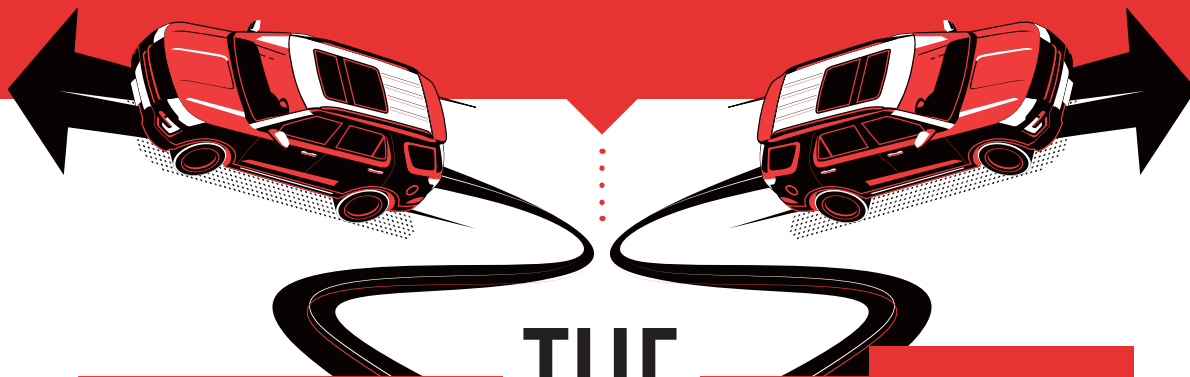


MOTOR



THE BIGGER PICTURE



BNP PARIBAS
PERSONAL FINANCE





WELCOME TO MOTOR THE BIGGER PICTURE

Every couple of months, we will focus on a relevant topic for the Motor sector, see what insights we can gain drawing on our annual **BNP Paribas Personal Finance Motor Report** and look at our own interpretation of what's currently happening.

You can access the full 2022 report [here](#).

COVID THE MARKET IMPACT

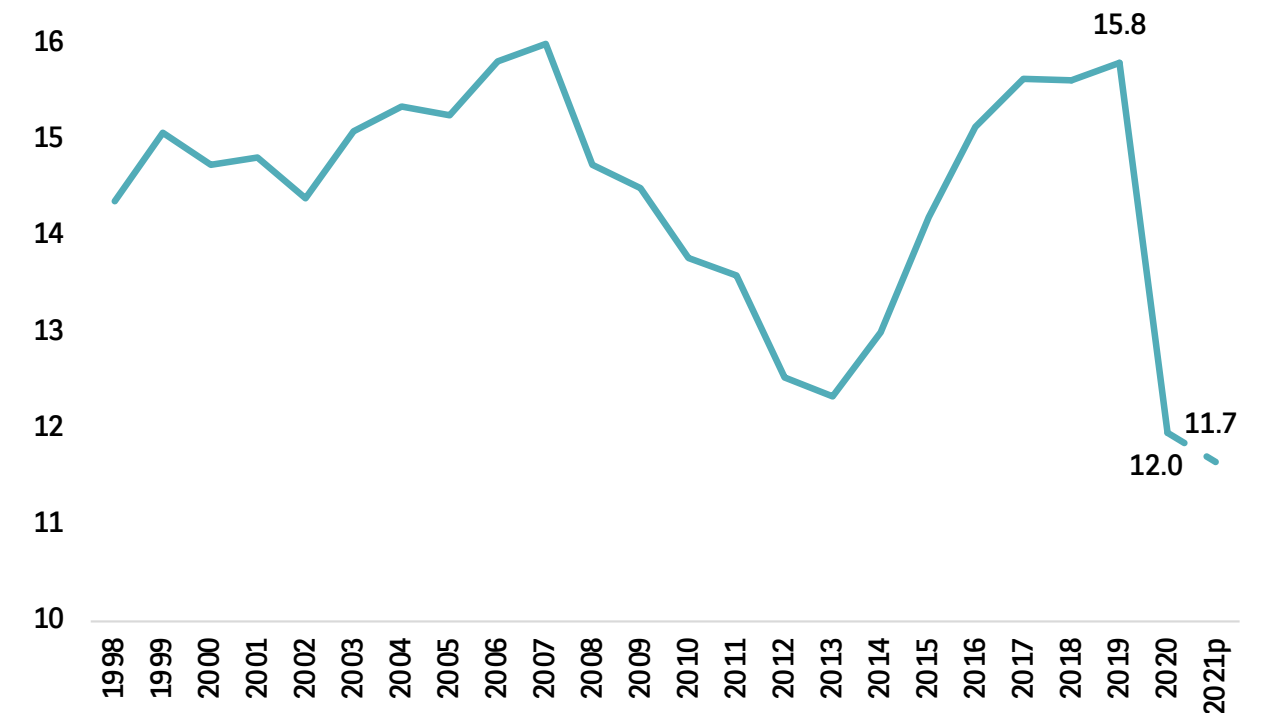
The COVID health crisis has had wide ranging implications across industries. For the motor sector, it has resulted in supply chain issues, impacting stock availability, which inevitably impacts dealerships and the end consumer. These issues can influence consumer confidence and may damage brand reputation.



