



CREDIT MARKET INDICATORS



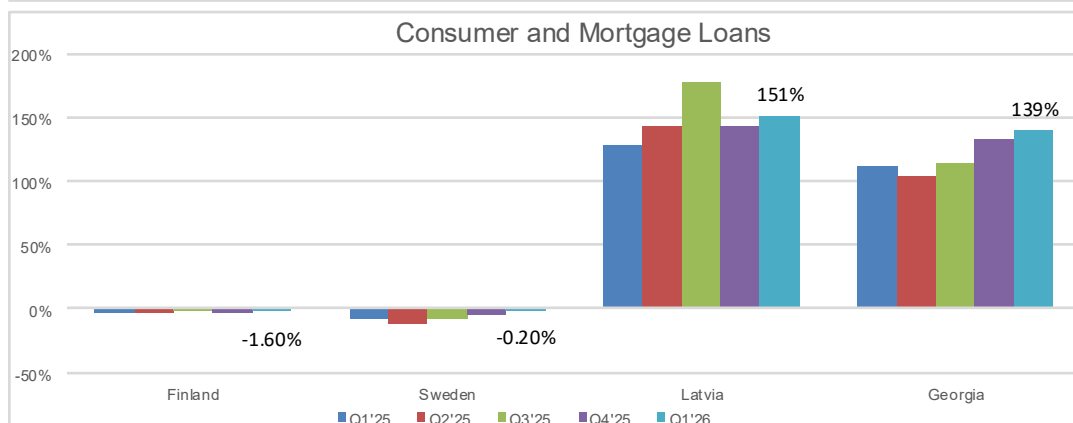
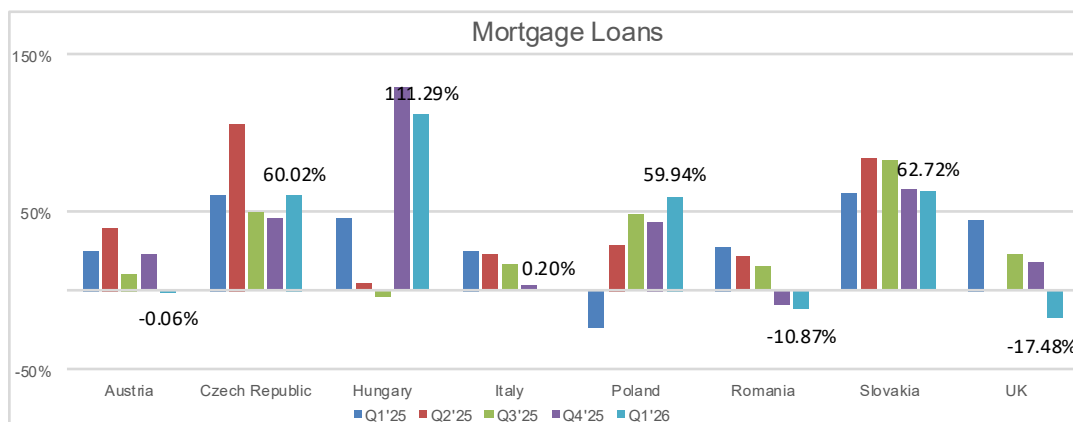
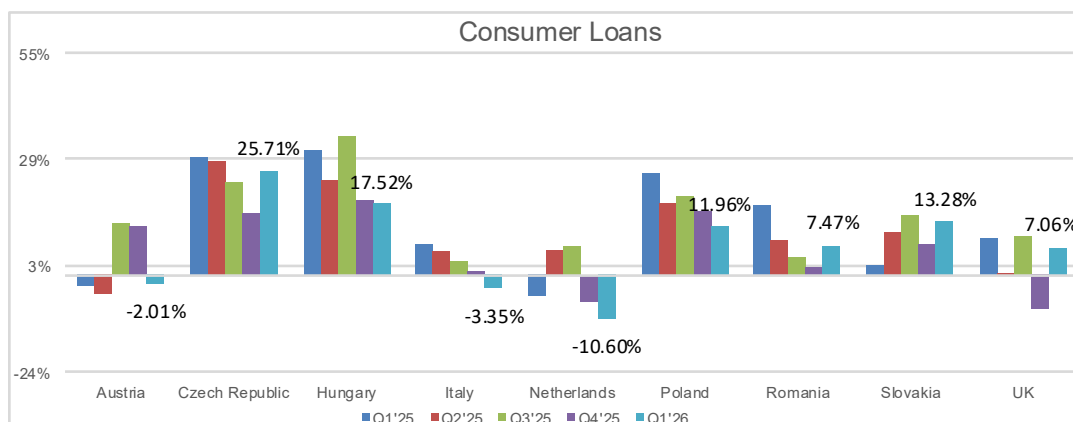
Mariusz Cholewa PhD.
ACCIS President, CEO of BIK

