ASSET FINANCE
EUROPE 50
2024

Europe's top 50 auto and equipment finance providers

GROWTH AND ADAPTABILITY IN THE EUROPEAN ASSET FINANCE SECTOR

THOUGHT LEADER SPECIAL FEATURE:
Financing the surge in demand for new business assets

Sponsored by

Alfa

Published by

asset finance connect

AFP ASSET FINANCE POLICY

ABOUT ALFA

Alfa has been delivering leading-edge technology to the global asset finance and leasing industry since 1990. Our specialised expertise enables us to deliver the most challenging systems transformation projects successfully.

Alfa Systems, our class-leading SaaS platform, is at the heart of the world's largest and most progressive asset finance operations. Supporting all types of automotive, equipment and wholesale finance, Alfa Systems is proven at volume and across borders, and trusted by leading brands to manage complex portfolios, drive efficiency and sustainability, and enhance the customer experience.

With full functionality for originations, servicing and collections, Alfa Systems is live in 37 countries, representing an integrated point solution, a rapid off-the-shelf implementation, or an end-to-end platform for the complex global enterprise. Alfa Systems 6, a breakthrough iteration of our software platform, launched in 2024.

Alfa maintains exceptional customer satisfaction through an impeccable track record, with our experience and performance unrivalled in the industry. Our customers stick with us for the long term, because we deliver value that lasts for decades.

Alfa has offices all over Europe, Australasia and the Americas. For more information, visit us at alfasystems.com or on LinkedIn.

ACKNOWLEDGEMENTS

Data and table compilation: Asset Finance Policy

Viewpoint contributors:

Andrew Denton, CEO, Alfa

Pascal Layan, Deputy CEO, BNP Paribas Leasing Solutions

Dr Sebastian Hirsch, CEO, grenke AG

Tham Giang, Senior Adviser – Statistics & Economic Affairs, Leaseurope

Roland Maslo, Head of Corporate Control, Raiffeisen-Leasing, and Chair, Leaseurope Taskforce on ESG & Green Leasing

Odile de Saivre, Chief Executive Officer, Societe Generale Equipment Finance

Manuela Pachoinig, Head of Leasing CE+EE Coordination, UniCredit S.p.A.

ASSET FINANCE CONNECT

Publisher: Edward Peck
Editor: Lisa Laverick
Consulting editor: Julian Rose, Asset Finance Policy

For future sponsorship and commercial enquiries, contact Asset Finance Connect's Business Development Director, **Joe Nilsson**.

+44 (0) 7379 096 111
joenilsson@assetfinanceconnect.com

Asset Finance Connect
39 Manor Way
London SE3 9XG
UNITED KINGDOM

+44 (0) 207 617 7830
www.assetfinanceconnect.com

Contents

Foreword

ANDREW DENTON
Chief Executive Officer
Alfa

Welcome to the eighth edition of the **Asset Finance Europe 50** Report, which stands as a testament to the resilience, innovation, and evolution within the asset finance and leasing industry across Europe.

In a year marked by economic fluctuations, technological advancements, and shifting regulatory landscapes, the AFE50 ranking provides critical insights into the companies that have not only weathered the storm but have also set benchmarks for excellence and growth.

The European asset finance and leasing sector has long been a cornerstone of the continent's economic framework. In 2023, the industry demonstrated its robustness in the face of a myriad of challenges. The continued rise in interest rates across the Eurozone, coupled with inflationary pressures, posed significant headwinds. Yet, the industry's adaptability, underpinned by digital transformation and a sharp focus on customer-centricity, allowed it to navigate these turbulent waters effectively.

This year's AFE50 ranking captures a snapshot of the industry's top performers, highlighting those who have successfully leveraged technology, operational efficiency and innovative financing solutions to drive growth. It is particularly noteworthy how many companies have embraced sustainability as a core component of their business strategies, responding not just to regulatory demands, but also to the broader societal call for environmental stewardship.

Focusing on results from 2023, the AFE50 covers an asset finance and leasing landscape which has been shaped by an increasing demand for flexible and bespoke financing solutions. Businesses across Europe, faced with uncertain economic conditions, have turned to asset finance as a means of preserving capital, managing risk and fuelling expansion. This demand has driven the sector to innovate and deliver more tailored, customer-focused products, reinforcing its role as a critical enabler of business growth.

Looking ahead, the industry faces both challenges and opportunities. The ongoing digitalisation journey presents vast potential, from enhanced operational efficiency to improved customer experiences. However, it also brings with it the need for more investment in technology and cybersecurity. Additionally, the push towards sustainability and the integration of ESG criteria into business models will continue to be a defining trend, requiring companies to balance profitability with responsibility.

As Alfa, we are proud to support the AFE50 report, which not only celebrates the achievements of the top players in the industry but also serves as a valuable resource for understanding the dynamics of the asset finance and leasing market in Europe. The companies featured in this report exemplify the strength and vitality of our industry, and their stories offer invaluable lessons in leadership, innovation and resilience.

I would like to congratulate all the companies featured in the AFE50 for their outstanding performance in 2023. Your achievements reflect the very best of what our industry has to offer, and I am confident that as we move forward, you will continue to lead the way in shaping the future of asset finance and leasing in Europe.

Introduction

Welcome to the eighth edition of the Asset Finance Europe 50 (AFE 50) rankings survey published by Asset Finance Connect and Asset Finance Policy.

The AFE50 is the unique European annual ranking survey of business equipment and fleet lessors that provides an objective overview of all parts of the European business equipment and business vehicle leasing market.

The survey is based on audited and publicly available annual accounts to ensure it is accurate and compliant with competition law and regulations. For most firms, the report includes data for year-ends 31 December 2023, with the latest being 31 March 2024.

It is important to use the data with care. Known limitations of the data are listed. We will publish updates online if errors or omissions are notified to us. If we have missed any lessors from this year's listing, we would be happy to hear from them and add their data to the next edition. We will welcome any other feedback and support in making the AFE50 a key part of the European leasing industry for years to come.

This year's report provides insights into the European asset finance industry during 2023, a period of economic uncertainty for Europe posed by a high-interest-rate environment, rising inflation, supply chain bottlenecks, the Russia-Ukraine conflict and soaring energy prices.

In 2023, the European asset finance industry rebounded robustly, showcasing accelerated growth after navigating a period of slower expansion due to the challenges of the post-Covid financial landscape. The AFE50 research highlights this remarkable recovery, indicating that the industry not only demonstrated resilience but also effectively adapted its products to meet the evolving needs of businesses during these turbulent times.

By providing tailored financing solutions, asset finance firms have played a crucial role in supporting companies in their growth efforts, helping them acquire essential equipment and assets while fostering a more sustainable economic environment. This resurgence underscores the industry's capacity to thrive amid adversity and its vital contribution to the broader European economy.

Overall, total business equipment and vehicle lease receivables in 2023 were €339 billion, up 8.5% from 2022 for the same top 50 firms.

TOTAL EQUIPMENT & VEHICLE LEASE RECEIVABLES IN

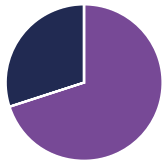
2023

€339 BILLION

UP 8.5%

FROM 2022 FOR THE SAME TOP 50 FIRMS

We estimate that the top 50 firms account for around 70% of the wider industry, suggesting total business equipment and vehicle lease receivables of around €484 billion.



The latest industry statistics from Leaseurope, the trade association representing the European leasing and automotive rental industries, shows that the leasing market in 2023 continued to exhibit resilience despite persistent macroeconomic uncertainties. The total leasing volume for the year reached €448 billion, with new volume experiencing growth of 10.8%. Vehicle leasing, encompassing both passenger cars and commercial vehicles, accounted for the majority of new leasing volumes at 74%, growing by 14.5%. Equipment leasing also showed solid expansion of 3.9%, while real estate leasing suffered a fall of -14.2% in new volume in 2023.

Growth in new leasing businesses was observed across all regions, with Germany leading with a strong double-digit growth rate, followed by the Central and Eastern European (CEE) regions. In contrast, the UK market saw a modest increase of 4.2%.

The European Commission's latest economic forecast indicates that, after a downturn in economic activity in 2023, inflation rates will continue to drop and the EU economy should gradually grow in 2024, with projections of 1.0% growth in 2024 and 1.6% in 2025. However, increased uncertainty stemming from conflict in the Middle East and the continued Russia-Ukraine war along with broader geopolitical tensions continue to pose risks.

PROJECTED EU ECONOMIC GROWTH:

2024

1.0%

2025

1.6%

In this challenging environment, the asset finance industry has proven its adaptability, offering SMEs tailored financing solutions that meet the demands of a fluctuating economic landscape. The sector is well-positioned to support SME growth and facilitate the transition to sustainable practices. The emergence of green assets and sustainable usage-based financing products signals a new era for the leasing and asset finance industry, presenting both challenges and opportunities related to the lifecycle of green equipment, asset management, and residual values.

However, the latest research from Asset Finance Connect suggests that there is a growing sense among finance professionals that red tape is obstructing green investment in Europe. While there is political and industry consensus that the EU desperately needs an enormous increase in expenditure to meet its environmental goals and boost economies, the business community is starting to see the rules and regulations surrounding sustainability as barriers to growth, rather than catalysts for expansion.

Overall, the European leasing and asset finance industry has demonstrated remarkable resilience in the face of economic turbulence, proactively addressing challenges and focusing on sustainability to ensure a robust asset finance market moving forward.

