

## Lending to European households and on-financial corporations: Growth and trends

Key findings from the ECRI Statistical Package 2022

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### SUMMARY

- In 2021, loans to EU households and non-financial corporations (NFCs) increased by 3.6 %.
- Household loans in the EU increased by 4.3 % and NFC loans increased by 2.7 % in 2021.
- Total household loans grew most in Bulgaria (+15.4 %), Hungary (+15.0 %), Lithuania (+11.0 %), Latvia (+10.2 %), Czechia (+9.9 %), Romania (+9.7 %), and Malta (+9.6 %). In turn, contractions were registered in Greece (-34.2 %), Cyprus (-8.7 %) and Ireland (-1.2 %).
- NFC loans grew most in Romania (+19.8 %), Lithuania (+16.9 %), Hungary (+11.0 %), and Estonia (+9.3 %). In turn, reductions were registered in Greece (-12.7 %), Ireland (-10.2 %), the Netherlands (-2.2 %), Cyprus (-1.8 %), Italy (-0.7 %), and Croatia (-0.3 %).

### ECRI Statistical Package

The ECRI Statistical Package 2022 provides data on outstanding credit granted by monetary-financial institutions (MFIs) to households and non-financial corporations (NFCs) for the period from 1995 to 2021. Credit volumes and annual growth rates are broken down by sector and credit type to enable detailed insights into credit market developments over time and across countries. It comprises 45 countries including the EU Member States, EU candidates, and EFTA countries as well as the US, UK, Japan, Australia, Russia, Mexico, and Saudi Arabia.

**To purchase the ECRI Statistical Package 2022, please contact [beatriz.pozo@ceps.eu](mailto:beatriz.pozo@ceps.eu)**

**For more information visit <http://www.ecri.eu/statistics>**

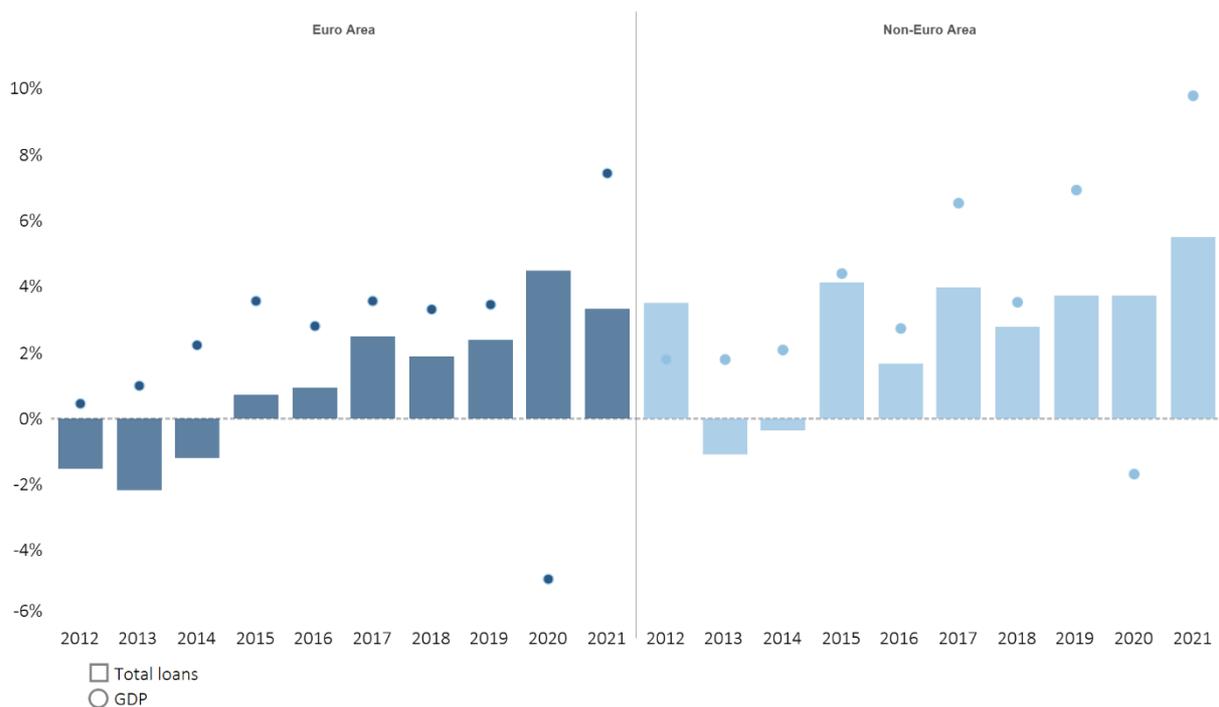
## 1. Total loans to households and non-financial corporations