Credit Markets hold steady in Q1 2026: The Q1 2026 data collected by ACCIS members points to continued momentum across much of the European credit market, with strong consumer lending growth in several markets and credit quality holding firm. Consumer loan sales were subdued in a number of Western and Northern European markets — notably the Netherlands, Italy, Austria, Finland and Sweden — while Central and Eastern European markets, including Czechia, Hungary, Slovakia, Poland and Romania, again recorded solid growth, joined this quarter by the UK.

Mortgage lending volumes were more mixed, with movements in Romania and the UK reflecting the usual cycle and the end of a policy measure respectively. Credit quality, however, was a clear bright spot: probabilities of default were stable or lower across most of the sample, and mortgage non-performing loans improved or held steady in every market.

Dynamics of new sales of loans

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



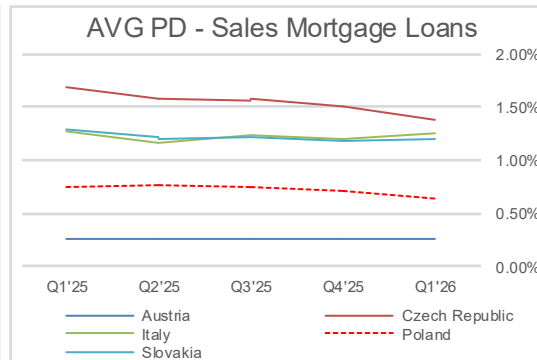
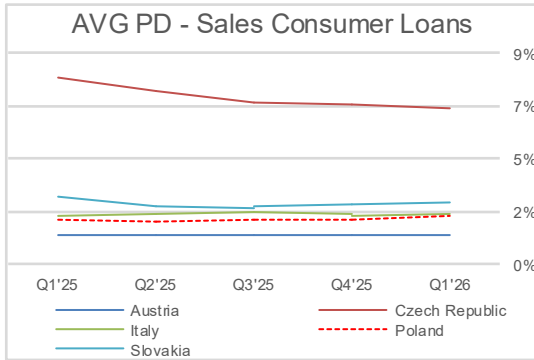
Despite the growing macroeconomic risks observed in the first quarter of 2026 (geopolitical, Middle East and energy), most of the markets in the sample charted increases in Consumer loan volumes: double-digit growth in Czech Republic, Hungary, Poland, and Slovakia; single figure growth in Romania and the UK. There were slight contractions in Austria and Italy, and a continued fall in the Netherlands reflecting a specific drop in consumer confidence levels.

Mortgage loans march on in many markets, with strong increases in Czech Republic, Hungary, Poland and Slovakia. A continued trend downwards observed in Romania mirroring falls in consumer confidence around housing. A double digit contraction in the UK reveals the extraordinary impact of a property tax change incentive in Q1 2025.

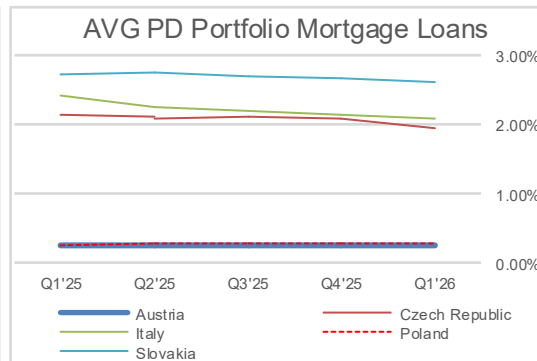
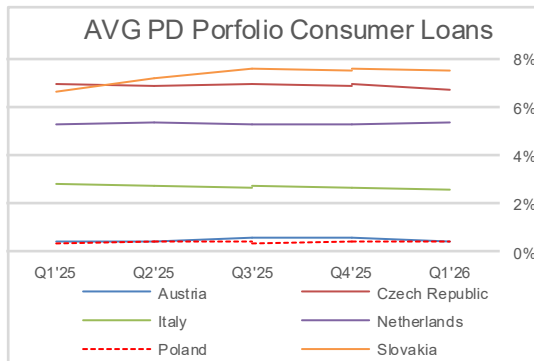
In Latvia and Georgia, combined consumer and mortgage loan data continued to expand at impressive rates. In contrast, the Finnish and Swedish markets continue to chart contractions in lending activity.

