



Leasing is lagging: An analysis of battery electric cars (BEV) uptake in France

Methodology note

July 2023

1. Introduction

Purchasing a car outright is no longer the norm in Europe. Instead, most new cars are accessed through car leasing companies that provide cars to businesses and households through monthly payment plans.

This central role of leasing companies in the car market also makes them central to the mission of decarbonising transportation and the transition to electromobility. But what do we actually know about these companies?

Wealthy giants

The car leasing sector is composed of a small number of very large and profitable companies owned by banks or carmakers. In terms of fleet size, in 2022, the ten largest leasing companies in Europe held 12 million cars between them.¹ With two mergers among the leasing giants in the first months of 2023 (ALD Automotive and Leaseplan; Leasys and Free2Move), this top ten is now a top eight.

Due to their growing share of the car market and their advantageous position as car owners in a car market with tight supply, leasing companies are reporting record profits, with each year surpassing the record set the year before. For the 2022 financial year, Arval (owned by the bank BNP Paribas) reported profits of €1.2 billion, up 73% year-on-year.² ALD Automotive (owned by the bank Société Générale) also reported profits of €1.2 billion in the 2022 financial year, up 38% year-on-year.³ Leasing companies are making over €3,000 in profit for every car in their fleet.⁴

¹ T&E (2023). Used electric cars are hot, leasing deals are not. Transport & Environment. ([link](#))

² Arval (2023). Arval: 2022 full-year results. Arval. ([link](#))

³ ALD (2023). Annual Financial Information. ALD reports full year 2022 results. ALD. ([link](#))

⁴ FleetEurope (2022). ALD reports record €1.2-billion half-yearly income. FleetEurope. ([link](#))

INFO BOX: Operational vs. financial leasing

Operational leasing and financial leasing are two distinct contractual arrangements between car leasing companies and their clients.

- **Operational leasing**, also termed full-service leasing or personal contract hire, is primarily focused on the use of the vehicle. In this arrangement, the lessee (the individual or business) pays a fixed monthly fee for the use of the vehicle for a specified period, typically ranging from one to four years. The leasing company retains ownership of the vehicle throughout the lease term. Operational leasing often includes additional services such as maintenance, insurance, and other operational costs. At the end of the lease term, the lessee returns the vehicle to the leasing company without any further obligations, providing flexibility and avoiding the risks associated with vehicle ownership.
- **Financial leasing**, also termed personal contract purchase, is more similar to a loan or financing arrangement. The lessee obtains the use of the vehicle by making fixed monthly payments over a predetermined period. Unlike operational leasing, financial leasing usually does not include additional services or operational costs. Throughout the lease term, the lessee assumes responsibility for maintenance, insurance, and other associated expenses. At the end of the lease term, the lessee has the option to purchase the vehicle at a predetermined price or return it to the lessor.

The key distinction between operational and financial leasing lies in the focus on usage and services versus ownership and financing. Operational leasing provides convenience and flexibility by bundling various services with the lease, while financial leasing focuses more on ownership and offers the possibility of acquiring the vehicle at the end of the lease term. The choice between the two types of leasing depends on the specific needs, preferences, and financial circumstances of the lessee.

Situation in France

The French market is moving in the same direction as the broader European market, with leasing companies representing an increasing share of newly registered cars. For the first five months of 2023, 52% of newly registered passenger cars were on a leasing contract across the whole market (corporate and private).⁵ This amount is even higher in the corporate channel, reaching 54% of new car registrations under a leasing agreement. These figures include both operational leasing and financial leasing (see *Info box*).

Analysing in more detail the weight of leasing companies in France, it is clear how concentrated the market is, where the ten largest leasing companies account for 80% of the leasing market (84% in the corporate channel and 75% in the private channel).

⁵ T&E calculations based on NGC data.