In 2021, the volume of outstanding loans to households and non-financial corporations (NFCs) in the EU reached EUR 12.5 trillion, which is approximately 87 % of the European Union's GDP. Compared to the previous year, loans increased by +3.6 %. 2021 was the seventh consecutive year of expansion in outstanding loans in nominal terms.

Overall, 86 % of EU loans originate from euro area countries<sup>1</sup> and the remaining 14 % from non-euro area countries<sup>2</sup>. Between 2020 and 2021, the total loan growth rate decreased from +4.5 % to +3.3 % in the euro area, while in non-euro area countries the loan growth increased from +3.7 % to +5.5 % (see Figure 1).

Overall, about 66 % of the total outstanding amount of EU loans is held by the four major EU economies; Germany (24 %), France (22 %), Italy (11 %), and Spain (9 %). The same four countries held around the same amount of total loans in the previous year.

Figure 1. Total loan growth and GDP growth (%)



Source: ECRI Statistical Package 2022.

Looking across Member States, indebtedness<sup>3</sup> increased in 2021 in five countries and decreased in 22 countries. The largest decreases in outstanding loans are found in Greece (-23.3 percentage points of GDP) and Cyprus (-16.1) (see Figure 2). Smaller drops can be found in Luxembourg (-8.7), Spain (-6.7), and Croatia

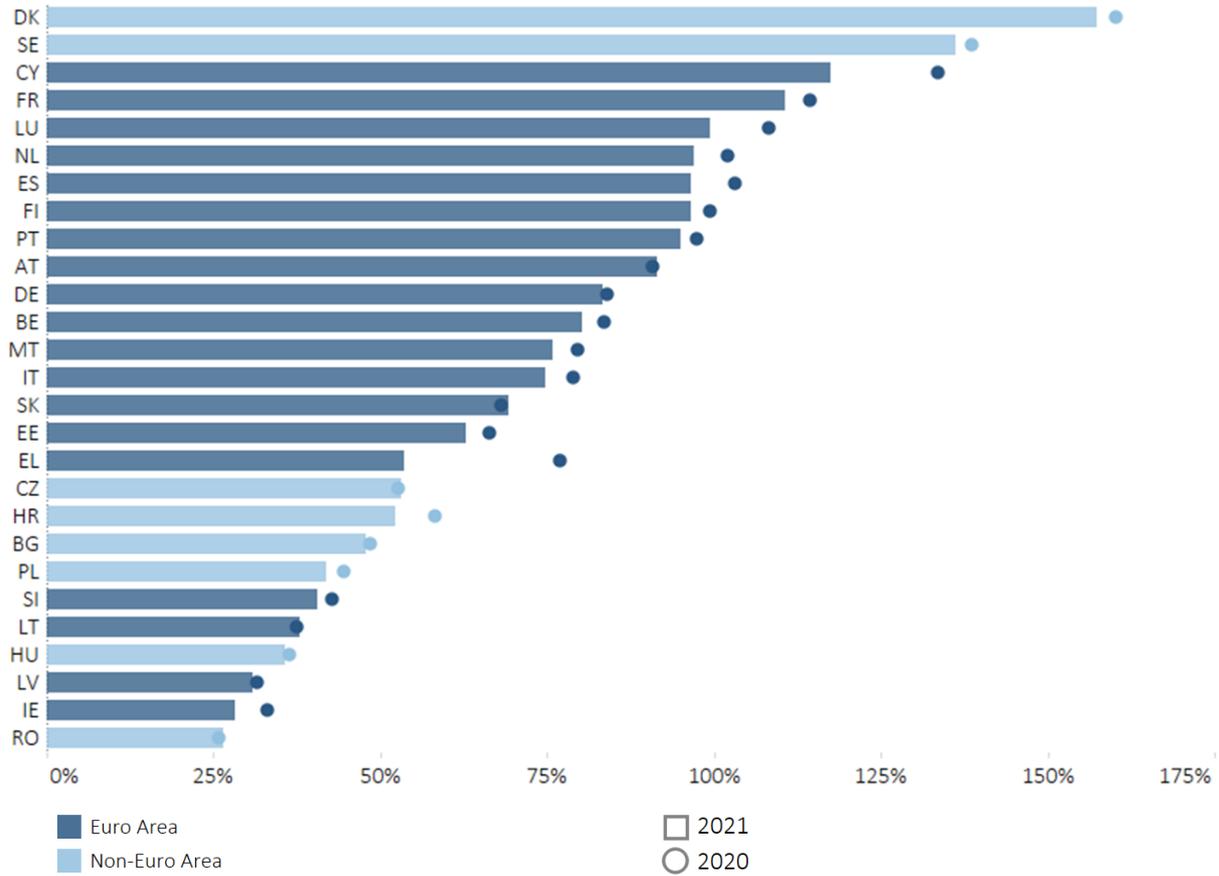
<sup>1</sup> The euro area covers 19 EU Member States that have adopted the euro as their official currency, namely: Austria (AT), Belgium (BE), Cyprus (CY), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (EL), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LI), Luxembourg (LU), Malta (MT), the Netherlands (NL), Portugal (PT), Slovakia (SK), Slovenia (SI) and Spain (ES).

