



Leaseurope talks to its Members &gt;

Issue number 20 | Summer 2013

## Focus &gt;

## Lease Accounting - Take Three

### New exposure draft released

#### First reactions to the ED

The revised leases Exposure Draft (ED) has finally been issued by the IASB and FASB for a 120 day comment period ending on 13 September. The release of the ED came on the same day as Leaseurope's Member Associations were meeting in Brussels for the annual Council of Secretaries General. Leaseurope took the opportunity to issue a press release in reaction to the new proposals (see Leaseurope Director General Tanguy van de Werve's reaction in the box on page 7). Speaking at an event in Milan two days after the release, Leaseurope's Chairman Max Moi told the IASB that "for the final outcome of this [project] to be defensible, the way forward is either developing a comprehensive approach for accounting for all contractual commitments in a consistent manner or leaving the well understood, principles-based IAS17 in place." He went on to say "an objective assessment of the situation is that there are different kinds of leases, with different economic effects, and that different types of users have different information requirements. Failing to recognise these basic differences from the start of the project has led standard setters down a path that has not resulted in anything better than what we already have today." Over the next few months of consultation, Leaseurope will continue to convey these messages to the IASB and European decision makers.



#### Content of the ED

Apart from two IASB and three FASB members voting against the new proposals, there are no surprises in the revised ED, which reflects the decisions that have been taken by the Boards during their re-deliberation of the first ED. This includes simplifications, which have been made to the treatment of options and contingent rentals, as well as a revised definition of a lease.

Admittedly, the Boards have tried to ensure that service-type arrangements are not captured, but it still remains to be seen whether this new definition, as well as the revised thresholds for including optional periods within the amounts lessees have to capitalise, will be operational in practice. The European Financial Reporting Advisory Group (EFRAG) will be undertaking a field testing exercise of the lessees to try and objectively ascertain whether this is the case or not. Their work will also assess the costs preparers will face when implementing the proposals.

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## European Car Rental Industry Highlighted as a Partner Successfully Engaging with the Commission

Richard Knubben,  
Senior Adviser,  
Automotive  
Affairs,  
Leaseurope



The 2013 European Consumer Summit (ECS), organised by the European Commission, took place on 18 and 19 March in Brussels. This year's event focused on stepping up the enforcement of EU consumer legislation, one of the key priorities of the European Consumer Agenda adopted by the Commission in May 2012.

On day One of the Summit, the plenary session looked at the key challenges to, and opportunities for, the development of an enforcement facility for issues of EU relevance.

A video interview with Leaseurope's Senior Automotive Affairs Adviser R. Knubben was shown on the European Car Rental Conciliation Service (operated by Member Association BVRLA) in order to highlight, as a best practice example, the efforts the European car rental industry has made in constructively working together with the Commission and ECC-net.

[Click here to view the interview](#)

## EUROPEAN LEASING INDUSTRY ANNUAL CONVENTION

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10 & 11 October 2013 · Hotel Westin Excelsior · Rome, Italy  
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## Editorial

by Jacqueline Mills,  
Director, Asset Finance & Research, Leaseurope

Our cover article takes us through the IASB's revised lease accounting proposals that are finally out for public consultation. Politicians, accountants, investors, analysts and lessees seem to all have different views on how lease and rental contracts should be accounted for. When support for the proposals is expressed, it is nearly always conditional. With 2 IASB and 3 FASB members dissenting on the proposals, even standard setters themselves don't agree. EFRAG is working on developing its reaction and, based on observations of their experts' meetings, they also have many diverging views.

All this is undoubtedly symptomatic of the fact that applying a right of use model to leases just does not work, neither

conceptually nor in practice. Leaseurope's hope is that this consultation will finally bring us closer to that conclusion.

Our work on other policy files, research activities and statistics production carries on as usual. This 20<sup>th</sup> edition of Leaseurope Inside provides insight into the excellent progress being made by the European Parliament to adopt proposals to simplify vehicle re-registration procedures. We also report on our campaign to promote leasing as a means to support sustainable growth of the European economy and Leaseurope's Chairman, Max Moi, gives an interview on the Federation's priorities for the coming year.

As you will see, there is much to do and summer in Brussels will be busy, if not sunny. We look forward to seeing you all in the autumn for the Annual Convention in Rome.



## Lease Accounting - Take Three

### New exposure draft released

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While the concept of capitalising all contracts that fall under the definition of a lease has been retained, one of the other major changes since the first ED is that most property lessees would recognise a straight line lease expense in their P&Ls, whereas most equipment and vehicles lessees would have a front loaded P&L, as set out in the initial ED. This change comes as a concession to property lessees, who do not view their leases as being

In an environment where European policy makers are looking to promote business investment and growth, tampering with the current accounting model for leasing is a big risk for the European economy. Leaseurope calls on European policymakers, as well as on the many European businesses that use leases and rentals to obtain access to the equipment needed to run their business, to make use of this consultation to convey their concerns to the IASB.

Tanguy van de Werve,  
Leaseurope Director General

financial transactions. The fact that they still have to be capitalised on the balance sheet seems however to be contradictory with this approach. By going down the road of treating equipment and property leases differently, the Boards have also re-introduced classification into the new standard. In Leaseurope's view, this is difficult to reconcile with the premises of the right of use model. This is a point of view that many constituents share and will undoubtedly be one of the issues at the centre of the debate over the coming months.

#### Next steps

Leaseurope's Accounting & Taxation Committee is due to meet with the IASB on 25 June to discuss the proposals. In addition to undertaking field testing, EFRAG is also expected to issue its draft comment letter within the next weeks so that European constituents can already contribute their views to them. Leaseurope will of course be responding to EFRAG's letter. In parallel, our Member Associations are in contact with their national representatives on the Accounting Regulatory Committee (ARC), a body of Member State representatives that the Commission takes advice from on the adoption of IFRS. It has been reported that during its last discussions on lease accounting, many ARC members were critical of the IASB's proposals, expressing continued concerns regarding their complexity and cost.

Leaseurope and its Member Associations will also encourage other stakeholders, such as lessees and business representatives, to write in to the IASB to ensure that any change that is eventually made to lease accounting is worthwhile. As they stand, the ED proposals will simply be a source of costs for preparers and are unlikely to bring about significant benefits to the users of accounts. As an industry, it is important that we keep up the momentum and continue to lead the debate on this matter.

For more information on the new Leases ED, watch a recent IASB staff [web presentation](#) on the proposals or contact [j.mills@leaseurope.org](mailto:j.mills@leaseurope.org). The Exposure Draft and its accompanying documents (basis for conclusions and illustrative examples) are available from the [IASB's website](#).

Françoise Flores, the Chair of EFRAG, the European Financial Reporting Group, attended Leaseurope's March Board meeting to discuss the costs and benefits of the new lease accounting proposals.

Leaseurope has submitted comments to EFRAG on the inter-relationship between the Leases Exposure Draft and new proposals for impairing financial instruments on an expected loss basis.



## Basel 3 Research Project

### Results show leasing to SMEs is low risk



*CROs meet at European House of Leasing for Leaseurope's Risk Management Roundtable*

Our research partner Deloitte has completed the analysis of our database on leasing to SMEs. The project's SME database consists of around 1.5 million contracts worth approximately €18 billion. The final report will look at the key characteristics of defaults and losses within the dataset, including the high incidence of defaults that return to a healthy contract, emphasising the importance that the client places on the asset. Loss distributions are modelled according to key variables, such as the year of default and the type of asset. We find the results consistent with our expectations in that losses are lowest for vehicles and highest for computers and business machines. Deloitte also compared the capital required for our dataset under the various regulatory approaches to an internal estimate of the necessary economic capital. This revealed, firstly, that there are great gains to made in capital requirements for the leasing industry by moving to the IRB-Advanced approach, and secondly, that the regulatory requirements substantially overestimate the real risk leasing's SME portfolio faces.

The drafting of the final version of this report is currently underway and we expect it to be ready shortly. We will also be presenting these results to the European Banking Authority (EBA), in order to feed into their work on the riskiness of lending to SMEs.

