

Automotive Finance and Leasing for Consumers in Europe

Report Prospectus

September 2007

Expertise in financial services

Prospectus contents

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What is the research?

Finaccord's report titled *Automotive Finance and Leasing for Consumers in Europe* delivers comprehensive and in-depth research covering the €253.0 billion market for private car finance in 26 countries in Europe, namely: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Norway, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the UK.

Based on a survey of 1,370 dealers in these countries, in addition to an investigation covering up to 37 manufacturers / importers in each territory, the study delivers unique insights into the market for finance and leasing for new and used passenger cars bought by consumers with fully comparable and standardised data describing market values and volumes. Moreover, Finaccord's *Automotive Finance and Leasing Model* splits this data for each country between point-of-sale finance intermediated by dealers and finance provided directly to consumers by lending institutions.

In addition to this comprehensive market data, the survey results are also used to measure the propensity of dealers to work with non-captive finance and leasing partners as well as captive entities, to identify the leading non-captive providers at the point of sale and to understand relationships between manufacturers or importers and external finance and leasing companies for branded or endorsed consumer finance propositions.

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What is the rationale?

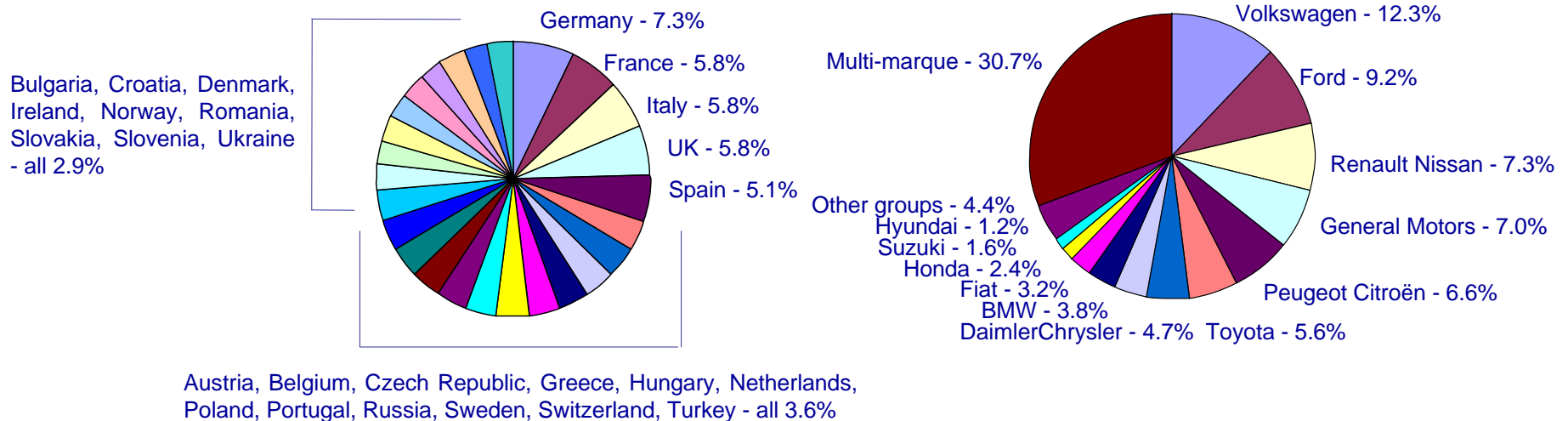
The automotive manufacturing market, at the level of the world as a whole as well as in Europe, has long been highly cyclical and prone to low or non-existent profitability as a consequence of the tough competition that exists between manufacturers. Although the sector has experienced significant consolidation in recent years, there is still a surplus of manufacturers chasing what often amounts to a stagnant or even declining number of customers seeking to buy new vehicles in both mature and developing countries.

As a result, a key issue for the on-going viability of automotive manufacturers is to increase the value of revenues that they extract from customers through the provision of ancillary automotive services, including consumer finance and leasing. Furthermore, it is also the case that the thin margins that car dealerships and importers can secure on vehicle sales in isolation can be boosted by cross-selling of related services, most importantly financial services.

As such, the market for automotive finance and leasing for consumers is a key battleground and this study and accompanying PartnerBASE™ database go far beyond the scope of other published data sources by providing comparable data for the whole automotive finance and leasing sector - as defined by sales of new and used private cars - including both the point-of-sale and direct lender distribution channels, as well as casting light on the competitive dynamics in this market.

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How do dealer groups surveyed break down?



