

SPECIALISED CONSUMER CREDIT PROVIDERS IN EUROPE

About Eurofinas

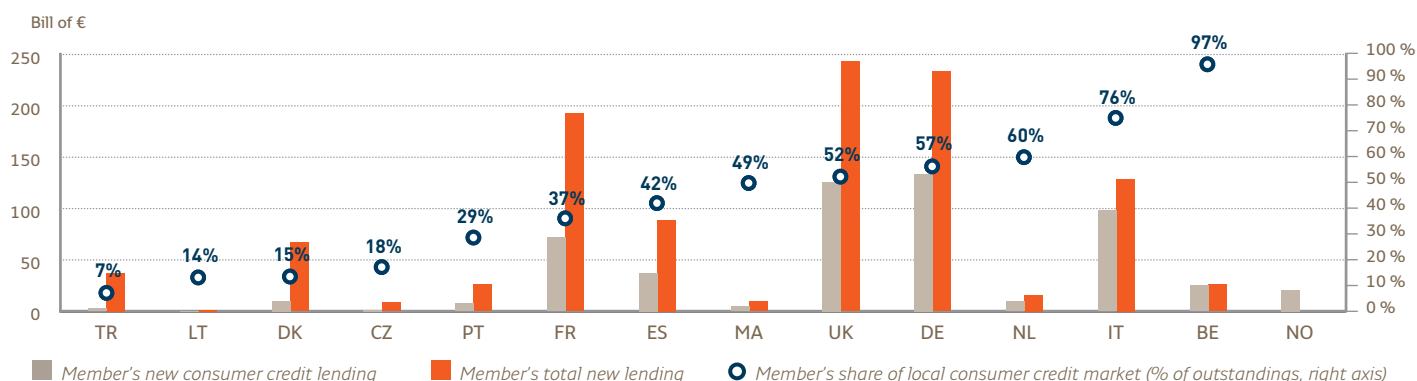
Eurofinas is the voice of the specialised consumer credit industry at European level. It currently represents 17 Member Associations, in turn bringing together more than 680 firms employing more than 92,000 people across Europe. The types of consumer credit providers represented through Eurofinas members are described in the box below (Fig. 1).

Fig. 1 Consumer credit providers

Category	Description
Finance house	Specialised consumer credit provider not taking deposits (or substitutes for deposits).
Captive company	Financing arm of a manufacturing parent company (e.g. in the automotive sector). Captives may or may not be authorised to take deposits (or substitutes for deposits).
Specialised bank	Institution authorised to take deposits. Activity focused on the provision of consumer credit (and, where applicable, mortgage lending).
Universal bank	Bank providing all kinds of products, e.g. retail and corporate lending, etc. The consumer credit departments of these banks will typically be represented through Eurofinas member associations.

Together, Eurofinas members represent approximately 49% of the European consumer credit market expressed in terms of outstanding loans for the countries covered by the Federation's 2018 Annual Statistical Enquiry¹. At individual country level, the market shares of individual Eurofinas member associations vary substantially depending, for instance, on the extent to which consumer credit is provided by specialist players in the national market or the membership profile of the association (see Fig. 2, right axis). The left axis on Fig. 2 shows the amount of new lending (both in total and for consumer credit) granted in 2018 by each Eurofinas member.

Fig. 2 New consumer credit lending & market share per member (outstandings), 2018



1. The figures provided are based on the results of the Eurofinas 2018 Annual Statistical Enquiry. The following Eurofinas members did not take part in this survey: Poland: Konferencja Przedsiębiorstw Finansowych w Polsce, Finland: Federation of Finnish Financial Services, and Sweden: Finansbolagens Förening. Norway is not included in the market share figures in 2018, as full market data was not available at the time the data collection was concluded. Growth rates are based on a homogenous sample of members reporting in the Eurofinas Annual Statistical Enquiries and are adjusted to exclude the impact of exchange rate fluctuations during 2018 unless otherwise stated.

Total Eurofinas lending in 2018

During the course of 2018, the firms represented through Eurofinas members granted new loans worth €466.6 billion and their portfolio of outstanding loans exceeded the trillion euro mark for the third year in a row, reaching €1.124 trillion at the end of the year.