Probability of default

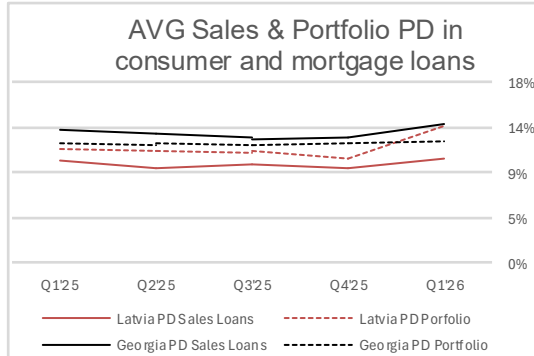
Average probability of default - AVG PD - (90 days past due on any customer credit)



Average probabilities (PD) of default in the new sales of consumer loans showed an improvement in Czech Republic and kept more or less stable in the other markets in sample. Across the consumer loan portfolio, PD levels decreased in Austria, Czech Republic, Italy and Slovakia and remained at series low levels in Poland. Small uptick in PD in Latvia and Georgia.



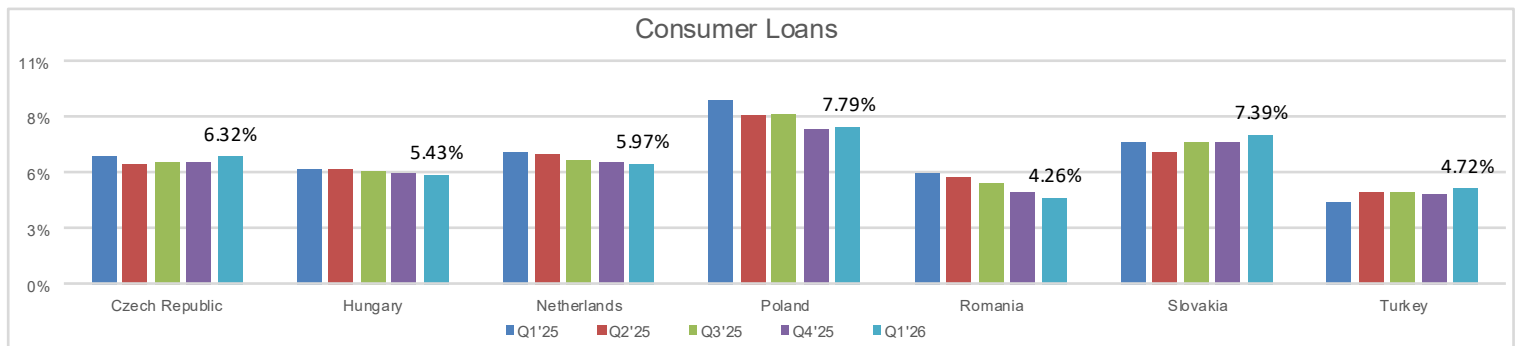
For mortgage loans, the trend is downwards across sales and the portfolio, with a notable decline in Czech Republic and Poland in sales and in Italy across the mortgage portfolio.



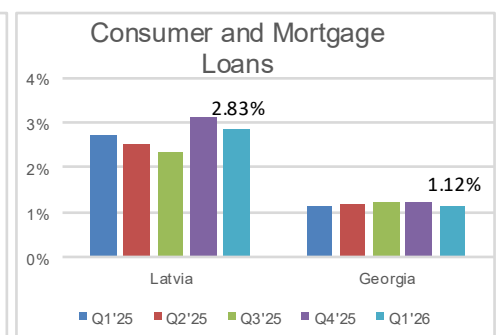
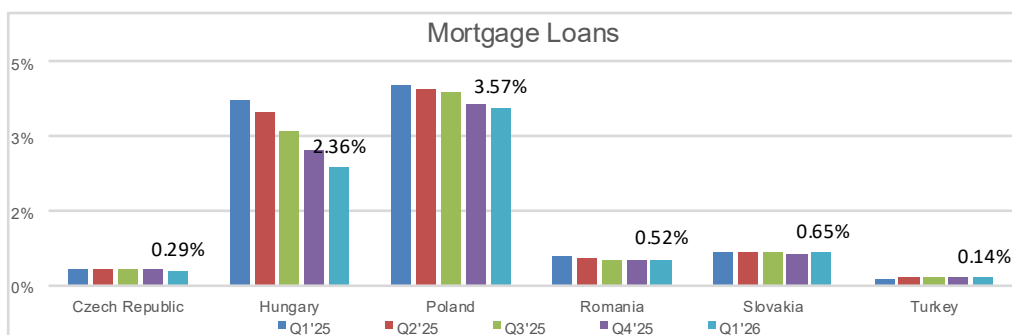
Loan book quality | % of non-performing loans

