



The introduction of consumer credits at German big banks in the late 1950s – using the example of Deutsche Bank

EABH Workshop

Frankfurt, 2015/06/18-19

Introduction of Consumer Credits



A negative attitude at the beginning

“If we really should lend money for every Tom, Dick and Harry, it will save a lot of effort if we register those credits as write-off. In case these people, contrary to all expectations, should repay the money, we just book it as extraordinary income.”

(internal statement regarding the planned introduction of small loans at Deutsche Bank, 1959)

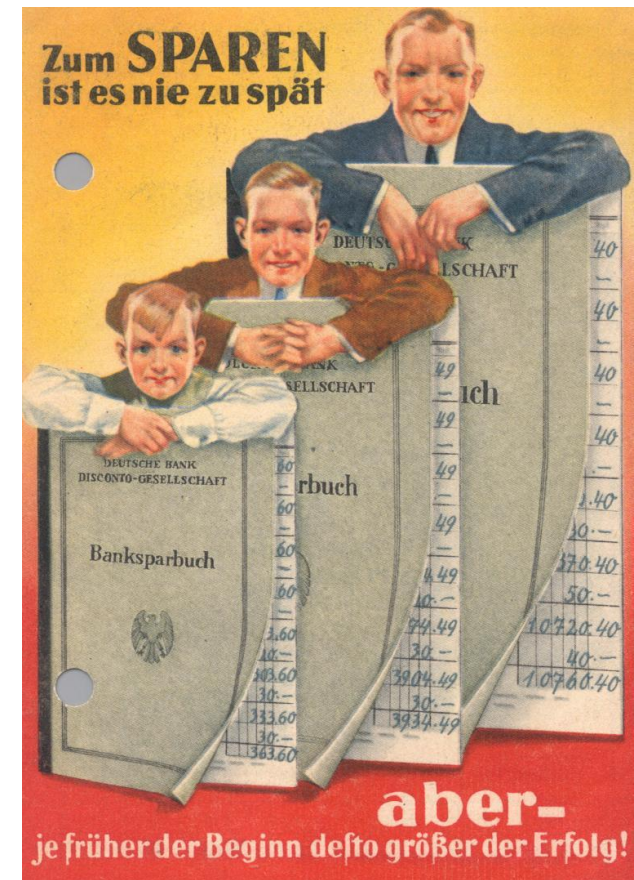
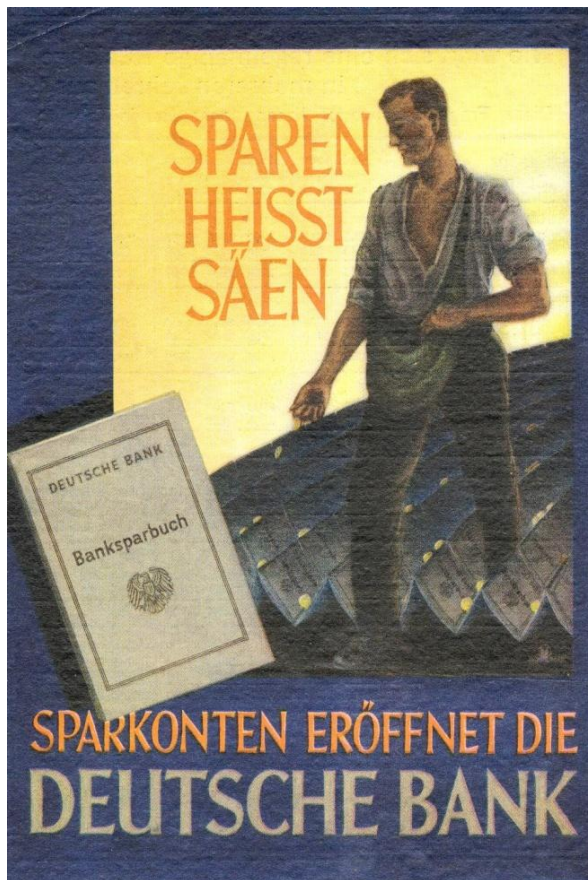


New dresscode at the bank counter – the jump suit client

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1929 – first mass product: savings deposit books