Finaccord's universe of dealerships includes 1,370 respondents in total spread across 26 countries in Europe including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships and new and used car supermarkets. For a full list of the organizations contacted for the research and included in PartnerBASE™, please contact Finaccord.

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What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.

1. *Introduction*: offering rationale, a detailed description of methodology and definitions.

2. *European Overview*: comprising an overview of the €253.0 billion market for providing finance and leasing to consumers in conjunction with purchase of new and used passenger vehicles across the 26 countries. Analyses include: trends in sales of new and used passenger vehicles; size, growth and segmentation of the market for automotive finance and leasing for consumers; comparison of key metrics describing the behaviour and dealers in this market; and comparison of average customer take-up rates for point-of-sale finance and leasing.

3. *Austria*: an in-depth analysis of the market for automotive finance and leasing for consumers in Austria including: an overview of the market for new and used passenger cars; size, growth and segmentation of the market for automotive finance and leasing for consumers; dealer survey results including analysis of the balance between manufacturer-branded and independent providers; and manufacturer / importer survey results, including identification of and commentary concerning partners used for branded or endorsed finance and leasing programs.

4 - 28: *the other 25 countries (for all, contents as for Austria)*.

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What are the key features of the research?

Key features of this report include:

- comparable and standardised data concerning automotive finance and leasing for consumers covering a total of 26 countries in Europe ranging from mature territories, such as France and Germany, to fast-developing markets, such as Russia and Turkey;
- provision of hitherto unpublished market size and segmentation data for all of these markets generated from Finaccord's proprietary *European Automotive Financial Services Model*;
- analysis of the average number of providers of finance and leasing used by dealers and the degree to which they collaborate with non-captive companies in addition to captive partners;
- in both the report and the accompanying PartnerBASE™ database, identification of both leading and secondary non-captive providers of consumer finance and leasing used by dealerships;
- in both the report and the accompanying PartnerBASE™ database, identification of partnerships between manufacturers or importers and external finance and leasing companies for branded or endorsed finance and leasing propositions.

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How can the research be used?

You may be able to use this report and the PartnerBASE™ that accompanies it in one or more of the following ways:

- understand the current size and future potential of the market for automotive finance and leasing for consumers on a Europe-wide basis and, also, how this differs by country;
- appreciate how this opportunity breaks down between finance for new and used cars and between finance provided through dealerships and credit offered directly to consumers;
- benchmark the degree of competitive intensity recorded for distributing consumer finance and leasing services through the point of sale and how this is changing over time;
- identify the foremost competitors in each country - to what extent have international leaders such as BNP Paribas, Crédit Agricole, GE Capital, Raiffeisen International, Santander Consumer Finance, Société Générale, UniCredit and VB Leasing established themselves in each market?
- evaluate the potential for establishing partnerships with manufacturers or importers for branded or endorsed consumer finance and leasing propositions across 26 countries in Europe.

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Who can use the research?

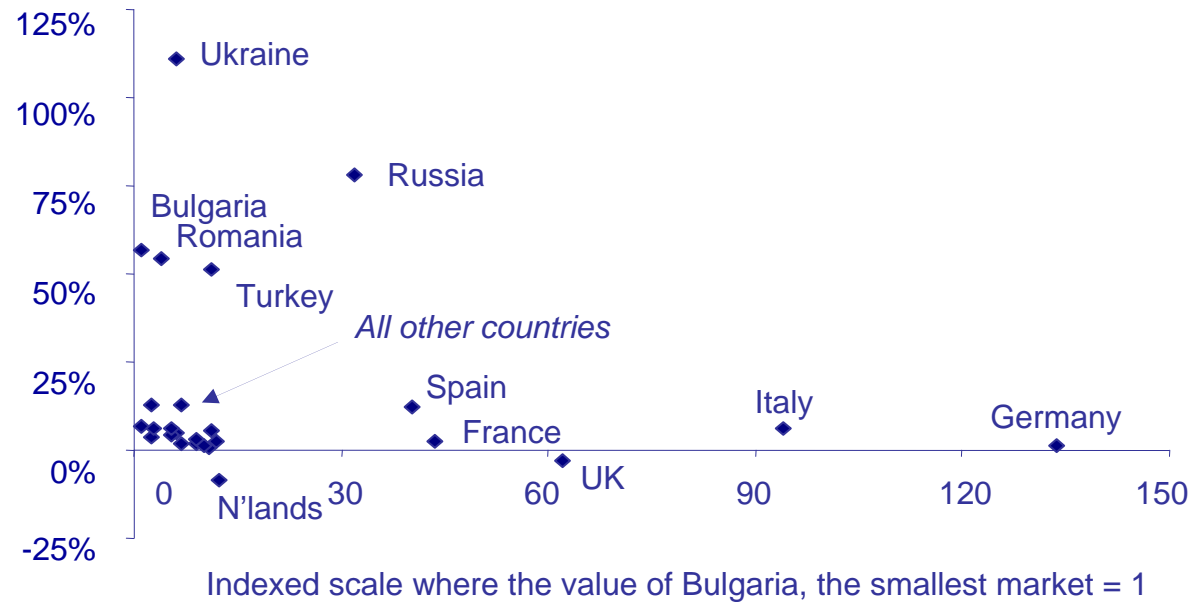
1. *Automotive manufacturers:* this research provides a wealth of unique and valuable benchmarking data allowing you to assess objectively your performance in automotive finance and leasing for consumers and to counter the threat from non-captive competitors;
2. *Finance / leasing providers:* what are the opportunities to increase or build market share of automotive finance and leasing for consumers in each country and how do these vary between the point-of-sale and direct lending channels?
3. *Insurance, warranty and assistance firms:* insurance, warranty and assistance policies are often embedded in consumer finance packages hence it is important for providers in these areas to comprehend fully the underlying market for automotive finance and leasing;
4. *Management consultancies:* are you helping a manufacturer or finance / leasing provider with its strategy or evaluating how it can develop its business in automotive finance and leasing for consumers in Europe? Understand the current status of this market across 26 countries, saving time and effort on researching the subject yourself.