Should you have any comments, queries or amendments relating to this year's report, please email **lisalaverick@assetfinanceconnect.com**

AFE50 Methodology

WHO'S IN AND WHO'S OUT

We aim to include the top 50 providers of business equipment and fleet leases in Europe based on their published accounts or those of their parent companies.

We include leasing companies based in Europe, and firms based elsewhere that publish European results, based on the level of their European business only. We exclude lessors that don't make public sufficient information to allow us to estimate the size of their European leasing business.

HOW WE MEASURE FIRM SIZE

The rankings are based on the lessor's net investment in equipment and vehicle leasing by businesses. It includes all contracts classified as leases under the national or international accounting rules used by the lessors.

For finance leases, we show the present value of total receivables less unearned (deferred) income and impairments. For operating leases, we show the undiscounted minimum contracted future lease payments.

The tables exclude assets under construction for use in leases where there is no lease receivable yet recognised for accounting purposes. They include securitised leases if these remain on the lessor's balance sheet.

ESTIMATION METHODS

For most the AFE 50 it was necessary to make two main estimates, which are important to consider when using the results:

(i) Percent of total business in Europe

Many of the listed businesses report their total investment in leasing, but do not split this by geographical area. Instead, they provide a geographical breakdown for their overall business (e.g. total lending for banks, or total units sold for captives). In general we have used the Europe percentage from these breakdowns as a proxy for the split of the leasing part of the business.

(ii) Percent of leases that are business equipment and vehicle leasing

For many leasing businesses, we needed to estimate how much of their total reported investment in leasing is for equipment and vehicles used by businesses ('relevant leases' i.e. not real estate leases, or leases used by consumers). To do this we reviewed the notes to the accounts, together with the business strategy of the lessor, to reach an estimate of the split between business equipment and vehicle leasing, and other leases.

We adjust our estimates each year based on the latest information available from annual reports and other sources.

EXCHANGE RATES

All figures are converted to Euros using constant exchange rates as at October 2024.

ASSET FINANCE EUROPE 50 2024 TABLES

Alfa

AFE50 Table

Rank	Name	HQ country	Type	Currency	Lease receivable 2023 €m	Lease receivable 2022 €m	Increase 2022–23 €m	Percent change 2022–23	Notes
1	BNP Paribas	France	Bank	Euro	42,043	35,793	6,250	17.5%	1
2	Societe Generale	France	Bank	Euro	38,063	38,636	-573	-1.5%	2
3	Credit Agricole	France	Bank	Euro	19,731	11,080	8,651	78.1%	
4	BMW (Alphabet)	Germany	Auto captive	Euro	17,209	17,094	115	0.7%	3
5	Rabobank	Netherlands	Bank	Euro	14,906	14,667	239	1.6%	4
6	Volkswagen	Germany	Auto captive	Euro	12,717	11,229	1,488	13.2%	
7	Credit Mutuel	France	Bank	Euro	12,218	11,509	709	6.2%	5
8	Leaseplan	Netherlands	Independent	Euro	10,515	8,268	2,247	27.2%	
9	Group BPCE (Natixis)	France	Bank	Euro	9,817	9,387	430	4.6%	
10	Mercedes-Benz (Athlon)	Germany	Auto captive	Euro	9,154	8,844	310	3.5%	6
11	NatWest	UK	Bank	GBP	8,323	8,091	232	2.9%	7
12	ING	Netherlands	Bank	Euro	8,253	7,530	723	9.6%	
13	Unicredit	Italy	Bank	Euro	7,359	7,815	-457	-5.8%	
14	Nordea Bank	Sweden	Bank	Euro	7,142	7,110	32	0.5%	
15	Siemens	Germany	Independent	Euro	6,374	6,247	127	2.0%	
16	Deutsche Leasing	Germany	Independent	Euro	5,915	5,997	-83	-1.4%	
17	Commerzbank	Germany	Bank	Euro	5,088	4,794	294	6.1%	
18	LBBW	Germany	Bank	Euro	5,056	4,541	515	11.3%	
19	RCI (Mobilize)	France	Auto captive	Euro	4,744	4,076	668	16.4%	
20	KBC	Belgium	Bank	Euro	4,735	4,129	607	14.7%	
21	Santander	Spain	Bank	Euro	4,647	4,780	-133	-2.8%	
22	DNB Group	Norway	Bank	NOK	4,646	4,244	402	9.5%	
23	Traton Finanial Services	Sweden	Captive	Euro	4,618	4,230	388	9.2%	8
24	Grenke	Germany	Independent	Euro	4,559	4,228	331	7.8%	
25	BBVA	Spain	Bank	Euro	4,542	4,114	428	10.4%	
26	Lloyds	UK	Bank	GBP	4,300	4,135	165	4.0%	9
27	SEB	Sweden	Bank	SEK	4,109	3,965	144	3.6%	
28	Volvo	Sweden	Captive	SEK	3,828	3,482	346	9.9%	
29	Close Brothers	UK	Bank	GBP	3,805	3,603	202	5.6%	
30	Alba Leasing	Italy	Independent	Euro	3,722	3,662	60	1.6%	
31	Erste Group	Austria	Bank	Euro	3,679	3,133	545	17.4%	
32	UBS Group	Switzerland	Bank	USD	3,622	3,273	349	10.7%	10
33	ABN Amro	Netherlands	Bank	Euro	3,614	3,908	-294	-7.5%	
34	Novuna	Japan	Independent	GBP	3,448	3,187	261	8.2%	
35	HSBC	UK	Bank	USD	3,404	3,883	-479	-12.3%	
36	PEAC Finance	Germany	Independent	Euro	3,301	3,173	128	4.0%	
37	Belfius	Belgium	Bank	Euro	3,100	2,804	295	10.5%	
38	Swedbank	Sweden	Bank	SEK	3,062	2,793	269	9.6%	
39	Bank of Ireland	Ireland	Bank	Euro	2,142	1,829	314	17.1%	
40	Rafaissen Bank	Austria	Bank	Euro	2,074	2,078	-4	-0.2%	
41	La Banque Postale	France	Bank	Euro	1,888	1,833	55	3.0%	
42	CHG-Meridian	Germany	Independent	Euro	1,855	1,658	197	11.9%	11
43	Aldermore	UK	Bank	GBP	1,841	1,788	53	3.0%	
44	Intesa Sanpaolo Group	Italy	Bank	Euro	1,781	1,945	-164	-8.4%	
45	Allied Irish Bank	Ireland	Bank	Euro	1,606	1,585	21	1.3%	
46	Eversholt	UK	Rail	GBP	1,477	1,563	-86	-5.5%	
47	OP Financial Group	Finland	Bank	Euro	1,423	1,471	-48	-3.3%	
48	Banco Sabadell	Spain	Bank	Euro	1,073	1,068	5	0.4%	
49	Handlesbanken	Sweden	Bank	SEK	1,029	1,089	-60	-5.5%	
50	Beacon Rail (Europe)	UK	Independent	Euro	980	639	341	53.4%	

NOTES

1. Includes Arval
2. Includes Ayvens but not Leaseplan
3. Includes Alphabet
4. Includes DLL
5. Excludes Traton
6. Includes Athlon
7. Includes Lombard
8. Part of VW Group
9. Includes Lex
10. Includes Credit Suisse
11. Estimated figures

AFE50 Estimates and assumptions

Rank	Name	Currency	Exchange rate	Assumed percent in Europe	Assumed business leasing non-property %
1	BNP Paribas	Euro	1.000	90%	80%
2	Societe Generale	Euro	1.000	90%	80%
3	Credit Agricole	Euro	1.000	100%	80%
4	BMW (Alphabet)	Euro	1.000	80%	50%
5	Rabobank	Euro	1.000	80%	80%
6	Volkswagen (Traton)	Euro	1.000	50%	30%
7	Credit Mutuel	Euro	1.000	90%	90%
8	Leaseplan	Euro	1.000	90%	90%
9	Group BPCE (Natixis)	Euro	1.000	90%	50%
10	Mercedes-Benz (Athlon)	Euro	1.000	50%	50%
11	NatWest	GBP	1.150	80%	100%
12	ING	Euro	1.000	90%	80%
13	Unicredit	Euro	1.000	90%	60%
14	Nordea Bank	Euro	1.000	100%	80%
15	Siemens	Euro	1.000	80%	100%
16	Deutsche Leasing	Euro	1.000	80%	80%
17	Commerzbank	Euro	1.000	100%	80%
18	LBBW	Euro	1.000	100%	80%
19	RCI (Mobilize)	Euro	1.000	90%	30%
20	KBC	Euro	1.000	100%	60%
21	Santander	Euro	1.000	40%	30%
22	DNB Group	NOK	0.085	100%	80%
23	Traton Finanial Services	Euro	1.000	80%	90%
24	Grenke	Euro	1.000	80%	100%
25	BBVA	Euro	1.000	80%	60%

Rank	Name	Currency	Exchange rate	Assumed percent in Europe	Assumed business leasing non-property %
26	Lloyds	GBP	1.150	100%	80%
27	SEB	SEK	0.086	100%	70%
28	Volvo	SEK	0.086	50%	100%
29	Close Brothers	GBP	1.150	100%	100%
30	Alba Leasing	Euro	1.000	100%	80%
31	Erste Group	Euro	1.000	100%	60%
32	UBS Group	USD	0.900	80%	80%
33	ABN Amro	Euro	1.000	100%	80%
34	Novuna	GBP	1.150	100%	100%
35	HSBC	USD	0.900	50%	80%
36	PEAC Finance	Euro	1.000	100%	100%
37	Belfius	Euro	1.000	100%	60%
38	Swedbank	SEK	0.086	100%	80%
39	Bank of Ireland	Euro	1.000	100%	50%
40	Rafaissen Bank	Euro	1.000	100%	60%
41	La Banque Postale	Euro	1.000	100%	50%
42	CHG-Meridian	Euro	1.000	80%	100%
43	Aldermore	GBP	1.150	100%	90%
44	Intesa Sanpaolo Group	Euro	1.000	100%	25%
45	Allied Irish Bank	Euro	1.000	100%	100%
46	Eversholt	GBP	1.150	100%	100%
47	OP Financial Group	Euro	1.000	100%	60%
48	Banco Sabadell	Euro	1.000	80%	60%
49	Handlesbanken	SEK	0.086	100%	80%
50	Beacon Rail (Europe)	Euro	1.000	100%	100%

Alfa

AFE50 grows amid economic challenges and sustainability shift

The leasing portfolio of the Asset Finance Europe 50 (AFE50) grew by a staggering €26.5bn in 2023.

