

**30 November 2017**

**Speech on the 60th Anniversary of the National Association of Specialised Lending Institutions (ASNEF)**

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Governor

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Good evening everyone.

It is a pleasure for me to take part in this celebration of the 60th anniversary of the National Association of Specialised Lending Institutions. As your president, Fernando Casero, has just mentioned, throughout its history your Association has played a very important role in promoting and enhancing consumer lending, which is a key factor in driving economic growth.

Indeed, consumer lending has a series of characteristics that make it especially relevant both for the financial system and economic activity.

On the one hand, it is highly cyclical and is, therefore, a leading indicator of confidence among both consumers and financial institutions. On the other, it generally leads the way in terms of adaptation to innovation. As is well known, in the past consumer lending played an important part in the expansion of credit cards, and more recently it has been at the forefront of the incorporation of new technologies.

In the expansionary phase that began after 2000, consumer lending grew rapidly in Spain, reaching a balance outstanding of €106 billion in mid-2008. The financial crisis reduced these figures, down to almost half that amount by early 2015. Since then, in keeping with the economic recovery, consumer lending has been very dynamic.

Spain stands out as the euro area country where consumer lending has grown most in recent years, with year-on-year growth rates since April 2016 of between 10% and 16%, well above the euro area average of 5%. This growth is making an important contribution to economic recovery in Spain.

In September, the balance outstanding of consumer lending was €76 billion, 6.7% of GDP.

In addition, this growth in consumer lending is being achieved in a more competitive environment, with lower interest rates, accommodative conditions and narrowing margins on average loans. Moreover, default rates are below the average for lending as a whole in Spain.

Another feature of this expansion is its adaptation to the new environment resulting from the entry into the financial system of firms that make intensive use of new technologies, with a particular impact on the financial sector. Your Association has attached particular importance to analysis of the challenges that these firms pose, through seminars, the work of various committees and the preparation, last year, of a comprehensive report on consumer lending and the digital society, initiatives that the Banco de España naturally applauds.

Financial institutions must take up the challenge of responding to the new digital reality, with e-commerce (which is growing at rates of over 20% and amounted, in 2016, to €24 billion) now being used by more than one-third of consumers for their purchases.

Clearly, these new firms with their strong technological capabilities pose a challenge and also an opportunity for established firms. The new technologies are making lending more efficient, for example by enhancing the way in which information on consumer behaviour

and requirements is managed, facilitating new data management processes, or by applying automation processes to loan origination, thus speeding up its management.

As these new firms make their entry, a new map will be drawn for this financial sector. The most recent trends highlight the importance of collaboration and strategic agreements between new and established firms, to harness the competitive advantages of each: the new technologies of the new firms and the sector experience and knowledge of the established ones.

And here I conclude. It is now time for a toast to celebrate your 60th anniversary, in the hope that the National Association of Specialised Lending Institutions will continue its fruitful work for many years to come.

I now pass the floor back to your president, who has the pleasurable task of proposing the toast.