

# Market Study 2017 – Investment Financing



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# Insights



Movable investment properties, and in particular motor vehicles, are **primarily** financed by companies through **credit banks**, the trend is currently declining for nearly all company-groups (slides 7, 6).

Over time, the **percentage of self-financed investment objects is increasing**; for new cars, more than 60% of companies use debt financing, just as before (slides 9, 10).

**Personal contact** plays a **dominant role** in the overall customer journey.. Companies already frequently use **portals to search for information**, but online channels have little significance for the closing process (slides 12, 14).

When it comes to **selecting a financing partner**, **soft skills** play a critical role, as do favourable conditions (slide 15).

**Customer loyalty to credit banks is increasing along users**, and more than two-thirds of companies rely on renewed cooperation in the future (slide 17, 19).

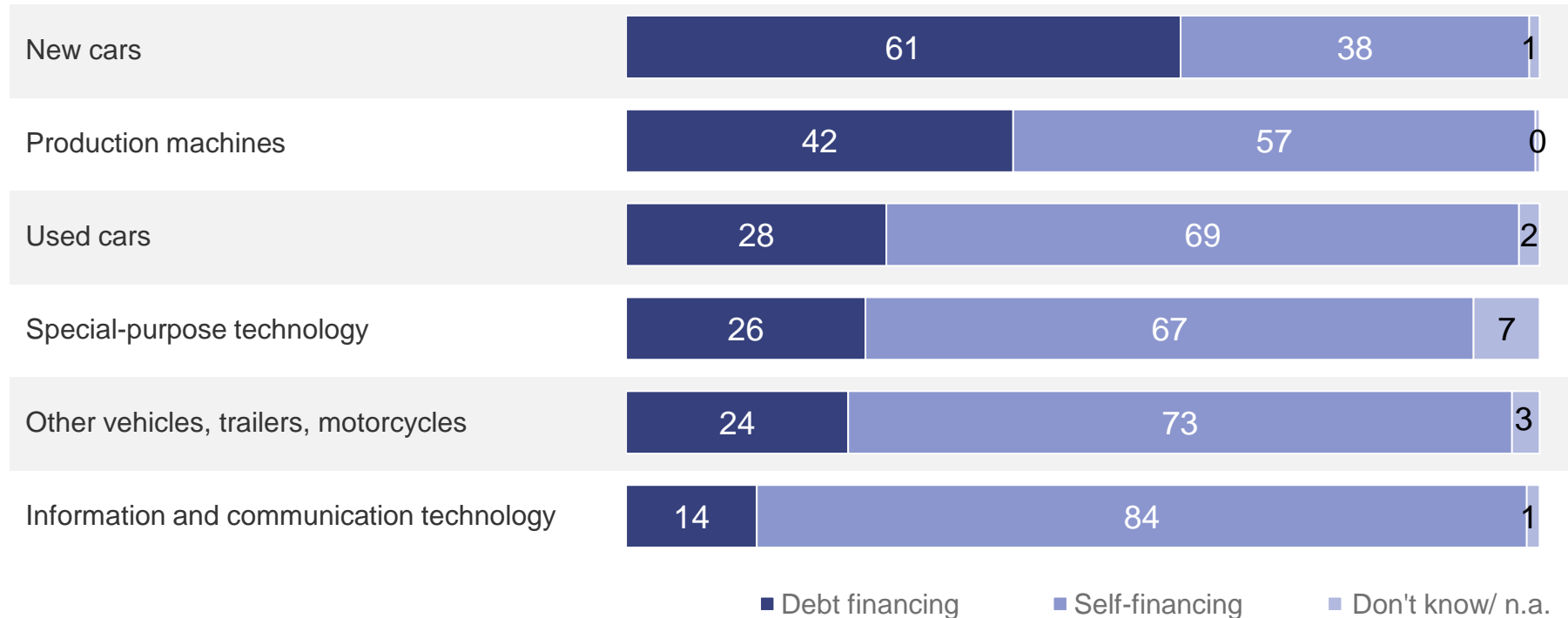
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# Investment objects financed

The proportion of debt financing for new cars is the highest by far.

*Debt financing vs. self-financing depending on the item being financed*



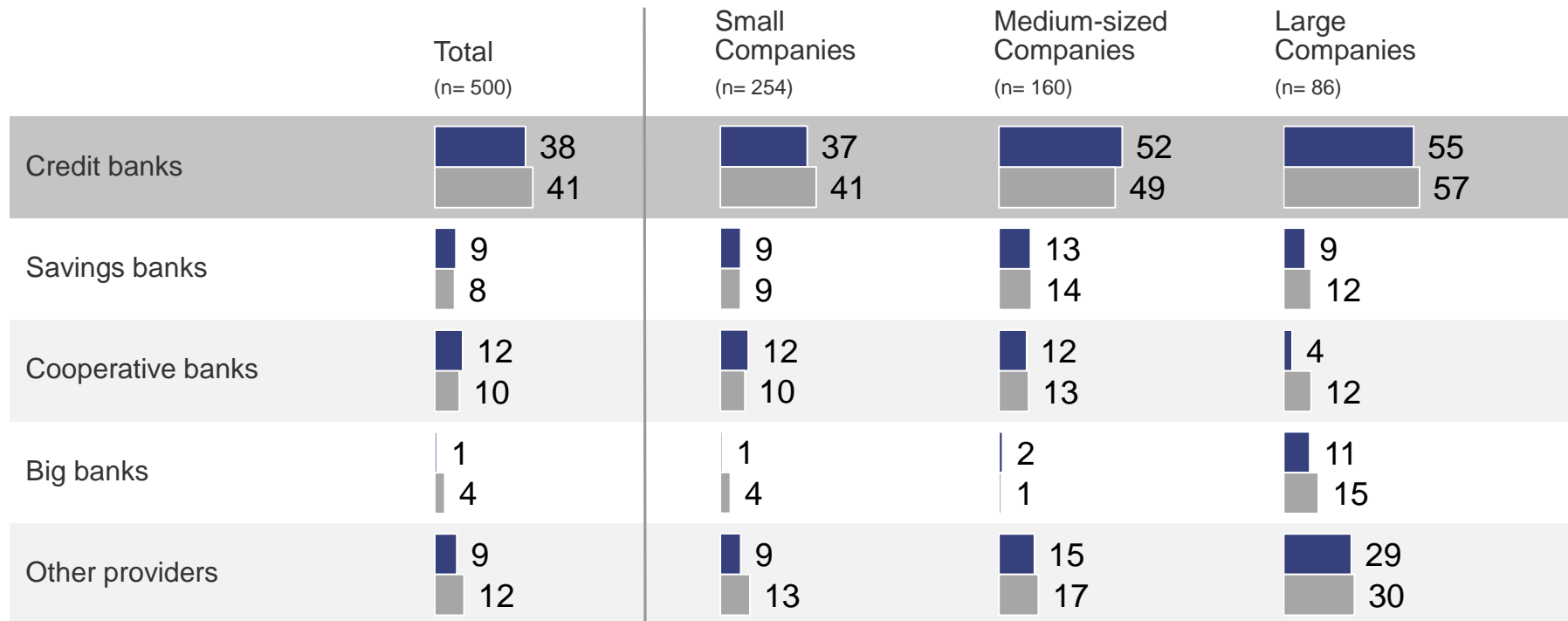
Question 3: I will now read the list of all objects to be financed once again. Please tell me which of the following objects to be financed you currently finance with credit, leasing, hire, hire-purchase or purchase with your own funds.

