ACCIS DATA FOR CREDIT

Q3/2024

CREDIT MARKET INDICATORS

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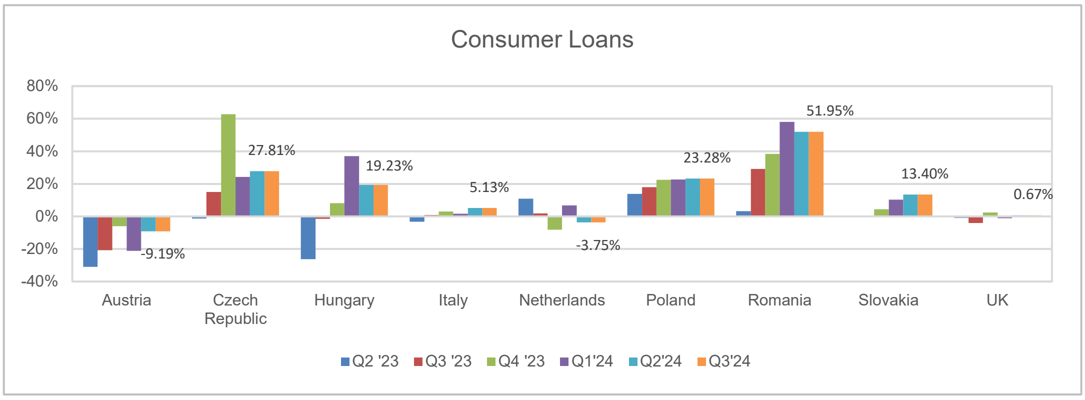
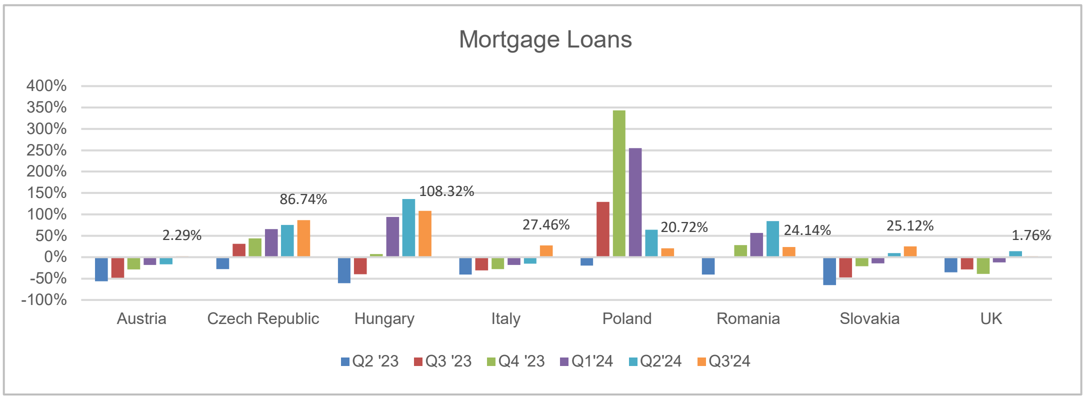
In Q3 2024, European credit markets demonstrated a robust yet regionally diverse performance. Eastern nations, such as Romania, Poland, and the Czech Republic, saw notable growth in consumer and mortgage lending, underscoring their economic dynamism. In contrast, Nordic markets, including Finland and Sweden, faced a contraction in lending activity. Encouragingly, credit quality strengthened across many regions, with Romania and Hungary achieving the most pronounced improvements in non-performing loan ratios. Amid geopolitical and economic challenges, the resilience of European credit markets was evident, underpinned by robust refinancing efforts and enhanced ratings, reinforcing trust and stability in the credit ecosystem.

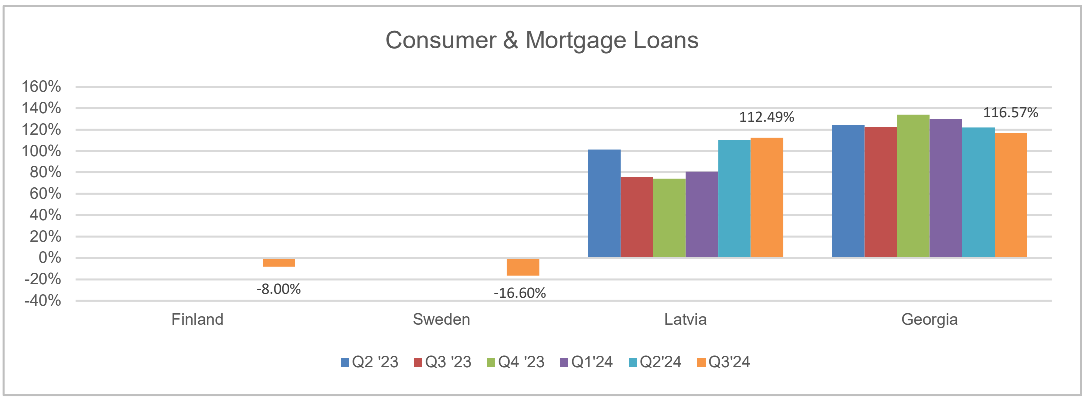
Several additional credit bureaus from Finland, Latvia, Sweden, and Georgia have contributed to this newsletter. I look forward to further expanding our coverage to include more markets in the future.

