

Market Survey 2011 - Investment Financing

Specialization as a perceivable competitive advantage?

April 2011

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Management summary

- The **assessment of the economic situation** as well as the **investment need** in Germany has become far more optimistic compared to 2009. Medium-sized and large companies have a particularly positive outlook (page 5, 6).
- The **number of investments** made over the past 12 months and the **usage of different investment objects**, in particular the use of operational mobility, has increased compared to 2009 (page 7, 8).
- As part of the financing of movable investment objects, about one third of companies cooperate with a credit bank. Compared to 2009, the **reach of the credit banks**, in particular that of car finance banks, shows an upward tendency (page 10).
- Credit banks continue to be mainly used for financing operational mobility (page 13).
- The most important aspects in **selecting the financing partner** continue to be, in addition to the terms and conditions, good experiences in the past, the partner's knowledge of the industry and the object as well as quick and easy processing of the quote and the contract (page 12).
- **Preferences regarding the financing type** are nearly unchanged on 2009. Loans still remain the most popular investment type for external financing, also across different investment volumes (page 17, 18).
- When conducting price and product comparisons, three quarters also consider **new providers**. In 2009 this share was only at about two thirds (page 21).

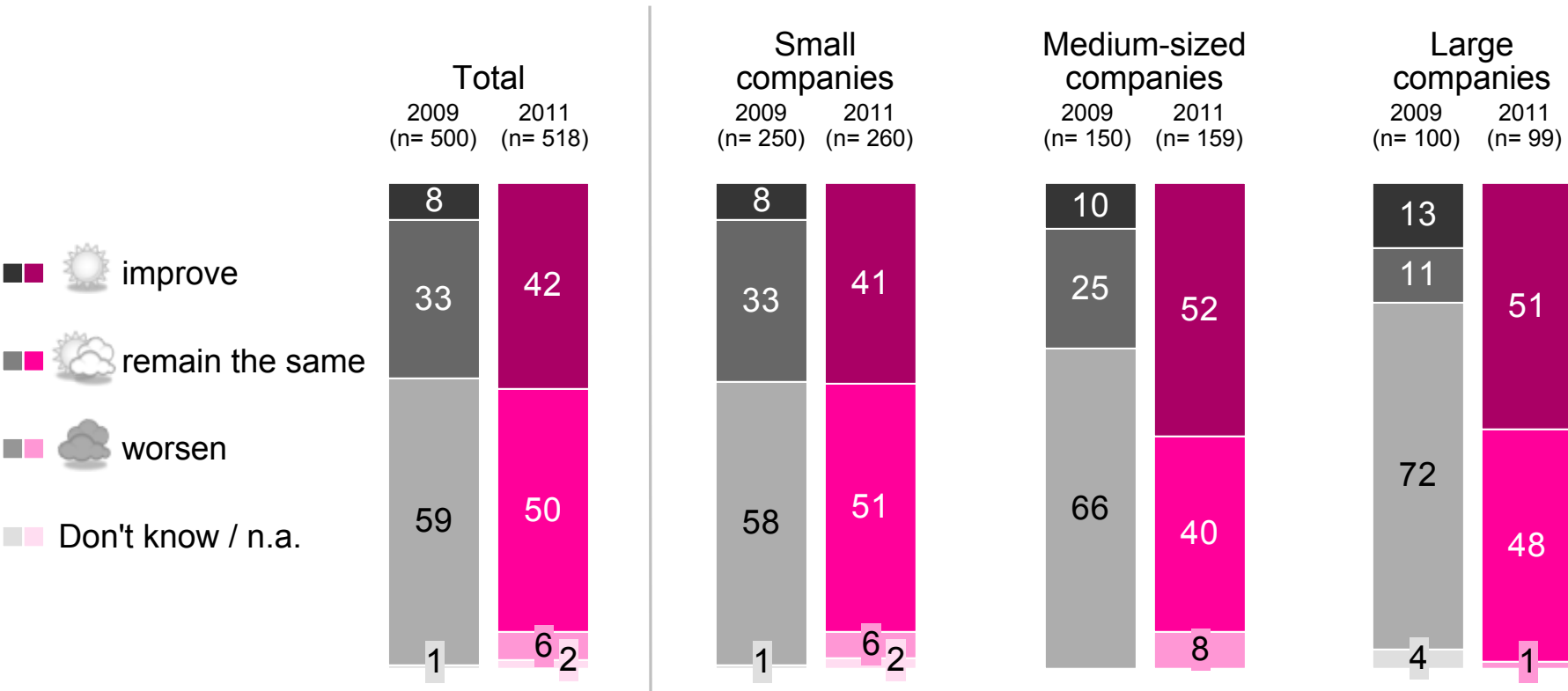
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Assessment of the economic situation

The companies assess the economic situation far more optimistically compared to 2009

