

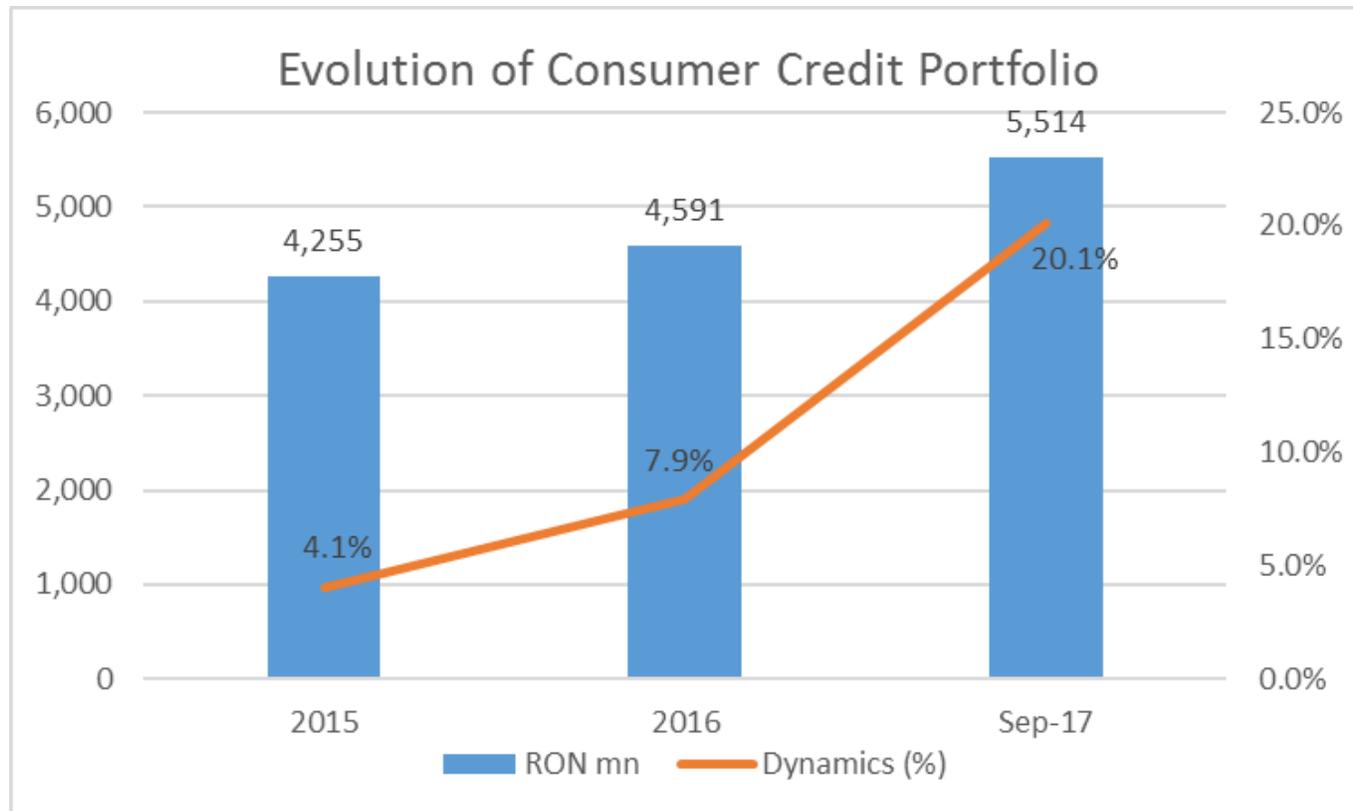


NBFIs - Consumer credit Market evolution Q3-2017

Association of Romanian Financial Institutions – ALB Romania

ALB - Consumer Credit portfolio evolution

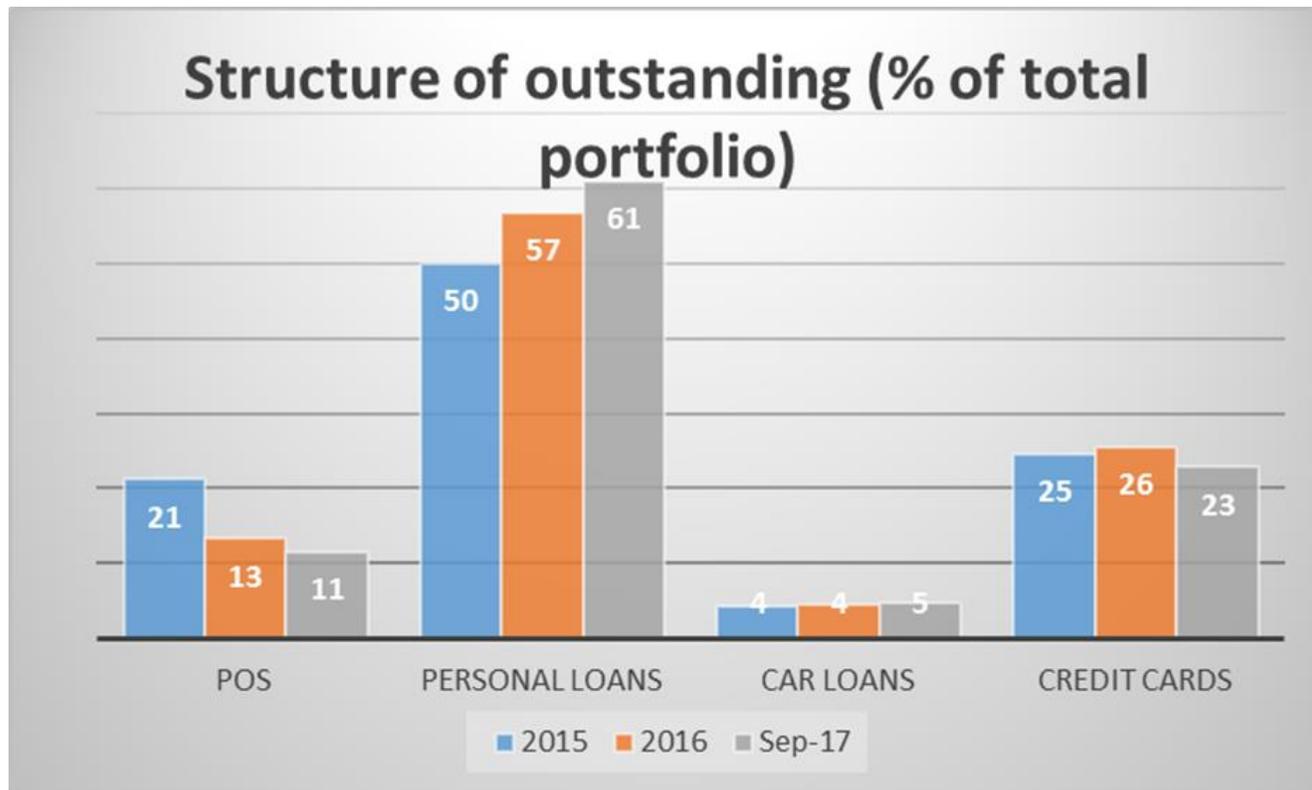
- In the first 3 quarters of the year, consumer credit portfolio rose by 20 %, due to double digit increases in all types of loans, such as: personal loans (48 % y/y), car loans (35 % y/y), credits at the point of sales (18 % y/y), credit cards (19 % y/y);



