



CREDIT MARKET INDICATORS

Building momentum: European Credit Markets Resilient in Q4 2025

The Q4 2025 data collected by our members points to continued resilience across European credit markets, with growth in several key markets and improving credit quality across the board. Consumer loan sales were subdued in several Western and Northern European markets — notably the UK, Netherlands, Finland and Sweden — while Central and Eastern European markets, including Poland, Hungary, Slovakia and Czechia, continued to record solid growth.

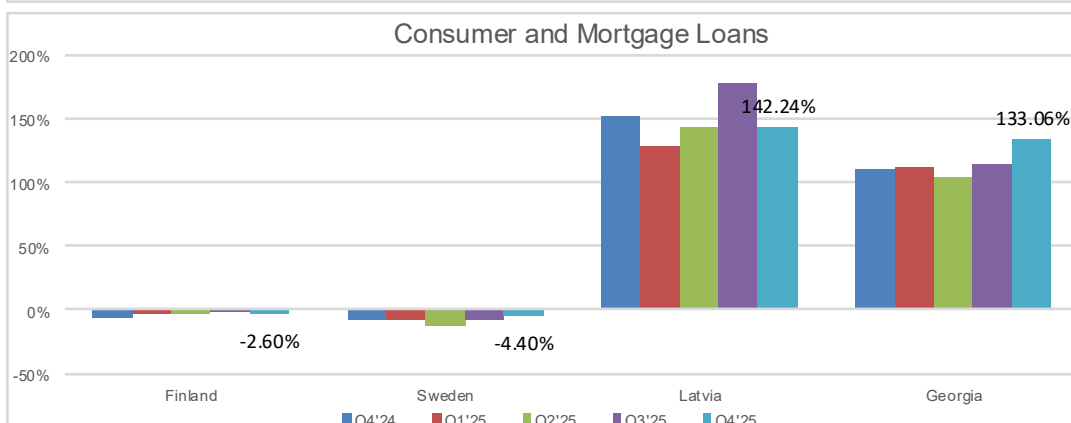
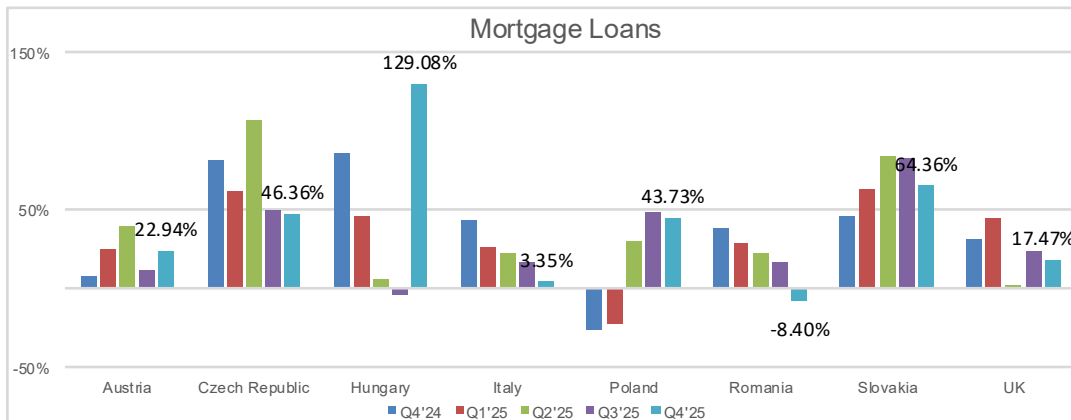
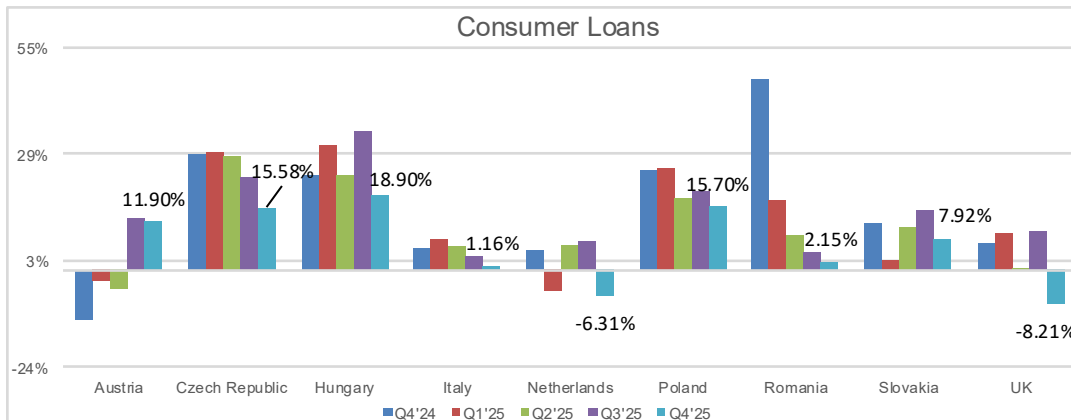
Mortgage lending was a particular bright spot, with Hungary posting exceptional expansion and strong double-digit growth seen across Austria, Czechia, Poland, Slovakia and the UK. Encouragingly, credit quality indicators were broadly positive: probabilities of default fell across much of the sample, and non-performing loans on both consumer and mortgage books declined in the majority of markets.



