

CONSUMER CREDIT INDEX 2020

Forecast for Private Borrowing in Germany

Ipsos GmbH
on behalf of Bankenfachverband e.V.



GAME CHANGERS



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CCI 2020



The Consumer Credit Index of the Bankenfachverband

NOTE: The survey on the current CCI was conducted from mid-January to mid-February 2020. Due to the current spread of the coronavirus and the associated uncertainty among consumers regarding the duration, severity and economic consequences of the pandemic, this forecast should therefore be seen as a snapshot of the beginning of the year.

The Consumer Credit Index of the Bankenfachverband



Trend 2020



The Consumer Credit Index for 2020 shows a rising trend with 135 points.

In total, consumers will take out more loans to finance purchases over the next 12 months as over the last 12 months.*

The use of credit for furniture and kitchens, household appliances, consumer electronics as well as other purchases will rise. The demand for credit to buy cars will remain at a level similar to that of the last 12 months.

*** Note: The CCI survey was conducted from mid-January to mid-February 2020, i.e. before the corona crisis broadened. The results should therefore be seen as a snapshot.**

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The Consumer Credit Index of the Bankenfachverband



About the study

 METHOD	Survey, supporting study: GfK Household Panel (written survey, in parts online)
 SURVEY PERIOD	23 January to 17 February 2020
 TARGET GROUP	A representative selection of people between the ages of 18 and 69, chosen according to age, profession, the size of city where they live, and federal state
 SAMPLE	n=1.914 interviews; results were weighted according to age, profession, income, child status and size of location
 FREQUENCY OF THE STUDY	Twice a year (spring and autumn)
 SURVEYED AREA	Federal Republic of Germany

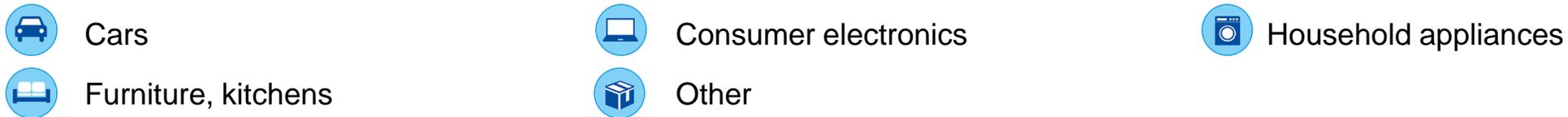
The Consumer Credit Index of the Bankenfachverband



Overview

The consumer credit index measures the willingness of private individuals in Germany to make purchases in the next 12 months and to finance these using credit.

The following purchase categories are used to calculate the consumer credit index (Total 🌐) :



Description and interpretation of the consumer credit index :



- Values **below 75** indicate a **decline** in the use of credit
- Values **between 75 and 125** indicate a **stable** use of credit
- Values **above 125** indicate a **rise** in the use of credit

