

ALB a X-a Conferinta

Bucharest November 20th



ALB & Consumer Credit History



(2008)



(2006)

ERB Retail Services

(2009)



Consumer Credit Council
(2009)



(2009)



(2009)



ALB – Consumer Credit : Priorities

1/ Create a climate of confidence in consumer finance industry :

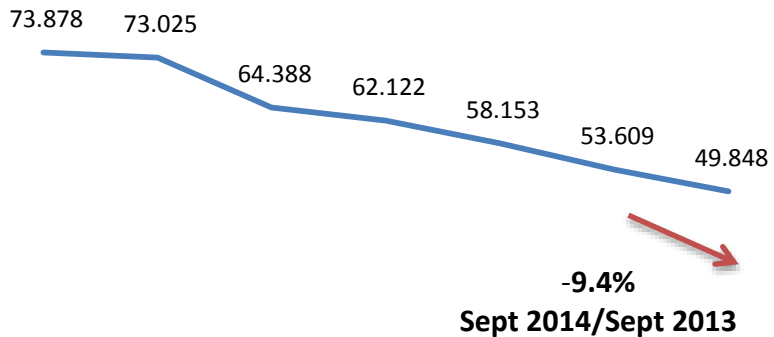
- first Code of best practice in consumer credit assumed in Romania
- transparency of statistics by periodical press releases and press conferences and summer school for journalists,
- cooperation with authorities through protocols of cooperation with Competition Council and ANPC,
- trainings on Anti Money Laundering with ONPC SMB

2/ Be an active stakeholder on regulatory issues. Key achievements

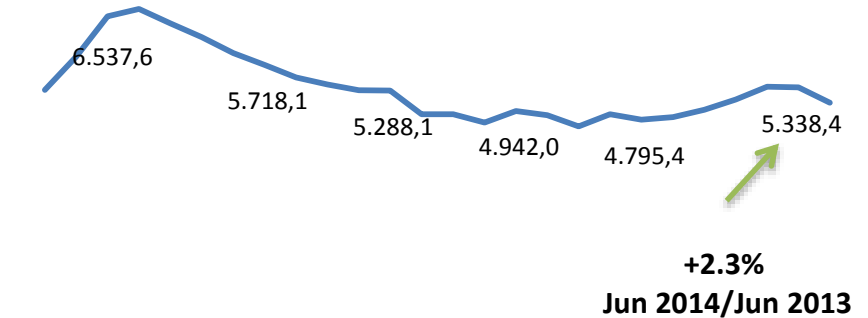
- Transposition of CC Directive,
- Prudential regulation issued from NBR : payment institutions legislation simplified and harmonized with Law 93 (IFN Law)
- Tax matters : recognition of IFN credit as banking credit from fiscal point of view (deductibility of provisions and interest),
- Coordination at EU level through Eurofinas membership

2009-2013: adjustment after crisis

Total consumer finance O/S (RON+FX in MRON)



IFN Consumer finance O/S (RON+FX, MRON)