Mariusz Cholewa PhD.
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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



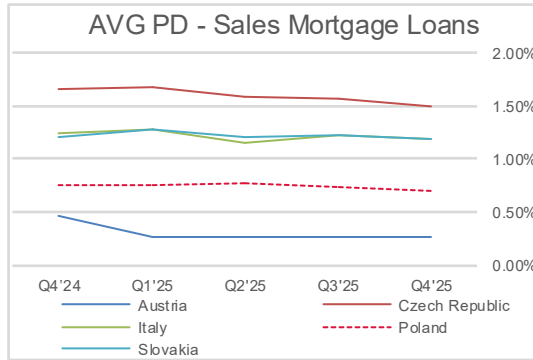
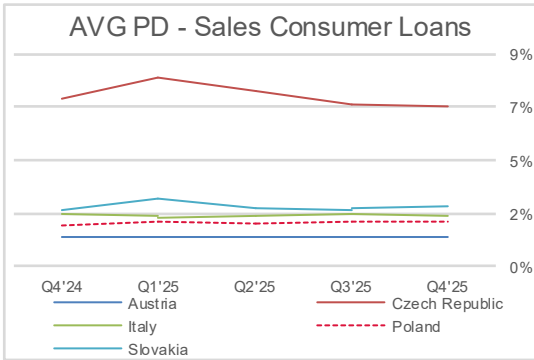
Robust growth in consumer loans was observed in the fourth quarter of 2025 in Central and Eastern European markets in the sample: Austria, Czechia, Hungary and Poland, all charted double digit expansions in consumer loans. Slovakia also increased consumer loans by nearly 8%. More modest growth was observed in Italy (1%) and Romania (2%). Contractions were observed in the Netherlands and the UK.

Mortgage loans generally continue to grow. In Hungary, an over 100% increase was charted, owing to the popularity of a government subsidy policy. In Austria, Czechia, Poland, Slovakia and the UK, strong double digit growth was charted. The contraction in Romania is situated in a broader economic contraction in the country.

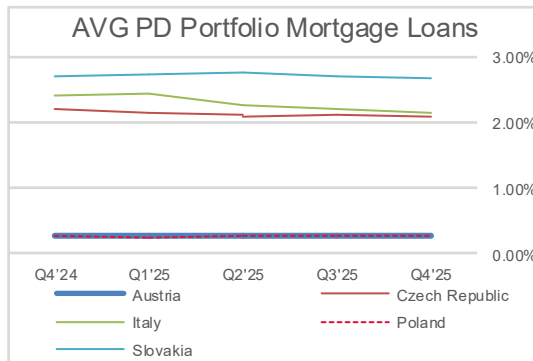
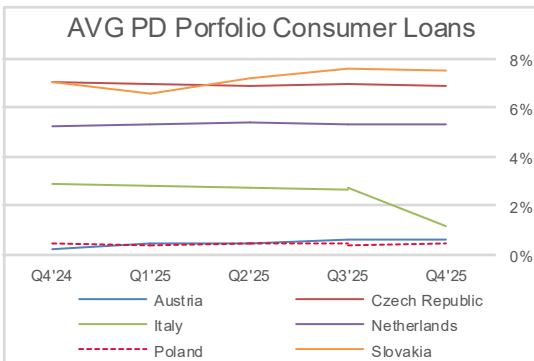
In Latvia and Georgia, combined consumer and mortgage loan data continued to expand at impressive rates. In contrast, the Finnish and Swedish markets continue to chart contractions in lending activity.

