



# CREDIT MARKET INDICATORS

## Market Outlook: Growth and Stability in European Credit

The European credit landscape of the third quarter of 2025 displayed a notable split between loan expansion and a stabilising risk environment. Consumer lending achieved double-digit growth in Austria, the Czech Republic, Hungary, Poland, and Slovakia, while the UK reached 9.6%. Growth in mortgage loans was even more pronounced, with Poland and the UK surging 48% and 23% respectively.

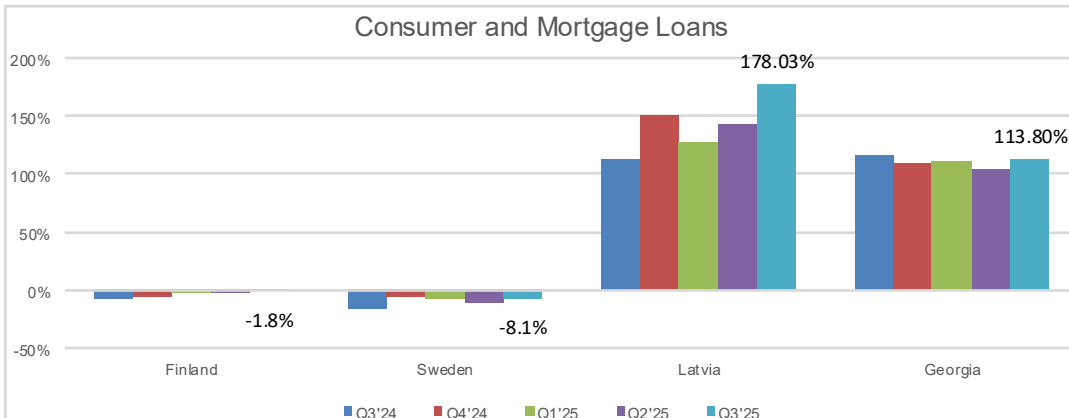
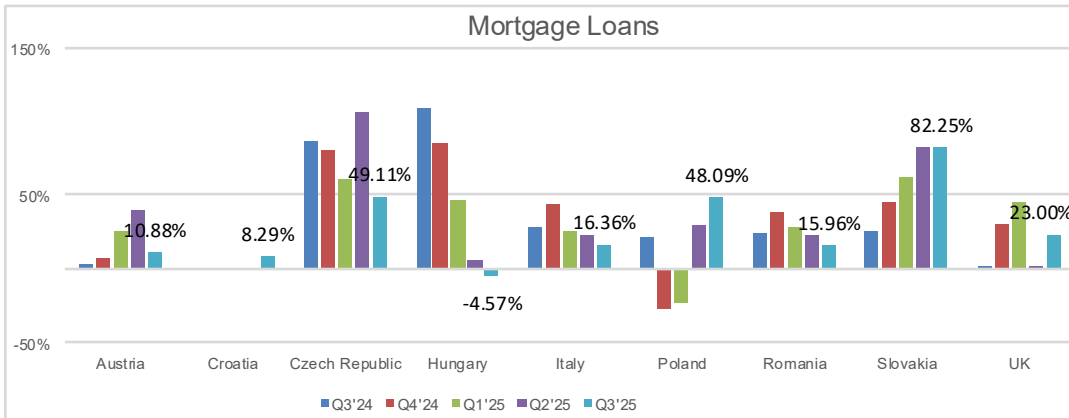
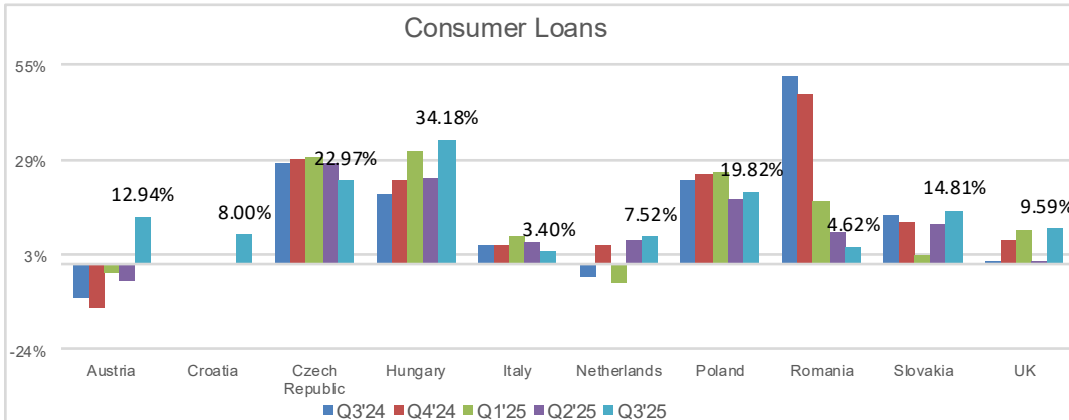
Importantly, this expansion is paired with resilient asset quality. The Probability of Default (PD) for consumer and mortgage portfolios remains stable or is declining across most markets. Furthermore, Non-Performing Loan (NPL) ratios have improved year-on-year in nearly all markets in sample. This edition features new data from Croatia, welcome & dobrodošli!