Consumer credit lending is made up of consumer credit for personal consumption and the financing of motor vehicles for private use. Out of the total new lending in 2018, 73% was granted to consumers, with the remainder (27%) of new loans granted to finance cars for business use and commercial vehicles, as well as industrial credit and mortgages (Fig. 3).

Eurofinas members granted €73 billion worth of new mortgage loans and €29 billion of industrial credit. Mortgage lending and industrial credit increased by 7.8% and 6.4% respectively in 2018 compared to 2017.

Total new consumer credit lending increased by 7.4% in 2018 compared to 2017, reaching €338 billion.

Fig. 3 New credit granted by product type in 2018

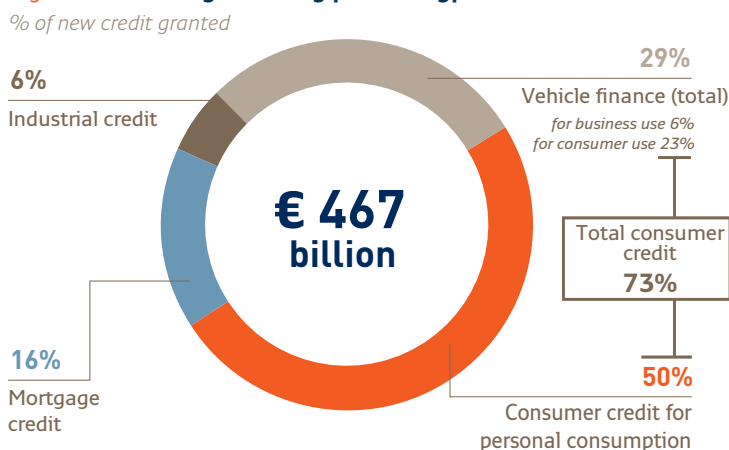
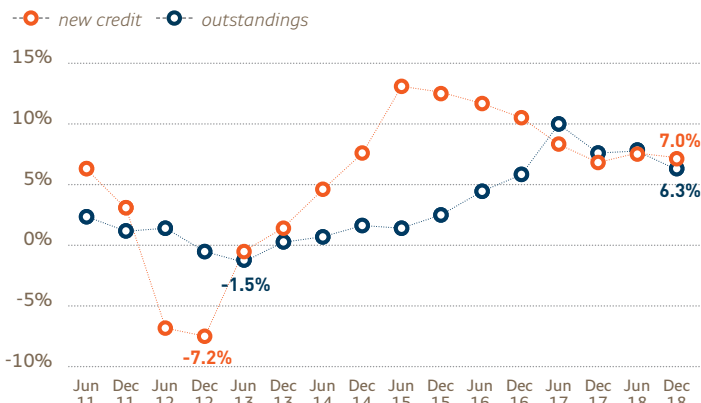


Fig. 4 shows the evolution of total Eurofinas lending in terms of both new credit and outstandings over the period 2011-2018. Total Eurofinas new lending increased by 7% in 2018 with total outstanding loans increasing by 6.3% compared to 2017.

Fig. 4 Total Eurofinas lending, year on year growth rates



Growth rates for new credit compare the first 6 months of the year for biannual figures while they compare 12 months for annual figures. Figures are adjusted for exchange rates.

Table 1 shows the growth rates for total lending and total consumer credit by country (adjusted for exchange rate fluctuations).

Table 1 Annual % change in new lending (2018/2017)

	Total consumer credit (Consumer Credit for Personal Consumption and Consumer Vehicle Finance)	Total lending (Consumer Credit for Personal Consumption, Vehicle Finance, Mortgage Lending and Industrial Credit)
TR	-4.2%	-9.0%
CZ	2.1%	2.0%
FR	3.0%	1.6%
DK	3.4%	3.5%
IT	6.2%	7.5%
NL	6.6%	8.4%
NO	6.9%	5.6%
DE	7.5%	6.7%
BE	7.8%	6.1%
UK	8.0%	7.7%
MA	9.2%	9.2%
ES	13.1%	13.4%
PT	16.2%	12.5%
LT	17.1%	17.1%
TOTAL	7.4%	7.0%