Total business equipment and vehicle lease receivables in 2023 were €339 billion, up 8.5% from 2022 for the same top 50 firms. This expanding increase on previous years was achieved during a period of economic uncertainty of rising inflation and higher interest rates and continuing geopolitical conflicts.

We estimate the top 50 firms account for around 70% of the wider industry, suggesting total business equipment and vehicle lease receivables of around €484 billion.

However, this growth is not divided equally between AFE50 members. Of the 50 companies listed, 39 recorded portfolio growth, while 11 saw declines in their book.

Among those that saw declines, the total reduction in their portfolio size was €2.4 billion, 3.4% of their total portfolio. This includes one of the top 10 asset finance companies and four of the top 25.

This fall was offset by a staggering €28.9 billion portfolio increase among companies that recorded growth, who expanded their total receivables by 10.8%. The majority of this growth came among top 10 companies, whose combined growth was €20.4 billion; among companies in the top 25 it totalled €25.2 billion (87% of total AFE50 growth), more than enough to offset declines among other AFE50 companies.

This strong performance meant that the top 10 companies consolidated their dominant position in the table, accounting for 55.1% of AFE50 receivables, up from 53.4% last year and 52.9% the year before. Analysis of the top ten firms each year as a percentage of the total top 50 continues to show a long-term trend towards greater concentration of the industry, although overall the level of concentration remains fairly low compared to other financial markets.

Meanwhile, the top 25 firms account for 80.5% of the total for the top 50, up slightly from 79.6% last year.

The big change at the top of the AFE50 this year was BNP Paribas taking over prime position from Societe Generale (SG). BNP Paribas achieved annual growth of 17.5%, with a 12.4% share of the market.

As at the 2023 year-end, SG had sold parts of ALD as part of the arrangements for the purchase of LeasePlan, but the 2023 results did not yet consolidate LeasePlan. By the time of our next report, the remaining parts of LeasePlan will form part of SG, while SG Equipment Finance should become part of Group BPCE.

Credit Agricole moved up the table to third position from sixth place with an impressive 78.1% growth, in part reflecting its new acquisitions from LeasePlan.

The three motor firms in the top 10 – BMW, Volkswagen and Mercedes-Benz - all saw an increase in volume in the last year by 0.7%, 13.2% and 3.5% respectively. Volkswagen's position has been amended from previous reports following a change to how its financial services activities are reported.

Banks continue to dominate the AFE50, with their share remaining at 72% in 2023, with the overall distribution of receivables by type of lessor remaining stable. Once again, only 25 of the 34 banks listed in the AFE50 table reported receivables growth. However, these 25 banks saw a large increase in their portfolio of €21.9 billion. This growth was offset by nine banks that recorded portfolio reductions of €2.2 billion.

AFE50 TOTAL LEASE RECEIVABLES

	Lease receivables 2023 (€m)	Lease receivables 2022 (€m)	Lease receivables 2021 (€m)
Totals	338,500	312,000	307,200
% change	8.5%	1.6%	

Note: Assumes constant exchange rates and other assumptions

AFE50 TOP 10 COMPANIES

Rank	2023	2022	2021
1	BNP Paribas	Societe Generale	Societe Generale
2	Societe Generale	BNP Paribas	BNP Paribas
3	Credit Agricole	BMW	BMW
4	BMW	Rabobank	Rabobank
5	Rabobank	Credit Mutuel	Volkswagen
6	Volkswagen	Volkswagen	Credit Agricole
7	Credit Mutuel	Credit Agricole	Credit Mutuel
8	Leaseplan	Group BPCE	Mercedes-Benz
9	Group BPCE	Mercedes-Benz	Group BPCE
10	Mercedes-Benz	Leaseplan	Leaseplan

AFE50 BY TYPE OF LESSOR

	2023	% of total	2022	% of total	2021	% of total
Bank	244,121	72%	224,404	72%	219,391	71%
Auto captive	43,823	13%	41,242	13%	41,904	14%
Independent	40,670	12%	37,060	12%	36,543	12%
Captive	8,446	2%	7,712	2%	7,680	2%
Rail	1,477	0%	1,563	1%	1,679	1%
Total	**338,537**	**100%**	**311,981**	**100%**	**307,196**	**100%**

France strengthens lead in European leasing industry

France remains at the centre of the European leasing industry with five banks in the top 10 AFE50 companies.

France remains the centre of the European leasing industry as the largest head office country, with six of the seven French firms in the Europe 50 showing higher receivables in 2023. Five banks in the top 10 AFE50 companies are from France. Societe Generale showed a small reduction following the sale of part of ALD.

In total, the share of the AFE50 held by French companies increased slightly to a 38% share of the market, as their lease receivables grew by €16.2 billion.

With the exception of Societe Generale, all companies headquartered in France saw growth in their portfolio with Credit Agricole recording the biggest increase of €8.6 billion or 78.1% of its book. BNP Paribas who reached the top position in the AFE50 companies this year experienced growth in 2023 of €6.2 billion, while Societe Generale's lease receivables fell by 1.5% to €38.1 billion following the sale of part of ALD.

Credit Mutuel's growth slowed in 2023 to 6.2%, adding €709 million to its book, while Group BPCE expanded by 4.6% (€430 million). La Banque Postale had a slight growth of 3.0% (€55 million) in 2023 taking its book to €1.9 billion.

RCI, a French auto captive and retail bank, rose 16.4% year-on-year, adding €668 million to its total lease receivables of €4.7 billion in 2023.

Germany's market share suffered a 1% fall to 21%, but unlike last year when five of the German firms in the AFE50 saw a fall in volume, only one company – Deutsche Leasing – witnessed a drop in lease receivables of 1.4%. Nine out of the ten German firms in the AFE50 experienced growth in 2023, across all organisation types, with Volkswagen, LBBW and CHG-Meridian even witnessing double-digit growth of 13.2%, 11.3% and 11.9% respectively.

For Netherlands headquartered companies, strong growth of 27.2% was witnessed by Leaseplan in its last year reporting as an independent, followed by Rabobank (DLL) and ING both increased in size by 1.6% and 9.6% respectively. ABN Amro once again experienced a decline (7.5%) in 2023.

Other countries with strong growth included Belgium with both Belfius and KBC growing by 10.5% and 14.7% respectively, Ireland led by Bank of Ireland (17.1% growth), and Switzerland led by UBS Group (10.7% growth). Overall, the country split of volume remained steady.

AFE50 BY COUNTRY OF PARENT BUSINESS HEAD OFFICE

	2023 lease receivables €m	% of total	2022 lease receivables €m	% of total	% change (€) 2022-23
France	128,503	38%	112,313	36%	14%
Germany	71,228	21%	67,805	22%	5%
Netherlands	37,289	11%	34,374	11%	8%
UK	24,130	7%	23,703	8%	2%
Sweden	23,789	7%	22,670	7%	5%
Italy	12,861	4%	13,422	4%	-4%
Spain	10,262	3%	9,963	3%	3%
Belgium	7,835	2%	6,933	2%	13%
Austria	5,753	2%	5,211	2%	10%
Norway	4,646	1%	4,244	1%	9%
Ireland	3,748	1%	3,414	1%	10%
Switzerland	3,622	1%	3,273	1%	11%
Japan	3,448	1%	3,187	1%	8%
Finland	1,423	0%	1,471	0%	-3%
Total	338,537		311,981		9%

Asset finance power players propel AFE50 expansion

Credit Agricole showed the strongest growth in 2023 in absolute terms and in percentage terms, reflecting its acquisition of parts of Leaseplan.

The 10 power players of the AFE50 delivered more than €22 billion growth to their asset finance receivables in 2023.

Their success accounts for nearly 78% of increases in receivables reported across the AFE50 in the past year.

Credit Agricole showed the strongest growth in 2023 in absolute terms with an increase in receivables of €8.7 billion, reflecting in part its acquisition of parts of Leaseplan. It is followed by BNP Paribas with €6.3 billion growth. Meanwhile Leaseplan also reported strong growth in its final year as an independent.

The strongest double-digit percentage growth in the AFE50 with 78.1% was also achieved by Credit Agricole. Moving up from position 6 in 2022's AFE50 to number 3 in 2023, Credit Agricole reported total lease receivables of €19.7 billion.