Basis: Those surveyed who have financed the respective item; information given in %

# Working with financing partners

Companies finance movable investment objects primarily through credit banks; the trend is currently declining for nearly all company-groups.

*Working with credit institutions and credit banks in financing movable investment objects*



■ 2017  
■ 2014

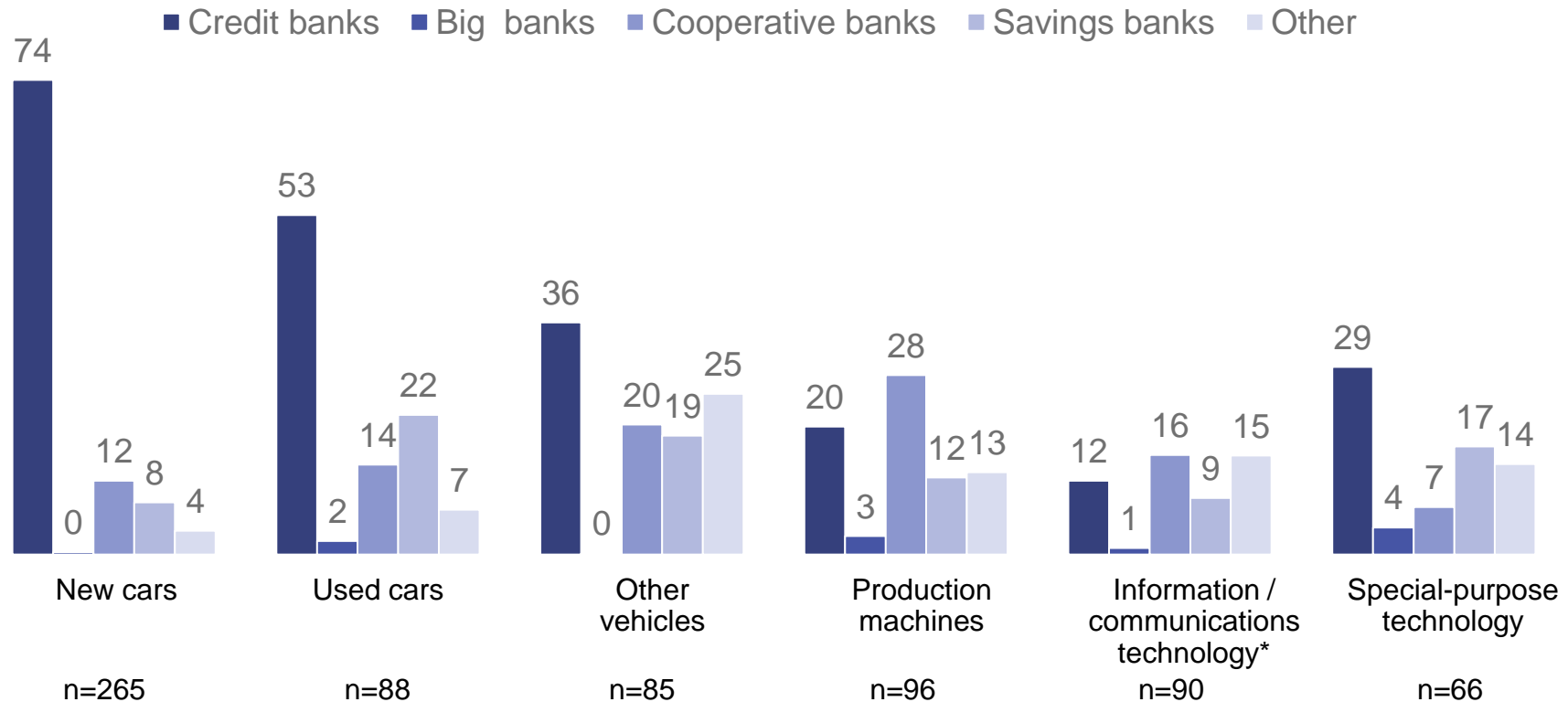
Question 4: With which credit institutions, credit banks or leasing companies are you currently working for financing movable investment objects?  
Multiple responses are possible

Basis: All respondents (n=500); information in %; illustration without "Don't know/no idea"; the overall results consider the company classes proportionally to their size

# Working with financing partners based on objects

Companies primarily finance motor vehicles with credit banks; for machines and ICT, they frequently also use cooperative banks as a financing partner.

Financier used according to object financed



Question 4: With which credit institutions, credit banks or leasing companies are you currently working for financing movable investment objects?

Basis: Respondents who finance the respective object; multiple responses possible; information in %, \*percentage with no information > 30%

