INTESA SANPAOLO

International Research

Economic and Banking Outlook

September 2024

Countries with ISP subsidiaries

Quarterly Note

Research Department

International Research Network

Giovanni Barone
Head of International Research Network

International Research Team

Viewpoint

Our latest analysis indicates moderate economic growth accompanied by declining inflation and interest rates. Geopolitical tensions are likely to continue to constrain global expansion in the short term. However, a controlled recovery is expected across Central and Eastern Europe (CEE), Southeast Europe (SEE), Eastern Europe (EE), and Egypt. We expect ongoing disinflation, with central banks adopting more accommodative policies to support economic growth in these regions.

Macroeconomic scenario

Economic growth

The economic recovery in CEE, SEE, and EE is driven by a combination of internal and external factors. In the CEE region, countries such as Poland and Hungary are benefiting from fiscal policies aimed at supporting consumption and investment, alongside structural reforms that are enhancing productivity. In SEE, robust performance in Croatia and Serbia is supported by strong tourism revenues and improvements in infrastructure investments. For Eastern Europe, Russia is expected to maintain moderate growth in 2024, largely driven by domestic demand, although its longer-term outlook is constrained by geopolitical challenges and sanctions, which are expected to slow growth by 2025. Egypt is seeing a gradual recovery, with growth driven by government initiatives to attract foreign investment and boost exports, particularly in non-oil sectors. **According to our latest projections, the CEE region is expected to grow by 2.2% in 2024, accelerating to 2.9% in 2025, while SEE is forecast to grow by 2.3% in 2024, rising to 3.2% in 2025. EE's growth will reach 3.4% in 2024, then slow to 1.6% in 2025, on our estimates, and we see Egypt's growth reaching 3.7% in 2024 and 4.1% in 2025.**

Inflation

Inflation is expected to continue to decline across the CEE, SEE, and EE regions, with significant improvements projected for 2025. While inflation in 2024 will still be relatively high, particularly in Eastern Europe, due to ongoing wage and energy cost pressures, by the end of 2025 inflation is forecast to align more closely with central bank targets. In the CEE region, inflation is expected to reach 3.0% by the end of 2025, with countries including Poland and Hungary benefiting from easing energy prices and tighter monetary policies. For instance, Poland's inflation is projected to drop to 2.5% by the end of 2025, and Hungary's inflation is forecast to decline to 3.4%. In SEE, inflation is projected to fall to around 2.5% by the end of 2025, with improvements expected in countries such as Croatia (2.0%) and Serbia (3.0%), as supply chains stabilise and wage pressures ease. In Eastern Europe, Russia's inflation will remain higher than in CEE and SEE, but it is forecast to drop to 4.2% by the end of 2025, owing to stabilising geopolitical conditions and improved domestic production. **Overall, by the end of 2025, inflation is expected to converge closer to target levels across these regions, supported by central bank interventions and a normalisation of energy and supply costs, though external risks remain.**

Monetary policies

Central banks in the CEE, SEE, and EE regions are gradually shifting towards more accommodative policies as inflation eases and the need to support economic growth increases. In CEE, countries such as Hungary and the Czech Republic are expected to reduce their policy rates by the end of this year and further declining to 5.00% and 3.50% in 2025. These adjustments are driven by moderating inflation and a focus on stimulating domestic demand. In SEE, also Romania and Serbia are forecast to lower rates by the end of 2024, with further cuts to 4.50% and 4.25% in 2025, as inflationary pressures decrease and economic conditions improve. Russia, however, will maintain a more restrictive stance, with its policy rate in the short term, before easing to 14.00% in 2025 due to persistent inflation risks. **Overall, monetary easing across most regions reflects both declining inflation and a shift towards boosting growth, though geopolitical and external risks remain key factors influencing policy decisions.**