CCI 2020



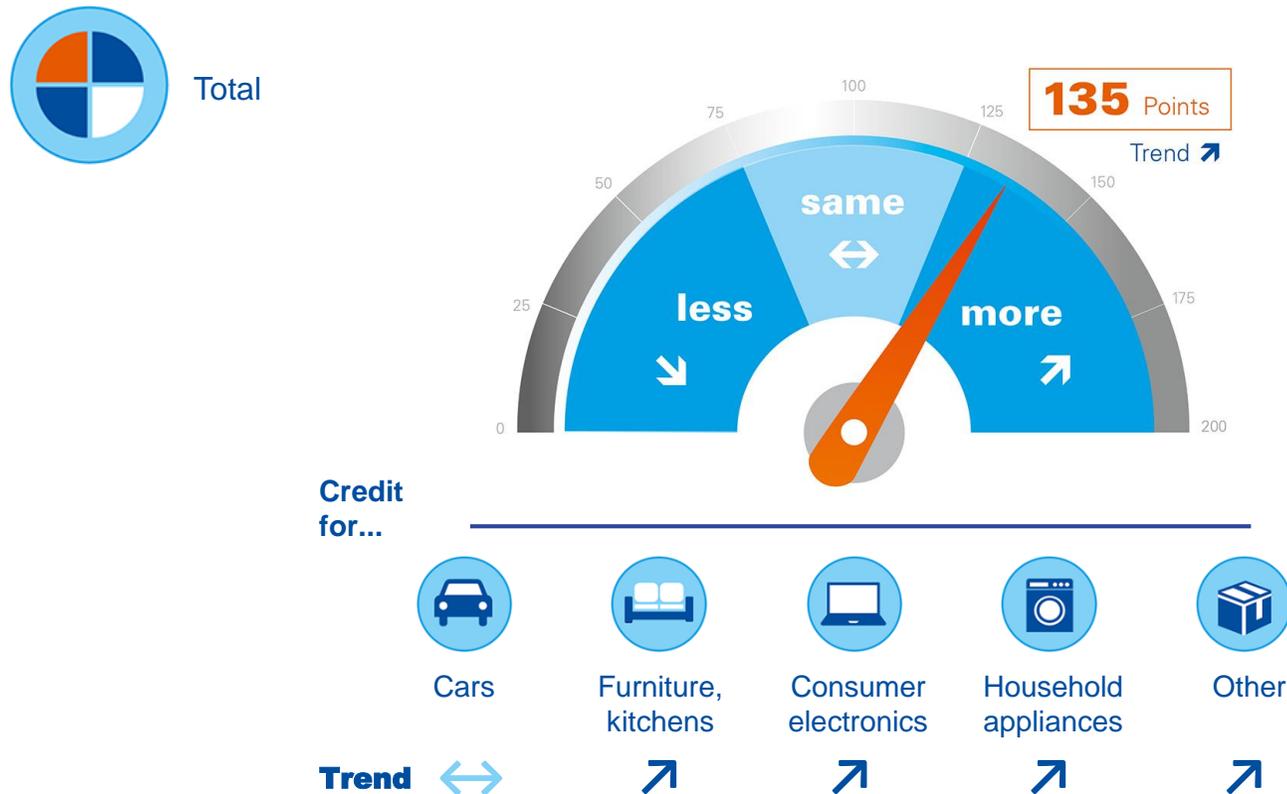
Detailed outlook for the use of consumer credit in Germany in 2020



Consumers will use more loans for consumption purposes in 2020 than in the previous year.



Consumer Credit Index 2020



The Consumer Credit Index for 2020 shows a rising trend with **135 points**.

In total, consumers will take out more loans to finance purchases over the next 12 months as over the last 12 months.

The use of credit for furniture and kitchens, consumer electronics, household appliances as well as other purchases will rise significantly.

Basis: 1.914 respondents

Stable purchase planning and an increasing financing planning will lead to a higher use of loans in 2020.



Consumer Credit Index – Total – Trend 2020



The Consumer Credit Index for 2020 is rising with a value of **135 points**.

This trend is supported by a stable purchase planning and a rising willingness to take out loans.

Annual comparison	2020*	2019
Consumer Credit Index	135	135
Purchase planning	94	95
Financing planning	143	141



