

# TENDENCIAS EN LA INDUSTRIA DE LEASING DE ESTADOS UNIDOS



ASOBANCARIA

Construyendo  
la **Confianza** y **Solidez** del sector financiero

Presented by:

**BOB RINALDI**

MANAGING DIRECTOR, AMEMBAL & HALLADAY

BOGOTÁ / COLOMBIA

VIERNES 2 DE AGOSTO



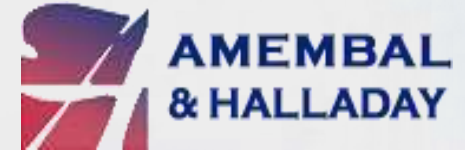
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& HALLADAY**

## Outline

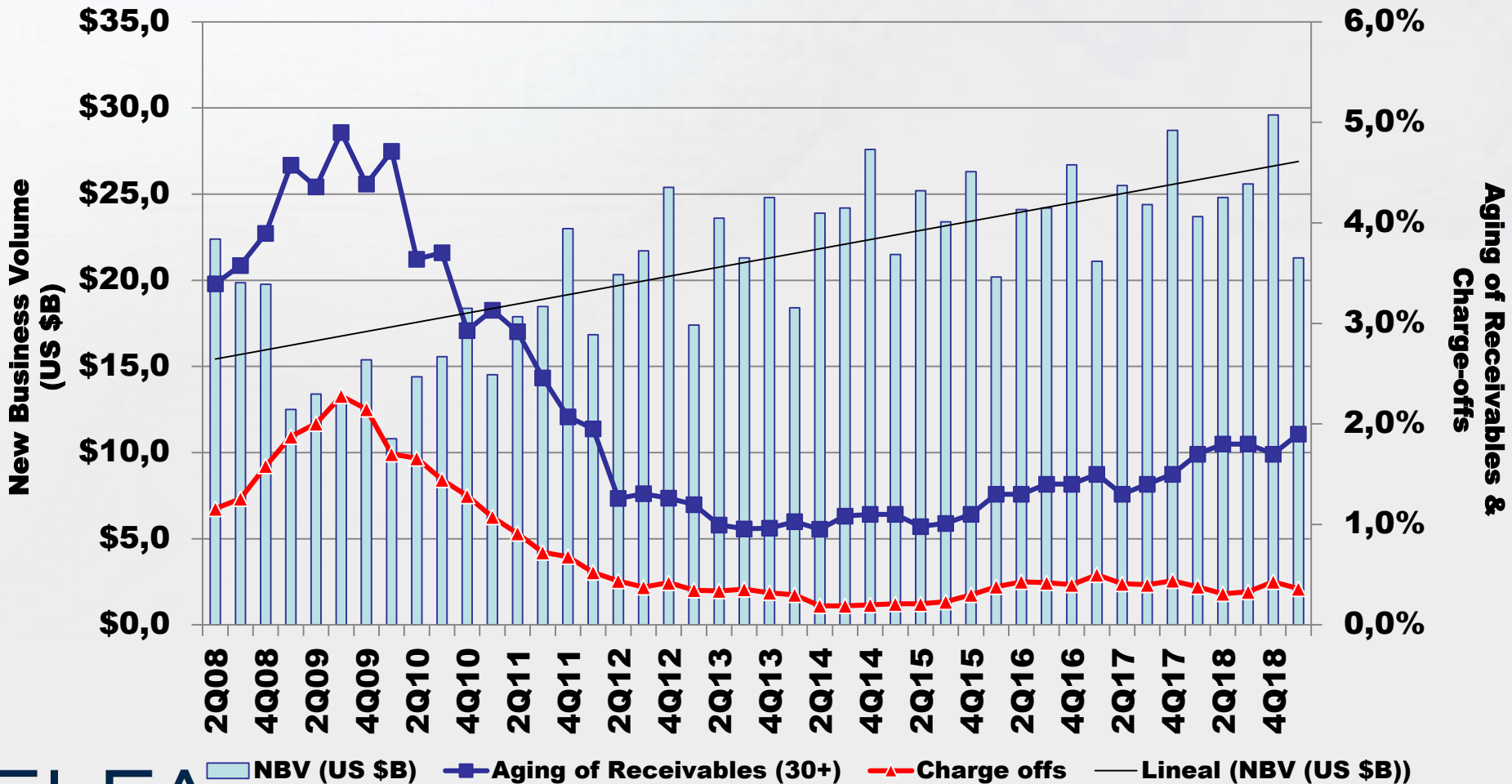
- United States Market Overview
- Market Sectors
- Areas of Growth in the USA - a Mature Market
- Potential Future Disrupters
- Questions and Answers

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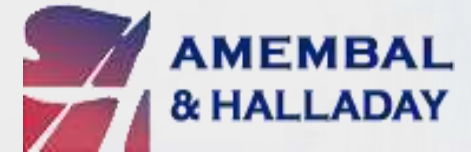
# United States Market Overview