In Europe, the passenger vehicle market reached unprecedented lows in 2020 and 2021



Sales of passenger vehicles (PV) in Europe* (millions)

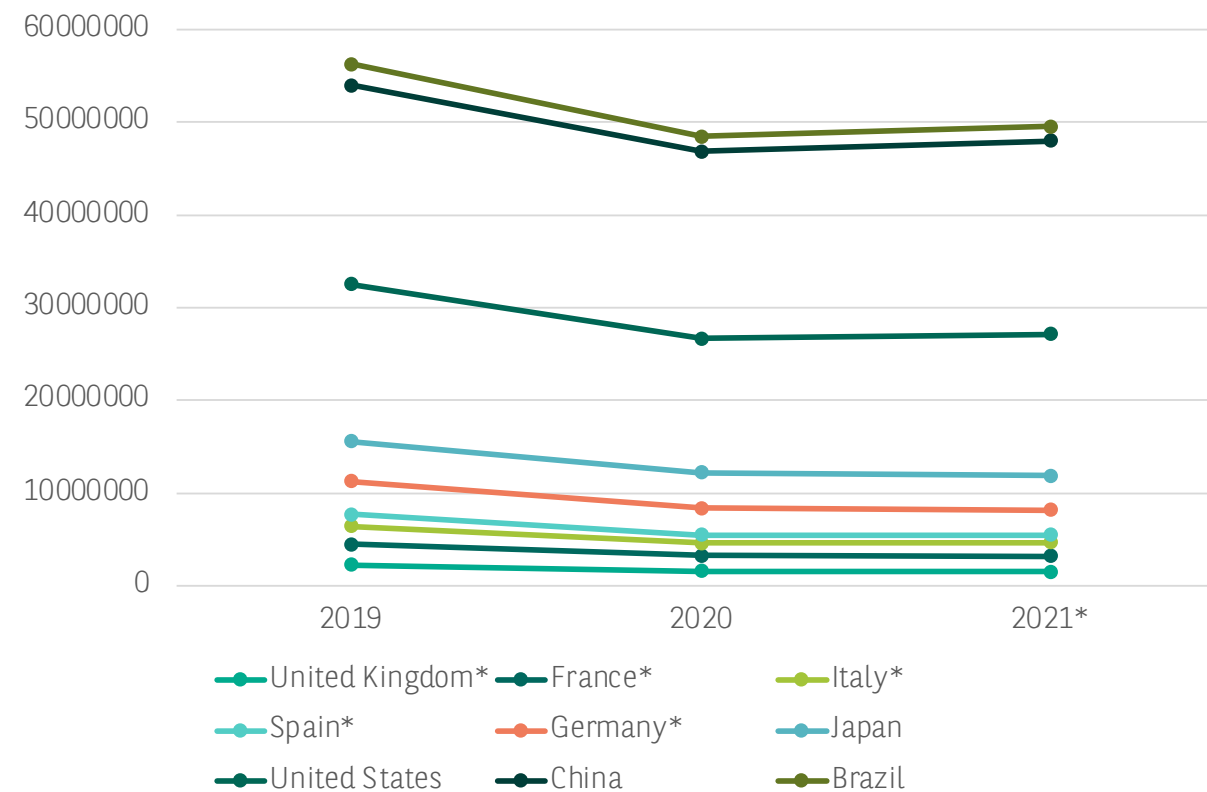


* European Union + UK + EFTA

Source: C-Ways, based on ACEA data

After crashing in 2020, the automotive markets failed to recover in 2021

Global sales passenger vehicles (PV)