#### Comprehensive LGD database finalised

We have now finalised the dataset on overall leasing portfolios (i.e. extending the stage 1

data collection to include all corporates, the public sector, etc.) for the second stage of the project. In this stage, we will be looking at loss given defaults (LGDs) in more detail across different asset types in order to highlight the advantages that the collateralised nature of leasing provides for credit risk mitigation. This analysis will include more information on recovery and sale of the asset and the role asset ownership plays in keeping leasing losses low.

The analysis of this data will take place over June and the drafting of the report will be done over the summer. The final results will serve as a basis for upcoming discussions with the EBA on technical standards for physical collateral recognition.

#### Constructing arguments for leasing as an investment proposition

In order to further develop argumentation that demonstrates leasing is a good investment (the objective of stage 3), we organised a Risk Management Roundtable in Brussels on 3 June 2013. Here, we were able to bring together CROs from some pan-European leasing companies in order to gain practical insight into various risk management topics including, asset valuation practices, the functioning of internal control schemes, and the default and recovery process.

Drafting of the stage 3 document will take place after stage 1 and 2 are completed. For more information, please contact [h.mcewen@leaseurope.org](mailto:h.mcewen@leaseurope.org).

## Research by Leaseurope

Leaseurope's research programme helps us further support and develop the Federation's activities by:

- Showing policymakers that our industry is an important contributor to sustainable European economic growth;
- Highlighting the unique advantages of leasing and rental to end-user clients;
- Demonstrating to manufacturers and clients that leasing products have the potential to boost their sales and profitability; and
- Promoting the added value of leasing for investors.

For more information, please contact [j.mills@leaseurope.org](mailto:j.mills@leaseurope.org).

#### Research output >

In view of the different goals and target audiences of the research, the project is split into four stages:

- **Stage 1** will cover the low risk nature of leasing to SMEs.
- **Stage 2** will focus on LGD levels for many different asset types.
- **Stage 3** will address why leasing is an attractive business for investors.
- **Stage 4** will highlight the impact a contraction in leasing would have on the real economy in Europe.

Following on the success of the Oxford Economics SME Leasing Report, Leaseurope's next research project is likely to focus on leasing to SMEs, quantifying the European SME leasing market and understanding the drivers behind this crucial segment's behaviour.



## Interview >

### Massimiliano Moi



Max Moi,  
Leaseurope's Chair and CEO, UniCredit Leasing

#### ┃ Max, as Chairman of Leaseurope, what are your priorities for Leaseurope?

Over the past few years, Leaseurope has performed well both in terms of the Federation's development as well as in terms of its lobbying and research activities at European level, thus setting a good foundation for the future. The bar has already been set high by my predecessors, so going forward I believe that Leaseurope should maintain the same path and focus on consolidating some of its main activities while identifying new targets.

In this context, my priorities are:

- Raising awareness of leasing as a key tool to support growth in Europe. Since SMEs are the backbone of Europe's economy, they are essential for European growth, but at the same time, they face significant difficulties in accessing finance. If leasing can finance these companies, we can help contribute to European growth;
- Securing the support from European institutions and regulators in order to ensure that leasing is increasingly recognised as a long-term financing option;
- Consolidating and enlarging our membership base. Today, Leaseurope represents already 44 national associations across

Europe. If Leaseurope wants to increase its influence, we will need to extend our membership to new types of members and ensure our current members fully capitalise on the advantages of their Leaseurope membership;

- Last, but not least, I want to foster innovative ideas so as to move the industry towards a higher penetration rate when compared to the total amount of investments made in Europe.

#### How will you implement these priorities?

The Federation will work hard at every level to support the industry being recognised as a major player when it comes to sustaining economic growth in Europe.

To achieve this, we are implementing a two-year road map to ensure that Leaseurope continues down the right path. There are five pillars under this road map, namely lobbying, research, platform, communication and membership, for which a set of outputs and deliverables have been identified.

It is my view that communication has a central role to play in expanding and enhancing Leaseurope's role. As approved by the Board in March, we are planning a campaign to deliver

**┃ The Federation will work hard at every level to support the industry being recognised as a major player when it comes to sustaining economic growth in Europe. ┃**

the message that Europe needs "leasing for growth." We will count on the support of our Member Associations and the European leasing industry to help deliver this message. In fact, we have already initiated some activities under this campaign as well as a number of outreach actions with our Member Associations.

We will continue to focus our energy on research as I believe it is the role of Leaseurope to lead in this field at European level. In this context,

once we have completed our on-going project on the riskiness of leasing, we want to dedicate our research efforts to better understanding the drivers behind SMEs' leasing behaviours.

We also want to better involve and get closer to our Member Associations by taking the time to properly explain to them the full range of material and support Leaseurope provides as well as its current activities at EU level. Additionally, we want to better understand their local activities, events and on-going research. We want to ensure that their voice is heard and that Leaseurope is meeting their expectations. For this reason, over the course of this year, Leaseurope's Board Members will be visiting our Member Associations. At the same time, we will further engage with our Associate Members and provide them with increased opportunities to get closer to our industry within our Federation.

We will of course continue to implement the other pillars of our road map. Here, I am thinking in particular of the platform Leaseurope provides to the industry. For instance, this March, we had the opportunity to organise a third Business Council, where 15 chief executives from across the European asset and automotive rental industry discussed what it takes to deliver the future.

Last but not least, I want to conclude with a general invitation to take part in the Annual Convention of the Leasing and Automotive Rental Industry that Leaseurope organises. This year, the Convention will take place in Rome on 10 and 11 October and we are working hard to bring outstanding speakers and special guests. The main theme you may ask? "Leasing for growth" of course!



## Financing Long Term Investment in Europe

Leasing is the best way for businesses to access productive assets



┆ The European Commission has initiated a debate on how to address Europe’s need for financing long-term investment. In March, they issued a Green Paper considering the issues that European businesses, including SMEs, face when trying to access long term finance. The paper reflects on the alternatives to traditional bank funding that could be promoted as a means to help businesses access productive assets and is therefore the ideal context for Leaseurope to position leasing in policymakers’ eyes as being a unique and valuable tool to support sustainable European growth.

Our response to the Green Paper sets out the benefits of leasing from different perspectives. Looking at how leasing contributes to the economy, we explain why it is the ideal instrument to finance productive assets given the inbuilt collateral provided by asset ownership rights. We note that this is what makes leasing particularly well suited to cater to SMEs’ needs, and at any point in their life cycle, a clear advantage over other types of financial instruments. We also point out that, beyond supporting investment, leasing is crucial to manufacturers who rely on it

as a means to support their sales. Equally, we demonstrate how leasing leads to a more efficient and sustainable allocation of resources than when businesses own assets outright.

Importantly, the Green Paper also represents the start of what will undoubtedly be a lengthy process to assess the cumulative impact on the financing of the real economy of recent reforms to European financial services legislation. This gives the leasing industry the opportunity to show how financial reform has not always led to the right type of incentives being put in place. Instead legislative responses to the crisis may have had the opposite effect and actually be hindering the development of low-risk products and businesses like leasing that effectively contribute to financing the real economy.

We will be asking policymakers to address this situation by making sure that regulation evolves so as to take leasing’s specificities into account, to the benefit of the European economy. Leaseurope’s response to the Green Paper can be read [here](#).

## Leasing for Growth

Leaseurope’s promotional campaign

┆ Leaseurope’s Board has agreed that one of the key objectives of the Federation is to promote leasing and the leasing industry. Consequently, Leaseurope has initiated a “Leasing for Growth” campaign.

Within this context, Leaseurope has packaged together key arguments as to why leasing is beneficial and enables sustainable economic growth for Europe. The overarching benefit is that it enables business and public sector investment. In addition, we explain how leasing:

- Is particularly well positioned to support SMEs, even during times of economic crisis.
- Sustains and promotes the sales of European manufacturers.
- Encourages the uptake of energy efficient assets, contributes to the production of clean energy and the more sustainable use of resources.



Leaseurope’s “Leasing for Growth” Support Package made available to Member Associations will include:

- Benefits of Leasing Leaflet
- Animated video
- Press Release and Press Release talking points
- Presentation Decks (e.g. what is leasing?; European leasing market; leasing’s economic contribution, etc.)
- Document with high level lobbying objectives
- Information on EU funding support from the European Investment Fund and European Investment Bank

Leaseurope recently released an accessible and easy-to-read [leaflet](#) which incorporates and further develops these key messages.

