

Bank of Ireland Motor Sector News

June 2020

In the month of June, new passenger car (PC) sales declined 28.2% (to 1,011 units), Light Commercial Vehicle (LCV) sales declined 24.1% (to 568 units) and used imports declined 47.1% (to 4,264 units).

PC Registrations YTD

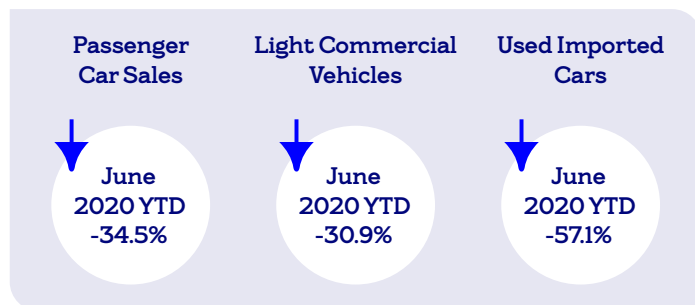
In the first 6 months, the market declined 34.5% (to 52,891 units). Toyota holds the #1 position with 12.2% market share, followed by Volkswagen with 11.8% in #2, Hyundai with 9.9% in #3, Skoda with 8.7% in #4 and Ford with 6.9% in #5.

LCV Registrations YTD

In the first 6 months, the market declined 30.9% (to 10,579 units). Ford holds the #1 position with 22.9% market share, followed by Volkswagen with 16.5% in #2, Peugeot with 10.6% in #3, Renault with 9.9% in #4 and Citroen with 9.0% in #5.

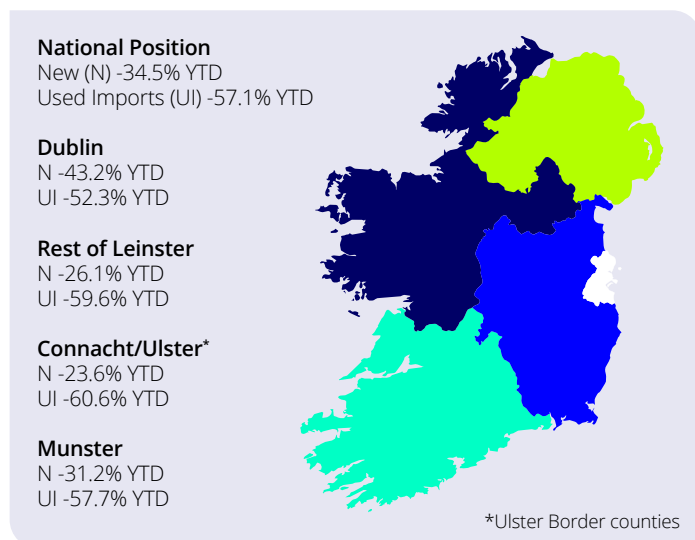
Used Imports

Registrations of used imports declined 57.1% (to 22,789 units) in the first 6 months of 2020.



Provincial Developments

June 2020 YTD



Bank of Ireland Information Classification: Green – Public

Data Source: Society of Irish Motor Industry (SIMI) Data as at 30/06/2020

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Payment deferral available on request. By deferring repayments at the start of your finance agreement borrowers will pay more interest over the term of the finance agreement than if they started to make repayments from the outset. Finance provided by Bank of Ireland trading as Bank of Ireland Finance.

COVID – The Recovery Begins

The motor sector restarted on May 18th 2020 during phase one of reopening the Irish economy. Comparing the six calendar weeks since restart (CW 21-26), combined sales of passenger cars (PC) excluding hire drive¹ and light commercial vehicles (LCV) declined c. 35% year-on-year.

Registrations of used imported cars declined c. 59% in the same period. NCT centres that handle VRT appraisals remained closed until June 15th preventing dealers from registering used imported vehicles that were in stock but were not declared to Revenue before lockdown.

It is important to note that volumes of PC and LCV registrations are typically low at this time of the year in advance of the second sales peak which commences in July 2020. June represents c. 1% of annualised new car sales whereas July represents c. 21%.

The market performance since restart is therefore encouraging, proving some consumers have an appetite to continue with collection of new vehicles ordered pre-COVID (for those that collected in May/June and for those that have postponed until July).

Furthermore, we are seeing increased activity levels with finance applications received in the month of June 2020 ahead of 2019 levels. Sales of new vehicles in 2020 will remain behind those of 2019 as the market was effectively closed for most of quarter two and the market in H2 2020 may be constrained by vehicle supply (due to the closure of global manufacturing plants), but it is encouraging to see consumer confidence returning to the market.

¹ The hire drive (HD) market declined by c. 80% in 2020 as car rental companies cancelled orders due to the impact of COVID on tourism; thus HD sales are excluded to understand retail demand.

Supporting our Customers

Bank of Ireland Finance (BIF) supports 12 motor franchises representing c. 40% of annual new car sales and we remain committed to our customers.

To enable our customers to restart their businesses, we have rolled out a "Deferred Payment Start" initiative which covers Hire Purchase, PCP and Lease Products. The first payment date with Hire Purchase, PCP & Lease is normally 30 days after the commencement date of the finance agreement. BIF will now allow a customer to avail of up to 90 days before the first payment commences.

The deferred payment start option will be made available alongside BIF's existing product offering for Consumers and Non-Consumers purchasing a new or used motor vehicle through any of our 12 motor franchise partnerships. We wish all our partners and customers the very best in July 2020 and beyond.

Bank of Ireland and the Irish motor sector is open for business...

Stephen Healy Head of Motor Sector

stephena.healy@boi.com
085 289 8600



Stephen joined Bank of Ireland in 2018 and brings over 20 years Motor Sector Industry experience having held senior positions in both wholesale distribution and in retail as a motor dealer where he operated as Dealer Principal for 7 years – read more about him at boi.com/motorsector.