



# Item 5

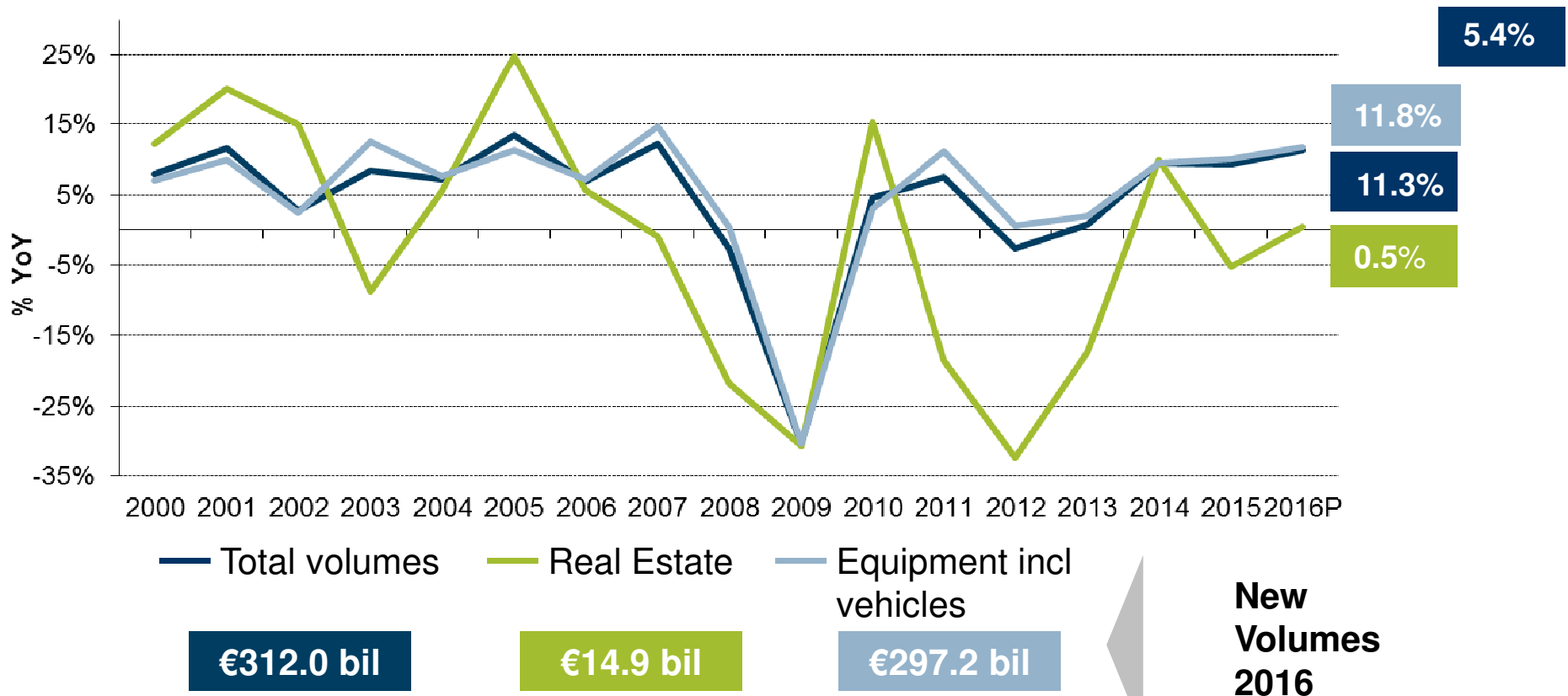
## The European Leasing Market

Board Meeting | Brussels | 29 March 2017

- Topics for the agenda item
  - 2016 Preliminary Survey results
  - Leaseurope Index Q4 2016 results
  - Data Entry System

