



Leasing consolidates growth in the midst of crisis

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The year 2008 showed the best result of the leasing segment in Brazil and inserts such an activity among the economy industries presenting huge strength in face of the world crisis scenario. In spite of the performance impacted by the economic slow down in the last few months of the year, the perspective is that the competitiveness of the leasing companies combined with the domestic drop in interest's rates compensates for the international credit scarcity and reinforces the role of the segment as an agent of economic growth.

The balance published by the Brazilian Association of Leasing Companies (ABEL) shows that in December the balance of the current Portfolio Value (VPC) of leasing reached the mark of R\$106.67 billion, representing a growth by 67.2% in relation to 2007. The new businesses totaled R\$79.63, a turnaround 46.27% higher than that recorded in the same period of the previous year. These results evidence the consolidation of the leasing as the main instrument for acquisition of vehicles in Brazil.



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Even with the outburst of the world financial crisis in the last quarter of 2008 and its disastrous consequences, especially for the U.S. and European economies, a number of macroeconomic factors have preserved Brazil from devastating impacts. In the period, neither the significant drop in sales in the automobile industry nor the retraction in the purchase of machinery and equipment was enough to contaminate the positive results of the leasing industry.

One may state that the Brazilian leasing portfolio holds huge competitiveness as credit modality. This can be explained for some reasons, among them the offering of greater guarantees and the flexibility offered by the operation to investors. Adequate taxation conditions have been, as well decisive for the positive performance of the industry, such as, for instance, the non-levying of taxes on financial transactions.

The machinery and equipment segment deserves special attention for being a market with an expressive potential for growth in Brazil. Taking into account the oxygenation of businesses afforded by leasing, which does not require the immobilization of the working capital in an owned asset, we do believe in a strong expansion of businesses in distinct productive industries.

Even if the extraordinary evolution of the activity in the past five years is not upheld in 2009, the recent results of the industry are strong indicators of a favorable scenario this year. The growth by 64.8% of the leasing portfolio in April, with a rise from R\$38.9 billion to R\$64.1 billion in relation to the same month in 2008 is a fact that cannot be disregarded.

If we take into account that the trust of investors and consumers is a presupposition for the resumption of the economic growth, the path is not as gloomy as some economists insist. Not in Brazil. A relevant fact is the growth for four consecutive months in the number of registered employment positions. It is possible, then, to infer that as the impact of crisis on the country is smaller than the impact on other emerging economies the consumers feel safer.

It is also important to note that despite the World Bank anticipate a strong drop in the net flow of capitals into developing countries, such an institution also admits that Latin America currently has economic grounds much sturdier than those it had in previous crisis, which affords the region results that are even four times better than those expected in European Union, for instance.

In this regard, it is worth noting in that the new monetary legislation in effect since the end of 2008 benefits the leasing segment in a unique way. With the issuance of the Commercial leasing Bill (LAM), its own credit instrument, the raising of new resources was simplified and became much more agile, in addition to gaining more competitive deadlines and conditions.

In view of such a scenario, it is mandatory and possible not to compromise the modernization projects and the competitive gains. The other way, the segment is provided with all of the conditions required to expand its businesses as the main instrument for acquisition of vehicles and also bet that the performance, as the modality of leasing of assets such as machinery and equipment, has got all possibilities to design an ascending curve for the market potential to be exploited.