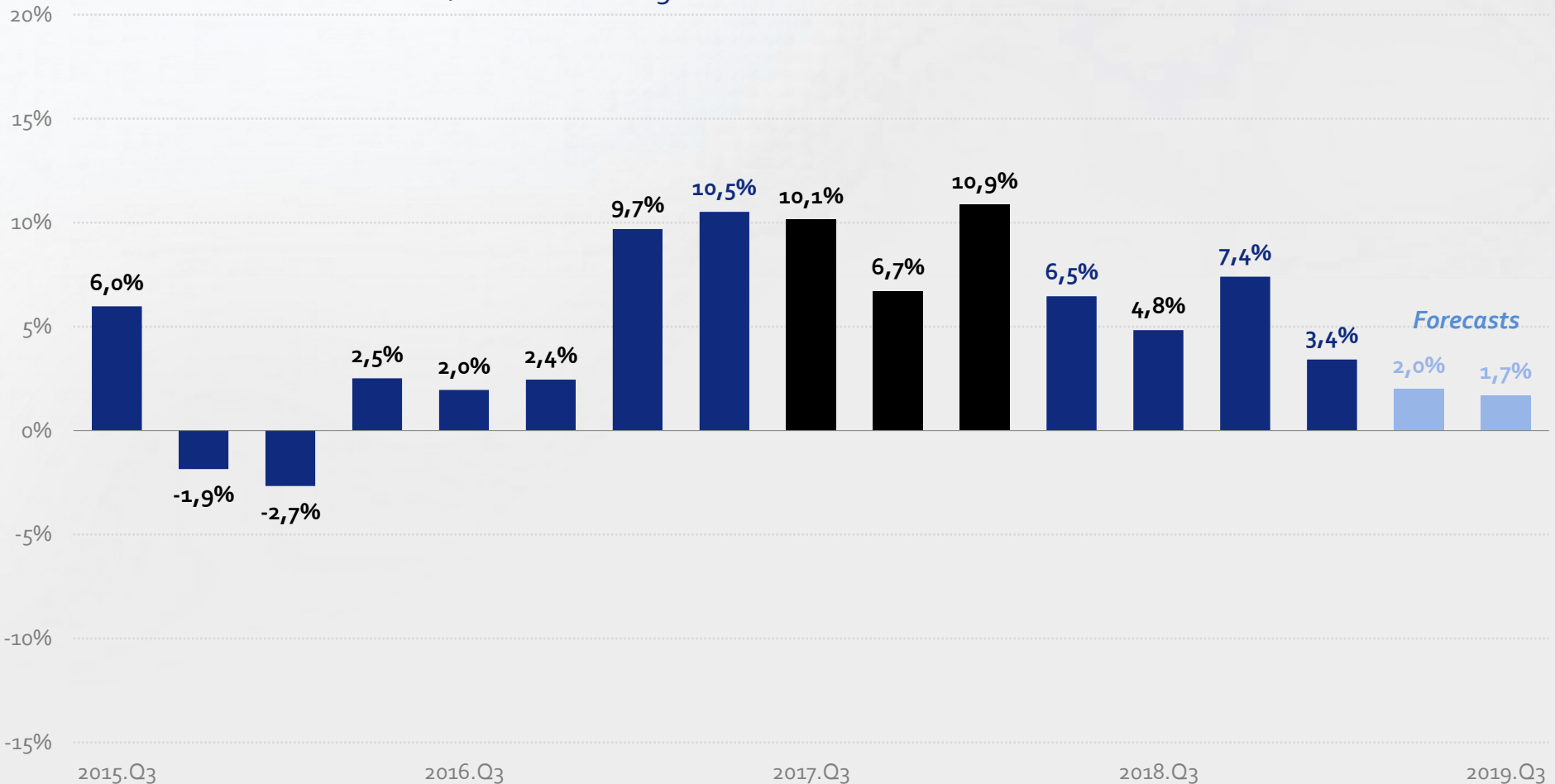
## New Business Volume and Credit Quality (MLFI Index)



# United States Market Overview



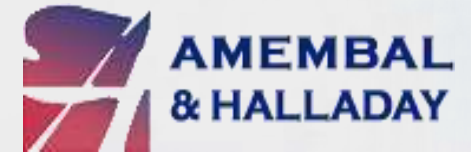
## Real Equipment & Software Investment Growth Q/Q Percent Change



Source: Macrobond Financial; Projections from Keybridge



# United States Market Overview



## ▶ Top 10 types of equipment financed



24.5%  
IT and Related  
Technology  
Services



24%  
Transportation



13.9%  
Construction



9.6%  
Agricultural



5.6%  
Office



4.6%  
Industrial/  
Manufacturing



4.2%  
Medical  
Equipment



3.6%  
Materials  
Handling



1.7%  
Furniture,  
Fixtures &  
Equipment



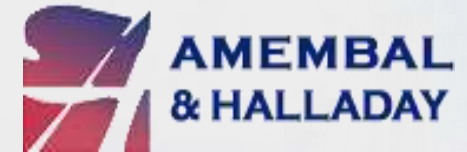
1.6%  
Energy

## ▶ Top 10 states that finance equipment by volume



1. Texas
2. California
3. Washington
4. New York
5. Illinois
6. Florida
7. Ohio
8. Georgia
9. New Jersey
10. Pennsylvania

# United States Market Overview



## Equipment Financing on the Rise

The majority of U.S. businesses finance the equipment they need to conduct their business operations. According to a new study, equipment finance is on the rise. Companies signed up for 4.4% more new loans, leases and lines of credit to finance equipment in 2018 than in 2017. This marked the 9th consecutive year of growth, according to the 2019 Survey of Equipment Finance Activity from the Equipment Leasing and Finance Association.

▶ New business volume grew across all organization types

▶ New business volume varied across market segments



Banks



Captives



Independents



(\$25k-\$250k)