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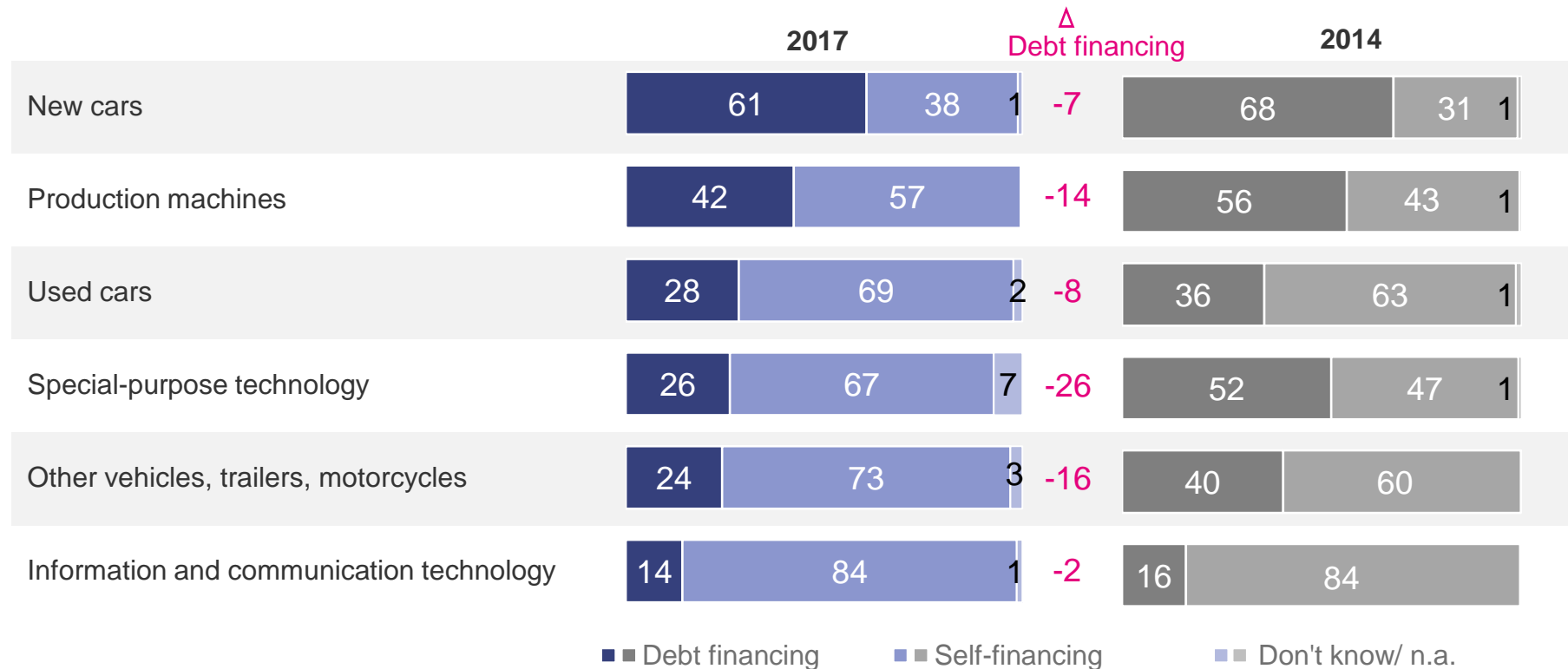
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# Types of financing by objects

Overall, the percentage of self-financed objects is increasing compared to debt financing.

Debt financing vs. self-financing depending on the object being financed



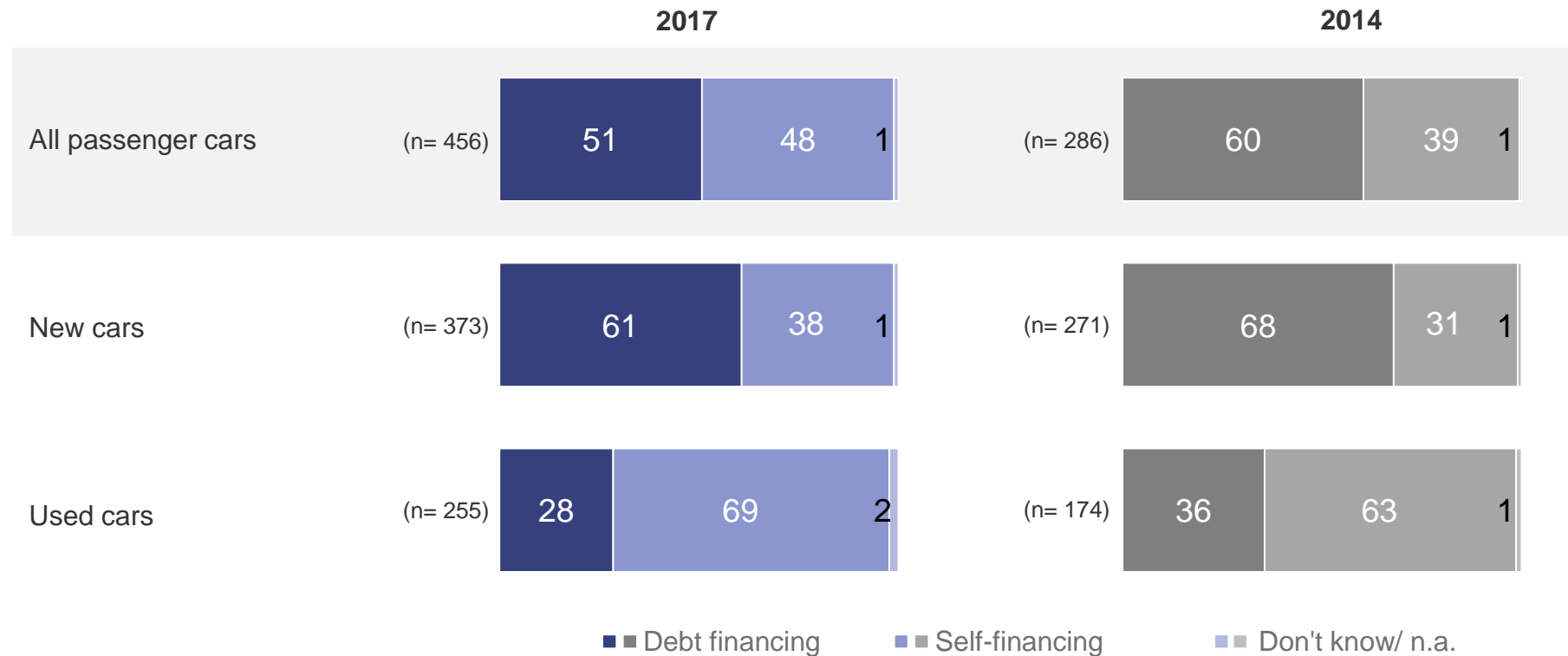
Question 3: I will now read the list of all objects to be financed once again. Please tell me which of the following objects to be financed you currently finance with credit, leasing, hire, hire-purchase or purchase with your own funds.

Basis: Those surveyed who have financed the respective item; information given in %

# Proportion of financed passenger cars

For new and used cars, the trend towards debt financing is declining equally.

Debt financing vs. self-financing for passenger cars



Question 3: I will now read the list of all objects to be financed once again. Please tell me which of the following objects to be financed you currently finance with credit, leasing, hire, hire-purchase or purchase with your own funds.

Basis: Those surveyed who have financed the new and used cars; information given in %