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### Dynamics of new sales of loans

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



Quarter three of 2025 showed growth in the majority of markets covered in the sample, and generally across both consumer and mortgage loans.

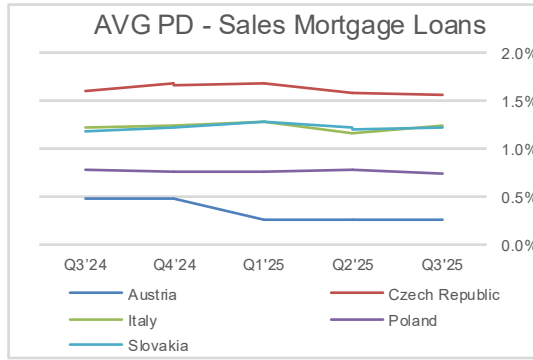
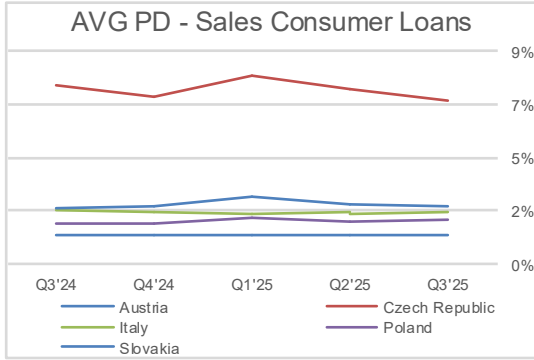
Sales of consumer loans grew across all markets reporting this on a single line, with particularly strong growth in Czechia, Hungary and Poland. Notably, Austria reversed four consecutive quarters of contraction with an expansion of nearly 13% in Q3 in consumer loans.

Mortgage loans continue to show resilience and growth. To underline this there was almost a doubling of growth in Slovakia and double digit growth rates in six other markets. There was only a small contraction in this business line noted in Hungary.

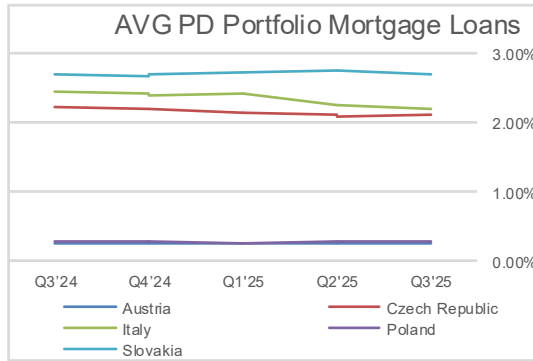
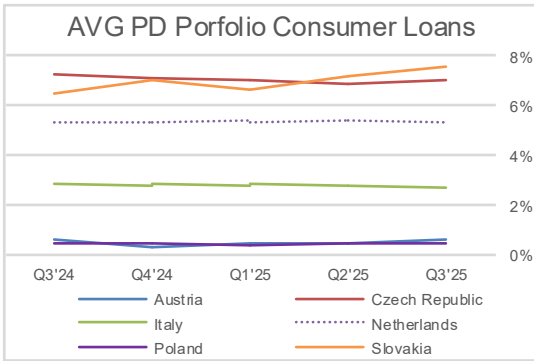
In Latvia and Georgia, combined consumer and mortgage loan data continued to trend upwards in triple-figures. In contrast, the Finnish and Swedish markets saw contractions in lending activity, though not as pronounced as in previous quarters.