## European leasing market - new volume growth (% YoY)

**Total outstandings:  
(2015 vs 2016)**



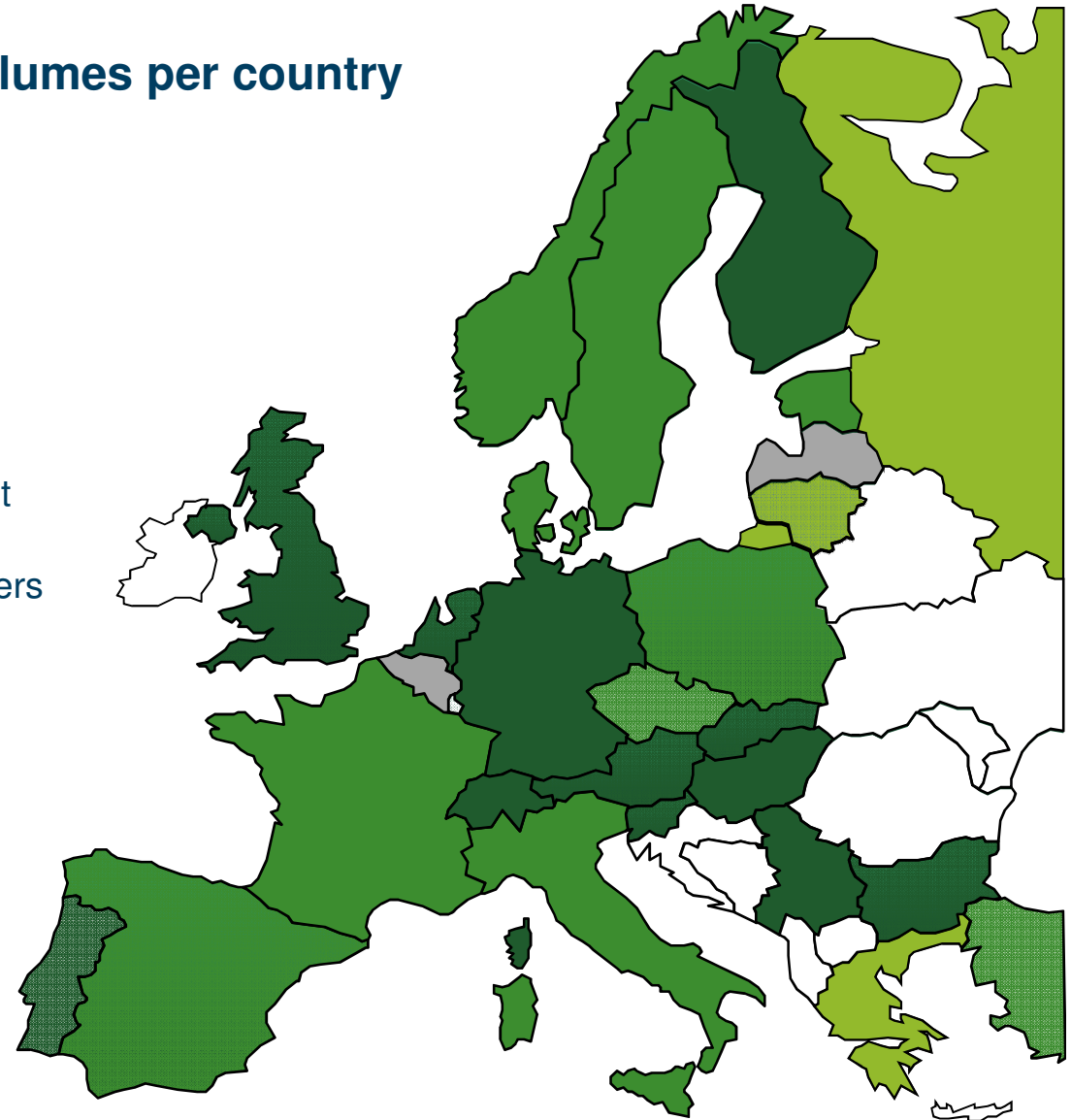
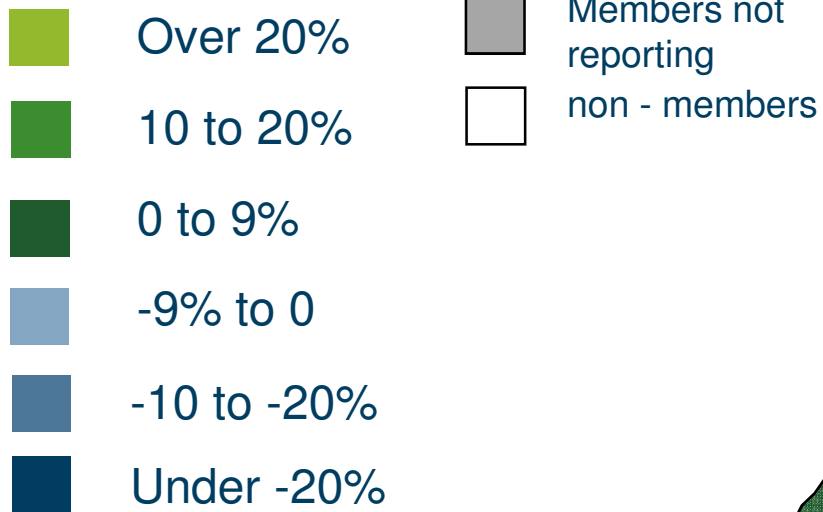
Growth rates are calculated based on a homogenous sample of members reporting from year to year & are adjusted for exchange rate fluctuations 2007 onwards