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

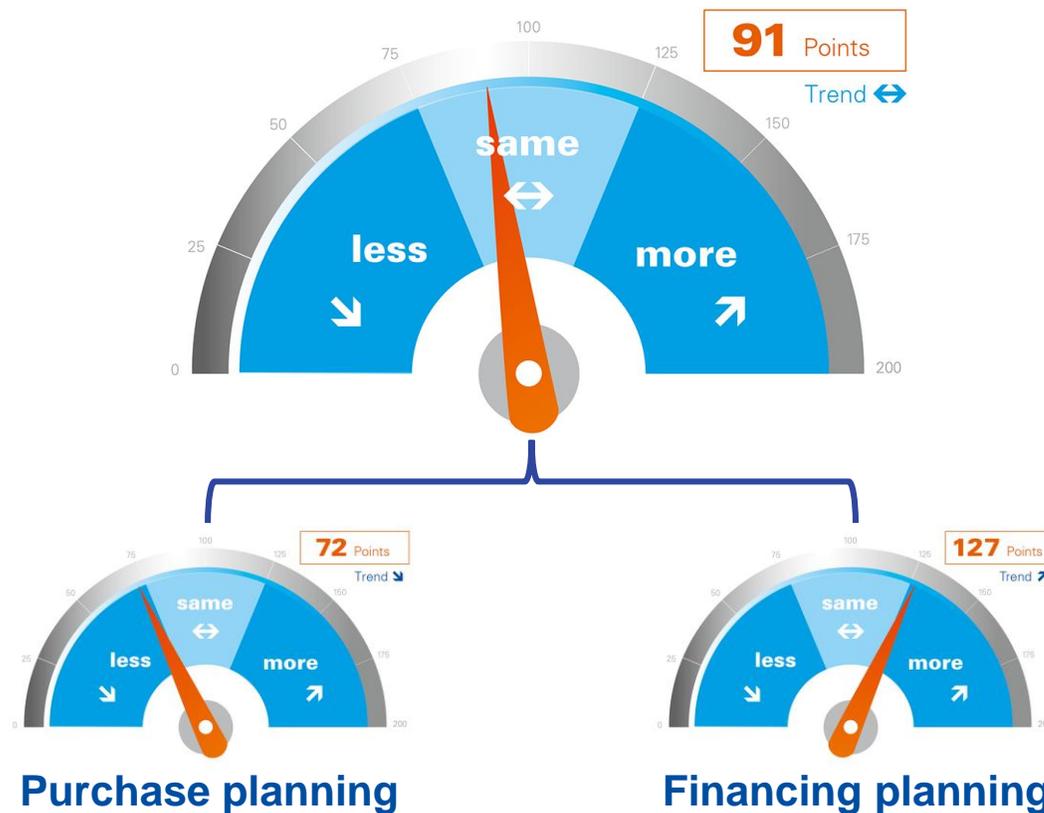
*New method of calculation in 2019/2020

Basis: 1.914 respondents

In 2020 the use of loans for cars will remain constant.



Credit Index for cars – Trend 2020



The credit index for cars is stable at a value of **91 points**.

This trend is composed of a slightly decreasing purchase planning and a slightly increasing financing planning.

Annual comparison	2020*	2019
Consumer Credit Index for cars	91	80
Purchase planning	72	67
Financing planning	127	119