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Internal objections

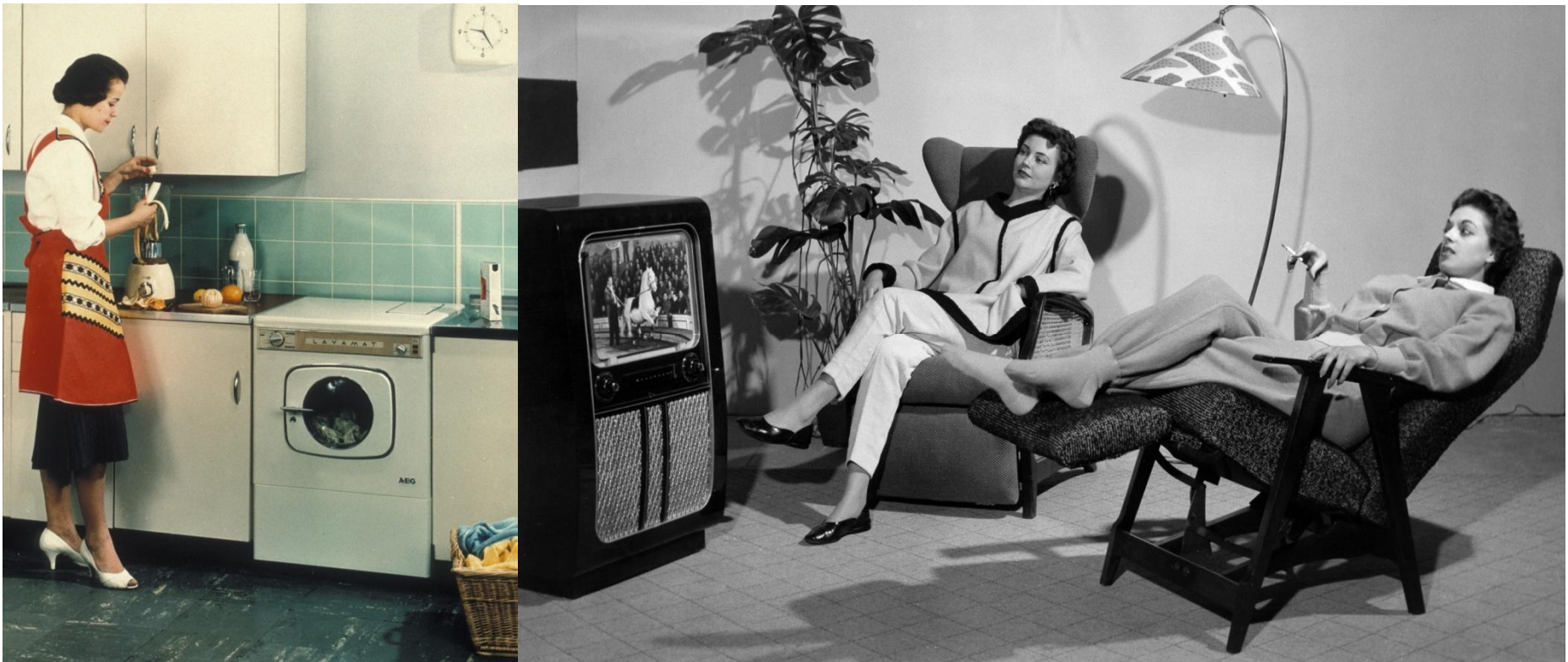


Manfred O. von Hauenschild (3rd from the left) reports about retail business at a meeting of Deutsche Bank's management board, in the centre CEO Hermann J. Abs

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Icons of prosperity



“Wirtschaftswunder” – The long term boom caused a radical change in the economic structure of the West German society