Source: Leaseurope Annual Surveys & Leaseurope Preliminary Survey 2016

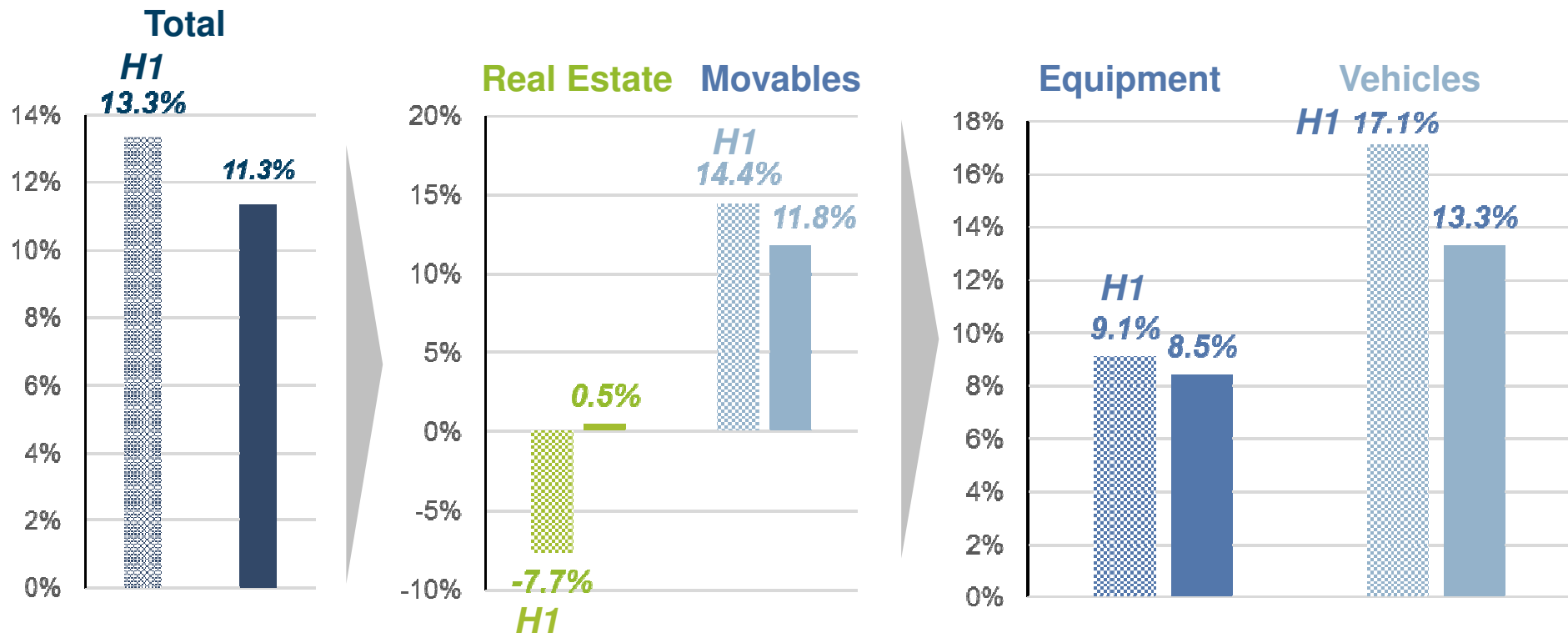
Excludes BE, LV, UA

## Annual growth of new leasing volumes per country

2016/2015  
11.3%



**New lease volumes per asset type – % period on period  
(H1 2016/ H1 2015; 2016/2015 preliminary)**

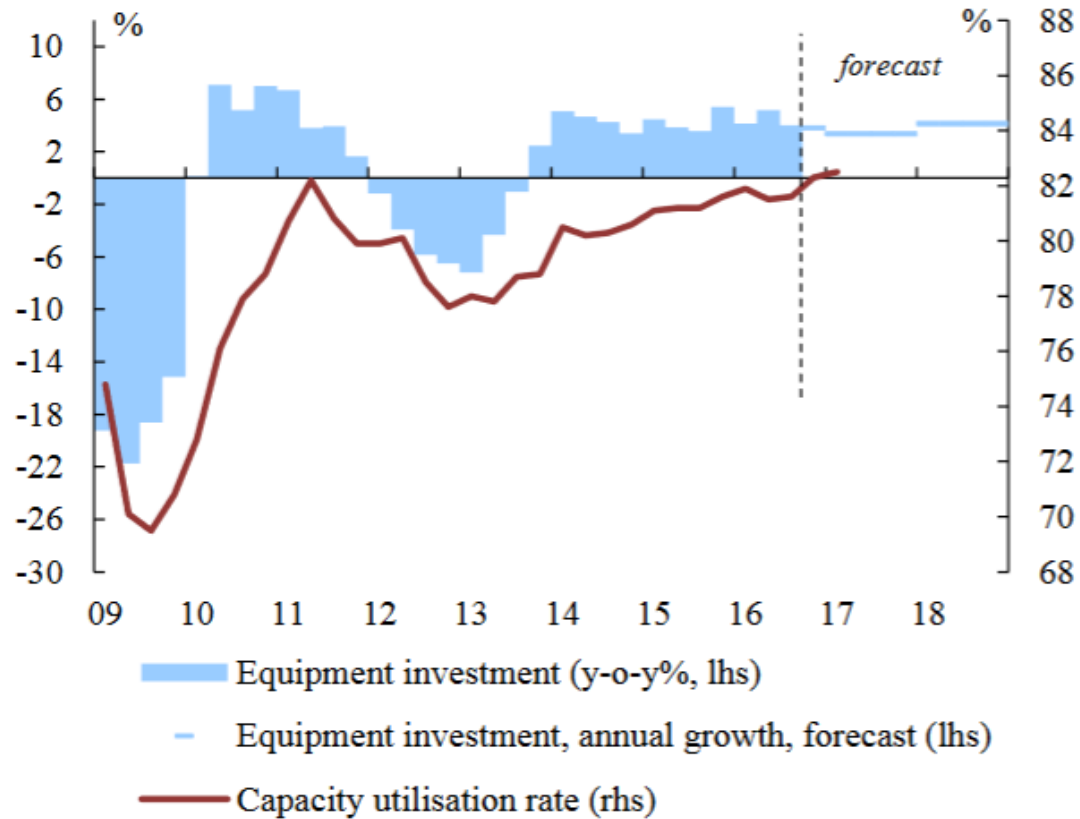


Growth rates are calculated based on a homogenous sample of members reporting from year to year & are adjusted for exchange rate fluctuations  
 Source: 2015 Biannual Survey based on 32 members reporting, 2015 Preliminary Survey based on 30 members reporting

