

# **THE ALTA GROUP LAR 100 – 2005**

## **FOREWORD**

The Alta Group, the top consulting firm specializing in leasing and capital goods based financing industries, submits for its second consecutive year a ranking of the 100 largest leasing companies in Latin America. This year's report also includes information on the fastest-growing companies, growth by country, and strength of multinationals in the region.

The purpose of this publication is to generate useful information that will help sustain the growth of the leasing industry and contribute to the economic development of Latin American economies.

As in the previous report, this one is based on data available in regulatory agencies, central banks and voluntarily disclosed information by several individual leasing companies and national leasing associations. There are some limitations, because certain data could not be obtained. In spite of the above mentioned limitations, the information presented herein is the result of a robust data compilation.

The Alta Group also keeps a more comprehensive and detailed database about leasing industry players in the region that is available for sale. We anticipate that, in the future, new information will be available, including originations by year and by country, and delinquency data. We are working in refining our analytical tools and look forward to annual improvements in the quality of information available.

It is worthwhile to note the important role that the leasing industry plays in Latin America. The figures presented below show dynamic growth, which indicates that leasing companies are actually contributing to the effective capital formation of such economies. In other words, these companies are making available to the vast Latin American population the equipment and capital goods necessary to generate jobs, output, income and value added benefits, both at micro and macro-economical levels.

### **CURRENT STATUS**

The review of the 2005 figures shows this was an extremely positive year for leasing companies and for the industry as a whole. All Latin American economies grew and, obviously, leasing companies grew at a much faster pace than their gross domestic products.

However, we are concerned about the observed consolidation of leasing companies. While 204 companies reported information by the end of 2004, the 2005 information only represents 196 companies. Besides the lack of reporting, the main causal factor was the disappearance of some players, due to mergers and acquisitions. Latin America as a whole must learn from the experiences of

the leasing industries in Venezuela and Ecuador, which virtually disappeared as a result of the consolidation of companies and the emergence of universal banking. Notwithstanding, we must be very careful before convicting universal banking as the killer of the leasing industry. As a matter of fact, healthy leasing industries coexist in universal banking environments in Mexico and Brazil, due mainly to the fact that such countries favored competition in the industry. This never happened in Venezuela nor Ecuador. But, in general terms, consolidation is negative if it is not accompanied by the advent of new players into the marketplace. And this advent is not yet observed.

At this moment, we are extremely concerned about the consolidation of leasing portfolios in the banks in Chile. We suggest that this country must keep a competitive and dynamic environment for leasing businesses.

For the first time, The Alta LAR 100 Report includes information concerning the consolidated figures of multinationals doing business in several Latin American countries. It is very interesting to observe how all these multinationals represent more than a fifth of all reported leased assets in Latin America. But it is even more interesting to follow the investment and divestiture associated with these multinationals. For example, the Bank of America, after its acquisition of Fleet BankBoston, decided to liquidate its leasing portfolio in Mexico (which was acquired by CSI Latina). In 2006, Bank of America sold its Brazilian portfolio to Banco Itaú. GE Commercial Finance sold its portfolios in Brazil and Puerto Rico, but it keeps a strong position in Mexico.

On the other hand, firms such as Scotiabank are entering into the market acquiring companies through their acquisition of financial conglomerates. These developments are observed mainly in Peru and Costa Rica. Between 2001 and 2003, many multinationals divested from Argentina. However, Argentina is once again attracting multinationals, as evidenced by this report.

### **Size and growth of leasing industries by countries**

At year-end 2005, based upon the figures reported, the following is the ranking and volumes by countries:

2005			
RANKING BY LEASED ASSETS			
POS.	COUNTRY	ASSETS (US\$000)	%
1	Brazil	\$ 10,213,311.24	44%
2	Chile	\$ 4,243,939.53	18%
3	Mexico	\$ 2,677,088.70	12%
4	Colombia	\$ 2,670,007.28	12%
5	Peru	\$ 1,460,583.79	6%
6	Puerto Rico	\$ 1,193,429.00	5%
7	Argentina	\$ 450,353.89	2%
8	Costa Rica	\$ 158,433.97	1%
9	Honduras	\$ 99,437.73	0%
10	Rep. Dominicana	\$ 30,814.99	0%
11	Bolivia	\$ 18,631.94	0%
<b>TOTAL REPORTED</b>		<b>\$ 23,216,032.07</b>	<b>100%</b>

It is highly comforting to correlate how the leasing industry in the region is recovering at the same time the countries' economies are recovering. Figures show that in 2005 the leasing industry grew 55.56% over the reported assets in 2004, and that this growth is higher than the combination of GDP growth plus inflation over the same period.