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Wealth for all

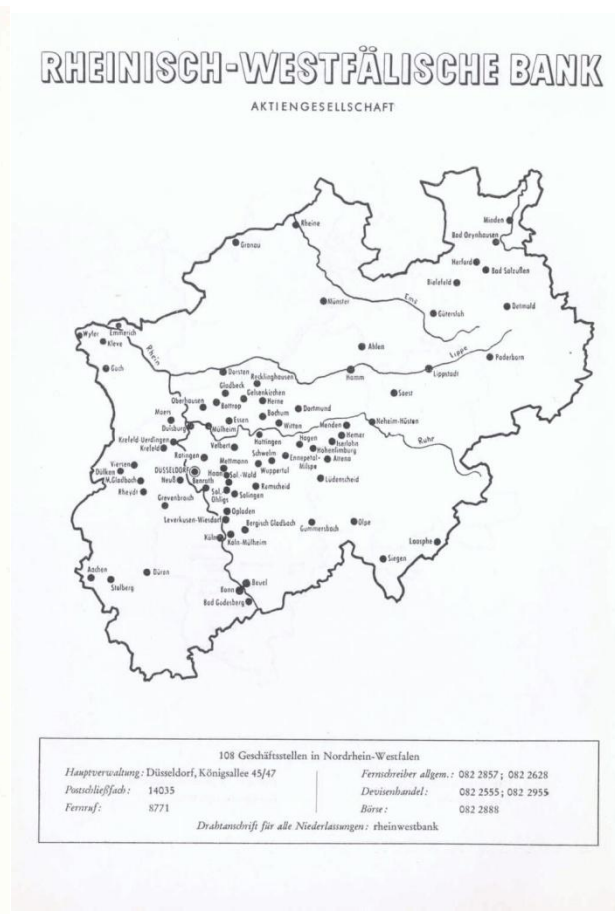


The later chancellor Ludwig Erhard (1897-1977) presenting his guideline for social market economy, 1957

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Decentralized



Deutsche Bank (as well as Commerzbank and Dresdner Bank) was temporarily separated into regional successors, 1947-57

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Franz Heinrich Ulrich – a modest proponent of consumer credit