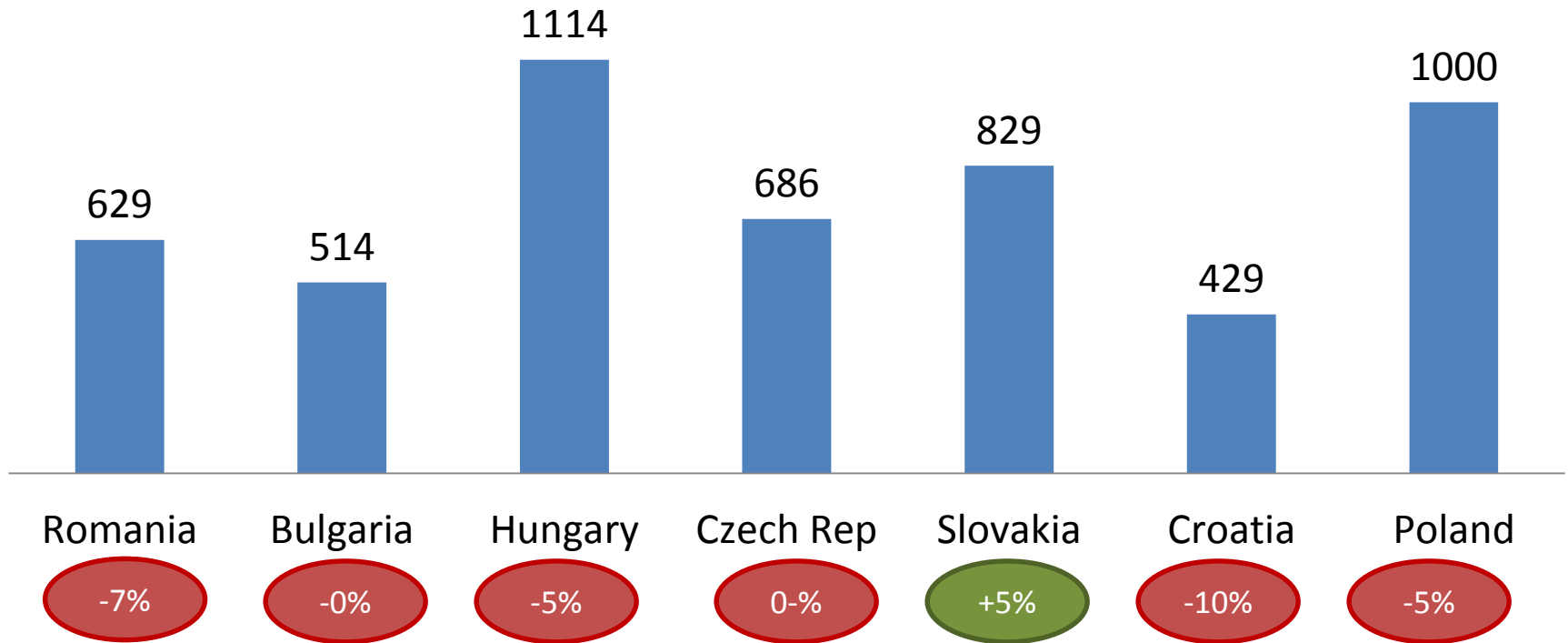
2008 2009 2010 2011 2012 2013 2014 09

mar.. 2008 mar.. 2009 mar.. 2010 mar.. 2011 mar.. 2012 mar.. 2013 mar.. 2014

Source: NBR, O/S consumer credit granted to households

Deleveraging continued in 2013 (almost) everywhere In EU

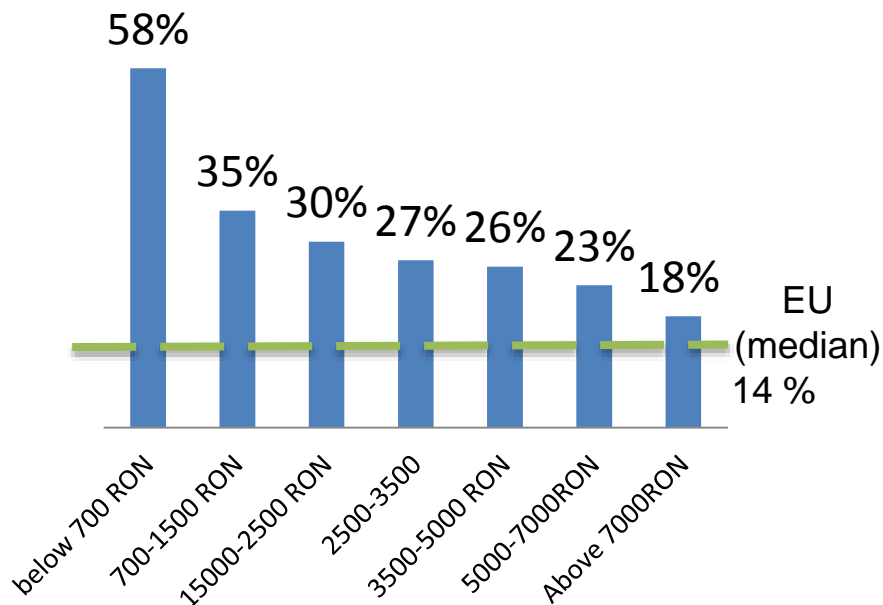
Consumer Credit Outstanding per Capita (EUR)