<sup>2</sup> Non-euro area covers eight EU Member States that have not adopted the euro as their official currency: Bulgaria (BG), Croatia (HR), Czechia (CZ), Denmark (DK), Hungary (HU), Poland (PL), Romania (RO) and Sweden (SE).

<sup>3</sup> Total loans as % of GDP.

(-6.0). Increases were only noticeable in Slovakia (+1.1 percentage points of GDP), Romania (+0.7), Austria (+0.6), Lithuania (+0.5), and Czechia (+0.3).

Figure 2. Total loans as a percentage of GDP, 2020-21



Source: ECRI Statistical Package 2022.

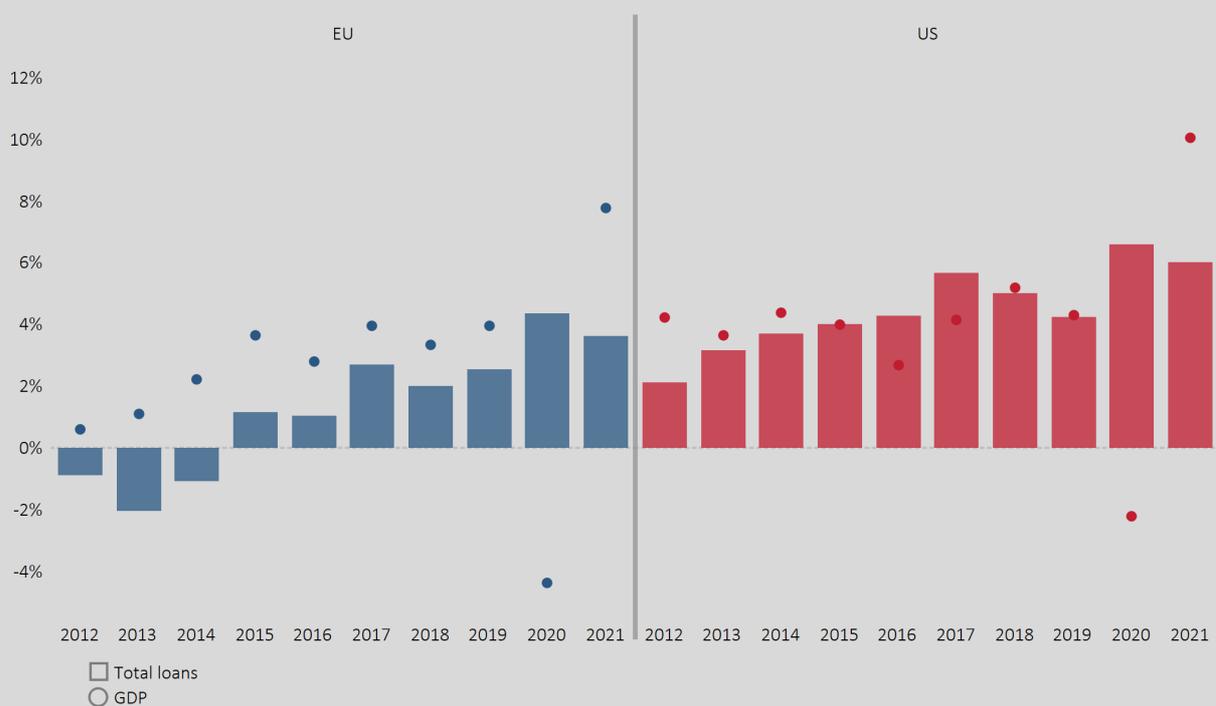
**Box 1. Total outstanding loans - EU vs US**