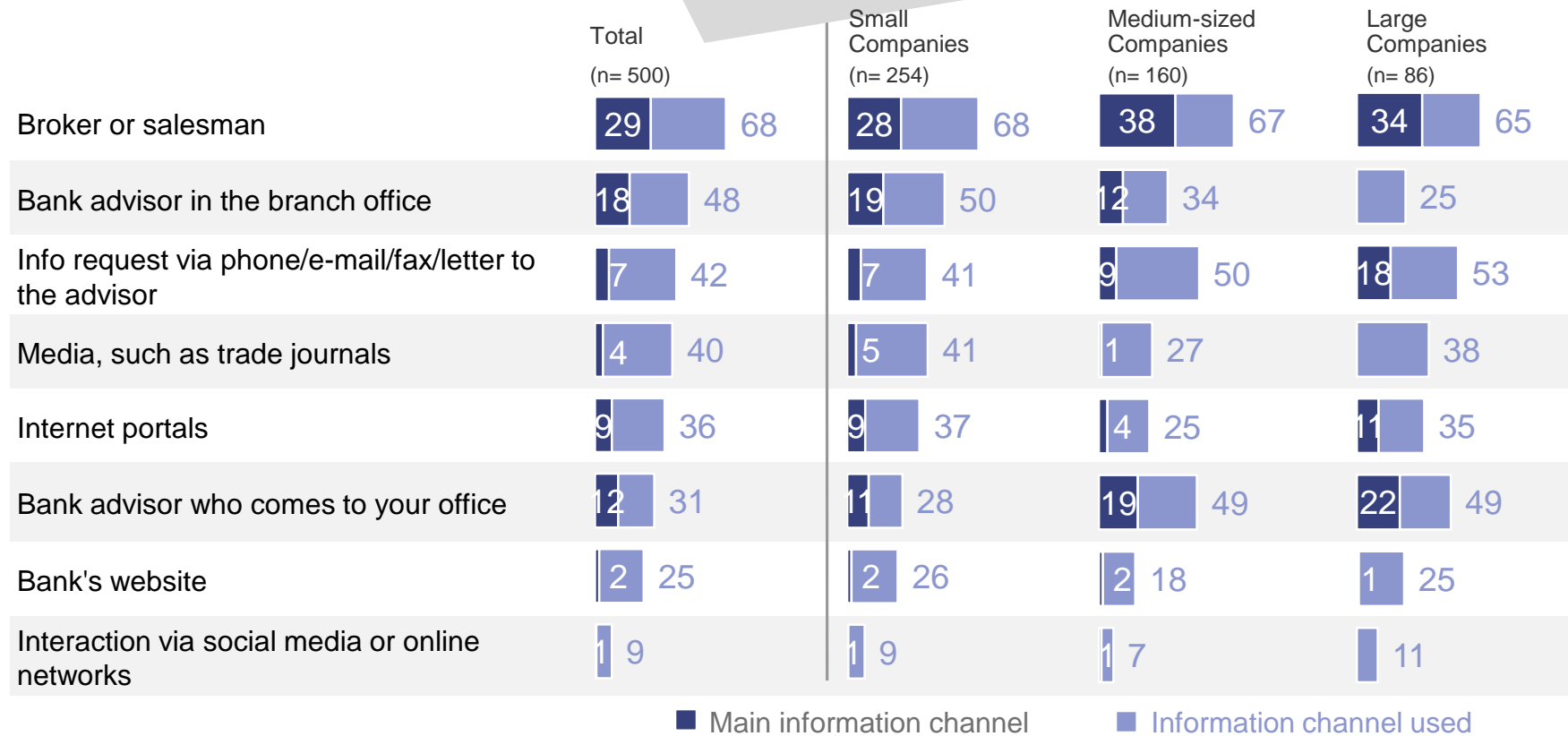
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# Information channels based on company size

One out of three companies gets information from portals, however, personal contact with an advisor / broker is still the most important information medium.

Example:  
68% of companies get information from the broker or salesman; for 29% of companies, this is the main information channel.



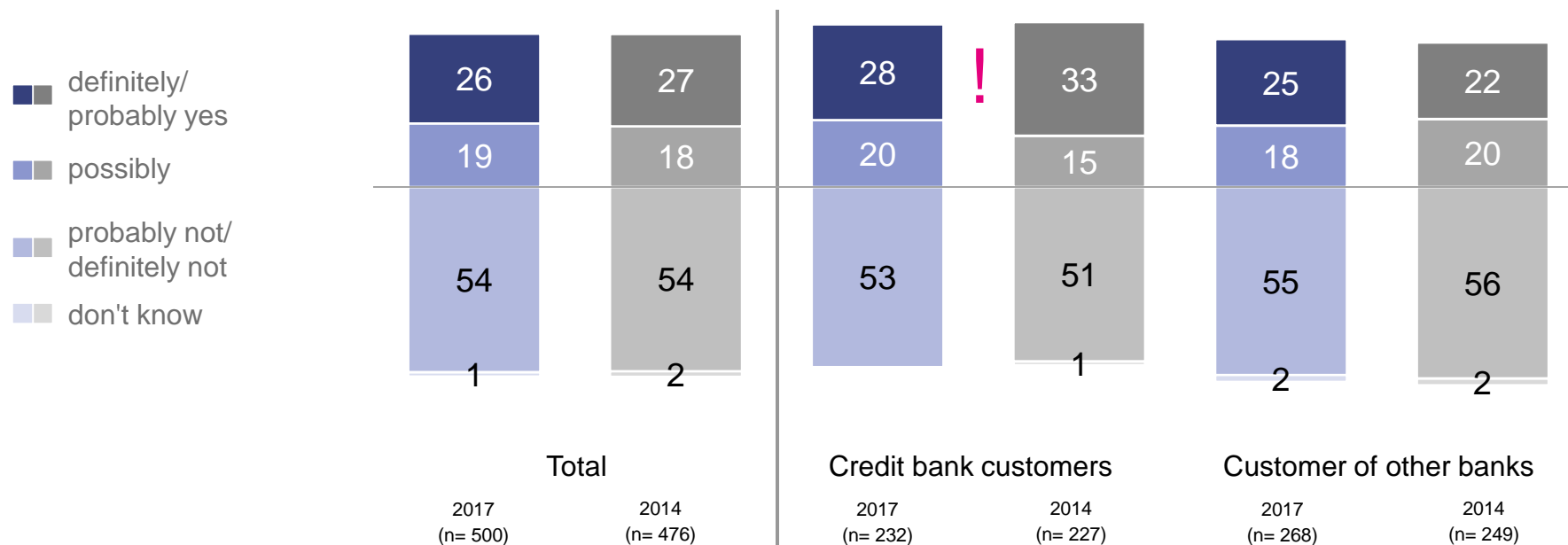
Question 13: Which of the following channels do you use when searching purely for information?

Question 14: Which is your most important source of information, meaning which of the information channels mentioned do you use most frequently when searching for information?

Basis: All respondents (n=500); image of results with information channel used > 5% multiple responses possible; information in %

# Interest in concluding a financing arrangement online

Hardly an increase in interest to conclude a financing arrangement online; customers of credit banks are more open to this than customers of other banks.