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



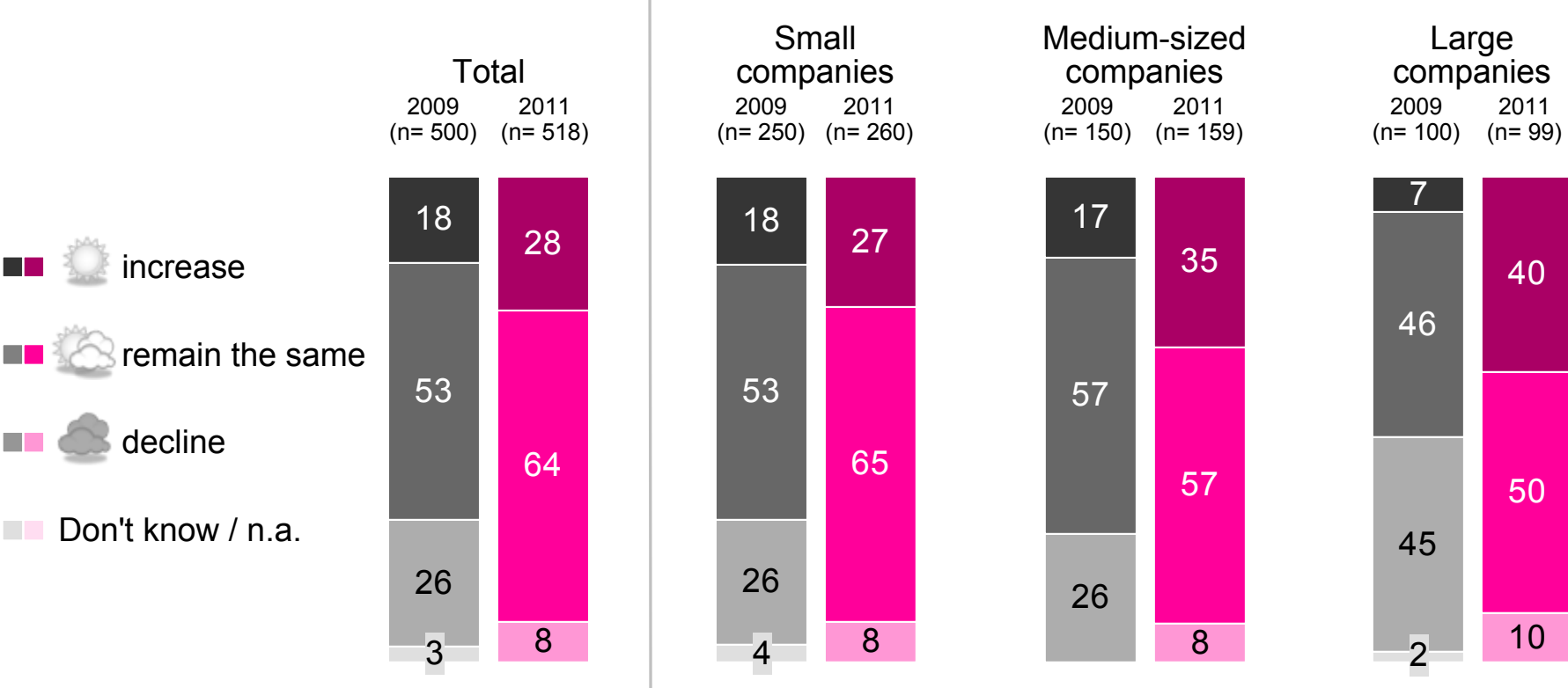
Question A01: Do you believe that the economic situation in Germany will improve, worsen or remain the same this year?
Basis: All respondents

Figures are %

Assessment of investment requirements

The companies currently assess the investment need over the next 12 months to be higher than in 2009

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











Question A02: Do you think that the investment requirements in your company will increase, decline or remain the same this year?
Basis: All respondents

Figures are %

Investment objects used

Compared to 2009, the use of operational mobility has increased

Proportion of companies that generally use the respective investment objects

	Total (n= 518)		 Increase on 2009 ≥ 5% points  Decrease on 2009 ≥ 5% points
Computer / IT systems / office equipment / communication technology	91	- 3	
New cars	88	+ 4	
Trucks / delivery trucks / trailers	61	+ 17	
Second-hand cars	61	+ 14	
Intangible assets	55	*	
Production / processing machines	53	+ 4	
Plants for renewable energies, etc.	43	*	
Fork-lifts / industrial trucks	36	+ 7	
Cranes / construction equipment	31	+ 16	
Special / medical technology / laboratory equipment	23	+ 2	
Agricultural equipment	21	+ 10	
Buses	11	+ 6	
Aircraft / rail / water vehicles	9	*	

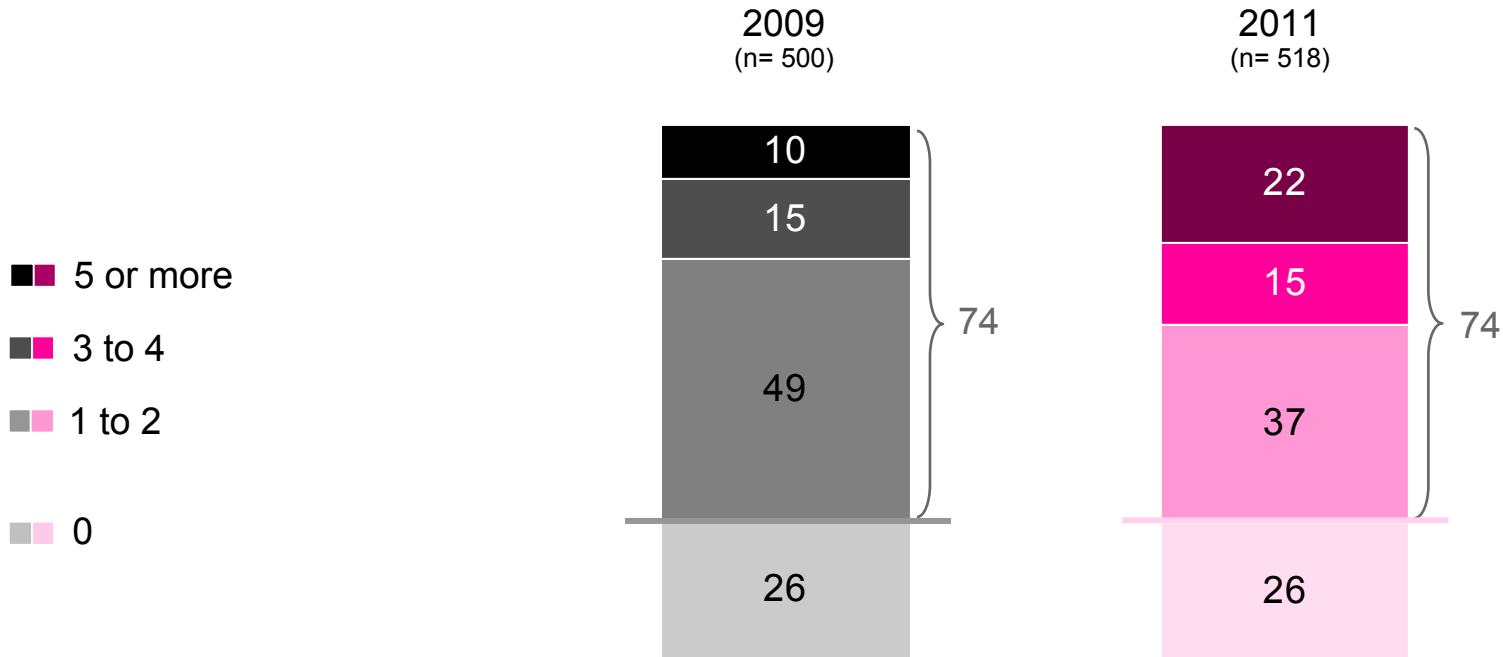
Usage calculated from question B02
Basis: All respondents; *not asked in 2009

