
Q4 2021 overview of creditors sector

The biggest change in the creditors sector in the fourth quarter was the return to growth of the number of consumption loans after the active repayment of loans in September. Data submitted to Finantsinspeksioon show that the numbers of small loan contracts and of instalment contracts grew again at the earlier rate in the fourth quarter having declined sharply in the third quarter. The stock of the aggregate loan portfolio of creditors at the end of December stood at 1.4 billion euros from around 570,000 contracts.

Key indicators	Q3 2021	Change	Q4 2021
Stock of consumer loans	1 370 mln €	?	1 405 mln €
Number of contracts	554 083 tk	?	569 367 tk
of which new contracts	178 077 tk	?	175 020 tk
Net interest income	31,0 mln €	?	29,6 mln €

There were 170,000 new loan contracts signed in the fourth quarter. Although the number of contracts signed was a little lower than in the previous quarter, it was still one of the highest of the past two years. The contracts signed most commonly were small loan contracts at 126,000 and instalment loan contracts at 44,000.

The average annual percentage rates are very different at creditors associated with banks and at other creditors. The loans from creditors not associated with banks are on average much more expensive than those from creditors associated with banks. The average annual percentage rate on car leases in the fourth quarter from creditors associated with banks was 5%, and from creditors not associated with banks it was 23%. The average annual percentage rate on other monetary credit from creditors associated with banks was 14%, and from creditors not associated with banks it was 45%. The average annual percentage rate was only similar for instalment loans as it averaged 18% at creditors associated with banks and 19% at creditors not associated with banks.

The share of overdue loans in the credit portfolio also varies widely across creditors. While less than 2% of contracts at creditors associated with banks were overdue, almost 15% of loans from creditors not associated with banks were. In total, 73,000 client contracts were in difficulty in the fourth quarter as either overdue, written off or disposed of. The number of client contracts with payment difficulties was not particularly different from what it was in the third quarter.

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