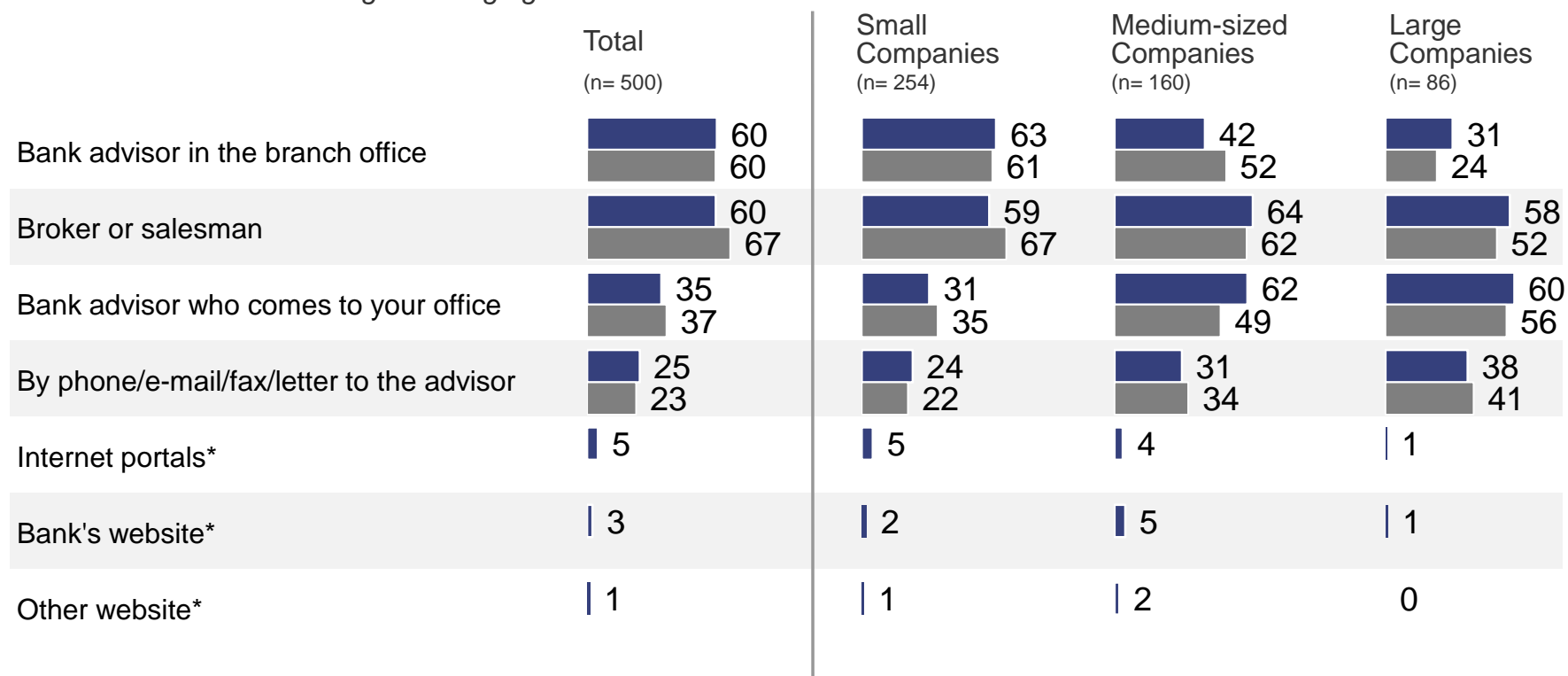


Question 30: Let's assume you had the opportunity to conclude your financing arrangement online. Could you imagine doing that if needed?  
 Basis: All respondents (n=500); information in %

# Closing channels

In addition to the direct channel via the bank advisor or broker, companies rarely use an alternative for closing a financial agreement.

*Selected channels for closing financing agreements*



■ 2017  
■ 2014

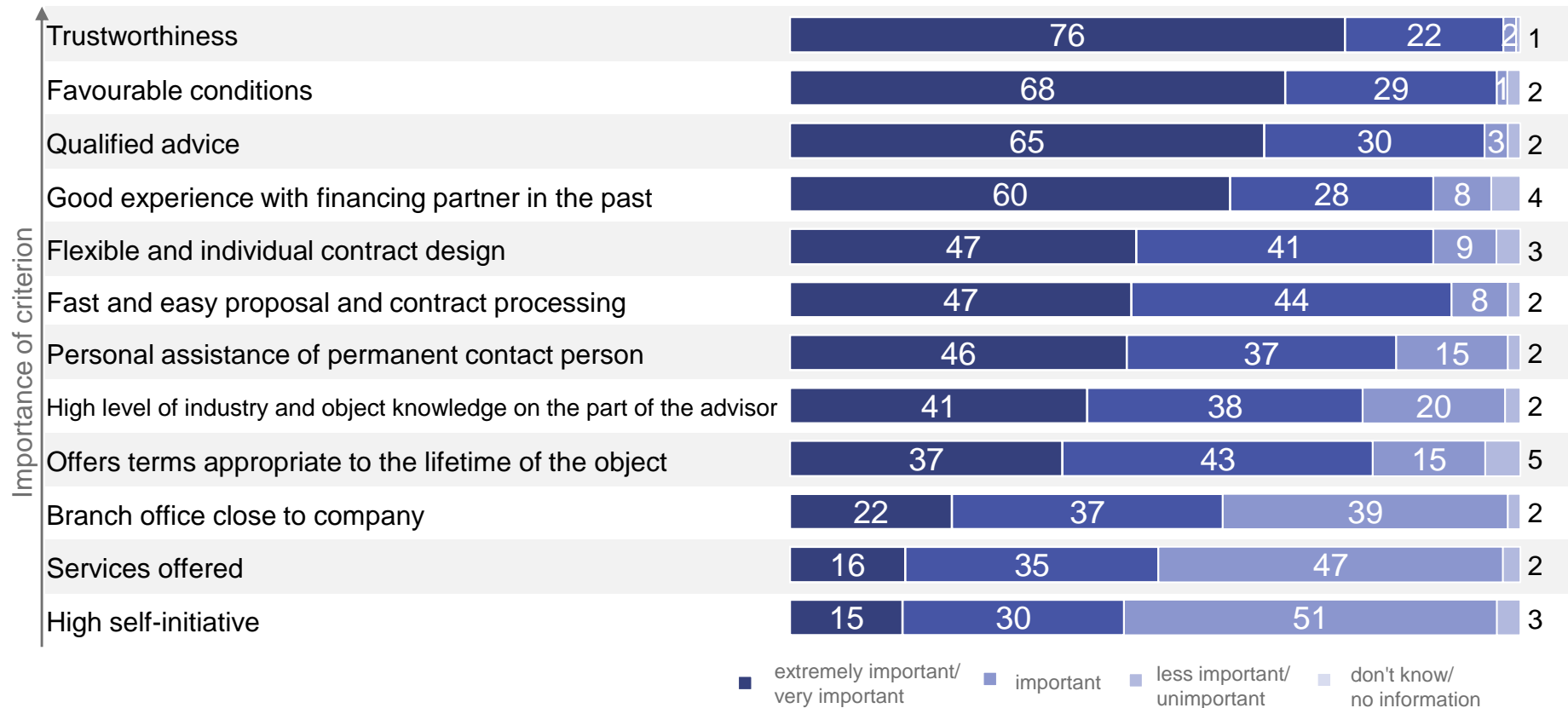
\*Newly incorporated in 2017

Question 26: Now I would like to talk to you about the actual closing for the loan. Which channel or channels do you usually use to conclude a financing arrangement?  
Basis: All respondents (n=500); multiple answers possible; information in %

# Decision-making criteria

In addition to the terms, it is primarily the soft skills that influence the decision for a financing partner.

