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European Consumer Credit Market Improves in 2011

BRUSSELS – 12 June 2012 – European consumer credit providers, represented through Eurofinas¹, granted new loans worth €328.8 billion in 2011, an increase of 3.2% compared to 2010². The results of the Eurofinas 2011 Annual Survey show that this improvement was driven by strong growth in personal loans (9.1%) and vehicle finance (3.9%).

Total new consumer credit lending³ showed only moderate growth in 2011 of 1.8%. Mortgage and industrial credit contribute much smaller proportions of new business, but their growth rates are more positive at 2.9% and 12.8% respectively.

In the consumer credit lending category, personal loans saw a recovery in new credit in 2011 of 9.1%, while revolving credit declined by -1.0%. Despite the decline in revolving credit, both of these growth rates represent an improvement on 2010 results. Another category that saw a decline in new business was non-automotive point of sale (-8.3%), which has been declining steadily since 2007.

The consumer vehicle financing business showed a substantial improvement on growth rates in 2011, with new car finance increasing by 1.8%, used cars by 1.3% and other vehicles by 11.4%.

While aggregate figures for 2011 appear to be an improvement on 2010, results across different European countries differ markedly. The highest performers in new consumer credit lending were the Netherlands (15%), Germany (13%) and Belgium (12%). Finland, Norway and Romania also experienced strong growth of 9%, 8% and 5%, respectively. The UK and France saw very little change in their markets. The Mediterranean countries all experienced declines in new business, with Portugal suffering the worst contraction of -15%. Sweden and Czech Republic also saw declines in 2011.

Pedro Guijarro, Chairman of Eurofinas, commented that “It is very encouraging to see a stable recovery in the consumer credit market for 2011 as a whole. In particular, the growth in personal loans appears very robust. However, most of this growth took place in the first half of the year, with the second half experiencing a more pronounced downturn. On the back of very uncertain market conditions, this may continue into the first half of 2012, particularly for the Euro Area. Any possibility for meaningful recovery towards the end of the year and going into 2013 will depend on how governments respond to the challenges of the current Euro crisis. There is no doubt however, that consumer credit has a very important role to play in funding consumption during this time and in promoting further economic growth in Europe.”

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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), VFN (NL), FINFO (NO), ASFAC (PT), ALB (RO), 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 3.1%.

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.



Media Contact

Anne Valette
Head of Communications
+32 2 778 05 65
a.valette@eurofinas.org

Hayley McEwen
Adviser in Statistics and Economic Affairs
+32 2 778 05 71
h.mcewen@eurofinas.org

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 328 billion euro worth of new loans during 2011 with outstandings reaching 821 billion euros at the end of the year.

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