In 2021, total outstanding loans to households and NFCs amounted to EUR 12.5 trillion in the EU and to EUR 33.8 trillion in the US, respectively the equivalent of 87 % and 167 % of GDP.

Between 2011 and 2021, the EU credit market was relatively volatile. It experienced three consecutive years of contraction (from 2012 to 2014), followed by seven years of expansion (2015 to 2021 - see Figure 3). Over the same period, the US credit market steadily increased.

Looking at GDP growth, in 2021, both the EU and the US rebounded with 12 percentage points of higher growth rates following steep drops in GDP in 2020 due to the Covid-19 pandemic.

Figure 3. Total loans and GDP growth



Source: ECRI Statistical Package 2022.

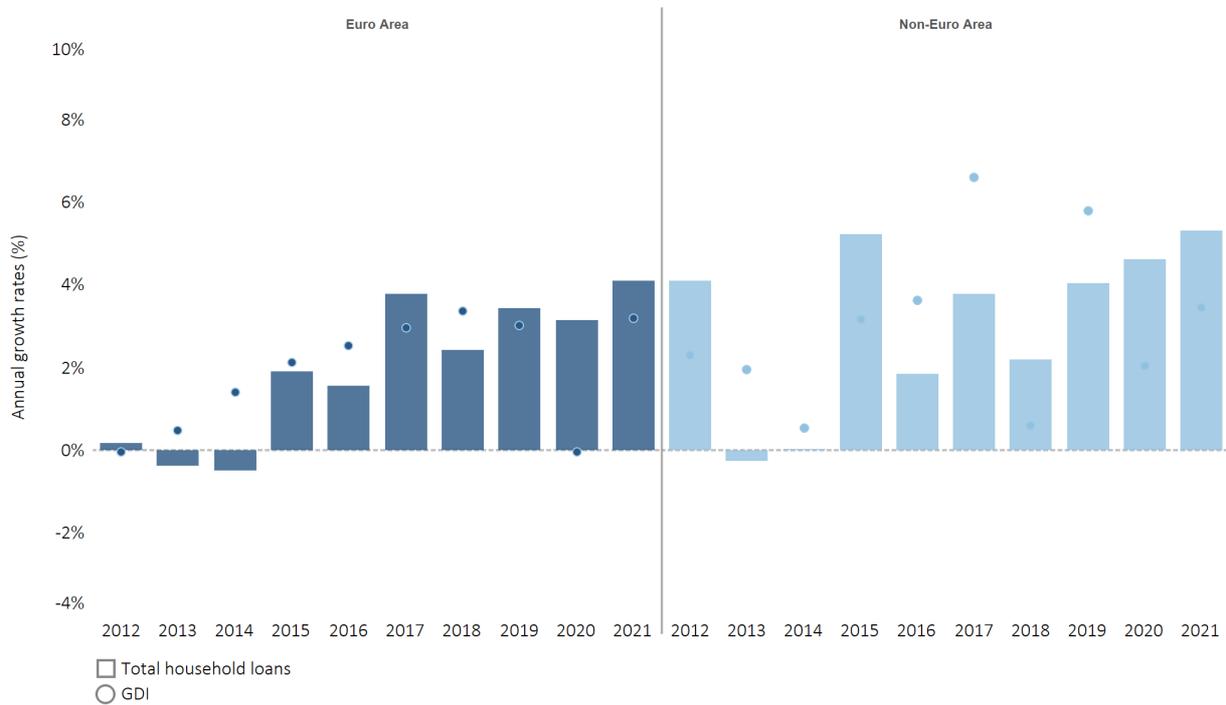
## 2. Total lending to households

In 2021, total lending to households in the EU amounted to EUR 7.5 trillion, which is equivalent to about 52 % of EU GDP. Compared to 2020, household loans in the EU increased by 4.3 % in 2021.