Dynamics of new sales of loans

Value of new booking in a quarter to a corresponding quarter of the year before







At the end of Q3 2024, loan dynamics across Europe highlight varied regional trends.

Consumer loans saw robust growth in Eastern countries like Romania, Poland, and the Czech Republic, with Romania consistently posting double-digit increases.

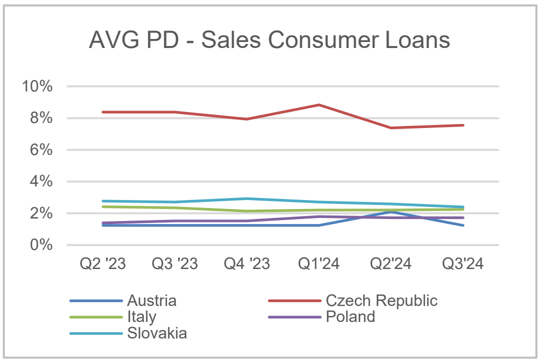
Mortgage loans also showed recovery, with Hungary, Poland, and the Czech Republic leading rebounds, while Austria, Italy, and Slovakia transitioned to positive growth.

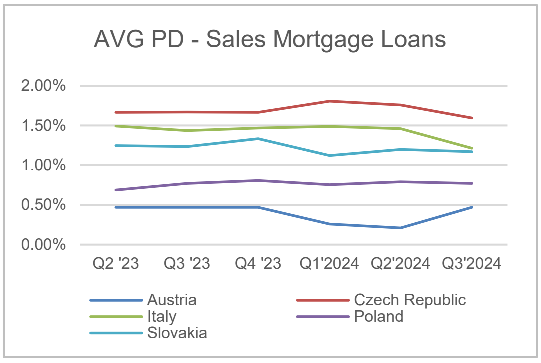
In Latvia and Georgia, combined consumer and mortgage loan data revealed sustained expansion, with Latvia accelerating further and Georgia moderating slightly. However, Nordic markets, such as Finland and Sweden, experienced declines, reflecting a contraction in their lending activity.

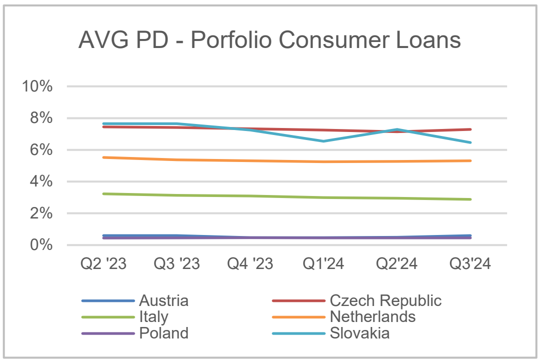
The UK and the Netherlands demonstrated more modest or fluctuating performance, suggesting cautious consumer and market confidence in these regions.

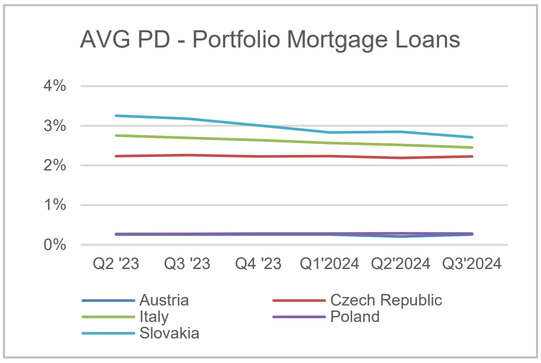
Probability of default

Average probability of default - AVG PD - (90 days past due on any customer credit)





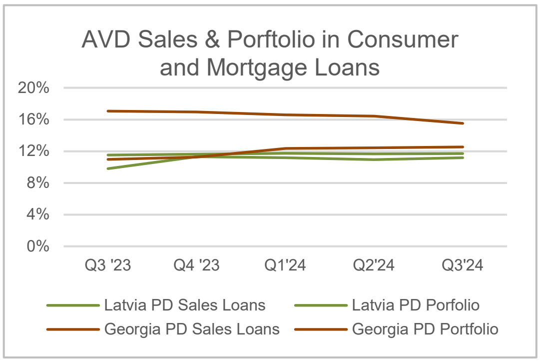




At the end of Q3 2024, the average probability of default for consumer and mortgage loans remains stable across most countries, with only minor fluctuations.