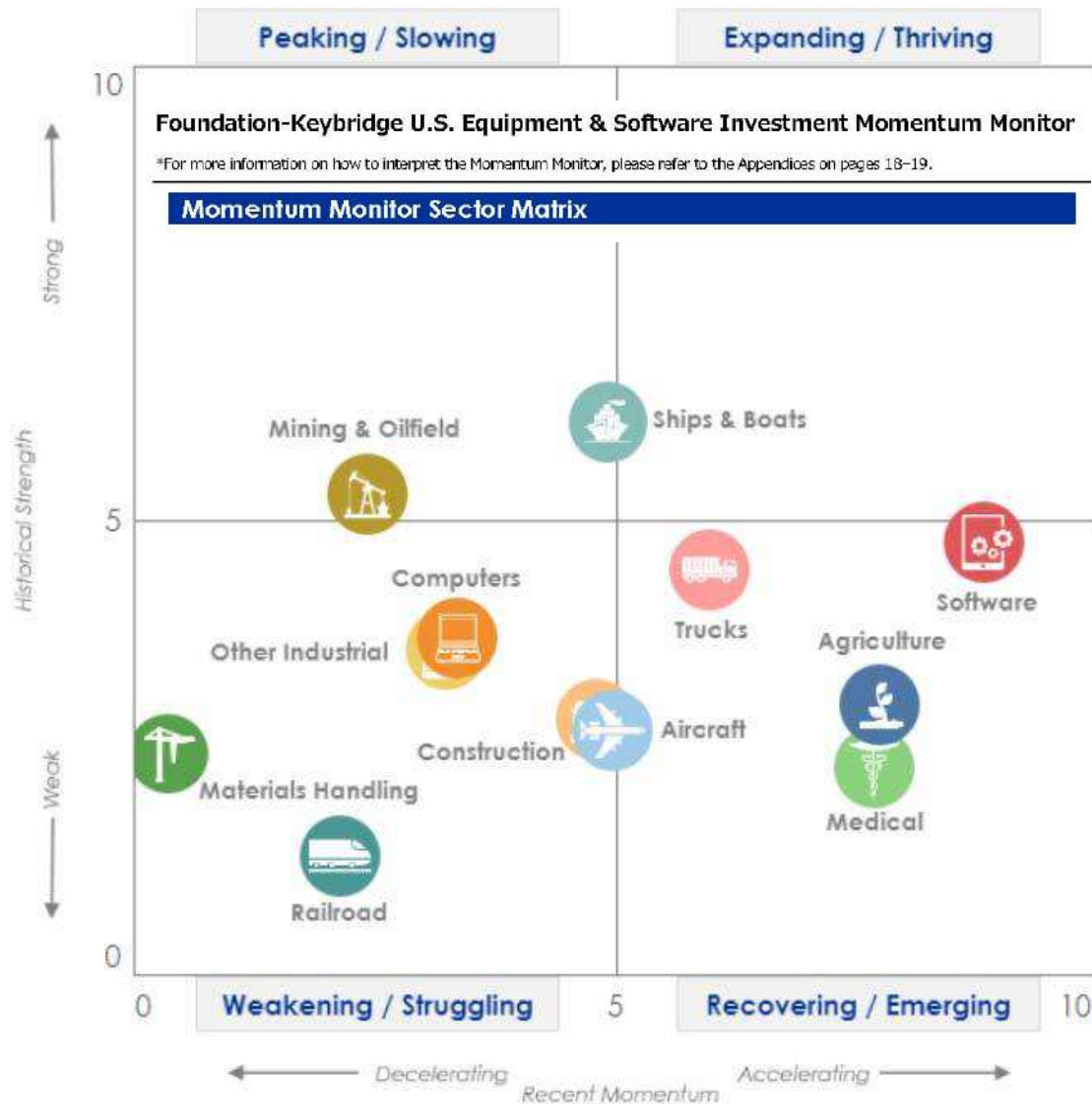


(\$250k-\$5m)

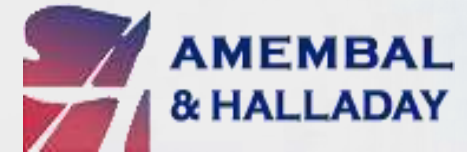


(Over \$5m)

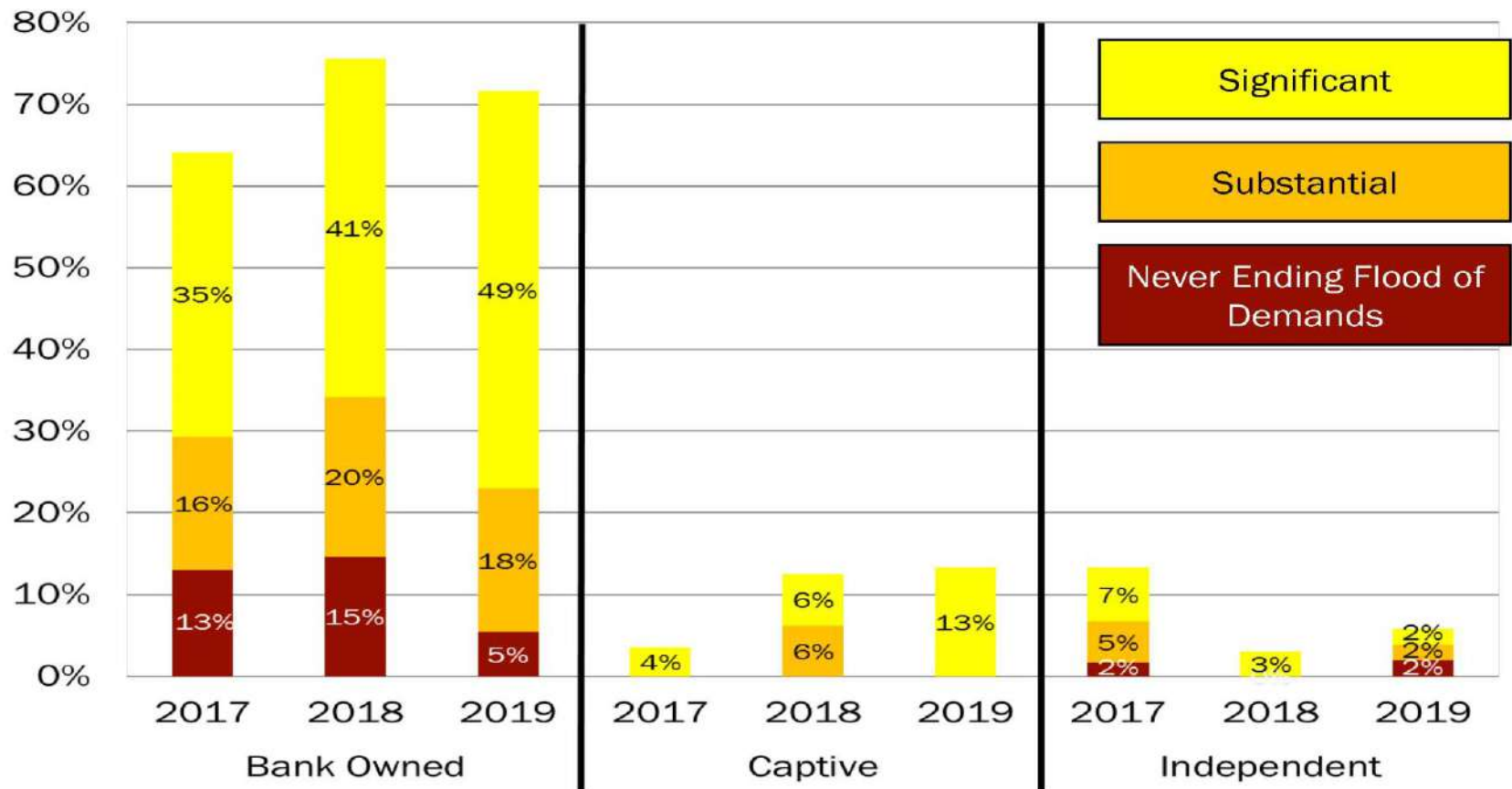
# United States Market Overview



# United States Market Overview

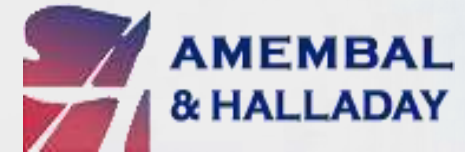


## Facing Increasing Demands from Regulators External Regulators





# United States Market Overview



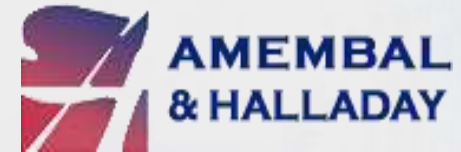
## Actual and Predicted Default Rates for Key Sectors

