

Economic and Banking Monitor

Viewpoint

Growth consolidates as disinflation advances and central banks pivot towards selective easing across a fragmented region.

■ Macroeconomic scenario

- **Economic growth** – Growth entered 2026 on a **cautiously improving trajectory**, driven by both **resilient household consumption** and the **incipient recovery of investment**. Tight labour markets and gradually rising real incomes continue to sustain domestic demand, while external momentum remains subdued amid persistent geoeconomic fragmentation. **Regional dispersion persists**, with CEE outperforming, SEE supported by domestic demand and tourism, and EE constrained by geopolitical and energy-related headwinds. Forward-looking indicators suggest **moderate strengthening**, but downside risks remain skewed towards confidence-sensitive components such as exports and capital spending.
- **Inflation – Disinflation is progressing, but at a slower and more uneven pace**. Goods price pressures are easing, while **services inflation remains sticky**, reflecting both wage dynamics and structurally tight labour markets. Headline inflation has broadly stabilised after earlier declines, with **wide cross-country dispersion** driven by energy pricing, exchange rates, and domestic demand conditions. The final leg toward price stability is likely to be **gradual and increasingly shaped by domestic cost structures**, especially where administered prices and fiscal measures still play a role.
- **Monetary policies** – Central banks have already delivered initial rate cuts, while others have moved into a **prolonged holding phase**, reflecting growing confidence in the disinflation process. Although real interest rates remain restrictive, the policy stance has clearly pivoted away from tightening, with scope for **further, moderate easing broadly consistent with the inflation outlook**. Markets are increasingly pricing in a measured easing cycle through 2026, reflected in **lower sovereign yields and stabilising currencies**. Going forward, monetary paths seem set to remain **highly data-dependent**, shaped by wage trends, services inflation, and fiscal trajectories, reinforcing a differentiated regional landscape.

■ Banking aggregates

- **Loans** – Credit activity is **regaining momentum**, led by households on the back of improving real incomes and a **gradual revival of mortgage demand**. Corporate lending is stabilising at a more measured pace, as firms remain prudent amid lingering uncertainty on external demand. **Regional differences persist**, with stronger dynamics in South-Eastern and parts of Eastern Europe, and steadier expansion in CEE. In real terms, lending is turning positive, signalling a **progressive normalisation of financial intermediation**.
- **Deposits** – Deposit growth remains **solid but less buoyant** than in earlier phases of the cycle. Households continue to provide a **stable funding base**, while corporate deposits are more volatile, reflecting both working-capital needs and competition from alternative investment channels. Liquidity conditions remain comfortable, with **contained loan-to-deposit ratios** and a gradual shift toward longer maturities, supporting funding resilience.
- **Interest rates on loans and deposits** – Lending rates have begun to **edge lower**, particularly for corporates, marking the early transmission of easier monetary conditions. Household borrowing costs are adjusting more slowly, while **deposit rates appear to have peaked and are now easing**, especially for households. Although real rates remain restrictive, the direction of travel is clearly toward **normalisation**, which should progressively support credit demand and investment through 2026.
- **Non-performing loans (NPLs)** – **Asset quality remains robust**, with NPL ratios generally low and stable, supported by prudent underwriting, resilient labour markets, and solid profitability. While a mild uptick in impaired exposures cannot be excluded as past tightening works through balance sheets, **no systemic deterioration is visible**.

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Countries with ISP subsidiaries

Quarterly Note

Research Department

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This note has been coordinated by Giovanni Barone. The names of the individual authors are listed in each section.

The note considers the countries where Intesa Sanpaolo has subsidiaries: Slovakia, Slovenia, Hungary and Czech Republic among the CEE countries; Albania, Bosnia, Croatia, Serbia and Romania among SEE countries; Russia, Moldova and Ukraine among CIS countries; Egypt among MENA countries. It also includes Poland among the CEE countries, where ISP has a branch.

The Economic and Banking Monitor is released on a quarterly basis in January-February, April-May, July-August and October-November.

Cross-Country Analysis

CEE Area

In the third quarter of 2025, the economic cycle improved slightly in CEE countries, despite the uncertainty on the international landscape owing to the strong geoeconomic fragmentation. In Q3, GDP grew by 2.8% year-on-year from 2.2% in the previous quarter (weighted average in the region, on seasonally-adjusted data). The economic dynamic was mainly supported by private expenditure (1.5% percentage points (pp) of contribution to GDP growth) and capital formation (0.9pp), followed by public expenditure (0.7pp), while the contribution from net exports remained negative. At the country level, the economic dynamics were very different, ranging from the 3.6% growth in Poland to 0.6% in Hungary. For the first part of the current year, high-frequency economic indicators signal a strengthening of GDP, but the risks for the economy are predominantly negative; while the expansionary monetary conditions could still support consumer and investment demand, uncertainty over the current economic policies of major global players continues to weigh heavily on household and business confidence.

Antonio Pesce

In Q4 2025, the **Economic Sentiment Indicator** (ESI; in weighted average data) for the CEE region increased slightly, to 100 from 99.8, and close to the peak reached in Q2 2024 (100.3). Among the sub-components of the indicator, consumer sentiment continued to improve, owing to favourable conditions in the labour market and the expected recovery of disposable income from the wage dynamic. Meanwhile, the business component was still penalised by the weakness of external demand, in particular from the Eurozone, the most important trading partner of the CEE region.

Albeit with some country-to-country exceptions, the decline in **inflationary pressure** has practically stopped in recent months in the CEE area, owing to the temporary acceleration of inflation due to base effects and, in countries such as Czech Republic, due to relatively strong economic growth, as well as exchange-rate weakness in some countries, such as Hungary. Aggregating the data (weighted average) in December 2025 (2.6%), albeit lower than the 4.2% in January, the annual inflation rate in the CEE area is now basically in line with the low of 2.8% in June 2024 (harmonised measures).

At their most recent meetings, the national banks in the CEE region held their **policy rates** steady at 6.5% for Hungary, 3.5% for the Czech Republic, and 4.0% in Poland, respectively. In the financial markets, **long-term yields** decreased slightly in several CEE countries versus three months ago, with a small reduction of spreads with respect to the Bund 10Y yields. The previous depreciation of local currencies seen in previous months, now seems to have partially recovered.

With regard to **banking aggregates, in the CEE area loans to the private sector decelerated slightly in December**; increasing by 6.2% year-on-year in the region (estimating December in Hungary because last data are as of November) versus 6.4% yoy in November, after the good cyclical phase in CEE countries in the third quarter. The loan performance reflected a **recovery in Poland** (5.7% yoy, improving from 3.6% yoy in 2024), which is in line with our forecasts (5.5% in 2025). Lending remained robust in all CEE countries: in both the Czech Republic and Hungary, it increased by 6.9% (as of November in Hungary), from 6.0% yoy and 6.7% in September, respectively. Slovakia continued on a strong path (6.9% yoy). In Slovenia, loans also accelerated (from 2.7% in 2024 to 6.6% yoy in December). In real terms, year-on-year changes were positive, particularly in the Czech Republic and in Slovenia (5.1% yoy and 4%, respectively) due to low inflation. **NPL ratios remained stable and low**. The highest ratio was in Slovakia (2% as of October according to IMF data). The ratio was very low in both Slovenia and in the Czech Republic (1.5% for both). Asset quality was thus good, but it is expected to worsen slightly in line with the economic deceleration.

Davidia Zucchelli

Corporate loans closed the year strongly (around 6.5% yoy in December, estimating Hungarian data), mainly because of the acceleration in Poland (from 5.3% yoy in 2024 to 8.9% yoy in 2025). Corporate lending growth in Slovakia was also particularly strong (from 1.7% yoy to 6.5% yoy), owing to falling interest rates and improving household wages. In contrast, corporate lending was weak in Hungary (falling to 0.2% yoy in November). **Household loans** rose in the area and in all

countries (from 5.6% to 6.3% yoy in November), in line with both macroeconomic improvements and increasing wages, especially in Hungary (from -9.4% yoy in 2024, to 13% yoy in November).

Deposits from the private sector remained strong during the year (+6.8% yoy in November and estimated 7.6% yoy in December) in the area, particularly in Poland (from 8.1% in 2024 to 9.8% in December). Deposit growth was still vigorous in the corporate sector (+7.2% yoy in November), and in the household sector (7.1% yoy). In real terms, deposits increased by around 5% in December in the area, due to low inflation. Data are expected to improve further in the coming months. **Household deposits expanded by 7.3%** yoy from 9% in 2024, as corporate deposits rocketed from 5.2% yoy in 2024 to 9.4% yoy in the same period, mainly in Poland (from 2.1% to 14.3%) and in Slovenia (from -1.4% to 8% yoy). The high granularity of deposits and large portfolios of liquid securities somewhat mitigated the liquidity risks. The **loan/deposit ratio** was below 100% in all countries, with the exception of Slovakia, where it remained at 107.9%, worsening during the year. Furthermore, corporate deposits, which are more volatile than household deposits, accounted for 41.5% of total deposits in this country.

Corporate interest rates eased strongly in Poland (-0.8pp from September to December). Household deposit interest rates declined as well. They were stable in Hungary and in Slovenia.

SEE Area

Economic growth in the South-Eastern Europe region slightly decreased in the third quarter of 2025, with GDP down 1.5% year-on-year after a strong dynamic in the previous quarter (2.6% as weighted average in the region, on calendar-adjusted data), confirming the good performance in Serbia and Croatia, and recovery in Romania. On the demand side, domestic consumption drove the recovery owing to the real wage growth, together with the increase of employment, while the net contribution of external demand was still negative. In the first nine months of 2025, high frequency economic indicators suggest a steady economic dynamic, as the ESI in Q4 was basically in line with previous quarter (95.6 vs 95.8). As with the CEE region, the risks for the economy are prevailing on the negative side, despite the countries among the SEE area being less exposed to the negative impacts from the international trade stress.

Antonio Pesce

In December, annual **inflation** in the SEE area remained high, at 7.8%, close to the maximum of the year (7.2% in August, on a regional weighted-average basis, on harmonised data). However, the inflation rate was quite different from country to country in this region, ranging from 2.2% in Albania to 8.6% in Romania. In their last meetings, the pause in monetary policies was continued, with the **central banks** of Albania, Romania, and Serbia keeping their policy rates at 2.50%, 6.50%, and 5.75%, respectively. At the same time, **long-term yields** in Romania decreased to 6.7% (30 bps less than three months ago), but remained well above the long term average as inflation is still very high. In the **FX** markets, local currencies have remained stable in recent months, but weakened further in Romania with respect three months ago.

On the **banking side, loan growth to the private sector decelerated gradually to 8.6%** year-on-year in December (estimating data in Albania where data stopped in November) from the peak reached in May (10.1% yoy), lowering to the same percentage change of 2024, but with a wider range (from 5.8% in Romania to 15.4% in Serbia) owing to good macroeconomic data as of Q3, and despite a modest economic context in Romania. **Deposits from the private sector decelerated** from 9.2% in 2024 to 6.7% in December, mainly in Romania (from 9.7% yoy in 2024 to 6.5% in 2025) and in Serbia (from 13.1% to 5.9% respectively).