## European Commission expects equipment investment to increase in 2017 and 2018

Graph I.30: Equipment investment and capacity utilisation, euro area

*In 2015, equipment investment grew 4.7% vs. 2014*



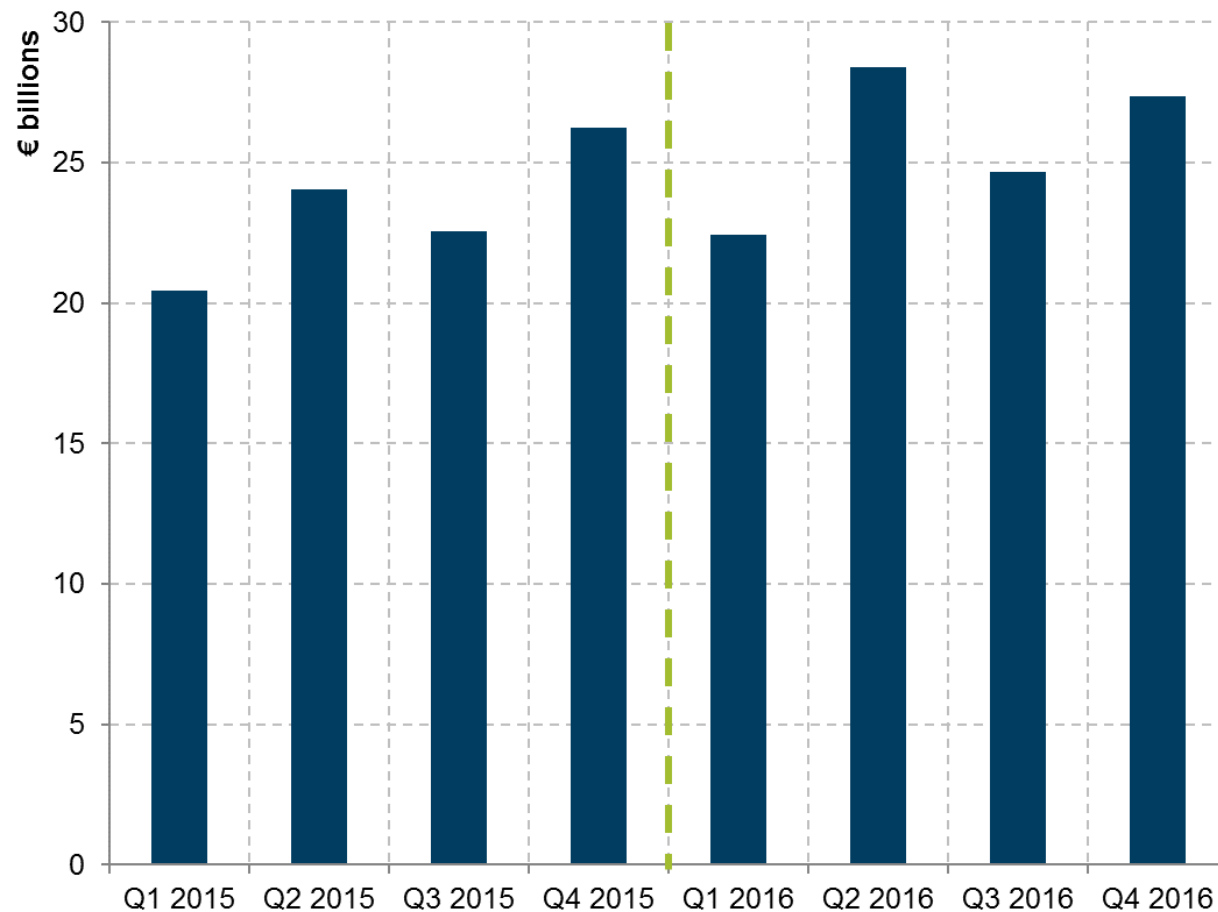
*In 2016, equipment investment grew 3.3%, while in 2017, it is forecast to grow 3.4%*

**Leas**  LEASEUROPE  
INDEX

Survey of European leasing and rental firms

- The Leaseurope Index has been running since May 2011 and is now on its twenty-fourth edition
- This is the first and only European level survey to report both volume and value creation metrics
- Currently 23 participating leasing companies
- The Index now has a quarterly time series database from 2010 to 2016.
- Press releases for each quarter include a short commentary on the results from the CEO of a participating company (on a rotating basis)
- Since 2012, the Segment Survey has been an annual supplement to the regular quarterly survey which breaks down the KPIs by four asset categories