The Secretariat has shared the leaflet and a national distribution plan with its Member Associations and will be taking care of an EU-wide distribution plan over the coming months. Furthermore, this leaflet will be used to visually demonstrate how leasing leads to sustainable economic growth in an animated video.



## March 2013 CEO Business Council Delivering the future

┌ The 2013 edition of Leaseurope's CEO Business Council took place on 7 March and was moderated by Invigors EMEA. It brought together 15 chief executives from across the European asset and automotive leasing industry to discuss what needs to be done to "Deliver the Future". European senior level practitioners focused on what it is to be innovative as an industry and within a leasing company, how to stimulate innovation as well as the characteristics of companies that do so already. Additionally, participants discussed resourcing issues, including: how to attract new and young talent to the industry, what types of talent the industry should be recruiting and what the industry should do to nurture this talent.

Leaseurope produced a report following the Council, which provides a high-level summary of the themes that emerged from these discussions.

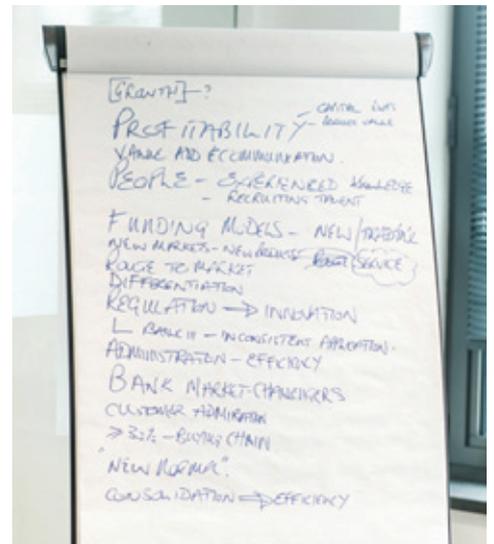
The report provides a unique opportunity to get a glimpse into the key issues of concern for European leasing industry leaders.

For a copy of the Report, please contact [a.wesolowski@leaseurope.org](mailto:a.wesolowski@leaseurope.org).



## What are Business Councils?

┌ Leaseurope Business Councils provide a platform for functional groups of industry practitioners from across Europe to exchange views on specific business issues. Business Councils do not have decision making powers within Leaseurope's organisational structure. However, the outcome of discussions may feed into policy or other work of the Federation as well as contribute to a better understanding of how the industry is evolving to foster further debate on the key issues discussed.



## Insurance Mediation Update

┌ As reported in previous issues, in July 2012, the European Commission released a Proposal for a Directive on Insurance Mediation (IMD II) aimed at repealing and replacing the Insurance Mediation Directive, which Member States transposed into national law in 2005. This Commission's Proposal contains a 'light touch regime' for intermediaries offering insurance mediation as a side activity to their principal professional activity, such as car rental and leasing companies.

The European Parliamentary Committees for Legal Affairs (JURI) and Internal Market and Consumer Affairs (IMCO) have recently finalised their Opinions on the Commission's Proposal. Both Opinions have not maintained the 'light touch regime' for ancillary intermediaries, such as leasing and car rental companies, in terms of information disclosures and registration requirements. However, a degree of proportionality was included in relation to the professional

and training requirements that ancillary intermediaries must comply with.

The Economic and Monetary Affairs (ECON) Committee, the lead Committee on this file, is expected to vote on its final Report in July. This Report will take into account the two aforementioned Opinions and will constitute the Parliament's official position on the IMD II. For more information please contact [m.butler@leaseurope.org](mailto:m.butler@leaseurope.org).



## Sec Gen Council: Content Rich & Productive 6<sup>th</sup> Meeting

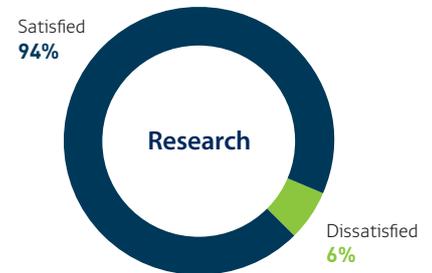
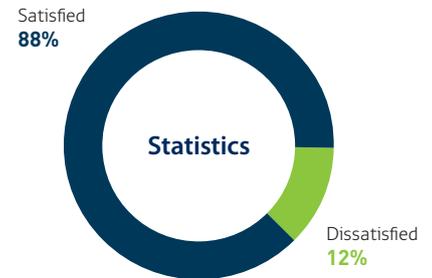
On 16 May 2013, a record number of Secretaries General of Leaseurope's Member Associations assembled at the 'European House of Leasing' in Brussels for their 6<sup>th</sup> meeting. On the eve of the meeting, the Secretaries General received a guided tour of the exclusive D'Ieteren Gallery and were given the opportunity to meet representatives from the European Investment Fund (EIF) in order to discuss various financial instruments provided by the EIF to leasing companies. (see page 8)

At the Council meeting, an official from the SME Access to Finance Unit in the European Commission provided an overview of the Commission's initiatives to facilitate SME access to finance and existing EU support schemes. The meeting was also the opportunity for Secretaries General to review the results of

the Leaseurope Annual Satisfaction Survey, the Leaseurope Roadmap for 2013-2014 and the "Leasing for Growth" campaign to be launched by Leaseurope in order to promote leasing to a number of stakeholders.

As the Council is a platform to exchange best practice, the Dutch (NVL), Italian (ASSILEA), UK (FLA) and Greek Leasing Associations gave presentations on local initiatives, including the promotion of leasing to SMEs, finding alternative sources of revenue, risk mitigation and organising events for members.

The 7<sup>th</sup> meeting of the Council is scheduled to take place on 15 May 2014.



Results of the Annual Satisfaction Survey of Leaseurope's Member Associations

## Leaseurope in Favour of Potential Electric Vehicle Assessment Programme

Leaseurope has expressed support for the Euro NEVA (European New Electric Vehicle Assessment) programme proposal in response to a Commission tender related to clean and energy-efficient vehicles.

Euro NEVA, which is being developed by the International Motorists' Federation (FIA), aims to increase consumer acceptance of Electric Vehicles (EV) by making end users better aware of EV performance by testing them against set standards.

The decision on the proposal will be taken before the end of 2013. If you require additional information, do not hesitate to contact [r.knubben@leaseurope.org](mailto:r.knubben@leaseurope.org).



## LinkedIn

Join Leaseurope's affinity group on LinkedIn to network and exchange views with 1060+ industry peers. This makes it Europe's largest online community of leasing and automotive rental professionals.

This group aims at bringing all the leasing and automotive rental professionals active in Europe closer together and is managed by Leaseurope. **Join us!**



## Open Forum >

# European Investment Fund

## Working with leasing companies to support European SMEs



Michael Strevens,  
Structured Finance  
Analyst,  
EIF

### Access to Finance

According to the [European Central Bank](#), access to finance remains one of the most pressing problems for SMEs in the Euro area and EIF studies (working paper [publications](#)<sup>1</sup>) suggest that leasing is one of the most important sources of funding for SMEs.

As part of its mission to support Europe's SMEs and innovative companies, EIF sees collaboration with the leasing industry as crucial to enhance SME access to finance and is looking forward to increasing its co-operation with the leasing industry, in order to further promote the SME market across Europe.

### EIF for Lessors

Hopefully, many of you are already familiar with EIF thanks to the [fact sheet](#) produced in co-operation with Leaseurope. The two key products featured help lessors to finance SMEs in different ways. The [Structured Finance](#) product gives lessors the opportunity to attract competitive funding away from traditional banking sources, granting the lessor access to cheaper funding, which can be in turn channelled to SMEs. [Risk Sharing Instruments \(RSI\)](#) help lessors reduce risks taken when lending to innovative companies, enabling them to finance SMEs they may have deemed too risky in the past.

### Examples of Successful Collaboration

EIF has been supporting the leasing industry in Europe for many years through a variety of products and business lines. Some recent examples of EIF's involvement include:

- Structured Finance transactions in EU countries, including Germany, Italy, Spain and Poland;
- RSI portfolio of up to EUR 80m in Poland; EIF is also assessing applications from other lessors; and
- [First Loss Piece Guarantee](#) implemented exclusively for lessors in Lithuania using EU Structural Funds.