Source : Central Banks reports

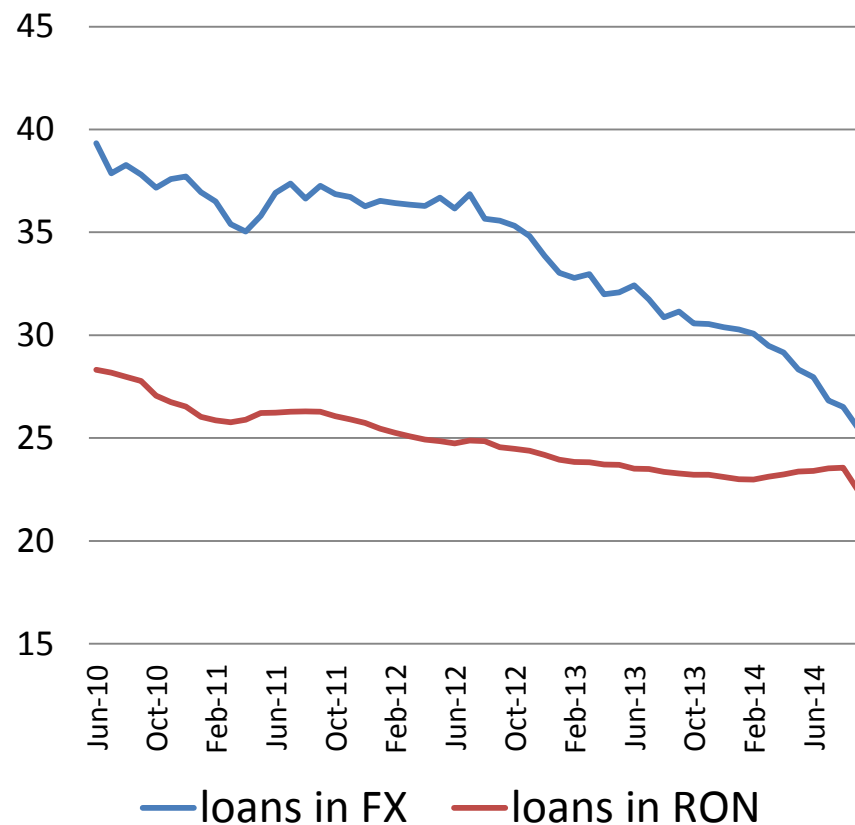
Household vulnerability remains but FX risk has significantly decreased

Indebtedness level per income level (median)



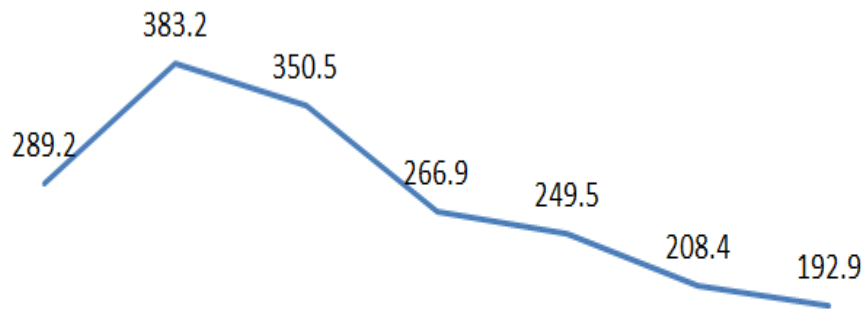
Source : NBR, Financial Stability report 2014 june

Consumer Loan O/S (BnRON)