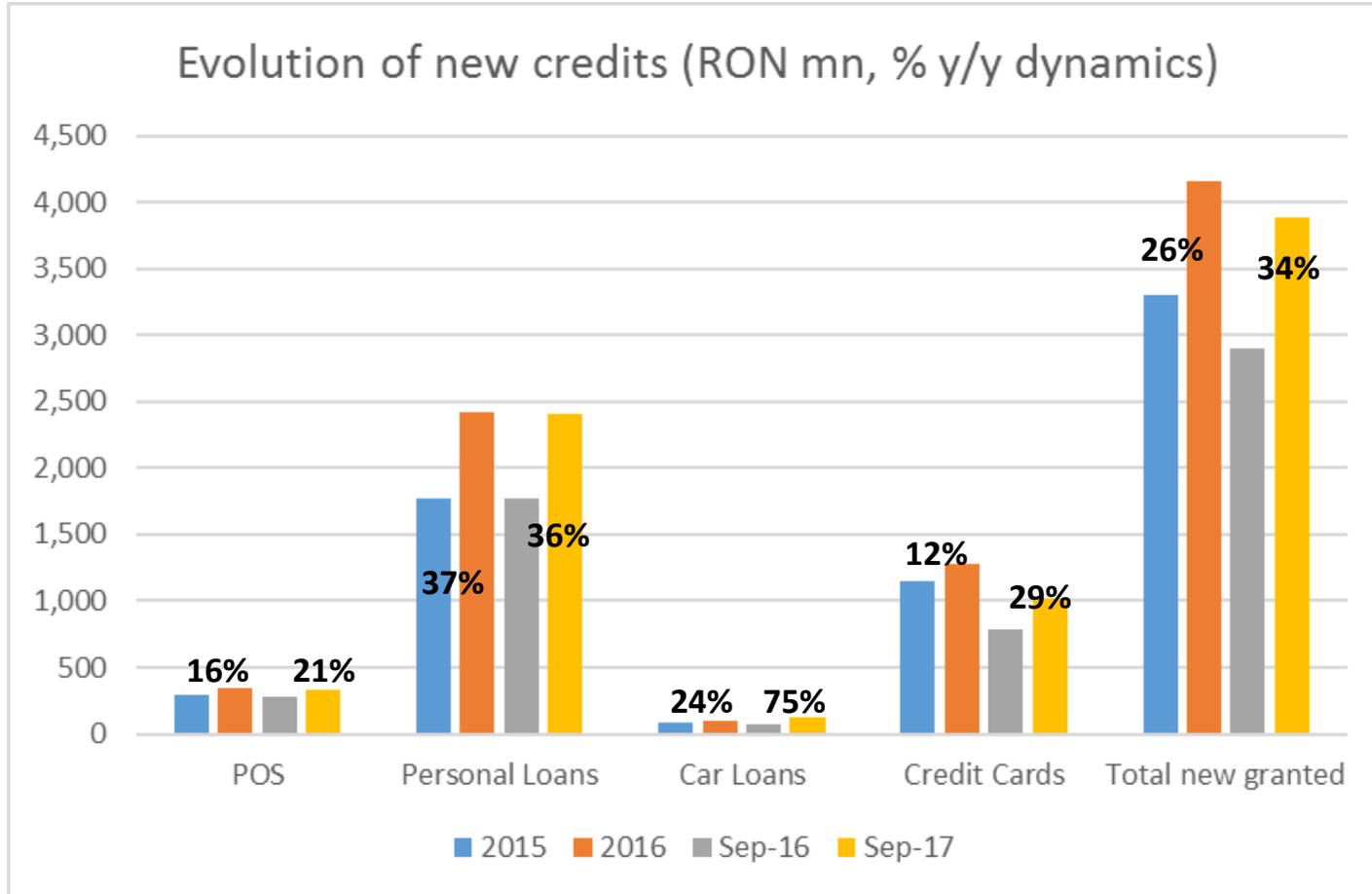
- Consumer credit companies continued to increase their credit portfolios, due to the robust growth of new loans and longer maturities, despite some significant sells of credit portfolios;
- The robust economic growth, increase in the incomes of population, improvement of consumer expectations, decrease of interest rates to consumer lending, paved the way for an increased demand for consumer credits of higher values;

