Bankenfachverband Die Experten für Finanzierung

Market Survey 2009 - Investment Financing

Specialisation as a perceivable competitive advantage?

March 2009



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Management Summary

- So far, almost a third of companies work together with at least one specialised credit bank* within the framework of financing moveable investment objects (Slide 7).
- Most companies obtain three to four quotes on average (Slide 11).
- Two thirds of the companies also look for new providers when they compare prices and products (Slide 12).
- Three quarters of new cars that are used operationally are financed externally (Slide 15).
- As a percentage, second-hand cars and equipment are financed most frequently by loans (Slide 16).
- Credit banks are used especially to finance operational mobility (Slide 17).
- Loans are the most popular type of external financing of investments (Slide 18).
- As regards the choice of financing partner, the most important aspects are the terms and conditions, good experiences in the past and the partner's knowledge of the industry and the object to be financed (Slide 23).

* Overview of credit banks specialising in investment financing, see slide 28





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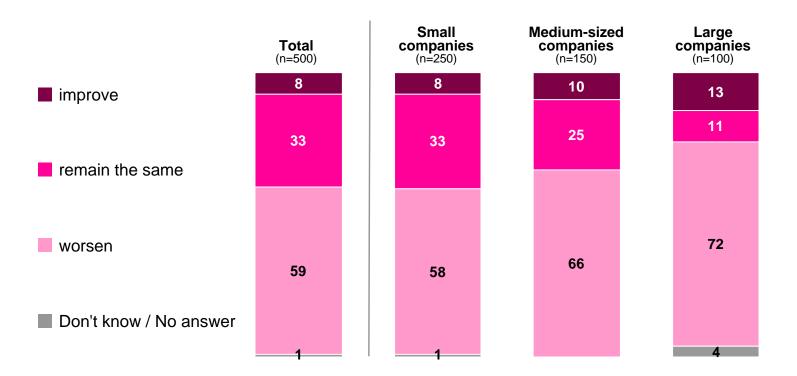




Assessment of the economic situation

Well over half of companies believe that the economic situation in Germany will get worse

In the next 12 months, the economic situation in Germany will...



Basis: All respondents

Figures are %



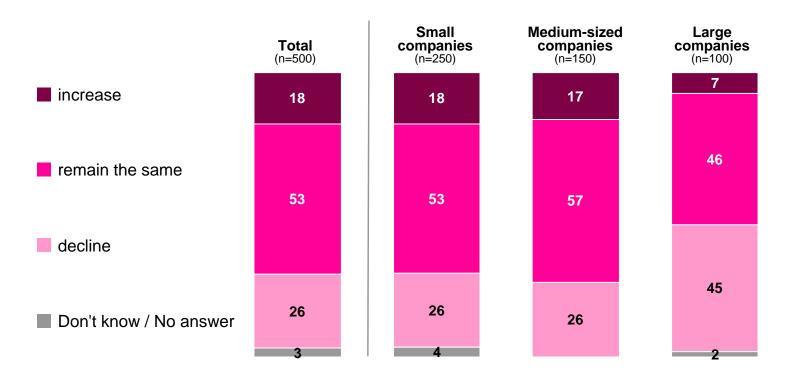
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Assessment of investment requirements

A quarter of companies think that company investment requirements will decline; large companies are much more pessimistic

In the next 12 months, investment requirements in companies will...



Basis: All respondents



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Cooperation with financial institutions and credit banks Almost a third of companies work together with at least one credit bank

Cooperation with financial institutions and credit banks in financing moveable investment objects

	Total (n=500)	Small companies (n=250)	Medium-sized companies (n=150)	Large companies (n=100)
Credit banks (net*)	29	29	26	31
thereof captives (car finar banks) (net*)	21	21	20	16
Savings banks	23	23	24	14
Cooperative banks	22	22	19	13
Big banks (net*)	7	7	13	23
Other providers (net*)	17	17	20	30
Ø Number of mentions	1.4	1.4	1.7	1.8