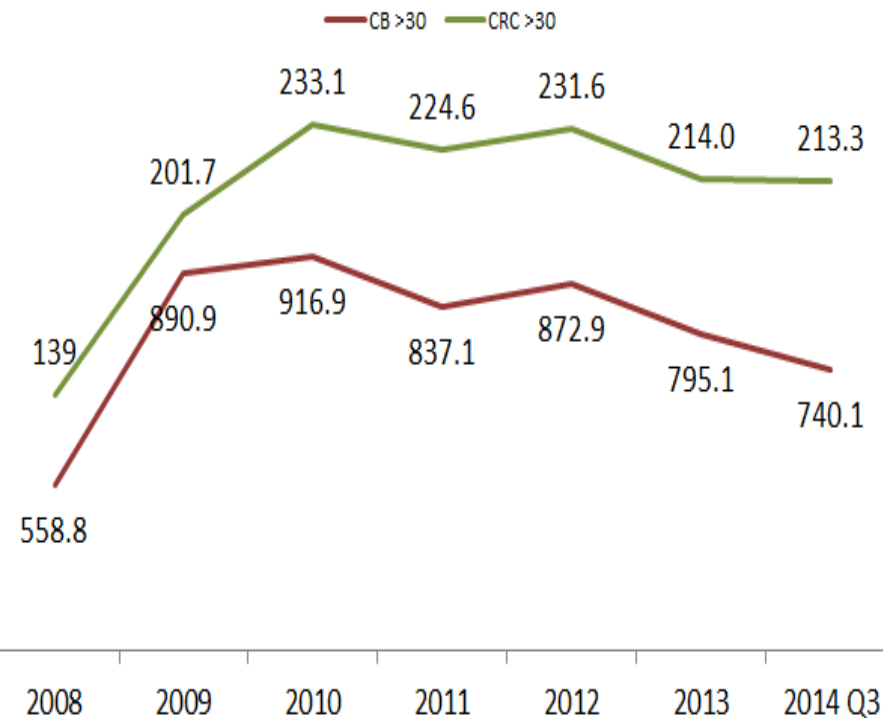


Risk is improving, balance sheet cleaning ongoing

Number of credits in delay btw 30d and 180d (thousands)



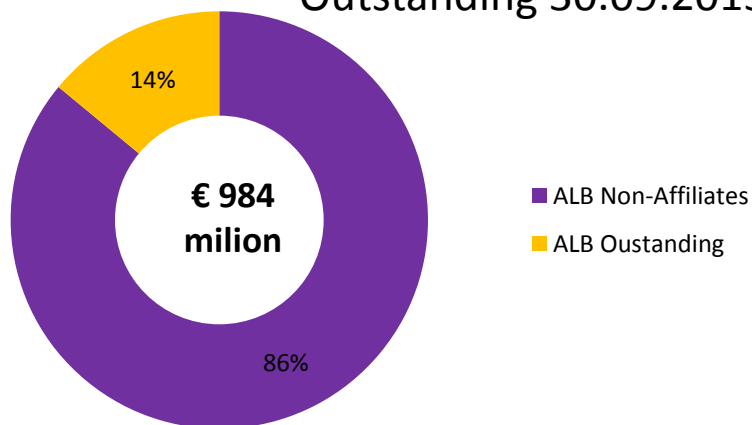
Number of credits in delay above 30d (thousands)