Macroeconomic forecasts

	GDP (YoY % chg)				CPI (eop, YoY % chg)				Policy rates (eop, %)			
	2023	2024F	2025F	2026F	2023	2024F	2025F	2026F	2023	2024F	2025F	2026F
CEE	0.1	2.2	2.9	2.7	6.1	3.9	3.0	2.5	6.4	5.2	4.1	3.4
SEE	2.2	2.3	3.2	3.2	6.4	4.0	3.2	2.5	6.0	4.9	3.9	3.1
EE	3.7	3.4	1.6	1.8	7.2	6.9	4.4	4.4	15.9	19.3	13.6	8.1
CEE SEE EE	2.5	2.9	2.2	2.2	6.8	5.7	3.9	3.6	12.1	13.7	9.9	6.2

Source: Intesa Sanpaolo Research Department F= forecasts

Banking aggregates

Loans

Loan growth is expected to recover gradually across CEE, SEE, and EE regions, driven by both improving economic conditions and supportive monetary policies. In 2025, loan growth is according to our analysts, expected to accelerate slightly to 4.7% in CEE and stabilise at around 5.4% in SEE. This expansion is expected to be led by Poland, where loan growth will increase to 4.8%, and Romania, which could see a boost in lending to 6.0% as economic recovery strengthens. Corporate lending is seen to continue its recovery, supported by increased business investment and improved consumer confidence. However, real lending growth could be constrained by still relatively high interest rates in some markets. **Lending rates, which are forecast to fall in CEE and in SEE by the end of 2025, will help facilitate this expansion, but demand for credit might remain cautious due to the lingering effects of past inflationary pressures.**

Deposits

Deposit growth is expected to decelerate across all regions in 2025 as interest rates decline and household consumption improves. In the CEE region, deposit growth will moderate to 4.8%, on our estimates, while we expect SEE to see deposits grow by 6.1%, reflecting a normalisation of precautionary savings behaviors. The lower deposit rates will contribute to the reduced attractiveness of deposits. However, continued uncertainties surrounding the geopolitical and economic environment may still encourage some precautionary savings, particularly in Eastern Europe, where Russia's deposit growth is expected to slow to 5.3%.

Lending Rates

Lending rates are expected to continue declining throughout 2025 as central banks in CEE and SEE pursue more accommodative monetary policies. The average lending rate in CEE is forecast to fall to 4.8% in 2025, from 7.5% in 2024, while SEE lending rates are expected to decrease to 7.0%. Lower rates will support borrowing, particularly for households and small businesses, though credit demand may remain cautious as the recovery progresses unevenly across sectors and regions.

Deposit Rates

Deposit rates are forecast to decrease across the board in 2025 as inflation subsides and central banks reduce interest rates. In CEE, the average deposit rates are expected to drop to 2.6% in 2025, with countries including Hungary and Poland seeing significant reductions. In SEE, deposit rates are projected to fall to 3.9% next year, further reducing incentives for households to save. Despite this, deposit volumes are likely to remain stable due to lingering economic uncertainties and the gradual recovery in consumer spending.

Conclusions and perspectives

Looking forward, we expect continued moderate growth and further easing of inflation across the regions, driven by accommodative central bank policies and improving global economic conditions. Central banks are likely to focus on balancing monetary policies to maintain inflation control, while supporting economic recovery. The banking sector will play a critical role in driving this recovery, particularly through strategic lending and deposit growth. Industrial output in Europe is likely to remain subdued for the remainder of 2024, with a stronger recovery expected in 2025, driven by global trade normalisation and improvements in the manufacturing sector. This recovery will depend heavily on external demand and the resolution of structural challenges in key industries, particularly in the Eurozone.