It is worthwhile to highlight the recovery of the leasing industry in Argentina, which in 2002 was devastated together with the financial industry as a whole. Its growth was 97.84%, exceeding US\$ 450 million. Even more outstanding was the growth of the leasing industry in Brazil, which increased 95.81% over reported leased assets of US\$ 5,215 million in 2004, to US\$ 10,213 million in 2005.

Growth by country		
Pos.	Country	?%
1	Argentina	97.84%
2	Brazil	95.81%
3	Mexico	54.64%
4	Colombia	54.05%
5	Puerto Rico	40.36%
6	Costa Rica	28.68%
7	Chile	28.11%
8	Bolivia	4.54%
9	Peru	4.30%
10	Honduras	-1.09%
<b>Total Growth of the Leasing Industry</b>		<b>55.61%</b>

The following are the individual companies with higher growth:

FASTEST GROWING COMPANIES						
POS.	COMPANY	2004	2005	%	Country	CAUSE
1	Dibens A.M./ Unibanco Leasing	\$ 76,695.30	\$ 418,728.50	446.0%	BRAZIL	MERGER
2	Banco COMAFI	\$ 6,283.84	\$ 30,085.09	378.8%	ARGENTINA	ACQUISITION
3	Banco Finasa S/A - Carteira Arrendamento Mercantil	\$ 55,737.27	\$ 266,283.63	377.7%	BRAZIL	ACQUISITION
4	GMAC Colombia	\$ 7,440.55	\$ 30,934.54	315.8%	COLOMBIA	ORGANIC
5	Leasing Bogota CFC	\$ 11,875.43	\$ 47,206.69	297.5%	COLOMBIA	ORGANIC
6	Leasing Colombia(+Suleasing )	\$ 319,782.40	\$ 1,052,209.02	229.0%	COLOMBIA	MERGER
7	Panamericano Arrendamento Mercantil S/A	\$ 51,299.35	\$ 136,041.79	165.2%	BRAZIL	ORGANIC
8	Banco Rio de la Plata	\$ 22,004.04	\$ 56,782.65	158.1%	ARGENTINA	ORGANIC
9	Finandina CFC	\$ 23,216.08	\$ 57,977.54	149.7%	COLOMBIA	ORGANIC
10	Cia .Itauleasing de Arrendamento Mercantil	\$ 1,433,538.00	\$ 3,469,024.40	142.0%	BRAZIL	ORGANIC
11	IXE Arrendadora	\$ 16,764.00	\$ 39,756.26	137.2%	MEXICO	ORGANIC
12	Banco Credicoop	\$ 8,670.37	\$ 19,274.08	122.3%	ARGENTINA	ORGANIC
13	HP Financial Services Arrendamento Mercantil S/A	\$ 86,808.69	\$ 190,209.33	119.1%	BRAZIL	ORGANIC
14	BBVA Banco Frances	\$ 18,939.73	\$ 41,421.50	118.7%	ARGENTINA	ORGANIC
15	HSBC Bank Argentina	\$ 23,613.47	\$ 48,847.96	106.9%	ARGENTINA	ORGANIC
16	ABN Amro Arrendamento Mercantil S/A	\$ 171,696.81	\$ 354,522.42	106.5%	BRAZIL	ORGANIC
17	HSBC Bank Brasil S/A Arrendamento Mercantil	\$ 102,893.00	\$ 209,570.20	103.7%	BRAZIL	ORGANIC
18	Bank Boston Chile	\$ 54,568.35	\$ 108,305.95	98.5%	CHILE	ORGANIC

## Mergers and Acquisitions

We have observed in recent years that in different geographies, several companies and financial conglomerates have become more active in mergers and acquisition activities in order to gain market share and enjoy economies of scale. This was true in Latin America during the year 2005. Notable mergers and acquisitions include the following cases:

- Leasing Colombia (11) merged with Suleasing S.A.(7) and now ranks 10;
- Dibens Leasing (45) merged with UNIBANCO Brasil (25) and now ranks 13;

- Inversora Pichincha CFC de Colombia (132) acquired the leasing portfolio of Mazdacredito (139), and together with organic growth it now ranks 90;
- Banco Comafi (Argentina) (136) acquired The Capita Corporation de Argentina S.A.(84), which still operates independently but did not report information for 2005. Yet it is evident that the organic growth of The Capita Corporation contributed to an increase in the leased assets of Banco Comafi, which now ranks 88;
- The Banco Supervielle (Argentina), formerly Société Generale (142), was acquired by Banco Banex, and together with organic growth, it now ranks 96.