Basis: All respondents; *Net total: in case of multiple mentions all respondents are entered just once in the result of the respective category

Figures are in % resp. points (average)

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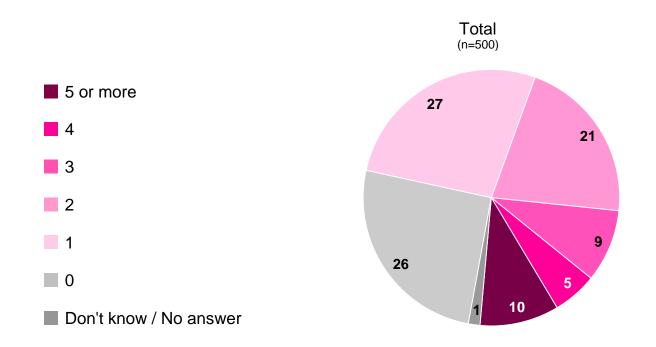




Number of investments

Three quarters of companies have made relevant investments in the last 12 months

Number of investments in the last 12 months



Basis: All respondents



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Number of investments

Large companies make many more investments than small companies

Small companies Med.-sized companies Large companies (n=100) Total (n=250) (n=150) more than up to more than more than up to up to (n=500) €100,000 €100,000 €100,000 €100,000 €100.000 €100,000 1 1 8 5 or more **4**3 20 6 27 9 8 4 41 22 12 62 9 3 7 16 2 17 85 30 1 76 14 6 2₂ 37 0 12 28 Don't know / No answer 26 13 12

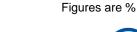
Number of investments in the respective volume categories in the last 12 months

Basis: All respondents



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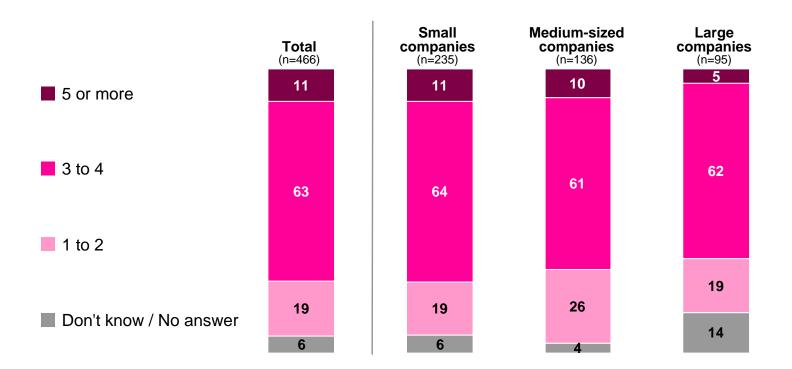




Price and product comparisons

Most companies obtain three to four quotes on average

Number of financing quotes obtained on average



Basis: All respondents comparing prices and products



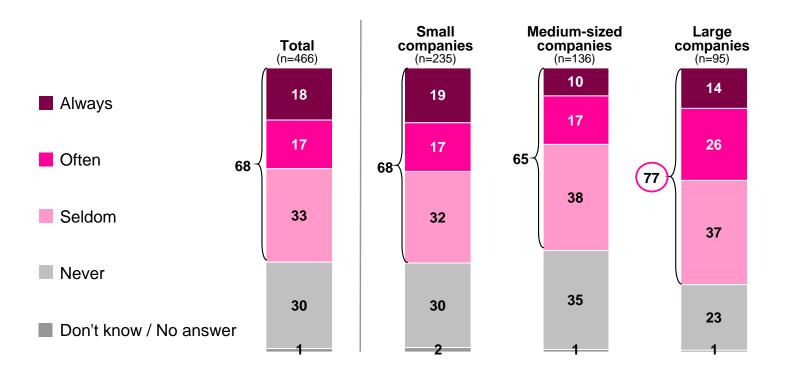
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Price and product comparisons

Two thirds of companies also consider new providers when they compare prices and products