Davidia Zucchelli

Loans to the private sector accelerated further in December in Serbia, increasing by 15.4% yoy, while remaining vigorous in Albania (13% yoy in November) and in Croatia (12.8% yoy). Owing to gradually improving inflation, **real yoy changes in loans** are rising, especially in Serbia (12.7% in real terms) and Albania (+10.9% yoy in real terms), but in negative territory in Romania (-2.8% yoy).

Asset quality remained good, as shown by the NPL ratios, which declined only slightly in Albania (at 4.1%) and Romania (2.7% in November). **As in the CEE countries, household loans – especially consumer loans – accelerated** to 11.2% yoy in December (estimating Albanian data) (from 10% yoy in 2024), -showing an acceleration in Serbia (from 10% to 19.5% yoy), Croatia (to 12.8% from

11.7% yoy), and Albania (20.4% yoy in November) in particular. Similarly, **corporate lending stabilised** from 7% yoy in 2024 to 6.3% yoy in December, but improving, particularly in Croatia (from 6% in 2024 to 12.6% yoy) and Serbia (from 5.9% to 11.7%), mainly as a reflection of slowing working capital growth. In Croatia, recent borrower-based macroprudential measures – that will limit debt service to income (DSTI) ratios for new housing loans to 45% and loan-to-value (LTV) ratios to 90%, and set an upper limit on repayment periods to 30 years – could slow excessive growth in household loans, which increased by 12.8% yoy in 2025, but mitigate financial risks.

Deposit growth continued to decelerate in the corporate sector (from 6.0% yoy in 2024 to 4.2% in 2025 including Albania) and also in the household sector (from 11.1% yoy to 8% yoy in the same period) in the region. Deposits from the private sector accelerated in Albania (from 3.9% to 8.6% yoy in November) and in Croatia (from 3.7% yoy to 6.7% yoy in December), supported both by the corporate sector (from 1.4% yoy to 6.1%), and household sector deposits accelerating from 4.7% to 7% yoy, owing to wage growth. Banks in the area can count on an ample and stable funding base, but **there is increasing competition from new T-bills and investment funds**, particularly in Croatia. Thus, owing also to a low and stable **loan/deposits ratio**, well under 100%, there are no signs of liquidity tensions.

Deposit interest rates increased slightly in Serbia (from 4.4% in September to 4.8% in December), and in Bosnia (from 1.52% to 1.67% in the same period). In contrast, in these two countries, **corporate lending interest rates decreased slightly**, as in Romania (-56bp from September to November) among the other countries.

EE and MENA Areas

Uncertainties about a resolution of the conflict in Ukraine continue to affect Eastern European economies. In December 2025, **industrial production** in Russia (3.7%) went up compared to November (-0.7%). It also declined in Ukraine (-6.3% vs. -3.9% in October), while it increased in Moldova (+11.6% in November vs. +12.5% in October). **Exports** in September decreased slightly less in Russia (-6.5% from -7.9% in August). Ukraine's exports also declined in September (-4.1% in September from -4.2% in August), while Moldova's increased in November to +18.0% (from +23.7%). In December, **retail sales** were positive in Russia (to+3.9% from +3.3%). In terms of forward-looking indicators, in December **PMI** decreased to 48.1 versus the November level (48.3), but still down to 50 in Russia. On the **inflation** side, in December consumer prices decreased in Russia (at +5.6%), which is somewhat above the CB's inflation target (4.0%). In Moldova, the inflation rate decreased (to 6.8%, from 7.0% in November). Inflation also decreased in Ukraine (8.0% in December from 9.8% in November), within the CB's target range (5.0%+/-1.0%). In 2025 as a whole, the Bank of Russia raised the **policy rate** five times from 21% to the present 16% as a reflection of the significant decrease of inflation. Inflation risks continue to outweigh disinflation risks in the medium term. The last 50 basis point cut to 16.0% continues the phase of moderate monetary policy easing, which is expected to continue throughout 2026. At its meeting on 5 February, the National Bank of Moldova (NBM) decided to leave the policy rate applied to the main short-term monetary policy operations unchanged at the current level of 5.00% per annum. Rates on overnight loans (7.00%), repo operations (5.25%) and overnight deposits (3.00%) remain unchanged. The decision was taken in the context of the continuing effects of previous monetary policy decisions, given the delays in their transmission, and aims to keep medium-term inflation within a range of ± 1.5 percentage points from the 5.00% target, considered the optimal level for the growth and sustainable development of the Moldovan economy. In January 2026, the National Bank of Ukraine (NBU) Council decided to initiate a cycle of interest-rate easing, taking into account the steady decline in inflationary pressures and the reduction in external financing risks. The cut in the reference rate from 15.5% to 15.0% is in line with the 5% target over the monetary policy horizon and will also support the economy. The NBU will continue to respond flexibly to changes in the distribution of risks.

Decreasing inflation continues to impact **Egypt**. In September 2025, **industrial production** rose to +12.1% year-on-year (from +15.7% in August), and exports boomed in September, by 37.4% from +14.8% in August. In December, the **PMI** index remained over 50 (to 50.2) versus November (51.1).

Francesca Pascali

In December, **inflation** increased to 12.3% (12.3% in November). It remains well above the CB's inflation target for Q4 2026 and Q4 2028 at 7% (± 2 p.p.) and 5% (± 2 p.p.) on average, respectively, in line with the CBE's gradual advance towards implementing a fully-fledged inflation-targeting regime. At its meeting on 25 December, the Central Bank of Egypt decided to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 basis points to 20.00%, 21.00% and 20.50%, respectively. The Committee also decided to cut the discount rate to 20.50%. This decision reflects the Committee's current assessment of inflation dynamics and the evolving outlook since the previous MPC meeting.

The performance of banking aggregates continued to vary significantly in the last Quarter in the **EE area** in nominal terms. Loan growth decelerated strongly in **Russia** (+3.4% yoy in October, latest available data, in nominal terms), particularly for corporates (5.4% yoy), while in the household sector it declined slightly (-1.2% yoy) because of the interruption of the subsidised mortgage lending programme. A further deceleration in deposit growth was seen in 2025 (+7.8% yoy in nominal terms, from 23.8% yoy in 2024), supported only by households (17.6% yoy), while corporate deposits decreased by 2.2% yoy in October. In **Moldova**, loans increased by +29% yoy in December (+24.6% yoy to corporates, which accounted for 56% of total loans to the private sector, vs. 35% yoy to households, maintaining a very strong nominal dynamic in the year). The NPL ratio fell to 4.1% in December. As of December, deposit growth rose by 11.9% yoy (households jumped by 14.4% yoy, corporates by 8.4% yoy). Loans to the private sector in **Ukraine** accelerated in November (18.4 yoy and 9% in real terms), particularly for households (24.7% yoy vs 15.8% yoy for corporates). The NPL ratio was 23.9% as of November. Total deposits remained strong (+13.8% yoy in November from +14.4% yoy in 2024), for both households (+15% yoy) and corporates (12.2% yoy). Foreign liabilities rose nominally by 8.6% yoy, but gradually accelerating during the year.

In **Egypt**, banking aggregates (the latest data for loans to corporates is only through June) remained vigorous, with loans increasing by 24% year-on-year as of June and deposits by 22.3% yoy as of October in nominal terms (around 10% in real terms). Loans increased by 25.6% yoy as of October in the household segment and by 23.1% yoy (June) in the corporate sector. NPL ratio data also ends in June (at 2.1%), and only a small increase is expected in the current year. Banks are still able to rely on ample low-cost customer deposits, which saw strong growth of 23.3% for households and 18.6% for corporates in nominal terms as of October 2025.

Davidia Zucchelli

Country-Specific Analysis

Czech Republic

Real Economy

The Czech economy continued to grow steadily in the final quarter of 2025, expanding by 0.5% over the quarter in seasonally-adjusted terms and 2.4% over a year ago, respectively. For the full year, real GDP rose by 2.5%. Although the composition of Q4 growth has yet to be detailed, it was most likely driven by both strong household consumption and a gradual recovery in foreign demand. Both these factors look likely to remain in place and support growth also in 2026, albeit with the balance of contributions shifting slightly from consumption towards external demand.

Latest indicators point in this direction. Consumer confidence, while still near its post-pandemic high at 108.2 points, fell by 2.8 points in January as households grew more concerned about the economic outlook in the Czech Republic over the next 12 months. The labour market is also showing early signs of cooling, with no net job creation in the fourth quarter of 2025 compared with the third on a seasonally-adjusted basis. Business confidence, by contrast, inched up by 0.6 points in January to 98.6, led by improved sentiment in industry and selected services, including the financial sector.

Financial Markets

The Czech National Bank (CNB) has kept rates unchanged since May last year, and appears poised to hold the key rate at 3.50% in the near term. With inflation at 2.1% in December – close to the 2% target – and the CNB newly projecting 1.6% inflation for 2026 rather than 2.2% seen three months ago, we still expect one more rate cut, as inflation risks indeed seem tilted to the downside amid external disinflation and a strong koruna, which appreciated by 7% in trade-weighted terms in 2025 and remained firm at the start of 2026.

Yields eased a bit, in 10-year maturity, to 4.30% in early February from 4.50% in early January. The decline occurred even as the new Czech government, led by the populist ANO, unveiled its 2026 budget proposal that aims for a CZK 310Bn (3.5% of GDP) gap, roughly CZK 70Bn (0.7 % of GDP) higher than the 2025 plan, and CZK 20Bn above the actual 2025 outcome, respectively.