Structured Finance transactions have enabled lessors to transfer pools of lease receivables from their balance sheet and in doing so have created the capacity for additional new business. Thanks to its strong credit quality and its well-established position in the SME structured finance market, EIF has attracted and continues to attract investors whom otherwise would not typically have invested in this type of transaction or asset class. In Poland, thanks to the RSI guarantee issued by EIF, a Polish lessor now has the ability to create a portfolio of leases to innovative<sup>2</sup> SMEs and Small Mid-caps over the next 2 years, taking only 50% risk on the portfolio.

## EIF sees collaboration with the leasing industry as crucial to enhance SME access to finance and promote the SME market in Europe

Simultaneously, the lessor is able to increase both its competitiveness and attractiveness by reducing the cost to the lessees. Typically, RSI should interest lessors who believe they can build a portfolio of leases of up to EUR 80m over a 2 year period. As mentioned earlier, these benefits have already attracted the attention of several lessors, whose applications EIF are currently assessing.

### Looking to the Future

So, what help can lessors expect from the EIF going forward? EIF is the European leader when it comes to innovation in SME access to finance and is constantly expanding its product selection by creating products that resolve market inefficiencies. To give an example, EIF is currently looking at its potential role and involvement in a multi-originator structured finance vehicle that is dedicated to smaller lessors.

Finally, EIF is looking forward to implementing products under the European Commission's 2014-2020 programming period after the successful 2007-2013 period, during which the [Competitiveness and Innovation Framework Programme \(CIP\)](#), RSI and [JEREMIE](#) were all implemented.

<sup>1</sup> EIF publications can be found at [www.eif.org/news\\_centre/research](http://www.eif.org/news_centre/research)

<sup>2</sup> For a definition of what classifies as an "innovative" enterprise please see "RSI eligibility criteria" section at [www.eif.org/what\\_we\\_do/guarantees/RSI/call/Annex\\_II.pdf](http://www.eif.org/what_we_do/guarantees/RSI/call/Annex_II.pdf)



## New Leaseurope Index

### First quarter results show a return to stronger performance

┆ 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 2013 is the ninth edition of the survey.

The weighted average ratios for Q1 2013 have increased back to similar levels seen in the same quarter of the previous year, and substantially improved compared to Q4 2012.

Total new leasing volumes reported by the sample of firms were under €15 billion, the lowest level of new business recorded since the start of this survey. Customers' appear to be postponing investment spending decisions in the current climate of economic uncertainties. The portfolio of outstanding contracts decreased (-1.2%) slightly, whereas risk-weighted assets remained stable.

While total pre-tax profit of the companies in the sample decreased by -2.8% for Q1 2013 in comparison to Q1 2012, there was a significant improvement on Q4 2012. Similarly, although the average profitability ratio was down slightly in Q1 2013 compared to Q1 2012, the latest results represent a clear and significant increase over the Q4 2012 figure (see graph below).

Compared to the same period a year ago, operating income increased substantially (5.1%), while operating expenses also increased, but much less (1.2%). This resulted in a substantial improvement of the average cost/income ratio to 45.3% in Q1 2013, the lowest level seen since early 2011.

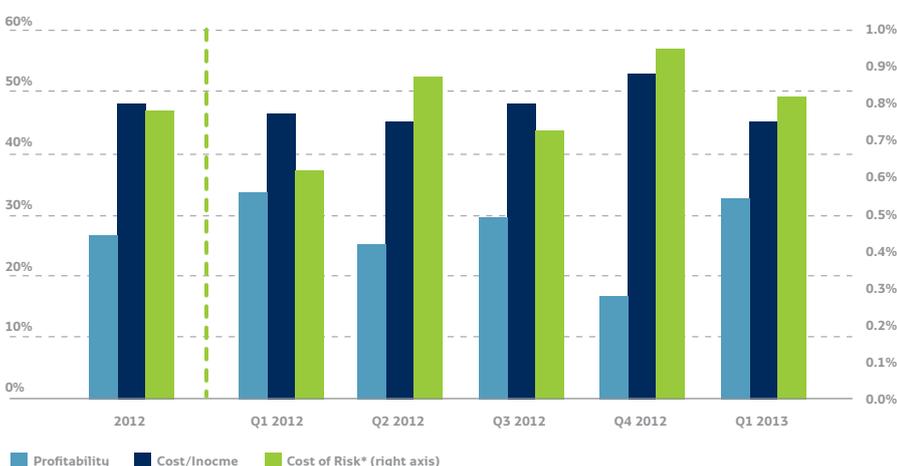
Loan loss provisions decreased in Q1 2013 compared to Q4 2012, although still at a higher level than the same period of the previous year. The average annualised cost of risk underwent an improvement in Q1 compared to the end of last year and reached 0.8% (0.9% in Q4 2012).

RoA and RoE<sup>1</sup> increased to similar levels seen in Q1 2012, at 1.0% and 121 respectively. Again, this is a big improvement on the figures seen in Q4 2012, and throughout 2012 in general.

It is important to note that the quartile values of the various ratios are widely dispersed within the firm sample for the reporting period, indicating large variations in performance by company.

For more information, or to download the full report, please visit our dedicated [webpage](#) or contact [h.mcewen@leaseurope.org](mailto:h.mcewen@leaseurope.org).

**Figure 1: A Selection of Leaseurope Index Ratios Q1 2012 - Q1 2013**



<sup>1</sup> In order to ensure a feasible and comparable data collection across our sample, 8% of total risk weighted assets has been used as a proxy for equity. This ratio has then been indexed, with 2010=100, in order to show the trends as opposed to the levels.

## 2012 Segment Survey Results

┆ 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. Breaking down the key performance indicators by asset segment allows for the fact that these businesses can be quite different in nature and outcomes. These breakdowns also allow companies, or divisions within companies, who specialise in a particular asset type to have access to more meaningful information for them and their activities.

The 2012 Segment Survey results are now available on the Leaseurope Index [webpage](#).

## View from the Industry

┆ It is encouraging to see financial ratios in Q1 2013 improving on what we saw in 2012. In particular, the stabilisation of cost/income figures is a positive development. The drop in new business volumes at the beginning of this year shows that the industry is still battling very poor European economic conditions, a situation which is not expected to improve in the short term. The fact that leasing companies have managed to maintain control of their KPIs going into 2013 despite low demand for investment speaks to the robustness of the industry.



Jukka Salonen,  
CEO of Nordea Finance



## Attending Meetings & Conferences

### March

┆ Jacqueline Mills, Director, Asset Finance & Research and Jurgita Bucyte, Adviser, Statistics & Economic Affairs met with the European Central Bank in Frankfurt, Germany, to discuss the notion of leasing in the Survey on the Access to Finance of SMEs (SAFE).

┆ Maeve Butler, Adviser, Legal Affairs attended Stakeholder Conference on "Fighting money laundering and terrorist financing: new framework, future challenges".

┆ Maeve Butler attended a breakfast meeting in the European Parliament organised by Shadow Rapporteur for the IMD II Proposal, MEP Olle Schmidt (ALDE, SE), on "Insurance Mediation – Benefiting from the potential of Scandinavian experiences".

┆ Andrea Wesolowski, Adviser, Knowledge & Membership Management, attended a hearing in the ENVI Committee of the European Parliament on the Lease Society.

### April

┆ Leaseurope attended a European Parliament event hosted by MEP Othmar Karas, Chair of the SME Intergroup of the European Parliament, on restarting the SME credit market at the European Parliament.

┆ Richard Knubben, Senior Adviser, Automotive Affairs, participated in the first CARS 2020 Internal Market Working Group.

### May

┆ Maeve Butler attended a workshop at the European Commission on the Communication and Report on the application of the Unfair Commercial Practices Directive.

┆ Leaseurope and its sister Federation Eurofinas met with Ms. Gintare Pazerekaite, Justice attaché form Permanent Representation of Lithuania to the EU, to discuss the new data protection regulation as one of the upcoming priorities of the Lithuanian Presidency in Brussels. Lithuania will hold the Presidency of the Council of the European Union in the second half of 2013.