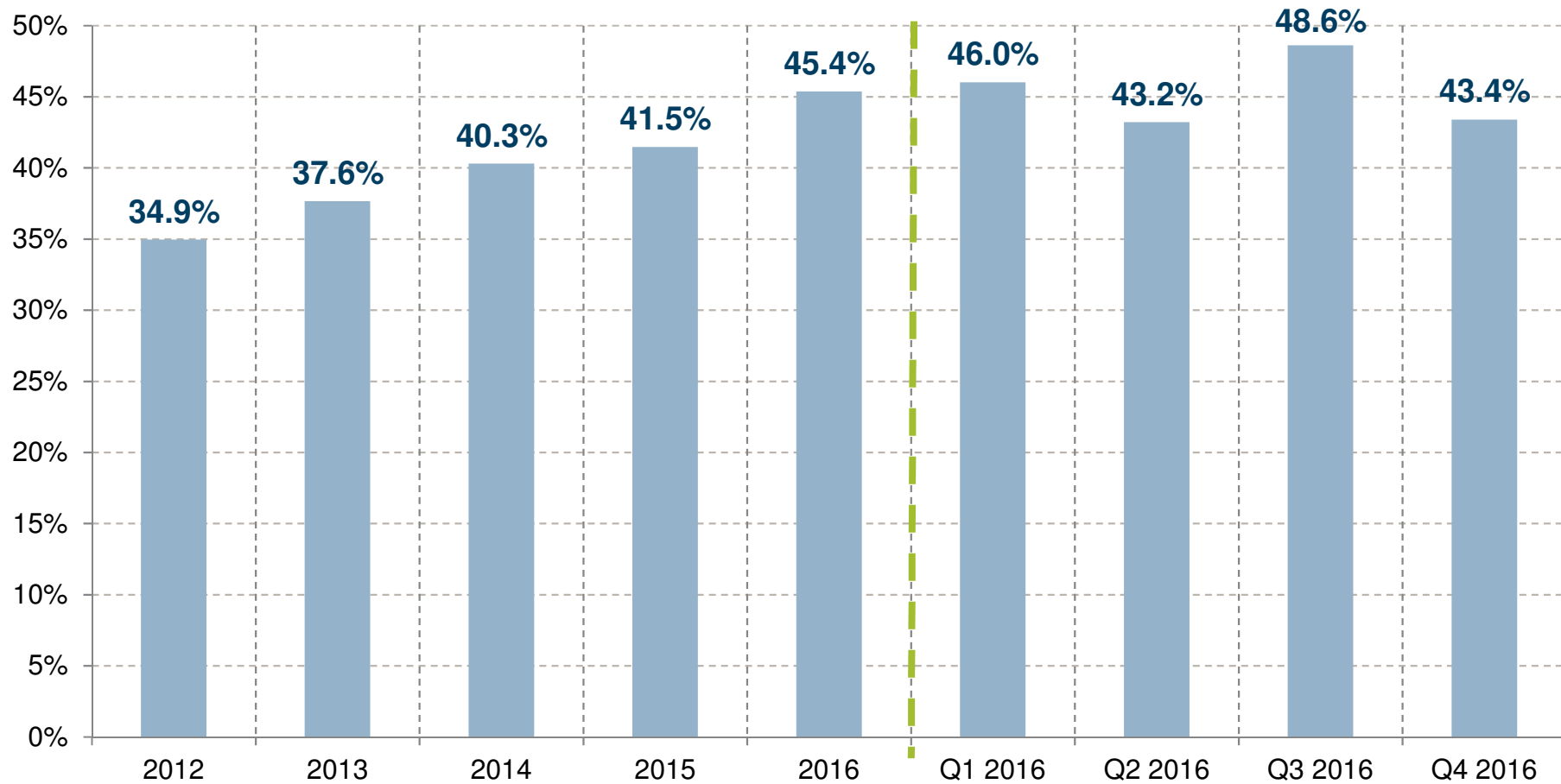
## New business



- New business volumes of €27 billion in Q4 2016
- 4% increase on Q4 2015
- Stabilisation of growth in 2016 compared to Q4 2015
- Total portfolio at end Q4 2016 of €257 billion (1.9% growth on Q4 2015)