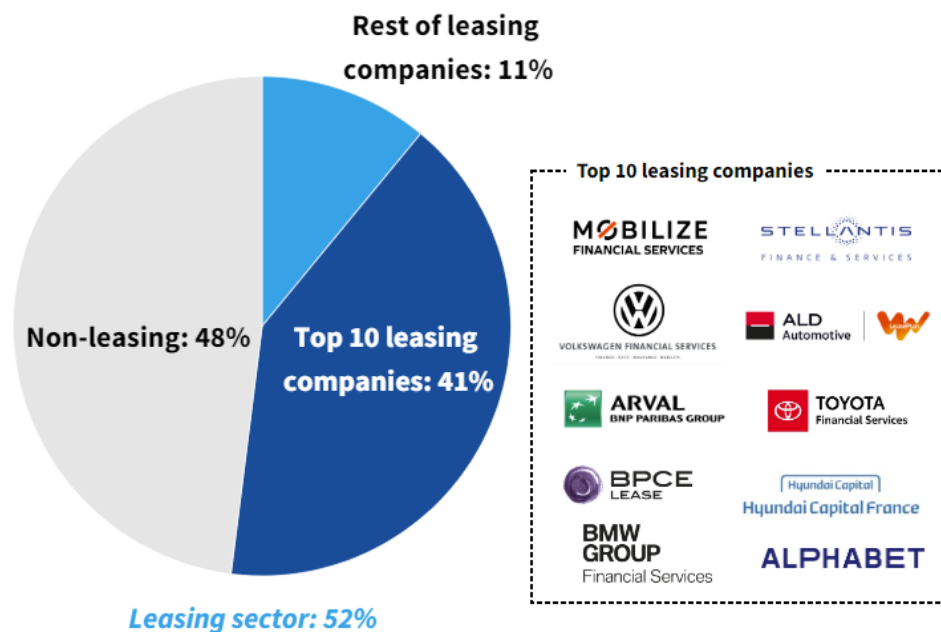


Figure 1: New passenger car registrations in France by leasing and non-leasing

Source: T&E calculations based on NGC-Data (1 January - 31 May 2023)

France is also home to three of the largest leasing giants in Europe: ALD Automotive (subsidiary of Société Générale), Arval (subsidiary of BNP Paribas), and Stellantis Financial Services (subsidiary of Stellantis).

Leading or lagging on electromobility?

In 2022, 14.3% of new car registrations in France were zero-emission vehicles.⁶ With their central role in the mission to decarbonise transportation and transition to electromobility, it is of critical importance whether leasing companies – both individually and collectively – are leading or lagging behind in this transition.

This important question cannot be easily answered. None of the large leasing companies – even when contacted with requests for information – disclose the share of zero-emission vehicles in their new registrations. Some leasing companies report the share of “electrified vehicles” in their new registrations, but this is insufficient as it includes plug-in hybrids which have high real-world emissions.⁷ In its 2022 reporting, Arval disclosed its share of zero-emission vehicles across its operations for the first time, but this figure was reported for its entire fleet (5.7%) and therefore cannot be compared to new registrations in that year.⁸

Due to this lack of disclosure by leasing companies, other sources of information must be found.

⁶ T&E calculations based on NGC data.

⁷ ICCT (2022). Real-world usage of plug-in hybrid vehicles in Europe ([link](#))

⁸ Calculated from 90,000 BEVs in a fleet of 1,592,024 million cars as reported in Arval (2023). Arval: 2022 full-year results. Arval. ([link](#))

2. Methodology

In France, the official data reporting and disclosure for vehicle registrations allows for in-depth analysis of the automotive market. This dataset was used in a March 2023 report by T&E on large corporate fleets in France (almost always the clients of leasing companies).⁹ In the present report, the dataset is used to assess whether leasing companies in France are leading or lagging behind in the transition to electromobility in the corporate and private market.

Data source

The information comes from a database commissioned by Transport & Environment (T&E) to NGC-Data, a service provider specialised in the processing and analysis of automotive statistics. This database cross-references information from the Vehicle Registration System (SIV) of the National Agency for Secure Documents (ANTS) and the National Identification System and Directory companies and their establishments (SIRENE) of the National Institute of Statistics and Studies (INSEE). It contains all the technical and identification information associated with every single car registration in France (car make, model, fuel type, user, owner, type of financement, etc.).

In order to enhance the credibility of the data presented in this report, T&E reached out to the top 10 leasing companies in France that are featured in our analysis, requesting their validation and input on the data accuracy. By 3 July 2023, 3 of the 10 companies contacted had responded.