### June

┆ Jurgita Bucyte attended a workshop on "Investment for Growth" organised by BUSINESSEUROPE with a view to progress the policy debate on the long term financing of the economy.

## CRD 4 Package Adopted

### EBA tasked with fleshing out technical matters

┆ After months of negotiations between Member States and the European Parliament and Commission, the final compromise of the CRD4/CRR package was released in March 2013. Importantly for lessors, the final text allows institutions to apply a scaling factor of 0.7619 to all SME exposures (be they retail or corporate). Although Leaseurope would have liked to see some additional clarifications made to the conditions for recognising physical collateral (i.e. leased assets), the final text introduces a certain degree of flexibility that does appear to be helpful. Notably, the type of asset must be taken into account when institutions demonstrate the existence of liquid markets for the disposal of assets.

The European Banking Authority (EBA) has also been tasked with disclosing a list of the types of assets for which institutions can assume conditions relating to liquid markets and information on asset prices are fulfilled. Now that the EBA's mandate has been officially defined, we will draw on the result of our Basel 3 research programme to assist them in their work (see article on page 3).

## Leaseurope Library

Recently added:

> **O Recurso ao Leasing pelas PMEs Portuguesas: Estudo sobre a utilização de leasing por PMEs em Portugal no contexto da atual crise**

*Courtesy of the Portuguese Association of Leasing, Factoring and Renting, ALF*

> **Leasing and factoring: promising finance instruments for SMEs**

*Courtesy of the Dutch Leasing Association, NVL*

> **Annual Report 2012**

*Courtesy of the Association of Norwegian Finance Houses*

> **Annual Report 2012**

*Courtesy of GEFA-Leasing GMBH, SGEF*

*Help us enrich our library: kindly send us any relevant documents (thesis, conference documentation, PowerPoint presentations, studies, books, newsletters, annual reports, etc.) related to leasing or automotive rental.*

## The Leaseurope/Invigors Business Confidence Survey is now open.

All European leasing professionals are invited to take part by completing the questionnaire by 15<sup>th</sup> July. For more information about the Business Confidence Survey, visit [Leaseurope's website](#).





## Focus >

# Annual Convention of the European Leasing Industry

## Rome 2013 - 10 & 11 October

A must attend event in the business leader's agenda, with the right balance between powerful content and high-level networking!

The 2013 Convention organised by Leaseurope takes place in Rome at the renowned Westin Excelsior on 10 & 11 October. It is held together with the Annual Convention of the European Consumer Credit Industry by Eurofinas for a meeting platform second to none. With over 450, mostly board-level, participants from across Europe and beyond, the event is widely recognised as the premier gathering for leasing, automotive rental and consumer credit professionals at European level.

The Convention provides a top-notch forum for open discussions on the many challenges facing the industry and offers a unique chance to network with senior-level industry colleagues from across Europe.

An outstanding social programme includes a cocktail and dinner reception at the famous Santo Spirito in Sassia a few steps away from the Vatican and the Castel Sant'Angelo right on the banks of the Tiber River.

Join your peers and be part of the only European dialogue in our sector.

More information on the programme, how to register and accommodation is available on the dedicated website at [www.annualconvention.eu](http://www.annualconvention.eu). **Book your accommodation early to avoid disappointment.**

**Coming soon**

### Reasons to attend:

- Truly European dimension
- Organised by the industry for the industry
- First-class speakers
- Highly informative presentations
- Focus on practical solutions and experiences
- Unrivalled networking opportunities
- Great value for money

Check the annual convention website regularly for latest updates on the programme and the many activities planned. For more information, please contact [a.valette@leaseurope.org](mailto:a.valette@leaseurope.org).

### Sponsorship opportunities:

Sponsorship enquiries for the 2013 Annual Convention should be addressed to Anne Valette, Head of Communications at: [a.valette@leaseurope.org](mailto:a.valette@leaseurope.org).



### Speakers & moderators confirmed include:

- **Tim Albertsen**  
Deputy CEO, ALD International
- **George Ashworth**  
Managing Director, Asset Finance, Aldermore
- **Artti Aurasmaa**  
CEO, 3 Step IT Group
- **John Bennett**  
Principal, JB Associates
- **Chris Boobyer**  
Partner, Invigors EMEA
- **Ken Briffa**  
Director Services, Technogym
- **Patrina Buchanan**  
Technical Principal, IASB
- **Chris Cooper**  
Managing Director, Challenge Consulting
- **Andrea de Vido**  
CEO, Finanziaria Internazionale Holding
- **Marie-Christine Ducholet**  
CEO, Societe Generale Equipment Finance
- **Gabriele D'Uva**  
CEO, Xerox Finance (Europe)
- **Bob Fast**  
President & CEO, GE Capital's Equipment Services Europe Division
- **Edward Hetherington**  
President, Doosan Infracore Financial Solutions
- **Gerhard Hümer**  
Director for Economic and Fiscal Policy, UEAPME
- **Ivo Hykys**  
Head of Fleet Management, Siemens, Czech Republic
- **Henrik Jacobsen**  
Head of Nordic Region, Atea Sales Finance
- **Roland Keppler**  
CEO, Europcar Group
- **John Lewis**  
Director of External Affairs, British Vehicle and Leasing Association
- **Massimiliano Moi**  
Chairman, Leaseurope
- **Avv. Luca Cordero di Montezemolo**  
Chairman of Ferrari
- **Roberto Nicastro**  
General Manager, UniCredit Group
- **Hervé Phaure**  
Associate Partner, Deloitte
- **Christian Roelofs**  
Director, Grant Thornton
- **Jukka Salonen**  
CEO, Nordea Finance
- **Richard Sikkel**  
President, Athlon Car Lease International
- **Michel Taride**  
Executive Vice-President & President, Hertz International

## EUROPEAN LEASING INDUSTRY ANNUAL CONVENTION

**REGISTRATION OPEN**



**10 & 11 October 2013 · Westin Excelsior · Rome, Italy**



## 2012 European Leasing Market Figures

European leasing volumes suffered from the economic challenges that Europe experienced in 2012. Total new leasing volumes granted by the companies represented through Leaseurope's Member Associations taking part in its Annual Statistical Enquiry declined by 2.6%<sup>1</sup> compared to 2011 to reach €252.6 billion.

New equipment leasing volumes (including vehicles) remained stable, growing by 0.6% to reach new volumes of €236.0 billion or 93.4% of total new production in 2012. In contrast, real estate leasing saw a significant drop in new volumes, contracting by 32.3%.

The picture for individual European leasing markets was mixed. The UK, the Baltic region, Russia and most countries in the Nordic area remained on an upward path, while there was modest growth of new leasing volumes in Germany. France, the CEE markets, the Benelux, Austria and Switzerland experienced only a marginal downturn, whereas Southern European markets, including Italy, saw a double digit fall in new leasing volumes. Automotive leases accounted for about 60% of total new volumes granted during 2012. These contracts were worth €151.6 billion.

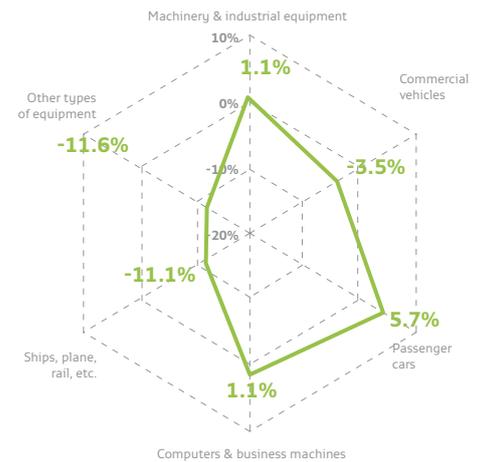
Leasing in the passenger car sector, the largest asset segment represented by Leaseurope's members (€108.3billion), was the driving force behind the European leasing market's overall performance and grew by 5.7%. According to Leaseurope estimates, European leasing and rental companies purchased some 6.0 million<sup>3</sup> passenger cars in 2012. In contrast, the commercial vehicle leasing sector experienced a contraction, declining by 3.5% in 2012 to reach new leasing volumes of €43.3 billion.

Modest growth of 1.1% was also seen in both the machinery & industrial equipment and the computers & business machines segments, while big ticket leases and other types of equipment, including energy generating assets, contracted by just under 11% in 2012.