From PayNet Small Business Default Index and AbsolutePD<sup>®</sup>

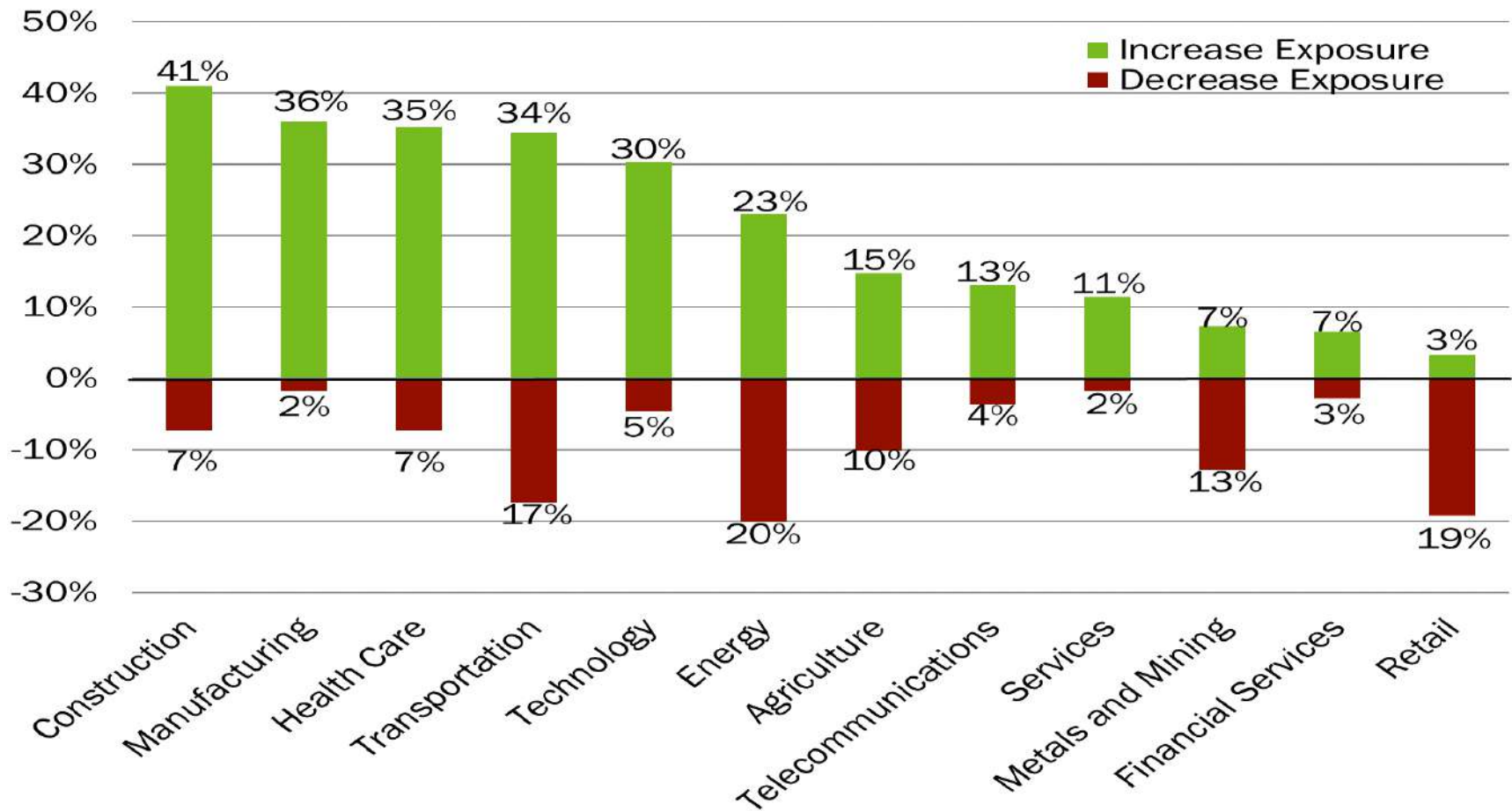
Industry Segment	Actual Historical Default Rates		Forecast Default Rates	
	2009	2018	2019	2020
Transportation	12.8%	3.0%	4.0%	4.2%
Accommodation and Food	7.4%	2.6%	3.1%	3.1%
Health Care	4.3%	2.1%	2.3%	2.4%
Mining	7.5%	2.5%	2.5%	2.5%
Construction	10.4%	2.1%	2.8%	3.1%
Agriculture	2.8%	2.1%	2.0%	1.9%
Manufacturing	6.0%	1.8%	2.3%	2.4%
Retail	6.4%	1.8%	2.3%	2.6%
Manufacturing	6.0%	1.8%	2.3%	2.4%
<b>All Industries</b>	<b>6.3%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.5%</b>