Present portfolio value - top 20 lessors in 2008

POSITION	COMPANY	TOTAL(US\$m)	CONTRACTS	SHARE%
1	Banco Itauleasing S/A Carteira Arrendamento Mercantil	6.581.339.368	636.593	14,42
2	BFB Leasing S/A	4.686.617.926	616.800	10,27
3	Real Leasing S.A. Arrendamento Mercantil	4.407.422.300	453.792	9,65
4	Dibens Leasing S/A Arrendamento Mercantil	3.860.222.421	308.248	8,46
5	Banco Itaucard S/A Arrendamento Mercantil	3.766.588.736	512.395	8,25
6	Banco Finasa S/A - Carteira Arrendamento Mercantil	3.492.429.029	335.638	7,65
7	Bradesco Leasing S/A Arrendamento Mercantil	2.663.856.315	117.960	5,84
8	Safra Leasing S/A Arrendamento Mercantil	1.966.323.412	56.117	4,31
9	HSBC Bank Brasil S/A Arrendamento Mercantil	1.627.313.634	152.606	3,56
10	BB Leasing S/A Arrendamento Mercantil	1.277.443.024	65.147	2,80
11	Banco Itaú S/A	1.099.683.746	138.895	2,41
12	Banco Volkswagen S/A Arrendamento Mercantil	969.831.811	70.140	2,12
13	Banco Alvorada S/A Carteira de Arrendamento Mercantil	964.206.139	48.992	2,11
14	Banco GMAC S/A Arrendamento Mercantil	956.908.601	113.304	2,10
15	Banco J. Safra S/A Carteira de Arrendamento Mercantil	754.311.067	113.294	1,65
16	ITAUBBA Leasing S/A	740.986.409	73.431	1,62
17	Banco IBM S/A Arrendamento Mercantil	651.359.492	1.101	1,43
18	Mercedes-Benz Leasing do Brasil Arrend. Mercantil	642.373.899	14.197	1,41
19	BV Leasing Arrendamento Mercantil S/A	598.125.640	61.500	1,31
20	Alfa Arrendamento Mercantil S/A	514.622.831	26.076	1,13
Total		42.221.965.800	3.916.226	92,49
Total of the market		45.651.219.385	4.276.708	100,00

Source: ABEL – Brazilian Association of Leasing Company

New investments - top 20 lessors in 2008

POSITION	COMPANY	TOTAL(US\$m)	CONTRACTS	SHARE%
1	Cia .Itauleasing de Arrendamento Mercantil	11.749.201.201	538.835	25,95
2	Real Leasing S/A Arrendamento Mercantil	4.668.536.321	310.574	10,31
3	Bradesco Leasing S/A Arrendamento Mercantil	4.613.422.628	88.705	10,19
4	Banco Finasa S/A - Carteira Arrendamento.Mercantil	4.358.973.981	277.326	9,63
5	BFB Leasing S/A	3.383.653.852	203.797	7,47
6	Dibens Leasing S/A Arrendamento Mercantil	2.700.108.214	132.512	5,96
7	BB Leasing S/A - Arrendamento Mercantil	1.724.910.263	54.843	3,81
8	Safra Leasing S/A Arrendamento Mercantil	1.275.862.107	10.214	2,82
9	HSBC Bank Brasil S/A - Carteira de Leasing	1.271.134.835	160.556	2,81
10	ITAUBBA Arrendamento Mercantil S/A	1.200.882.577	67.439	2,65
11	Banco Itaú S/A-Carteira de Arrendamento Mercantil	1.029.587.204	56.901	2,27
12	Banco GMAC S/A Arrendamento Mercantil	961.052.223	66.900	2,12
13	Alfa Arrendamento Mercantil S/A	743.867.735	18.157	1,64
14	BV Leasing Arrendamento Mercantil S/A	689.107.927	57.698	1,52
15	Banco J.Safra S/A Carteira de Arrendamento Mercantil	663.283.574	26.448	1,47
16	Toyota Leasing do Brasil S/A Arrendamento Mercantil	631.550.180	16.987	1,40
17	Banco Santander S/A	482.068.671	36.508	1,06
18	DaimlerChrysler DC Leasing Arrendamento Mercantil S/A	430.928.545	4.566	0,95
19	Panamericano Arrendamento Mercantil S/A	404.028.955	74.215	0,89
20	Santander Brasil Arrendamento Mercantil S/A	376.182.026	7.428	0,83
Total		43.358.343.019	2.210.609	95,78
Total of the market		45.270.671.130	2.327.433	

Source: ABEL – Brazilian Association of Leasing Company

Equipment leased 2005- 2008 US\$m				
	2005	2006	2007	2008
Vehicles and related	7.627	14.970	35.398	44.525
Machinery and equipment	1.563	3.465	4.086	4.470
Computer equipment	405	425	524	475
Others	16	182	293	140
Real estate	23	48	44	47
Aircraft	40	63	179	255
Installations	82	37	61	68
Furniture	29	48	77	77
Ships	3	7	16	31
Total	9.788	19.245	40.678	50.088

Source: ABEL – Brazilian Association of Leasing Company

Collectible leases per sector 2005- 2008 US\$m				
	2005	2006	2007	2008
Individuals	4.584	9.200	26.456	37.847
Services	3.024	4.877	8.213	7.745
Others	353	434	703	611
Commerce	1.267	2.061	3.773	4.069
Industry	1.461	2.463	4.103	4.553
Government	4	52	93	134
Total	10.693	19.087	43.341	54.959

Source: ABEL – Brazilian Association of Leasing Company