Probability of default

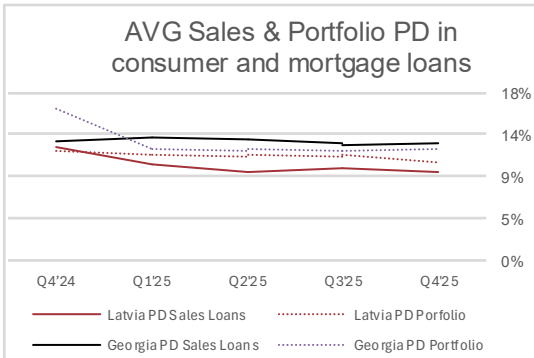
Average probability of default - AVG PD - (90 days past due on any customer credit)



Average probabilities of default (PD) in the markets covered in the sample for consumer loans continued to slide downwards in Q4 2025. The PD in portfolio consumer loans ticked slightly upwards in Slovakia, no change in Poland or Austria.



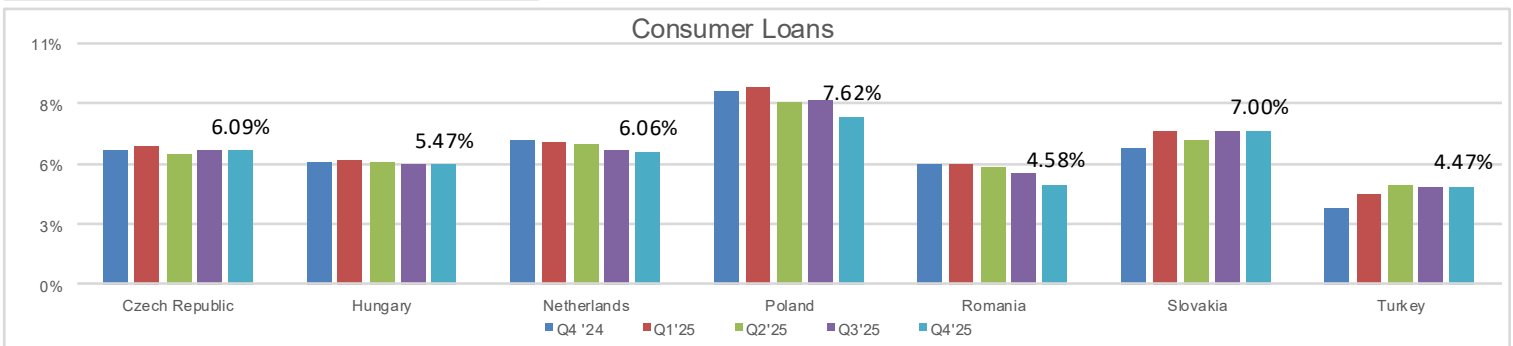
In mortgage loans, the average PD in in both sales and portfolio demonstrated an encouraging trend downwards, meaning default probabilities continue to decrease over the timeline covered in sample.