ALB - Consumer Credit portfolio evolution

- The structure of consumer credit portfolio has changed over the past years, with personal loans being the main drivers of growth, while car loans are gaining ground as well;
- Credits at the point of sale have recorded a significant drop in consumer credit portfolio, as customers prefer to buy goods by credit cards or even to contract a higher value personal loan when having investment projects;

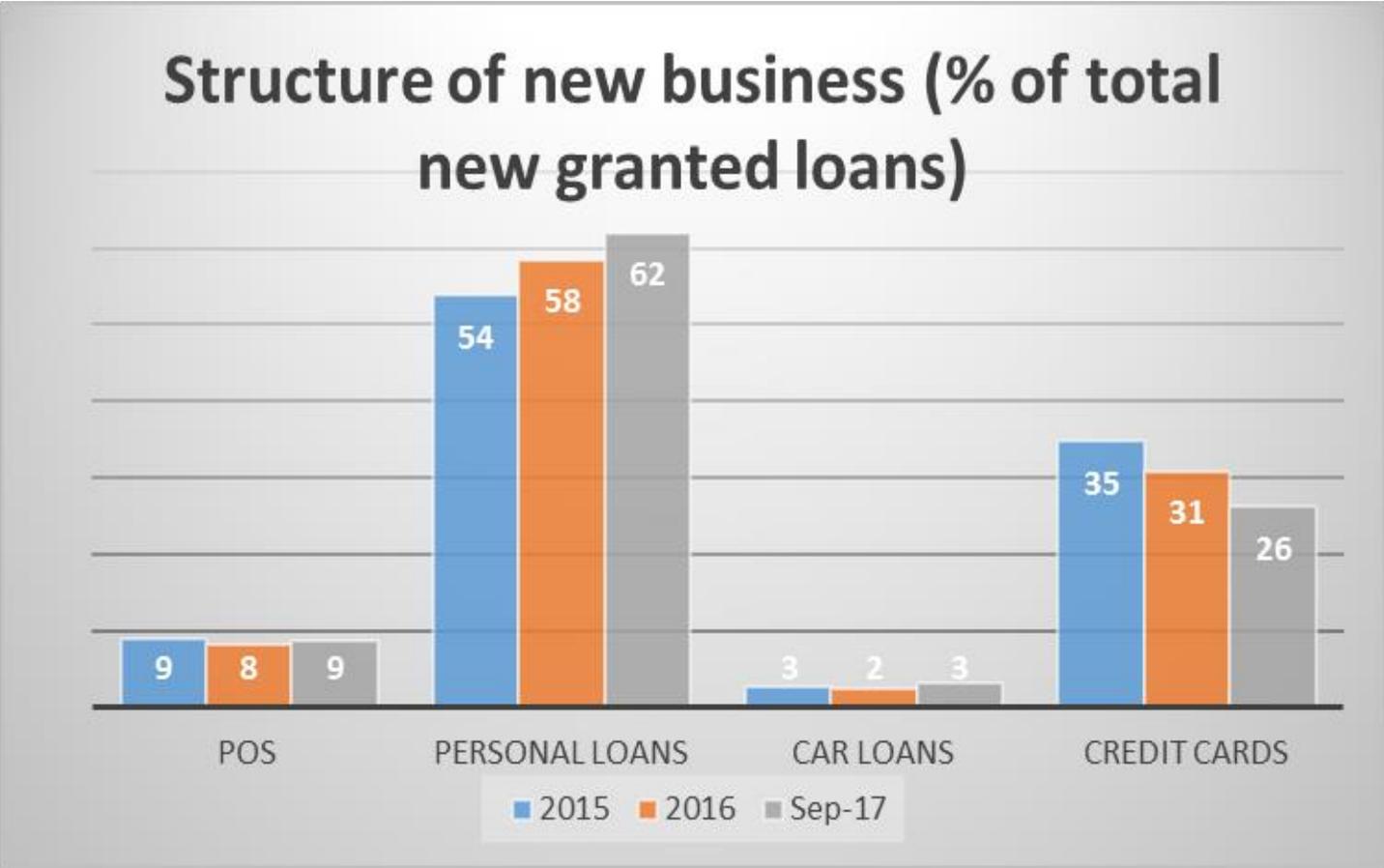


ALB – New credits granted by type of loan