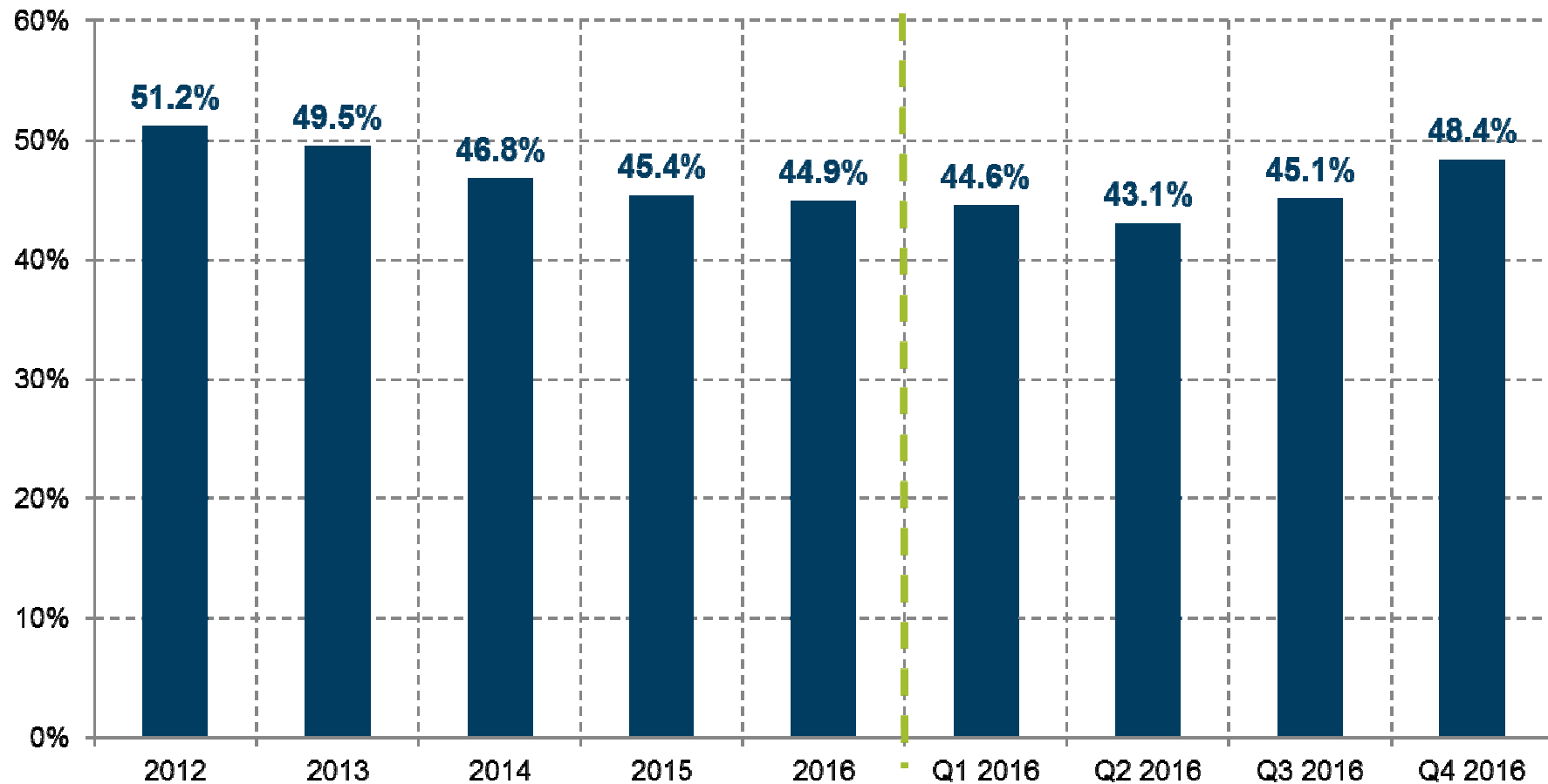


# Profitability ratio



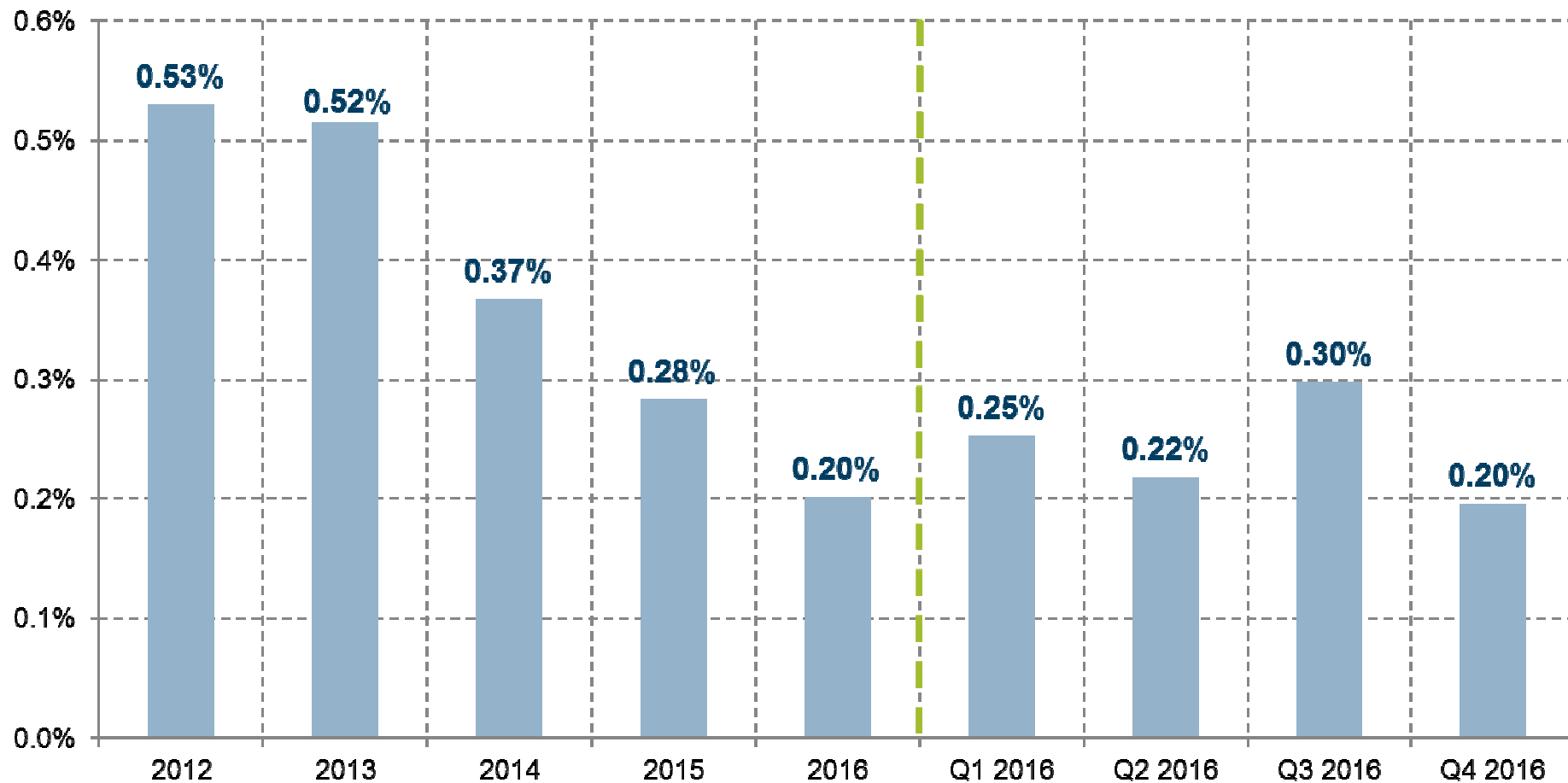
- Median profitability increased in Q3 & Q4 2016 compared to same periods 2015