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

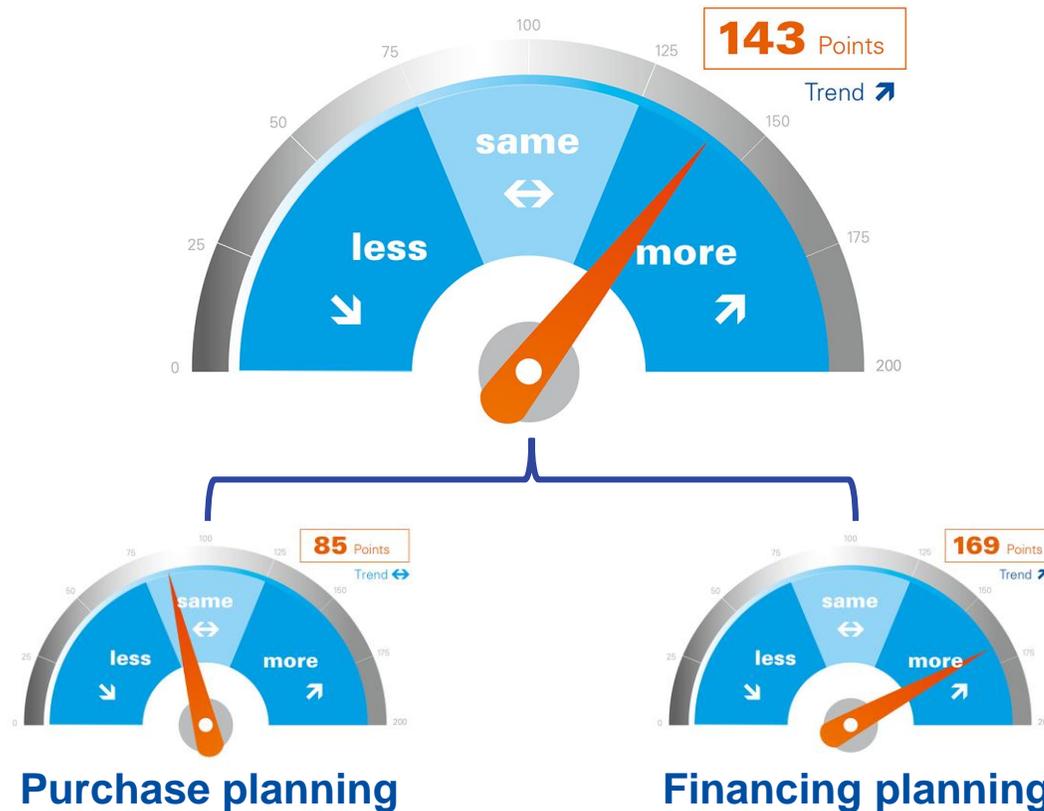
*New method of calculation in 2019/2020

Basis: 1.914 respondents

A rising financing planning is leading to an increase in the use of loans for furniture and kitchens.



Credit Index for furniture and kitchens – Trend 2020



The credit index for furniture and kitchens is strongly rising with a value of **143 points**.

This trend is supported by a strong rise in the willingness to use credit in this segment, which will offset the stable purchase planning.

Annual comparison	2020*	2019
Consumer Credit Index for furniture and kitchens	143	154
Purchase planning	85	85
Financing planning	169	181



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

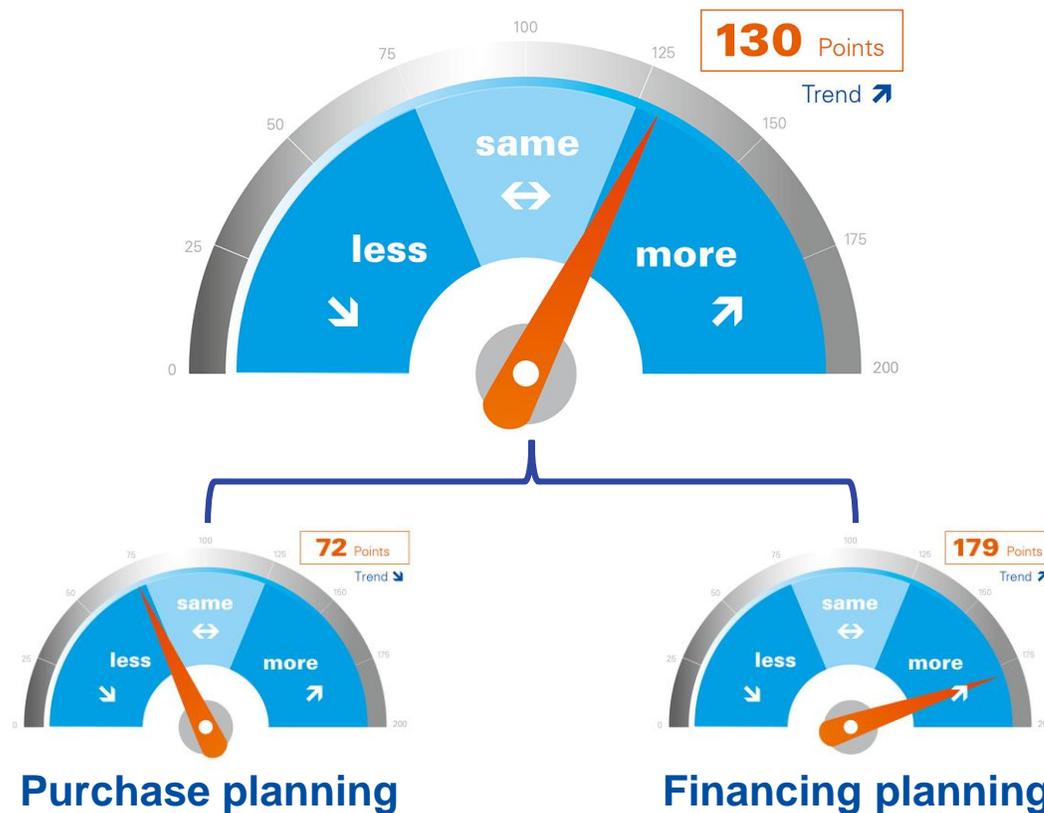
*New method of calculation in 2019/2020

Basis: 1.914 respondents

The use of loans for consumer electronics is increasing due to a strongly increased willingness to finance.