Banking Sector

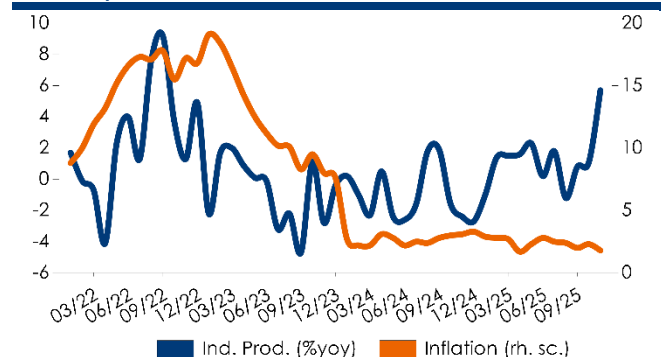
Overall, the latest trends show strengthening credit demand and slowing deposit accumulation. Indeed, alongside solid growth of the economy, loan growth in Q4 25 picked up, with November showing strong month-on-month increases across household and corporate lending, and December posting a solid 7% year-on-year increase. In contrast, deposit growth moderated, reaching 6.1% yoy in December, after only marginal increases in November.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	5.7 (Nov)	3.4	0.5
Export of goods, nominal yoy	-7.3 (Nov)	-4.0	1.6
CB refi rate	3.5 (3 Feb)	3.5	3.5
ESI (index)	98.8 (Dec)	98.8	102.6
Retail sales yoy	-7.3 (Nov)	-4.0	1.6
Inflation rate, average yoy	1.8 (Dec)	2.0	2.3
Loans (priv. sector, yoy, eop)	6.9 (Dec)	6.9	6.0
Deposits (priv. sector, yoy, eop)	4 (Dec)	4.0	4.4
Lending interest rate (corp., eop)	5.2 (Dec)	5.2	5.3
Deposit interest rate (hh, eop)	2.9 (Dec)	2.9	2.9

Source: Czech National Bank, Czech Statistical Office

Industrial production and inflation



Hungary

Real Economy

According to the initial estimate of Q4 GDP, the Hungarian economy failed to pick up momentum. GDP grew by only 0.2% on a quarterly basis, resulting in an annual growth rate of 0.7%, according to raw data and 0.5% after adjustment. In line with our December forecast, GDP grew by 0.3% in 2025. A detailed breakdown is not yet available, but based on monthly data, industry and construction were unable to provide meaningful support to growth in the fourth quarter, with the service sector likely to have been the only driver. On the demand side, consumption continues to drive growth. December CPI came out broadly in line with expectations. Headline year-on-year CPI fell from 3.8% to 3.3%, while core CPI edged down from 4.1% to 3.8%. Besides the high base, global energy and food price developments and the stronger FX rate contributed to the deceleration. However, underlying inflation developments are still not consistent with price stability. Services inflation remained elevated (0.8% mom and 6.8% yoy), with inflation excluding unprocessed food at 5.7%. A significant but temporary slowdown is expected at the beginning of 2026. Average inflation could be well below 3% in the first quarter. Inflation may gradually re-accelerate during the rest of the year, and we expect the year-on-year index to exceed 4% again in December 2026.

Mariann Trippon

Financial Markets

The Monetary Council left the policy rate unchanged at 6.5% in December and January, but a dovish shift in communications suggests that the first rate cut in 2026 could materialise earlier than expected. Based on the announcement and the statements made at the press conference, we are not revising our forecast for this year. We pencil in a total of 75 basis points of interest rate cuts for 2026. The forint benefits from the high carry and the relatively supportive global risk sentiment. EUR/HUF repeatedly tested the 380 threshold in January. HUF is expected to keep its gains in the upcoming months, but the approaching general election may inject volatility into the market. Long yields declined and spreads versus Bunds narrowed at the beginning of the year.

Banking Sector

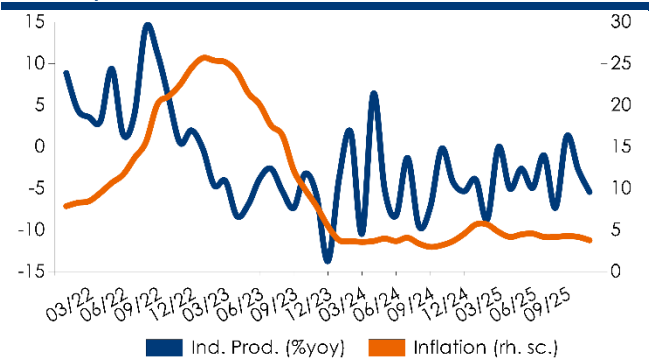
Private sector loans in the banking sector grew by 6.0% in the January-November period. Corporate loans meanwhile almost stagnated, with a growth rate of +1.0%. Subdued economic growth, the uncertain outlook and still relatively high interest rates hindered any meaningful acceleration this year. On the other hand, loans to household sector grew by 12.0%, with the extra boost of the new 3% fixed rate subsidised mortgage loan. FY 2025 loan volume growth could close around 6.0% and remain at the same level in 2026. Deposit growth reached 2.4% during the first 11 months, corporate deposits shrank by -1.8%, while households' grew by +7.7%. With the usual pick-up in December, full-year deposit volume growth could be over 4% in 2025, while we expect a slight acceleration to 5.2% in 2026, mainly driven by the Households sector.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	-5.4 (Nov)	-4.1	-2.3
Nom. exports yoy	3.8 (Dec)	-2.6	-0.1
ESI (index)	100 (Dec)	100.0	97.1
Retail sales yoy	2.5 (Nov)	2.8	2.3
Inflation rate yoy	3.3 (Dec)	3.8	4.2
CB reference rate	6.5 (3th Feb)	6.5	6.5
Loans (priv. sector, yoy, eop)	6.9 (Nov)	n.a.	6.7
Deposits (priv. sector, yoy, eop)	5.4 (Nov)	n.a.	8.6
Lending interest rate (corp., eop)	9.7 (Nov)	n.a.	10.2
Deposit interest rate (hh, eop)	4.8 (Nov)	n.a.	4.9

Source: Central Bank of Hungary, Hungarian Central Statistical Office

Industrial production and inflation



Source: Hungarian Central Statistical Office

Poland

Real Economy

Poland's economy continued to expand at a solid pace through late 2025 and into early 2026, maintaining its outperformance relative to most EU peers. Preliminary figures indicate that GDP grew by 3.6% in 2025, above our full-year forecast of 3.3%. Growth momentum strengthened to around 4% year-on-year in 4Q25, driven primarily by resilient household consumption, and early-2026 indicators suggest continued robustness. The January 2026 consumer confidence survey shows a further improvement (by 0.3 pp from December) in both current and forward-looking sentiment, with the largest gain seen in households' perceived ability to make major purchases (+1.9pp). Confidence has also turned upwards on the business side. The Domestic Economic Sentiment Index from Santander's Eyeopener report rose from 100.3 to 103.2, its highest reading since December 2021, with enterprise sentiment improvements across all sectors except construction, which stabilised. Manufacturing PMI edged up in January to 48.8 points from 48.5 points in the previous month.

Fiscal dynamics, however, have continued to be a central concern. The general government deficit reached an estimated 6.8% of GDP in 2025, reflecting elevated military spending, higher social transfers, and strong public-sector wage growth. Public debt also rose, reaching 59.5% of GDP in 2025, well above pre-pandemic levels.

Financial Markets

On the inflation front meanwhile, further progress has been achieved, with CPI inflation moderating to 2.4% year-on-year in December. The National Bank of Poland (NBP) last cut rates on 3 December, taking a pause at the January and February meetings, holding the key rate at 4.00%. A further rate cut to a terminal rate of 3.50% remains our central scenario, with the next cut possible in March. On the bond market, the downward trend continued into the beginning of 2026 even as rating agencies continued to voice their concern over the fiscal outlook. On 4 February, the 10-year Polish bond traded with yield 5.05%, down 0.11 points over the past month and 0.76 points over a year ago, respectively. Alongside strong demand for Polish bonds, at multi-month low also is the exchange rate, with the zloty trading at around 4.20 versus the euro.

Banking Sector

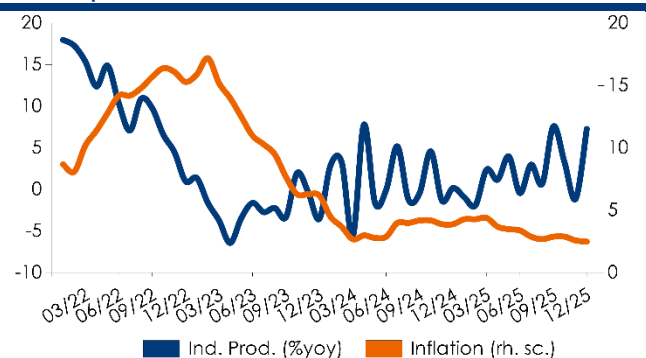
Alongside the expanding economy and further cuts in interest rates, demand for loans continued to revive, resulting in further acceleration of year-on-year growth of volumes, both in the household and corporate segments. The mortgage market is particularly vibrant, with a sustained, broad-based upswing in activity, posting persistent double-digit growth in both number of applicants and loan values. Average loan amounts are also increasing. On the deposits side, growth remained strong and stable at around 9–9.5% yoy, consistent with the broader liquidity-rich environment.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	7.3 (Dec)	3.2	3.8
Nom. exports yoy	-1.8 (Nov)	0.1	2.3
ESI (index)	100.3 (Dec)	100.3	99.9
Retail sales yoy	4.8 (May)	n.a.	n.a.
Inflation rate yoy	2.5 (Dec)	2.7	2.8
CB reference rate	4 (3th Feb)	4.0	4.8
Loans (priv. sector, yoy, eop)	5.7 (Dec)	5.7	5.0
Deposits (priv. sector, yoy, eop)	9.8 (Dec)	9.8	9.7
Lending interest rate (corp., eop)	5.8 (Dec)	5.8	6.6
Deposit interest rate (hh, eop)	3.1 (Dec)	3.1	3.5

Source: Narodowy Bank Polski, Statistics Poland

Industrial production and inflation



Source: Statistics Poland

Zdenko Štefanides

Slovakia

Real Economy

Relying solely on monthly indicators as yet, Slovakia's economy most probably continued its subdued growth in 4Q25. In November, both industrial production and retail sales posted year-on-year declines, of -4.5 and -3.2% respectively. On the other hand, the trade balance booked a large surplus despite the exports basically stagnating in October and November year-on-year. Economic sentiment remained volatile, with December posting an upbeat figure and January downbeat again. The local registered unemployment rate stepped up by the end of the year to 5.3%, reflecting both a seasonal and cyclical upswing. The Cabinet switched rhetoric from budget consolidation to supporting economic growth before the next year's elections, so no real austerity measures are likely in 2027.

January's flash estimate of harmonised inflation rate slightly increased to 4.2%, setting a tone for the remainder of the year, since regulated energy prices and many other prices in the economy are usually set at the beginning of the year. Services' inflation finally slowed a little, yet still too high at 5.8%.

Financial Markets

The ECB is keeping short-term rates stable in the euro area as inflation in the monetary union is expected to remain close to the 2% target, albeit a little lower in 2026. Any change to rates would necessitate a stronger and unexpected pressure, for example, from a considerably stronger euro-dollar rate lasting for a longer period. On a longer end of the yield curve, Slovakia's sovereign spreads continued to narrow, among a general trend, to unusually low levels (to 60-65 bps against German 10Y yields) considering the large geopolitical and fiscal risks. With generally low spreads on the corporate bonds market as well, it seems the investors are under-pricing risks, at least for now.

Banking Sector

The local banking sector closed 2025 with still very strong growth of new mortgages, which was achieved also due to the average interest rate declining to below 3.5%. This supported further growth in housing prices, which improves the banks' average LTV values. In terms of profitability, however, the net nominal figure only stagnated last year as banks increased their provisions markedly. Total loans grew faster than deposits, again, pushing the LTD ratio to 107% at the end of the year. At the end of January, the Finance Ministry announced another round of retail bonds issuance totalling EUR400-500M, which will be again a drag on deposits growth in the coming months – apart from the expected negative dynamic of real disposable incomes due to budget consolidation and continuing high inflation.