Consideration of new providers when prices and products are compared



Basis: All respondents comparing prices and products



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IT equipment and new cars are used by most companies

Proportion of companies that use the respective investment objects

Computer / IT systems / office equipment / communication technology	9
New cars	84
Production / processing machines	48
Second-hand cars	46
Trucks / delivery trucks / trailers	44
Fork-lifts / industrial trucks	29
Special / medical technology / laboratory equipment	22
Cranes / construction equipment	15
Agricultural equipment	11
Buses	4

Basis: All respondents; presentation without "Don't know / No answer"



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Figures are %

Total

Operational mobility is financed externally most frequently

External financing vs. financing from own resources depending on the financing object

	External finan	cing 📕 Finan	cing from own reso	urces	
Computer / IT systems / office equipment / communication technology	19		81		
New cars		77		23	
Production / processing machines	4	7	53	3	
Second-hand cars	26 74				
Trucks / delivery trucks / trailers	72 28				
Fork-lifts / industrial trucks	44		56		
Special / medical technology / laboratory equipment		54		46	
Cranes / construction equipment		75		25	
Agricultural equipment		58		42	
Buses		90			10

Basis: All respondents using the respective objects; presentation without "Don't know / No answer"





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As a percentage, second-hand cars and equipment are financed most frequently by loans

Most frequently used type of financing depending on the financed object

	Loan	Leasin	g 📕 Renta	al Lea	ase Purchas	se Agre	ement
Computer / IT systems / office equipment / communication technology	3	0	37			33	
New cars		37		52		3	9
Production / processing machines		52			30	1	8
Second-hand cars	67		67				13
Trucks / delivery trucks / trailers	37			42		19	9
Fork-lifts / industrial trucks	20		48	48		31	
Special / medical technology / laboratory equipment		58			34		9
Cranes / construction equipment		39		32	2	28	
Agricultural equipment		58			24	9	9
Buses	17		56			28	

Basis: All respondents that use and externally finance the respective objects; presentation without "Don't know / No answer"

Figures are %



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To finance operational mobility credit banks are most frequently used

	Crea	dit bank	Big ba	nk	Coc	p. bank	Saving	s bank		her ovider
Computer / IT systems / office equipment / communication technology	8		31			26		26		10
New cars			45		4	14	16		21	
Production / processing machines	12	2	31			32			24	
Second-hand cars		36				44		5	11	5
Trucks / delivery trucks / trailers		36			16	16		15	1	7
Fork-lifts / industrial trucks		27	6		19	13		35		
Special / medical technology / laboratory equipment	11		31			24		34	ļ	
Cranes / construction equipment		26	1 1	4		22		38		
Agricultural equipment	9			53			2	26		12
Buses		26			44			15		15

Basis: All respondents financing the respective objects externally



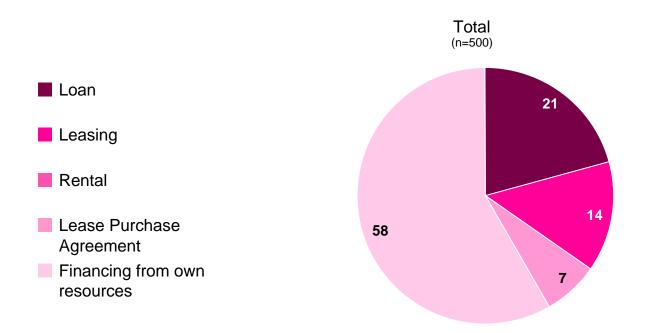
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Types of financing

Loans are the most popular type of external financing of investments

Type of financing that is most frequently considered in general



Basis: All respondents; presentation without "Don't know / No answer"