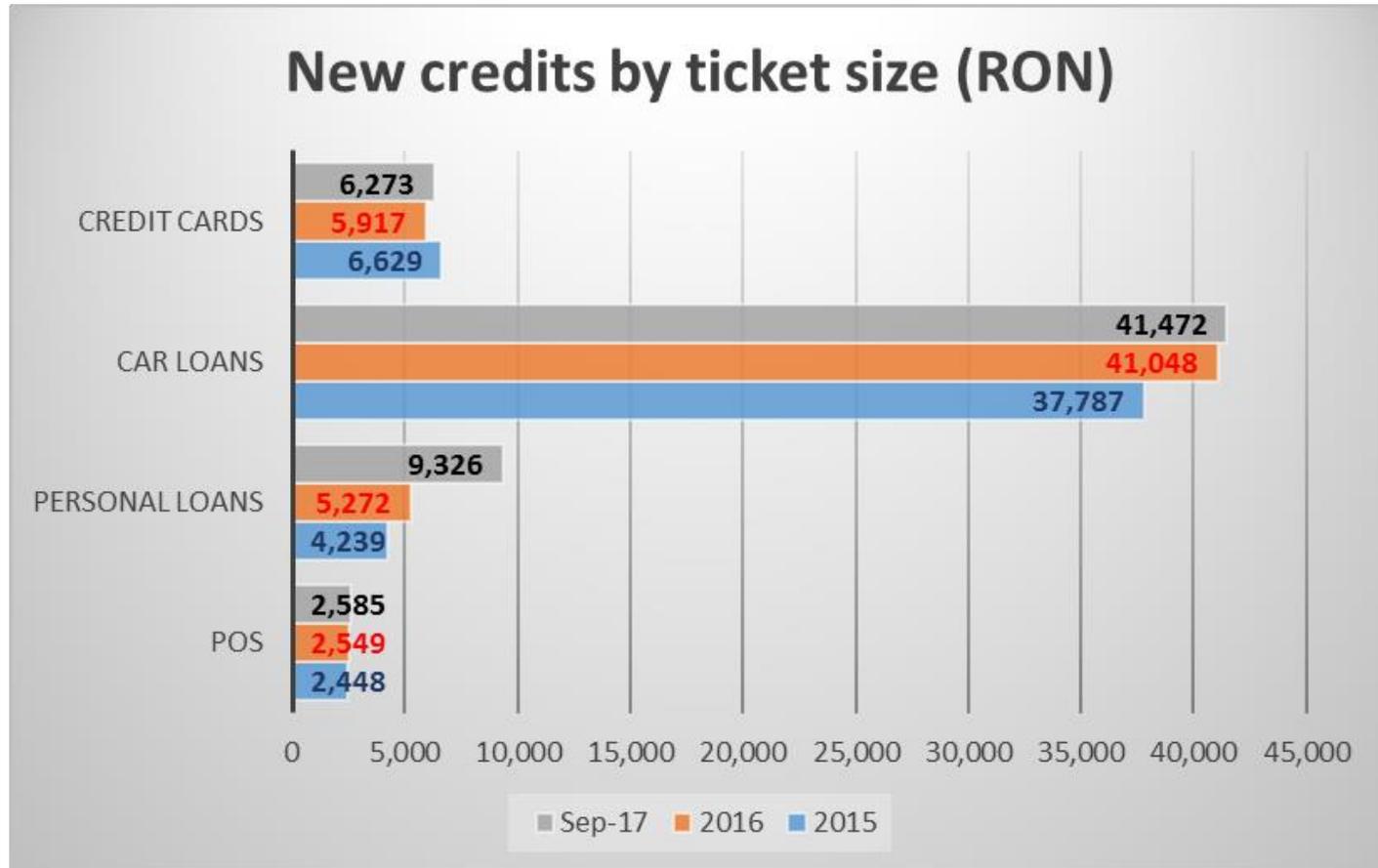
- Newly granted consumer credits posted a robust growth in the first 3 quarters of 2017, rising by 34 % y/y, due to significant growths in all types of loans;
- The main driver of growth were personal loans, which increased by 36 % y/y, due to higher value loans, while the number of contracts has decreased;
- Car loans rose by 75 % y/y, due to higher demand for cars, as new registration for both new(+ 16 %) and second hand (70 %) according to the data released by DRPCIV;