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What are some of the key findings?

- 1. The most dramatic growth in point-of-sale finance in Europe is occurring in five territories in Eastern and South-Eastern Europe**

CAGR of gross advances and assets leased at the point of sale



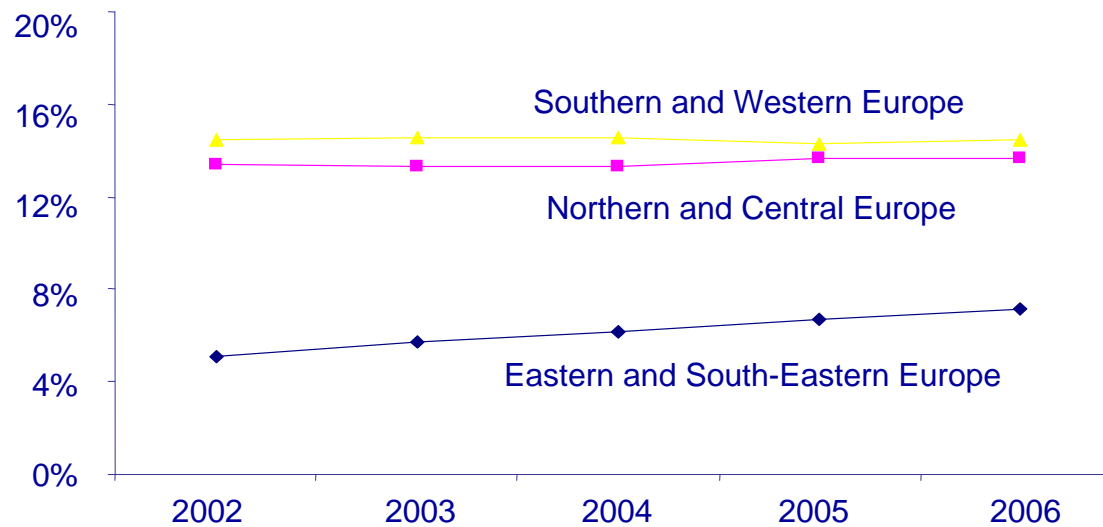
Source: Finaccord European Automotive Financial Services Model

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What are some of the key findings? (cont.)

2. It could take 15 to 20 years before sales of used cars in Eastern and South-Eastern Europe reach the levels elsewhere in Europe