Figures in % resp. % points (deviations from 2009)

Number of investments

Compared to 2009, the share of companies that made more than 5 investments over the past 12 months has increased

Number of investments in the last 12 months



Question S01: How many movable objects have you financed over the past 12 months? I will read out to you different volume classes. Please tell me how many investments you have made in the relevant volume class.

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

Figures are %

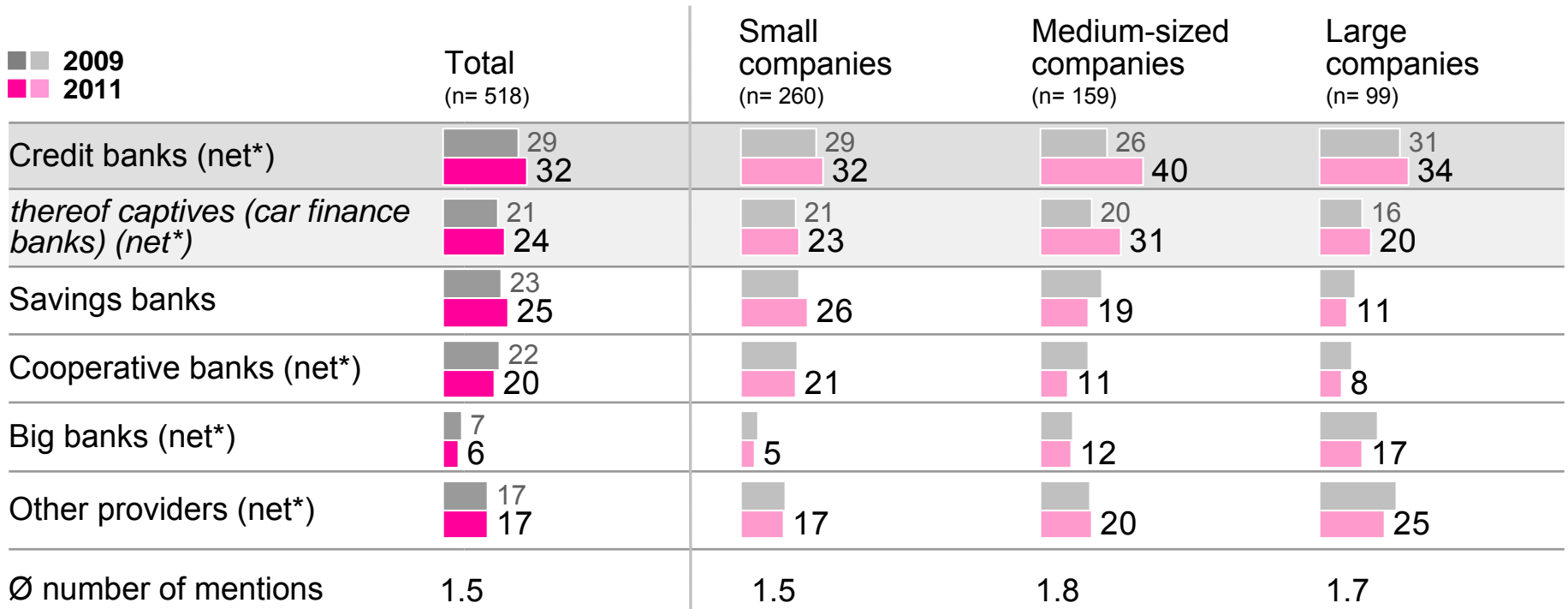
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Cooperation with financial institutions and credit banks

The proportion of companies that cooperate with a credit bank shows an upward tendency compared to 2009

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



Question A05: And with which credit institutions or credit banks do you currently cooperate when financing movable investment goods?

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

Please note: some companies cooperate simultaneously with several providers of the relevant category

Basis: All respondents

Figures are in % resp. points (average)



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Reasons for choosing the financing partner

When selecting the financing partner, favourable terms and conditions compared to 2009 have become even more important

Importance of different aspects in the choice of financing partner

 Increase on 2009 ≥ 5% points
 Decrease on 2009 ≥ 5% points

Top2 boxes (extremely important / very important)

Total
(n= 518)

Aspect	Percentage	Change from 2009	Significance
Favourable terms and conditions	83	+ 8	↑
Good experiences with the provider in the past	67	+2	
Qualified advice with good knowledge of the industry and the object	62	-1	
Quick and easy processing of the quote and the contract	55	+3	
Good reputation	49	+4	
Personal contact with the consultant	38	+1	
Product and suitable financing from one source	37	+4	
Proximity	35	-1	
Services included, such as maintenance, insurance, full service, etc.	25	*	
Personal initiative of the financing partner	19	-7	↓

Question C02: Please tell me how important these aspects are to you when selecting a financing partner.