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 as measured by the share of non-performing [consumer] loans (NPLs), Q1 2026 is a better picture than the same quarter in 2025 across most markets in the sample; Slovakia and Turkey buck this trend. Noteworthy here is that in Hungary, the Netherlands and Romania the NPL levels in consumer loans are the lowest they have been in the time series. Latvia and Georgia (chart in bottom-right corner) have also made solid strides in lowering NPLs.

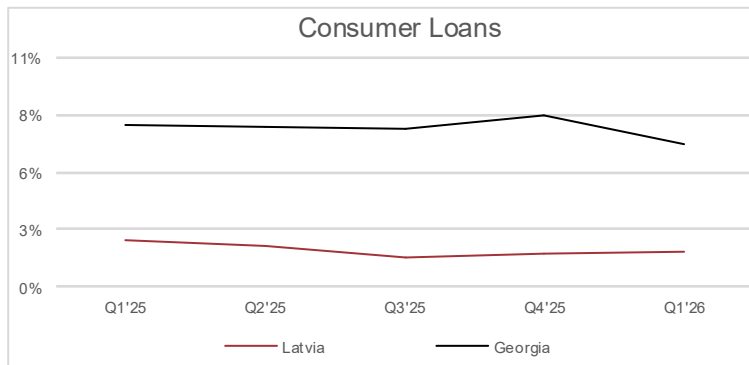
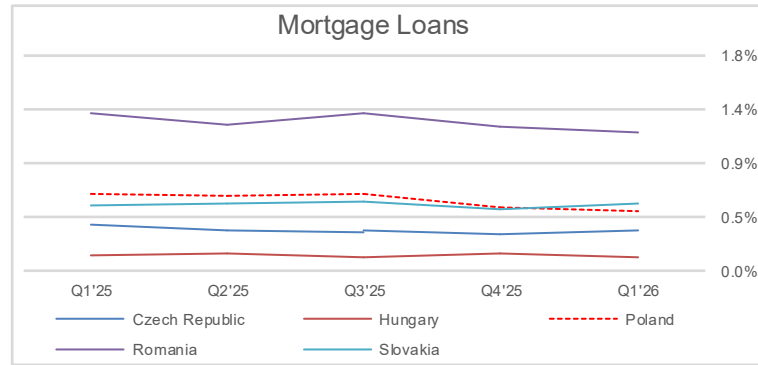
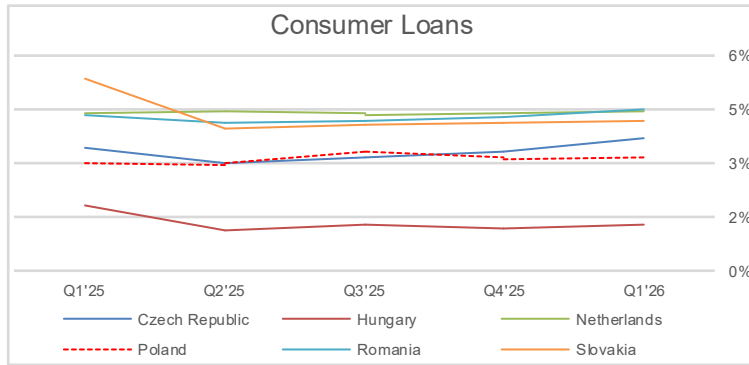


The NPL rate in mortgage loans in the markets in-sample continued to improve (i.e. decline), both versus the previous quarter (Q4 2025), as well as against the first quarter of the previous year (2025). Czech Republic, Hungary & Poland all charted the series low of NPLs in Q1 2026.



PQI - Portfolio quality index

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



When compared to the fourth quarter of 2025, the portfolio quality index increased pretty much across the sample in consumer loans. This indicates that the share of defaults in the overall balances of loans increased Q1 2026 compared to Q4 2025. In contrast, the picture is more mixed compared to Q1 2025, with some improvements in the portfolio observed in Georgia, Hungary, Latvia and Slovakia. As has been the case throughout Q1, the picture for mortgage loans is overall more positive. For all markets in the sample reporting PQI for mortgages, there is stable or even improvements in the PQI metric compared to Q4 2025 and to Q1 2025.