Contents

ALBANIA
INTESA SANPAOLO BANK Albania

ROMANIA
INTESA SANPAOLO BANK Romania

SLOVAKIA AND CZECH REPUBLIC
VÚB BANKA

BOSNIA AND HERZEGOVINA
INTESA SANPAOLO BANKA Bosna i Hercegovina

RUSSIAN FEDERATION
BANCA INTESA

SLOVENIA
INTESA SANPAOLO BANK

CROATIA
PRIVREDNA BANKA ZAGREB

SERBIA
BANCA INTESA Beograd

HUNGARY
CIB BANK

EGYPT
ALEXBANK | بنك الإسكندرية

UKRAINE
ПРАВЕКС БАНК

MOLDOVA
EXIMBANK

This note has been coordinated by Giovanni Barone. The names of the authors are reported in the individual country sections.

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

The Economic and Banking Outlook is released on a quarterly basis in March, June, September and December.

Recent developments

Antonio Pesce, Francesca Pascali, Davidia Zucchelli

On a quarterly basis, the GDP of the CEE area in 2Q24 increased by about 1.0% qoq (weighted average), vs 0.7% growth in the previous quarter. On annual basis, GDP accelerated to 3.0% in 2Q from 1.2% in the previous one owing to a strong performance in Poland. Based on the specifics of each country in the region, and within rather wide bounds, in 2Q24 a positive economic trend was evident in all countries of the region, ranging from 0.7% in Slovenia to 4.0% in Poland. The higher contribution to annual GDP growth was provided by private and public consumption. Despite the still weak external landscape, foreign net demand contributed positively to GDP growth, while the effect of gross capital formation remained negative. **For 2Q24, among the countries in the SEE area, only data relating to Croatia (3.3% yoy), Romania (0.8% yoy) and Serbia (4.0%) are currently available**.

The high frequency indicators remain mixed, but surveys still point to a positive, albeit softening, cyclical phase in the coming months

The latest releases of high-frequency economic indicators are still mixed but generally point to a positive, although softening, cyclical phase in the coming quarters. In June, in the CEE area, **industrial production** contracted by -2.3% yoy (-2.5% yoy in the previous month on a weighted average basis [w.a.]), but the **real retail sales** trend remained positive (almost 5.0% in July), higher than the previous month (2.8%). A similar figure was seen in the SEE region, where industrial production contracted further in June in all SEE countries (but in Serbia it remained positive), and in the same month, real retail sales grew again. In August, the **Economic Sentiment indicator** slightly worsened in the CEE region with respect to 2Q24 (to 98.5 from 99.9) and remained around 87.5 in the SEE area.

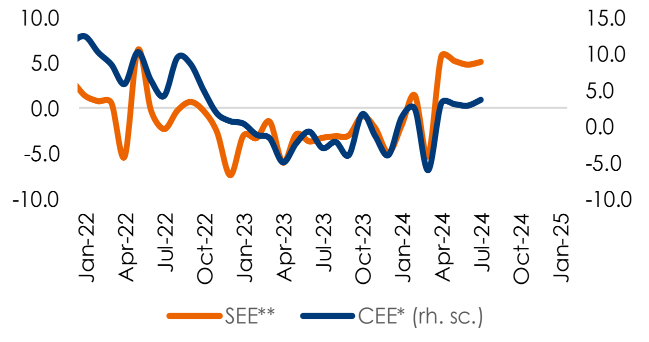
Consumer prices are decelerating, but in some countries the CPI is higher than expected

Albeit with country-specific peculiarity, **inflationary pressures** are cooling in the CEE and SEE area. However, in countries such as Poland, where the base effect is temporarily fuelling inflation and where economic growth has been quite strong, the downward path of the price has been more muted than expected. Aggregating the data (w.a.), harmonized inflation was 3.6% in the CEE region and 5.1% in the SEE area in July.