FASTEST GROWING ASSET FINANCE COMPANIES BY € INCREASE IN RECEIVABLES – 2022-23

Rank	Company	€m growth
1	Credit Agricole	8,651
2	BNP Paribas	6,250
3	Leaseplan	2,247
4	Volkswagen (excl. Traton)	1,488
5	ING	723
6	Credit Mutuel	709
7	RCI (Mobilize)	668
8	KBC	607
9	Erse Group	545
10	LBBW	515

FASTEST GROWING ASSET FINANCE COMPANIES BY % INCREASE IN RECEIVABLES – 2022-23

Rank	Company	% growth
1	Credit Agricole	78.1%
2	Beacon Rail (Europe)	53.4%
3	Leaseplan	27.2%
4	BNP Paribas	17.5%
5	Erste Group	17.4%
6	Bank of Ireland	17.1%
7	RCI (Mobilize)	16.4%
8	KBC	14.7%
9	Volkswagen (Traton)	13.2%
10	CHG-Meridian	11.9%

Alfa

Longer-term growth in the AFE50

The 2024 AFE50 report introduces a four-year growth analysis from 2019 to 2023, highlighting notable performers in both percentage and absolute growth.

In percentage terms, the fastest growing asset finance companies table is led by Credit Agricole, again reflecting in part its acquisition of parts of Leaseplan, with an extraordinary 129.0% growth over the period, followed by UK firm Close Brothers with 74.2% growth from 2019-2023.

In terms of absolute growth, the market leaders BNP Paribas and Credit Agricole dominate the rankings, with increases of €12.0 billion and €11.1 billion, respectively. Other major contributors include Credit Mutuel with €3.5 billion and Nordea Bank with €2.3 billion.

FASTEST GROWING ASSET FINANCE COMPANIES BY % - 2019-23

Rank	Company	% growth
1	Credit Agricole	129.0%
2	Close Brothers	74.2%
3	CHG-Meridian	49.5%
4	Nordea Bank	48.7%
5	Novuna	43.3%
6	BNP Paribas	40.0%
7	Credit Mutuel	39.6%
8	Swedbank	35.9%
9	Erste Group	34.2%
10	La Banque Postale	31.6%

FASTEST GROWING ASSET FINANCE COMPANIES BY € - 2019-23

Rank	Company	€m growth
1	BNP Paribas	12,014
2	Credit Agricole	11,113
3	Credit Mutuel	3,468
4	Nordea Bank	2,340
5	Leaseplan	2,157
6	Societe Generale	1,814
7	Volkswagen (Traton)	1,758
8	Close Brothers	1,620
9	Group BPCE (Natixis)	1,376
10	ING	1,045

Alfa

Captives and independents maintain top positions

There were no changes this year in the top three firms in each of the key sectors – captives and independents.

LARGEST CAPTIVES

There were no changes this year in the top three captive firms as reported on a like-for-like basis, although a change to how Volkswagen Financial Services is reported has resulted in a switch in position with Mercedes-Benz from previous years.

All three German auto captives in the AFE50 – BMW, Volkswagen and Mercedes-Benz – all appear in the top ten of the AFE50 companies at positions 4, 6 and 10, respectively. In 2023 BMW, Volkswagen and Mercedes-Benz all witnessed growth of 0.7%, 13.2% and 3.5% respectively.

Ranked 19th in the AFE50, RCI (Mobilize), the only auto captive not based in Germany, is headquartered in France and saw 16.4% growth in 2023.

The four auto captives have combined estimated receivables in Europe of €43.8 billion.

Position	AFE50 ranking	2023	2022
1	4	BMW	BMW
2	6	Volkswagen	Volkswagen
3	10	Mercedes-Benz	Mercedes-Benz

LARGEST INDEPENDENTS

Independents represent a diverse range of asset finance interests across vehicle, equipment and technology finance who have been able to drive growth in receivables over the past year. The largest independent on the AFE50 in 2023 was once again LeasePlan.

Ranking 8th in the AFE50, LeasePlan experienced a 27.2% growth to €10.5 billion in 2023. This is the last year that Leaseplan will report as an independent.

Siemens and Deutsche Leasing are ranked 15th and 16th respectively in the AFE50, and while Siemens returned to growth in 2023 with an increase of €127 million, Deutsche Leasing saw its portfolio reduce in value once again during 2023 by 1.4% (€83 million). Together these two German independents have a combined book value of €12.3 billion.

Position	AFE50 ranking	2023	2022
1	8	Leaseplan	Leaseplan
2	15	Siemens	Siemens
3	16	Deutsche Leasing	Deutsche Leasing

ASSET FINANCE EUROPE 50 2024:

The best of the best

The achievements of those in the AFE50 rankings are recognised in this year's AFE50 Report in three categories:

ASSET FINANCE CONNECT TOP 5 LENDERS BY OUTSTANDINGS

Winners: BNP Paribas Leasing Solutions, Société Générale Equipment Finance, Credit Agricole, BMW Financial Services, Rabobank (DLL)

STRONGEST GROWTH IN ONE YEAR (€)

Winner: Credit Agricole

STRONGEST GROWTH IN ONE YEAR (%)

Winner: Credit Agricole

asset finance connect 2024 winner

ASSET FINANCE EUROPE 50

Top 5 lenders by outstandings

BNP PARIBAS LEASING SOLUTIONS

BNP Paribas Leasing Solutions offer capital efficient business equipment financing solutions in key sectors including agriculture, construction, transportation, materials handling, ICT, healthcare and green tech. Drawing on our proud 70-year history, our partners and clients rely on our market expertise, asset know-how and advisory services to propel their growth, transformation and transition to a low carbon circular economy.

BNP Paribas Leasing Solutions are present in 17 countries across Europe and Turkey, employing over 3,000 experts. We also offer vendor finance solutions in the USA and Canada in partnership with Bank of Montreal, and in China through Jiangsu Financial Leasing.

In 2023, we advanced over €15.5 billion in asset finance and presently manage a €39.6 billion leased asset portfolio. BNP Paribas Leasing Solutions is fully owned by BNP Paribas and is positioned within the Group's Commercial, Personal Banking & Services division.

"Drawing on our proud 70-year history, our partners and clients rely on our market expertise, asset know-how and advisory services to propel their growth, transformation and transition to a low carbon circular economy."

asset finance connect 2024 winner

ASSET FINANCE EUROPE 50

Top 5 lenders by outstandings

SOCIETE GENERALE Equipment Finance

Societe Generale Equipment Finance (SGEF) is a leading international equipment and vendor finance specialist. With 1,500 expert members of staff, SGEF is a worldwide player and key partner for manufacturers and vendors alike. Operating in more than 26 countries*, covering Europe, the Americas and Asia, SGEF provides its clients with in-depth industry knowledge in the Technology, Industrial Equipment, Transportation, Healthcare and Green Energy sectors.

We have a broad and diverse client base, ranging from large international companies to SMEs, to whom we offer an extensive array of products, such as financial leasing, loans, rentals, purchase of receivables, as well as insurance and marketing services. At the heart of the real economy, we accompany the sustainable growth of SMEs, dealers, manufacturers and vendors.

As a responsible equipment finance solution provider, SGEF supports the transition towards greater sustainability and the shift towards a low-carbon economy. SGEF is committed to pro-actively shaping the future, together with its clients and partners, through our finance solutions and our "Care & Dare about the Future" strategy. Launched in 2021, this strategy places the environmental transition at the heart of our business operations and client support, and includes a significant programme of staff training and awareness raising.

As a lessor, SGEF plays a decisive role in facilitating investment in assets and technology that generate lower CO_2 emissions, particularly in energy efficiency, lower-carbon mobility and green energy. Solutions include operational leasing with risk-taking on assets, the move towards a circular economy, enhanced asset life cycle management, as well as "Asset-as-a-service" offering a range of added-value services in addition to the simple use of the asset.

"We are focused on supporting our clients and partners by further developing our sustainable financing of assets and transactions that have an environmental or social benefit. We believe that sustainability is both a driver for our business and a necessary commitment to our planet and society."

Odile de Saivre, CEO of SGEF

* At 31/12/2023, including through partnerships.

asset finance connect 2024 winner

ASSET FINANCE EUROPE 50 — Top 5 lenders by outstandings

ASSET FINANCE EUROPE 50 — Fastest growing lessor (€)

ASSET FINANCE EUROPE 50 — Fastest growing lessor (%)

CRÉDIT AGRICOLE

Crédit Agricole is the French economy's leading financier and one of the top banking operators in Europe. As a leader in retail banking in Europe, the Group is also the leading European asset manager, the first bank insurer in Europe, and the third largest European operator in project financing.

On the strength of its cooperative and mutual insurance foundations, its 154,000 employees and 27,000 administrators of local and regional banks,

Crédit Agricole Group is a responsible, useful bank, serving 54 million customers, 11.8 million mutual shareholders and 800,000 individual shareholders.

Thanks to its universal retail banking model – the close association between its retail banks and the business lines that are connected to them – Crédit Agricole Group is assisting its customers with their projects in France and around the world in day-to-day banking, housing and consumer loans, savings, insurance, asset management, real estate, leasing, factoring, lending, and investment.

In serving the economy, Crédit Agricole is also distinguished by its dynamic and innovative corporate social responsibility policy. It is based on a pragmatic approach that runs through the entire Group and puts each employee into action.

asset finance connect 2024 winner

ASSET FINANCE EUROPE 50 — Top 5 lenders by outstandings

BMW GROUP Financial Services

The main business activities of **BMW Group Financial Services** are financing and leasing of BMW Group automobiles and motorcycles for retail and commercial customers. BMW Group Financial Services also offers customers selected insurance and banking products. In this way, BMW Group Financial Services plays an important role in strengthening the BMW Group's focus on customers and solutions. BMW Group Financial Services has a global portfolio of more than 5 million lease and credit financing contracts and operates in more than 50 countries.