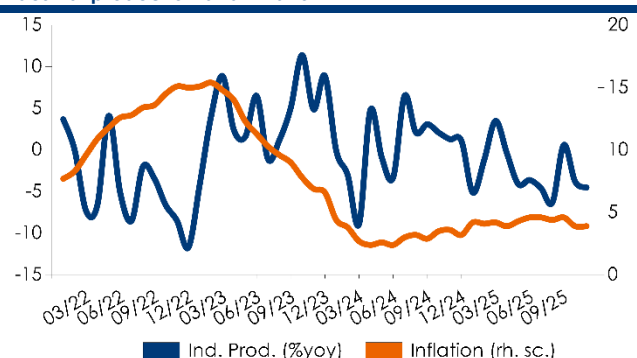
Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	-4.5 (Nov)	-4.2	-3.4
Nom. exports, yoy	-1.3 (Nov)	-0.1	2.2
ESI (index)	97.6 (Dec)	97.6	95.5
Retail sales, yoy	-3.2 (Nov)	-1.3	0.4
Inflation rate, yoy	4.1 (Dec)	4.0	4.5
ECB refi rate	2.1 (3th Feb)	2.2	2.2
Loans (priv.sector,yoy,eop)	6.9 (Dec)	6.9	7.4
Deposits (priv.sector,yoy,eop)	5.5 (Dec)	5.5	5.9
Lending interest rate (corp., eop)	4.2 (Dec)	4.2	4.1
Deposit interest rate (hh, eop)	0.5 (Dec)	0.5	0.5

Source: Statistical Office of Slovakia, National Bank of Slovakia

Michal Lehuta

Industrial production and inflation



Source: Statistical Office of Slovakia

Slovenia

Real Economy

The available data for the closing quarter of 2025 reveal a mix of trends. While the doldrums of the industrial production deepened with the activity in October-November shrinking by 2.0% year-on-year as the production in manufacturing posted 1.8% yoy drop, construction activity continued strongly, albeit at slightly softer pace than in the previous quarter. The value of construction put in place expanded 22.8% yoy (+25.4% yoy in 3Q) with works on buildings a tad stronger at 20.2%, infrastructure works up by a sharp 32.8%, and works on specialised activities increasing by 24.1%. The goods' exports rise more than halved, slowing from 11.5% yoy in Q3 to 4.8% yoy in Q4, mostly owing to lower exports of pharmaceuticals. Personal consumption seems to have gained momentum, thus aligning more closely with the solid employment, real income rise, and rebound of consumer sentiment, with retail trade increasing 1.9% yoy in 4Q (2.4% yoy in December) owing to a healthy rise in non-food sales paired with persistent weakness of food sales. Looking ahead, a sound labour market (employment in November grew 0.1% month-on-month) and 1.6% yoy minimum wage growth in 2026 bode well for personal consumption trends.

Ana Lokin

Inflation in December stood at 0.1% month-on-month, nudging up on an annual basis to 2.6% as Utilities sped to 4.4%, while Food eased to 4.7% and drop of Transport widened to -1.4%. The annual average in 2025 amounted to 2.5% yoy, in line with our estimate (national CPI 2.4%). A flash estimate for January revealed inflation softening to 2.4% yoy and -0.5% mom.

Financial Markets

The average 10Y government bond spread on the benchmark declined from 0.3pp in December to 0.2pp in January. At the same time, the yield declined by 0.1pp mom to 3.1%.

Banking Sector

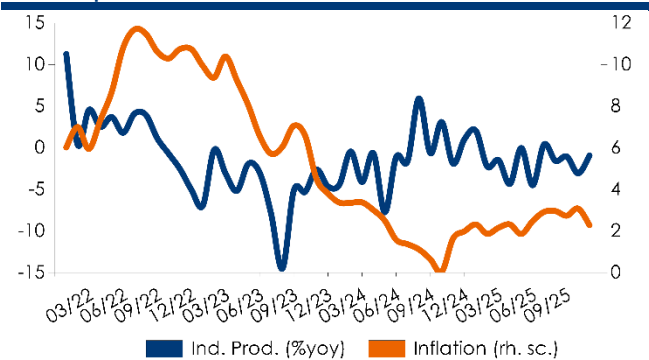
The increase of consolidated assets of other MFIs reached 6.5% yoy at end-25, the highest pace in more than two years, owing to a sharp deposit growth of 7.1% yoy. Both household and corporate deposits gained momentum in 2025, to 6.8% and 7.8% yoy, respectively (c.f. 2.9%, i. e., -0.7% in 2024). Loans accelerated at year-end, coming in at 6.6% yoy, owing to the strength of household lending (7.5% yoy) followed by the corporate picking up to 5.4% yoy.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	-0.9 (Nov)	-2.0	-0.7
Nom. exports yoy	0.2 (Nov)	1.0	11.5
ESI (index)	102.1 (Dec)	102.1	99.6
Consumer confidence indic.	-24.5 (Dec)	-24.6	-26.4
Inflation rate yoy	2.6 (Dec)	2.7	2.9
ECB refi rate	2.1 (3th Feb)	2.2	2.2
Loans (priv.sector, yoy, eop)	6.6 (Dec)	6.6	5.2
Deposits (priv.sector, yoy, eop)	7.1 (Dec)	7.1	5.6
Lending interest rate (corp., eop)	3.8 (Nov)	n.a.	4.1
Deposit interest rate (hh, eop)	0.8 (Nov)	n.a.	0.8

Source: Statistical Office of the Republic of Slovenia, National Bank of Slovenia

Industrial production and inflation



Source: Statistical Office of the Republic of Slovenia

Albania

Real Economy

The Albanian economy continues to demonstrate resilience, driven primarily by both robust consumption and a historic surge in tourism. According to the latest data from INSTAT, GDP growth reached 3.75% in the third quarter of 2025, maintaining a positive trajectory from the first half of the year. This growth is underpinned by the tourism sector, which broke records with 12.4 million foreign visitors in 2025, generating approximately EUR 4.4Bn in revenue. Inflation has stabilised significantly; the Consumer Price Index (CPI) for December 2025 was recorded at 2.3% year-on-year, slightly up from November but well within manageable levels, driven mainly by housing and food costs. The labour market remains tight, with the unemployment rate dropping to 8.1% in Q3 2025, one of the lowest historical levels. While the trade deficit widened slightly due to increased infrastructure-related imports, it was partially offset by strong service exports. After the negative exports data in November, the December figure was positive at +4.45%. Public debt remains under control, estimated at roughly 52.4% of GDP as of late 2025. Outlook: We expect GDP growth to moderate slightly but remain healthy around 3.5%–3.8% in the short/medium-term, supported by growth in household consumption and private investment, tourism revenues and continued construction activity.

Kledi Gjordeni

Financial Markets

Financial market conditions remained stable in Q3 2025, with monetary policy geared towards maintaining price stability amid easing inflationary pressures. The Bank of Albania kept the key base interest rate at 2.50%, reflecting a balanced stance supportive of economic growth while ensuring inflation remains anchored. Government bond yields adjusted moderately in line with improved liquidity conditions and lower inflation expectations. The exchange rate remained exceptionally strong, with the lek averaging 96.5 ALL per euro, supported by robust tourism inflows, remittances, and foreign direct investment. Fiscal indicators showed a stable performance, characterised by solid revenue collection and contained budget execution, which contributed to maintaining investor confidence in domestic financial markets.

Banking Sector

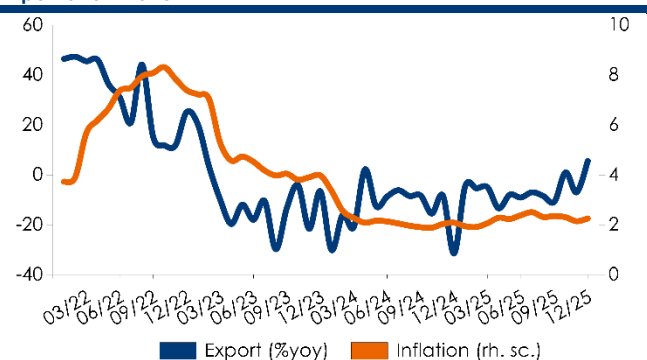
The Albanian banking system is well capitalised. Capital adequacy remains well above regulatory minima, at 20.30% in October 2025. Compared with the same period a year earlier, assets, loans and deposits show solid growth while NPLs November rate has edged up modestly to 4.19%. In November 2025, the Total Loans expanded almost 13% year-on-year. The main contributors were households with 20.40% expansion, whereas the corporate portfolio was 8.32% increase. Total Deposits on the same month were 8.62% more than a year ago. Private savings amounted to 10.10% and corporate savings 3.81%. Short-term outlook: the banking sector's capital and liquidity buffers should sustain credit flow, though regulators will closely monitor asset quality and provisioning.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	n.a.	n.a.	n.a.
Export of goods, nominal yoy	4.5 (Dec)	-0.5	2.4
Unemployment rate	n.a.	n.a.	8.1
Inflation rate, average yoy	2.3 (Dec)	2.2	2.4
CB reference rate	2.5 (31th Dec)	2.5	2.5
Loans (private sector, yoy, eop)	13 (Nov)	n.a.	11.4
Deposits (private sector, yoy, eop)	8.6 (Nov)	n.a.	8.6
Lending interest rate (pr.sect., eop)	5.2 (Nov)	n.a.	5.2
Deposit interest rate (pr.sect., eop)	2.5 (Nov)	n.a.	2.4

Source: National Statistical Institute, Bank of Albania

Export and inflation



Source: National Statistical Institute

Bosnia and Herzegovina

Real Economy

Official data released at the end of last year reflected an upwards revision in GDP growth figures, with Q1 growth adjusted from 1.7% to 1.9% year-on-year, and Q2 improving from the initially reported 1.8% to 2.0%. The economy maintained a solid performance in Q3, achieving 2.1% yoy growth; however, seasonally-adjusted data indicated only a marginal quarterly rise of 0.1%. A detailed analysis shows household consumption in Q3 rose by 2.5%, up from 2.1% in Q2, while public consumption maintained stable growth at 2.7%. Investments demonstrated robust momentum, accelerating to 10.5% in Q3 after a 7.3% rise in Q2, supported by a strong 19.3% hike in machinery and equipment investments, while construction increased by milder 1.8% yoy. Export growth of goods and services slowed to 1.4%, lagging behind imports, which expanded by 5.6%. Revised data also highlighted an improved performance in the manufacturing, wholesale/retail trade and hospitality sectors, which grew by 3.8% year-on-year compared to the 2.3% growth recorded in H1 25, as well as in construction which returned to positive territory, growing by 2.7% following two quarters of contraction. Nevertheless, overall growth remained constrained, as industrial production and mining/quarrying continued to post negative results (-3.3%) for the 13th consecutive quarter. Conversely, the service sectors demonstrated resilience, with ICT posting particularly strong growth rates. According to the available Q4 high frequency data, industrial production rose by 2.3% quarter-on-quarter in 4Q25, offsetting a similar decrease from the previous quarter, and resulting in a milder annual decline of -1.1%, compared to the -3.7% drop recorded in 3Q25. Meanwhile, goods exports growth slowed to 4.4%, while imports increased at a faster rate of 5.1% year-on-year. Retail trade volume picked up noticeably, growing by 4.1% quarter-on-quarter after remaining mostly flat in Q3, which strengthened its annual growth considerably (up 7.8% versus 2.3% year-on-year in 3Q25). Overall, we maintain our expectation that GDP growth for FY25 will be around 2.0%.