Franz Heinrich Ulrich (1910-1987) in a board meeting

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1957 – Rolling bank bus

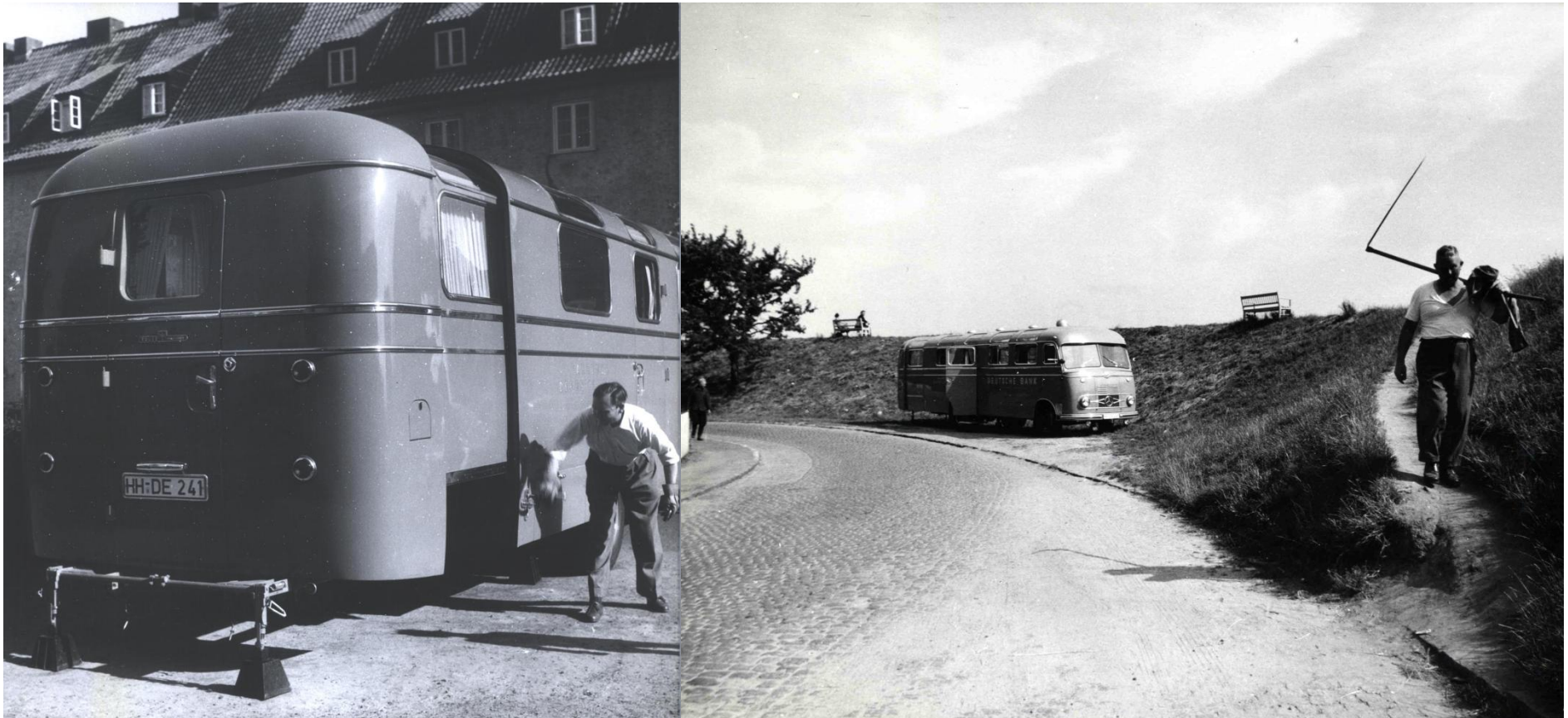


The rolling bank bus on its way through Hamburg and its outskirts

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1958 – First experiences with small loans



The rolling bank bus also stopped at unusual points of sale

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Midland Bank – a possible pattern

THE CHEQUE BOOK THAT PUTS YOU AT THE TOP OF THE TREE!

Personal CHEQUE BOOK

You haven't got a Cheque Book? You've never had a Cheque Book? Perhaps you think Cheque Books aren't for you. How wrong you are!

Because a Midland Bank PERSONAL Cheque Book is for you. It's a *new* Cheque Book that comes to you with the very minimum of formality. And let's be frank about it. The very possession of a Cheque Book these days is a sign to the world that you're someone who means to get on, someone who's out to get the very best out of life. In fact, it's a definite social asset.

The PERSONAL Cheque Book is produced in a special handy size, ideal for the pocket or handbag.

The PERSONAL Cheque Book saves you time. Instead of queueing up to pay the gas and electricity bills and the Building Society repayments, you can sit at home and write out PERSONAL Cheques for the lot.

The PERSONAL Cheque Book saves you worry. No more must you carry large sums of cash around with you. And remember — if cash is lost, it's gone for good. Just take your pocket-size PERSONAL Cheque Book.

The PERSONAL Cheque Book tells you what you've spent. Yes, it gives you a permanent record. And a husband and wife can sign cheques on the same account. We call that a "Joint Account".

In fact, the PERSONAL Cheque Book gives you the benefits of an ordinary cheque book, but without the opportunity to use other banking services which you may not yet need.

How to get YOUR Midland Bank PERSONAL CHEQUE BOOK

Nothing could be easier. Just go to any Midland Bank branch. There'll be very few formalities and then you're the owner of a *new* PERSONAL Cheque Book.

And the cost? Only 6d. a cheque—including the 2d. revenue stamp! Only 5/- for a book of 10! **THERE ARE NO MORE CHARGES OF ANY KIND AT ALL.**

We think this wonderful Midland Bank service is going to be of real benefit to you. We're sure of it. Any branch of the Midland will be only too pleased to give you a free copy of the 16 page illustrated booklet called "People Like YOU?", which tells the full story. Call or write for your copy — *now!*

Advertisement for personal cheque accounts, 1958

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Movers and shakers of small loan business at Deutsche Bank



Manfred Oheimb von Hauenschild
(1906-1980)