Czech Republic and Romania CBs eased monetary policy further. Temporary pauses in monetary easing in the other countries

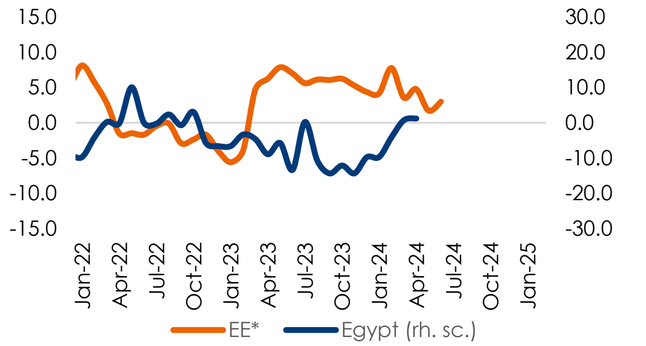
At their most recent meetings, the Czech Republic, Romania and Serbia central banks reduced their **policy rates** to 4.5%, 6.5% and 5.75%, respectively, while the remaining national banks held their rates steady at 6.75% and 5.75% for Hungary and Poland, respectively, in the CEE region and at 3.0% in Albania, in the SEE area. In the financial markets, **long-term yields** slightly decreased in several CEE and SEE countries vs. three months. Despite the geopolitical tensions relating to the conflicts in Ukraine and the Middle East, and concerns about the economic implications, national currencies in several countries, like Albania or Romania, appreciated in 2Q24 by recovering the depreciation of previous months, while in Hungary, the currency further weakened.

Industrial production % yoy – CEE/SEE



Source: National statistics offices. Notes: * weighted average of Slovakia, Slovenia and Hungary data; ** weighted average of Bosnia, Croatia, Romania and Serbia data

Industrial production % yoy – EE/Egypt



Source: National statistics offices. Note: * weighted average of Russia, Ukraine and Moldova data

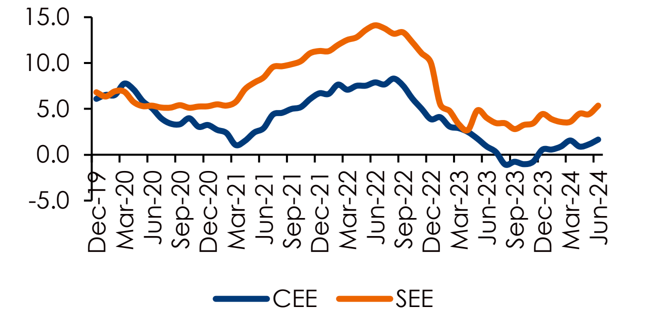
In the EE region, inflation rose in Russia, Moldova, Ukraine and Egypt

Outside the CEE/SEE regions, **EE countries** continued to grow, but more strongly than last year despite the geopolitical tensions. In 2Q24, the **GDP** increased by 4.1% yoy (from 5.4% in 1Q24) in **Russia,** and by 6.5% yoy in 1Q24 (from +4.7% in 4Q23) in **Ukraine;** it grew in 1Q24 by 1.4% (from 0.0% in 4Q23) in **Moldova**. In **Egypt,** GDP grew by 2.2% yoy in 1Q24 (2.3% in 4Q23). Moving to high-frequency indicators, in July, **industrial production** grew (by 3.3% yoy) in Russia (from 1.9% in June), it decreased in Moldova (-5.2% in May), and it grew in Ukraine (+5.1% in March 2024). In Egypt, it increased by 1.25% in April (+0.78% in March). In July, **retail sales** increased in Russia by 6.1% (vs 6.3% in June), and in December they grew by 19.9% in Ukraine (vs +23.9% in November). In Russia, **consumer prices** decelerated from April 2022 to May 2023, but from July they began to rise again (9.1% in August 2024), up to the CB targets (4.0%). In August, prices rose in Ukraine to 7.5% (+5.4% in July). In Moldova, in August the CPI was 5.1% vs 4.8% in July. In Egypt, inflation rose by 26.2% in August, up from the +25.7% of July, but still well above the upper end of the CB's corridor (7% ± 2%).