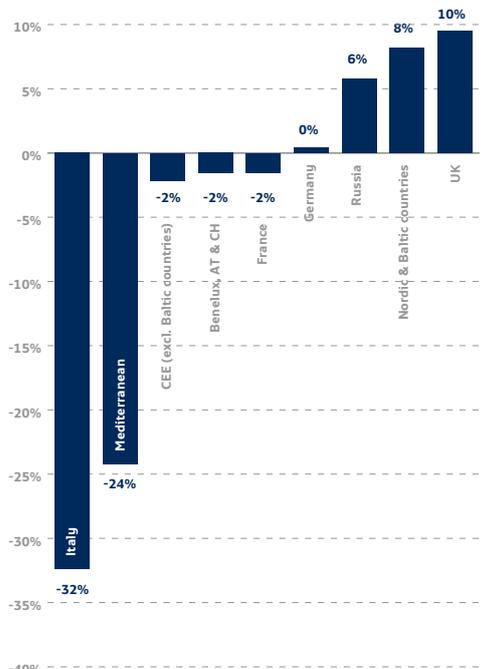
An extract of the 2012 Annual Statistical Enquiry is available on the Market Trends and Research section of our [website](#).

Comprehensive 2012 annual statistics are available for Leaseurope's members. For further information, please contact [j.bucyte@leaseurope.org](mailto:j.bucyte@leaseurope.org).

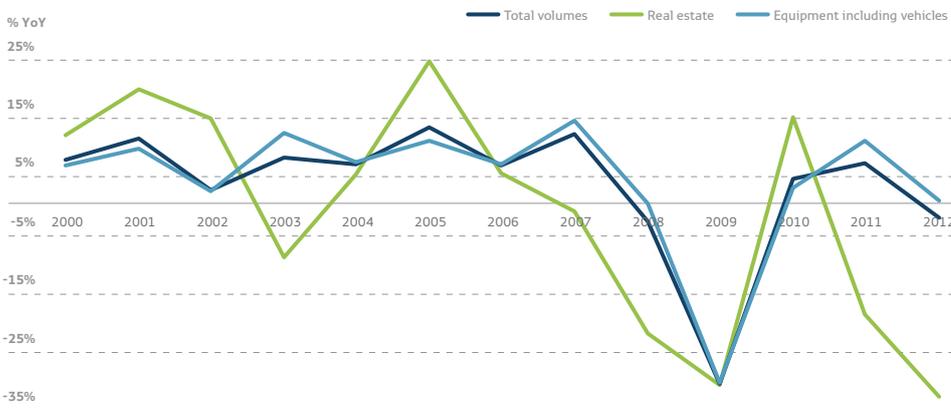
**Growth rates for new equipment leasing volumes per asset type in 2012**



**Total new leasing growth rates per cluster in 2012**



**European leasing market - new volume growth**



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

1 All growth rates reported here are calculated based on a homogenous sample of members reporting in Leaseurope's Annual Statistical Enquiries. Unless otherwise stated, the growth rates are adjusted to exclude the impact of exchange rate fluctuations.

2 Cluster Composition: Mediterranean: ES, GR, MA, PT | Benelux, AT & CH: AT, BE, NL, CH | CEE: BG, CZ, PL, RO, SI, SK, TR, UA | Nordic & Baltic countries: DK, FI, NO, SE, EE, LT, LV.

3 Includes an estimate for short term rental.



## Weight and Dimensions for Trucks to Be Revised

┌ The European Commission has recently presented a legislative proposal amending the maximum authorised weight and dimensions of heavy duty vehicles in order to increase their energy efficiency and improve road safety.

Amongst others, the proposal will enable the introduction of new technological devices, such as the addition of aerodynamic devices to the rear of trucks, authorise a weight increase of one tonne for vehicles with an electric or hybrid propulsion and make it possible to take account of the weight of batteries or dual motorisation, without prejudice to the load capacity of the vehicle. Perhaps most importantly, the Commission also intends to allow dimension derogations for tractor cabs if this would lead to improving the aerodynamic characteristics of vehicle combinations.



These measures will lead to fuel savings and enable a reduction in the Total Cost of Ownership (TCO) for transport companies. In order to successfully implement the Proposal, the EU will need to rely on truck rental and leasing companies to finance these new technologies. For the latest developments, please contact [s.devloo@leaseurope.org](mailto:s.devloo@leaseurope.org).

## New Task Force to Strengthen Industry Position on Anti-Money Laundering

┌ Following the release of the European Commission's Proposal for a 4<sup>th</sup> Anti-Money Laundering Directive (4<sup>th</sup> AMLD) on 5 February 2013, an AML Task Force has been established within Leaseurope to identify the industry's key concerns. The Proposal for a 4<sup>th</sup> AMLD is currently being discussed by the European Parliament and Council.

Leaseurope is seeking to ensure that leasing be classified as low risk, as was provided in the 3<sup>rd</sup> AML Directive. Leaseurope welcomes the fact that the Commission has extended the range of predicate offences of money laundering to include tax crimes, but warns that this should only include serious tax crimes, in order to enhance legal certainty and avoid differing interpretations at Member State level.

In terms of the obligation placed on leasing companies to identify the beneficial owner (BO) of corporate entities, Leaseurope will

continue to advocate for the publication of EU lists containing beneficial ownership information and asks that the BO identification should only be required for big ticket lease transactions.

Regarding the requirement to identify Politically Exposed Persons (PEPs), Leaseurope will also continue to advocate for EU PEPs lists. Finally, Leaseurope will push for the 4<sup>th</sup> AMLD to contain a feedback clause, whereby feedback will be issued to leasing companies on the suspicious transactions reported to authorities, in order for them to evaluate whether they are deploying their resources effectively.

Leaseurope will follow the development of the Proposal, as it makes its way in the European Parliament and the Council. If you require additional information, please do not hesitate to contact [m.butler@leaseurope.org](mailto:m.butler@leaseurope.org).

## Leasing Currently Not Targeted by Shadow Banking Reforms

┌ In January 2013, Leaseurope and its sister Federation Eurofinas, responded to the Financial Stability Board's (FSB) consultation on a regulatory framework for shadow banking entities.

Following the submission of our response, Leaseurope was asked to speak at a meeting organised by the FSB in New York on 3 April with other industry representatives who responded to the consultation. The objective of the meeting was for FSB members to gain further insight from market participants on the definitions of economic functions that pose shadow banking risks and the FSB's proposed policy toolkit for dealing with these risks.

Leaseurope gave the views of the industry in a panel which considered the risks related to the provision of credit that is dependent on short term or wholesale funding. We described the close links of the leasing industry with regulated banks (e.g. through ownership or funding) and the implications of this inter-relationship, i.e. direct and indirect regulatory and prudential cover of the sector. We also made the point that, in spite of the industry's economic importance, its activities do not pose a systemic risk.

Leaseurope has subsequently met with officials from the European Commission (DG MARKT) to better understand what the Commission intends to do over the coming months in the field of shadow banking. In the coming weeks, the Commission is expected to release a Communication and accompanying legislative proposals targeting money market funds. According to our understanding, other shadow banking entities, such as finance/leasing companies, will not be included in the legislative proposals. For the time being, the Commission will simply monitor the work being carried out on this topic at international level. Leaseurope has made sure that the Commission is aware of and understands the differences in funding models between European leasing/finance companies and those in other jurisdictions so that they can represent a European perspective in these discussions if need be.



## Legislation for Out of Court Redress Finalised

┆ The European Parliament and the Council recently approved the final text for two legislative instruments which provide for Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR) schemes. This further confirms the political agreement reached in December 2012 during the Cypriot Council EU Presidency.

According to the ADR Directive, each Member State must provide an ADR entity capable of dealing with business to consumer complaints for each commercial sector. As a number of Leaseurope's Members already have ADR schemes in place, the ADR Directive provides an opportunity for Members to optimise on these existing schemes. For Members who do not have such schemes it is an opportunity to develop them.

