

FOR IMMEDIATE RELEASE

European Consumer Credit Market Saw Weakened Activity Levels in Q1 2012

BRUSSELS – 10 July 2012 – According to the latest Eurofinas Q1 2012 Quarterly Survey results, total new consumer credit granted by the firms represented through the membership of Eurofinas¹, the Federation of specialised consumer credit providers at European level, contracted by 3.6% compared to the same period a year ago. The results reveal that new consumer credit lending deteriorated particularly in Southern European countries. Nevertheless, a few markets (e.g. the UK, LT and some Nordic countries) remained on an upward path or saw accelerated growth of total new consumer credit in Q1 2012.

Total **consumer credit for personal consumption** and **consumer car finance** (for new and used cars taken together) saw declines of 3.7% and 3.4%, respectively, in new volumes granted in Q1 2012 compared to Q1 2011.

The small drop in new consumer credit lending can be attributed to weak economic fundamentals (high unemployment, slow growth of real incomes, high precautionary savings as well as high household debt in a number of Member States) combined with slack consumption, especially of durable goods, and is more likely to be the result of low demand rather than of tight supply².

Commenting on the latest Eurofinas survey results, J. Bucyte, Adviser in Statistics and Economic Affairs at Eurofinas, said: "After shallow growth of the European consumer credit market in Q4 2011, the difficult economic environment caused a slowdown of consumer credit lending across most European countries. With demand expected to remain weak in the short term and the deleveraging process of households due to continue, consumer credit lending is not likely to improve drastically over the coming months. Nevertheless, a return of confidence is anticipated and private consumption should reaccelerate gradually from the second half of 2012".

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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, universal banks, captive finance companies of car, equipment, etc. manufacturers. 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, furniture, electronic appliances, education, etc. It is estimated that together Eurofinas members financed over 328 billion euros 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

¹ Countries represented by Eurofinas members reporting in the survey: BE, CZ, DE, DK, ES, FI, FR, UK, IT, LT, NO, PT, SE.

² Bank Lending Survey by the ECB, April 2012