Italy and Slovakia show notable improvements, with steady declines reaching their lowest points for both loan types. Austria and Poland maintain consistently low and stable levels, reflecting minimal credit risk variability.

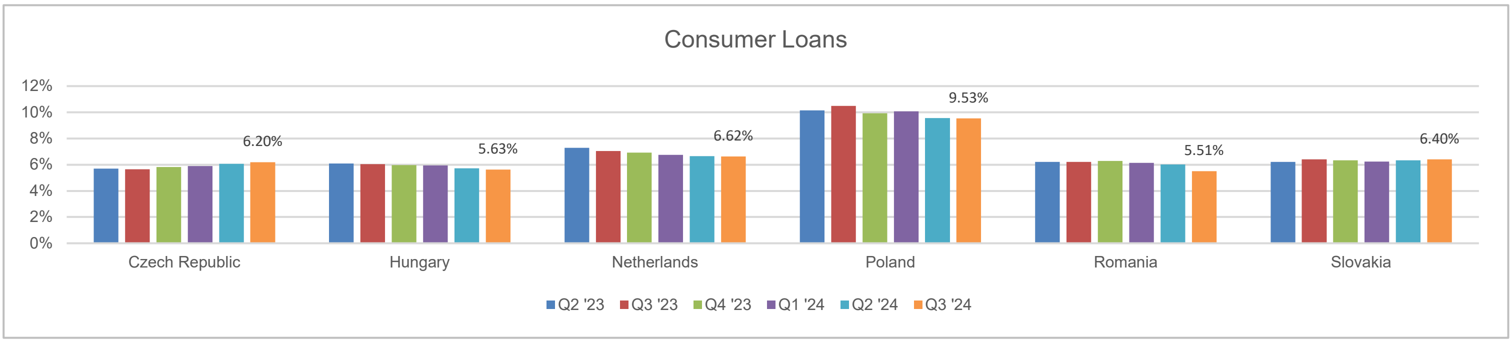
Meanwhile, the Czech Republic, while continuing to exhibit the highest levels, shows slight improvement across both consumer and mortgage portfolios.



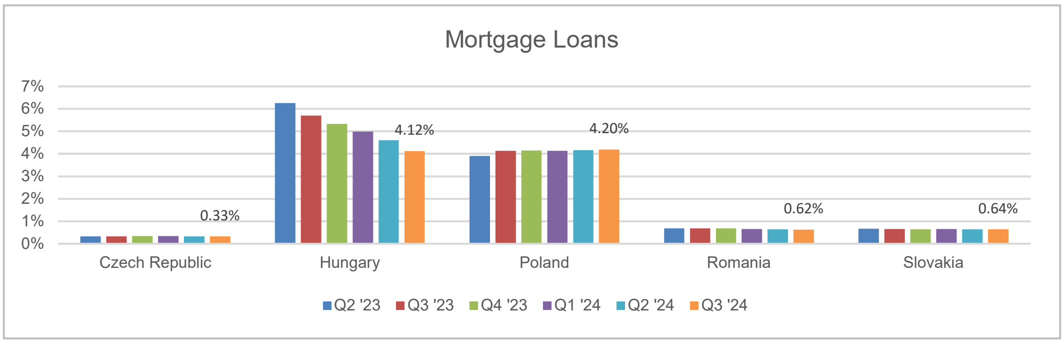
Loan book quality | % of non-performing loans

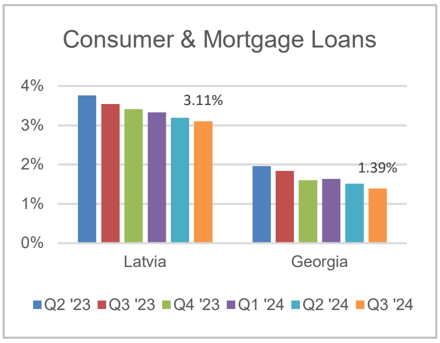
Balance of non-performing loans (more than 90 days in delinquency) to balance of all the loans at the end of a quarter

At the end of Q3 2024, loan book quality for consumer credit shows varied trends across countries. Improvements are evident in Hungary, Romania, and Poland, with Romania achieving the most significant reduction to 5.51%. Meanwhile, the Czech Republic records a gradual rise, reaching 6.20%. The Netherlands and Slovakia display relative stability with minor fluctuations, maintaining levels above 6%.