ALB – Structure of new credits by type of loan



- There is a clear trend that indicates the preference of consumer towards higher value personal loans in the past years, therefore personal loans have reached 62 % of the overall portfolio, while credit cards continue to lose ground in terms of new clients, but with higher values than before, due to strong competition from banks;

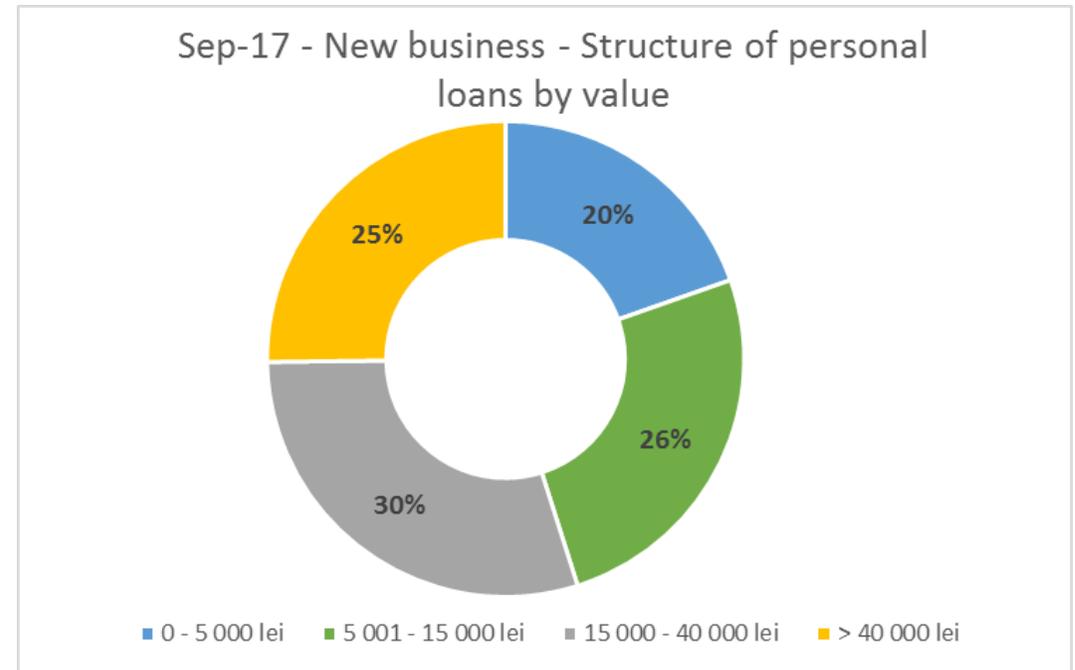
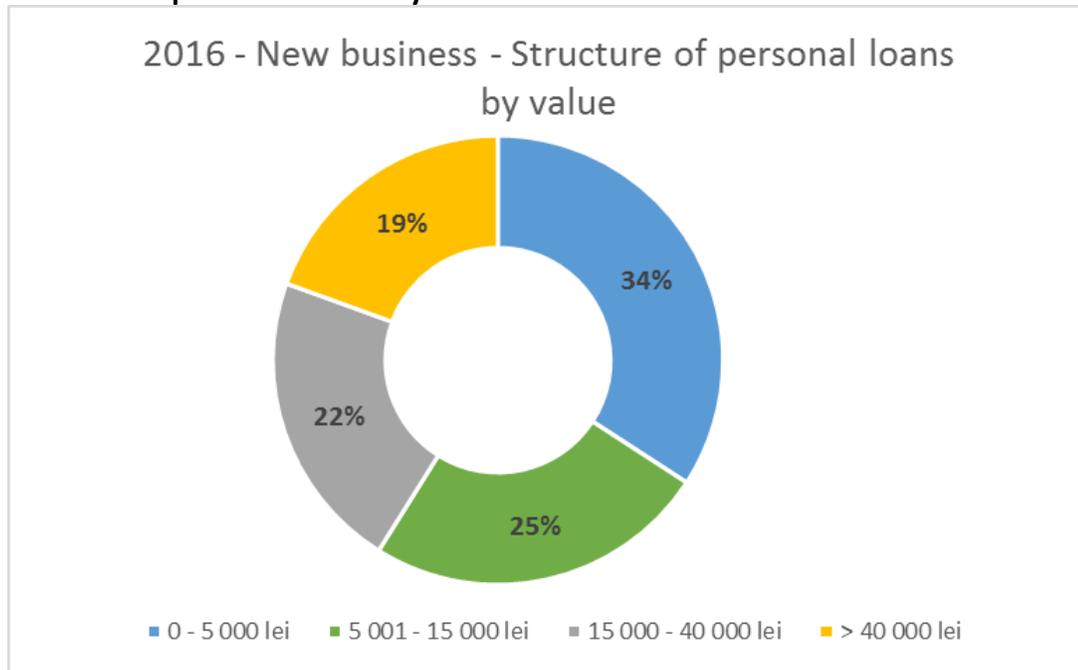
ALB – New credits by ticket size



- The ticket size of personal loans almost doubled in the past 3 quarters as compared to 2016, reaching RON 9,326 in September, due to increased appetite of consumer for investments, home renovation and debt consolidation;
- The rise of incomes and labour demand has fuelled also the appetite for car acquisitions, both new and second hand, given also the elimination of environment stamp;
- Credits at the point of sale are quite stable.

