



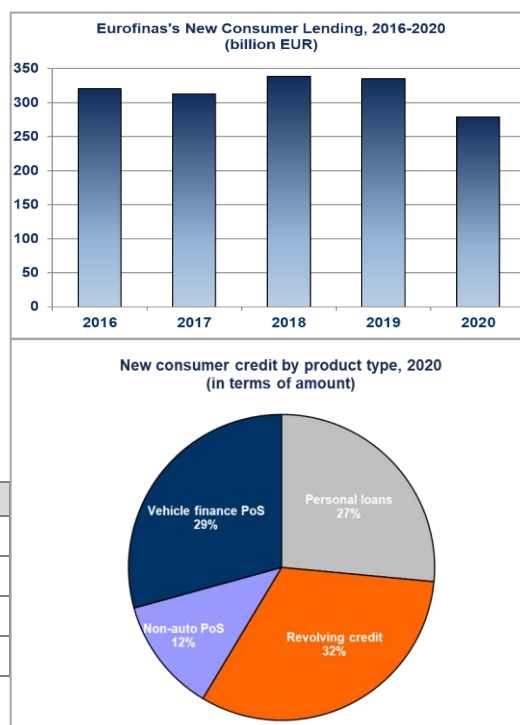
Eurofinas/ Consumer Credit Factsheet

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, point of sale credit, credit cards and store cards.

Eurofinas lending in 2020 - H1 2021¹

During the course of 2020, the firms represented through Eurofinas members granted new consumer loans worth €279 billion, dropping by -15% compared to 2019. Although the industry showed a rebound of 14% in the first half of 2021, lending in most national markets was still lower than the beginning of the pandemic.

The companies represented through Eurofinas provided 49 million new consumer credit contracts in 2020, of which almost 5 million (around 10%) provided financing for the purchase of new and used vehicles.



	Average loan size 2020
Personal loans	€ 11,900
Credit at the p.o.s.	€ 704
New consumer cars	€ 19,468
Used consumer cars	€ 13,953

A new digital first

Consumer credit providers are continuously adapting their business models to make better use of innovation and digital tools in order to offer customers more tailored services, enhanced and optimized experiences as well as simplified convenience and access. Technology is deployed to help customers to make informed decisions, protect their data privacy and support strong and relevant creditworthiness assessments.

Whilst Member States across Europe are at varying stages of digital maturity², consumer finance providers moved quickly in the wake of the Covid-19 pandemic to ensure the continuous availability of services and support to their customers, despite challenging restrictions which forced a reliance on distance services.

The role of consumer credit

• Support economic growth

Consumer credit provides a significant contribution to the European economy. On average, the industry facilitates 12% of consumer spending and accounts for 6% of gross domestic product in EU 27.³ The industry is also an important source of tax revenue and sustains high levels of employment, directly and indirectly.⁴

• Facilitate the consumption of essential goods/ services

Consumer credit is often used to finance essential assets and services such as cars, furniture, household appliances and electronics.

Nearly one third of new consumer credit granted by Eurofinas' members in 2020 provided financing towards the acquisition of motor vehicles. Furthermore, household appliances, furniture and electronics represented substantial share of new instalment loans. In Spain and Germany, approximately 40% of the

¹ Eurofinas Annual Survey 2020 & Biannual Survey 2021

² Eurofinas Digital Lending Survey 2019

³ ECRI statistics, 2000-2019

⁴ For example, in Spain, consumer finance stimulated the national labor market by creating more than 500,000 jobs (2.7% of the total employment) and contributed €6,166 million to national tax collection (2.7% of the total national tax collection) in 2016.

loan users financed such spending^{5,6}, while it accounted for 28% of new credit granted through point of sale in Italy.⁷ In Denmark, 12% of new lending to consumers facilitated home renovation activities, with traveling and hobbies accounting for only 10%.⁸