Ivana Jović

Following 4.4% inflation in November, the year-end figure slowed to 4.1%, reflecting slower growth in Food prices (5.2% vs 6.0% in Nov.) accompanied by -0.2% drop in Transport (vs 1.3% growth in Nov), while stronger growth in utilities (electricity) and services acted in the opposite direction. Thus, full-year average inflation sped from 1.7% in 2024 to 4.0% in 2025 - exactly in line with our own call - reflecting acceleration in core inflation (to 4.3% from 4.0%).

Banking Sector

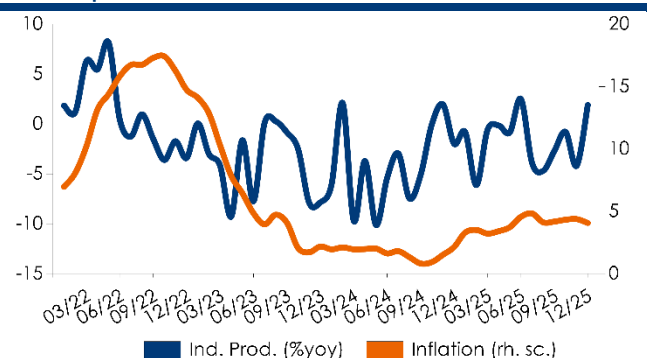
Loans ended the year up higher by a sharp 10.4% yoy (households 12.2%, corporate 8.3%), supported by the steady economic growth and sharp wage rise paired with the persistent inflationary pressures. Deposit growth in December stood at 10.0% yoy amid a steep 11.8% increase of household deposits paired with a more moderate 6.8% increase of corporates.

Ana Lokin

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	1.9 (Dec)	2.3	-2.4
Export of goods, nominal yoy	11.1 (Dec)	4.4	6.3
Retail trade, real, wda yoy	6.8 (Nov)	n.a.	2.3
Inflation rate, average yoy	4.1 (Dec)	n.a.	4.4
Loans (private sector, yoy, eop)	10.4 (Dec)	10.4	10.1
Deposits (private sector, yoy, eop)	10 (Dec)	10.0	10.1

Industrial production and inflation



Source: Central Bank of Bosnia and Herzegovina, Agency for statistics of Bosnia and Herzegovina

Source: Agency for statistics of Bosnia and Herzegovina

Croatia

Real Economy

Fourth-quarter 2025 high-frequency data show notable improvements compared to the previous quarter. Retail trade volume increased by 3.5% year-on-year, up from 2.3% growth in the third quarter. This acceleration was driven by a recovery in food sales (1.2% yoy versus -1.2% yoy in Q3) and stronger fuel sales growth (8.4% yoy compared to 5.7% previously), although non-food sales growth moderated to 5.8% from 7.1%. The overall positive performance in the retail segment suggests a rebound in private consumption after the slowdown in Q3, which is expected to contribute positively to headline GDP growth for the fourth quarter. Industrial production also delivered strong results, increasing by 6.2% yoy in Q4, supported by output gains in capital goods, non-durable consumer goods, and intermediate goods. While energy and consumer durables continued to weigh on overall performance, the negative impact was less pronounced compared to the previous quarter. For the full year, industrial production grew by 3.8% yoy, with all major groups contributing to the expansion except for consumer durables, which declined by 7% yoy. Key segments – intermediate and non-durable consumer goods, each representing roughly one-third of total production – increased by 4.3% and 1.5% yoy, respectively. Energy accounted for 20% of production and rose by 3.5% yoy, while capital goods, making up 13%, saw a significant increase of 10.9% yoy. During the first 11 months, industrial turnover climbed by 8.0% yoy, with domestic turnover rising by 8.5% and non-domestic by 6.2%.

Ivana Jovic

Looking ahead, we anticipate sustained growth in both retail trade and industrial production. Retail momentum looks likely to persist, underpinned by ongoing favourable labour market conditions and continued, albeit more moderate, wage growth. Industrial production is expected to reflect the broader Euro Area manufacturing trends; however, it remains to be seen if recent EA PMI gains will be maintained and expand across sectors.

Following 3.8% HICP recorded at the end of last year, the preliminary estimate for January indicates a further decline to 3.6%. However, on a monthly basis, the index edged up by 0.1%, reflecting a month-on-month decrease of 0.1%. In contrast, the national indicator registered a slight increase to 3.4%, up from 3.3% in December, primarily attributable to accelerated services inflation, which rose from 6.3% in December to 7.2%.

Financial Markets

Average 10Y government bond yield spread on Bund widened from 0.3pp in December to 0.4pp in January, with yield rising by 0.1 pp mom to 3.2%.

Ana Lokin

Banking Sector

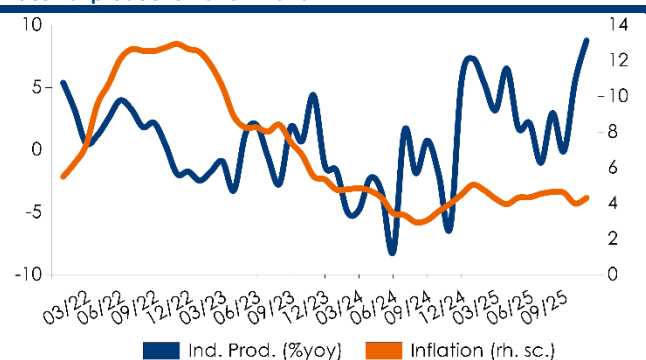
Loans ended 2025 – the year of the sharpest loan rise in the past 15 years – rising by a strong 12.7% yoy. CNB's measures seemed to bear fruit considering household loans monthly pace kept on moderating, amounting to 0.6% (c.f. 1.7% mom in June). Deposits ended the year up 6.8% yoy.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	8.8 (Nov)	n.a.	0.5
Export of goods, nominal yoy	8.2 (Oct)	n.a.	3.7
Retail trade, real, wda yoy	1.3 (Nov)	n.a.	2.3
ESI (index)	107.9 (Dec)	107.9	104.5
Inflation rate, average yoy	3.8 (Dec)	4.0	4.6
Loans (priv. sector, yoy, eop)	12.7 (Dec)	12.7	13.2
Deposits (priv. sector, yoy, eop)	6.8 (Dec)	6.8	7.2
Lending interest rate (pr.sect., eop)	3.7 (Dec)	3.7	3.6
Deposit interest rate (pr.sect., eop)	1.8 (Dec)	1.8	1.7

Source: Croatian National Bank, Croatia Bureau of Statistics

Industrial production and inflation



Source: Croatia Bureau of Statistics

Romania

Real Economy

The Romanian National Statistical Institute announced GDP growth for the third quarter of 2025 at 1.6% year-on-year (-0.2% quarter-on-quarter). This should lead to a yearly GDP growth of around 0.8%, slightly higher than our forecast.

Year-on-year CPI at the end of December was 9.69%, slightly above NBR's November latest projection. On a monthly basis, CPI increased by 0.22% in December versus November. Harmonised CPI was 8.6% in December. The latest NBR projection indicates that at the end of year, CPI will be at around 9.6%, re-entering the Target Interval in 2027.

The Unemployment figures at the end of December show a level of 6.0%, similar to November. Wages growth decelerated to 4.2% year-on-year at the end of November 2025, significantly lower than the year-ago figure.

The Romanian Budget Deficit at the end of December stood at 7.65% of GDP, a significant improvement on last year (8.65%), but also compared with the last target announced by Romanian Prime Minister at around 8.4% of GDP. The main positive impact came from the government's fiscal tightening measures, including: a VAT increase, banks turnover tax increase, interest and pensions tax, social contributions increase, royalties on tobacco and alcohol increase, and revenues on gambling tax increase. We still await the response of the Constitutional Court on the Justice System's pensions reform measures. The Administration Reform package is still under discussion in the Ruling Coalition.

The Current Account Deficit at the end of November 2025 was EUR 27.14Bn, EUR 1Bn more than previous year.

Financial Markets

On 19 January 2026, at the Monetary Policy Meeting, the Romanian Central Bank kept the Monetary Policy Rates unchanged: Deposit Facility Rate 5.50%, Reference Rate 6.50%, and Credit Facility Rate 7.50%. The next Monetary Policy Meeting is set for 17 February. We do not expect any cut decision until the second part of next year. The liquidity on the Money Market remains high at around RON 29Bn on a daily basis in December. The implied yields of the FX SWAP market are slightly below the ROBOR curve.

Banking Sector

At the end of December 2025, year-on-year growth on loans was 5.79%, with the RON component at 2.92%, while EUR loans increased by 13.28%. On the deposits side, the overall growth year-on-year was 6.47%, with the RON component at 4.39% and Foreign Currencies deposits at 11.29%. In 2025, in terms of Households, growth was 8.26% on loans and 8.11% on deposits, while on Companies the growth was 3.54% on loans and 3.70% on deposits.

