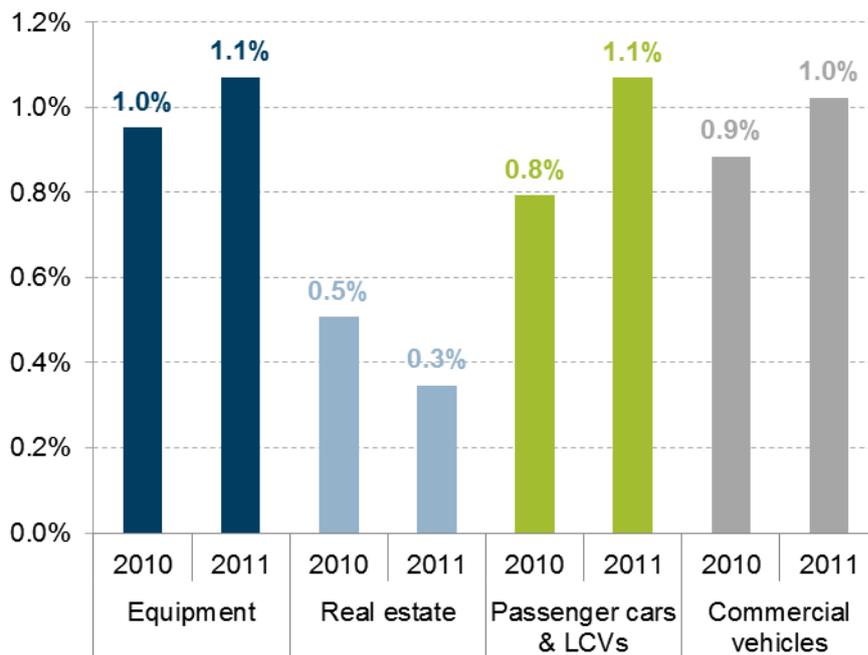


Fig. 8: Median Return on Assets Ratio by asset type, 2011 vs 2010



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Media Contact

For further information, please contact:

Anne Valette
Head of Communications
+32 2 778 05 65
a.valette@leaseurope.org

Hayley McEwen
Adviser in Statistics and Economic Affairs
+32 2 2778 05 71
h.mcewen@leaseurope.org

About Leaseurope

As a Federation, Leaseurope brings together 44 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 92% 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.

Return on assets ratio: weighted average of all companies' net profit (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 geographic markets and sectors, and using various distribution channels.

Please note that the results of the Segment Survey may not be directly comparable to the Leaseurope Index Quarterly Survey. Various assets that are included in the Quarterly Survey results and which do not fit into one of the four categories used in the Segment Survey, such as renewable energy or big ticket assets, may not be taken into account in the Segment Survey results. Various costs and incomes related to international co-ordination of the business may also not be included, as they can be difficult to allocate to different asset types. In some cases the company figures for each asset type are estimates. For instance, if financial indicators split by assets include a variety of products, then the portion attributable to leasing needed to be estimated. Equally, if asset splits were only available for the total automotive portfolio, then the split by passenger cars and heavy commercial vehicles had to be estimated in some cases.

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 Segment results be released?

The segment survey is conducted on an annual basis. For future editions of this survey, Leaseurope aims to publish the results on the **Leaseurope Index website** during April each year.

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.