

Biannual Survey 2020

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European Consumer Credit Market Contracted in First Half of 2020

BRUSSELS – 24 November 2020 – European consumer credit providers represented through Eurofinas¹ granted new loans worth €184.8 billion in the first half of 2020, a decrease of -18.4% compared to the same period in 2019² according to the results of the Eurofinas Biannual Survey 2020. Total new consumer credit lending³, which accounts for the majority of new Eurofinas lending (71%), experienced a drop of -21.2%.

Declines in new credit granted were observed across all personal consumption categories. Personal loans suffered the sharpest decrease of -23.2% compared to the first semester of last year. Revolving credit shrank by -17.8%, followed by non-automotive credit at the point of sale falling by -11.8%.

The consumer car lending market dropped significantly by -26.3% in the first half of 2020, with new cars performing worse than used cars. Loans for new consumer vehicles declined by -32.4%, whereas loans for used cars showed a contraction of -22.2%. There were consistent performances across markets for consumer car lending, with most experiencing double-digit drops. When it comes to the car finance market for business vehicles, used cars also outperformed new cars in the first half of this year. The former fell by -12.4% compared to the same period last year, while the latter contracted by -33.6%.

The aggregate figures reflected declines across all Eurofinas Members' national markets, except Turkey, which is the only reporting country to experience a growth of 35% in consumer credit. By comparison, while half of the reporting countries (including Morocco, Italy, the UK, France, and Belgium) suffered from drops of more than -20% in new consumer credit lending, the other half experienced decreases of between -11% and -17%. Germany was the only significant market with new consumer credit lending contracting by less than -10%.

Growth in household consumption is expected to bounce-back in the third quarter of 2020, driven by demand and policy measures supporting household purchasing power. However, this recovery is projected to be disrupted towards the end of the year by the resurgence of the pandemic and the reintroduction of more stringent containment measures.⁴ Although private consumption is forecast to rebound next year, consumer credit lenders will likely continue to experience some headwinds going forward.

¹ The following Eurofinas members took part in the survey: UPC/BVK (BE), CLFA (CZ), BFACH (DE), Finans og Leasing (DK), ASNEF (ES), ASF (FR), ASSOFIN (IT), LBA (LT), APSF (MA), FINFO (NO), ASFAC (PT), Finansbolagens Förening (SE), AFI/FKB (TR), FLA (UK).

² The growth rates shown are adjusted to exclude the impact of exchange rate fluctuations.

³ Total consumer credit includes consumer credit for personal consumption (including personal loans, revolving credit and non-automotive point of sale finance) and consumer point of sale vehicle finance.

⁴ European Commission Economic Forecast – Autumn 2020.

1. EUROPEAN TRENDS
Breakdown Per Loan Type, H1 2020

LOAN TYPE	NEW CREDIT GRANTED	
	in mio EURO	% change adjusted for exchange rate impact
CONSUMER CREDIT FOR PERS. CONSUMPTION	95 176	-19.2%
Personal loans	36 721	-23.2%
Revolving credit including credit cards	43 564	-17.8%
- Of which, credit cards	16 147	-16.3%
Credit at the point of sale	14 891	-11.8%
- Consumer goods	12 636	-13.5%
- Other	2 254	-0.9%
CAR FINANCE	43 696	-27.0%
New cars	17 669	-32.6%
- Business	3 248	-33.6%
- Consumer	14 421	-32.4%
Used cars	2 763	-21.5%
- Business	1 616	-12.4%
- Consumer	18 007	-22.2%
Commercial vehicles (excl. cars for business use)	3 641	-32.4%
Other vehicles (motorcycles, caravans, ...)	2 763	-16.2%
INDUSTRIAL CREDIT	13 125	-11.0%
HOME OR REAL ESTATE MORTGAGES	32 766	-4.0%
TOTAL	184 764	-18.4%

Notes:

Data shown here are those contributed to Eurofinas by its Member Associations in the context of the 2020 Biannual Survey. Data can include estimates provided by Member Associations. Data represents the share of the total national market represented by each association unless otherwise specified.

Data were provided in local currency. The exchange rates used are half-yearly average rates taken from Eurostat and can be found on the last page.

The data for 2019 are those provided by Eurofinas Member Associations in the 2019 Biannual Survey, except when changes in membership or major data modifications warranted the restating of 2019 figures.

Growth rates shown are calculated based on a homogenous sample of members reporting in both the 2019 and 2020 Biannual Surveys.

Eurofinas members not reporting in this survey: Finland - Federation of Finnish Financial Services, Netherlands - Vereniging van Financieringsondernemingen in Nederland, Poland - Konferencja Przedsiębiorstw Finansowych w Polsce

2. TOTAL NATIONAL CONSUMER CREDIT

Consumer credit for personal consumption & consumer vehicles, H1 2020

Member	New credit granted	
	in mio EURO	% change adjusted for exchange rates
BE	4 530	-21.11%
CZ	425	-16.18%
DE	26 042	-7.30%
DK	1 860	-11.05%
ES	9 602	-21.13%
FR	13 944	-21.70%
IT	23 462	-29.50%
LT	61	-17.03%
MA	553	-36.21%
NO	2 746	-16.00%
PT	2 653	-14.13%
SE	376	-11.59%
TR	787	35.42%
UK	43 325	-24.79%
TOTAL¹	130 367	-21.24%

3. MEMBER ASSOCIATIONS' MARKET SHARES
Consumer Credit Outstandings - mio€, H1 2020

Member	Eurofinas Member Market	Total National Market for Cons Credit ¹	Eurofinas Member Share
BE	24 874	26 147	95.1%
CZ	1 339	10 363	12.9%
DE	134 183	235 885	56.9%
DK	10 622	25 453	41.7%
ES	17 972	91 769	19.6%
FR	70 343	200 789	35.0%
IT	103 810	137 232	75.6%
LT	181	1 390	13.0%
MA	5 050	10 115	49.9%
NO	16 992	na	na
PT	11 951	42 241	28.3%
SE	1 845	37 293	4.9%
TR	1 344	50 256	2.7%
UK	127 783	236 845	54.0%
TOTAL	528 290	1 105 778	46.2%²

¹ National market figures are estimates provided by the relevant Member Association. These may differ from Eurostat or national central bank figures, for example in cases where these exclude non-MFIs from their calculations.

² excluding NO

4. EXCHANGE RATES

Country		H1 2020	H1 2019
BE	Belgium	1	1
CZ	Czech Republic	26.34	25.69
DE	Germany	1	1
DK	Denmark	7.46	7.47
ES	Spain	1	1
FR	France	1	1
IT	Italy	1	1
LT	Lithuania	1	1
MA	Morocco	10.77	10.87
NO	Norway	10.74	9.73
PT	Portugal	1	1
SE	Sweden	10.7	10.5
TR	Turkey	7.16	6.36
UK	United Kingdom	0.87	0.87

Notes:

These rates are a half-yearly average and are taken from Eurostat's New Cronos database except for Morocco where the rate provided is an average of end of month rates taken from the Al-Maghrib Bank

Rates in the table are provided in the following way: 1 Eur = x Local Currency, for instance 1 Eur = 0.87 GBP in H1 2020