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European Consumer Credit Market Stabilised in 2010; Outlook More Positive for 2011

BRUSSELS – 18 May 2011 – European consumer credit providers, represented through Eurofinas¹, granted new loans worth €324.5 billion in 2010, an increase of 0.7% compared to 2009².

The results of the Eurofinas 2010 Annual Survey show that this modest increase was driven by a significant rise in mortgage lending (17%) in some markets. However, total new consumer credit lending³, which accounts for the bulk of the Eurofinas total (71% of total new lending), declined by 2.8% in 2010.

There were significant differences in market conditions across individual countries in 2010. For instance, there were robust recoveries in new lending for total consumer credit in the Nordic region. Larger markets, such as Germany, the UK, and Italy, showed declines, with the more subdued performance of these markets contributing to the overall decline of the market represented by Eurofinas.

Of the various consumer credit products granted, it is encouraging that personal loans returned to positive growth in 2010, with new lending in this category increasing by 0.5%. Recovery was slower in other categories such as revolving credit and non-automotive credit at the point of sale (with new lending decreasing by 3.5% and 5.1%, respectively). Nevertheless, this represents a marked improvement compared to the more significant declines of 2009 (-12.9% and -11.8%, respectively).

New lending for vehicle finance at the point of sale declined by 1.7%. There were, however, recoveries in new credit granted for cars for business purposes (13.4%) and commercial vehicles in 2010 (4.9%). According to Tanguy van de Werve, Director General of Eurofinas, “the more negative trend in consumer car finance simply reflects the expiration of car scrappage schemes in several major markets. Following the exceptional year of 2009, it was inevitable that consumer car finance would return to more normal levels in 2010”.

Pedro Guijarro, Chairman of Eurofinas, commented that “it is very welcome that there was growth in some product categories and in some countries in 2010. These results clearly indicate stabilisation following the sharp declines in 2008 and 2009. This points to greater optimism for 2011, as signs of recovery in consumer spending should be more evident given declining savings rates and gradual improvements in consumer confidence and labour markets”.

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¹The following Eurofinas members took part in the survey: UPC/BVK (BE), CLFA (CZ), BFACH (DE), Finans og Leasing (DK), ASNEF (ES), FKL (FI), ASF (FR), ASSOFIN (IT), LVLKA (LT), VFN (NL), FINFO (NO), ASFAC (PT), AFINA (SE), FLA (UK).

² The growth rates shown are adjusted to exclude the impact of exchange rate fluctuations. On an unadjusted basis, Eurofinas members' overall new lending increased by 2.1%.

³ Total consumer credit includes consumer credit for personal consumption (including personal loans, revolving credit and non-automotive point of sale finance) and consumer point of sale vehicle finance.



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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. Eurofinas members financed over 324 billion euro worth of new loans during 2010 with outstandings reaching 808 billion euros at the end of the year.

More information on Eurofinas activities available at www.eurofinas.org