Definition and scope of new passenger car registrations

This report covers all new passenger car registrations for the first five months of 2023 (1 January 2023 to 31 May 2023).

Table 1: Exclusions from the definition of new passenger cars registrations

Included	Excluded
New passenger car registrations	Used vehicles (i.e. previously registered) Light commercial vehicles Two wheelers Three wheelers Quadricycles

Definition and scope of leased cars

In this analysis, the scope of leased cars includes both operational leasing and financial leasing (“*Location Longue Durée*” and “*Location Crédit Bail*” in the NGC-Data database). This does not include car loans (also called hire purchase) where ownership is with the individual but the cost is paid off in instalments.

⁹ T&E (2023). Les grandes entreprises et administrations ne prennent pas leur juste part de la transition vers le véhicule électrique. Transport & Environment ([link](#))

Definition and scope of leasing companies

This analysis includes the largest leasing companies in France, which are defined as the ten largest leasing companies with the largest number of new passenger car registrations in the dataset. Complex company structures mean that what constitutes a specific leasing company also requires a definition. In several cases a leasing company is composed of multiple entries, for example subsidiaries of the same company (see *Table 2* for inclusions). As a general rule, companies are defined where a unique brand exists (e.g. Alphabet and BMW Financial Services are two distinct brands within BMW Group with different corporate strategies which means that in this analysis they are treated separately).

Table 2: Ownership and composition of the ten largest leasing companies in France (Jan-May 2023)

Leasing company	Parent company	Number of cars registered	Components in dataset	Number of cars registered
Mobilize Financial Services	Renault	80,782	Diac	53,369
			Diac Location	27,413
Stellantis Finance & Services	Stellantis	53,581	Compagnie générale de crédit aux particuliers (Credipar)	49,736
			Opel Bank	3,429
			Compagnie pour la location de véhicules	416
Volkswagen Financial Services	Volkswagen	37,302	Volkswagen Bank Gesellschaft Mit Beschränkter Haftung	37,302
ALD Automotive LeasePlan	Société Générale	31,711	Temsys	23,655
			Leaseplan	8,056
Arval	BNP Paribas	25,331	Arval Service Lease	19,087
			Arval Fleet Services	2,607
			Public Location Longue Durée	2,364
			Cofiparc	1,273
Toyota Financial Services	Toyota	15,588	Toyota Kreditbank GMBH	13,328
			Kinto France SAS	2,212
			Toyota France	48
BPCE Lease	BPCE	10,953	BPCE Car Lease	4,256
			BPCE Lease Réunion	3,516
			BPCE Lease	3,181
Hyundai Capital France	Hyundai / Société Générale	8,778	Hyundai Capital France	8,778
BMW Financial Services	BMW	8,056	BMW Finance	8,056
Alphabet	BMW	6,954	Alphabet France Fleet Management	6,954

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-May 2023.

During the period of analysis (January-May 2023), two significant mergers took place. In January 2023, the acquisition of Leaseplan by ALD Automotive has been closed and gave rise to a new entity (currently under the name ALD Automotive | LeasePlan). In April 2023, two transactions involving Crédit Agricole and Stellantis were finalised. In one transaction, Crédit Agricole and Stellantis created a new leasing company made up of two former Stellantis' leasing companies Leasys and Free2Move, as part of a 50-50 joint venture (keeping the name Leasys). In the second transaction, Crédit Agricole acquired 100% of former Stellantis' leasing company FCA Bank and its subsidiary Drivalia. As a result of these changes, Stellantis has brought together the rest of its leasing activities under the banner of a new entity: Stellantis Finance & Services (in a partnership with the banks BNP Paribas and Santander).

The timing of these mergers means that the registrations in the dataset are listed with the names of the companies pre-merger but can be added together, similar to a parent company with multiple subsidiaries (as in *Table 2*). The ALD Automotive | LeasePlan merger is one of the ten largest leasing companies in France (ranking fourth) and is thus included in the analysis. To address concerns about reduced competition in the car leasing market from the European Commission, ALD and Leaseplan divested their operational leasing businesses in several European markets but not in France,¹⁰ so no adjustments to the dataset are required.