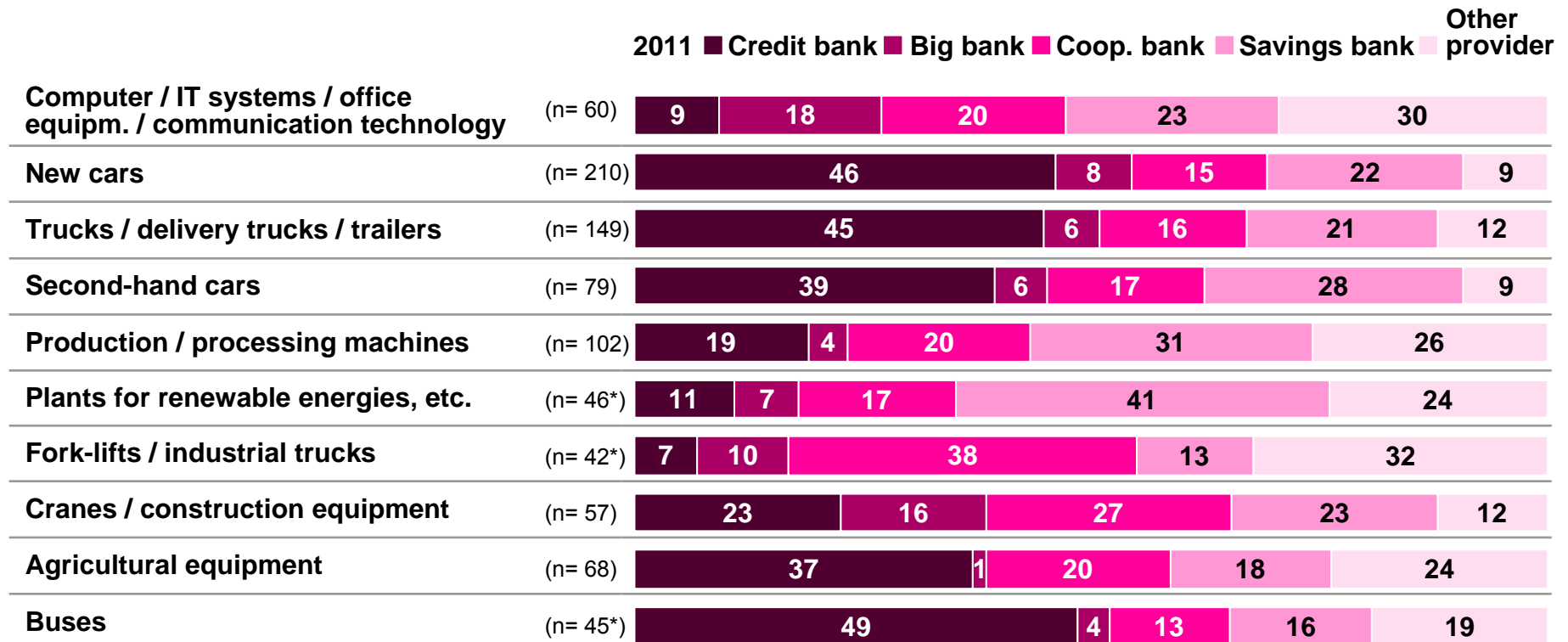
Basis: All respondents; *not asked in 2009

Figures in % resp. % points (deviations from 2009)

Financed investment objects

To finance operational mobility credit banks are most frequently used

Financers used depending on the financing object



Question A06: What objects are you currently financing at ...?

Basis: All respondents financing the respective objects externally; intangible assets, special / medical technology / laboratory equipment and aircraft / rail / water vehicles not shown due to small base; *due to small base only statement on tendency possible

Figures are %

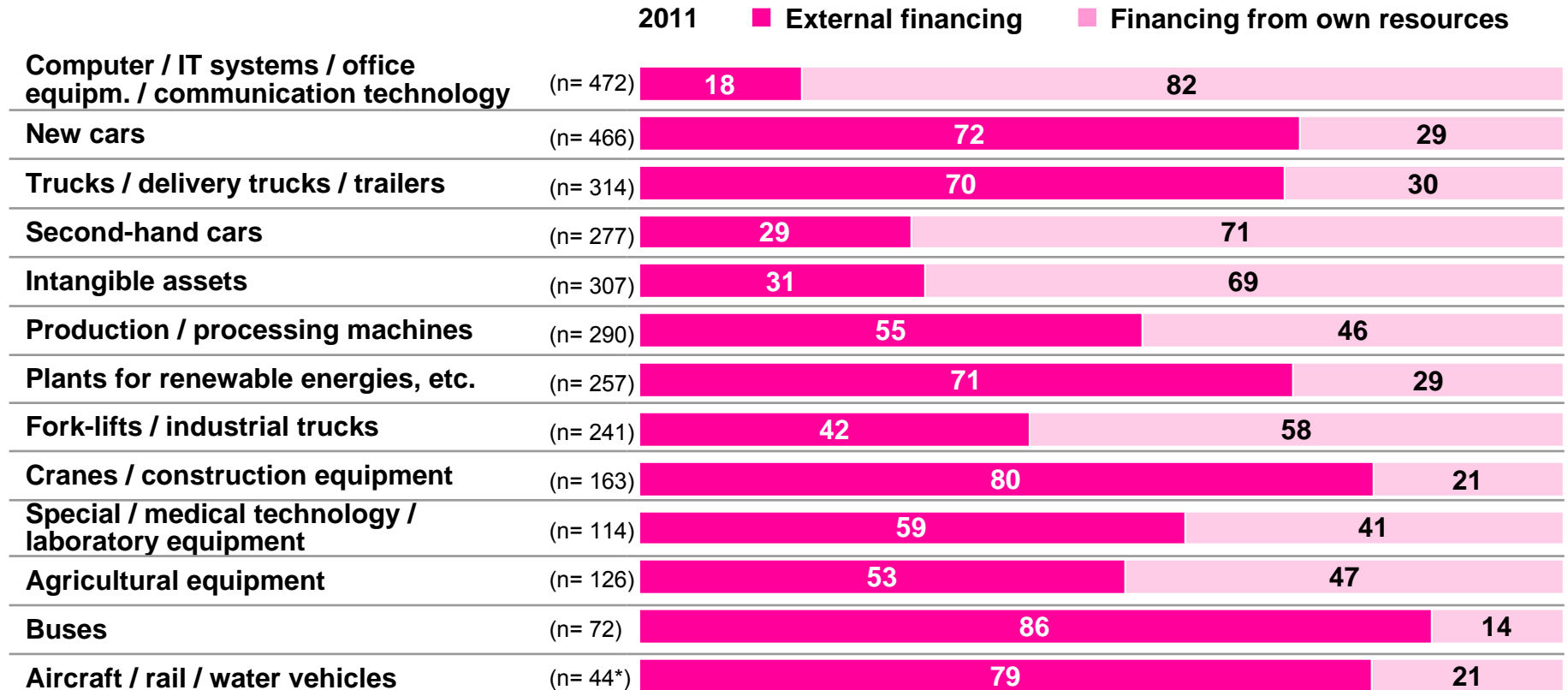
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Financed investment objects