Banking aggregates better than expected

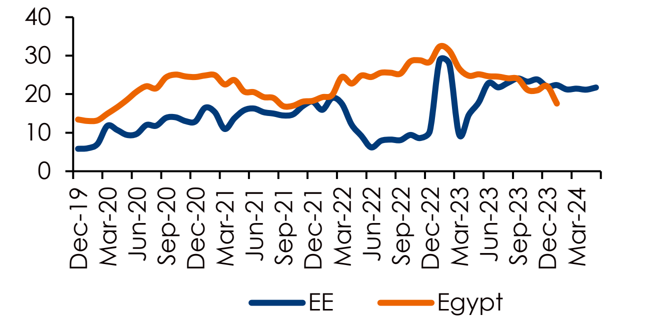
With regard to **banking aggregates**, **lending growth** continued to be supported in June by the increase in credit demand, the stabilisation of the economic environment, and declining interest rates. Loans increased by 2.5% yoy vs 1.8% yoy in May in **CEE countries** and accelerated from 5.5% yoy to 6.4% yoy in **SEE countries**. The improvement involved all countries in the region, but in the Czech Republic lending rose by 5.4% in June from 5.7% yoy in May. Particularly strong was the recovery in Hungary (+6.1% yoy) and in Poland, where lending came back in positive territory (0.8% yoy in June from -0.2% in May), thanks to the gradual unwinding of the drop in loans to households denominated in foreign currency. Loans to the private sector accelerated further in all SEE countries but especially in Albania and Bosnia, which increased by 10.9% yoy and 8.9% yoy, respectively, as of June. **Lending accelerated in both institutional sectors** in the CEE but was particularly strong in the **household segment**, where the average rose from 2.2% yoy in May to 2.8% yoy in June. The largest contribution came from Hungary (+5.7% yoy and 6.5% yoy in July), thanks to the strengthening of consumer confidence and developments in the use of family support programmes, and also from Poland and the Czech Republic, where the aggregate strengthened to 4.4% and 1.4% yoy, respectively (from 4.2% and 0.5% yoy in May). In SEE countries, household lending slowed marginally in Bosnia and Croatia (from 9.1% yoy to 8.7% yoy and from 11.2% to 10.9%, respectively), accelerating in all other countries. **NPL ratios** have remained low everywhere so far. There are no signs of liquidity tensions. Only in Slovakia did the **loan/deposit ratio** remain over 100%. Higher wages and precautionary motives continued to support **deposit growth** in both the CEE (+7.9% yoy in June) and SEE (9.9%) areas, in nominal terms. **Banking interest rates** decreased in almost all countries. In the **EE area**, loan growth remained strong in Russia (23% yoy in May) for both corporates (23.2% yoy) and households (22.7%). In Moldova, the loan performance (+12.3% yoy in June) remained more moderate for corporates (6.9% yoy) and robust for the household sector (21.2% yoy, accelerating in the last months). Total deposit growth from the private sector remained vigorous (28.9% yoy in May in Russia) in both the corporate (+29.1% yoy) and household sectors (+28.8% yoy). In **Egypt,** banking aggregates saw continued strong dynamics in nominal terms, with loans increasing by 26.9% yoy (in March, last available data) and deposits by 29.4% in June (but changes were in negative territory in real terms).

Lending growth (% yoy chg, weighted averages)



Source: ISP Research Department elaboration on central banks' data

Lending growth (% yoy chg, weighted averages)