Credit Index for consumer electronics – Trend 2020



The credit index for consumer electronics is rising with a value of **130 points**.

This trend is composed of a slightly decreasing purchase planning and a significantly increasing financing planning in this segment.

Annual comparison	2020*	2019
Consumer Credit Index for consumer electronics	130	147
Purchase planning	72	74
Financing planning	179	199



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

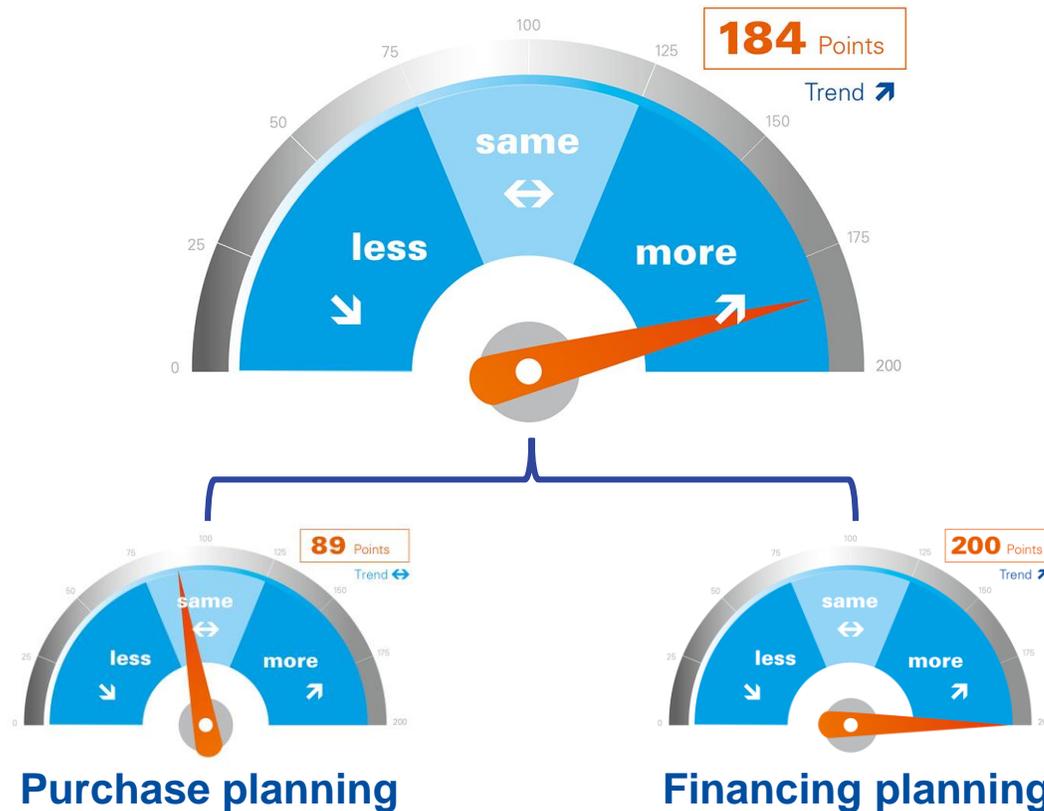
*New method of calculation in 2019/2020

Basis: 1.914 respondents

Consumers will take out significantly more loans for large household appliances in 2020 than in 2019.



Credit Index for household appliances – Trend 2020



The credit index for household appliances is strongly rising with a value of **184 points**.

This trend is supported by a stable purchase planning in connection with a strongly increasing willingness to use financing in this segment.

Annual comparison	2020*	2019
Consumer Credit Index for household appliances	184 !	87
Purchase planning	89	99
Financing planning	200 !	88



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

*New method of calculation in 2019/2020

Basis: 1.914 respondents

The strong rise in the willingness to use loan leads to a robust increase in the usage of loans for other purchases in 2020.



Credit Index for **other** – Trend 2020



The credit index for other purchases is strongly rising with a value of **188 points**.

This trend is supported by a stable purchase planning and a significantly increasing financing planning in this segment.

Annual comparison	2020*	2019
Credit Index for other	188	200
Purchase planning	107	104
Financing planning	175	200



If both fractional values are positive or negative, this results in a greater change in the Consumer Credit Index.