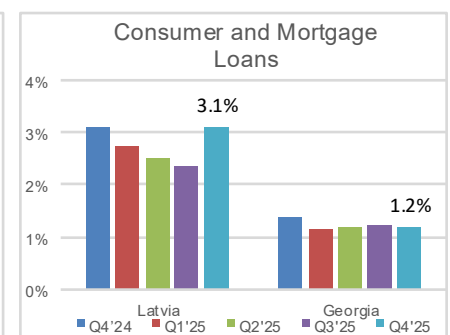
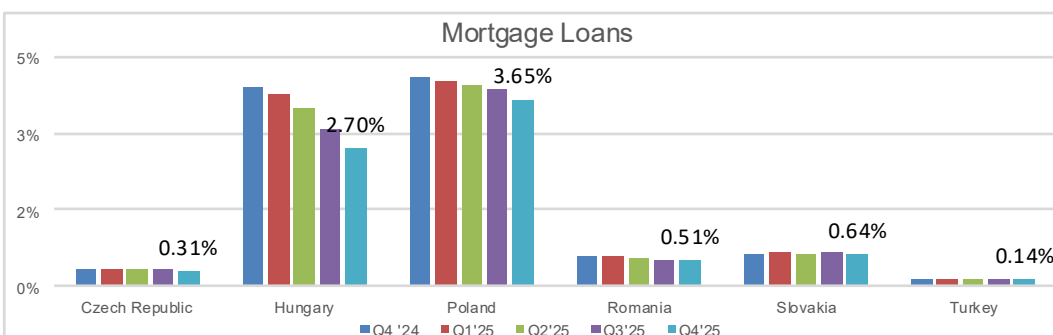
Loan book quality | % of non-performing loans

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, Poland, and Romania. 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.

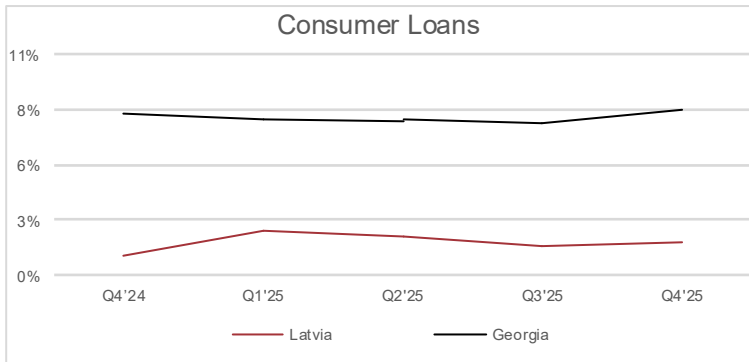
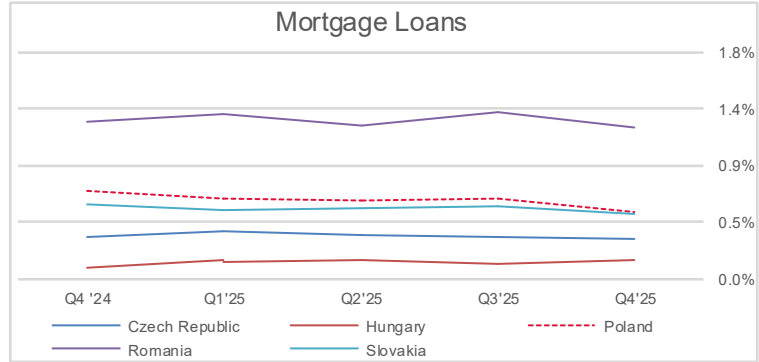
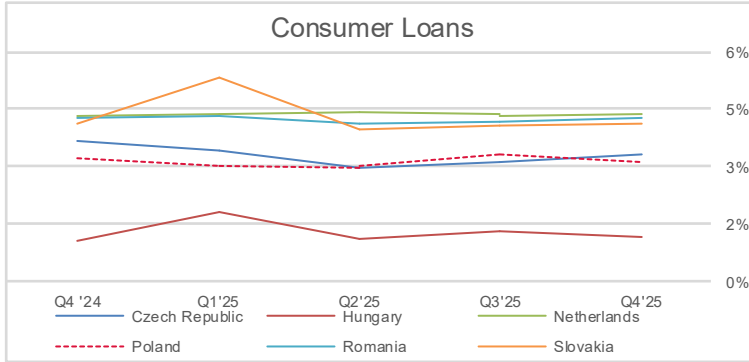


Mortgage loan NPLs are stable or improving in all markets in sample compared to the previous quarter. And, when compared to Q3 of 2024, NPLs for mortgage loans show improvement in all markets covered in the sample, revealing that growth in the mortgage loan portfolio is accompanied by a strong risk management.



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 stable compared to the previous two quarters of 2025, but compares more favourably to the same quarter a year ago. The PQI for mortgage loans improved pretty much across the board in the markets covered in the sample, and compares favourably to the same quarter a year ago.