The household loan growth in 2021 was again lower in the euro area countries than in the non-euro area countries. More specifically, the household loan growth rate increased in the euro area from 3.1 % in 2020 to 4.1 % in 2021 and increased during the same period in non-euro countries from 4.6 % to 5.3 % (see Figure 4).

The decrease in growth for euro area countries broadly follows the trend in GDI, though the increase in GDI growth was significantly higher than the loan growth increase in 2021. In the non-euro countries, the higher growth in loans followed the growth in GDI much more proportionally than in the euro area.

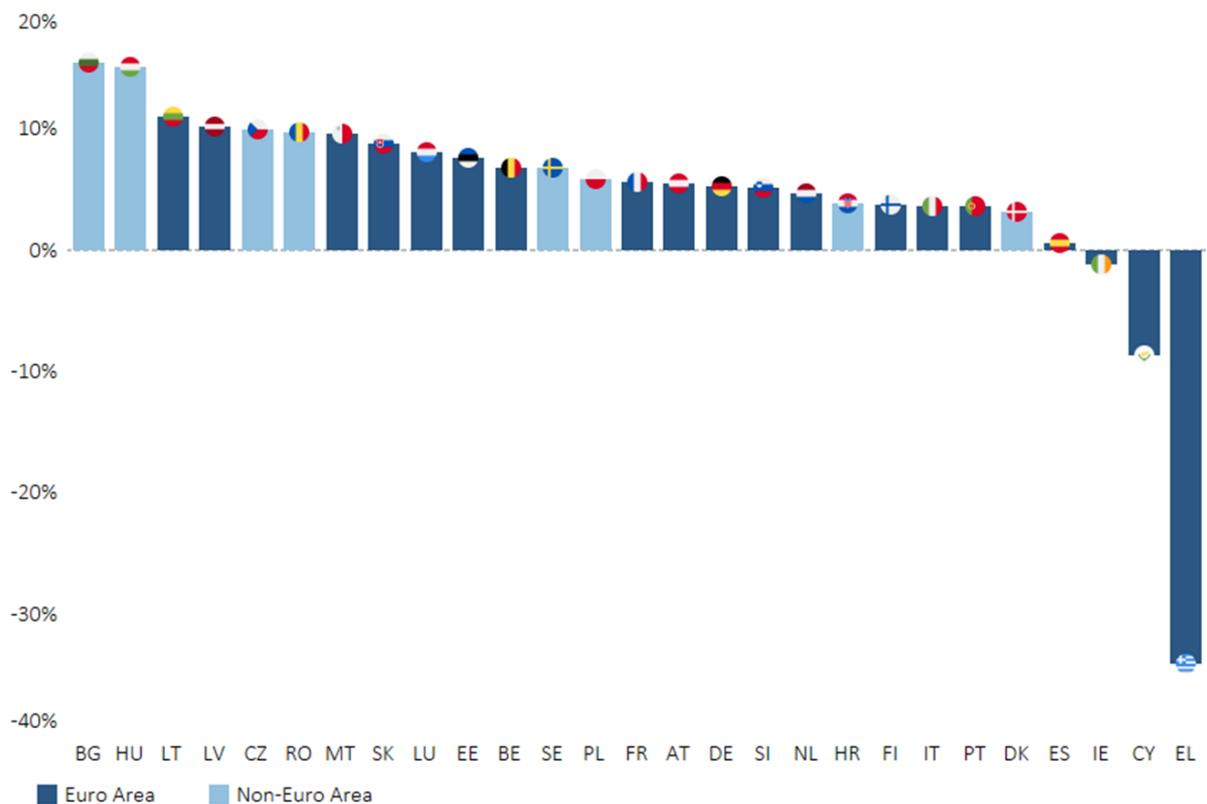
Figure 4. Total loans to households and gross disposable income (GDI) growth, percent change, 2020-2021



Source: ECRI Statistical Package 2022.