*New method of calculation in 2019/2020

Basis: 1.914 respondents

CCI 2020

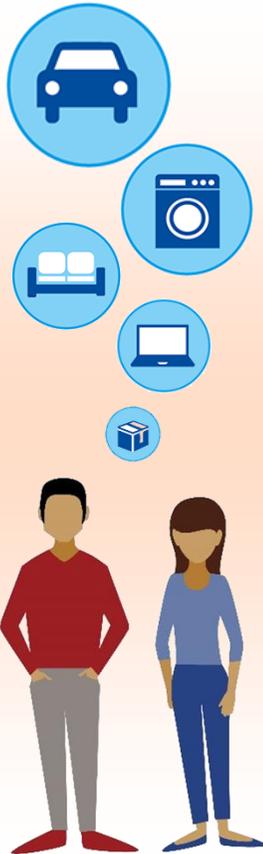


Methodology





Basis of calculation



The Consumer Credit Index is based on the results of several studies:

1. Assessment of future purchases and financing 2019
2. Forecast for private borrowing in Germany 2019/2020
3. Forecast for private borrowing in Germany 2020 (current survey)

Hence, the Consumer Credit Index is based not only on current actual and planned values, but also on past actual and planned values.

The consumer credit index takes the following categories into account:

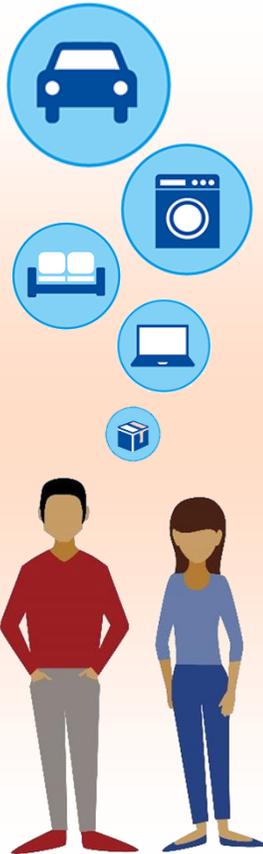
Specifically, the following parameters from the respective surveys were taken into consideration for the subsequent calculation:

1. Purchases made and planned in advance in the past 12 months
2. Credit financing used for purchases made and planned in advance in the last 12 months
3. Planned purchases in the next 12 months
4. Credit financing planned in the next 12 months

Consumer Credit Index



Basis of calculation



The consumer credit index shows what changes should be expected regarding financing in each individual category.

It consists of a combination of two values:

- **Purchase planning**
(the intention to make purchases)
- **Financing planning**
(the intention to finance intended purchases using credit)

Interpretation of the index value:



- Values **below 75** indicate a **decline** in the use of credit
- Values between **75 and 125** indicate a **stable** use of credit
- Values **above 125** indicate a **rise** in the use of credit

ABOUT IPSOS

Ipsos ranks third in the global research industry. With a strong presence in 87 countries, Ipsos employs more than 16,000 people and has the ability to conduct research programs in more than 100 countries. Founded in France in 1975, Ipsos is controlled and managed by research professionals. They have built a solid Group around a multi-specialist positioning – Media and advertising research; Marketing research; Client and employee relationship management; Opinion & social research; Mobile, Online, Offline data collection and delivery.

In Germany Ipsos is present with approximately 750 employees at six locations: Hamburg, Frankfurt, Munich, Nuremberg, Berlin and Moelln.

Ipsos is listed on Eurolist - NYSE-Euronext. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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Ipsos purchased GfK Financial Market Panel

Since 2008 the Bankenverband conducts studies on consumer and vehicle financing in Germany together with GfK.

For strategic reasons GfK withdrew from four custom research business units in October 2018.

The four units Experience Innovation, Customer Experience, Health and Public Affairs including 1.000 employees in 25 countries have been transferred to Ipsos.

Part of these units was the GfK Financial Market Panel including the responsible team which is also conducting and analyzing the Consumer Credit Index (CCI).

The CCI survey will still be conducted within the GfK Household Panel using identical methodology in order to guarantee a stable data base and, thereby, greatest comparability.



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