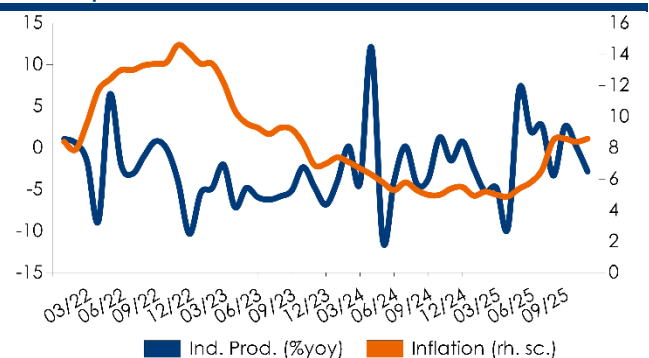
Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	-2.8 (Nov)	-1.3	0.7
Nom. exports yoy	-0.1 (Nov)	2.5	4.9
ESI (index)	94.2 (Sep)	n.a.	94.2
Retail sales yoy	1.5 (Nov)	1.4	-0.2
Inflation rate yoy	8.6 (Dec)	8.5	7.9
CB reference rate	6.5 (3th Feb)	6.5	6.5
Loans (priv. sector, yoy, eop)	5.8 (Dec)	5.8	7.1
Deposits (priv. sector, yoy, eop)	6.5 (Dec)	6.5	6.6
Lending interest rate (pr.sect., eop)	7.9 (Nov)	n.a.	8.2
Deposit interest rate (pr.sect., eop)	5.5 (Nov)	n.a.	5.5

Source: National Bank of Romania, National Institute of Statistics

Marius Pacurari

Industrial production and inflation



Source: National Institute of Statistics

Serbia

Real Economy

According to flash estimates, real GDP growth accelerated mildly to 2.2% in Q4 25, implying that the whole year (2025) growth reached 2%. In Q1–Q3, the main pillar of growth remained the services sector, with positive rates in retail, transportation, catering, etc. Burdened with challenges in the oil industry, industrial production fell sharply in Q4, slowing to just 1% for the whole year. The sharpest drop was in December (-5.7% yoy), due to the temporary stoppage of the oil refinery, as well broader contraction across nearly half of 24 manufacturing subsections. On a positive note, retail trade performed well at the end of the year, (+8.5% yoy in December) backed by lowered inflation and supportive labour market trends and bringing the whole year's growth to 4.2%. Furthermore, external trade sent positive signals, considering lowered industrial demand in the EU. Serbia's exports reached an 11.3% growth rate in December, strongly driven by motor vehicle exports that marked an increase of over 100% yoy. Meanwhile, imports grew at a slower pace, by 5.6% in December. Annual inflation decreased further to 2.7% in December, marking a third consecutive month below the central value of the NBS' target. With this figure, the whole year of 2025 averaged at 3.8%. We expect inflation to continue moving at a similar pace in the first months of 2026 as well, after which some rebound could be expected as the government's measure on capping retail prices is to expire at the end of February. However, this rebound won't be as sharp as previously expected, as certain goods are already excluded as per the measure's annexes. Furthermore, as the refinery restarted production, with the ownership structure issue addressed in high-stake negotiations between Gazprom and MOL, and OFAC license renewed until 20 February, thus provides a path to energy prices stability.

Katarina Bubonja

Financial Markets

Although inflation fell significantly in the last couple of months, the NBS kept the key interest rate unchanged at 5.57% in January, maintaining its cautious stance, which we expect to continue throughout the whole of 2026. Usual seasonal trends and heightened citizens' demand for foreign currency, considering the uncertain economic environment, created stronger depreciation pressures in early December. However, the exchange rate was already stabilised in the second part of the month, as the NBS reacted in a timely manner. On an annual basis, the dinar depreciated by only 0.2% against the euro. At the end of December, gross FX reserves were at EUR 29Bn, providing ample room for NBS to offset stronger pressures on the dinar.

Banking Sector

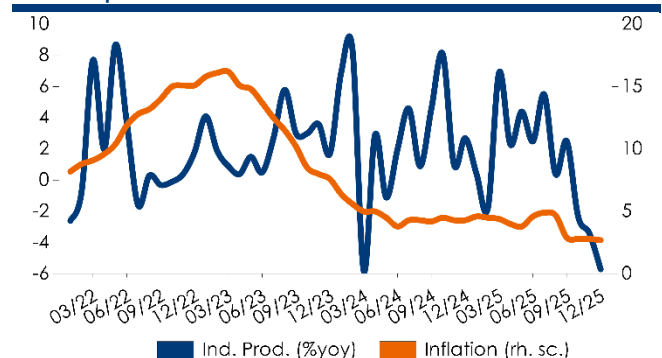
The year 2025 was marked by exceptionally good results in the banking sector, especially in lending. Supported by more favourable loan conditions (legislative IR caps and strong competition among banks) loans recorded a growth of 15.4% in total, with both corporate and household recording double-digit increases of 19.5% yoy and 11.7% yoy, respectively. Total deposits increased by 5.9% yoy, primarily driven by the household sector (+7.4% yoy). Meanwhile, the NPL ratio stood at a record low of 2.1% in November.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	-5.7 (Dec)	-3.8	2.8
Nom. exports yoy	11.3 (Dec)	5.4	4.9
Retail sales yoy	8.5 (Dec)	7.8	3.1
Inflation rate yoy	2.7 (Dec)	2.8	4.2
CB reference rate, eop	5.8 (3th Feb)	5.8	5.8
Loans (priv.sector,yoy,eop)	15.4 (Dec)	15.4	12.3
Deposits (priv.sector,yoy,eop)	5.9 (Dec)	5.9	9.5
Lending interest rate (pr.sect., eop)	7.4 (Dec)	7.4	8.2
Deposit interest rate (pr.sect., eop)	4.4 (Dec)	4.4	4.2

Source: Statistical Office, National Bank of Serbia

Industrial production and inflation



Source: Statistical Office

Moldova

Real Economy

Moldova's economy expanded by 5.2% year-on-year in Q3 2025, the fastest growth since Q4 2021, and accelerating from 1.1% in Q2. The rebound was driven mainly by stronger gross fixed capital formation (+3.7%) and household consumption (+2.5%). On the external side, a 14% increase in total exports of goods and services contributed 3.9pp to GDP growth, while a 5.5% rise in imports subtracted 3.1pp.

In 2025, Moldova's annual inflation rate moderated slightly to 6.84%, compared with 6.97% in the previous year. Inflationary pressures remained uneven across components, with services recording the strongest increase, rising by 14.85% yoy. Food price inflation was more contained at 5.60%, while non-food prices increased by a relatively modest 2.27%, pointing to easing goods-side inflation and more persistent cost pressures in the services sector.

Financial Markets

To support economic activity while anchoring medium-term inflation within the target corridor of $5.0\% \pm 1.5\%$, the National Bank of Moldova cut the policy rate by 100 basis points in December 2025, from 6.00% to 5.00%. In parallel, the overnight credit, repo, and overnight deposit rates were reduced to 5.00%, 5.25%, and 3.00%, respectively – signalling a more accommodative monetary stance. As of 31 December 2025, the local currency depreciated by 2.33% against the euro, while strengthening by 9.13% against the US dollar compared to the beginning of the year, reflecting divergent currency dynamics amid evolving external conditions.

Meanwhile, government bond yields increased across the short end of the curve, with yields on 91-day, 182-day, and 364-day securities rising by 0.54, 3.59, and 2.75pp, respectively, compared to end-December 2024 levels.

Banking Sector

As of December 2025, the Bank delivered strong balance-sheet expansion, with the loan portfolio growing by 29% year-on-year across all segments. Growth was led by household lending, which increased by 35%, significantly outpacing the 24.6% expansion in corporate loans and highlighting robust retail demand. Deposit growth was more measured at 11.9% yoy, driven primarily by a 14.4% rise in household deposits, while corporate deposits increased by 8.3%. Despite the divergence between loan and deposit growth, the Bank maintained a solid liquidity buffer, with the deposit-to-loan ratio standing at a healthy 138.4%, supporting continued lending capacity. Asset quality remained resilient, with the NPL ratio broadly stable throughout Q4 2025 and averaging 4.5% for the year, indicating disciplined risk management amid rapid portfolio growth.

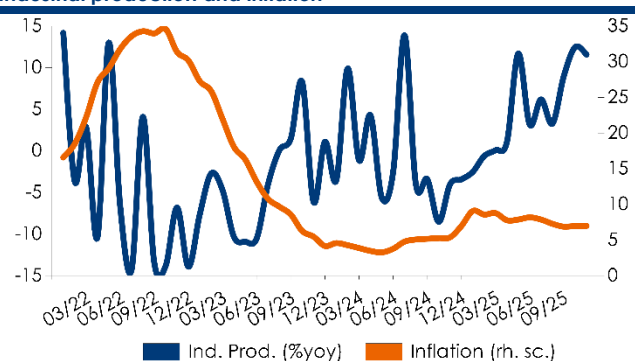
Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	11.6 (Nov)	12.1	6.2
Nom. exports yoy	18 (Nov)	20.9	22.3
PMI manufacturing	18 (Nov)	20.9	22.3
Retail sales	n.a.	n.a.	n.a.
Inflation rate yoy	6.8 (Dec)	6.9	7.4
CB reference rate	5 (31th Dec)	5.0	6.0
Loans (Priv. Sector, yoy, eop)	29 (Dec)	29.0	33.7
Deposits (Priv. Sector, yoy, eop)	11.9 (Dec)	11.9	10.5
Lending interest rate (corp., eop)	8.1 (Dec)	8.1	8.1
Deposit interest rate (hh, eop)	4.9 (Dec)	4.9	4.4

Source: National Bureau of Statistics of the Republic of Moldova, National Bank of Moldova

Doina Caraman

Industrial production and inflation



Source: National Bureau of Statistics of the Republic of Moldova

Russia

Real Economy

The Russian economy continues to grow, but at a slower pace than in the first nine months of 2024. The Q3 2025 was +0.6% versus +1.1% and +1.4% of Q2 and Q1, respectively. Q3's reading was the weakest since Q1 2023, and marked the third consecutive deceleration. The deceleration in year-on-year GDP growth looks to have been driven by a sequence of shocks that gathered pace over the summer. The Central Bank's restrictive monetary policy squeezed investment and hampered household credit. Just as domestic demand faltered, the external backdrop turned less supportive: Weaker natural gas exports due to EU sanctions, sliding oil prices, and a strong ruble curtailed the external sector.

Francesca Pascali

Financial Markets

At its meeting on 19 December, the Bank of Russia decided to reduce the reference rate by 50 basis points to 16.5% per annum. The economy continues to return to a balanced growth path. The underlying indicators of the current price rise declined in November. However, inflation expectations have risen slightly in recent months. Monetary policy will remain restrictive for a long period. The 50 basis point cut to 16.0% continues the phase of moderate monetary policy easing, which is expected to continue throughout 2026. We therefore believe there may be a temporary pause in the easing cycle in the first part of 2026, but we expect the policy rate to close next year at 10.00%.

Banking Sector

Loan growth decelerated strongly in 2025 (+3.4% yoy in October in nominal terms), particularly for households (-1.2% yoy vs +5.4% yoy for corporates). According to preliminary data published by the CBR, claims on companies increased in December by RUB 0.6Tn (0.5%), primarily driven by ruble loans (+RUB 0.5Tn (+0.5%). Foreign currency loans grew moderately (+RUB 0.2Tn, +1.5%), primarily driven by exporting companies, mainly the largest state-owned companies. Household debt on mortgages increased by 2.4% in December following a 1.4% increase in November. This acceleration is due to the announced change in the terms of state support, which remains the main driver for mortgage issuances, accounting for approximately 80% of all mortgages issued in December. Issuances of the most popular "Family Mortgage" programme jumped to RUB 605Bn (an increase of 69% compared to RUB 358Bn in November).