Its multi-make fleet management and financing for business operates under the Alphabet brand in 36 countries with a portfolio of over 700,000 vehicles.

Alphabet's expertise in car and commercial vehicle management helps companies to manage their corporate mobility in an effective and sustainable way. Future orientation and responsible action have always been the basis of Alphabet's economic success. With its portfolio of innovative, digital and flexible mobility options, including rent, mobility budgets, charging solutions and emissions reporting, Alphabet is driving sustainable change. Its holistic approach includes comprehensive E-Mobility consulting for a tailored and individual electrification strategy, helping its commercial customers to build a better future of mobility.

asset finance connect 2024 winner

ASSET FINANCE EUROPE 50 — Top 5 lenders by outstandings

DLL financial solutions partner

DLL is a global asset finance company for equipment and technology with a managed portfolio of more than €46 billion. Founded in 1969 and headquartered in Eindhoven, the Netherlands, the company provides financial solutions to the Agriculture, Food, Healthcare, Clean Technology, Construction, Transportation, Industrial, Office Equipment and Technology industries in more than 25 countries. DLL is a wholly owned subsidiary of Rabobank Group and partners with equipment manufacturers, dealers, and distributors, as well as end-customers on a direct basis, to enable businesses to access equipment, technology, and software more easily.

DLL combines customer focus with deep industry knowledge to deliver retail finance, used equipment finance and commercial finance. Our purpose of "Partnering for a better world" starts with our passion to "help the real economy turn". Whether it is a hospital upgrading medical equipment, a last mile delivery company driving electric vehicles, or a farmer working more efficiently with the latest agricultural machinery, we provide the financial solutions to let our partners and customers deliver meaningful value. Being conscious of today's environmental challenges, DLL also wants to be a transition partner, promoting more efficient forms of utilisation, extending the life of assets, and enhancing resource circularity.

"We are really pleased to feature in the Asset Finance Europe 50 ranking. We see it as a recognition of our through-the-cycle partnership approach and the passion and expertise of our 6,000 employees around the world. At DLL we are proud to help "the real economy turn" by providing the asset financing solutions that entrepreneurs and businesses need. And on top of that, to be a catalyst for circularity."

Lara Yocarini, CEO and Chair of DLL's Executive Board,

Leaseurope research to support advocacy efforts on sustainability

By Tham Giang, Leaseurope

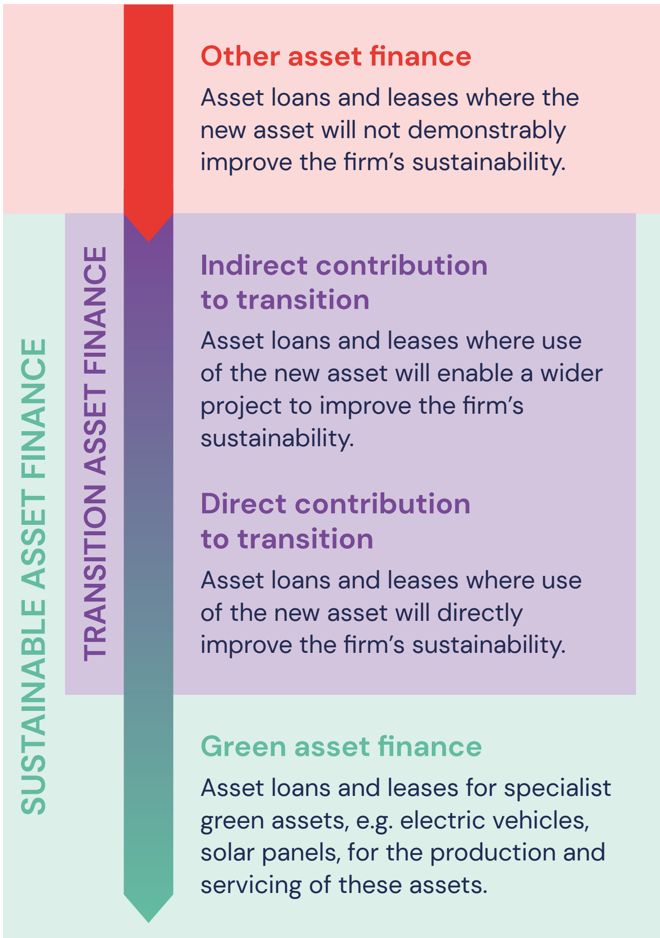
As the green transition becomes a top priority for the EU, new legislative frameworks for businesses and the financial sector are taking shape. In this evolving landscape, Leaseurope, the Federation of European leasing and automotive rental industry, plays a pivotal role in helping its members navigate the complex landscape of sustainability-related regulations, including EU Taxonomy Regulation and the Corporate Sustainability Reporting Directive (CSRD).

On the regulatory front, Leaseurope has been instrumental in ensuring the leasing industry's contribution to climate-neutral European economy is recognised by policymakers. This is being achieved through extensive dialogue with EU officials in Brussels, cooperation with other European and international bodies, and supporting research initiatives. Our priorities include ensuring that the full contribution of the leasing industry to achieving the EU sustainability goals is recognised, and that sustainability reporting requirements are meaningful and proportionate.

This year, Leaseurope has published two research reports aimed at addressing the industry's sustainability challenge[1]. In March, Leaseurope released a report setting out how leasing and automotive rental businesses enable millions of European businesses to improve their sustainability performance, including both emissions-free assets and all other investment that delivers incremental improvements ('transition finance').

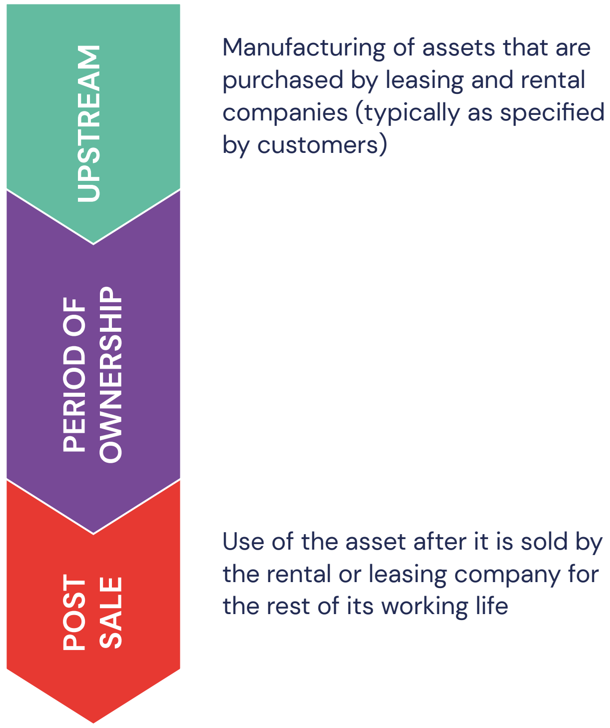
It includes real-life examples, such as a bakery investing in solar panels and bio-reforming plants that utilise leftover baked goods, and a food manufacturer enhancing its supply chain with sustainable packaging and low-emission technologies in a new logistics centre. The report advocates for the recognition of transition finance in both lessors' and lessees' sustainability disclosures, demonstrating the industry's potential to drive the transition to climate neutral economy.

FIGURE 1: LEASEUROPE'S VIEW ON SUSTAINABLE ASSET FINANCE



The second report, published in September 2024, tackles the challenge of reporting carbon footprint of leasing and automotive rental operations in the value chain, a key topic of discussion in Leaseurope's ESG and Green Leasing Task Force. The paper explores how lessors may be able to report upstream and downstream environmental impacts of leased equipment and vehicles using "reasonable efforts"[2] approach, as required by the CSRD.

FIGURE 2: SIMPLE VALUE CHAIN OF LEASING OR VEHICLE RENTING BUSINESS



By utilising sustainability information from manufacturers, the research shows that it is possible to employ simplified methods for reporting, avoiding the creation of complex databases. Although the focus is primarily on upstream impacts, the paper suggests a similar approach could be adopted for downstream emissions reporting, provided manufacturers improve their reporting on the lifetime CO2e emissions of assets.

Both research papers are intended to contribute to sector-specific standards expected to be finalised in 2026 by the European Financial Reporting Advisory Group (EFRAG) and the International Sustainability Standards Board (ISSB). The need for clearer guidance for both preparers and auditors regarding environmental disclosures in the value chain is also emphasised. The outcomes have already been shared with EFRAG and the Global Reporting Initiative (GRI), which advises both EFRAG and the ISSB. Further work is ongoing to develop proposed methodologies for capturing the leasing and vehicle rental industry's role in facilitating transition finance. Leaseurope will continue to collaborate with various bodies to ensure the unique features of leasing are recognised in the forthcoming sustainability disclosure guidance.

Author:
Kim-Tham Giang
Senior Advisor, Market & Research
Leaseurope
Email: t.giang@leaseurope.org
www.leaseurope.org

NOTES:
1. See The Role of Leasing in Enabling the Transition to a Climate Neutral and Sustainable European Economy and The Use of 'Reasonable Efforts' Approaches to Assess Upstream and Downstream Environmental Impacts of Leased Equipment and Vehicles
2. See, for example, FAQ 9: What is 'reasonable effort' to collect VC data?