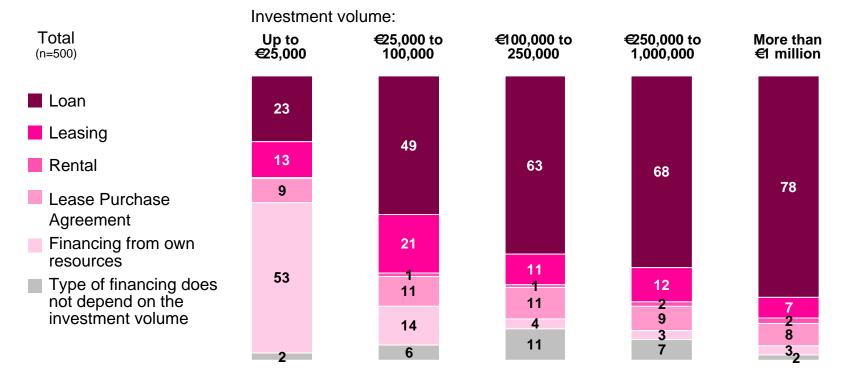
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Types of financing and investment volume

Loans are the most popular type of external financing across the different volume categories

Type of financing that is normally chosen in the respective volume category



Basis: All respondents; presentation without "Don't know / No answer"



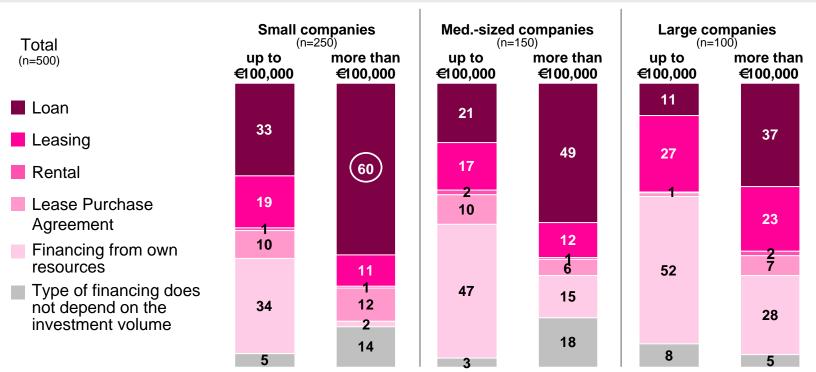
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Types of financing and investment volume

In small companies almost two thirds of investments over €100,000 are financed by loans

Type of financing that is normally chosen in the respective volume category



Basis: All respondents; presentation without "Don't know / No answer"



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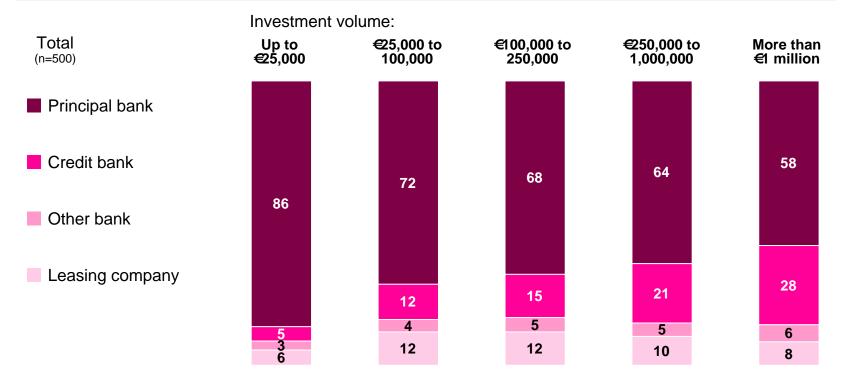




Financing partners and investment volume

The significance of credit banks as financing partners rises with an increase in investment volume

Financing partner that is normally chosen in the respective volume category



Basis: All respondents; presentation without "Don't know / No answer"



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Reasons for choosing the financing partner

Good experience in the past, knowledge of the industry and object and the terms and conditions are the most important aspects

Importance of different aspects in the choice of financing partner

Total (n=500)	less important/ unimportant	5
Favourable terms and conditions	1	75
Good experiences with the provider in the past	3	65
Qualified advice with good knowledge of the industry an	d the object 7	63
Quick and easy processing of the quote and the contract	t 6	52
Good reputation	12	45
Personal contact with the consultant	28	38
Proximity	28	35
Product and suitable financing from one source	25	32
Personal initiative of the financing partner	28	26

