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**European Consumer Finance Industry in the Midst of Decisive Changes
According to Second Edition of Eurofinas and Roland Berger Joint Survey on 'Future
of European Consumer Finance'**

Brussels, Milan, Munich, 5 May 2019 - Top executives of the consumer finance industry in Europe expect their industry to continue to grow in the coming years but foresee financial margins remaining under pressure. They also see digital transformation topics such as big data, digital contracts and new identification technologies as major challenges to their business models, while anticipating further market consolidation. These are some of the main findings highlighted by consultancy Roland Berger and Eurofinas, the voice of consumer credit providers at European level, in the second edition of their joint survey on the "Future of European Consumer Finance".

Executives from 92 companies in 13 European countries, spanning various business models from bank subsidiaries to niche players, were surveyed on the market outlook, the threats and opportunities they face, and their views on likely key success factors. Questions were based on an outlook on 2021 and comparing this to 2018 figures.

Eurofinas' Chairman, António Menezes Rodrigues said, "I am delighted with the release of the survey on the "Future of European Consumer Finance". This second joint initiative with Roland Berger is another Eurofinas' substantial piece of forward looking industry research providing the views and expectations of many leading executives in the European consumer finance arena. As an industry, it is critical we assess how we adapt to the changing market as a result of social economic factors, regulatory pressures, and the emergence of new digital trends." Anne Valette, Eurofinas' Director General, added, "With this survey, Eurofinas is pleased to leverage its successful partnership with its associate member Roland Berger and produce high-quality European level research to the benefit of its members and key stakeholders."

"Players in the European consumer finance are facing complex challenges as consumption habits change, customer expectations are increasingly demanding and competition from new players intensifies, requiring fast transformation of the operating model. The study shows that while the direction of change towards digitization is common, multiple strategic and distribution models will continue to co-exist. Quality of execution rather than choice of model will distinguish winners from losers." added Edoardo Demarchi, Partner at Roland Berger.

Survey results clearly highlight the fact that the European consumer finance industry is facing decisive changes, with main trends identified as follows:

Market expected to grow while margins are under pressure – 95% of respondents believe that the consumer credit market (car and motor loans, personal loans, revolving credit, other purpose loans) will grow in volumes by as much as 5%, whereas financial margins are expected to decline or at best remain stable. Almost 70% of respondents believe that national markets will continue to consolidate in the coming years.

Digitization and regulation remain at the heart of concerns – The survey also shows that more than 80% of European respondents hold the opinion that digital transformation is regarded as the most important technological trend for the coming years, with implications in

areas such as big data, digital contracts and new identification technologies. Overall, respondents have mixed views about the impact of regulation on their business. While PSD2 is seen as an opportunity to act as an account aggregator (AISP) and payment initiation service provider (PISP), GDPR creates restrictions for data collection and processing. "Thanks to their agility, consumer finance specialists are moving rapidly to adapt to regulatory opportunities (e.g. PSD2) and technology (e.g. open banking)." commented Axel Böhlke, Partner at Roland Berger and co-author of the study.

Customer journeys anticipated to be a mix of remote and physical touchpoints – The survey shows that 74% of participants expect that by 2021 a majority of customer journeys will be hybrid, where most B2C contracts are finalized remotely but a part will be closed in a physical outlet. "Digitization of customer journeys is of paramount importance and it will shape the near future of distribution. The development of omnichannel customer management capabilities will remain a key success factor for all players in the consumer finance landscape."

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NOTES FOR THE EDITORS

How to Obtain the Report

The public version of the survey report "Future of European Consumer Finance", can be found at www.eurofinas.org or at www.rolandberger.com

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About Eurofinas

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 that represent finance houses, universal banks, specialised banks and captive finance companies of car, equipment, etc. manufacturers. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. Eurofinas members financed over 450 billion euro worth of new loans during 2017. More information: www.eurofinas.org

About Roland Berger

Roland Berger, founded in 1967, is the only leading global consultancy of German heritage and European origin. With 2,400 employees working from 34 countries, we have successful operations in all major international markets. Our 50 offices are located in the key global business hubs. The consultancy is an independent partnership owned exclusively by 230 Partners. More at www.rolandberger.com