Similarly, Leasys France and FCA Bank have not been included in the scope of the new Stellantis Finance & Services entity, as these companies are no longer owned by Stellantis alone. Unfortunately, the data didn't allow a clear identification of the cars registered under the name of Free2Move. It was therefore not possible to include "New Leasys"(composed of Leasys and Free2Move) in the analysis. As a result, the Free2Move cars may be still included in the scope of Stellantis Finance & Services for the purposes of this analysis.

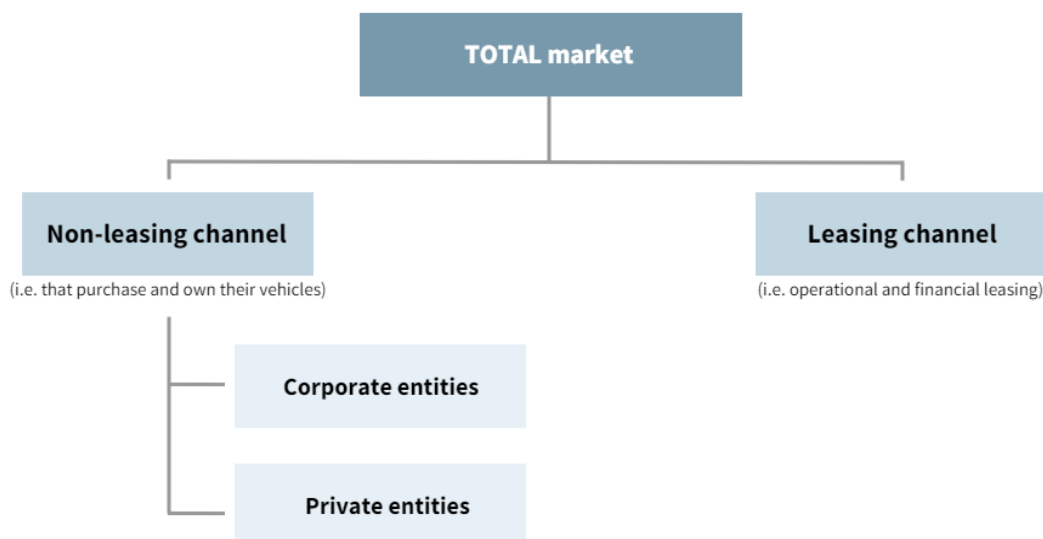
Definition and scope of lessees

This analysis includes passenger cars that are leased to both corporate customers and private households. The database contains 673,553 new passenger car registrations for the period from 1 January to 31 May, of which 345,311 are company car registrations (51%) and 328,242 are private car registrations (49%). Registrations under one of the two types of leasing agreements account for 52% of total registrations (349,714). Of which 54% belong to the corporate channel (188,388) and 46% to the private channel (161,326).

¹⁰ European Commission (2022). Mergers: Commission clears ALD's acquisition of LeasePlan, subject to conditions. ([link](#))

3. Results

To assess whether leasing companies are leading or lagging behind in the transition to electromobility, a baseline for comparison is required. For this analysis, BEV uptake in leasing companies is compared to:



3.1. The leasing sector in France

According to the data, registrations under a leasing agreement emerge as the prevailing method for registering cars in France, constituting approximately 52% of the total registrations. Notably, the corporate market contributes significantly to this figure, accounting for 54% of leasing registrations. Furthermore, when examining the type of powertrain registered, combustion engines continue to dominate across both private and corporate segments. Battery electric vehicles (BEVs) remain relatively low in both segments. Delving into corporate leasing registrations, it becomes apparent that plug-in hybrid electric vehicles (PHEVs) surpass battery electric vehicles (BEVs) in terms of popularity.

Table 3: Number of new registrations in leasing and non-leasing channels by fuel type (January-May 2023)

	TOTAL	BEV #	PHEV #	ICE #
Leasing channel	349,714	51,035	30,452	268,227
<i>Corporate entities</i>	188,388	15,983	23,750	148,655
<i>Private households</i>	161,326	35,052	6,702	119,572
Non-leasing channel (all)	323,839	49,779	25,349	248,711
<i>Corporate entities</i>	156,923	19,764	17,924	119,235
<i>Private households</i>	166,916	30,015	7,425	129,476
Total	673,553	100,885	55,801	516,867

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-May 2023.