* European Union + UK + EFTA data

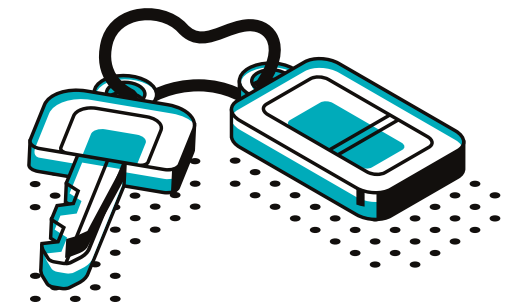
Looking at our report, we can see the initial downturn in sales in 2020, the motor sector didn't recover in 2021 and the outlook for 2022 is uncertain.

THE VIEW FROM OUR MOTOR FINANCE TEAM...

"UK used car transactions were up 11.5% in 2021 with just over 7.5m vehicles changing hands. However the overall market was still down 5.5% on the pre-pandemic 5 year average. The market has continued to grow in Q1 2022, showing a further 5.1% growth. The increasing availability and popularity in used BEV's saw sales grow 120% in Q1 2022."

However, due to COVID, working habits and time commuting have

changed for many people. Uncertainty around fuel prices has put more emphasis on environmentally friendly motor options, like hybrid and electric vehicles. This is an opportunity some consumers and manufacturers may take to move towards a more environmentally focused approach, more quickly than originally planned.



SUVS THE SUCCESS STORY

Sport Utility Vehicles ("SUVs") have significantly increased in popularity in the last 10 years. 6 out of 10 SUV owners stating they'd choose an SUV again if they were to purchase again in the next 12 months. There is definitely a trend with hybrid and electric options becoming more of a typical consideration for consumers.

THE VIEW FROM OUR MOTOR FINANCE TEAM...

"BNP Paribas Personal Finance started to finance BEVs (Battery Electric Vehicles) in 2022, and so far we have seen a growing interest in both BEV and hybrid vehicles, particularly since the increases in fuel prices."

KEY FIGURES



7/10

SUV owners use their car to go on holiday

3 values

associated with SUVs: a family vehicle, off-road capability and safety

15,251

the average number of kilometers SUVs are driven annually, compared with 13,506 km for other types of vehicle

34%

of SUV owners hesitated before buying their vehicle because they were concerned about fuel consumption