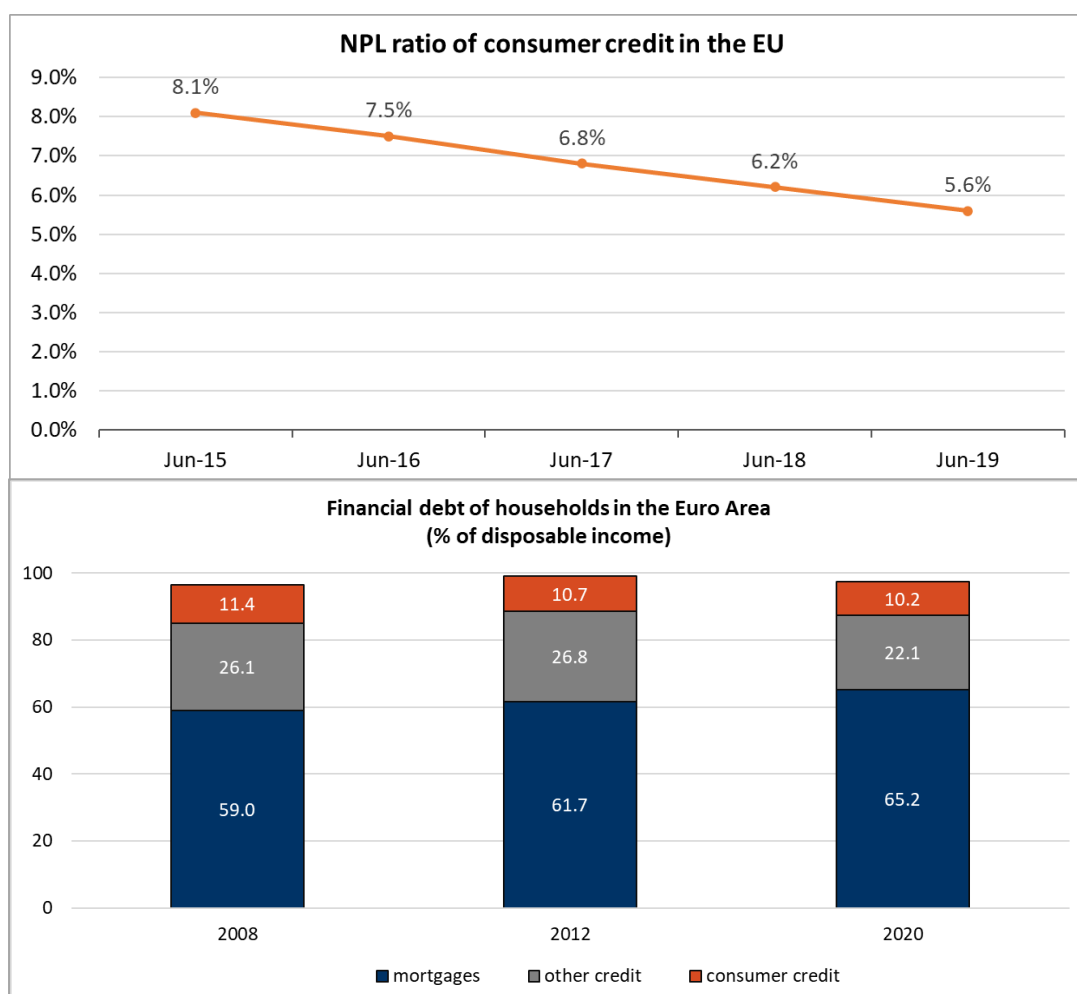
- **Facilitate green consumption**

The share of credit granted for the investment in home energy-saving projects and purchases of electric vehicles are growing significantly across the EU. Consumer finance enables European citizens to address the green transition on a practical level. It makes green goods and services accessible to consumers at the point of time when they need to make the purchase such as replacing important household equipment or allowing for the timely purchases/choice of better and more energy-efficient products and solutions.

For example, in France, electric and hybrid vehicles financed to consumers increased by 153% between 2019 and 2020. During the same period, the new credit granted for home energy-saving investments in Belgium rose by a quarter (25%).⁹

Non-performing loan (NPL) ratio of consumer credit & evolution of households' indebtedness level in the EU/ EEA

The average NPL ratio of consumer credit steadily improved between 2015 and 2019, decreasing from 8% to 6% across Europe.¹⁰ The ratio concerning households¹¹ also followed a downward trend during the same period. It continued to improve in 2020 with the public and private measures aiming to support families through the pandemic crisis and in the first half of 2021.¹² Moreover, compared to 2008, consumer credit outstanding over disposable income was down 1 percentage points in 2020, accounting for 10%.¹³



⁵ Use and Image of Financing in Spain, 2021

⁶ Consumer and Vehicle finance in Germany 2020

⁷ Osservatorio Assofin 2020

⁸ According to Finans og Leasing & Konkurrence- og Forbrugerstyrelsen Forbrugslån 2015

⁹ According to Febelfin

¹⁰ EBA Report on Non-Performing Loans 2019

¹¹ Include consumer credit, mortgages, and other credits

¹² EBA Risk Dashboard Q2 2021

¹³ ECB Financial Stability Report