Source : Credit Bureau, CRC statistics

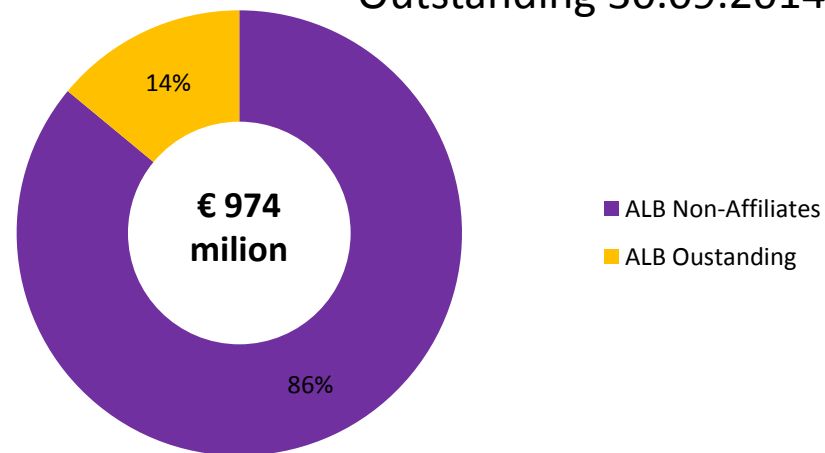
Romanian NBFIs Consumer Credit Market Sept 2013 vs Sept 2014

Outstanding 30.09.2013



Source: ALB ROMANIA

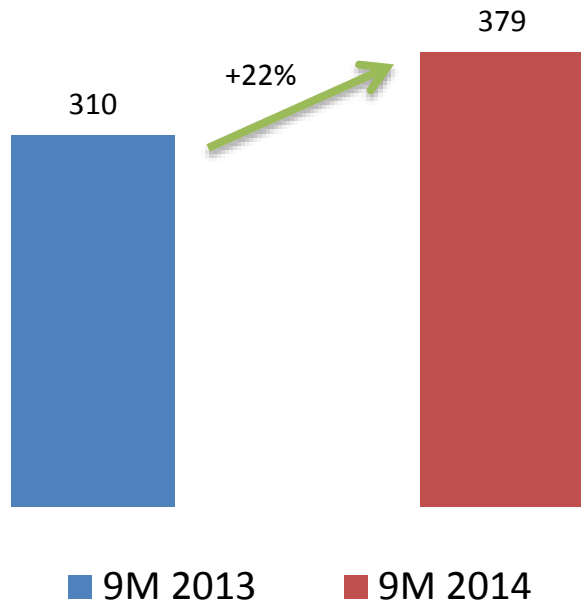
Outstanding 30.09.2014



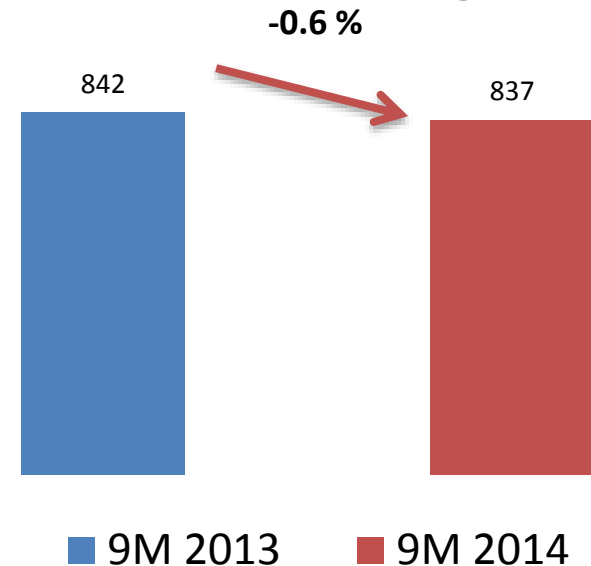
Source: ALB ROMANIA

2014 - : a new cycle for ALB – consumer credit ?

ALB CC Production (M €)