Operational mobility is financed externally most frequently

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



Question B02: How are these financing types normally used in your company for the financing of the following objects?

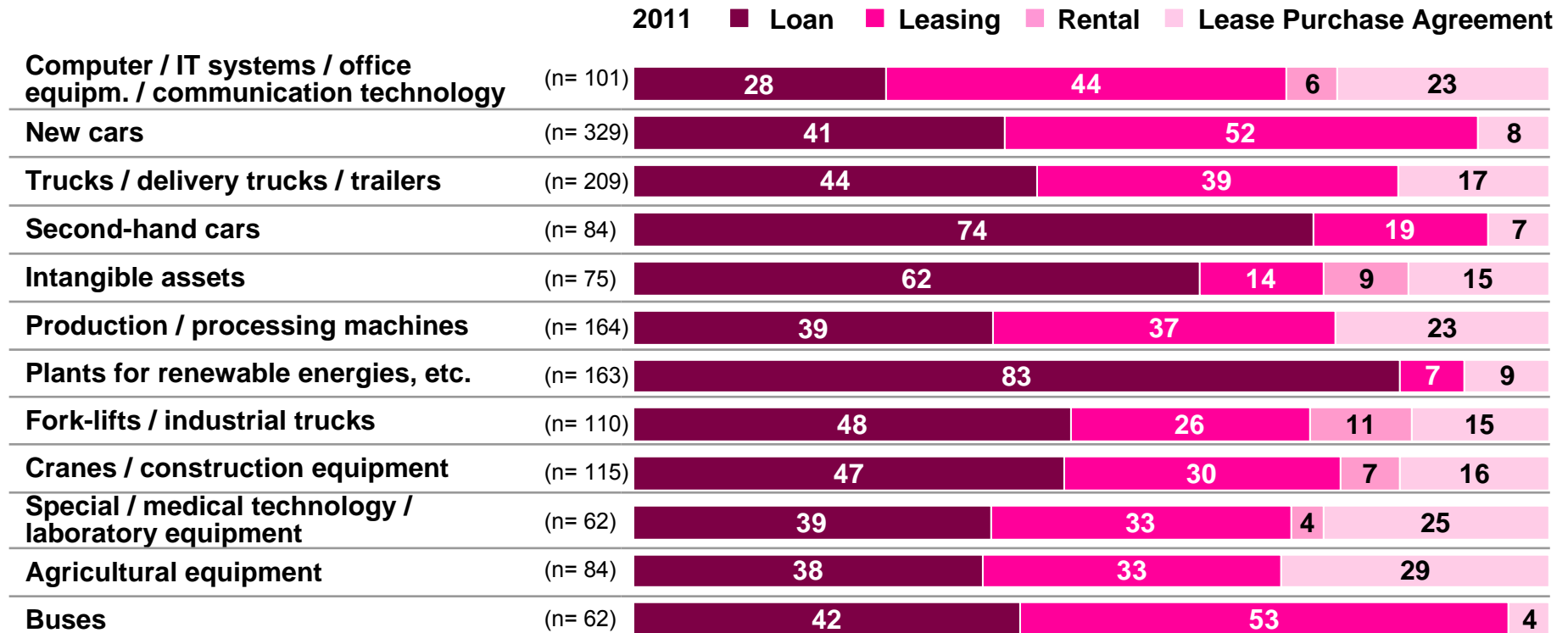
Basis: All respondents using the respective objects; *due to small base only statement on tendency possible

Figures are %

Financed investment objects

Plants for renewable energies, second-hand cars and intangible assets are most frequently financed by loans