ALB – New credits – structure of personal loans

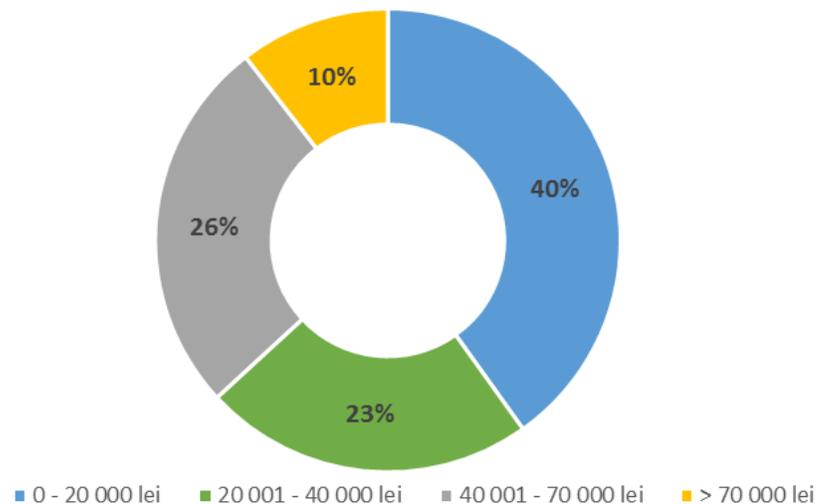
- The structure of personal loans has changed significantly in the last 3 quarters to a balanced one, as higher value loans have gained ground against lower value credits and the structure of personal loans became balanced;
- The most dramatic change appeared at small size loans, as their share decreased to 20 % by September from 34 % at end-2016;
- Loans higher than 15,000 lei gained 14 percentage points and increased their weight to 55 % in September as compared to only 41 % at end-2016.



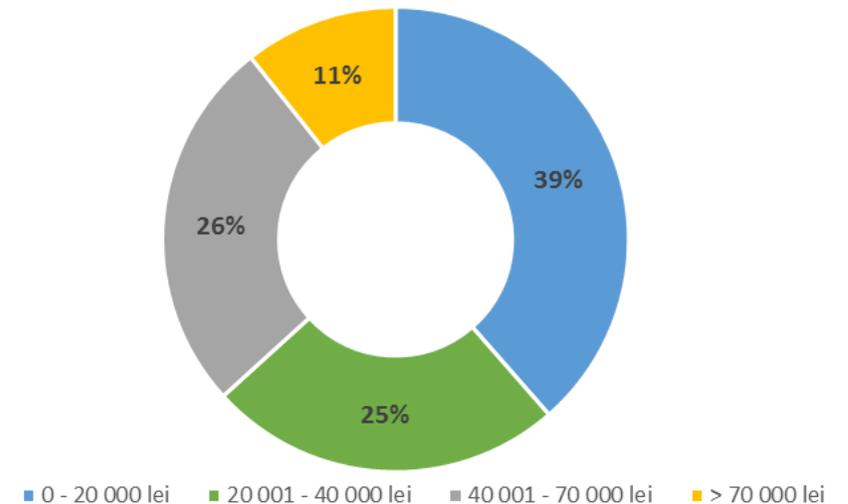
ALB – New credits – structure of car loans

- The structure of car loans remained quite stable in the last 3 quarters of the year, but mirrored slightly the general trend of the consumer credit market, that is the higher demand for larger size loans;
- Although the nominal value of car loans increased by 75 % y/y, the structure of the loans granted by consumer credit companies remained unchanged, therefore probably second hand cars were the main drivers of growth;

2016 - New business - Structure of car loans by value



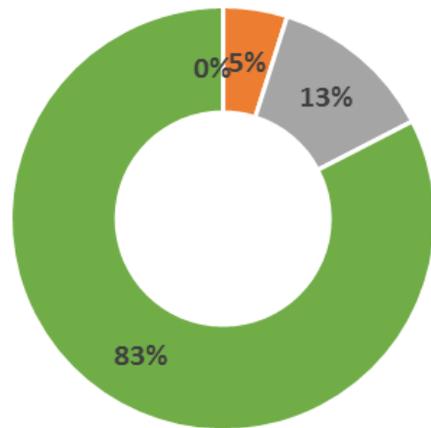
Sep 2017 - New business - Structure of car loans by value



ALB – New credits – structure of credit cards

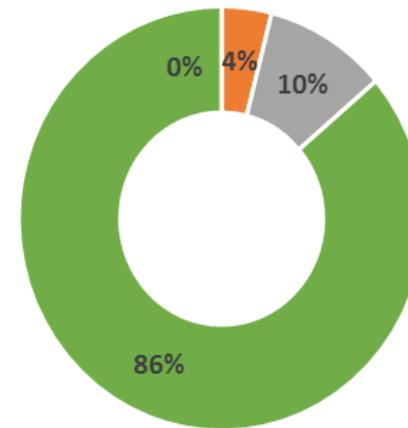
- The general trend of the market of preference for higher value lending products was confirmed also by the evolution of credit cards, as it increased the average value of the limits granted on credit cards.