Importance of decision-making criteria in selecting a financing partner, sorted by importance (top 2: extremely/very important)



Question 16: In the following, I will read to you the different aspects that could be important in the selection of a financing partner. Please tell me how important each of these aspects is to you in selecting a financing partner.

Basis: All respondents (n=500); information in %; items ranked based on importance (extremely important)

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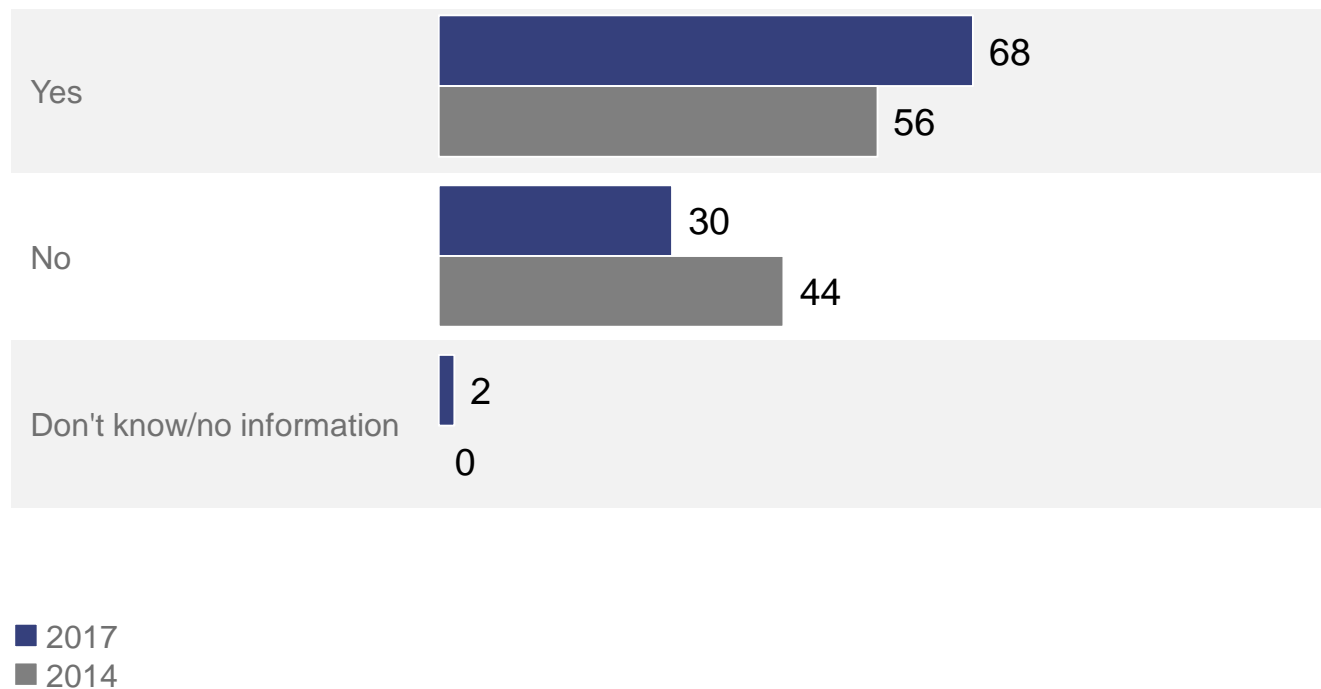
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# Past financing with the credit bank

The current trend shows that customer loyalty is increasing amongst credit bank customers: More companies than ever before rely on renewed financing with a specific credit bank.

"Have you already worked together in the past with the [credit bank] providing your current financing?"

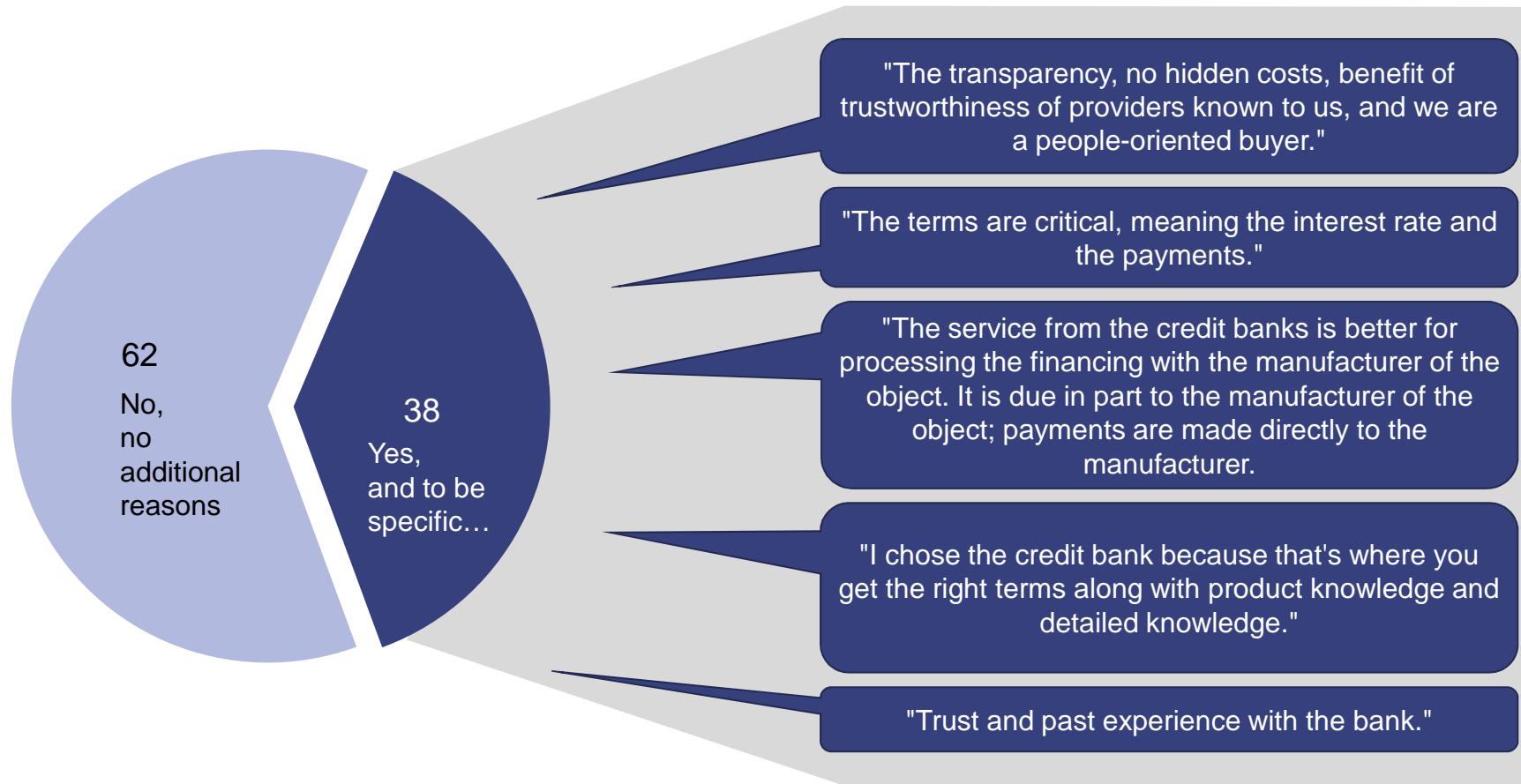


Question 5: Have you already worked together in the past with the [credit bank] providing your current financing?