Most frequently used type of financing depending on the financed object



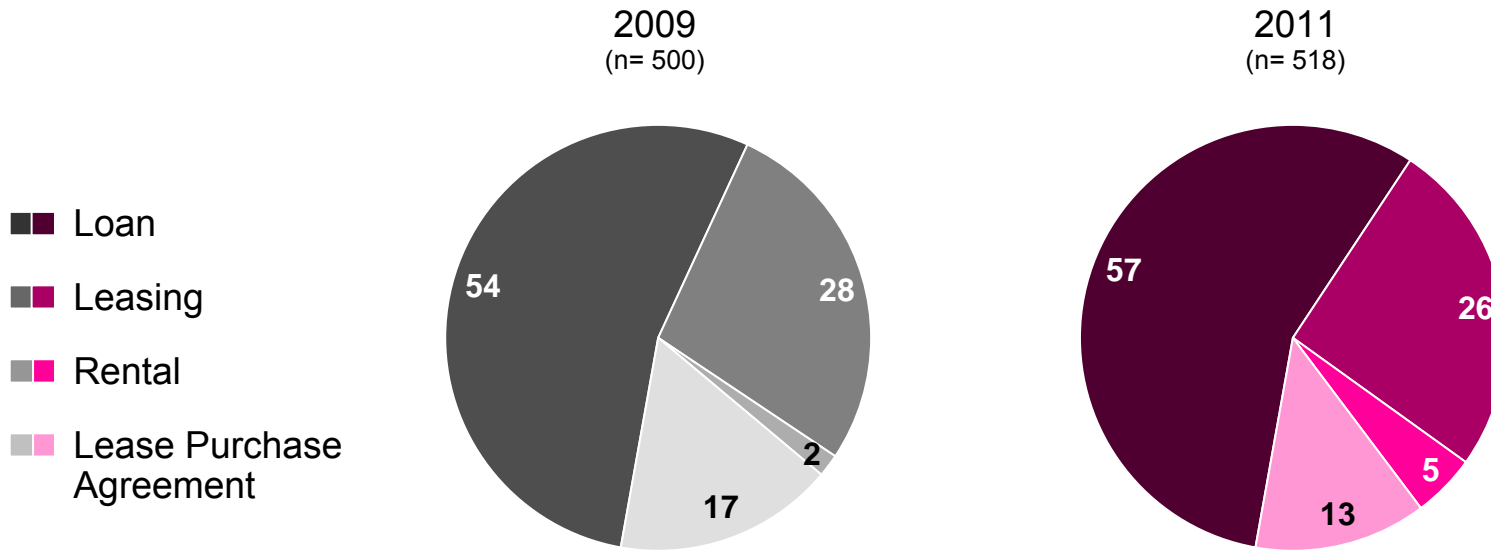
Question B02: How are these financing types normally used in your company for the financing of the following objects?

Basis: All respondents using and financing the respective objects externally; aircraft / rail / water vehicles not shown due to small base

Figures are %

Types of financing

Loans are by far the most popular financing type for external financing of investments



Question B01: I will now read out different volume classes to you. Please tell me what financing type you would normally choose?

Basis: All respondents

Presentation without "financing from own resources", "financing type is independent of investment volume" and "Don't know / No answer" Figures are %

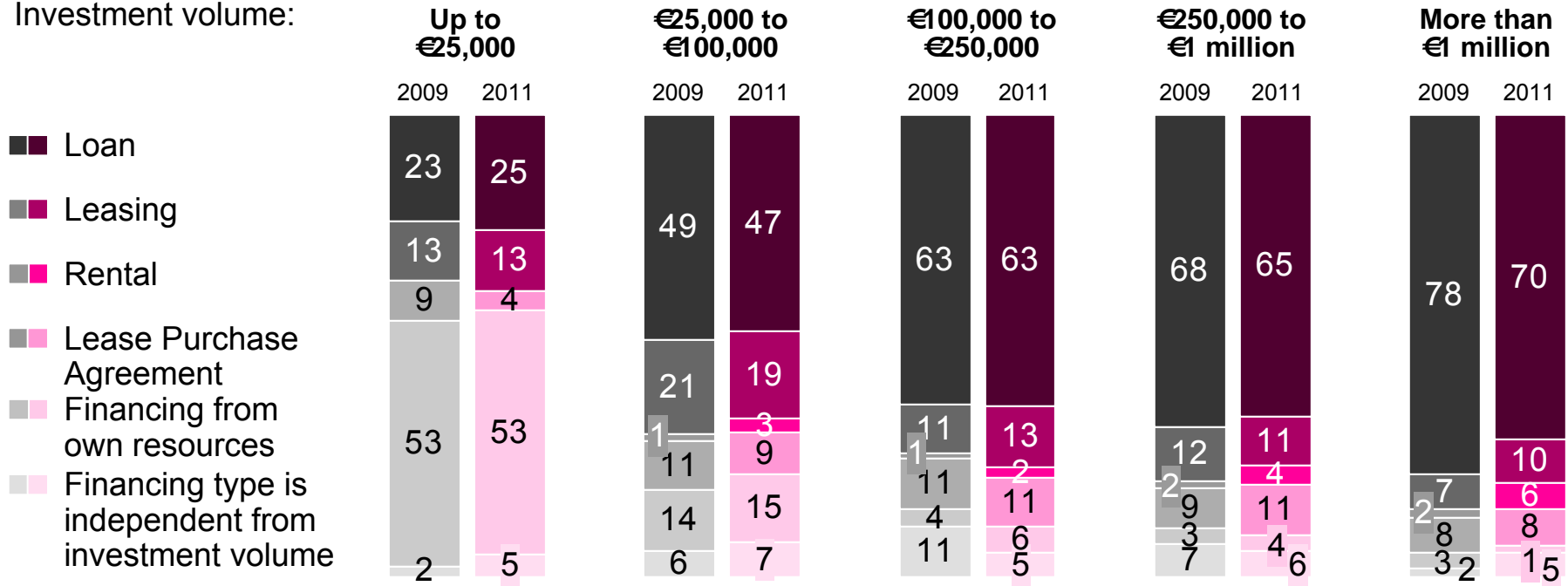
Types of financing and investment volume

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

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

Total
(n= 518)

Investment volume:



Question B01: I will now read out different volume classes to you. Please tell me what financing type you would normally choose?
Basis: All respondents; presentation without "Don't know / No answer"