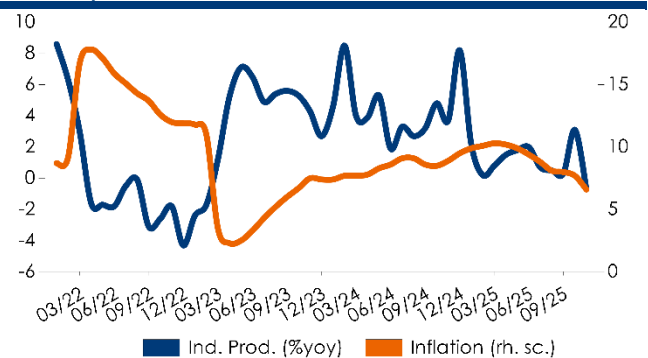
Davidia Zucchelli

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	-0.7 (Nov)	1.2	0.5
Nom. exports yoy	72.1 (Jan)	n.a.	n.a.
Retail sales yoy	3.3 (Nov)	4.1	2.2
PMI manufacturing	49.4 (Jan)	48.1	48.2
Inflation rate yoy	5.6 (Dec)	6.6	8.3
CB reference rate	16 (31th Dec)	16.0	17.0
Loans (priv.sector, yoy, eop)	3.4 (Oct)	n.a.	3.9
Deposits (priv.sector,yoy,eop)	7.8 (Oct)	n.a.	9.2
Lending interest rate (corp., eop)	17.9 (Oct)	n.a.	19.0
Deposit interest rate (hh, eop)	15.3 (Oct)	n.a.	15.3

Source: State Statistics Federal Service, Central Bank of Russia

Industrial production and inflation



Source: State Statistics Federal Service

Ukraine

Real Economy

In early 2026, Ukraine's economy has had to navigate intensified Russian strikes on energy infrastructure across major urban areas in the depths of winter, causing widespread power and heating disruptions – blackouts up to several days, industrial halts, and humanitarian strains during extreme cold. Despite the headwinds, the economy picked up in late 2025, buoyed by agriculture and increased budget expenditures. However, the exacerbated power shortages have prompted the NBU to downgrade 2025 and 2026 GDP estimates both to 1.8% year-on-year, attributing a 0.4pp cut to Russian attacks, potentially shaving 0.4-0.5% off growth via logistics damage and electricity deficits. Inflation cooled to 8.0% yoy in December from November's 9.3% and below the NBU's 9.2% year-end target, aided by stable food and utilities. The NBU's business activity expectations index fell sharply to 41.3 in January 2026 (vs. 49.2 in December 2025), dipping well below the neutral 50 mark for the first time in recent months due to seasonal/energy factors. However, it remained slightly above the January 2025 level of 41.0, indicating marginally better year-on-year expectations in most sectors except industry. The IMF's USD8.2Bn package under the current EFF programme is effectively frozen due to unmet "prior actions," including key structural reforms. This could delay the receipt of around €90Bn in already agreed EU funding. Without these funds, Ukraine will be unable to fully finance the state budget and defence spending.

Artem Krasovskiy

Financial Markets

The NBU's 29 January MPC meeting cut the key rate by 0.5pp to 15% – the first move since March 2025 – citing easing inflation and lower external financing risks, though risks from energy disruptions and fiscal gaps persist. Forward-guidance signals further easing in Q1 2026 if trends hold. Markets have adjusted to energy risks and rate cuts, with local currency at ~43 UAH/USD in early February (up from December's 42.00–42.50 amid seasonal tweaks), supported by the NBU interventions (~USD0.7-1Bn a week). Domestic bonds saw yields dip post-cut: 1-year OVDP at 16–17%, 2–3-year at 17–18%; >70% allocations to longer-end for hedges, placements +10% since December on increased budget expenditures. Fitch is up to 'CCC' from 'RD', following the restructuring of GDP warrants. International reserves reached a record USD 57.3Bn by end-2025, projected to hit USD 65Bn in 2026 owing to EU funding.

Banking Sector

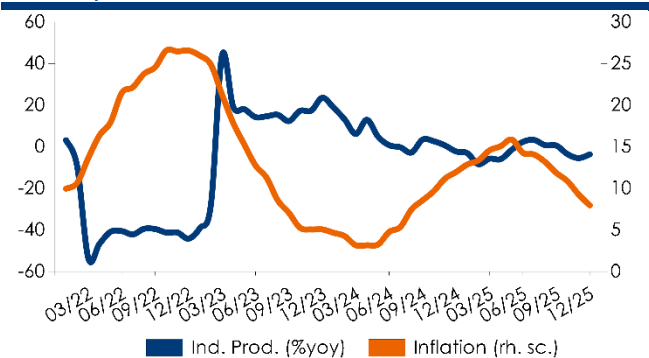
Sector resilience continues, with 11-month profits at a record UAH 146.4Bn (+11.7% yoy). Banks' performance indicators remain high: return on assets is 4.55%, and return on equity is 38.2%, even despite a slight decrease compared to last year. Lending grew strongly: +19.7% yoy as of 1 December, of which loans to corporates +19.2% and to households +24.0%. The NPLs stood at 23.9%, down from 31.44% a year ago.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production yoy	-3.5 (Dec)	-4.0	1.7
Nom. exports yoy	-4.1 (Sep)	n.a.	-4.0
PMI manufacturing	-4.1 (Sep)	n.a.	-4.0
Retail sales	15.5 (Dec)	12.8	5.1
Inflation rate yoy	8 (Dec)	9.4	13.1
CB reference rate	15 (31th Jan)	15.5	15.5
Loans (Priv. Sector, yoy, eop)	18.4 (Nov)	n.a.	14.5
Deposits (Priv. Sector, yoy, eop)	13.8 (Nov)	n.a.	13.9
Lending interest rate (pr.sect., eop)	19.8 (Nov)	n.a.	19.3
Deposit interest rate (pr.sect., eop)	10.3 (Nov)	n.a.	10.3

Source: State Statistics Service of Ukraine, National Bank of Ukraine

Industrial production and inflation



Source: State Statistics Service of Ukraine

Egypt

Real Economy

Real GDP growth accelerated to 5.3% in Q4 2025, the highest level in three years, supported by the pick-up in tourism, telecom, and non-oil manufacturing. The number of vessels transiting through the Suez Canal increased 16% year-on-year in November 2025, and Maersk and Hapag-Lloyd have decided to change the routing of one of their shared services to the canal. Manufacturing of beverages, motor vehicles, electronics, and clothing has led annual growth in industrial production in October 2025, rising 76.6%, 76.1%, 63.2% and 58.2%, respectively. It's also important to note that EGX30, the stock exchange's key index, skyrocketed by 67% yoy.

Despite achieving a primary surplus in 1H 2025/26 at 1.8% of GDP, Egypt is still facing a high budget deficit (4.2% of GDP) in the same period, where interest payments made up 91.5% of total revenues in the reporting period.

Annual headline CPI was flat in December 2025 at 12.3% yoy. The Central Bank of Egypt (CBE) expects inflation to continue its downwards trajectory, converging toward the CBE target range of 7% ($\pm 2\%$), on average, in 4Q 2026.

Financial Markets

Easing inflation expectations led the CBE to lower overnight deposit and lending rates by 725 bp during 2025, reaching 20% and 21%, respectively. MMR (weighted average yield on 3M T-Bills) is declining as well, reaching 24.4%. The yield curve (Spread of 3Y Bonds over 3M T-Bills) remained Inverted, but Less than previous levels. The EGP is appreciating against the USD, benefiting from the improvement in different sources of foreign currency such as remittances, tourism, and non-oil exports. The weakening USD in international markets is also supporting this trend. Egypt plans to issue USD 2Bn Eurobonds in 2H 2025/26 to help fund the country's financing gap.

Banking Sector

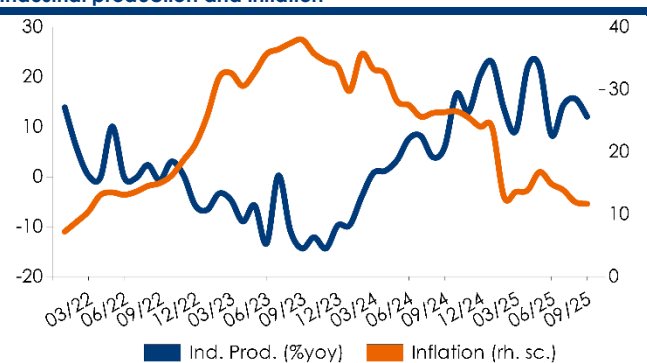
The increase in domestic credit is slowing due to declining growth of claims on government to 24.8% yoy in November 2025 after peaking in May 2025 at 44.2% yoy. Growth in private deposits is slowing as well, due to the fading effect of the base year and fierce competition with alternative investments such as gold and stock exchange. Net foreign assets of the banking sector (CBE + commercial banks) are maintaining their upward trend, posting USD 23.9Bn in November 2025. The Banking sector's soundness indicators remained resilient, where CAR and NPLs recorded 18.6% and 2.1% as of June 2025.

Latest economic indicators

	Last value	4Q25	3Q25
Industrial production, wda yoy	12.1 (Sep)	n.a.	14.1
Nom. exports yoy	37.4 (Sep)	n.a.	19.2
Retail sales yoy	n.a.	n.a.	n.a.
PMI	51.1 (Nov)	n.a.	48.8
Inflation rate yoy	12.5 (Oct)	12.5	12.5
CB reference rate	20 (3th Feb)	20.0	22.0
Loans (priv. sector, yoy, eop)	24 (Jun)	n.a.	n.a.
Deposits (priv. sector, yoy, eop)	22.3 (Oct)	n.a.	23.8
Lending interest rate (corp., eop)	22.1 (Oct)	n.a.	22.5
Deposit interest rate (hh, eop)	16.5 (Oct)	n.a.	17.0