*Forecast defaults based on existing portfolio*

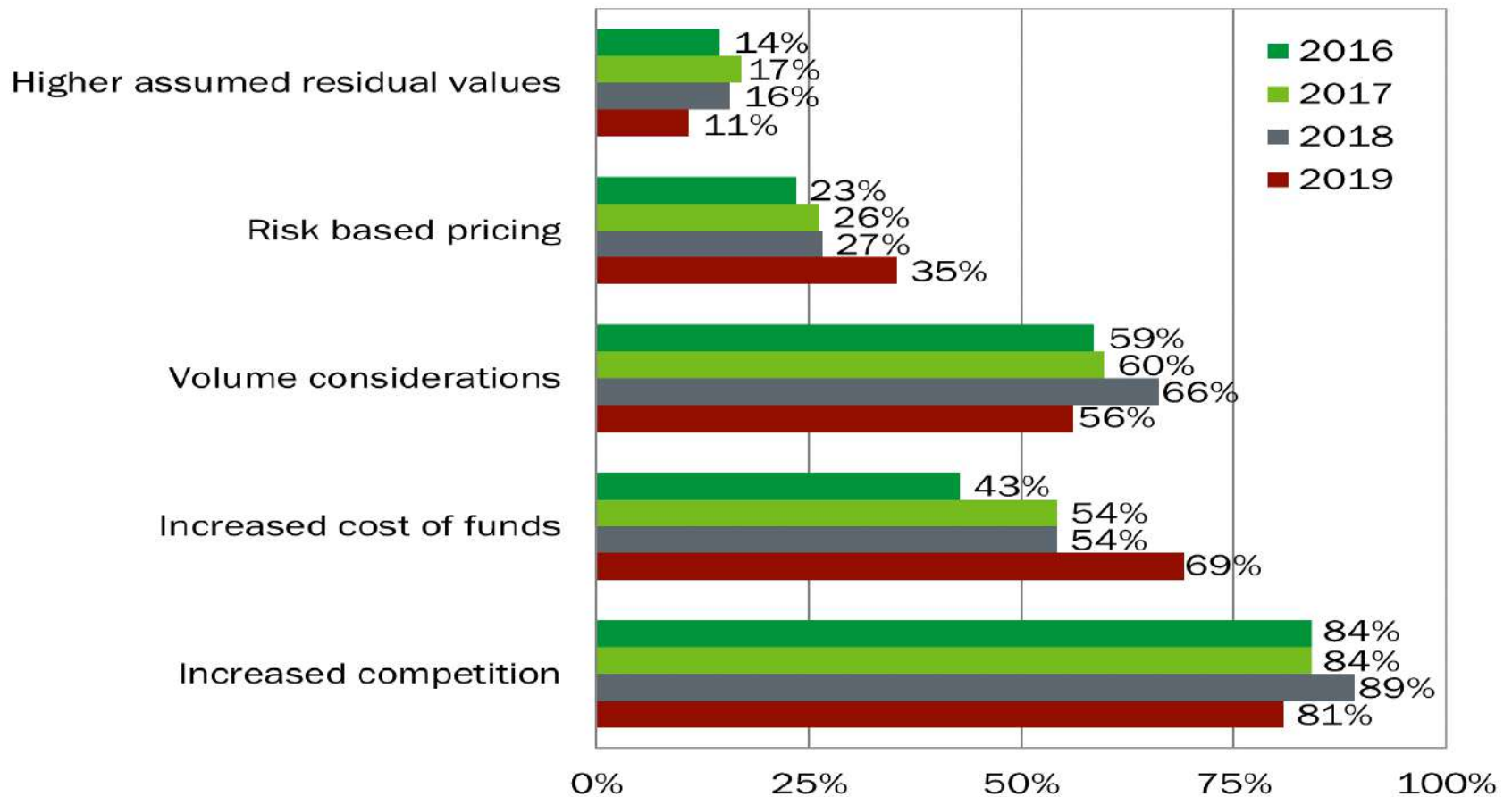
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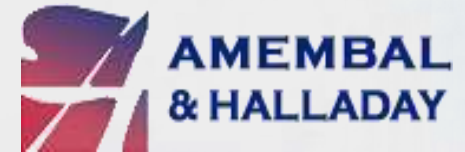
## What Industries are You Interested in Increasing or Decreasing Your Exposure?



## Factors Impacting Pricing Pressure



# Market Sectors



## Sector

Bank Equipment Finance

Captive

Independent / Middle Market

Small Ticket / Vendor Program

## Status

Great Headwinds

Small Bank Entries

Equipment-As-A-Service

Equipment-As-A-Service

Spread Compression

(Large Ticket)

Securitization

Bank Acquisitions

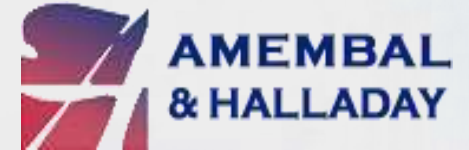
AI

Credit Scoring



# Small Business

# Areas of Growth in the USA



## Basis

- ❑ 30.2 million **small businesses** in the **United States**
- ❑ Generates about 50 percent of our GDP

# Areas of Growth in the USA



## WHAT'S NEW WITH SMALL BUSINESS?

August, 2018

### WHAT IS A SMALL BUSINESS?

A small business is an independent business with fewer than 500 employees.



### NET NEW JOBS



BED, [2000-2017]

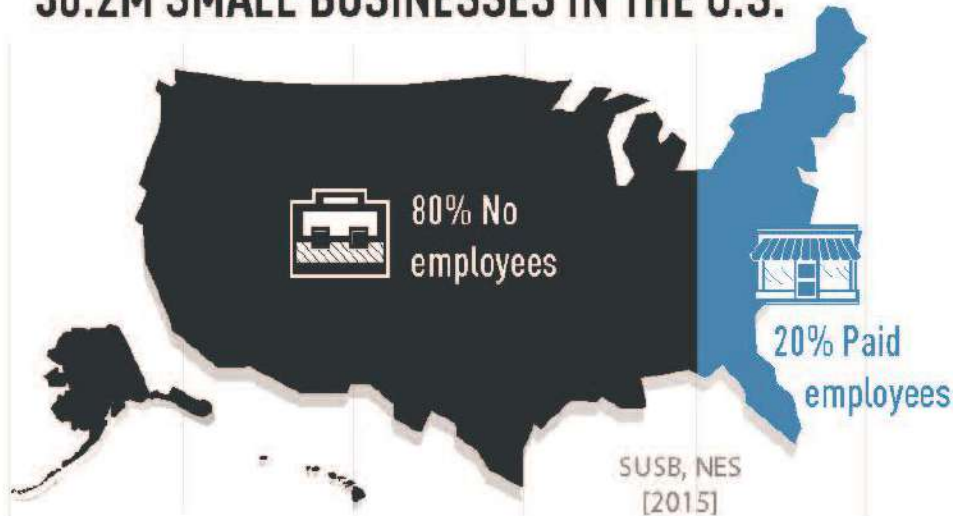
### SMALL BUSINESSES COMPRISE:

ALL FIRMS	ALL FIRMS with paid employees	EXPORTING FIRMS	KNOWN EXPORT VALUE	PRIVATE SECTOR EMPLOYEES	PRIVATE SECTOR PAYROLL
99.9%	99.7%	97.6%	32.9%	47.5%	40.8%

SUSB, NES [2015], ITA [2015]