2016 - New business - Structure of credit cards by value



■ 0 - 500 lei ■ 501 - 2 500 lei ■ 2 501 - 5 000 lei ■ > 5 000 lei

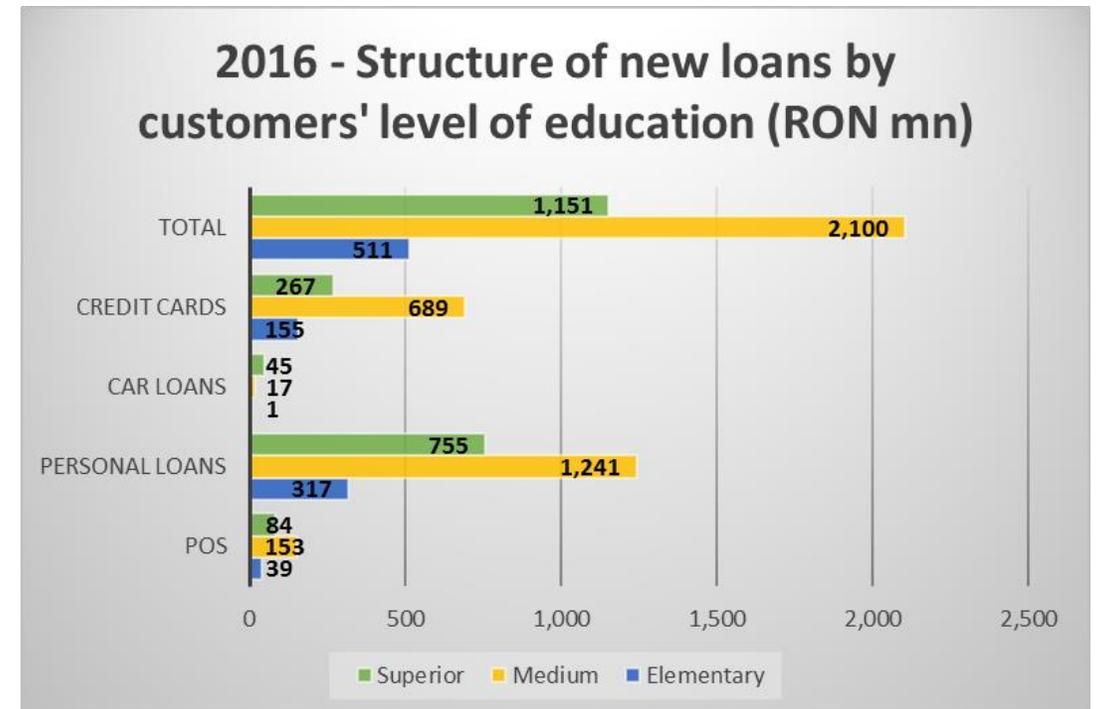
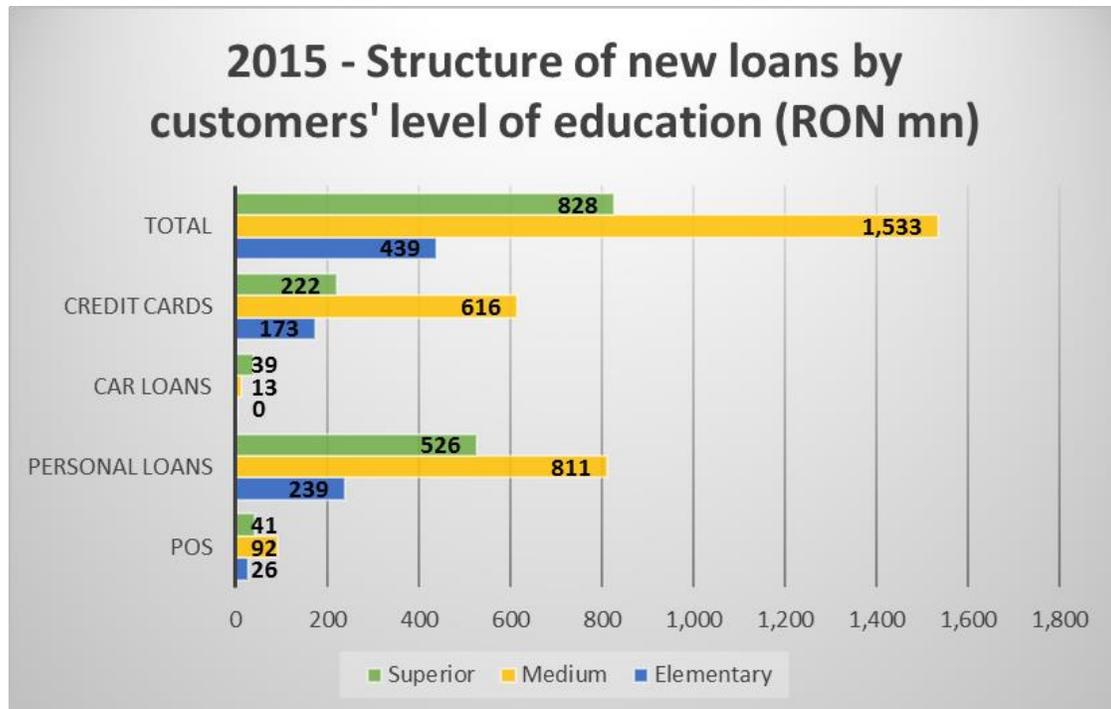
Sep 2017 - New business - Structure of credit cards by value