When examining the share of registrations by powertrain (*Table 4*), an interesting trend emerges, the leasing sector is lagging behind the market in terms of battery electric vehicle uptake (14.6%), while they are leading in plug-in hybrid electric vehicles uptake (8.7%).

It's important to note that these figures are largely positively influenced by the private leasing channel, where BEVs hold significant importance as a type of registration, whereas PHEVs are less prominent. In the corporate market the uptake of BEVs is much lower, comprising a mere 8.5% of registrations, while PHEVs represent a larger share of 12.6%. This indicates that the corporate market is not actively driving the adoption of true electric vehicles (BEVs), but rather showing a preference for hybrid models (PHEVs).

Table 4: Share of new registrations by fuel type in leasing and non-leasing channels (Jan-May 2023)

	BEV %	PHEV %	ICE %
Leasing channel	14.6%	8.7%	76.7%
<i>Corporate entities</i>	8.5%	12.6%	78.9%
<i>Private households</i>	21.7%	4.2%	74.1%
Non-leasing channel (all)	15.4%	7.8%	76.8%
<i>Corporate entities</i>	12.6%	11.4%	76.0%
<i>Private households</i>	18.0%	4.4%	77.6%
Total	15.0%	8.3%	76.7%

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-May 2023.

3.2. The ten largest leasing companies in France

The analysis of BEV uptake by leasing brands (*Table 5*) reveals interesting dynamics. Among the ten largest companies, six leasing companies: Volkswagen Financial Services, ALD Automotive | LeasePlan, Arval, Toyota Financial Services, BPCE Leasing, and Alphabet are lagging behind in the uptake of BEVs in all market comparisons. This comparison includes the total market, the leasing channel, and the non-leasing channel both in terms of corporate entities and private households owning their cars.

In contrast, only two leasing brands, Hyundai Capital France and BMW Financial Services, are leading the BEV adoption across all markets. However, it is important to note that these two companies are not the largest players, accounting for only 6% of the total registrations among the ten largest leasing companies.

Interestingly, the two largest leasing companies, Mobilize Financial Services and Stellantis Finance & Services, representing nearly 50% of the total registrations among the ten largest, only lead in BEV uptake when compared to the corporate entities owning the cars (true fleets). In the case of Stellantis, they also outperform the adoption of BEVs compared to the leasing sector.

Table 5: Uptake of battery electric vehicles, by the ten largest leasing companies, compared to the total market, the rest of the leasing sector, and the rest of the market (Jan-May 2023)

Leasing company	BEV share of new car registrations	Comparison to total market (15.0%)	Comparison to leasing (14.6%)	Comparison to non-leasing (15.4%)	Comparison to corporate entities (12.6%)	Comparison to private households (18.0%)
Mobilize Financial Services	14.0%	Lagging	Lagging	Lagging	Leading	Lagging
Stellantis Finance & Services	14.9%	Lagging	Leading	Lagging	Leading	Lagging
Volkswagen Financial Services	11.0%	Lagging	Lagging	Lagging	Lagging	Lagging
ALD Automotive LeasePlan	11.9%	Lagging	Lagging	Lagging	Lagging	Lagging
Arval	8.5%	Lagging	Lagging	Lagging	Lagging	Lagging
Toyota Financial Services	0.5%	Lagging	Lagging	Lagging	Lagging	Lagging
BPCE Leasing	5.8%	Lagging	Lagging	Lagging	Lagging	Lagging
Hyundai Capital France	21.9%	Leading	Leading	Leading	Leading	Leading
BMW Financial Services	20.9%	Leading	Leading	Leading	Leading	Leading
Alphabet	7.8%	Lagging	Lagging	Lagging	Lagging	Lagging

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-May 2023.

3.3. Further results

In order to delve deeper into the findings and assess the representativeness of the results, further analysis is conducted. This analysis sought to address two key aspects: the relatively short period of five months covered in the data and the influence of end users (comparison between private and corporate entities) on the adoption of BEVs. By examining these factors, we can gain a more comprehensive

understanding of the data and its implications, allowing for a more robust assessment of the trends and dynamics within the BEV adoption.