Basis: Companies with financing from credit banks for movable investment objects (2017: n = 215; 2014: n = 209); ; values in parentheses = values for 2014; information in %

# Reasons for financing with the credit bank

Single references: More reasons for financing with the credit bank

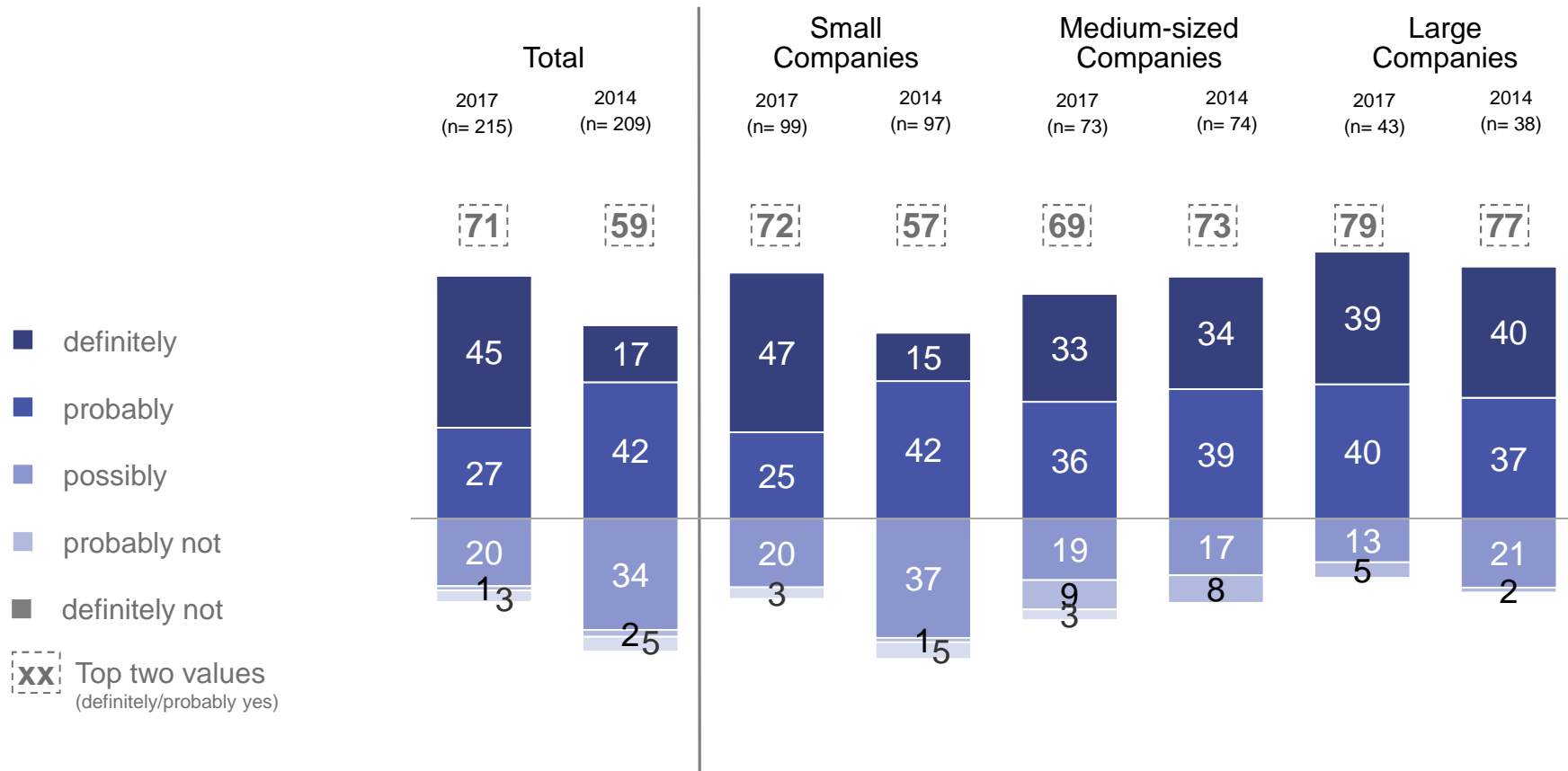


Question 32: Now please think about credit banks. Was there something else that played a role in your decision for financing from the credit bank?

Basis: Companies with financing for movable investment objects from credit banks (n=215); the selected individual responses represent the wide range of overall responses; information in %

# Future development of cooperation

Significantly more companies than in 2014 are planning to continue to work together in future with their credit bank.