At this year's **Leaseurope Annual Convention** in Alicante, a distinguished panel of industry experts gathered to discuss a critical issue facing the European business landscape: **financing the surge in demand for new business** assets and overcoming the obstacles this entails. Recognising the importance of this topic to the European leasing and asset finance sectors, we invited the panel and other leading industry voices to contribute their insights to this year's report. As businesses across Europe strive to modernise by investing in sustainable and efficient technologies, they increasingly rely on the leasing industry's support. Yet, they face numerous challenges, including capital constraints, exposure risks, demand for flexible agreements, complexities in sustainability reporting, and prudential uncertainties. While these hurdles are significant, the opportunities for transformative growth are unprecedented, with investor interest surging. Our experts offer an overview of the challenges and, crucially, outline potential solutions to help make this a pivotal moment for the industry.

Financing the surge in demand for new business assets: Overcoming the obstacles

By Manuela Pachoinig, UniCredit S.p.A.

As businesses across Europe modernise their operations, there is an unprecedented surge in demand for new, sustainable assets. Companies, both large and small, are investing in more efficient machinery, vehicles, and technologies to remain competitive while aligning with the European Union's Green Deal goals. However, this massive transition requires financing solutions that can accommodate complex challenges, and the European leasing industry will play a critical role in meeting these needs.

The European Environmental Agency estimates in November 2023 that businesses will need to invest approximately €520 billion annually until 2030 to meet sustainability targets. This includes both 'green financing' for entirely sustainable assets and 'transition financing' for companies working toward more energy-efficient operations. For the leasing sector, particularly in supporting small and medium-sized enterprises (SMEs), this presents immense opportunities, but also several obstacles that must be addressed to ensure success.

OPPORTUNITIES FOR LEASING COMPANIES

The transformation towards sustainable business models presents a wealth of opportunities, particularly for the leasing industry, which has long supported companies in acquiring essential equipment without overburdening capital reserves.

1. **Green asset investments:** Many businesses will need to replace machinery and equipment with more energy-efficient alternatives. Vehicles, including cars and trucks, must also be upgraded to meet stricter environmental standards. Leasing provides an ideal solution for companies seeking to spread out the costs of such significant investments over time.
2. **SME financing:** SMEs, which are the backbone of Europe's economy, often lack the financial reserves to fund large-scale sustainability transformations upfront. Leasing, already a preferred financing option among SMEs, presents an attractive opportunity to support this vital segment as they work toward compliance with environmental regulations.
3. **Partnerships with asset vendors:** Cooperation between leasing companies and asset vendors will be essential for financing the green transition. Partnerships will enable leasing firms to provide tailored financing solutions while ensuring that remarketing of replaced assets is handled efficiently, further supporting circular economy efforts.

OVERCOMING THE CHALLENGES

While the potential for growth in the leasing industry is clear, several hurdles need to be navigated to fully realise these opportunities.

1. **Meeting demand:** One significant challenge is the sheer volume of financing needed. Leasing companies will need to find ways to support businesses in accessing the necessary capital to update their assets without overexposing themselves to any one asset class or customer segment.
2. **Green and transition financing definitions:** The industry still faces uncertainty in defining which assets qualify for green and how can transition financing support. Both, internal criteria within leasing companies and external regulatory standards, must be clarified and harmonised to avoid confusion and ensure compliance with sustainability reporting requirements.
3. **Regulatory compliance:** As businesses seek to secure financing for green initiatives, leasing firms must navigate a complex landscape of European regulations, as well as their internal guidelines, to ensure that they meet the growing demand for green financial products. This includes adapting to evolving sustainability standards, which will likely continue to change as the EU fine-tunes its Green Deal framework.
4. **Product development:** New asset classes and technologies are entering the market at a rapid pace. Leasing companies must remain agile, developing financing products that cater to these emerging needs while ensuring flexibility for customers who are still in the transition phase.
5. **Asset remarketing:** A major consideration for leasing companies will be what happens to assets currently being financed once they are replaced by greener alternatives. Effective remarketing strategies will be critical for maintaining financial sustainability and minimising the environmental impact of replaced assets.

NAVIGATING THE TRANSITION PERIOD

For leasing companies, the immediate focus must be on managing this transitional period. Businesses will still require financing for assets, not qualified as green yet, as they gradually move toward greener alternatives. Leasing companies will need to balance their portfolios while preparing to shift towards green assets in the future.

The key will be ensuring that leasing firms are equipped with the right products and financial structures to support clients' sustainability transitions. This means offering flexible financing solutions that meet current needs while helping clients position themselves for a greener future.

THE PATH FORWARD

While the challenges are significant, the opportunities for the European leasing industry are greater than ever. With investor interest growing and businesses increasingly committed to sustainability, leasing companies have the chance to become instrumental in shaping a more sustainable and efficient European economy.

By aligning with regulatory developments, fostering partnerships with asset vendors, and developing innovative products, the leasing industry can support businesses of all sizes in overcoming the obstacles of the green transition. The time to act is now, as companies look to the leasing sector for the flexible financing solutions they need to modernise their operations and meet the EU's ambitious Green Deal goals.

In this evolving landscape, the leasing industry is not only a facilitator of financial support but a key partner in the European economy's transition to a sustainable, energy-efficient future.

"With investor interest growing and businesses increasingly committed to sustainability, leasing companies have the chance to become instrumental in shaping a more sustainable and efficient European economy."

Author:
Manuela Pachoinig
Head of Leasing CE+EE Coordination
UniCredit S.p.A.

Navigating the future of leasing in a changing world

By Pascal Layan, BNP Paribas Leasing Solutions

The landscape of leasing, particularly in the B2B context, is undergoing a seismic shift. What was once a relatively stable industry is now being reshaped by a combination of regulatory changes, technological innovations, and evolving business models. While many of us have witnessed the rapid changes in B2C, with consumer credit regulations tightening and platforms like Buy Now, Pay Later (BNPL) revolutionising the market, it's clear that the ripple effects will soon extend into the B2B space.

THE REGULATORY WAVE

Regulatory changes in Europe's B2C markets are starting to trickle down to B2B. In countries like Poland and Germany, we are already seeing regulations traditionally reserved for consumers being applied to specific B2B sectors, including agriculture and certain credit types. These changes bring complexity but also present opportunities for businesses willing to adapt.

As regulatory oversight grows, especially in areas like insurance sales and commercial practices, it is clear that those who lag behind in adapting will face significant challenges. For leasing providers, staying ahead of these regulatory demands will be crucial. What may seem like an additional burden today could become a key differentiator tomorrow.

> *"Technology is not just an enabler; it is a driving force in the future of leasing. Connected assets, digital platforms, and data-driven ecosystems are opening new revenue streams and reshaping the traditional business model."*

FROM PRODUCTS TO SERVICES

The "as-a-service" model has already disrupted the software industry, and it's now beginning to transform other sectors as well. Vendors are no longer just selling products; they are increasingly selling services. This shift is reshaping traditional financing models in B2B. One of the most profound impacts is being felt in the energy transition. As governments introduce low-emission zones and manufacturers accelerate green asset production, the financial models around these transitions are evolving. Take electric vehicles as an example. Financing now requires a nuanced understanding of maintenance, energy costs, and infrastructure, not just the initial purchase price. Traditional leasing frameworks must adapt to meet these new demands.

The rise of subscription models is a game-changer. As businesses demand more flexibility, particularly with assets that have shorter life cycles, the need for adaptable and innovative financing solutions grows. Understanding not just the value of the asset but the entire ecosystem to support asset refurbishment and reuse, will be critical for leasing companies to thrive in this new era.

THE ROLE OF TECHNOLOGY AND ECOSYSTEMS

Technology is not just an enabler; it is a driving force in the future of leasing. Connected assets, digital platforms, and data-driven ecosystems are opening new revenue streams and reshaping the traditional business model. Whether it's predictive maintenance, real-time performance monitoring, or energy efficiency improvements, manufacturers are increasingly looking to monetise the services around their assets. This is where financing providers can step in. By offering cost optimisation services, asset recycling, and lifecycle management, we can enhance our value proposition. The integration of these services, as seen in BNP Paribas' 3 Step IT approach, is creating powerful ecosystems across industries like IT, building synergies and deepening client relationships.

The trend toward platformisation in B2B is particularly significant. Vendors are bypassing traditional distribution channels and engaging directly with their customers through digital platforms. As financing providers, we need to be agile and ready to integrate with these platforms, offering value-added services that go beyond traditional financing.

CHALLENGES OF THE ENERGY TRANSITION AND POLITICAL RISKS

While the energy transition brings exciting opportunities, it also presents challenges - particularly in sectors like agriculture and construction, which have been slower to adopt green innovations. Electric equipment development for these industries remains sluggish, and the fragmentation of subsidies for green investments adds to the uncertainty.

Residual value risk is another pressing concern, especially in the electric vehicle market. As we've seen with fluctuating prices from some leading brands, the unpredictability of the market makes long-term financing models more complex.

Then there's the looming threat of political risk. The rise of populism in Europe and elsewhere could disrupt the momentum behind ecological transitions, potentially rolling back regulations and subsidies aimed at promoting sustainable investments. While we hope for continued progress, this is a risk that cannot be ignored.

CHARTING A STRATEGIC PATH FORWARD

So how do we navigate these challenges and position ourselves for success? First and foremost, adaptability is key. The regulatory environment will continue to evolve, and we must stay ahead of the curve. By anticipating changes, building strong compliance frameworks, and offering flexible solutions, we can turn potential obstacles into opportunities.