## Cost/income ratio



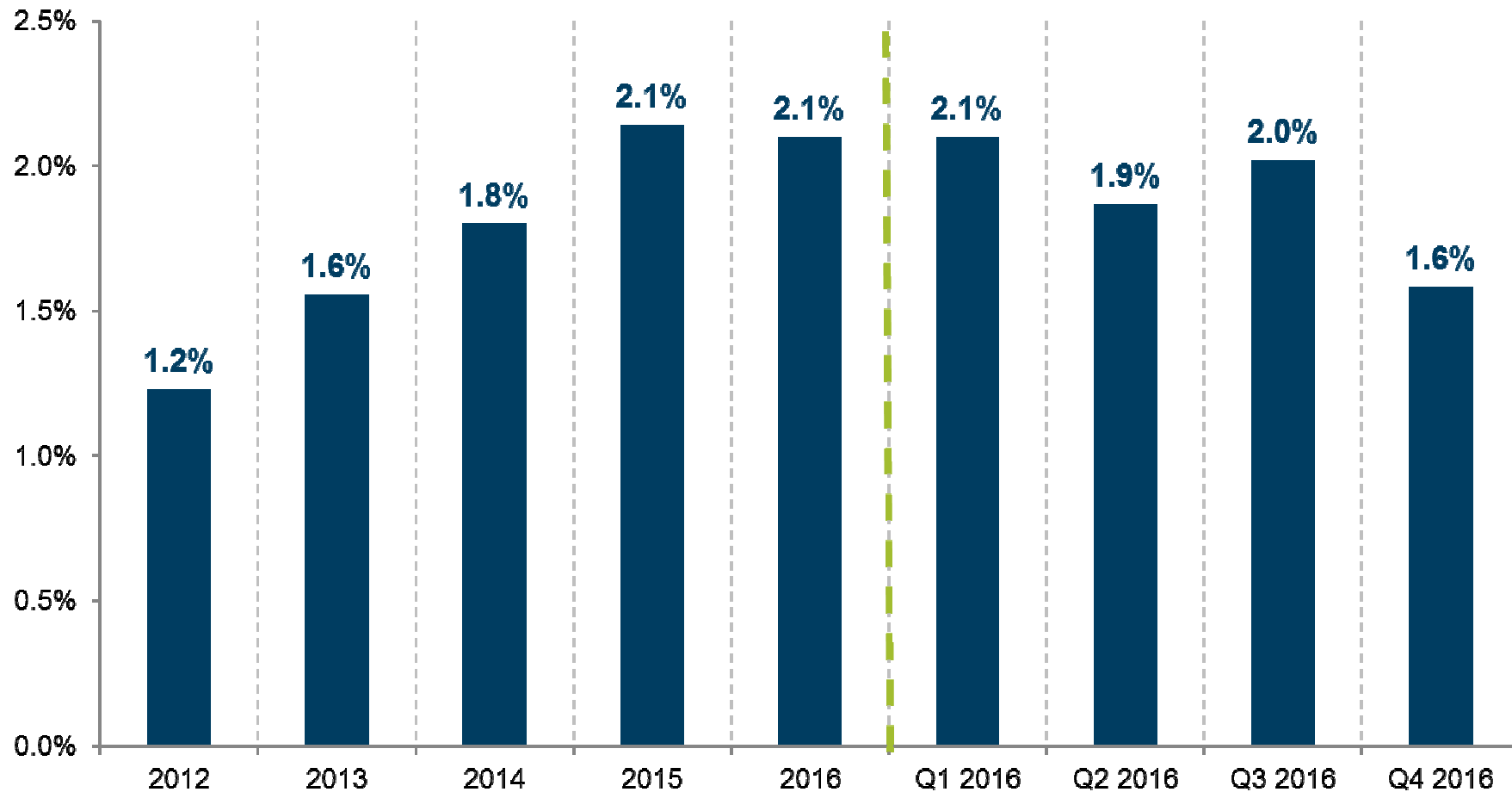
- Median cost/income decreased in Q4 2016 and increased compared to the previous year in other quarters

