

Credit Card Debt Doubles

By [The Moscow Times](#)

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The percentage of overdue credit card loans has almost doubled since the beginning of the year, on the heels of last year's credit boom, and the numbers are likely to go up, banking experts said.

The value of overdue credit payments in the private banking sector is growing rapidly since the beginning of the year, and over the first four months went up by almost 15 percent — 46 billion rubles (\$1.4 billion) — bringing the total to almost 360 billion rubles, according to a report by the National Collection Service cited by Banki.ru news agency.

The most significant growth was seen in the credit card segment, with its overall share growing from 15 to 27 percent, the report said.

Sergei Shpeter, a senior executive with the collection service, estimated that by the end of the year the share of overdue loans linked to credit cards could be as much as 30 percent of the total.

This is due to the fact that banks are pushing clients to take out loans tied to credit card accounts rather than in cash, the report said. While credit cards are becoming popular, loans in cash still lead the individual credit segment.

“Both are high-margin, unsecured loans, which mean low levels of customer credibility. High levels of overdue payments are expected, balanced out by an effective percentage rate,” said Vyacheslav Putilovsky, an analyst with Banki.ru.

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