In 2021, total outstanding loans to households increased in 24 member states. Bulgaria (+15.4 %), Hungary (+15.0 %), Lithuania (+11.0 %), and Latvia (10.2 %) were the Member States with the highest growth rates. In turn, the outstanding household loans in three Member States decreased, including Greece (-34.2 %), Cyprus (-8.7 %), and Ireland (-1.2 %) (see Figure 5).

Figure 5. Total loans to households, percentage change, 2021

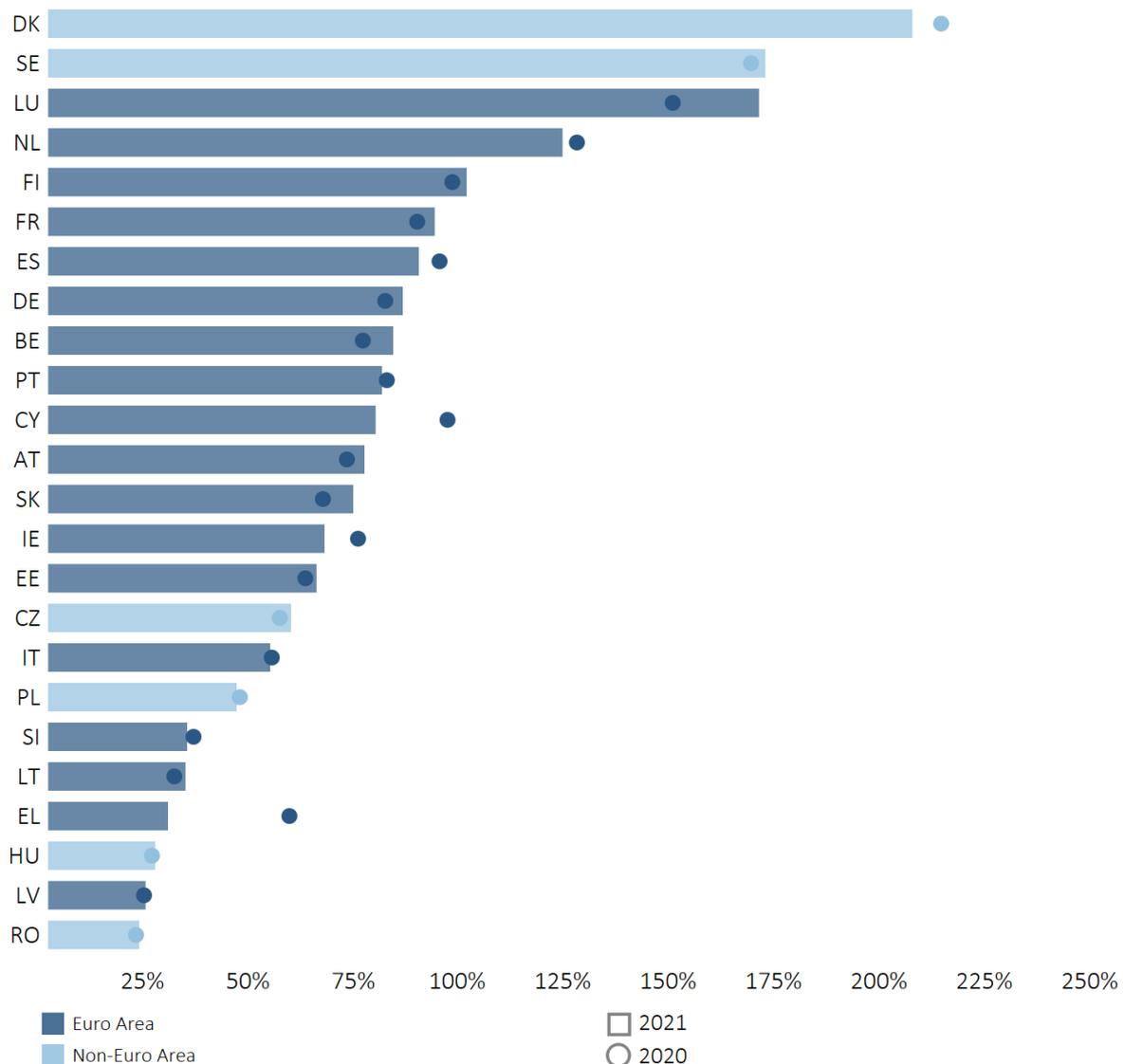


Source: ECRI Statistical Package 2022.