## Multinational presence

The leasing industry has enjoyed a significant increase in foreign investment in the last 10 years. For the first time, this report consolidates the figures of the different multinational companies in the various countries of the region. The following chart shows their ranking based upon information reported by each of the companies.

POS	COMPANY	REPORTED ASSETS	COUNTRIES WHERE OPERATES
1	SANTANDER	\$ 1,296,187.25	CHILE, BRAZIL, ARGENTINA
2	BBVA	\$ 784,986.16	CHILE, BRAZIL, ARGENTINA
3	IBM	\$ 457,629.04	BRAZIL, PUERTO RICO (Data unavailable in Colombia, Mexico y Centroamerica)
4	BANK OF AMERICA (fka BankBoston)	\$ 384,152.85	CHILE, BRAZIL, ARGENTINA
5	CITIBANK	\$ 360,337.49	MEXICO, BRAZIL, COLOMBIA, PERU, ARGENTINA
6	ABN AMRO	\$ 354,522.42	BRAZIL
7	CATERPILLAR FINANCIAL	\$ 351,221.54	MEXICO, BRAZIL (Data unavailable for Chile and Central America)
8	CIT	\$ 323,750.65	MEXICO, BRAZIL, COLOMBIA, CHILE
9	HSBC	\$ 258,418.16	BRAZIL, ARGENTINA
10	GE COMMERCIAL FINANCE	\$ 229,906.96	MEXICO (Liquidated leasing portfolios in Brazil and Puerto Rico)
11	HP FINANCIAL SERVICES	\$ 190,209.33	BRAZIL (Data unavailable for Mexico, Argentina and Chile)
12	CSI	\$ 111,093.22	MEXICO, BRAZIL, CENTROAMERICA
13	JOHN DEERE CREDIT CO.	\$ 99,303.09	MEXICO, ARGENTINA
14	SCOTIABANK	\$ 52,945.38	COSTA RICA, CHILE
15	GMAC	\$ 30,934.54	COLOMBIA

TOTAL MULTINATIONAL	\$	5,285,598.09
TOTAL LEASED ASSETS REGION	\$	23,216,032.07
MARKET SHARE		23%

The following is the list of the Alta LAR 100 for 2005:

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POS 2004	POS 2005	COMPANY	US\$ (000)	COUNTRY
1	1	Cia .Itauleasing de Arrendamento Mercantil	\$ 3,469,024.40	BRAZIL
3	2	Safra Leasing S/A Arrendamento Mercantil	\$ 1,797,980.16	BRAZIL
2	3	Banco Santander-Santiago	\$ 1,286,959.73	CHILE
7	4	Leasing Colombia CFC + Suleasing	\$ 1,052,209.02	COLOMBIA
6	5	Bradesco Leasing S/A Arrendamento Mercantil	\$ 900,270.69	BRAZIL
5	6	Banco de Chile	\$ 884,266.91	CHILE
4	7	Popular Auto	\$ 792,418.00	PUERTO RICO
12	8	Leasing de Occidente CFC	\$ 529,073.88	COLOMBIA
8	9	Banco IBM S/A Arrendamento Mercantil	\$ 445,140.04	BRAZIL
NA	10	Banco Itaú S/A Arrendamento Mercantil	\$ 418,728.50	BRAZIL
10	11	Corpbanca-Chile	\$ 408,152.35	CHILE
9	12	Banco Credito e Inversiones BCI-Chile	\$ 384,581.88	CHILE
45	13	Dibens Leasing S/A Arrendamento Mercantil/Unibanco Leasi	\$ 373,592.51	BRAZIL
24	14	ABN Amro Arrendamento Mercantil S/A	\$ 354,522.42	BRAZIL
22	15	Banco Credito del Peru	\$ 335,326.73	PERU
17	16	Leasing de Credito CFC	\$ 333,039.90	COLOMBIA
23	17	BB Leasing S/A Arrendamento Mercantil	\$ 313,050.24	BRAZIL
14	18	Caterpillar Arrendadora Financiera	\$ 296,547.41	MEXICO
16	19	First Leasing	\$ 282,287.00	PUERTO RICO
28	20	BBVA -Banco Continental-Peru	\$ 274,828.62	PERU
57	21	Banco Finasa S/A - Carteira Arrendamento Mercantil	\$ 266,283.63	BRAZIL
15	22	Banco BBVA -Chile	\$ 260,958.92	CHILE
18	23	Arrendadora Banorte	\$ 259,538.38	MEXICO
19	24	BankBoston Leasing S/A Arrendamento Mercantil	\$ 252,805.67	BRAZIL
20	25	Banco Estado-Chile	\$ 241,539.48	CHILE
13	26	Credileasing-Peru	\$ 240,135.24	PERU
21	27	GE Capital Leasing	\$ 229,906.96	MEXICO
37	28	HSBC Bank Brasil S/A Arrendamento Mercantil	\$ 209,570.20	BRAZIL
NA	29	BBVA Bancomer Mexico	\$ 207,787.66	MEXICO
31	30	HP Financial Services Arrendamento Mercantil S/A	\$ 190,209.33	BRAZIL
27	31	Arrendadora Banamex	\$ 188,561.24	MEXICO
40	32	DaimlerChrysler DC Leasing Arrendamento Mercantil S/A	\$ 180,633.31	BRAZIL
32	33	Leasing del Valle CFC	\$ 177,418.40	COLOMBIA
26	34	Banco Security-Chile	\$ 175,889.02	CHILE
30	35	Banco Bice- Chile	\$ 174,716.62	CHILE
35	36	Banco del Desarrollo(+Sudameris)-Chile	\$ 166,379.56	CHILE
38	37	Arrendadora Financiera Navistar	\$ 161,623.42	MEXICO
29	38	Sudameris Arrendamento Mercantil S/A	\$ 156,180.39	BRAZIL
33	39	Arrendadora Comercial America	\$ 156,018.53	MEXICO
36	40	PACCAR Arrendadora Financiera	\$ 151,354.37	MEXICO
60	41	Panamericano Arrendamento Mercantil S/A	\$ 136,041.79	BRAZIL
34	42	CIT-The Capita Corporation de Mex.	\$ 133,830.76	MEXICO
43	43	Leasing Bolivar CFC	\$ 123,635.33	COLOMBIA
48	44	Alfa Arrendamento Mercantil S/A	\$ 122,924.82	BRAZIL
53	45	Arrendadora Afirme	\$ 108,786.36	MEXICO
58	46	Bank Boston-Chile	\$ 108,305.95	CHILE
47	47	Volkswagen Leasing S/A Arrendamento Mercantil	\$ 102,908.92	BRAZIL
41	48	Interbank-Peru	\$ 102,494.90	PERU
46	49	Arrendadora John Deere	\$ 98,649.11	MEXICO
54	50	Cit - Brasil Arrendamento Mercantil	\$ 94,547.14	BRAZIL
51	51	Santander Brasil Arrendamento Mercantil S/A	\$ 93,244.86	BRAZIL
65	52	Citibank-Peru	\$ 86,378.32	PERU