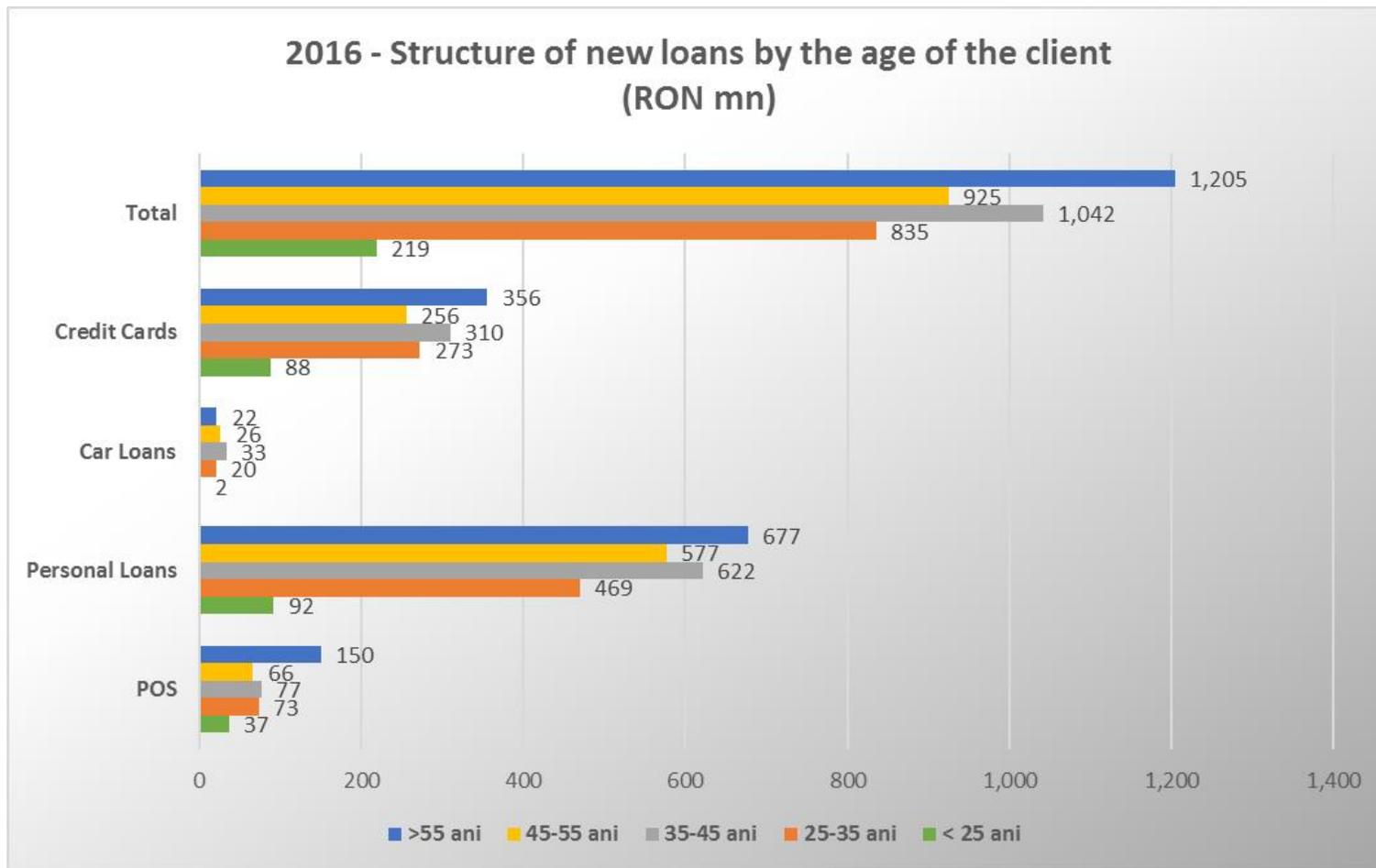
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ALB – New credits – costumers level of education

- Consumer credit companies have changed the typology of their clients towards more educated customers, although they increased lending to all type of clients, but mostly to medium and superior levels of education;
- The decrease in the level of interest rates fuelled the interest of better educated clients, especially for personal loans and credit cards;



ALB – New credits by age of client



- The average age of the clients of consumer credit companies has increased in the last years to customers older than 35 years, with people older than 55 years having the highest share of the new granted credits, especially for personal loans;
- The share of clients for credit cards is quite balanced and also for car loans, while for credits at the point of sale, elderly people are predominant;