

PRESS RELEASE

Tomorrow's mobility solutions for vehicle fleets: Arval Luxembourg presents the major trends

The many changes taking place around us will bring about a major shift in our mobility practices. While cars form part and parcel of our landscape, they now exist side-by-side with other means of mobility. We are entering an age of diversity and flexibility. Arval Luxembourg, a specialist in long-term leasing, presented the major trends looming on the horizon at the head office of BGL BNP Paribas on 6 July 2016.

Based on the results of the 2016 CVO Barometer (a European survey of corporate fleets conducted on the initiative of the Corporate Vehicle Observatory), Arval's Corporate Consulting Unit analysed the different options available for the short, medium and long term to guide fleet managers in their mobility policy.

More widely available alternative energies, the ecological debate on petrol versus diesel and the entry into force of the new calculation of benefit-in-kind for company cars on 1 January 2017 are all likely to be factored into the choices made by businesses in Luxembourg in the coming years.

On the one hand, there will be a greater shift towards petrol engines, even if diesel engines – increasingly cleaner under the effect of various regulations – will try to hold on to their secure position. Within five years, the share of diesel vehicles in the corporate fleets of the firms surveyed in Luxembourg will stabilise at 79%, compared with 88% for our European neighbours.

On the other, 54% of the companies surveyed are considering including or have already included so-called alternative energy vehicles in their fleet (hybrid, plug-in hybrid, electric, etc.). The real use of vehicles is therefore gradually being taken on board as company managers make trade-offs, and the different types of energy are assigned a particular use: diesel for long journeys; petrol for intermediate distances of up to 15,000 kilometres. Electric vehicles are for the time being limited to short trips in and around town and are seen as an ideal solution for pool cars.

Whatever type of energy is used, the operating cost of a vehicle fleet has to be associated with drivers and their driving practices, which not only influence fuel consumption, but also maintenance and claims costs, and can thus increase the cost of vehicle use by 40% or more. The on-board telematics solution, Arval Active Link, launched by Arval Group in 2015, provides an initial response to this problem through monitoring and reporting, but without impinging on users' privacy.



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The environment is changing, home-to-workplace distances continue to increase, consumers' expectations of vehicles are evolving (particularly among young people) and work organisation now includes teleworking and the optimisation of mobility. In response to all these cultural, economic and ecological changes, businesses in Luxembourg are exploring the issue of the mobility of their staff in a new light. The Arval Mobility Link solution will allow a combination of different means of transports via a mobility budget that can be consulted at any time. Cars will therefore no longer be seen as the only way to meet mobility needs, but will be one component of the comprehensive service provided by Arval.

Today, firms in Luxembourg have different needs and are looking for flexible solutions for their automotive fleet: long-term leasing, medium-term leasing, car sharing and others. To meet those needs, Arval Luxembourg is launching Arval Mid-Term Rental, a new leasing solution that covers a period of 1 to 24 months, giving businesses in Luxembourg the flexibility they need to cope with periods of peak activity, seasonal activity or different phases of recruitment (e.g., trial periods, fixed-term contracts). It also permits optimal vehicle management when the evolution of the firm's activity lacks visibility.

"We're adapting our services to our customers' changing requirements. With Arval Mid Term Rental, we're offering a flexible solution to meet their evolving mobility needs", notes Gerry Wagner, CEO of Arval Luxembourg.

About Arval Luxembourg

Established in 1997, Arval Luxembourg is one of the leaders in multi-brand leasing of corporate vehicles in Luxembourg. Arval Luxembourg belongs to the BNP Paribas Group and offers its customers – professionals, SMEs, large international groups and public sector bodies – solutions for optimal mobility for their employees and outsourcing of the risks related to management of a vehicle fleet. Expert advice and quality service, the foundations of the Arval brand promise, are conveyed daily by our staff.

www.arval.lu

About Arval

Established in 1989, Arval is wholly owned by BNP Paribas and is specialised in the leasing of corporate vehicles. Arval offers its professional clients, SMEs and large international groups solutions for optimal mobility for their employees and outsourcing of the risks related to managing a vehicle fleet. Expert advice and quality service, the foundations of the Arval brand promise, are conveyed daily by our staff of over 5,500 employees in 28 countries, and in a further 20 countries thanks to our partner network. Arval's fleet stands at 949,000 vehicles leased worldwide (December 2015). Arval is a founding member of the Element Arval Alliance, the longest alliance in the corporate vehicle leasing industry, and global leader with 3,000,000 vehicles in nearly 50 countries. Within BNP Paribas, Arval forms part of the Retail Banking activity.

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About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 75 countries, with more than 189,000 employees, including more than 146,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in



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Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

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