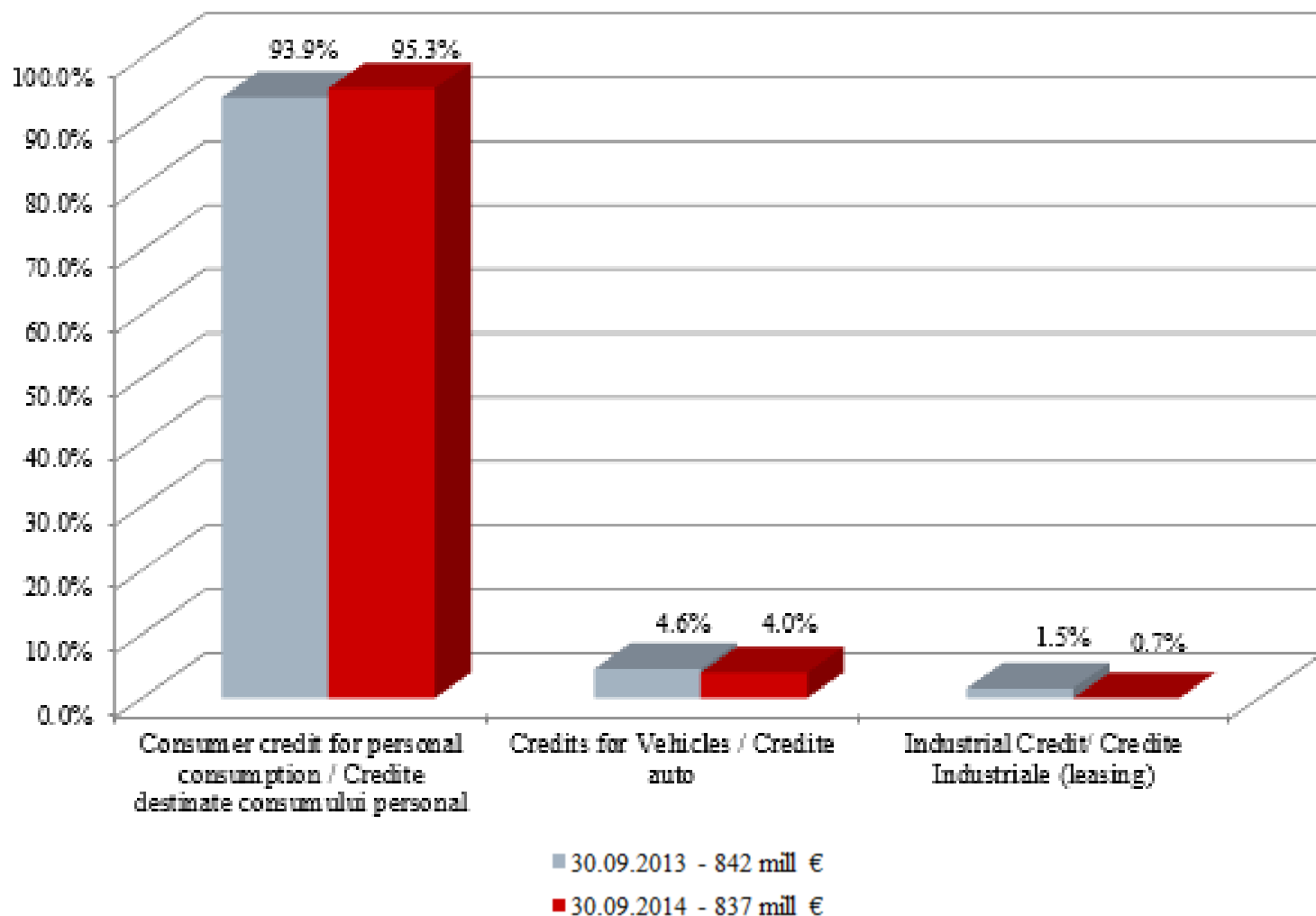


ALB CC Outstanding (M €)