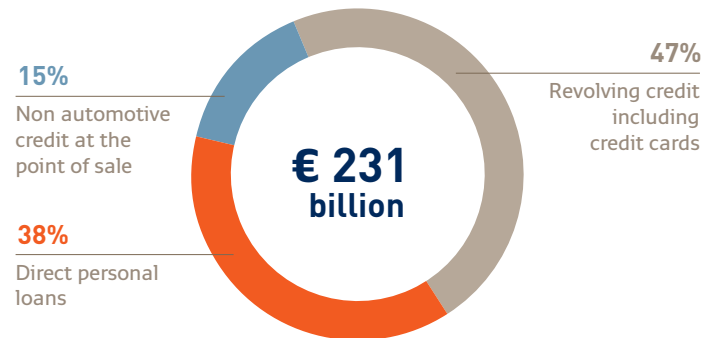
Figures are adjusted to exclude the impact of exchange rate fluctuations.

Consumer credit lending for private consumption

The category consumer credit loans for private consumption, which includes direct personal loans, revolving credit and non-automotive credit granted at the point of sale, represented 49.5% of all new Eurofinas lending in 2018. New loans granted in this category amounted to €231 billion, which represents an increase of 7.1% in comparison to 2017. Outstanding loans in this category reached €334 billion at the end of 2018.

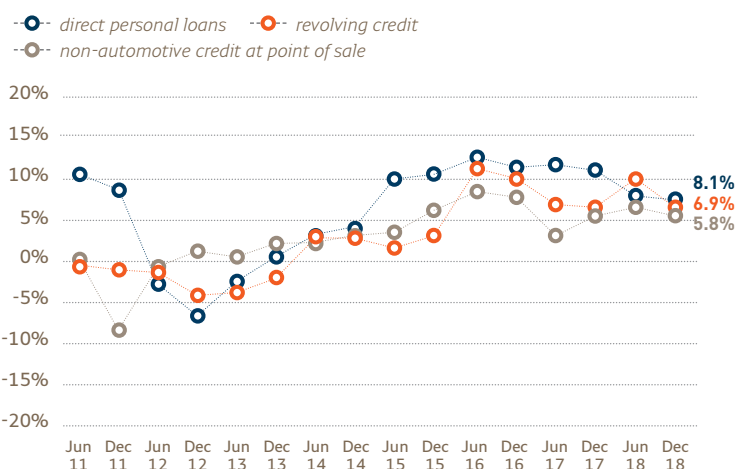
Fig. 5 Consumer credit for personal consumption in 2018

% of new credit granted



At €109 billion, revolving credit, including credit cards, made up almost half of total new consumer loans for personal consumption in 2018. Revolving credit remains the largest individual product category of all Eurofinas lending, with new lending for this category increasing by 6.9% in 2018. There was an even stronger increase – 8.1% – in new personal loans, which reached €87 billion. Non-automotive point of sale credit (i.e. credit granted at the point of sale to finance consumer goods and services) grew by 5.8% with new loans worth €35 billion granted (see Fig.6).

Fig. 6 Eurofinas consumer credit for personal consumption, new lending year on year growth rates



Figures are adjusted to exclude the impact of exchange rate fluctuations.

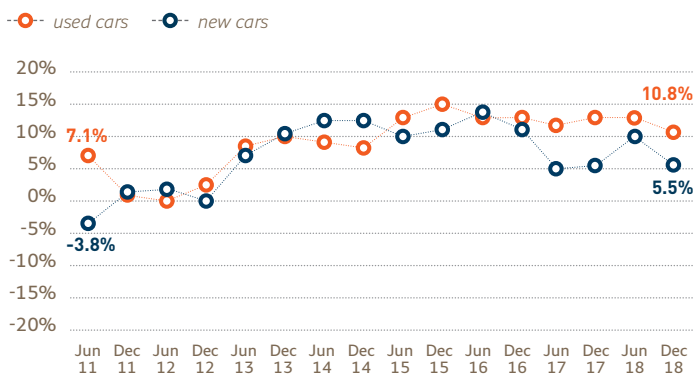
Vehicle finance

New loans worth €133 billion were granted to vehicle finance and made up 28.6% of the Federation's total new lending in 2018. Loans for consumer use made up the largest part of all vehicle lending (80.6% of vehicle finance).

