



CREDIT MARKET INDICATORS



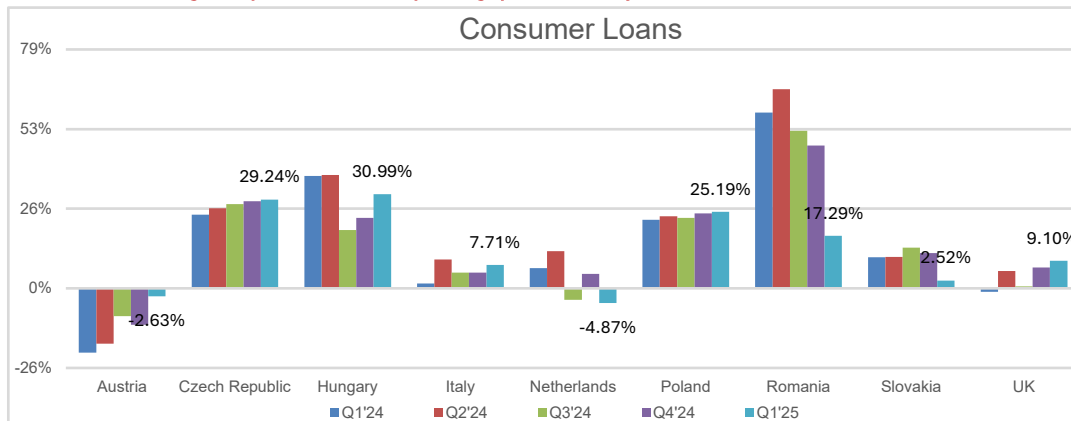
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ACCIS President, CEO of BIK

In our bread and butter: consumer loans, strong first quarter growth, in double-digits in half of the markets covered in our sample. Mortgage loans also increased in most markets except Poland – my home market. However, it must be noted Q1 2024 for Poland in mortgage loans saw exceptional growth. What is also impressive about seeing continued expansion of mortgage loans is that it has been matched by a commensurate decrease in the Probability of Default metrics.

In broad brush strokes, loan book quality remains at a strong level. Nevertheless, we saw some basis point increases in NPLs in consumer loans in some markets. Non-performing loans on mortgage books in the markets covered revealed signs of improvement. In the most recent euro area bank lending survey, expectations for Q2 foresee a tightening in credit standards and a decrease in lending – let's see how expectations live up to reality in the next edition!