The Directive excludes ADR schemes from its scope where the persons in charge of the scheme are remunerated or employed exclusively by the trader. Nonetheless, there is a provision in the Directive allowing for this condition to be circumvented, i.e. the persons in charge of the scheme can be remunerated or employed exclusively by the trader so long as they meet

requirements on independence and transparency and have a separate and dedicated budget for the purposes of the ADR scheme.

If an ADR scheme is in place, the Directive provides that annual activity reports are required detailing the number and type of complaints received, the amount of disputes that the scheme refused to deal with and the grounds for refusal and the average time taken to resolve a dispute. These annual activity reports must be made publically accessible on the ADR entity's website. It is also important to note that the Directive provides that outcomes of ADR procedures should be made available within a 90 day period from the date on which the complaint was received.

For companies such as leasing and car rental companies that sign up to ADR entities, there is a duty to provide information on their respective ADRs on their websites.

In parallel, the ODR Regulation establishes a web platform to aid dissatisfied consumers to identify the best course of action for their dispute. The European Commission will operate the platform, which will be accessible through

the "Your Europe" web portal. This will cover both domestic and cross-border complaints, in addition to business to consumer complaints. In essence this platform is designed to ensure that complaints will be forwarded to the appropriate ADR. For more information please contact [m.butler@leaseurope.org](mailto:m.butler@leaseurope.org).

## Members' News

┆ Gerry Keaney, was appointed Chief Executive of the British Vehicle Rental and Leasing Association (BVRLA) effective 1st June 2013.

┆ Edoardo Bacis was appointed as new Chairman of Assilea, the Italian Leasing Association.

┆ Keketi Dušan was appointed as new President of ALSSR, the Association of Leasing Companies of the Slovak Republic.

┆ Renata Hemerik and Peter-Jan Bentein, Director General of the Dutch Automotive Rental and Leasing National Associations, respectively, met with HRH Princess (now Queen) Maxima of the Netherlands on the occasion of a special week on SME and entrepreneurship.

## Parliament in Favour of Cross-Border Movement of Vehicles, Some Member States Reluctant

┆ The Commission's new proposal on (re)-registration and cross-border movement of vehicles was discussed at a special Hearing organised by the European Parliament's Internal Market and Consumer Protection (IMCO) Committee. As this is a key file for the automotive leasing and rental industry, Leaseurope seized the opportunity to have its views heard.

John Lewis, Chair of Leaseurope's Automotive Steering Group, represented the industry in a panel debate at the Hearing, which was attended by Member State representatives,

Commission officials, key MEPs from various political factions as well as other important stakeholders.

As the legislative process is on-going, Leaseurope has been working closely with the Parliament's Rapporteur, MEP Toine Manders as well as with Member States and Commission officials. On 30 May, the Rapporteur's Draft Report was discussed for the first time within the IMCO Committee and was well received by all political parties. Leaseurope, together with its Member Associations, is currently co-ordinating outreach activities with national authorities in order to address concerns raised by some Member States and to align the position of the Member States with that of the Parliament.

Should you have any questions, do not hesitate to contact [r.knubben@leaseurope.org](mailto:r.knubben@leaseurope.org).



┆ The Spanish Leasing & Rental Association, AELR, has announced the retirement of its Chairman and Leaseurope's Board Member Tomas Perez Ruiz. He will be dearly missed by the leasing community across Europe.

┆ José Coronel de Palma y Martínez-Agullo, President of Caterpillar Financiera, has been appointed new Chairman of AELR and José Martín Castro Acebes, Managing Director, Leasing & Renting at Santander, as new member of the Leaseurope Board.



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## Delivering the Future Leaseurope provides platform for young industry innovators

As reported on page 6, several heads of European leasing companies gathered at the European House of Leasing on 7 March for Leaseurope's CEO Business Council. One of themes that emerged from those discussions was the need to create a culture where leasing employees can be truly innovative and secure the commitment of a younger generation to the industry.

As a result, Leaseurope and Invigors have created the 2013 Future Group, comprised of promising young talents nominated by the heads of European leasing companies taking part in the Business Council. The group is made up of 16 individuals from different geographical and functional backgrounds, with a (relatively) good balance of gender diversity. The task of each Future Group member will be to independently develop an original idea for an innovation that could revolutionise

any aspect of the leasing business, be it in terms of value proposition, products, partners, processes, channels, etc. Their task will also be to explain how this innovative idea will lead to sustainable growth and increased profitability of the business. The best individual ideas will be further developed in small teams and presented at the Annual Convention in Rome.

The entire Future Group has been invited to attend the Convention, giving the young talents the possibility to network with their peers and senior industry figures from across Europe.

### Future Group members are:

Alberto Petroni, *UniCredit Leasing* | Paul-Antoine Stirn, *ALD International* | Brigitte Rebhan, *Deutsche Leasing* | Frits Engelaer, *De Lage Landen* | Marco Ripamonti, *BNP Paribas Leasing Solutions* | Michal Meclowski, *ING* | Helga Laureys, *Belfius Lease* | Etelvina Saavedra, *Societe General Equipment Finance* | Luca Samori, *LeasePlan* | Kari Makela, *3STEPIT* | Gernot Prettenthaler, *Raiffeisen Leasing* | Hywel Prewett, *Aldermore* | Marcin Podwojski, *BRE Leasing* | Juho Väinölä, *Nordea Finance* | Vincent Romanelli, *Investec* | Airlie Smith, *GE Capital* | *(from left to right below)*

### The Future Group



## Long-awaited eCall Proposal Released

On 12 June, the European Commission released a legislative Proposal which foresees the mandatory introduction of a European-wide eCall service in all new passenger cars and light duty vehicles as of 2015.

The basic technology to be installed in all new vehicles as of 2015 – positioning, communication and central processing units connected to central vehicle control units – can already support more than the eCall functionality as showcased by the number of additional services delivered today by third party services providers (e.g. real-time traffic information, position-enhanced breakdown calls and remote diagnostics).

In order to ensure freedom of choice, Leaseurope has strongly advocated that the Commission should ensure that in-vehicle telematics systems grant open access to third party service providers. However, the proposal only takes this partly into account. Leaseurope is working on this dossier together with other industry stakeholders. For more information, please contact [r.knubben@leaseurope.org](mailto:r.knubben@leaseurope.org).

## Leveraging Leaseurope's Participation in CARS 2020

On 27 May, Leaseurope presented the automotive rental and leasing industry's view regarding the uptake of clean vehicle technologies, such as hybrid and full electric vehicles, at the CARS 2020 Clean Vehicle Working Group. The presentation focused on the need for Member States to introduce usage based incentives in order to increase demand for such vehicles. Furthermore, the point was made that Member States should support the fleet renewal impact of the automotive leasing industry and refrain from increasing the company car tax burden, which would hinder the uptake of such vehicles. For more information, please contact [r.knubben@leaseurope.org](mailto:r.knubben@leaseurope.org).



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## In the Press...

Leaseurope's major files and activities have continued to generate a lot of interest and were well covered by the media.

A number of articles and flash news mentioning Leaseurope have been published in, amongst others, the Financial Times, Leasing World, Leasing Life, CCR World, Fleet Europe, Fleet News, International Fleet World, Motor Finance, Asset Finance International, World Leasing, Bloomberg, Reuters, etc. Topics covered included:

- Leaseurope's reaction to the new proposals by the IASB to make changes to IFRS lease accounting;
- the preliminary results of the European leasing market for 2013 by Leaseurope;
- the results of the Leaseurope Index Survey for Q4 2012 and Q1 2013;
- the Leaseurope Segment Survey with 2012 results;
- the appointment of Jose Martín Castro Acebes, Director, Financial and Operating Lease, Santander, as new Leaseurope Board Member;
- the appointment of John Lewis, Chief Executive of the British Vehicle Rental & Leasing Association, as new Chair of Leaseurope's Automotive Steering Group;
- the coming on board of the Association of Lithuanian Banks as Leaseurope's newest member.

The Chair of Leaseurope's Automotive Steering Group and Car Leasing Strategic Group, John Lewis and Renata Hemerik, respectively, were interviewed on the main challenges for automotive rental and leasing by Fleet Europe.





## Leaseurope Member Associations in a Nutshell

With one of Leaseurope's goals being to reinforce the European leasing and automotive rental community, we will be profiling our Member Associations in Leaseurope inside. Featured in this issue: the Automotive Short Rental Association (CNPA) of the French Automotive Rental National Federation (FNLV), the Leasing Committee of the Lithuanian Banking Association and the Serbian Leasing Association.