7/10

respondents believe that an electric SUV pollutes less than a combustion vehicle

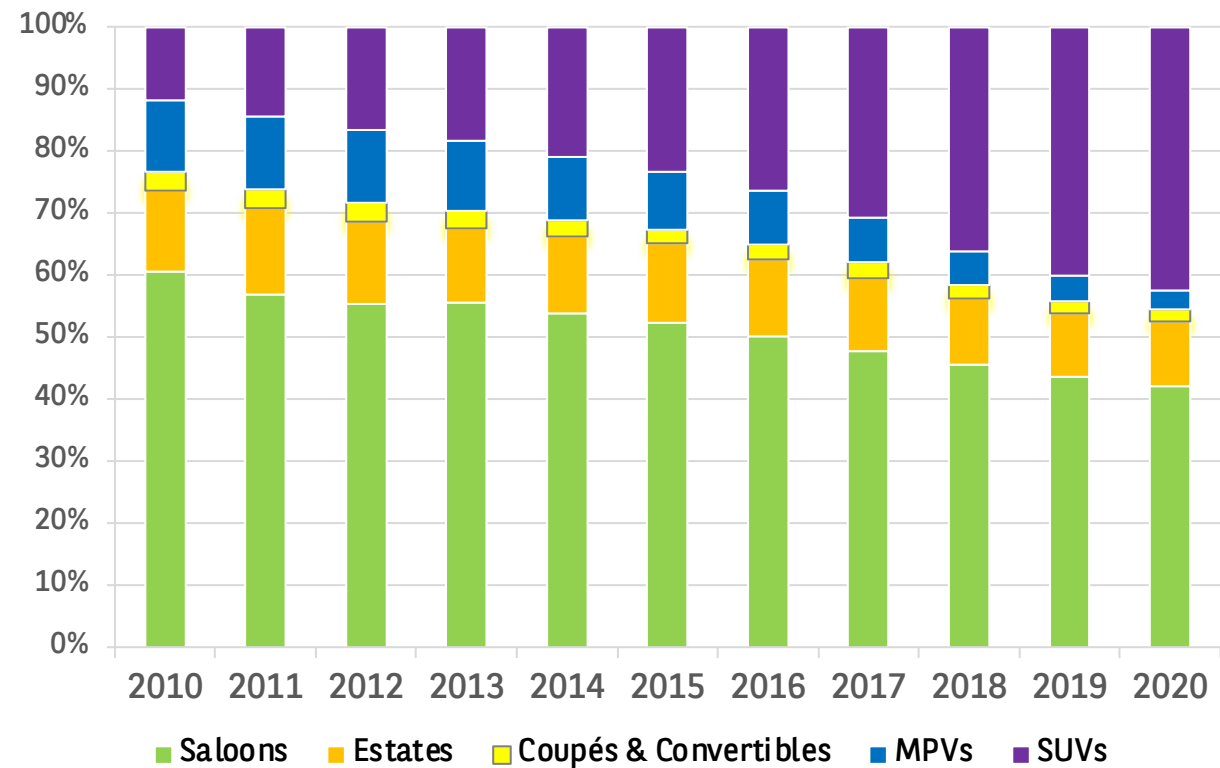
29%

of non-SUV owners are thinking of buying one within the next 12 months

In Europe, SUVs are on the rise to the detriment of MPVs and saloon cars



Market share in Europe* according to body style



* European Union + UK + EFTA data

Source: C-Ways, based on IHS data

SUVs can divide consumer opinion, and be the target of criticism for their environmental impact, size, hazard to pedestrians etc. On average across the 17 countries in the survey 50% of SUV owners and 66% of non-SUV owners felt this criticism was justified.

How consumer's perceive the environmental impact of SUVs has come into focus, as we all move towards a more sustainable lifestyle.

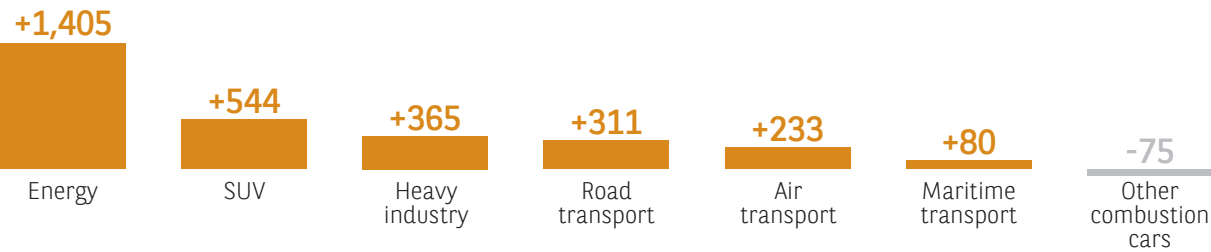
However, this perception of SUVs and their environmental impact isn't always as clear cut as it appears on the surface.