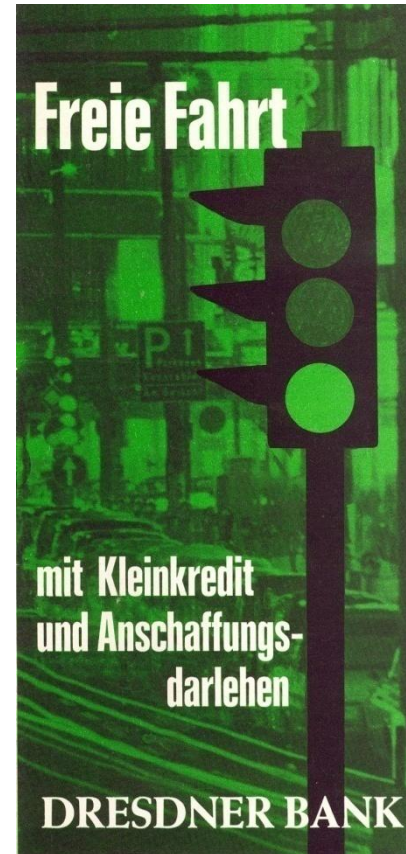
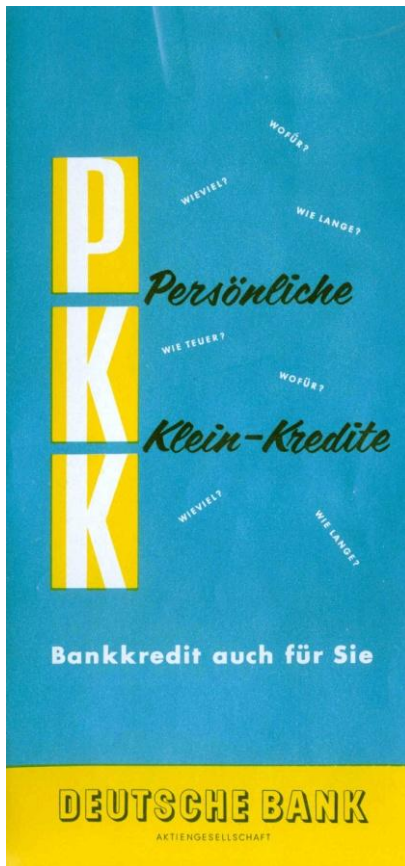


Eckart van Hooven
(1925-2010)

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A concerted action of the German big banking houses



Advertisement for the first personal small loans offered by Deutsche Bank, Commerzbank and Dresdner Bank

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The terms of Deutsche Bank's personal small loan

Herrn
Fritz Müller
Duisburg
Hohe Straße 23

DEUTSCHE BANK
AKTIENGESELLSCHAFT
FILIALE DUISBURG

DUISBURG, 20. Dez. 1958

Kleinkredit Nr. PKK 360 / 000001
(Die Kredit-Nr. bitte stets angeben)

Kreditbetrag	DM 1.200,--
zuzüglich	
0,4% Zinsen p. Monat ...	DM 105,60
2,0% Antragsgebühr	DM 24,--
Rückzahlungsbetrag	<u>DM 1.329,60</u>

Der Kredit ist wie folgt zurückzuzahlen:
1. Rate in Höhe von
DM 69,60 am 20. Jan. 1959
sowie 21 weitere Raten in Höhe von
DM 60, jeweils am 20. der folgenden Monate.

Wir freuen uns Ihnen mitteilen zu können, daß wir Ihnen den obenbezeichneten Kredit bewilligt haben.

Den Kreditbetrag

halten wir an unserer Kasse zu Ihrer Verfügung.

schreiben wir Ihnen wunschgemäß auf Ihr bei uns geführtes lfd. Konto gut und übersenden Ihnen anbei die für die Rückzahlung benötigten Einzahlungsformulare.

Hochachtungsvoll
DEUTSCHE BANK
AKTIENGESELLSCHAFT
FILIALE DUISBURG

1

Draft, December 1958

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PKK: Deutsche Bank's first personal small loan

DEUTSCHE BANK
AKTIENGESELLSCHAFT

PERSÖNLICHER KLEIN-KREDIT NR. _____
Rückzahlungsheft (Zahlkarten)

Bitte beachten Sie:
Geben Sie auf den Zahlkarten stets Ihre PKK-Nummer und genaue Anschrift an.
Zahlen Sie bitte pünktlich - Sie ersparen sich unnötige Kosten!