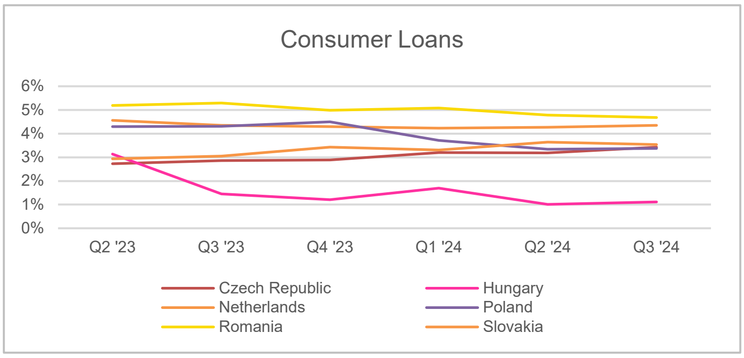
Non-performing mortgage loan ratios show stability or improvement across most countries. The Czech Republic, Romania, and Slovakia maintain low figures, with minimal fluctuations. Hungary has seen a notable decrease, dropping from 6.25% in Q2 '23 to 4.12% in Q3 '24. Poland shows a slight increase, rising from 3.91% in Q2 '23 to 4.20% in Q3 ‘24.

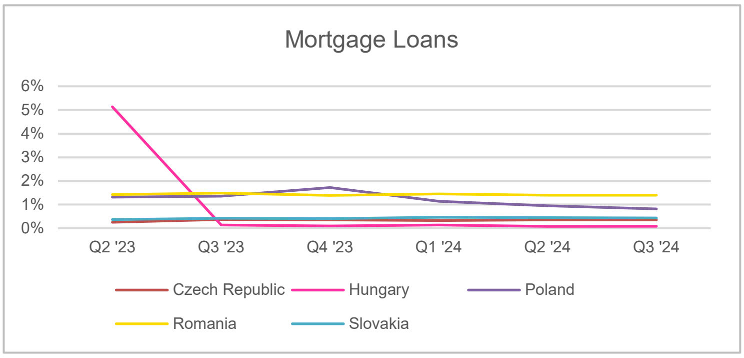


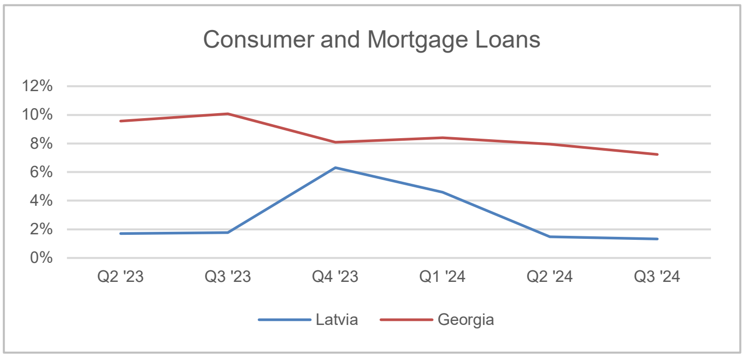


PQI - Portfolio quality index

PQI = (Sum of defaults in a quarter/ Sum of performing balances at the beginning of a quarter)*4 (%)







The Q3 2024 PQI data for both consumer and mortgage loans shows varying trends across countries. For consumer loans, Hungary has the lowest risk, stabilising at 1.11%, while Poland and Romania show slight improvements. The Czech Republic and Slovakia saw gradual increases. For mortgage loans, Hungary leads with the lowest risk at 0.08%, and Poland continues to improve to 0.82%. The Czech Republic, Slovakia, and Romania maintain stable performance, reflecting solid management of credit risk across the regions.

Source: ACCIS Credit Market Indicators Review is prepared based on data delivered by the following credit reference agencies: BIK (Poland) | Enento (Finland and Sweden) | KKB (Turkey) | Creditinfo (Georgia, Latvia) | CRIF (Italy, Czech Republic and Slovakia) | KSV (Austria) | Biroul de Credit (Romania) | BISZ (Hungary) | BKR (Netherlands)

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