Source: ISP Research Department elaboration on central banks' data

The international outlook

Global economic growth is steady but at risk among regions

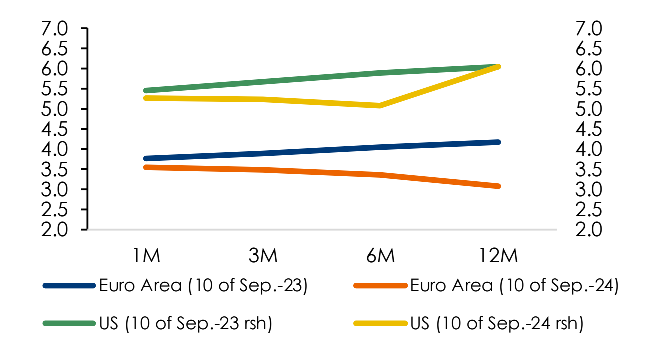
Global economic growth (3.3% in 2023) is projected to be at 3.2 percent in 2024 and 3.3 percent in 2025 (IMF, WEO July 2024), in line with the April 2024 World Economic Outlook (WEO) forecast owing to a slight acceleration in advanced economies where growth is expected to rise to 1.7% in 2024 and 1.8% in 2025 offset by a modest slowdown in emerging market and developing economies from 4.4% in 2023 to 4.3% in both 2024 and 2025. The forecasts for 2024-2025 remain, however, lower than the historical average (2000-2019, 3.8%). Services inflation is holding back progress on disinflation, which is complicating monetary policy normalisation. Upside risks to inflation have therefore increased, raising the prospect of higher interest rates for even longer periods, in the context of rising trade tensions and heightened political uncertainty. Global inflation is forecast to decline from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets (April 2024 WEO). Due to more persistent underlying global inflation, **the risks to global growth** appear mostly negative as a less accommodative policy stance could dampen the economic growth.

In the **US**, the GDP dynamic is expected to decelerate from 2.5% in 2023 to 2.4% this year, slightly upwardly revised from 2.2% in the Intesa Sanpaolo (ISP) June scenario, and then to 1.7% in 2025. The annual inflation rate in the US slowed for a fourth consecutive month to 2.9% in July 2024, the lowest since March 2021, compared to 3.0% in June. The Federal Reserve kept the target range for the federal funds rate unchanged at 5.25%-5.50% during its July meeting. Federal Reserve Chairman Jerome Powell gave clear signals that the central bank will cut its interest rate in the September meeting during his speech at the Jackson Hole Economic Symposium. The ISP Research Department expects the policy rate to fall to 5.0% by end-2024.

In the **Euro Area**, despite the expansionary fiscal policies implemented through the PNRR at a national level, ISP forecasts that GDP growth for the full year will remain weak in 2024 (0.7%), although higher than that of 2023 (0.5%), and then strengthening to 1.3% in 2025 (as in the June scenario). The war in Ukraine and the monetary policy still not very accommodative are weighing on the economic dynamic. The annual inflation rate in the Eurozone fell to 2.2% in August of 2024 from 2.6% in the earlier month, according to a flash estimate. It is expected to increase slightly in the coming months, and the end-of-period level is projected to be around 2.6% in 2024. The European Central Bank began monetary loosening at its June meeting, lowering the deposit rate to 3.75%, then paused in July. At ISP, we expect the deposit rate to reach 3.25% by eop in 2024.

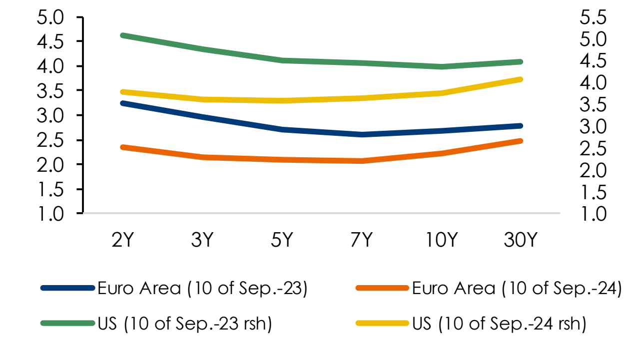
Among **emerging countries**, China's GDP growth has been confirmed with respect to the June scenario at 4.7% in 2024 and 5.0% in 2025. Overall, for the Emerging and Developing Economies, economic performance is expected to remain relatively robust (about 4.2% in WEO projections for 2024-25).

Benchmark monetary rates (US and EA rates)



Source: ISP elaboration on Refinitiv-Datastream data

Yield curves (US bonds and German Bunds)



Source: ISP elaboration on Refinitiv-Datastream data

The economic outlook

Growth and inflation

Looking ahead, we expect **GDP in the CEE and SEE areas** to continue on a positive trend in the coming months, but in deceleration due to still weak foreign conditions.