Basis: All respondents



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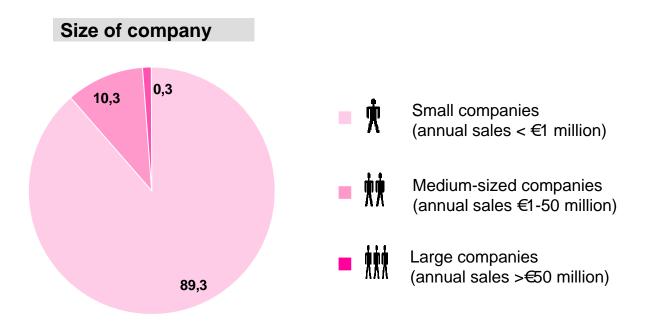
Study design

Objectives / content:	Provide an overview of the investment financing market in Germany. Investigate the attitudes and behaviour of the companies as regards financing moveable investment objects using loans, leasing, rental and lease purchase agreement on the whole as well as focusing on financing through loans.
Statistical population:	Small and medium-sized enterprises (SME), large companies and self-employed people in Germany
Sample:	Disproportionally stratified sample according to sales volume category and industry; Address data source: Dun & Bradstreet; total of 500 interviews
Survey method:	Phone survey (CATI – <u>C</u> omputer <u>A</u> ssisted <u>T</u> elephone <u>I</u> nterview), average length of interview: 20 minutes
Survey period:	7 Jan to 4 Feb 2009
Rounding values:	All deviations from 100% in the entire report can be attributed to rounding differences





Study design Most companies in Germany are small companies



Source: German Federal Statistical Office 2007

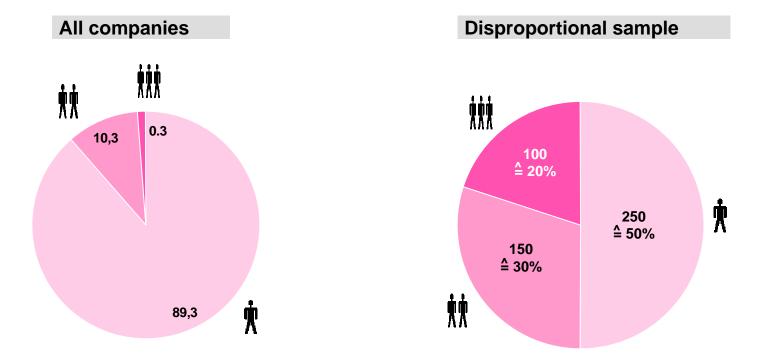


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Study design Statistical population and sample



All the presentations show weighted, and thus representative, data for the statistical population

Source: German Federal Statistical Office 2007



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Study design

Overview of credit banks specialising in investment financing

- akf bank
- AKTIVBANK
- AUMA Kreditbank
- Bank Deutsches Kraftfahrzeuggewerbe
- Banque PSA Finance
- BMW Bank
- BNP Paribas Lease Group
- Brühler Kreditbank
- CB Credit-Bank
- CRONBANK
- Deutsche Kreditbank
- Deutsche Leasing Finance

- FCE Bank
- FELIX DELANG
- FFS Bank
- FIAT Bank
- GE Capital Bank
- GEFA
- GMAC Bank
- Honda Bank
- HVB Investitionsbank
- IBM Kreditbank
- IVECO Finance
- Mercedes-Benz Bank

- MKB Mittelrheinische Bank
- MKG Bank / MCE
- NordFinanz Bank
- RCI Banque
- Santander Consumer Bank
- TEBA Kreditbank
- TOYOTA KREDITBANK
- Volkswagen Bank
- Volvo Auto Bank
- **VR DISKONTBANK**
- WW Bank

The credit banks are members of the Bankenfachverband, www.bfach.de