Turning to household indebtedness, in 2021 household loans accounted for 84 % and 98 % of their total GDI in the euro area and non-euro area respectively. This was about the same share as in 2020.

Reductions in household loans as a percentage of disposable income were registered in Greece (-19.7 percentage points of GDI), Cyprus (-10.1 %), Ireland (-3.9 %), Denmark (-3.7 %) and Spain (-1.5 %). In turn, there were increases in Luxembourg (+10.9 %), Slovakia (+4.7 %) and Austria (+3.5 %) as well as in other countries.

Figure 6. Total loans to households as a percentage of gross disposable income (GDI), 2020-2021

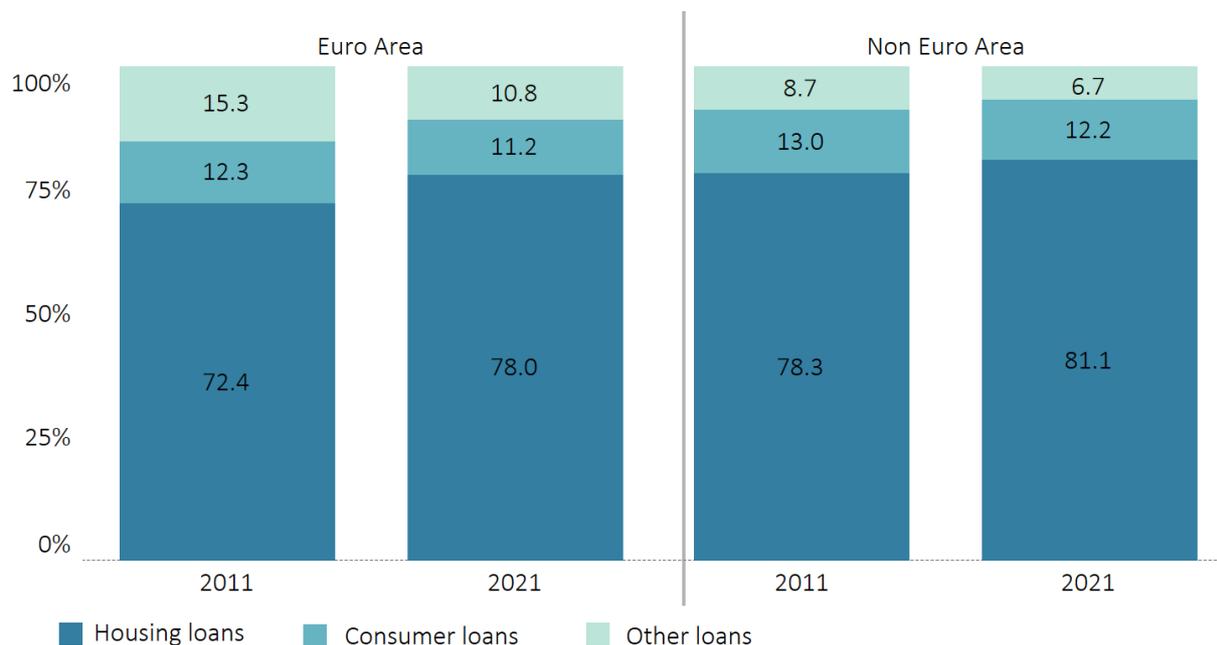


Note: For Malta and Croatia the figure reflects households' consumption instead of GDI.

Source: ECRI Statistical Package 2022.

The shares of housing loans in the EU has gradually increased in the period between 2011 and 2021, at the cost of consumer loans and other loans (see Figure 7). In 2021, approximately 79 % of household loans in the EU were housing loans, while the remaining loans were divided equally between consumer loans and other loans. The share of housing loans is slightly lower in the euro area (78 %) than in the non-euro area (81 %).