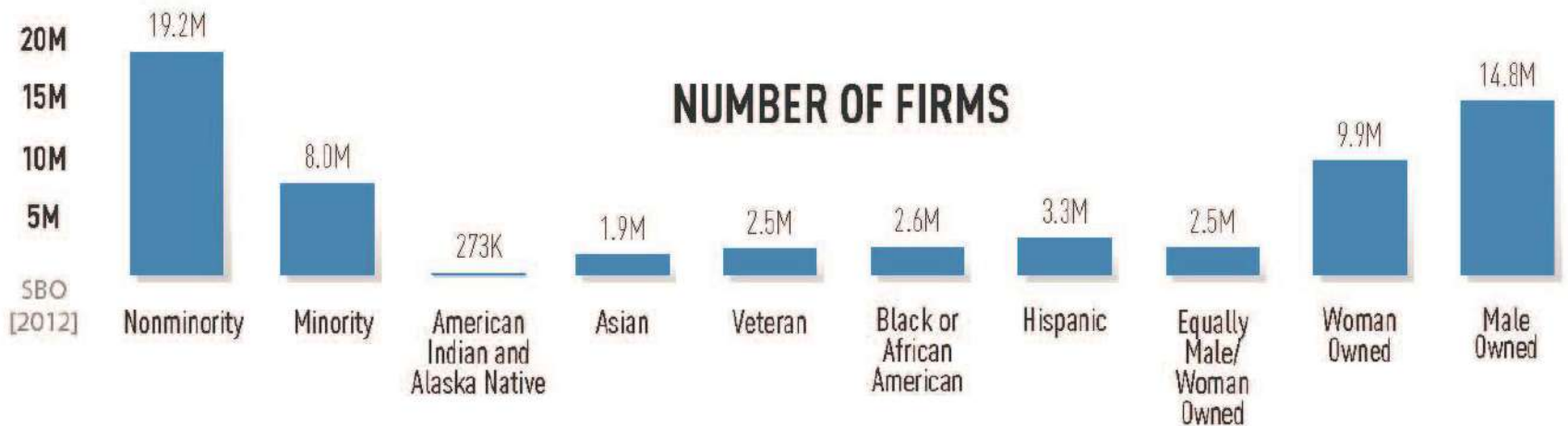
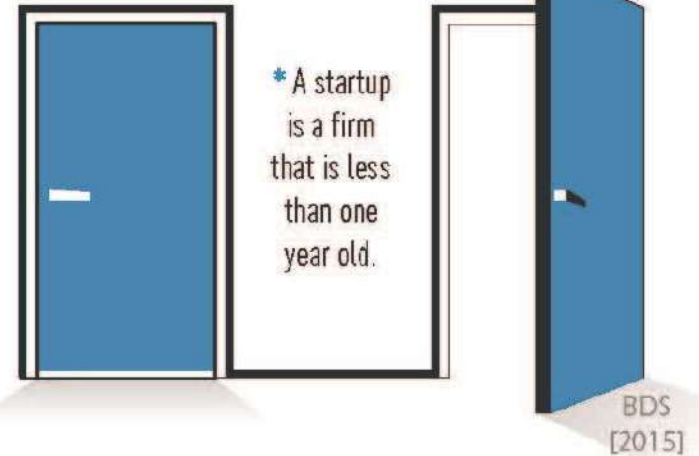
# Areas of Growth in the USA

## 30.2M SMALL BUSINESSES IN THE U.S.



396K CLOSURES