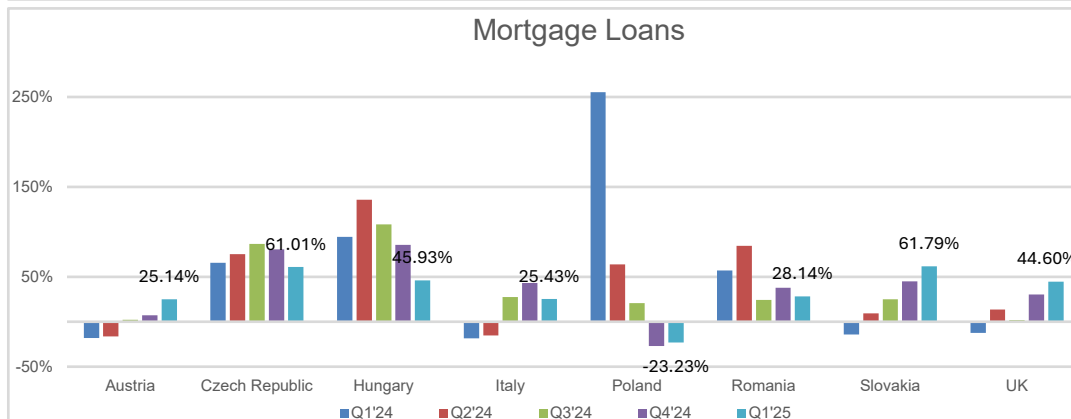
Dynamics of new sales of loans

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

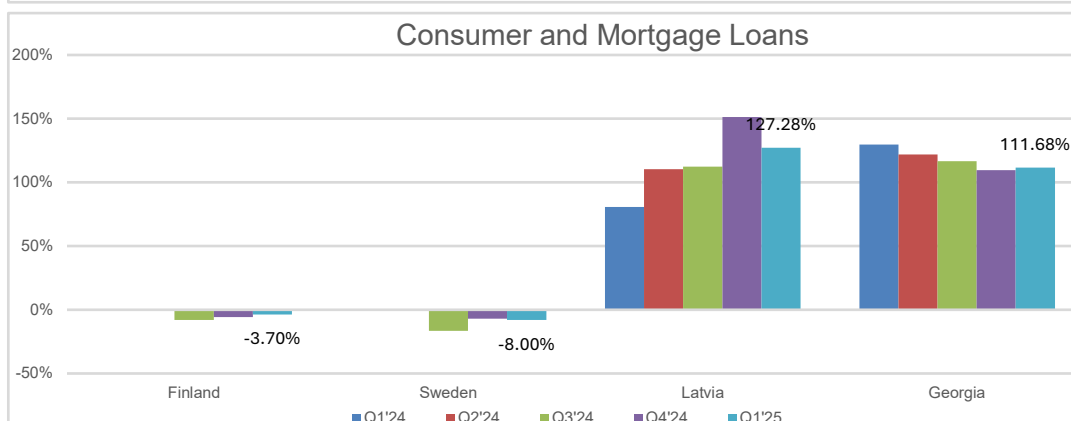


Kicking off 2025, the first quarter delivered generally robust growth figures.

Sales of consumer loans increased in the majority of markets in sample, with Austria and the Netherlands bucking the trend. Noteworthy growth figures in consumer loans were notched up in Czech Republic, Hungary and Poland. In Austria, a slight contraction of almost 3% was charted. In the Netherlands, the first quarter of 2024 charted significant growth, whereas Q1 2023 marked a contraction – the cycle continues in Q1 2025.



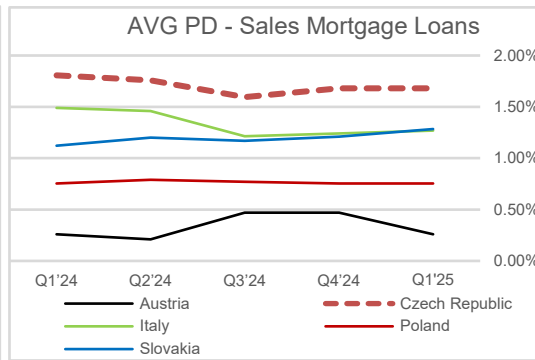
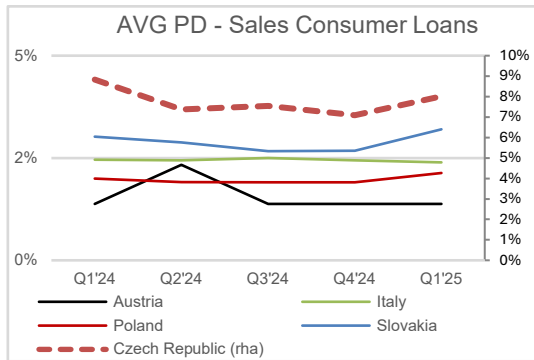
Mortgage loans continued a strong recovery almost across the board. A notable increase in the UK was charted, which is due to a subdued quarter in 2024 as the baseline, combined with a change in tax treatment in April 2025 stimulating demand in Q1.



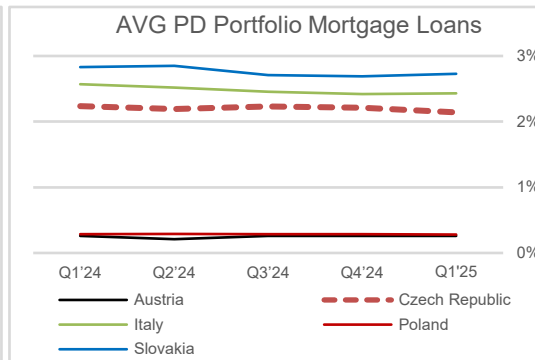
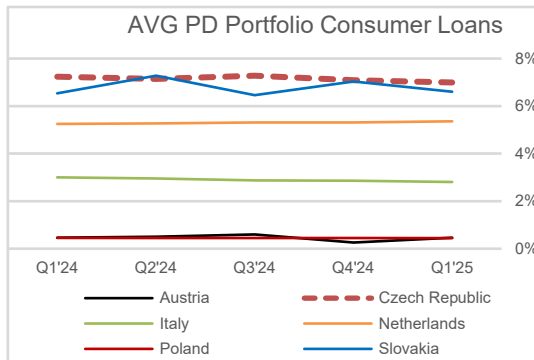
In Latvia and Georgia, combined consumer and mortgage loan data continued to trend upwards. In contrast, the Finnish and Swedish markets saw contractions in lending activity, though not as pronounced as in previous quarters.