SUVs and CO2 emissions - the facts

Change in global CO² emissions by sector, 2010-2018

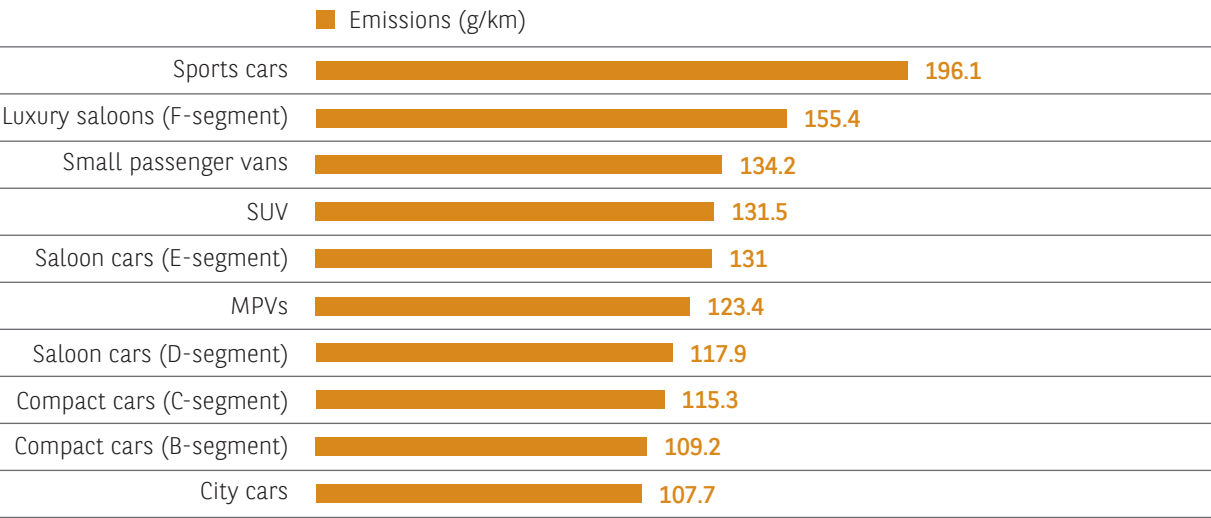
The global rise of SUVs is challenging efforts to reduce emissions - World Energy Outlook 2019



Source: IEA

CHANGE IN EMISSIONS (MT CO2)

Average CO² emissions by segment, in Europe in 2019



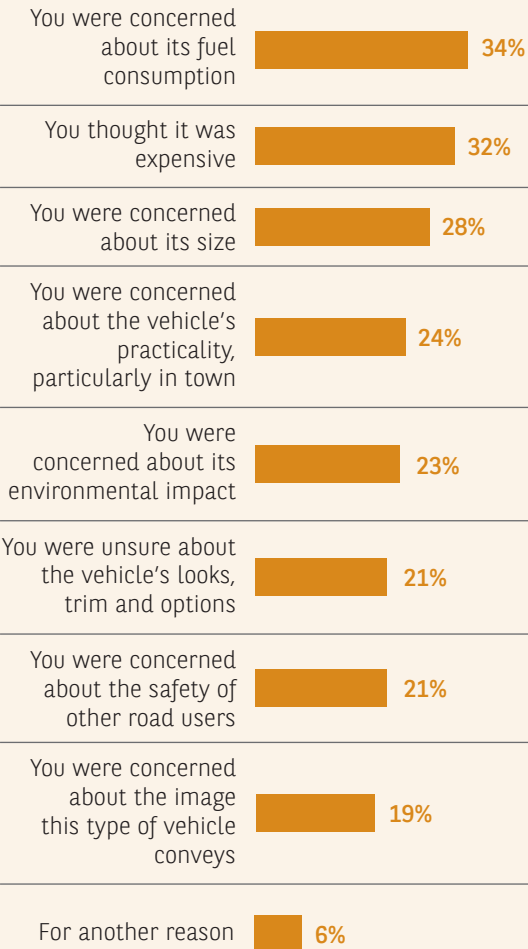
Source: JATO

The question we asked:
What factors caused you to
hesitate before choosing
between the SUV you purchased
and another type of vehicle?

Who we asked:
Vehicle owners, who stated
that they have an SUV but had
hesitated before buying the
vehicle. Up to 3 answers could
be selected.

Consumers now spend more
time researching their motor
purchase and are making
more informed decisions. In the
UK congestion charges and road
tax that lean in favour of low
emission vehicles may also
impact consumer choices.

