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European consumer credit experiences downturn in 2009; lenders expect little growth in 2010

BRUSSELS – 3 June 2010 – Eurofinas, the voice of specialised consumer credit providers at European level, announces the results of its **2009 Annual Survey**. This unique enquiry tracks developments in the European consumer credit markets.

The results of the survey reveal that **total new credit granted by Eurofinas members¹ was down -12.6%** in 2009 compared to 2008. This comes as little surprise as households concentrate their efforts on repaying existing loans.

The decrease in new credit granted varied, however, depending on the type of consumer credit product considered. While growth in new personal loans was -17.9%, the rate of contraction of other credit products for personal consumption such as revolving credit and non-automotive credit at the point of sale was less severe (-8.2% and -10.0%, respectively).

Consumer car finance benefited from the **successful implementation of vehicle scrapping schemes** in many countries (-3.9% for new car finance; -7.8% for used car finance). Yet, as these incentive programs have expired or will do so by the end of 2010, the trend in consumer car finance may worsen in the coming months.

New credit growth also differed significantly across countries. Between 2008 and 2009, new credit growth was positive in Germany (+3.3%) but remained negative across much of Europe. In large and mature consumer credit markets, decreases varied between -29.7% in Spain, -18.3% in the U.K, -14.1% in Italy and -12.3% in France. Smaller markets were also severely hit. New credit growth was -22.0% in the Netherlands, -16.6% in Portugal and -11.5% in Sweden, although Finland and Belgium experienced a less severe fall (-3.9% and -0.4%, respectively). A significant drop in new credit was also observed in less mature markets such as the Czech Republic (-16.4%).

Nevertheless, some signs of improvement were visible in the last quarter of 2009 and in the first quarter of 2010 with **consumer credit contracting at a slower pace than before.**

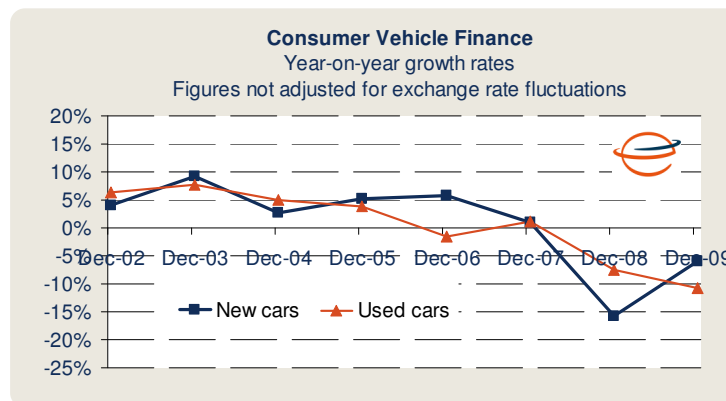
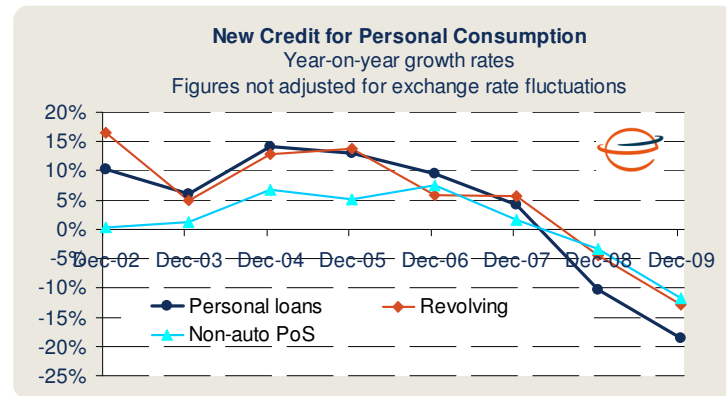
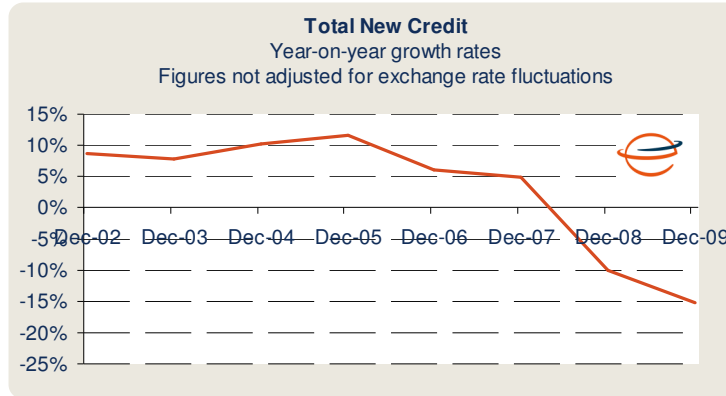
Pedro Guijarro, Chairman of Eurofinas, commented that “consumer credit statistics are good indicators of an economy’s overall health. **Consumers have been borrowing to a lesser extent and we anticipate little growth in 2010**” he explained. “This lack of borrowing is problematic given that consumer credit plays a crucial role in fostering recoveries after a financial crisis, not least because it can give consumers simple and affordable access to finance” Guijarro added.

Charts follow on page 2.

For further information about the surveys conducted by Eurofinas, please contact Anne Valette, Head of Communications, +32 2 778 05 65, a.valette@eurofinas.org

¹ The 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), AFINA (SE), FLA (UK). Figures reported in the text are adjusted for exchange rate fluctuations.

EUROFINAS MEMBERS' LENDING



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. It is estimated that together Eurofinas members financed over 320 billion euros worth of new loans during 2009 with outstandings reaching 720 billion euros at the end of the year.