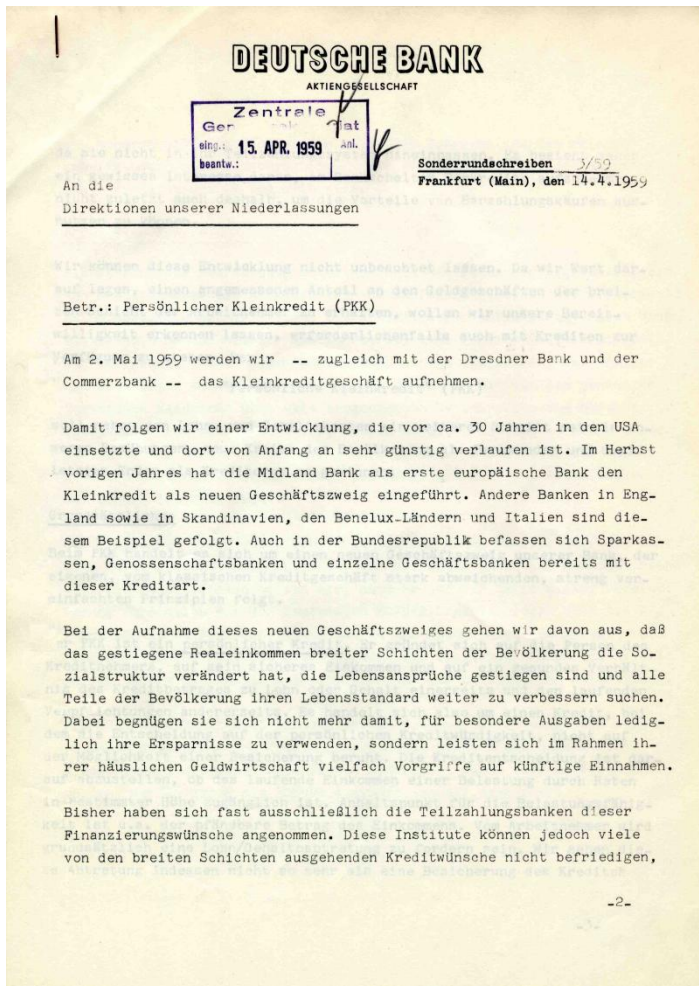
Ihre monatlichen PKK-Raten: 1. Rate: DM _____ fällig am _____
_____ Folgeraten: DM _____ jeweils fällig am _____ der folgenden Monate.

Printed form for PKK, May 1959

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Introducing the new business unit to the staff



Internal circular, April 14th, 1959

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Dreams become true – advertisement for small loans

The image displays three vertical panels, each representing a different consumer credit use case. Each panel has a distinct background color: red for the television, blue for the car, and yellow for the house. A white circle in the center of each panel contains an illustration of the desired item. Below the circle, the text 'Wünsche werden Wirklichkeit' (Wishes become reality) is written in bold black letters. To the left of the text is the Deutsche Bank logo (a circle with 'DB' inside). Below the logo, the text 'durch Persönliche Kredite' (through personal loans) is written in red. Further down, the loan details are listed: 'Persönliche Klein-Kredite bis zu 2000 DM' and 'Persönliche Anschaffungs-Darlehen bis zu 6000 DM'. A vertical yellow bar with the letters 'P', 'K', 'K', 'P', 'A', 'D' stacked vertically is positioned to the left of the loan details. At the bottom of each panel, the words 'DEUTSCHE BANK' are written in large, bold, blue capital letters.

Wünsche werden Wirklichkeit
durch Persönliche Kredite
Persönliche Klein-Kredite bis zu 2000 DM
Persönliche Anschaffungs-Darlehen bis zu 6000 DM
DEUTSCHE BANK

Wünsche werden Wirklichkeit
durch Persönliche Kredite
Persönliche Klein-Kredite bis zu 2000 DM
Persönliche Anschaffungs-Darlehen bis zu 6000 DM
DEUTSCHE BANK

Wünsche werden Wirklichkeit
durch Persönliche Kredite
Persönliche Klein-Kredite bis zu 2000 DM
Persönliche Anschaffungs-Darlehen bis zu 6000 DM
DEUTSCHE BANK

Advertising motifs for Deutsche Bank's personal small loans (PKK)