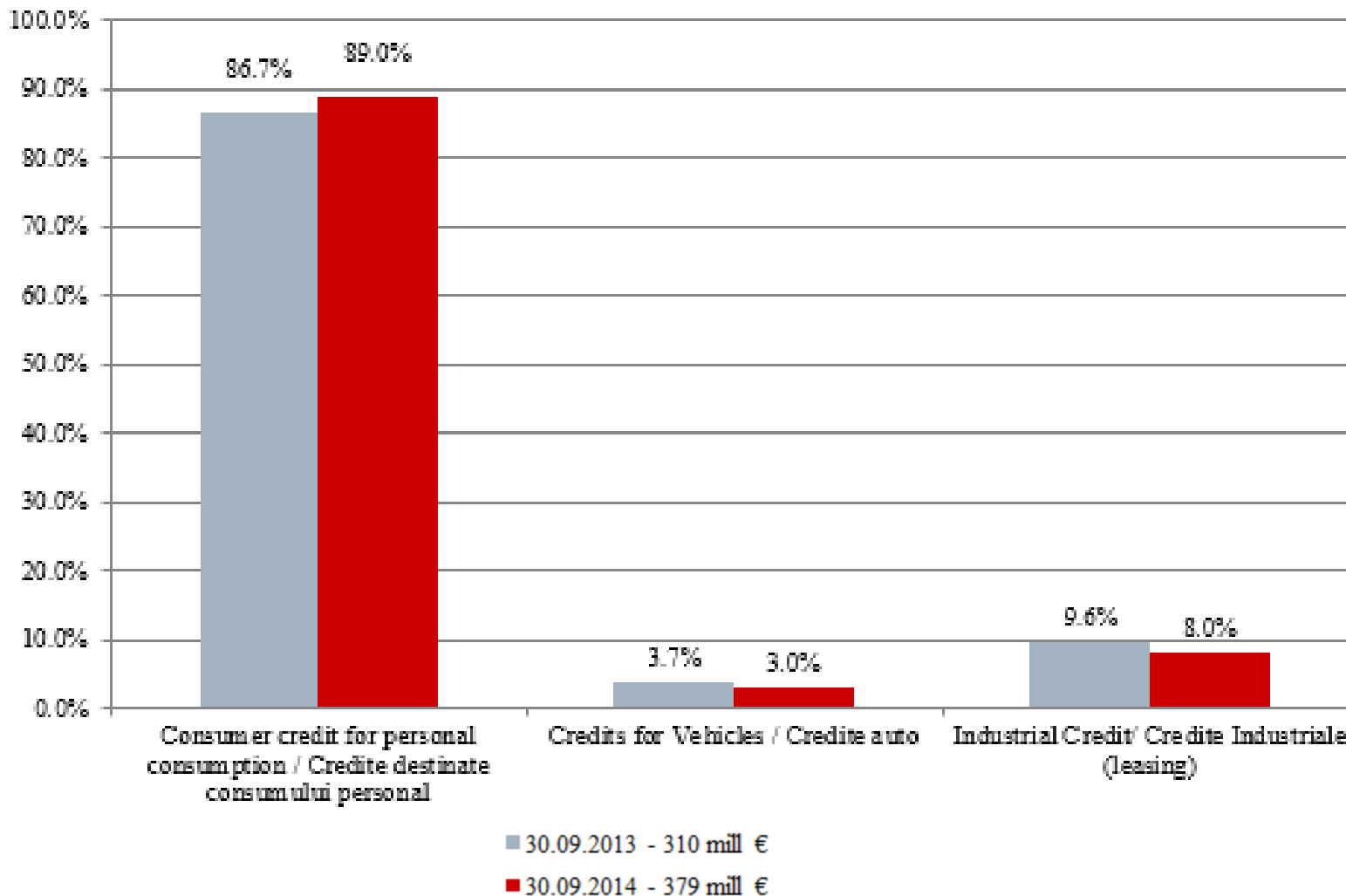


Source : ALB

ALB Outstanding by Loan Type



ALB New Credit Granted by Loan Type



Key Issues for the coming period

- Household Deleveraging is not over but imbalances are reducing
- Improvement in risk, jointly with progressive portfolio cleaning
- At ALB level, outlook is better than the overall consumer finance industry driven by real economy development: retail sales +8% yoy, car sales +32% yoy.
- Priority for ALB remain: (i) to foster customer confidence leveraging on transparency and (ii) maintain level playing field for prudential & consumer protection regulations and (iii) be an active contributor to legal related topics, including unfair terms framework.