Investing in technology and innovation is another critical step. Connected assets, digital platforms, and data-driven ecosystems are no longer optional; they're essential to staying competitive. By integrating these technologies into our financing solutions, we can help clients manage the complexities of the energy transition and optimize the total cost of ownership.

Lastly, partnerships will be the cornerstone of success. Whether it's collaborating with vendors to develop joint products, offering lifecycle management solutions, or leveraging cross-industry synergies, working closely with our partners will allow us to maintain a competitive edge.

EMBRACING DISRUPTION WITH OPTIMISM

The future of B2B leasing is undoubtedly full of challenges, but it is also ripe with opportunity. As regulations tighten, technologies evolve, and the energy transition accelerates, the companies that remain agile, innovative, and collaborative will be the ones that thrive. By embracing change and positioning ourselves as trusted partners to our clients, we can not only navigate this shifting landscape but also lead the way. The road ahead may be complex, but for those ready to adapt, the future holds immense potential.

Author:
Pascal Layan
Deputy CEO,
BNP Paribas Leasing Solutions

Smart and convenient: The future of leasing for SMEs

By Dr Sebastian Hirsch, grenke AG

Digitalisation and green technology are two massive transformation processes. We are experiencing these changes simultaneously, which presents not only a significant challenge for the economy but also a tremendous opportunity, particularly for us in the leasing sector.

"Leasing is the ideal tool for implementing investments, as it is inextricably linked to the investment itself."

Global corporations must rise to these challenges, as must small and medium-sized companies (SMEs) – our core target group at grenke.

For over 40 years, grenke has been the go-to for these companies, financing previous transformation processes. We know our target group very well. We serve over 670,000 customers in more than 30 countries with around 2,200 employees. We currently have over one million active leasing contracts. The total investment value of the assets leased through us is nearly €10 billion.

But who gets to decide what qualifies as a green investment? We are in the leasing industry, and I can assure you that is not our mission. We can provide support and, above all, handle used objects responsibly. However, the decisive factor lies in the object's purpose of use by the customer. There must be this understanding, regardless of any financing considerations.

Leasing is the ideal tool for implementing investments, as it is inextricably linked to the investment itself. We must not just adapt to this transformation but also recognise its full extent and act. In other words, we must invest.

There are three factors critical to the success of leasing in the future. Solutions for customers and partners must be: smart, convenient, and transparent.

Let me be clear: Our potential customers have an urgent need for investment that they must finance. They often use cash or first consider a bank line of credit, but these are not always the best solutions. What are the reasons for this?

- Many customers are put off by the perceived complexity of leasing contracts, especially when it comes to new technologies. It seems simpler to separate the purchase of the item from the specialist retailer and the isolated financing via a bank. However, the reality is that the interlocking provided by leasing brings both efficiency and security advantages.
- Given the rapid pace of technological development, some customers are understandably reluctant to commit to long-term leasing agreements. Flexible exit or upgrade options are the answer.
- When it comes to IT hardware leasing, data security is often a concern, especially when devices are exchanged or returned. Leasing providers must demonstrate secure data deletion concepts that are beyond reproach.

"Given the rapid pace of technological development, some customers are understandably reluctant to commit to long-term leasing agreements. Flexible exit or upgrade options are the answer."

At grenke, we are going to make leasing as easy as online shopping. There are several trends developing:

Flexibility and scalability: Customers want flexible leasing models that allow them to quickly adapt their IT infrastructure to business needs, and they're demanding it. This requires shorter terms and the ability to upgrade or replace equipment during the contract period. The leasing commitment is flexible enough to match the scope of the customer's investment and use.

As-a-Service models are the way forward, with the trend shifting towards Equipment-as-a-Service (EaaS) offerings. Customers can rent IT hardware as part of a complete package that includes software, support and maintenance. It is clear that ownership and possession are no longer important to private and corporate customers alike.

Sustainability is a key focus. Energy-efficient hardware is becoming increasingly important to customers. But there is one question that is even more important: What happens to the object at the end of its useful life? We guarantee effective secondary marketing of used equipment or sustainable disposal. Customers increasingly appreciate this service because it is part of their responsibility. As lessors, we have always been conscious of this responsibility. Today, this also contributes to our customers' sustainability balance.

Green technology leasing is the way forward. The demand for leasing environmentally friendly technologies such as solar systems, e-bikes, charging stations for company fleets, heat pumps and energy-efficient production facilities is rising significantly. This growth is driven by legal requirements and sustainability goals.

SMEs will soon be able to optimise their financing structure in a similar way to a securities account. Leasing – as a seamless digital process – will play a crucial role here. The question of financing will no longer arise. Investing, using, leasing – will all merge. Because today, all of these terms refer to the same thing.

The leasing industry is at a pivotal moment. By placing green technology and digital transformation at the centre of our strategy, we are creating added value for our customers and making an important contribution to a more sustainable and digital future

Author:
Dr Sebastian Hirsch
CEO,
grenke AG

Green leasing: Paving the way for sustainable asset management amidst growing challenge

By Roland Maslo, Raiffeisen-Leasing, and Leaseurope Taskforce on ESG & Green Leasing

In an era marked by accelerating climate change and the urgent need for sustainable practices, businesses worldwide are experiencing a surge in demand for new, eco-friendly assets. Against this backdrop, Raiffeisen-Leasing has emerged as a staunch advocate for sustainable management, emphasizing a commitment to responsible business practices. The underlying principle is simple: the economy must be sustainable, and sustainability must be economically viable.

NAVIGATING THE CHALLENGES

While the surge in demand for green assets is a positive development, it doesn't come without its fair share of obstacles. Various factors are posing significant challenges to businesses and financial institutions alike.

Narrow margins

One of the most pressing issues is the narrow profit margins faced by banks and leasing companies striving to feature green assets prominently in their portfolios. The intense competition in this space means that these institutions are constantly under pressure to offer better deals, which can compromise their profitability. This competition constricts their financial flexibility and makes it challenging to invest in additional resources needed to sustain these green initiatives.

Cost burden

The path to sustainability is not only paved with good intentions but also with substantial costs. Investment in human capital, the procurement of specialised knowledge, the need for extensive reporting, and the development of advanced IT systems for data generation—all these are necessary but expensive. The current market conditions make it hard to recoup these costs, let alone turn a profit, as pricing structures often don't account for these additional burdens.

Data requirements and high reporting needs

Financial institutions, especially lessors and banks, require a substantial amount of detailed data and information to validate the sustainability credentials of their assets. For many businesses, particularly small and medium-sized enterprises (SMEs), meeting these high reporting demands can be a daunting task. The complexity of these requirements often overwhelms smaller enterprises, stymieing their efforts to comply.

Regulatory ambiguity

Adding to the complexity are the ever-evolving regulatory frameworks. The lack of clear guidelines for audits and sustainability reporting creates additional challenges for financial institutions. The dynamic nature of these regulations means that companies must constantly adapt, a process that is neither straightforward nor cost-effective.

Nature of leasing

Leasing, as a financial product, inherently has some disadvantages, especially when considering the ownership preconditions, this can limit the use of leasing in combination with subsidies.

Restricted Incentives

The monetary incentives for sustainable investments are still relatively narrow, lacking the broader financial attractiveness required to drive widespread adoption.

Regulatory reporting bias

The existing regulatory reporting frameworks, such as the GHG Protocol versus PCAF, do not favour the leasing industry. The specific requirements of these protocols can place an undue burden on leasing companies, making it harder for them to compete with other financial institutions that are not subject to the same constraints.

"Planet Earth is like a leasing asset! We have the right to use it, but... we are also obliged to pay for it and to maintain it"

CARVING PATHWAYS FOR OPPORTUNITIES

Despite these formidable obstacles, there are significant opportunities that can be harnessed to foster sustainable growth and responsible asset management. Investments of approx. €520 bn p.a. are needed in Europe for the green deal offering the leasing industry a wide field of business opportunities – especially because European SMEs vote leasing as their favourite source of financing (usage 48%).

Investment in renewable energy

The global need for renewable energy sources presents a golden opportunity. Massive investments in wind, solar, and other renewable energies can create new avenues for financial institutions to back green projects effectively.

Product innovations

The pressure to adopt sustainable practices can spur innovation beyond conventional leasing products. Developing product bundles and services that cater to new sustainability criteria can set companies apart from the competition.

Advanced reporting tools

Financial institutions can seize the opportunity to develop and provide advanced reporting tools for clients, such as CO_2E reporting for leased assets. These tools can simplify the compliance process for businesses, particularly SMEs.

Building unique asset expertise

By developing unique asset knowledge, financial institutions can differentiate themselves in the marketplace. This expertise becomes a key competitive advantage, particularly in sectors where technical acumen is critical. Understanding and leveraging subsidies, along with providing technical know-how, for example in photovoltaic systems, can help SMEs meet their energy needs sustainably. This could be a crucial differentiator for financial institutions that master this domain.

Cross-industry partnerships

Partnering with IT and data providers offers the potential to overcome some of the inherent challenges in data collection and management. These collaborations can yield innovative solutions to the complex reporting requirements currently holding back the leasing industry.

Promoting circular economy

Leasing has the distinct advantage of supporting the circular economy by financing assets through their second or third lifecycle. This promotes sustainable use of resources and aligns perfectly with broader environmental goals.