Used passenger car sales as a % of the passenger car parc



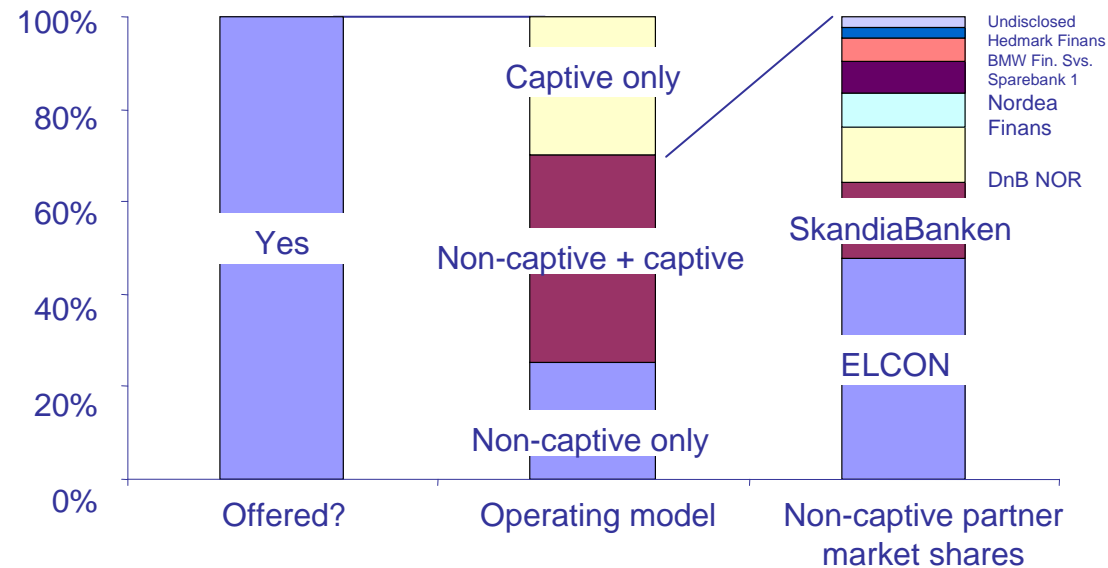
Source: Finaccord European Automotive Financial Services Model

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What are some of the key findings? (cont.)

- Through its acquisition of ELCON, Santander has established itself as the dominant point-of-sale provider of non-captive finance and leasing in Norway

Penetration, operating models and partner market shares



Source: Finaccord Automotive Financial Services in Europe Survey

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What are some of the key findings? (cont.)

4. Key findings from the executive summary include:

- across the 26 countries, the €253.0 billion value of the market in 2006 broke down between €119.0 billion in gross advances and assets leased attributable to new cars and €134.0 billion attributable to used vehicles, with the point of sale accounting for just over 50% of the total;
- the value of gross advances and assets leased for car finance in Eastern and South-Eastern Europe is rising at an average annual rate of 35.8% in contrast to equivalent data points of 3.2% and 2.3%, respectively, for Northern and Central Europe and Southern and Western Europe;
- while the effectiveness of dealers has suffered a serious decline in recent years in countries such as the Netherlands and Portugal, the point of sale appears to be holding its ground or improving its position in other markets such as Belgium, France, Italy, Poland, Russia and Spain;
- in its domestic market, Santander Consumer Finance has succeeded in carving out one of the strongest positions at the point of sale of any non-captive provider in Europe and it is also identifiable as an outright market leader in Germany, Norway, Poland and Portugal, and a joint leader, next to Findomestic, in Italy.

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What is the cost and format?

Automotive Finance and Leasing for Consumers in Europe is available as a standard *Adobe Acrobat* PDF document and / or hard copy. The *PartnerBASE™* that accompanies it at no further charge is in *Microsoft Excel* format. Costs for this research set and other recent titles from Finaccord’s pan-European research into automotive financial services are as follows:

REPORT	COST *	FORMAT
Automotive Finance and Leasing for Consumers in Europe, 2007	£2,495	c. 475 pages
Automotive Financial Services in Eastern and South-Eastern Europe, 2007	£2,495	c. 280 pages
Automotive Financial Services in Southern and Western Europe, 2007	£2,495	c. 330 pages
Automotive Financial Services in Northern and Central Europe, 2007	£2,495	c. 360 pages
Extended Warranties for New and Used Cars in Europe, 2007	£2,495	c. 295 pages
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Assistance in Europe, 2007	£2,495	c. 340 pages

VAT at 17.5% will be added to the basic price except for where the request is for hard copy only.

Costs quoted are for a single site user license only.

For a corporate user license, an additional 10% of the basic cost is payable, inclusive of VAT.

Printing and postage costs of between £30 and £60 will be added for delivery of each hard copy.

Invoices can be paid in €, at the prevailing exchange rate, if preferred.

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site - <http://www.finaccord.com/uk/order.php> - and fill in the on-line order form, clearly indicating the report that you require, whether you also require a corporate user license, the billing name, address and e-mail address, and the purchase order number, if applicable.

Please allow one working day for the delivery of electronic copy and one working week for the arrival of hard copy.