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New style in advertising



Shop window advertising for personal small loans (PKK) 1959

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A date at the counter



The small loan counter at the Deutsche Bank Braunschweig branch 1959

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A date at the counter

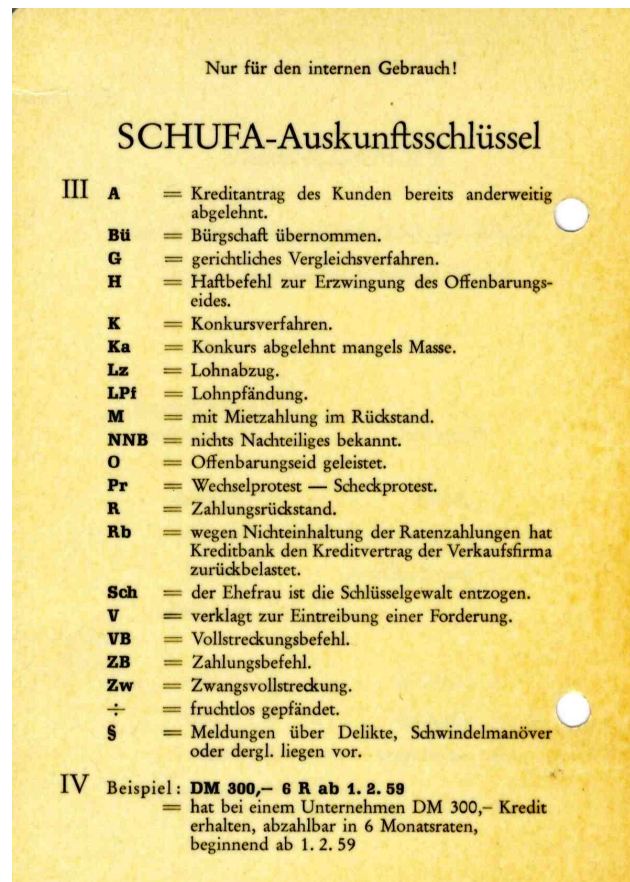
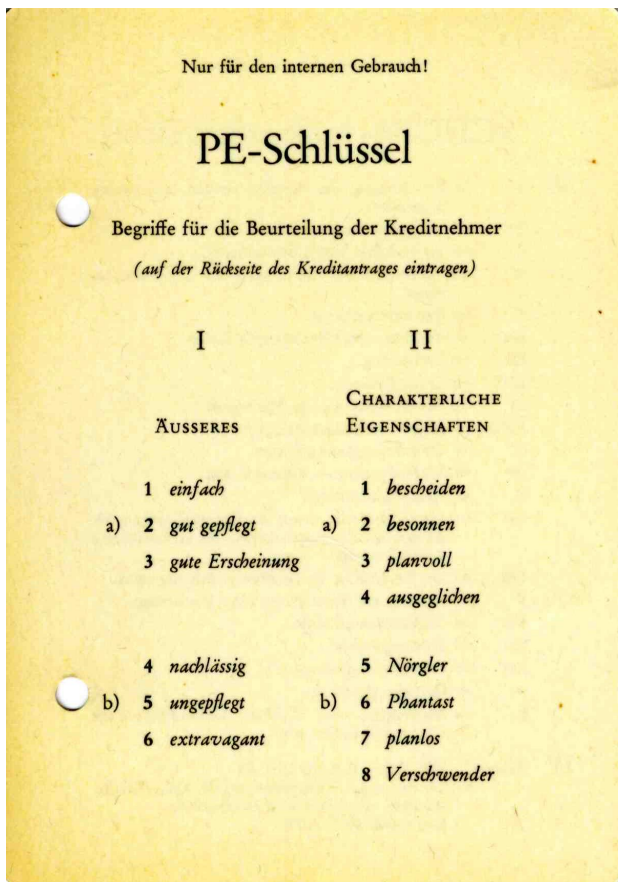