### CNPA – Branche Nationale des Loueurs de Véhicules

- **Country:** France
- **Founded:** 1975
- **Secretary General:**  
Margo Dorschel-Dessertenne
- **President:** André Gallin
- **Website:** [www.cnpa.fr](http://www.cnpa.fr)



André Gallin  
President, CNPA – Branche  
Nationale des Loueurs de Véhicules

- **Full members**  
103
- **Segments and products represented by membership**  
Short term car rental (from one hour to one year rentals)
- **Market share represented by membership**  
90% of the total country fleet
- **Associate members**  
Software and security companies
- **Committees and working groups**  
Executive Committee, Social Affairs Working Group, Legal Affairs Working Group, Security Working Group, Communication & Marketing Working Group, Rail and Airport Working Group. Issue-specific working groups are also set up on an ad hoc basis
- **Code of conduct**  
We have a code of conduct called "Charte qualité" ("Quality chart") that sets out the rules a company has to abide by in order to become a member, especially in terms of quality of service and security. We also have an "ethics chart" as a framework for the management of the association.
- **Mission statement**  
Provide services to our members (consulting on legal, social, fiscal matters and helping in any situation) as well as represent and defend the interests of all short-term car rental companies on a local, national and European level.
- **Events**  
We organise a convention once a year called "Journée Nationale des Loueurs". This meeting provides our members with the opportunity to hear experts or state representatives on central topics for car rental, meet peers and exchange with associate members. In addition, we organise an annual press conference to present our activities and statistics.
- **Top priorities**  
European priorities: insurance mediation and cross-border movement of vehicles; national priorities: price display reform, private rentals regulation, car registration system and parking; security priorities: documentary frauds, legal conscriptions, complaints.
- **Lobbying successes**  
New legislation to be adopted in 2013 on price display in short-term car rentals.



## Association of Lithuanian Banks

- **Country:** Lithuania
- **Founded:** 1993
- **Chairman of the Leasing Committee:**  
Laimonas Belickas
- **President:** Stasys Kropas
- **Website:** [www.lba.lt](http://www.lba.lt)

- **Full members**  
9
- **Segments and products represented by membership**  
All types of financial products, incl. leasing – The LBA is the only association covering and representing the interests of the banking sector in Lithuania.
- **Market share represented by membership**  
LBA represents more than 90 % of the Lithuanian financial industry.
- **Total leasing volumes in 2012**  
€631.98 Mil
- **Committees and working groups**  
There are several working groups within the LBA. One of them is the Leasing Committee. The Leasing Committee itself has working groups for financial reporting, taxes and accounting.
- **Code of conduct**  
LBA has a code of conduct which is followed by the Leasing Committee.
- **Mission statement**  
Unite and coordinate members' efforts to develop favourable business conditions for banking development and reinforce confidence in the banking system of Lithuania.
- **Events**  
Most events are organised by the LBA. LBA also contributes to some conferences by providing speakers on an ad hoc basis.
- **Top priorities**  
Identify the main problems hindering the development of banking in the country and seek their positive resolution; formulate the Association's positions and engage with the Lithuanian institutions regarding issues at hand; deal with relevant issues of the banking sector, as needed.



Laimonas Belickas  
Chairman of the Leasing Committee



## Association of Leasing Companies in Serbia

- **Country:** Republic of Serbia
- **Founded:** 2004
- **Secretary General:** Teodora Milenkovic
- **President:** Vladimir Pajovic
- **Website:** [www.alcs.org.rs](http://www.alcs.org.rs)

- **Full members**  
16
- **Segments and products represented by membership**  
Financial and operational leasing
- **Associate members**  
15 associates that are companies active in rental, insurance, audit, real estate finance and factoring
- **Market share represented by membership**  
100% of financial leasing industry and related rental companies
- **New production in 2012**  
€271mil
- **Committees and working groups**  
Legal Committee, Accounting and Finances Committee, Marketing Committee, Collection Committee, IT Committee and Real Estate Committee
- **Mission statement**  
Influence a well-grounded business environment in Serbia, promote leasing and improve its competitive position as compared to other sources of funding.
- **Events**  
At the beginning of every year, we hold an annual press conference to present the yearly results of the leasing industry. This May, we organised a conference on "Leasing as business support to small and medium sized enterprises (SMEs)". Representatives from the Ministry of Finance, the National Bank of Serbia and the management of leasing companies presented leasing as a source of finance and support to SMEs.
- **Top priorities**  
Representing the common interests of leasing companies in order to improve the business environment through lobbying and communication with representatives of government institutions; promoting leasing as source of finance; presenting leasing industry best practices.
- **Lobbying successes**  
In September 2012, the National Bank of Serbia abolished statutory reserves requirements for financial leasing. This has created the opportunity to reduce the cost of financing through financial leasing; changes in the VAT legislation, implemented in January 2013, which improved the competitiveness of real estate leasing contracts.

**alcs** Association of Leasing Companies in Serbia  
Asocijacija lizing kompanija Srbije



Teodora Milenkovic  
Secretary General, Association  
of Leasing Companies in Serbia



## Our Team



**Tanguy van de Werve**  
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## Save the Date

### Events / meetings / conference calls

#### June

19

Car Leasing  
 Working Group  
 Brussels, European  
 House of Leasing

19

Automotive  
 Steering Group  
 Brussels, European  
 House of Leasing

25

Accounting  
 Committee  
 Brussels, European  
 House of Leasing

#### July

10

Car Rental  
 Working Group  
 Brussels, European  
 House of Leasing

#### October

10

General  
 Assembly  
 Rome, Italy

10&11

Annual Convention  
 of the European  
 Leasing Industry  
 Rome, Italy

#### October

22

Automotive  
 Steering Group  
 Brussels, European  
 House of Leasing

22

Car Rental  
 Working Group  
 Brussels, European  
 House of Leasing

23

Car Leasing  
 Working Group  
 Brussels, European  
 House of Leasing

For the latest update on events, meetings and conference calls, simply consult the calendar on the homepage of [Leaseurope's website](http://leaseurope.org).





## Leaseurope's Associate Members in 2013



### Interested in becoming an Associate Member of Leaseurope?

Requests for information on Leaseurope's Associate Membership and related benefits should be addressed to Anne Valette, Head of Communications, Leaseurope at [a.valette@leaseurope.org](mailto:a.valette@leaseurope.org)

### Leaseurope's Office in Brussels

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## Speaking at Industry Events

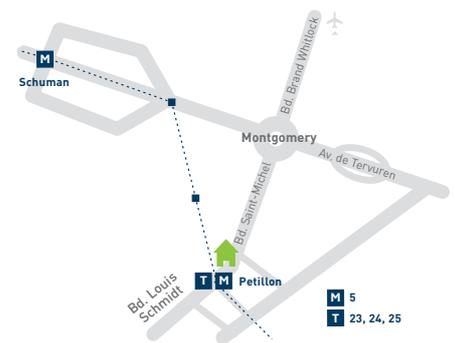
Leaseurope's Director of Asset Finance and Research, Jacqueline Mills, spoke to the European Banking Federation's SME Working Group on the role leasing plays in financing Europe's SMEs in Brussels.

She also gave a presentation to members of the Portuguese Leasing Association and the winners of the association's "Leasing Thesis Competition" on the outlook for the European leasing industry in Lisbon, Portugal.

Richard Knubben, Senior Adviser in Automotive Affairs, participated in, and gave presentation during CARS 2020 Working Group on Clean Vehicles in Brussels.

Tanguy van de Werve, Leaseurope's Director General, made a presentation on "How to keep members engaged during the lobbying process" at the 2013 International & European Associations Congress in Estoril, Portugal.

Jurgita Bucyte, Adviser in Statistics and Economic Affairs, spoke about the European automotive leasing and rental market at the Banking Conference organised by the Banking Association of Slovenia in Portoroz, Slovenia.



### Your feedback matters to us!

To provide feedback on Leaseurope inside, or to be added/removed from our mailing list, please contact: [a.valette@leaseurope.org](mailto:a.valette@leaseurope.org)