414K STARTUPS\*





# Areas of Growth in the USA

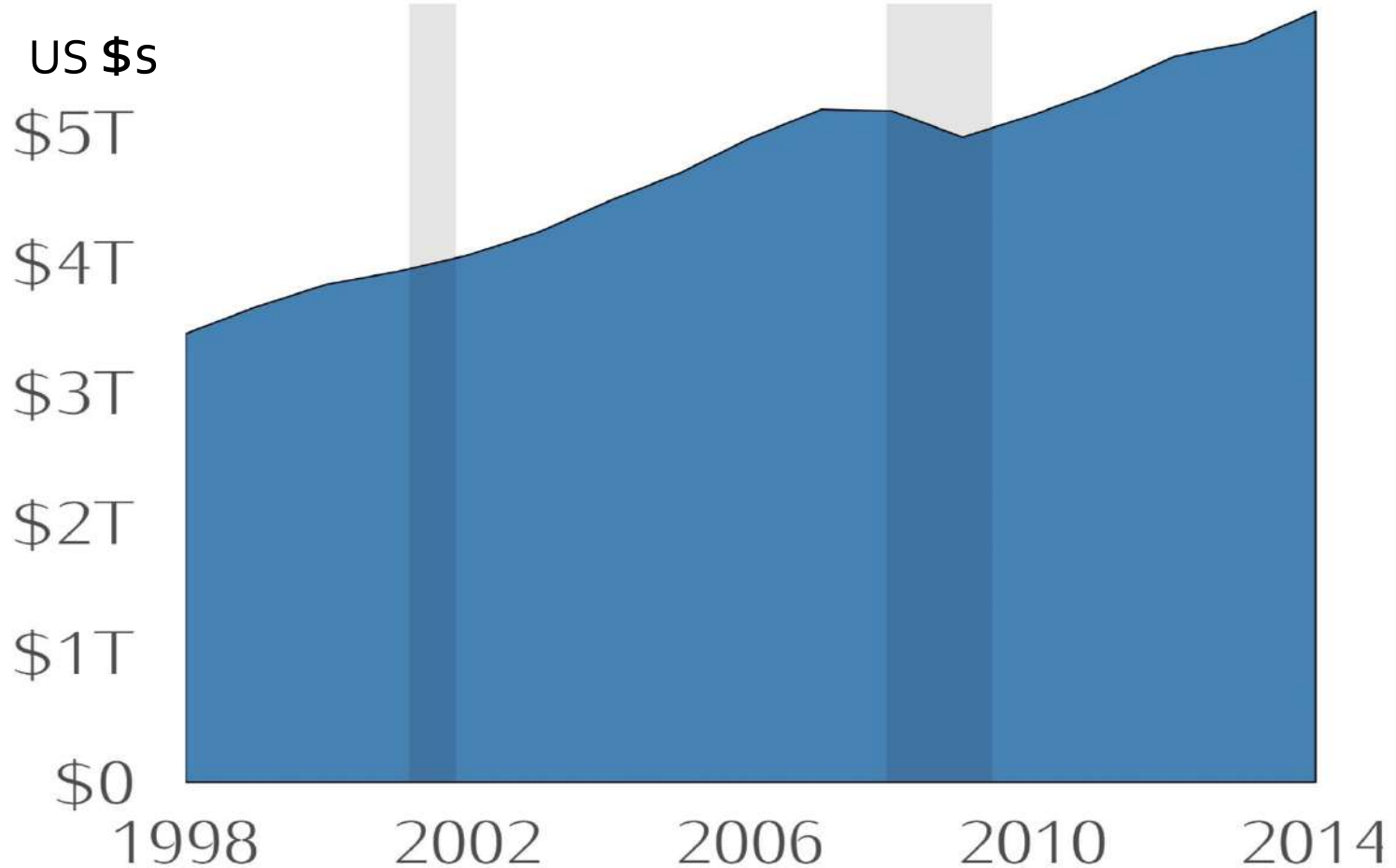
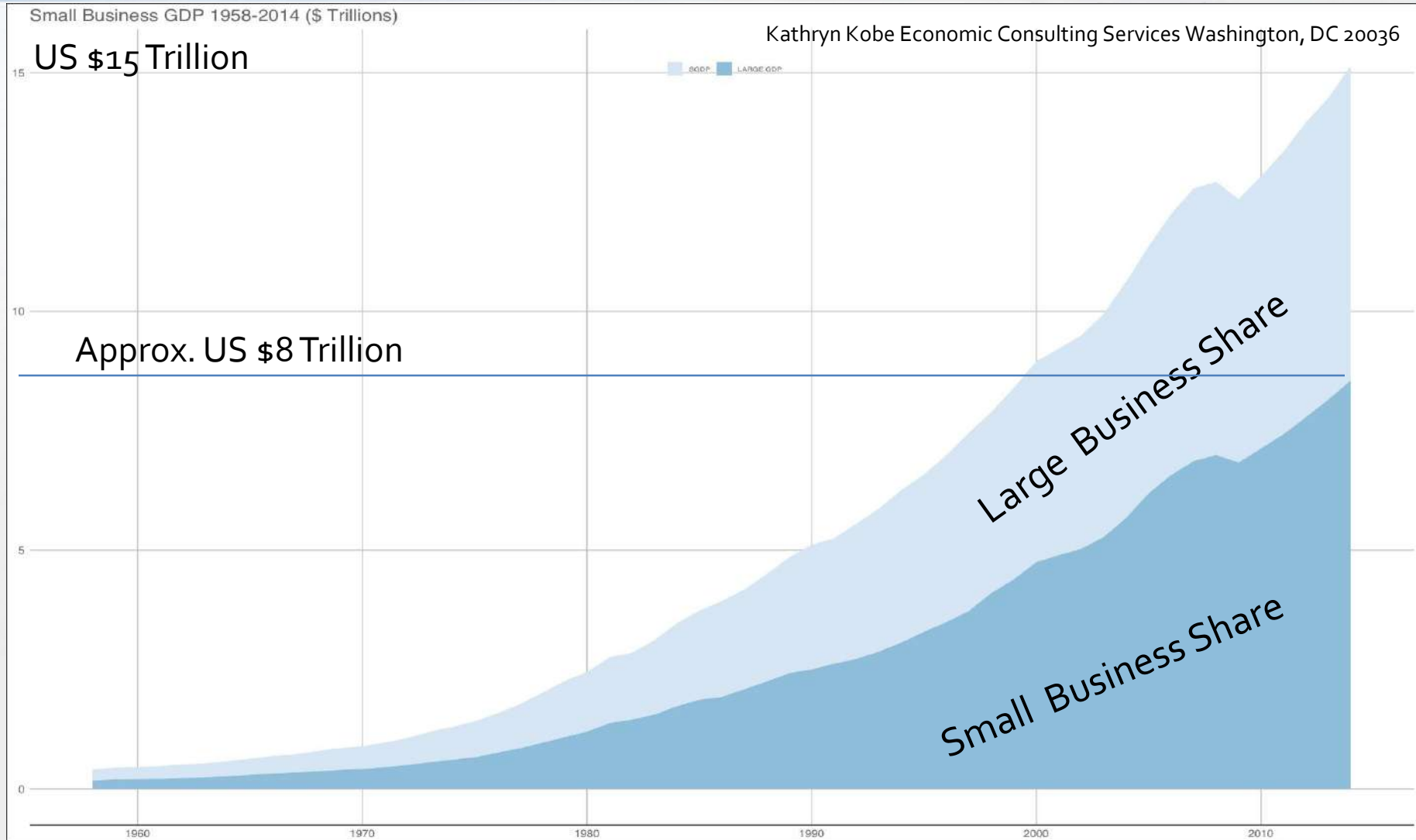