## Probability of default

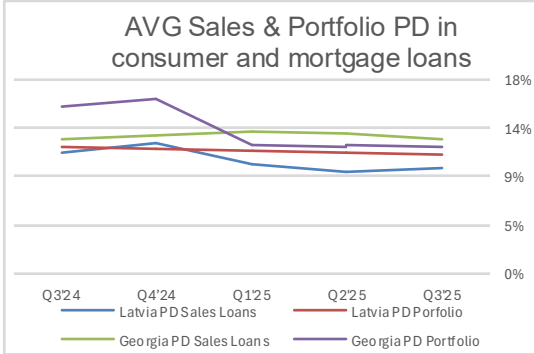
Average probability of default - AVG PD - (90 days past due on any customer credit)



Average probabilities of default (PD) in the markets covered in the sample for consumer loans generally went slightly downwards in Q3 2025. The PD in portfolio consumer loans ticked slightly upwards in Slovakia, and besides that it went down elsewhere. This trend was mirrored in Latvia and Georgia where the metric trended slightly down.



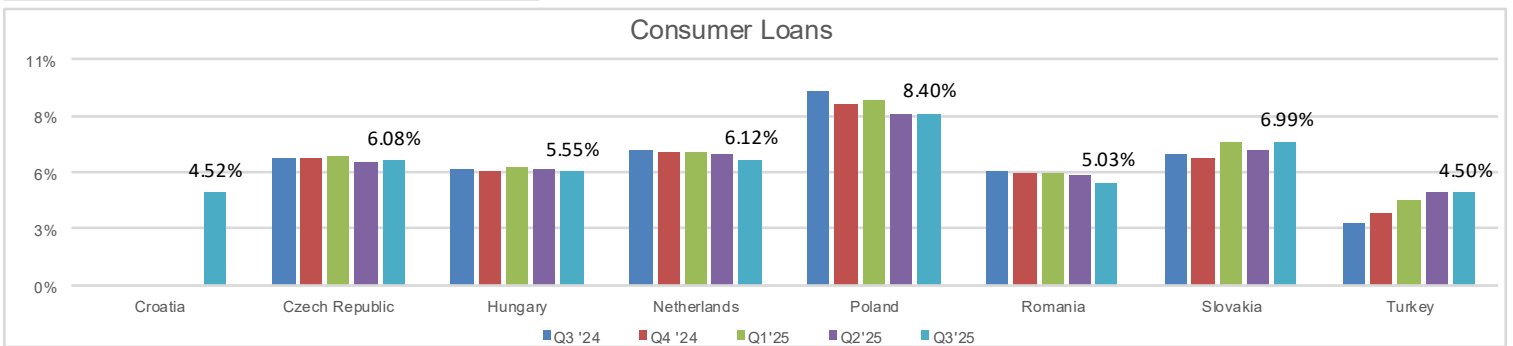
In mortgage loans, the average PD in sales stayed relatively stable compared to the second quarter of the year. For portfolio mortgage loans, there was either stabilisation or decline in PD rates in mortgages.



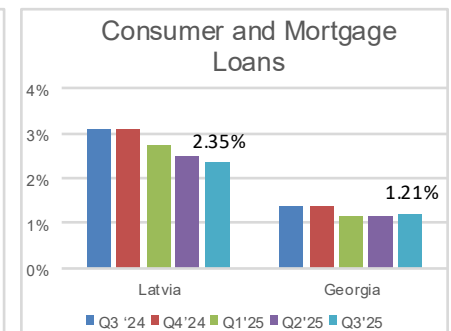
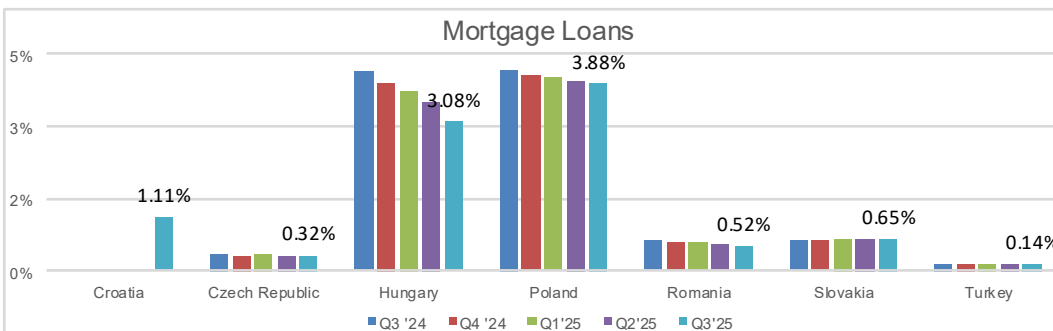
## Loan book quality | % of non-performing loans

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

In terms of the quality of loan books measured by the share of NPLs, there is stability overall. Some slight downward trends (i.e. improvements) were charted in Hungary, the Netherlands, Romania, and Turkey. In the markets where an uptick was observed in the metric, it was only by some basis points. Further, the levels are "low" by historical trend.