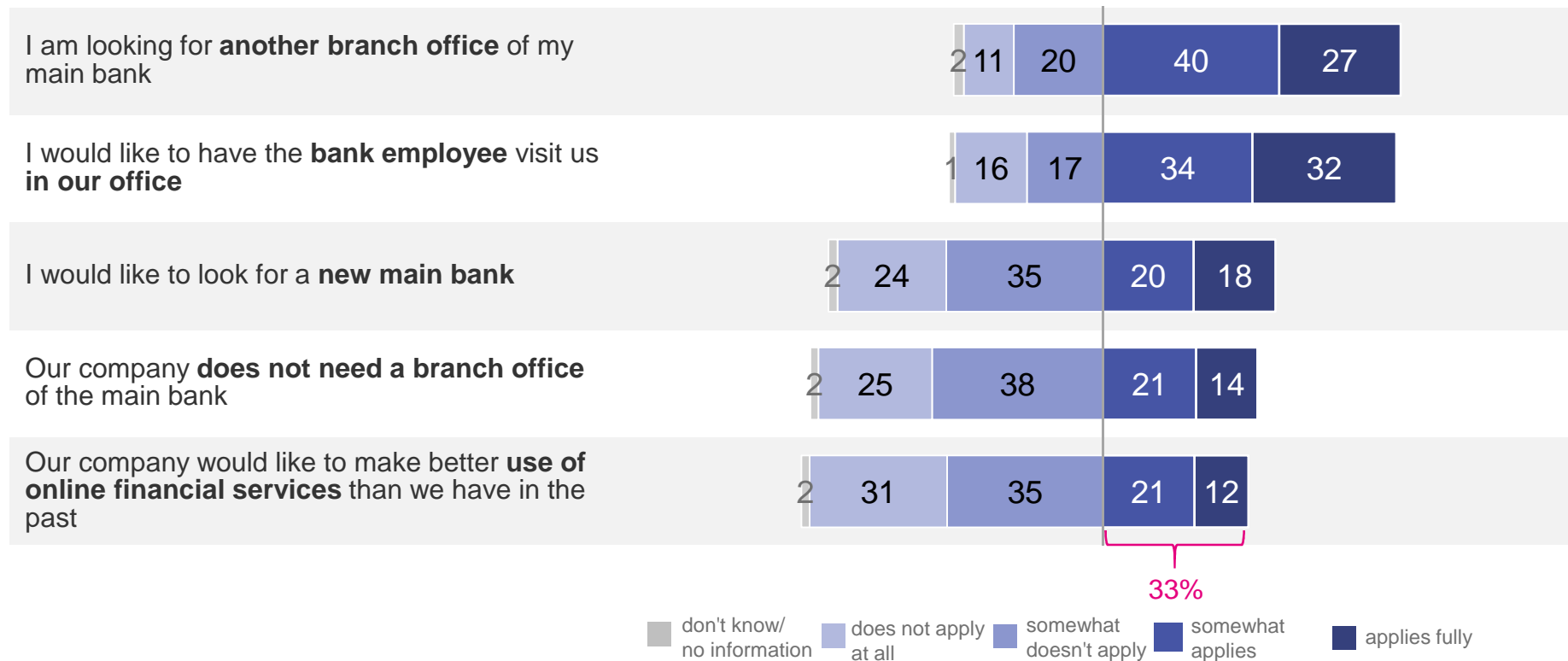
Question 6: Will you use additional financing and services from the credit bank in future?

Basis: Companies with financing of movable investment objects from credit banks; information in %

# Alternative to main bank branch

One out of every three companies indicates they are open to online alternatives if their branch office were to close.

Consent statements on alternatives to closing of the main bank's branch office



Question 31: Please imagine that the branch bank of your company's current main bank were to close. To what extent do you agree with the following statements?

Basis: All respondents (n=500); information in %

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# Study design

## Objectives/Content:

- Creating an overview of the investment financing market in Germany. Analysis of the attitudes and behavior of companies with regard to the financing of movable investment objects by means of credit, leasing, hire and hire purchase, both overall and with the focus on credit financing.

## Population:

- Small and medium-sized companies (SMEs), large companies, and self-employed persons in Germany.

## Sample:

- Sample disproportionately stratified by class of turnover size and sector; 500 interviews in total.

## Study methodology:

- Telephone survey (CATI – computer assisted telephone interview), average interview length: 20 minutes.

## Survey period:

- 05/26/2017 – 06/26/2017

## Comparison over time:

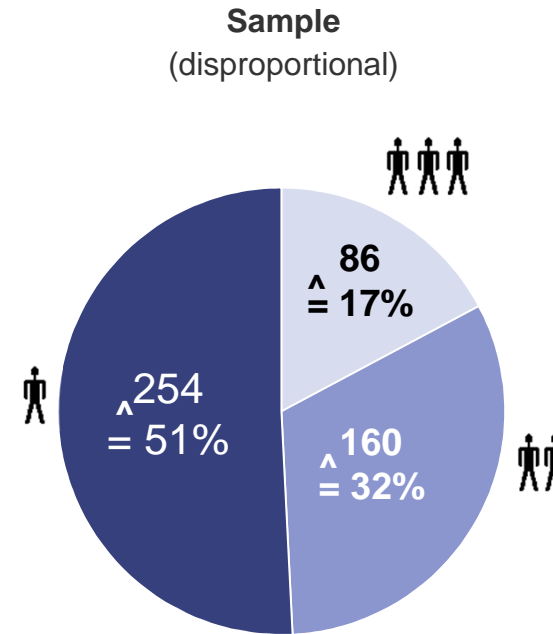
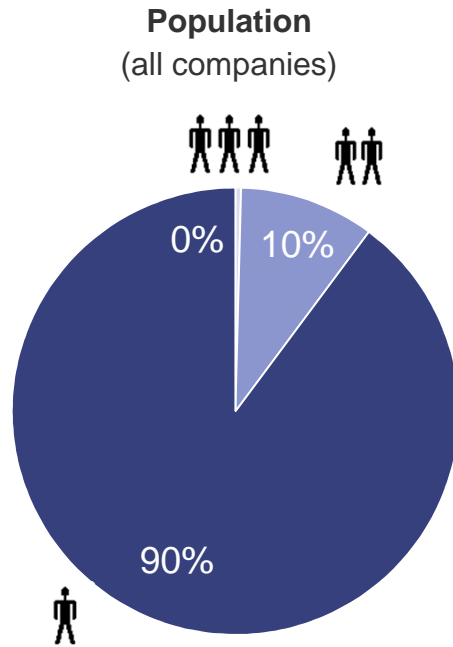
- The study had previously been carried out in 2009, 2011 and 2014. In 2017, the study design was modified. If a comparison over time is only possible to a limited extent, then this is found in the appendix as a trend statement.

## Rounding of values:


- Discrepancies from 100% throughout the report are due to rounding differences.


# Study design


## Population and Sample



All of the following illustrations show weighted data, which is therefore representative of the population

 small companies  
(annual turnover < EUR  
1 million)

 medium-sized companies  
(annual turnover EUR 1 to less  
than 50 million)

 large companies  
(annual turnover > EUR  
50 million)

Source: Federal Office of Statistics 2016/ASE 2010; information in %

# Study design – list of credit banks

## Overview of credit banks specialised in investment financing

- abcbank
- akf bank
- Bank Deutsches Kraftfahrzeuggewerbe
- Bank11
- BMW Bank
- BNP PARIBAS LEASE GROUP
- Brühler Bank
- CB Bank
- CNH Industrial
- Commerz Finanz
- CreditPlus Bank
- CRONBANK
- Deutsche Leasing Finance
- DZB BANK
- FCA Bank
- FFS Bank
- Ford Bank
- GEFA BANK
- Honda Bank
- Hyundai Capital Bank
- IBM Kreditbank
- Mercedes-Benz Bank
- MKB Mittelrheinische Bank
- MKG Bank
- net-m privatbank
- Opel Bank
- PSA Bank
- RCI Banque
- S-Kreditpartner
- Santander Consumer Bank
- TARGO Commercial Finance
- TARGOBANK
- TEBA Kreditbank
- TOYOTA KREDITBANK
- TRUMPF Financial Services
- UniCredit Leasing Finance
- Volkswagen Bank
- VR DISKONTBANK



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