Probability of default

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

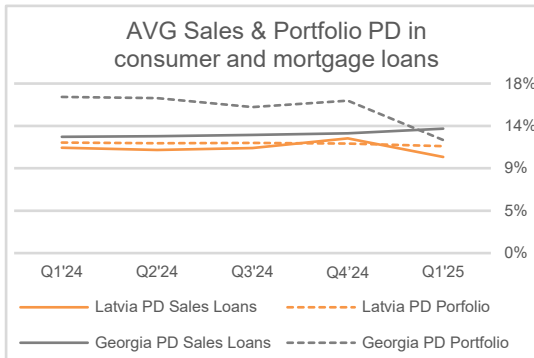


Average probabilities of default in consumer loans in the markets covered generally ticked upwards in Q1 2025, albeit slightly. The PD in sales consumer loans up in Czech Republic, Poland and Slovakia. Comparatively, PD on portfolio consumer loans was relatively stable.



In mortgage loans, the picture is slightly rosier than in consumer loans. In sales, mortgage PDs generally trended downwards, mirrored in portfolio mortgages.

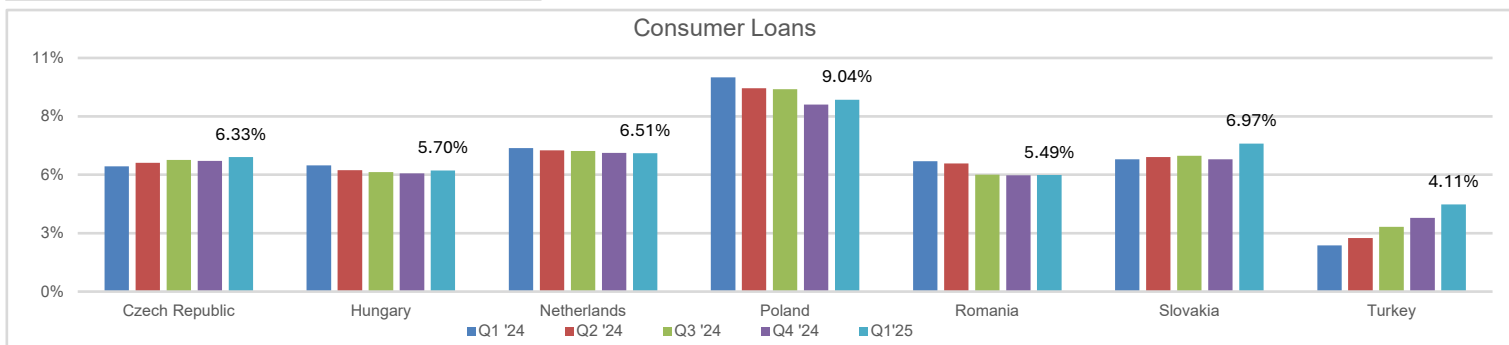
In Georgia and Latvia, the trend on PDs is downward excepting for sales in Georgia.



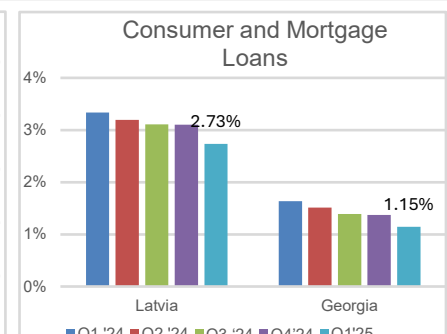
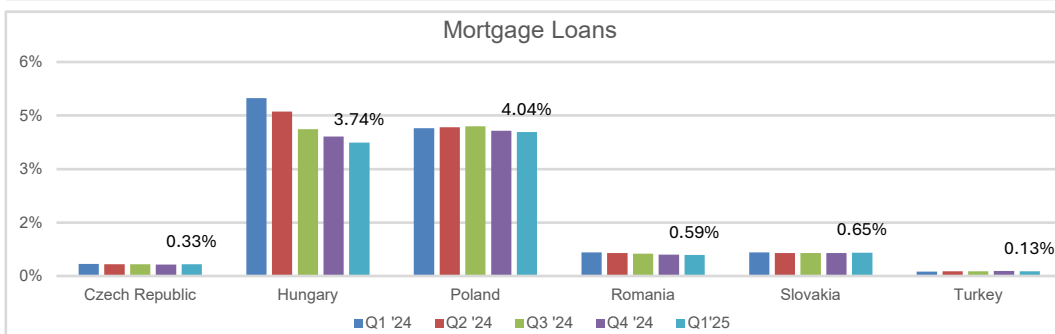
Loan book quality | % of non-performing loans