Figure 1: Small Business Nominal GDP,  
1998–2014

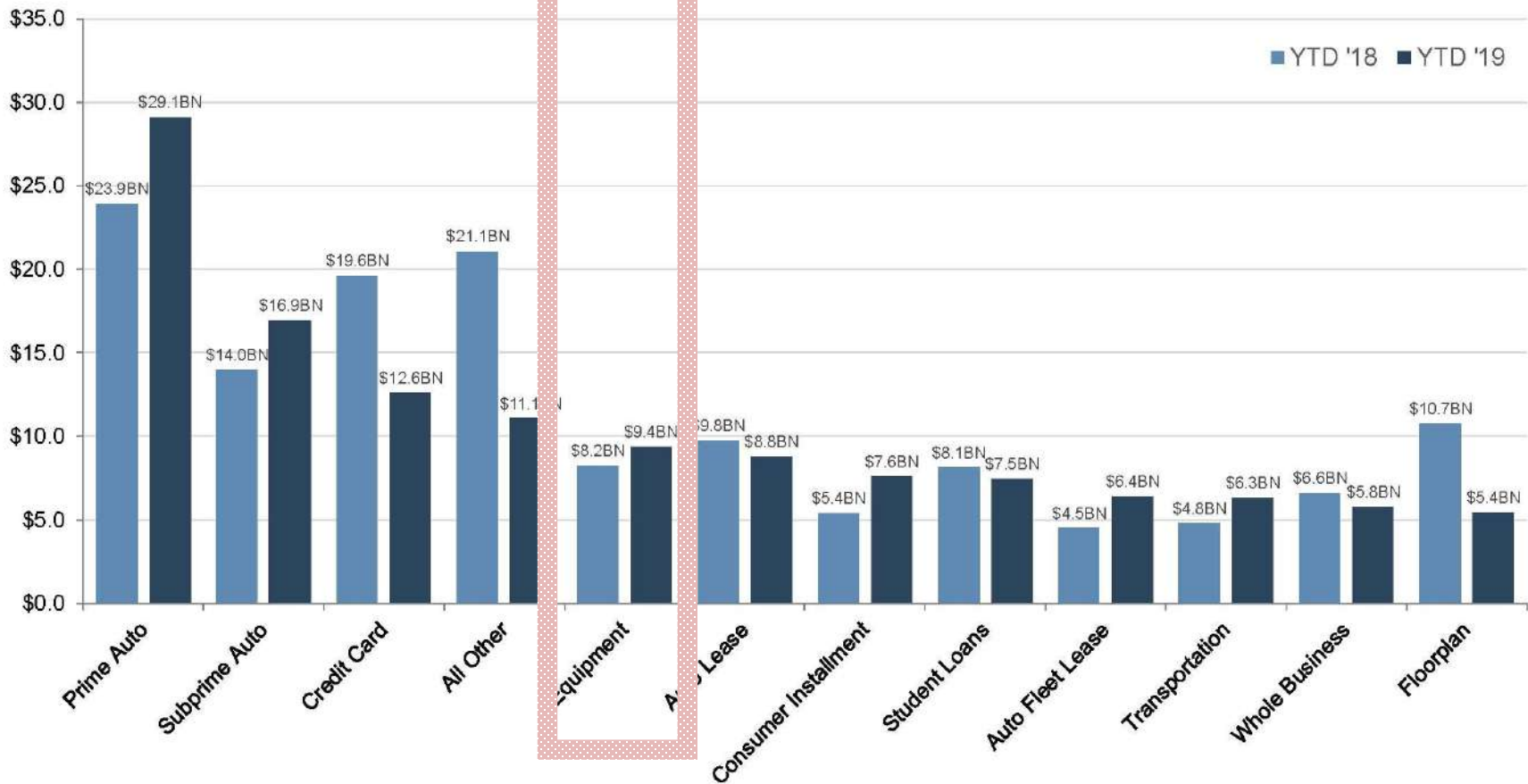
# Areas of Growth in the USA



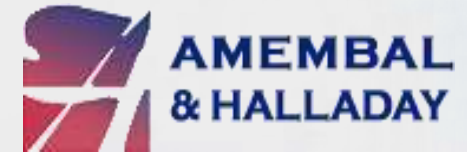
# Areas of Growth in the USA

## Securitization Data

'18 vs '19 YTD ABS Issuance by Asset Class

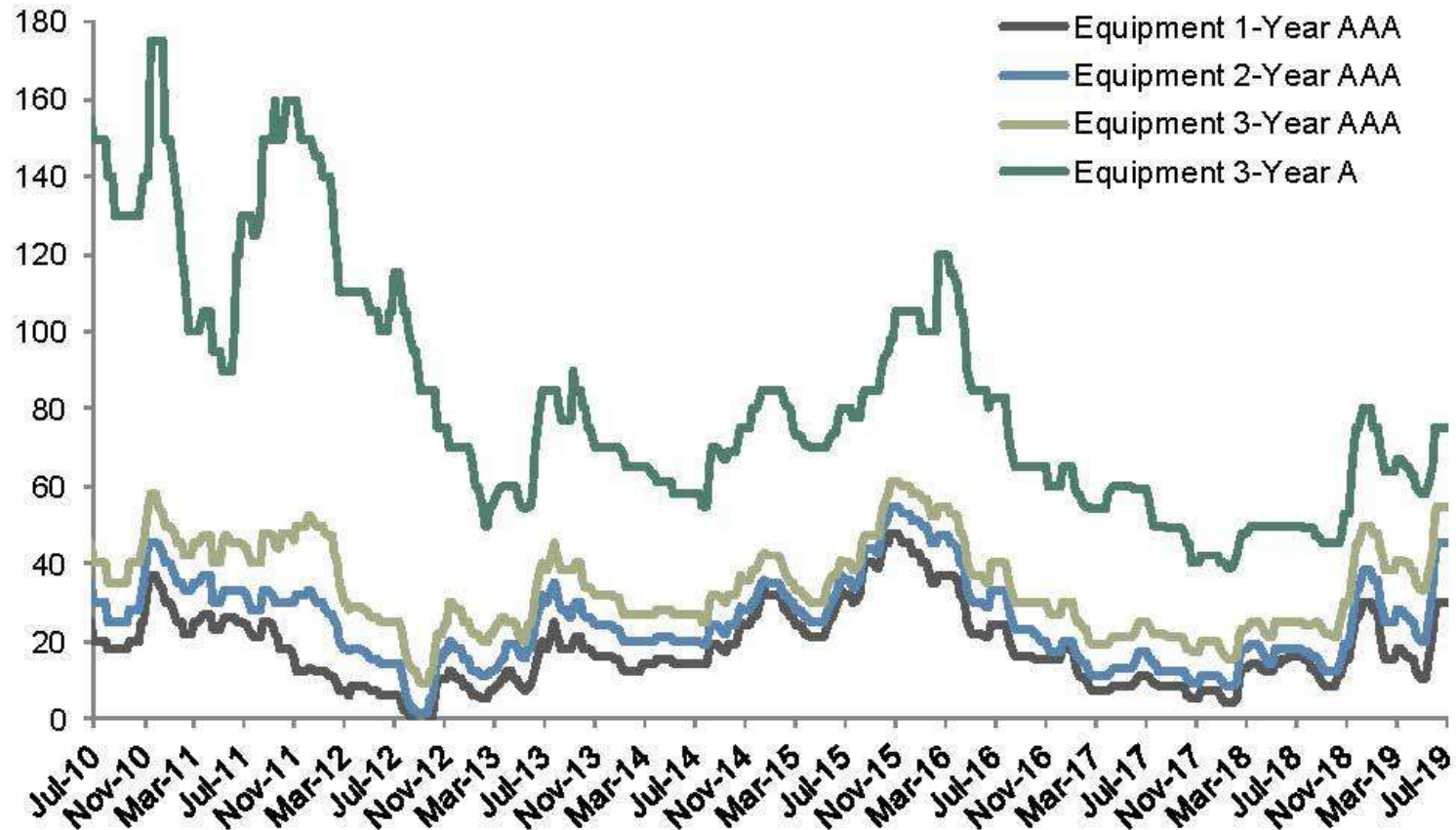


# Areas of Growth in the USA

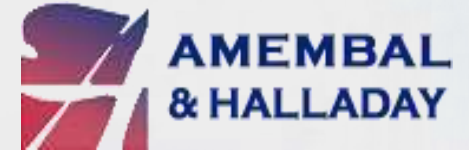


## Securitization Cost of Funds (bps over SWAPS)

### Equipment



# POTENTIAL DISRUPTERS



- Blockchain
- Artificial Intelligence (AI)
- Fintech
- Equipment-As-A-Service

# ABOUT AMEMBAL & HALLADAY



## Amembal & Halladay

- ❑ Serving the equipment finance industry since 1978
- ❑ Trained over 80,000 leasing professionals in 80 countries
- ❑ 16 publications
  - Winning With Leasing
  - Complete Guide to Operating Leases
- ❑ Counselors to corporates and government
- ❑ Assisted IFC in 20 technical assistance projects in emerging leasing markets
- ❑ Facilitating OPIC loans to emerging market leasing companies
- ❑ M & A advisory services

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**Thank you!**