As-a-Service models are the way forward, with the trend shifting towards Equipment-as-a-Service (EaaS) offerings. Customers can rent IT hardware as part of a complete package that includes software, support and maintenance. It is clear that ownership

Author:
Roland Maslo
*Head of Corporate Control, **Raiffeisen-Leasing**, and Chair, **Leaseurope Taskforce on ESG & Green Leasing***

Sustainability and the trends redefining the equipment finance industry

By Odile de Saivre, Societe Generale Equipment Finance

As a professional in the equipment finance sector, I am convinced that sustainability is redefining our industry in an unprecedented way. Regulatory pressure, growing investor demand, market opportunities, the shift towards a low-carbon economy and greater corporate responsibility are now converging to place the subject of sustainability at the heart of our financial and strategic decision-making. This is no longer an optional or peripheral concern, but rather a key element of our evolving business plans, moving our activities, clients and our own companies towards sustainable solutions beyond what we previously called equipment financing.

Global sustainability trends are profoundly impacting our industry. We are facing increasingly stringent regulatory frameworks, demanding greater transparency and higher quality reporting and indicators. In today's uncertain and ever-changing economic landscape, businesses are facing the challenge of balancing regulatory requirements with the varying demands of the market. This delicate balance is particularly pronounced in the European Union (EU), where a series of regulatory frameworks and directives are being implemented to promote sustainability and combat climate change: Taxonomy on environmentally sustainable activities, the EU Climate Law, the "Fit for 55" package, the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Finance Disclosure Regulation (SFDR), and deforestation regulation, to name just a few.

"In today's uncertain and ever-changing economic landscape, businesses are facing the challenge of balancing regulatory requirements with the varying demands of the market."

However, this evolution goes beyond mere compliance with the regulations in place. We are called upon to fully embrace the shift towards sustainability. The wider finance sector has undergone a moment of great change, driven by client and market trends, investor demand, risk management, and societal expectations around corporate responsibility, and the equipment finance sector too is included in this change. As a part of our activity, we provide a great deal of financing solutions to SMEs seeking to invest in new or second-hand equipment. SMEs represent a significant part of the European economy, and this places equipment finance actors at a central point of the energy transition. We have a key role to play in helping SMEs in their transition journey.

Amidst these profound changes, the equipment finance sector is witnessing further significant market trends that are reshaping the industry and charting a new path for our future activities. The transition to electric and low-emission fleets, the growth in renewable energies and enhanced energy efficiency, and the move towards greater digitalisation to offer more flexibility and interconnected services to our clients are just a few examples. Going beyond these impressive technological advances, we can see other developments such as the creation of ecosystems bringing together a range of different partners to provide more service-based solutions replying to evolving client and vendor needs, including newer topics such as the circular economy and enhanced asset lifecycle management. These key trends are already influencing our sector and they are not only reshaping the market but also presenting a wealth of new opportunities for businesses to embrace and include in their business models, while also creating a positive impact.

Perhaps more importantly, and certainly more impactful, is the need to recognise that we must integrate ESG criteria into our business models. This is a much more in-depth transformation, requiring a structural change in mindset and the training of our people as we rethink our businesses and the role we want to play in building a sustainable economy.

By way of an example, in 2021, SGEF launched the "Care & Dare About the Future" initiative, a key element in our business vision and commercial strategy. The initiative aims to place the environmental transition at the heart of our business operations and client support, including a notable programme of training and awareness raising among our staff.

The results of this strategy and engagements are clear. Since the launch of the initiative, SGEF has financed more than €2 billion of sustainable finance in assets and transactions that have an environmental or social benefit. We have collaborated in around 115 initiatives with new partners, locally and internationally, to further our environmental commitments. Moreover, the SGEF network has initiated over 270 projects focused on training, communication, and expertise building to enhance internal and external awareness.

As proof of our commitment and the concrete engagements already in place across our network, today, 9 SGEF entities, covering 11 countries in Europe and beyond, have received Bronze, Silver, and Gold ratings from EcoVadis, a leading provider of independent sustainability ratings for businesses. Our objective is to continue with this process and have all our entities worldwide rated.

Furthermore, in respect of the need for transparency and accountability, SGEF pilots all its sustainable business activities through an internal sustainable finance framework and verifies that the environmental and social risks have been identified and reduced. Overall, SGEF's "Care & Dare About the Future" initiative reflects our belief that sustainability is both a driver for our business and a necessary commitment to the future of the world in which we live.

In conclusion, as we navigate this new territory, let us remember that alongside complying with increasing levels of regulation, we are shaping the future of our industry. With our in-depth knowledge, our proven expertise and position as trusted partners with manufacturers, vendors and clients, we are well placed to play our role leading this transformation towards a more sustainable and a more prosperous future. Together, let's embrace this journey and build a better world for the generations to come.

Author:
Odile de Saivre
Chief Executive Officer
Societe Generale Equipment Finance

Alfa

AFC Reports

Asset Finance Connect produces some of the industry's most anticipated reports, offering you targeted exposure to a highly engaged audience. Advertising in these reports enhances your brand's credibility and authority, ensuring your message reaches key decision-makers. Benefit from in-depth insights and a focused content environment that drives higher engagement and better ROI. Contact Joe Nilsson to learn more: joenilsson@assetfinanceconnect.com

Your input

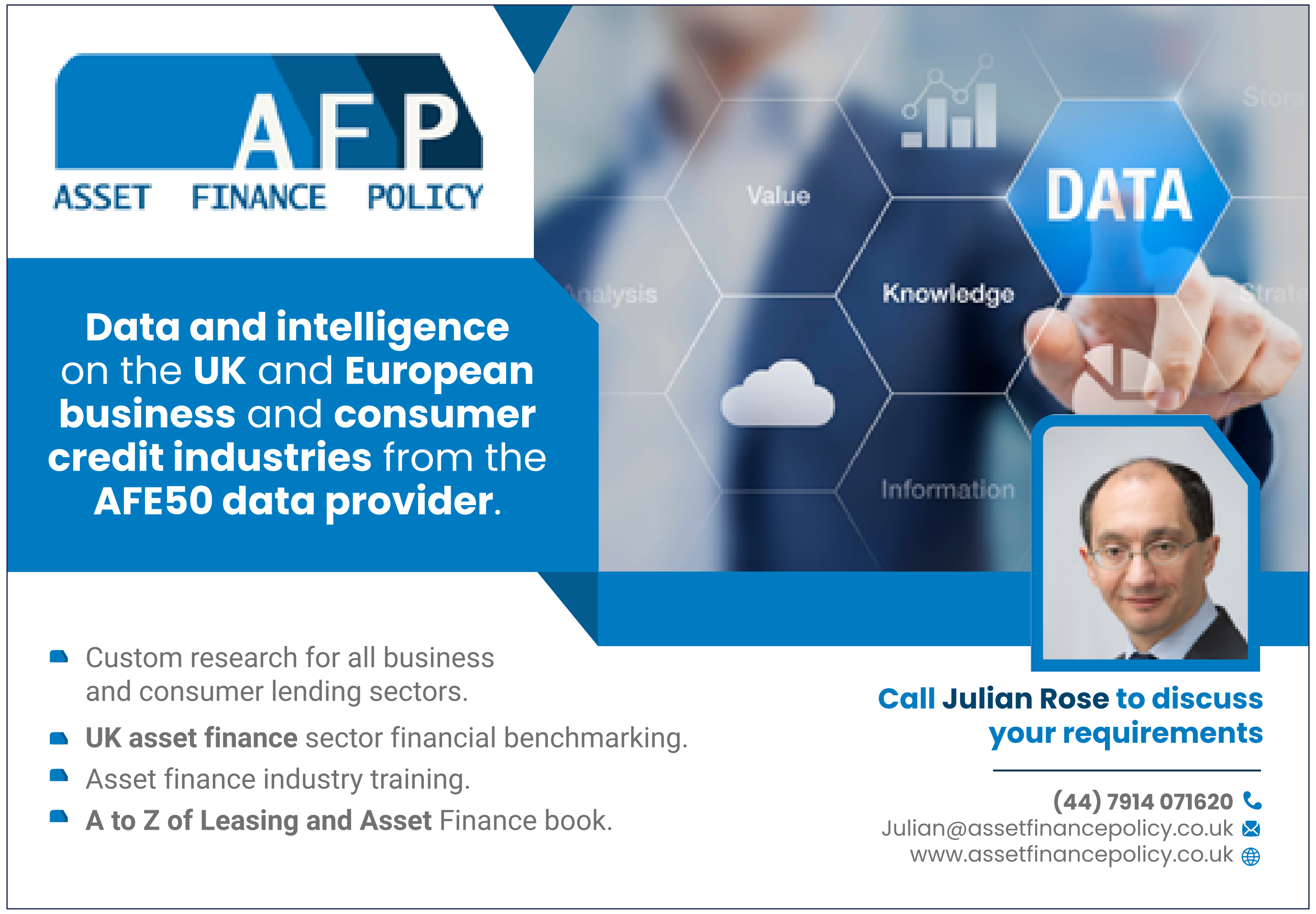
We welcome your views and comments on this year's AFE50.

Your input will be important in helping to ensure the rankings are as complete, reliable and useful as possible.

Please email any comments, queries or clarifications to Lisa Laverick at lisalaverick@assetfinanceconnect.com.

Corrections and updates will be published on the Asset Finance Connect website and will be used in the production of next year's report.

For future sponsorship and commercial enquiries, contact Joe Nilsson at joenilsson@assetfinanceconnect.com



Alfa

Asset Finance Connect
39 Manor Way
London
SE3 9XG

+44 (0) 207 617 7830

www.assetfinanceconnect.com
@AssetFinanceInt
linkedin.com/company/asset-finance-international/