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

While loan book quality remained broadly stable in the first quarter of 2025 when compared to the previous quarter, as well as the same period in 2024, some slight uptick in the metric has been observed in Czech Republic, Hungary, Poland, Slovakia and Turkey. In the Netherlands a drop was marked, Romania remains stable.

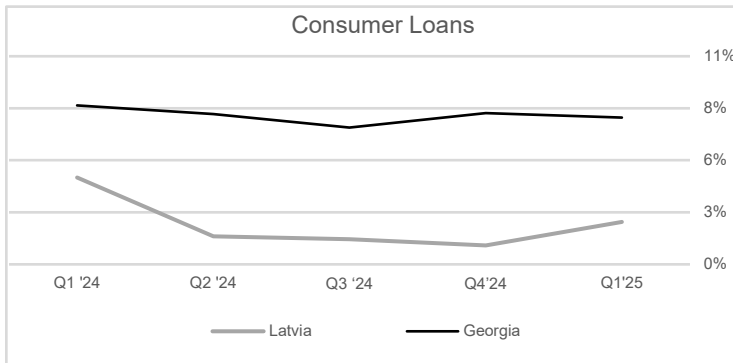
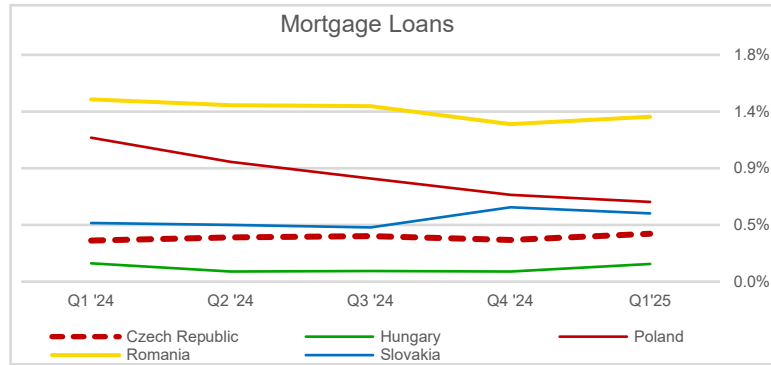
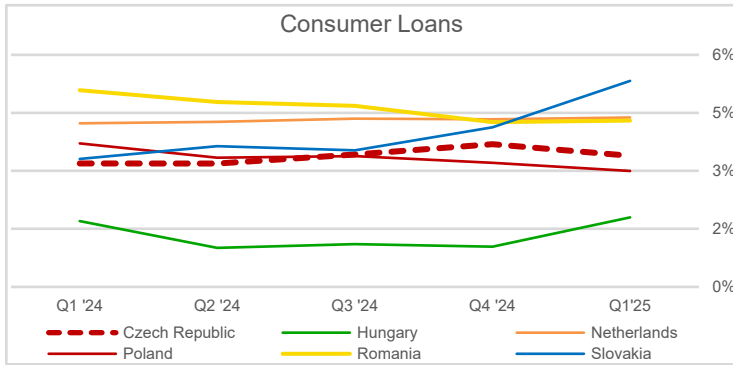


Non-performing mortgage loan ratios show stability or improvement across most countries. The Czech Republic, Romania, Slovakia, and Turkey maintain low figures, with minimal fluctuations. Hungary continues to observe a decrease over time. Poland has made notable improvements in this metric charting its lowest figure since the Second Quarter of 2023.



PQI - Portfolio quality index

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



The PQI metric in the 1st quarter of 2025 reveals some varying trends. On consumer loans, Slovakia and Hungary have seen a worsening trend where defaults are rising, whereas the other markets chart improvements. Georgia improves, whereas Latvia marks a slight worsening. On mortgage loans, Poland continues a secular trend downwards, Slovakia also improving portfolio quality. The other markets observe slight worsenings of PQI (i.e. the figure trends upwards) albeit by mere basis points.