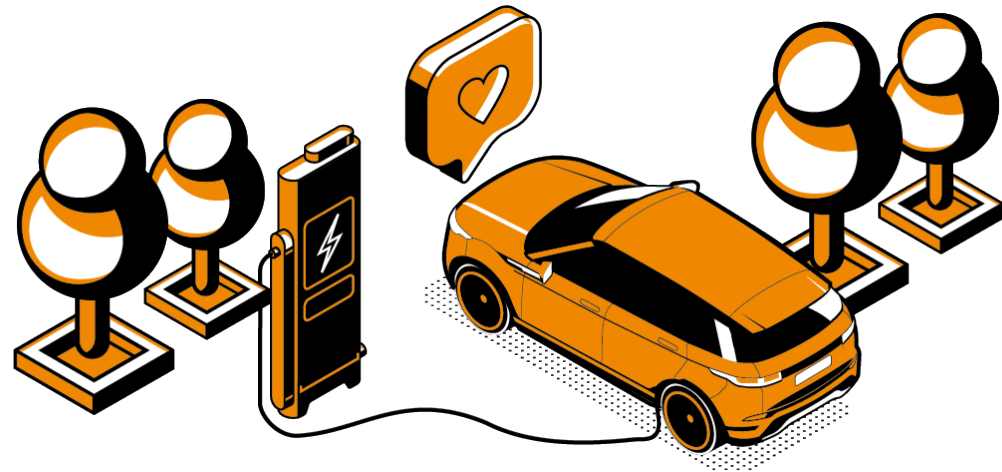
17-country average



Source: L'Observatoire Cetelem de l'Automobile 2022.

THE COUNTDOWN HAS STARTED

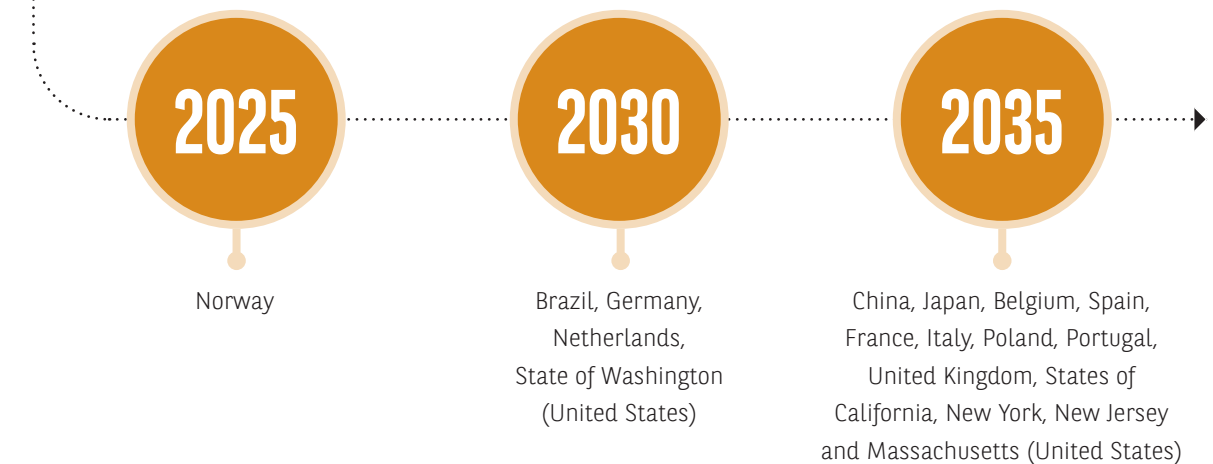
Manufacturers are listening to consumers and are looking to increase the offering of hybrid and electric cars, with more planned in the future.



FULL ELECTRIC VEHICLE LAUNCH TIMELINE



SALE OF NEW COMBUSTION ENGINE AND HYBRID VEHICLES WILL BE BANNED TIMELINE



THE FUTURE IS GREEN

As countries start to set dates banning the sale of new combustion and hybrid vehicles, it makes sound business sense to get ahead of the curve now, especially following the increased focus on what consumers and manufactures can do to reduce their carbon footprint.

We can see that the majority of consumers would choose an

electric option in the future, with 66% of SUV owners and 61% of non-SUV owners stating this in the global, annual BNP Paribas Personal Finance Motor Report.

We can also see an increased focus on improving infrastructure to support electric cars, with many petrol stations and other businesses installing charging points on their premises.



THE FUTURE IS SET TO BE GREEN!



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