Figures are %

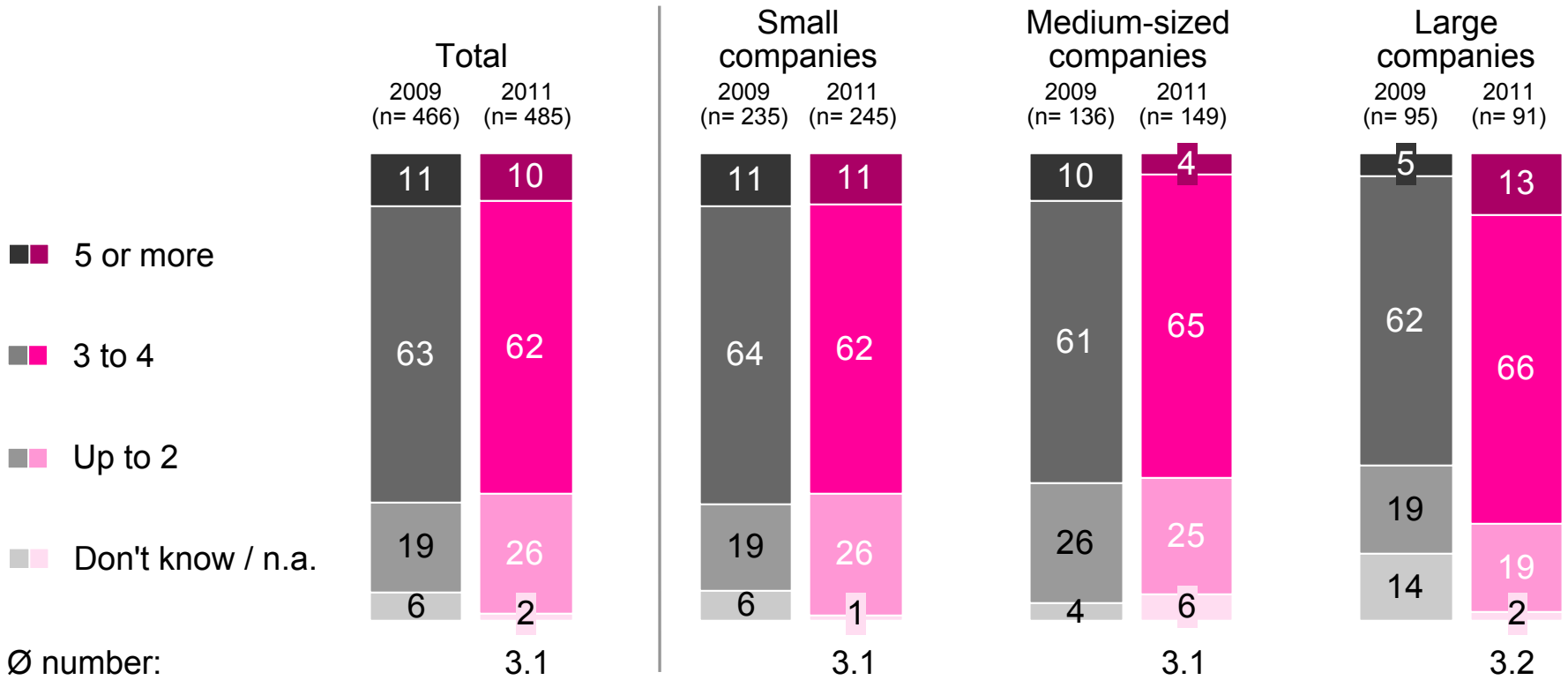
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Price and product comparisons

Most companies continue to obtain three to four quotes on average

Average number of financing quotes obtained



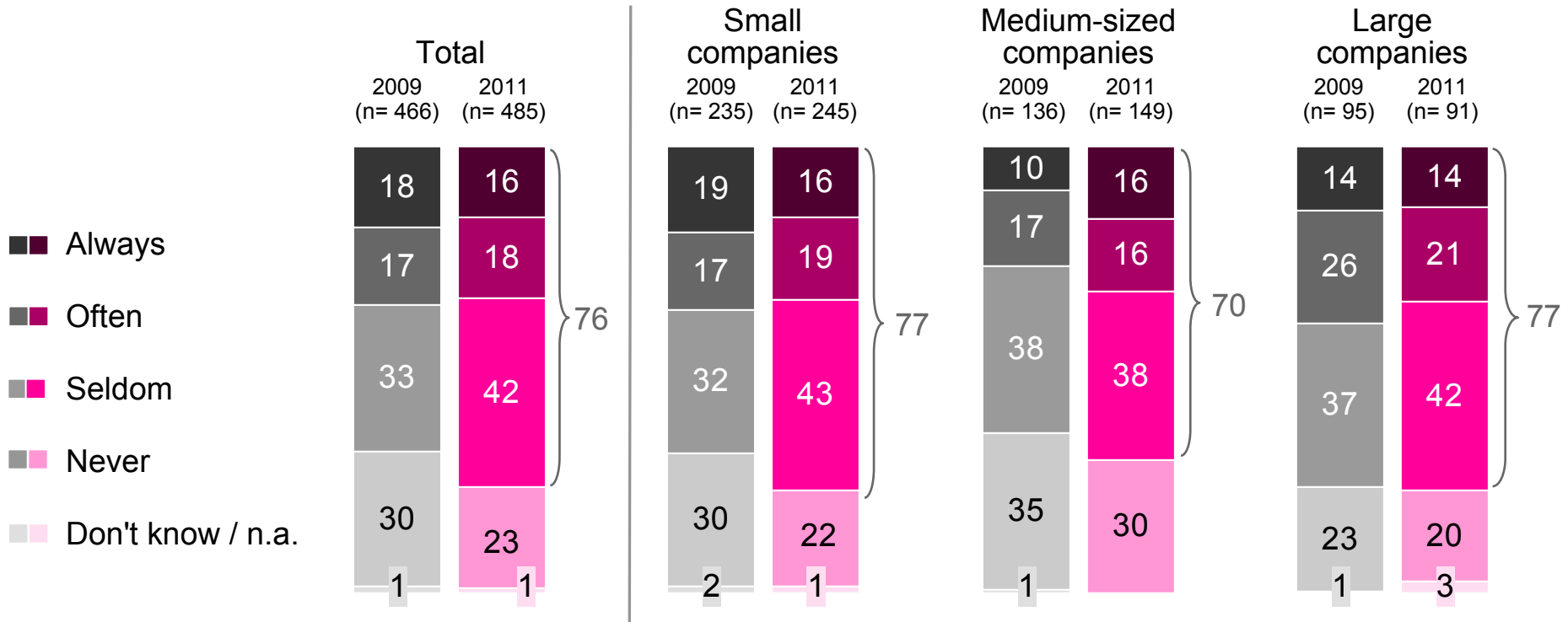
Question D03: And how many financing offers do you obtain on average?
Basis: All respondents comparing prices and products