Source: Ministry of Industry & Foreign Trade, Central Bank of Egypt

Industrial production and inflation



Source: Ministry of Planning, CAPMAS

Country Data: Economy, Markets and Banks - the economic cycle

The Economy

		GDP chg yoy			Ind.prod ¹ . chg.yoy			Export nom. chg yoy			Retail sales chg yoy			Inflation chg yoy			Unemployment rate			Wages chg yoy			Economic Survey ²		
		4Q25	3Q25	2024	Last	mth	4Q25	Last	mth	4Q25	Last	mth	4Q25	Last	mth	4Q25	Last	mth	4Q25	Last	mth	4Q25	Last	mth	4Q25
CEE	Czechia	2.5	3.0	1.2	5.7	Nov	3.4	-7.3	Nov	-4.0	1.5	Nov	2.1	1.8	Dec	2.0	4.8	Dec	4.7	5.1	Nov	5.4	98.8	Dec	98.8
	Hungary	n.a.	n.a.	n.a.	-5.4	Nov	-4.1	3.8	Dec	-2.6	2.5	Nov	2.8	3.3	Dec	3.8	4.4	Dec	4.4	8.9	Nov	8.8	100.0	Dec	100.0
	Poland	n.a.	3.8	3.0	7.3	Dec	3.2	-1.8	Nov	0.1	3.3	Dec	3.9	2.5	Dec	2.7	5.7	Dec	5.6	8.6	Dec	7.4	100.3	Dec	100.3
	Slovakia	n.a.	0.9	1.9	-4.5	Nov	-4.2	-1.3	Nov	-0.1	-3.2	Nov	-1.3	4.1	Dec	4.0	5.3	Dec	5.1	5.6	Nov	5.7	97.6	Dec	97.6
	Slovenia	n.a.	1.7	1.7	-0.9	Nov	-2.0	0.2	Nov	1.0	4.4	Dec	2.4	2.6	Dec	2.7	4.6	Nov	4.6	1.0	Nov	3.7	102.1	Dec	102.1
SEE	Albania	n.a.	3.8	n.a.	n.a.	n.a.	n.a.	4.5	Dec	-0.5	n.a.	n.a.	n.a.	2.3	Dec	2.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Bosnia H.	n.a.	2.1	2.6	1.9	Dec	-0.9	11.1	Dec	4.4	5.7	Nov	7.6	4.1	Dec	n.a.	26.9	Nov	26.9	13.8	Nov	13.6	n.a.	n.a.	n.a.
	Croatia	n.a.	2.3	3.8	8.8	Nov	6.6	8.2	Oct	n.a.	5.6	Dec	3.6	3.8	Dec	4.0	4.6	Dec	4.4	9.7	Nov	9.7	107.9	Dec	107.9
	Romania	n.a.	1.6	n.a.	-2.8	Nov	-1.3	-0.1	Nov	2.5	1.5	Nov	1.4	8.6	Dec	8.5	6.0	Nov	6.0	4.2	Nov	4.3	94.2	Dec	92.3
	Serbia	n.a.	2.0	3.9	-5.7	Dec	-3.8	11.3	Dec	5.4	8.5	Dec	7.8	2.7	Dec	2.8	n.a.	n.a.	n.a.	11.2	Nov	11.8	n.a.	n.a.	n.a.
EE & MENA	Moldova	n.a.	5.5	0.1	11.6	Nov	12.1	18.0	Nov	20.9	n.a.	n.a.	n.a.	6.8	Dec	6.9	4.1	Aug	n.a.	9.7	Sep	n.a.	n.a.	n.a.	n.a.
	Russia	n.a.	0.6	4.4	+3.7	Dec	1.2	72.1	Jan	n.a.	3.9	Dec	4.1	5.6	Dec	6.6	2.1	Nov	2.2	4.7	Sep	n.a.	49.4	Jan	48.1
	Ukraine	n.a.	2.1	2.9	-3.5	Dec	-4.0	-4.1	Sep	n.a.	15.5	Dec	12.8	8.0	Dec	9.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Egypt	n.a.	5.3	3.1	12.1	Sep	n.a.	37.4	Sep	n.a.	n.a.	n.a.	n.a.	12.3	Dec	12.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	51.1	Nov	n.a.
	m.i. E. A.	1.3	1.3	0.9	2.5	Nov	2.1	-3.4	Nov	-1.3				1.9	Dec	2.1									

Source: Refinitiv; ¹Wda data for Slovakia, Slovenia; Bosnia, Croatia, Egypt; ²PMI manufacturing for Russia and Egypt, ESI for remaining countries.

Markets and Ratings

		S/T rates		L/T rates ¹		Foreign exchanges ²			Stock markets		CDS spread (bp)			FX res. chg (mln €) ³			CA bal. (mln €) ⁴		Rating
		2/2	3M*	2/2	3M*	2/2	3M*	1Y*	3M*	1Y*	2/2	31/10	4Q25	3Q25	2024	4Q25	3Q25	Moody's	
CEE	Czechia	3.5	0.0	4.4	-0.2	24.31	-0.13	-3.50	15.8	48.4	20.9	22.7	n.a.	n.a.	n.a.	n.a.	942.0	Aa3	
	Hungary	6.4	-0.1	6.7	-0.1	380.55	-1.96	-6.71	19.6	50.2	89.7	101.1	n.a.	n.a.	n.a.	n.a.	n.a.	Baa2	
	Poland	3.8	-0.5	5.1	-0.2	4.21	-1.03	-0.06	12.2	43.2	55.4	61.7	n.a.	n.a.	n.a.	n.a.	-4,929.0	n.a.	
	Slovakia	2.0	0.0	3.4	0.0	n.a.	n.a.	n.a.	10.1	-1.7	27.2	30.8	n.a.	n.a.	n.a.	n.a.	-3,890.4	A3	
	Slovenia	2.0	0.0	3.0	0.0	n.a.	n.a.	n.a.	12.5	44.8	27.2	30.8	92	138	577	n.a.	873.8	A3	
SEE	Albania	2.7	n.a.	n.a.	n.a.	96.63	-0.21	-3.24	n.a.	n.a.	n.a.	n.a.	n.a.	507	n.a.	n.a.	658.0	n.a.	
	Bosnia H.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	410	691	n.a.	n.a.	n.a.	n.a.	
	Croatia	0.4	0.0	3.0	0.2	n.a.	n.a.	n.a.	4.3	14.2	44.4	55.2	332	58	331	n.a.	3,931.0	A3	
	Romania	5.7	-0.5	6.7	-0.3	5.10	0.20	2.40	20.2	59.1	112.2	146.1	n.a.	n.a.	n.a.	n.a.	n.a.	Baa3	
	Serbia	5.8	0.0	n.a.	n.a.	117.40	0.16	0.22	2.7	13.1	129.6	159.1	n.a.	1,648	4,386	n.a.	-928.4	Ba2	
EE & MENA	Moldova	5.0	-1.0	7.2	0.3	16.93	-0.56	-8.64	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	B3	
	Russia	n.a	n.a	15.1	0.0	77.00	-4.59	-21.43	n.a	n.a	n.a	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	WR	
	Ukraine	n.a	n.a	21.9	-3.0	43.09	2.67	3.37	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	Ca	
	Egypt	24.9	-2.0	11.3	0.0	47.09	-0.32	-6.25	25.0	58.6	301.4	329.3	n.a.	834	11,889	n.a.	n.a.	Caal	
	m.i.A.E.	2.0	0.0	2.8	0.2	1.2	2.2	13.4	8.3	12.2	2.20	5.01							

Source: Refinitiv; ¹For Ukraine, the long-term rate refers to a government issue in dollars; ²The (-) sign indicates appreciation; ³USD for Russia, Egypt, Ukraine, Romania; ⁴USD for Russia, Egypt, Ukraine. (*) % change.

Banking aggregates and interest rates (private sector)

		Loans			NPL/Loans			Foreign Liab.			Deposits			Loans rate1-NewB*			DepositsRate1-NewB*			Loans/Dep		
		chg yoy %			%			chg yoy %			chg yoy %			%			%			%		
		Last	Mth	2024	Last	mth	2024	Last	mth	2024	Last	Mth	2024	Last	mth	2024	Last	mth	2024	Last	mth	2024
CEE	Czechia	6.9	Dec	5.7	1.5	Dec	1.7	3.3	Dec	14.0	4.0	Dec	7.6	5.2	Dec	5.7	2.9	Dec	3.2	71.1	Dec	69.1
	Hungary	6.9	Nov	6.8	1.8	Jun	1.8	7.9	Nov	16.0	5.4	Nov	8.4	9.7	Nov	11.1	4.8	Nov	4.6	82.1	Nov	79.3
	Poland	5.7	Dec	3.6	3.7	Sep	3.8	n.a.	Dec	n.a.	9.8	Dec	8.1	5.8	Dec	7.7	3.1	Dec	3.9	61.9	Dec	64.3
	Slovakia	6.9	Dec	2.9	2.0	Dec	2.0	-3.3	Dec	36.2	5.5	Dec	6.5	4.2	Dec	4.8C ²	0.5	Dec	0.7H ²	104.8	Dec	103.3
	Slovenia	6.6	Dec	2.7	1.2	Oct	1.0	2.4	Dec	3.6	7.1	Dec	1.9	3.8	Nov	5.0C ²	0.8	Nov	1.4H ²	60.8	Dec	61.1
SEE	Albania	13.0	Nov	12.4	4.1	Nov	4.2	24.1	Nov	13.8	8.6	Nov	3.9	5.2	Nov	5.5PS	2.5	Nov	2.7PS	63.2	Nov	60.6
	Bosnia H.	10.4	Dec	9.3	2.7	Sep	3.2	2.4	Dec	27.5	10.0	Dec	10.8	4.2	Nov	4.3	1.7	Nov	1.2	87.6	Dec	87.3
	Croatia	12.7	Dec	9.4	2.3	Sep	2.4	37.2	Dec	23.8	6.8	Dec	3.7	3.7	Dec	4.5PS	1.8	Dec	2.5PS	74.2	Dec	70.2
	Romania	5.8	Dec	8.1	2.7	Nov	2.5	21.3	Dec	0.6	6.5	Dec	9.7	7.9	Nov	7.7PS	5.5	Nov	5.0PS	68.9	Oct	65.7
	Serbia	15.4	Dec	7.9	2.2	Sep	2.5	5.4	Dec	-1.8	5.9	Dec	13.2	7.4	Dec	8.7PS	4.4	Dec	4.4PS	84.3	Dec	77.3
EE & MENA	Moldova	29.0	Dec	26.5	4.1	Dec	4.1	0.7	Jul	n.a.	11.9	Dec	13.6	8.0	Dec	7.3	4.7	Dec	3.1	72.2	Dec	62.7
	Russia	3.4	Oct	16.0	n.a.	Sep	n.a.	n.a.	Dec	n.a.	7.8	Oct	23.8	17.9	Oct	24.0	15.3	Oct	21.4	114.6	Oct	113.4
	Ukraine	18.4	Nov	10.2	23.9	Nov	30.3	8.6	Nov	-2.4	13.8	Nov	14.4	19.8	Nov	18.8PS	10.3	Nov	8.6PS	46.7	Nov	41.8
	Egypt	24.0	Jun	29.8	2.1	Jun	2.3	7.0	Oct	63.6	22.3	Oct	34.4	22.1	Oct	26.7	16.5	Oct	20.9	35.6	Jun	35.4
	m.i. E. A.	1.36	May	0.7	n.a.	n.a.	n.a.	3.3	May	2.2	4.6	May	4.2	3.2	Nov	4.2	1.8	Nov	2.5	71.8	May	71.9

Source: Central Banks, IMF, Moody's; monthly average; ²ending rate on current account overdraft; on deposits up to 1 year. ³Sector C=Corporates, H=Household, PS=Private Sector.

Appendix

Analyst Certification and Other Important Disclosures

The economists / financial analysts drafting this report state that the opinions, forecasts, and estimates contained herein are the result of independent and subjective evaluation of the data and information obtained and no part of their compensation has been, is, or will be directly or indirectly linked to the views expressed.

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