Consumer car lending performed well this year again, expanding by 10.8% in the used cars segment, and 5.5% for new cars as seen in Fig. 7. During 2018, Eurofinas members granted loans to consumers to finance some 2.9 million new cars and 3.8 million used cars.

Cars for business decreased by -5.8% for new cars but increased by 13.5% for used cars. The commercial vehicle sector grew by 3.6% while the “other” category (motorcycles, caravans,...) grew by 7.3%.

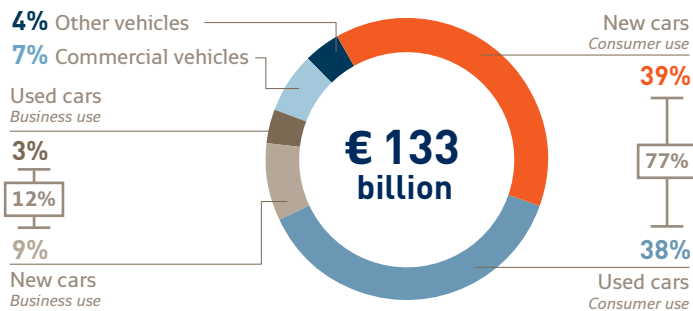
Fig. 7 Consumer car finance (new lending) year on year growth rates



Figures are adjusted to exclude the impact of exchange rate fluctuations.

Fig. 8 Vehicle Finance, new lending by product type, 2018

% of new credit granted



Number of New Contracts & Average Loan Size

Eurofinas members also report statistics on the number of new credit contracts granted by their member companies. In 2018, the companies represented through Eurofinas provided 47.4 million new loans. Over 38 million of these were consumer credit for personal consumption. Table 2 shows the number of new contracts, average loan size for some product categories in 2018 and the percentage change compared to 2017.

Table 2 Number of new contracts & average loan, 2018	Number of new contracts, 2018	Average loan, 2018	% Change in average loan, 2018 versus 2017
Personal loans	8,229,000	€10,630	1.1%
Revolving credit (incl. credit cards)	7,395,000	na	na
Credit at the p.o.s.	22,738,000	€981	2.0%
New consumer cars	2,878,000	€17,826	7.6%
Used consumer cars	3,817,000	€13,370	3.5%

Eurofinas members

Eurofinas, the European Federation of Finance House Associations, was founded in 1963. It represents as an umbrella body the specialised consumer credit providers in Europe.

Full Members >

Belgium

Union Professionnelle du Crédit - UPC/
Beroepsvereniging van het Krediet - BVK

Czech Republic

Czech Leasing and Financial Association - CLFA

Denmark

Finans og Leasing

Finland

Federation of Finnish Financial Services - FKL

France

Association Française des Sociétés
Financières - ASF

Germany

Bankenfachverband

Italy

Associazione Italiana del Credito al Consumo e
Immobiliare - ASSOFIN

Netherlands (the)

Vereniging van Financieringsondernemingen in
Nederland - VFN

Norway

Finansieringsselskapenes Förening

Poland

Konferencja Przedsiębiorstw
Finansowych w Polsce - KPF

Portugal

Associação de Sociedades Financeiras
para Aquisicoes a Credito - ASFAC

Spain

Asociacion Nacional de Establecimientos
Financieros de Credito - ASNEF

Sweden

Finansbolagens Förening

Turkey

Turkey Association of Financial Institutions -
AFI/FKB

United Kingdom

Finance & Leasing Association - FLA

Correspondent Members >

Lithuania

Lietuvos Vartojimo Lizingo ir Kredito
Asociacija - LVLKA

Morocco

Association Professionnelle des Sociétés
de Financement - APSF

Visit the Eurofinas website
at www.eurofinas.org
for more information on
the Federation's members
and activities.