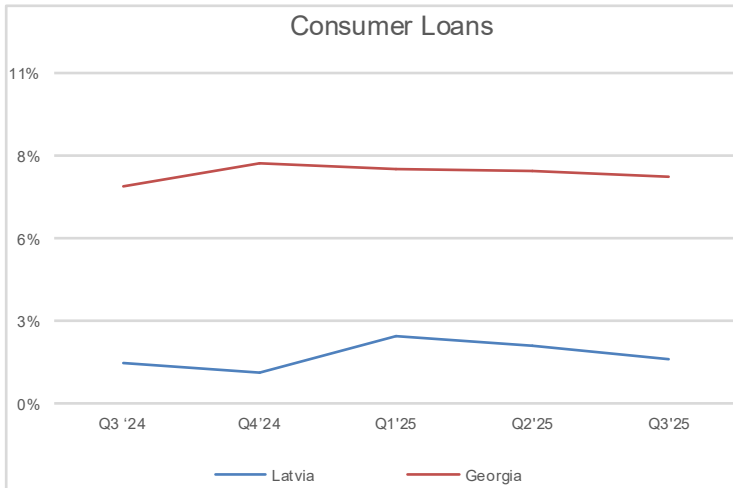
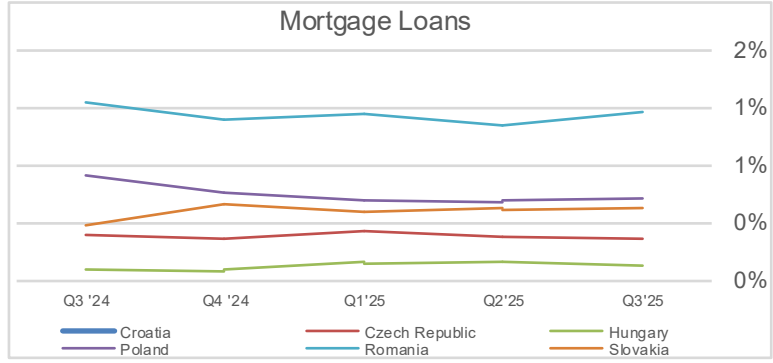
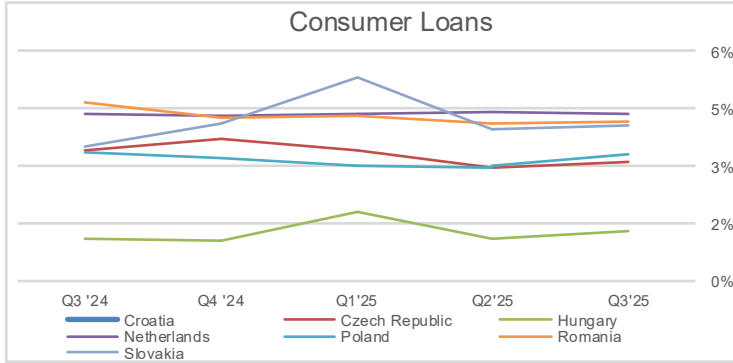


Mortgage loan NPLs are stable or improving in all markets in sample compared to the previous quarter. And, when compared to Q3 of 2024, NPLs for mortgage loans show improvement in all markets covered in the sample, revealing that growth in the mortgage loan portfolio is accompanied by a strong risk management.



### PQI - Portfolio quality index

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



As a reminder, when the PQI figure goes down it indicates the quality of the portfolio is rising. With that in mind, the PQI for consumer loans is generally higher than the second quarter of the year, but compares more favourably to the third quarter of 2024. The PQI for mortgage loans improved on Q2 2025 in three of the markets in sample, and compares favourably to the same quarter a year ago. Latvia and Georgia continue to make improvements to their portfolio quality.