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POS 2004	POS 2005	COMPANY	US\$ (000)	COUNTRY
59	53	Santander Banespa Cia. de Arrendamiento Mercantil	\$ 86,303.30	BRAZIL
49	54	Banco Wiese Sudameris-Peru	\$ 85,993.00	PERU
39	55	Wiese Sudameris Leasing-Peru	\$ 85,187.99	PERU
42	56	Banco HNS -Chile	\$ 84,620.77	CHILE
44	57	Arrendadora Banobras	\$ 82,573.94	MEXICO
NA	58	CSI Leasing Mexico S.R.L. de C.V.	\$ 75,729.07	MEXICO
50	59	America Leasing-Peru	\$ 72,044.59	PERU
55	60	Xerox Corp PR	\$ 69,928.00	PUERTO RICO
64	61	Arrendadora Banregio	\$ 69,046.47	MEXICO
62	62	Leasing Bancoldex CFC	\$ 66,110.83	COLOMBIA
NA	63	Surenting	\$ 65,541.30	COLOMBIA
61	64	Banco Sudamericano-Peru	\$ 65,349.75	PERU
71	65	Banco de Galicia y B.A.	\$ 63,052.77	ARGENTINA
79	66	Finandina CFC	\$ 57,977.54	COLOMBIA
72	67	Value Arrendadora	\$ 57,077.70	MEXICO
85	68	Banco Rio de la Plata	\$ 56,782.65	ARGENTINA
NA	69	CIT- Arrendadora Capita Corporation	\$ 55,381.00	MEXICO
NA	70	Caterpillar Financial S/A Conglomerado Financiero	\$ 54,674.13	BRAZIL
82	71	HSBC Bank Argentina	\$ 48,847.96	ARGENTINA
69	72	Leasing Popular CFC	\$ 48,559.38	COLOMBIA
83	73	Leasing Bogota CFC	\$ 47,206.69	COLOMBIA
68	74	Arrendadora Atlas	\$ 46,660.49	MEXICO
70	75	Credi Q-Honduras	\$ 44,230.16	HONDURAS
66	76	Arrendadora Interfín, S.A.	\$ 44,019.21	COSTA RICA
88	77	BBVA Banco Frances	\$ 41,421.50	ARGENTINA
77	78	Banco Interamericano de Fin.-Peru	\$ 41,410.96	PERU
76	79	Arrendadora Valmex	\$ 39,756.26	MEXICO
74	80	Arrendadora Agil	\$ 39,708.56	MEXICO
NA	81	Progreso- Chile	\$ 38,928.31	CHILE
NA	82	Arrendadora Financiera Imbursa	\$ 35,144.97	MEXICO
86	83	Banco Macro Bansud	\$ 34,694.26	ARGENTINA
94	84	IXE Arrendadora	\$ 34,182.97	MEXICO
52	85	Citibank Leasing S/A Arrendamiento Mercantil	\$ 31,448.37	BRAZIL
113	86	GMAC Colombia	\$ 30,934.54	COLOMBIA
NA	87	Banco Popular (Republica Dominicana)	\$ 30,814.99	R.D.
136	88	Banco COMAFI	\$ 30,085.09	ARGENTINA
67	89	Banco Financiero-Peru	\$ 29,729.23	PERU
132	90	Inversora Pichincha	\$ 28,291.57	COLOMBIA
NA	91	Banco Volvo S/A Arrendamiento Mercantil	\$ 27,905.13	BRAZIL
92	92	Arrendadora Financiera MIFEL	\$ 27,457.01	MEXICO
81	93	BAC San José Leasing, S.A.	\$ 25,616.52	COSTA RICA
108	94	Sufinanciamiento CFC	\$ 24,799.21	COLOMBIA
129	95	Bank Boston NA	\$ 23,041.23	ARGENTINA
142	96	Banco Supervielle	\$ 22,415.90	ARGENTINA
101	97	Toyota Leasing do Brasil S/A Arrendamiento Mercantil	\$ 22,344.87	BRAZIL
NA	98	CIT Global Vendor Services S.A.	\$ 22,132.75	COLOMBIA
111	99	Financiera Internacional CFC	\$ 21,839.51	COLOMBIA
103	100	Arrendadora Ve por Mas	\$ 21,167.73	MEXICO

**Disclaimer about data sources:**

**THE ALTA GROUP LAR** has gathered all data from public sources, such as government regulatory entities (Superintendencies, Securities and Exchange Commissions, and Central Banks) and also from National Leasing Associations, Stock Exchanges, credit rating agencies, annual reports, websites and direct reports from individual companies.

Any observations about this data can be submitted to [info@thealtagrouplar.com](mailto:info@thealtagrouplar.com).

## **ABOUT THE ALTA GROUP**

The Alta Group is a global consultancy serving equipment leasing and finance companies, investment professionals, manufacturers, banks and government organizations.

Equipment leasing and asset finance executives face a myriad of challenges in today's global marketplace. Ever-increasing customer demands, fierce competition, operational efficiencies, stricter government oversight and new market opportunities force you to make tough decisions each day.

Founded in 1992, The Alta Group uses its global experience, critical thinking and creativity to help you develop unique solutions to these challenges and many others. Our multi-skilled professionals collaborate with clients in making the right decisions for their organizations. We recognize each of our clients is unique. The Alta Group employs a combination of original thinking and professionalism to position you for future growth and success.

Our range of consulting services includes:

- Strategic consulting and planning
- Captive finance and vendor program development
- Market intelligence and competitive benchmarking
- Professional development, training and education
- Market entry analysis and services
- Portfolio development and management
- Merger, acquisition, restructuring and disposal services
- Litigation support
- Mediation and dispute resolution
- Operations review and analysis

Our executives share their in-depth knowledge and insights with clients across the world in North America, Latin America, Europe, the Middle East, Greater China and Asia Pacific. For further information, please visit us at [www.thealtagroup.com](http://www.thealtagroup.com) or call (305)931-2748.