The results reveal a difference in BEV uptake based on the end user. Specifically, the brand data reveals that private BEV uptake surpasses corporate BEV uptake across all the top 10 leasing companies. Regardless of the leasing brand, private users exhibit a greater inclination towards adopting battery electric vehicles compared to corporate entities.

Table 6: Uptake of battery electric vehicles, by the ten largest leasing companies, from corporate and private clients (Jan-May 2023)

Leasing company	BEV uptake	BEV uptake - corporate	BEV uptake - private households
Leasing channel	14.6%	10.4%	19.8%
Mobilize Financial Services	14.0%	4.8%	18.7%
Stellantis Finance & Services	14.9%	6.4%	23.2%
Volkswagen Financial Services	11.0%	10.3%	11.4%
ALD Automotive Leaseplan	11.9%	11.7%	49.4%
Arval	8.5%	8.3%	38.0%
Toyota Financial Services	0.5%	1.3%	0.0%
BPCE Leasing	5.8%	3.4%	27.1%
Hyundai Capital France	21.9%	16.1%	22.3%
BMW Financial Services	20.9%	16.3%	22.2%
Alphabet	7.8%	7.8%	<10 cars

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-May 2023.

The findings suggest that 2023 is not an anomaly in terms of the observed trends. The lagging performance of the leasing channel and the majority of leasing companies in adopting battery electric vehicles extends beyond the current year. The analysis of data from 2022 demonstrates a similar pattern, indicating that the lagging situation of leasing companies is not only because it is only 5 months of data, it is a situation that persists over time.

Table 7: Uptake of battery electric vehicles, by the ten largest leasing companies, in 2022

Leasing company	BEV uptake in 2022	Comparison to the total market (14.3%)
Leasing sector	13.8%	Lagging
Mobilize Financial Services	17.6%	Leading
Stellantis Finance & Services	13.6%	Lagging
Volkswagen Financial Services	11.6%	Lagging
ALD Automotive Leaseplan	8.4%	Lagging
Arval	7.3%	Lagging
Toyota Financial Services	0.5%	Lagging
BPCE Leasing	6.0%	Lagging
Hyundai Capital France	24.6%	Leading
BMW Financial Services	21.3%	Leading
Alphabet	7.9%	Lagging

Source: T&E analysis of NGC Data of new passenger car registrations in France from January-December 2022.

3.4. Summary

The analysis reveals several key insights about the leasing sector in France. Leasing plays a significant role in the French automotive market, accounting for more than half of new vehicle registrations (52%), while the ten largest leasing companies alone represent 41% of total registrations and 80% of the leasing sector. Despite the sector's prominence, it is lagging behind the overall market in terms of battery electric vehicle (BEV) uptake, with a lower percentage of registrations (14.6% vs. 15.0%). This disparity is even more pronounced when examining the ten largest leasing companies, particularly the largest brands. Importantly, this trend is not limited to a single year, as data from 2022 exhibits the same pattern, indicating a broader industry trend.

On the other hand, private users demonstrate a higher uptake of BEVs compared to the leasing market. This indicates that private users are assuming the burden of transitioning towards zero-emission mobility, while the corporate sector seems to be slower in embracing this shift. These findings underscore the need for increased efforts and initiatives to promote BEV adoption within the leasing sector and encourage larger brands to actively participate in the transition.

More generally, T&E is calling on French public decision-makers to review the tax system applicable to corporate vehicles¹¹ and to reform the national fleet's greening targets. These targets legally apply to leasing companies for all the cars they lease, but are largely ignored at present.¹² Implementing these two reforms would remove the two main identified obstacles to accelerating the electrification of the corporate segment of the automotive market.

Further information

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¹¹ Transport & Environment (2022), Électrification des voitures de société, une réforme fiscale est nécessaire. ([link](#))

¹² Transport & Environment (2023), La majorité des grandes flottes automobiles n'atteindra pas les objectifs de verdissement fixés par la loi pour 2022. ([link](#))