Figures are in % resp. points (average)

Price and product comparisons

Compared to 2009, more companies also consider new providers when comparing prices and products

Consideration of new providers when prices and products are compared



Question D04: When you obtain several financing offers - are new providers also considered?
Basis: All respondents comparing prices and products

Figures are %

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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 movable 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:

Disproportionately stratified sample according to sales volume category and industry; total of 518 interviews

Survey method:

Telephone survey (CATI – computer-assisted telephone interview), average interview length: 25 minutes

Survey period:

24 Jan to 23 Feb 2011

Comparisons over time:

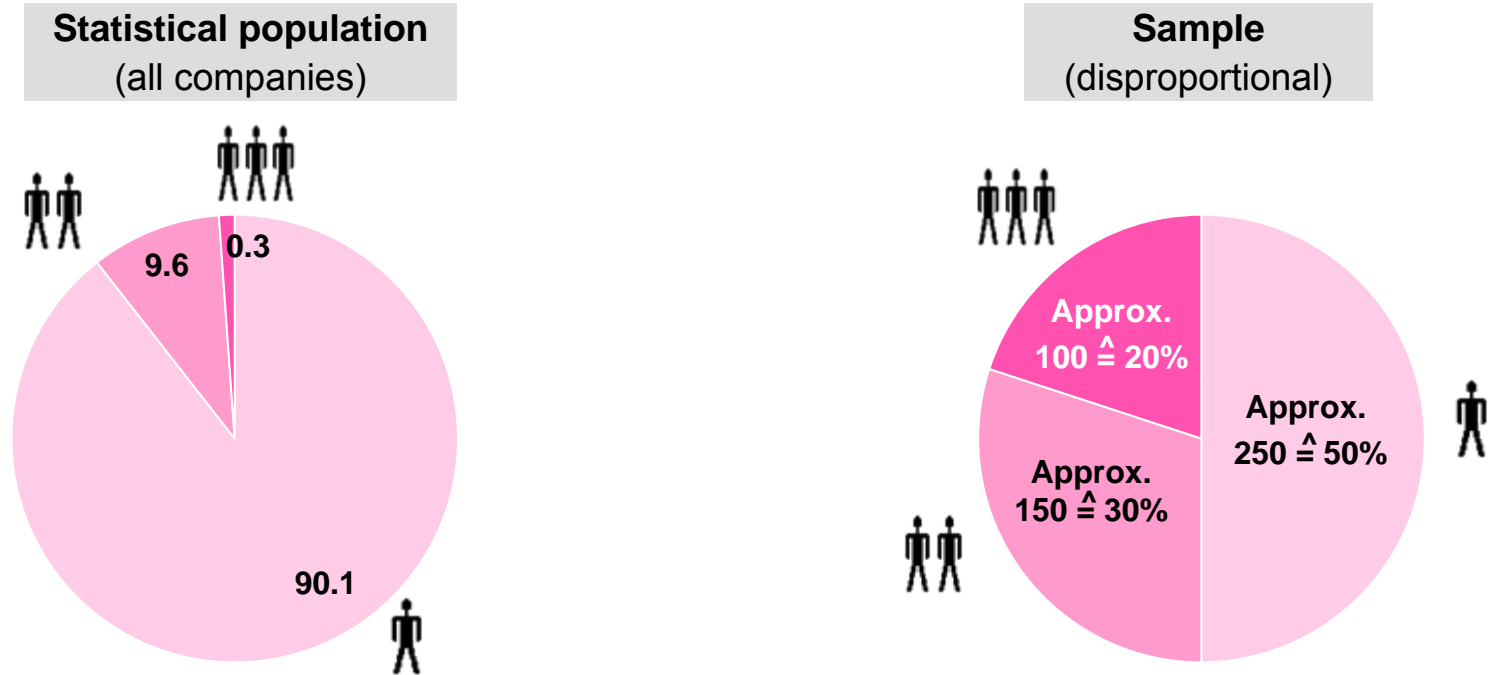
The study was already conducted in 2009 (collection period from 7 Jan to 4 Feb 2009) with the same study design. All comparisons over time refer to the results of the 2009 market survey.

Rounding values:

All deviations from 100% in the entire report can be attributed to rounding differences

Study design

Statistical population and sample



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

<p>Small companies (annual sales < €1 million)</p>	<p>Medium-sized companies (annual sales €1-50 million)</p>	<p>Large companies (annual sales > €50 million)</p>
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Source: German Federal Statistical Office 2009

Figures are %

Study design

Overview of credit banks specializing in investment financing

- abcbank (branch of Bank11)
- akf bank
- AKTIVBANK
- AUMA Kreditbank
- Bank Deutsches Kraftfahrzeuggewerbe
- Banque PSA Finance
- BMW Bank
- BNP Paribas Lease Group
- Brühler Bank
- CB Bank
- CreditPlus Bank
- Commerz Finanz
- CRONBANK
- Deutsche Leasing Finance
- DZB Bank
- Fordbank / FCE Bank
- FFS Bank
- FGA Bank
- GE Capital Bank
- GEFA
- GMAC Bank
- Honda Bank
- IBM Kreditbank
- IVECO Finance
- Mercedes-Benz Bank
- MKB Mittelrheinische Bank
- MKG Bank / MCE Bank
- NordFinanz Bank
- RCI Banque
- Santander Consumer Bank
- TEBA Kreditbank
- TOYOTA KREDITBANK
- UniCredit Leasing Finance
- Volkswagen Bank
- Volvo Auto Bank
- VR DISKONTBANK

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