The small loan counter at the Deutsche Bank Braunschweig branch 1959

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Decision aid

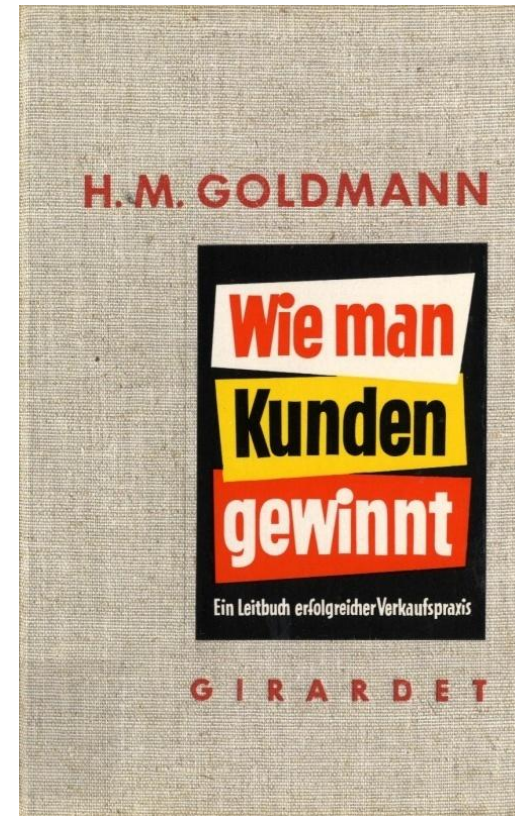


The so called "Personal impression" -key, which should help to make decisions on loan applications, on the base of character traits

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1968 – Introduction of specific merchandising



The transformation of a bank clerk to a salesman, cartoon 1970

Guideline for merchandising, 1968

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Conclusion

Deutsche Bank – now open to all and sundry?



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Consumer credit at Deutsche Bank The first two months (May/June 1959) – key data

Number of applications for personal small loans: 81,093

Total volume: 67.2 Million DM (together with Commerzbank and Dresdner Bank 126.9 Million DM)

Total of Deutsche Bank employees involved: 365

Average principal of loans: 1,100 – 1,200 DM

Average life of loans: 15 months

Average monthly income of borrowers: 400 – 600 DM

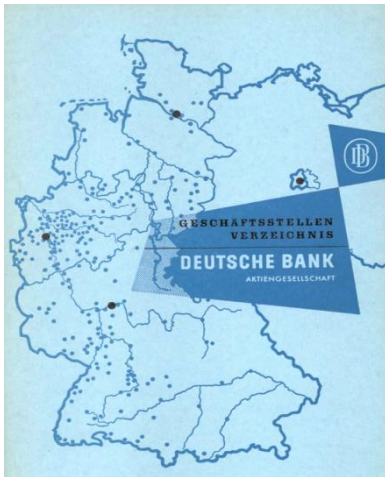
Purpose: Furniture (75%)

Social structure of borrowers: newly married couples without children (leading group)

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The long term impact of 1959



- Increase of branch network
- Extended product portfolio
- Changed attitude towards mass consumer business
- Centralized market image

PKK	PAD	PHD	PBD
<p>Wenn Sie sich Ihren Lebenswunsch erfüllen wollen, geben wir Ihnen einen</p> <p>PERSÖNLICHEN KLEIN-KREDIT (PKK)</p> <p>Sie erhalten den Kredit ohne verbindliche Formblätter.</p> <p>Sprechen Sie mit unserem unannehmbaren Berater, wenn Sie einen Kredit brauchen. Danke.</p>	<p>Wenn Sie sich ein Auto kaufen wollen, helfen wir Ihnen mit einem</p> <p>PERSÖNLICHEN AUTO DARLEHEN (PAD)</p> <p>Dieser Kredit ist nicht teuer und bequem in der Rückzahlung.</p> <p>Sprechen Sie mit unserem unannehmbaren Berater, wenn Sie einen Kredit brauchen. Danke.</p>	<p>Wenn Sie Ihr Haus oder Ihre Eigentumswohnung „modernisieren“ wollen, geben wir Ihnen ein</p> <p>PERSÖNLICHES HYPOTHEKEN DARLEHEN (PHD)</p> <p>Dies Darlehen ist langfristig und für jeden Zweck verwendbar.</p> <p>Sprechen Sie mit unserem unannehmbaren Berater, wenn Sie einen Kredit brauchen. Danke.</p>	<p>Wenn Sie ein Haus oder eine Eigentumswohnung kaufen oder kaufen wollen, geben wir Ihnen ein</p> <p>PERSÖNLICHES BAU DARLEHEN (PBD)</p> <p>Es reicht bis zu 80% der Baukosten oder des Kaufpreises.</p> <p>Sprechen Sie mit unserem unannehmbaren Berater, wenn Sie einen Kredit brauchen. Danke.</p>
<input checked="" type="checkbox"/> Fragen Sie die Deutsche Bank	<input checked="" type="checkbox"/> Fragen Sie die Deutsche Bank	<input checked="" type="checkbox"/> Fragen Sie die Deutsche Bank	<input checked="" type="checkbox"/> Fragen Sie die Deutsche Bank