Figure 7. Composition of household loans in 2011 and 2021 as a share of the total amount of loans



Source: ECRI Statistical Package 2022.

### 3. Total lending to non-financial corporations

In 2021, total lending to NFCs in the EU amounted to EUR 5.1 trillion, accounting for 40 % of total loans and equivalent to 35 % of the EU's GDP. Since 2016, loans to NFCs in the EU registered an expansion, with a growth rate ranging in most years between 0.2 % and 5.9 %. In 2021, the NFC loans grew significantly (+2.3 %). The NFC loans in the non-euro area have grown more than in the euro area Member States every single year between 2011 and 2021, excluding 2020 (see Figure 8).

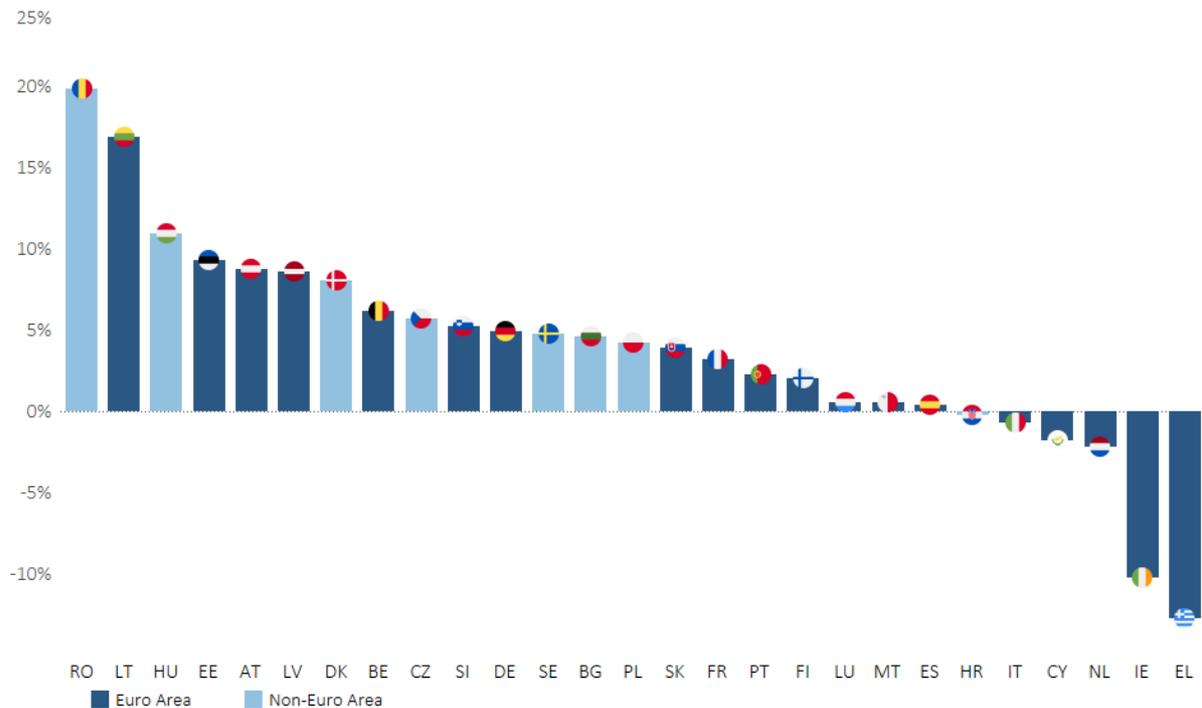
Figure 8. Loans to NFCs as a percentage of GDP



Source: ECRI Statistical Package 2022.

Between 2020 and 2021, NFC loans increased in 21 Member States and decreased in six Member States (see Figure 9). The highest growth rates were registered in Romania (+19.8%), Lithuania (+16.9%), Hungary (+11.0%), Estonia (+9.3%), Austria (+8.7%), and Latvia (+8.6%). In turn, the largest decreases were registered in Greece (-12.7%), Ireland (-10.2%), the Netherlands (-2.2%), and Cyprus (-1.8%).

Figure 9. Total loans to NFCs, percentage change in 2021



Source: ECRI Statistical Package 2022.

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