## Cost of risk ratio



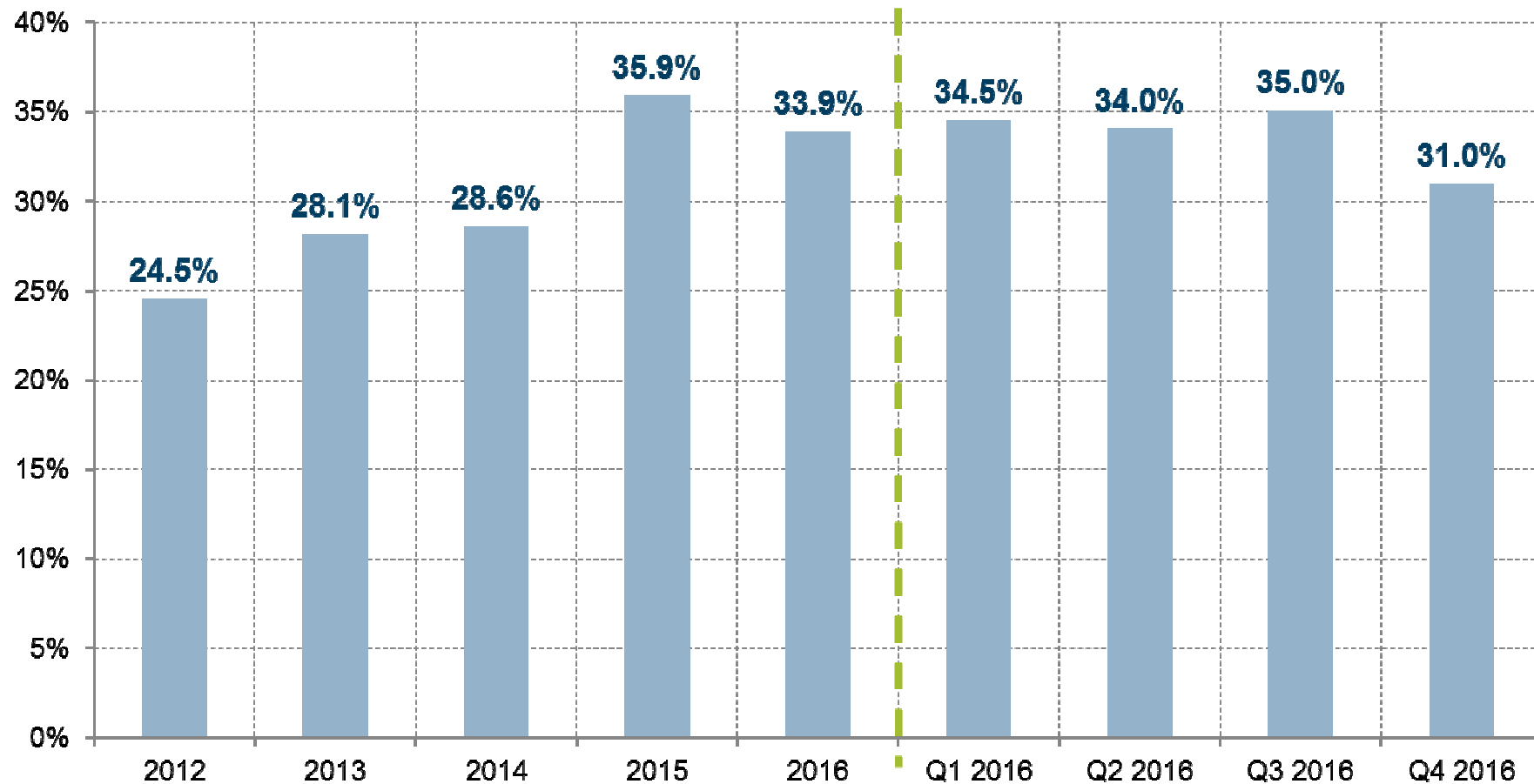
- Median cost of risk dropped significantly in Q4 2016 compared to previous year, reaching lowest level recorded in survey

## Return on assets ratio



- Median return on assets were relatively stable across quarters compared to 2015

## Return on equity ratio



- Median return on equity lower throughout 2016 than in 2015, however, rising in Q4 2016 compared to same quarter of 2015

## Review of current systems & procedures

- As mentioned at the previous Board, Leaseurope is currently undertaking a review of our 10 year old data management system
- Last year we surveyed Members on their internal data management and distributed this information to our Members as a reference tool
- This will allow us to collect current data and produce reports more efficiently, bring opportunities to further leverage our existing data in new and interesting ways, and facilitate potential future data collection
- We are currently exploring new software solution possibilities





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