GDP forecasts for 2024 have been confirmed on a recovery path, even if still weak

Our new baseline projects GDP growth in the CEE area at 2.2% yoy in 2024, and this was slightly downwardly revised with respect to the June scenario, while the projection for 2025 has been confirmed at 2.9%. The GDP dynamic in the SEE area has been reduced too for this year (2.3%), due to the weak performance in the Romanian economy, but the forecasts for the following year have been left at 3.2% as in the June scenario.

Risks to our forecasts are on negative side

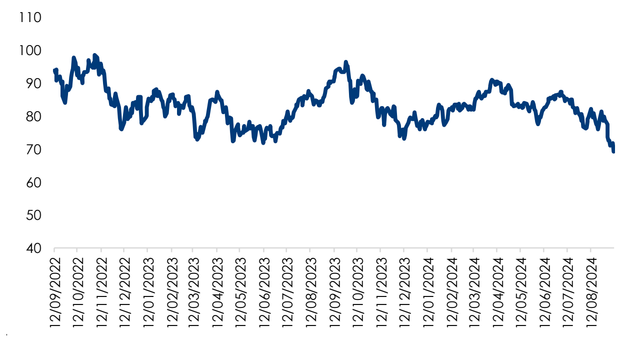
The prevailing **risks to the outlook** are broadly on the negative side because of weakness of the international landscape. Inflation could be more persistent than expected in several countries, and tighter global financing conditions could hamper economic growth.

Inflationary pressures are expected to continue declining, but at a slower pace than previously expected in several countries

Inflation is projected to decline, but at a slower pace than previously expected in those countries where wage dynamics have strengthened significantly, as in Poland and Serbia where the inflation rate has been upwardly revised to 4.5% and 4.0%, respectively. However, at the regional average, the inflation forecasts for 2024 and 2025 have been roughly confirmed (at 3.0% in the CEE area and at 3.2% in the SEE area in the end of period data 2025).

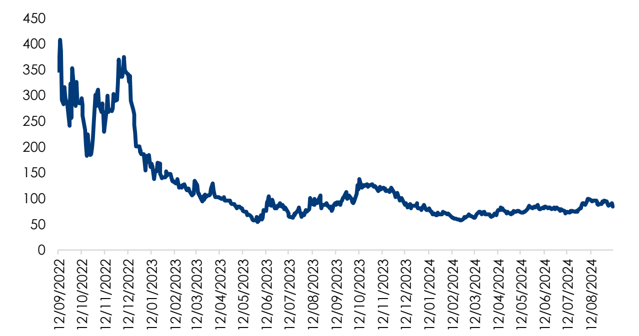
In relation to **EE** countries, we have slightly adjusted the forecasts. For Russia, we have left at +3.4% in 2024 and lowered to 1.4% 2025 numbers. For Ukraine, estimates were raised to +3.5% from +3.3% in 2024 and lowered to +4.0% from +5.4% in 2025. Estimates are left unchanged for Moldova (+2.5% in 2024 and +3.0% in 2025). Price pressures are expected to grow in Russia, Ukraine and Moldova. In Russia, where inflation began to accelerate again from June 2023, it is expected to reach the CB's targets not before 2032. For **Egypt,** we raised our GDP growth estimate to 3.7% from 3.5% in June for calendar year 2024 and we left unchanged at 4.1% for 2025. Inflation is expected to fall to 22.7% by year-end 2024 and to 15.0% in 2025. It is not expected to move back to the CB's target before 2032.

ICE-BRENT CRUDE OIL (Barrels $) ICE-BRENT CRUDE OIL (Barrels $)



Source: Refinitiv-Datastream

ICE-NATURAL GAS (Therm £)



Source: Refinitiv-Datastream

Monetary policy and financial markets

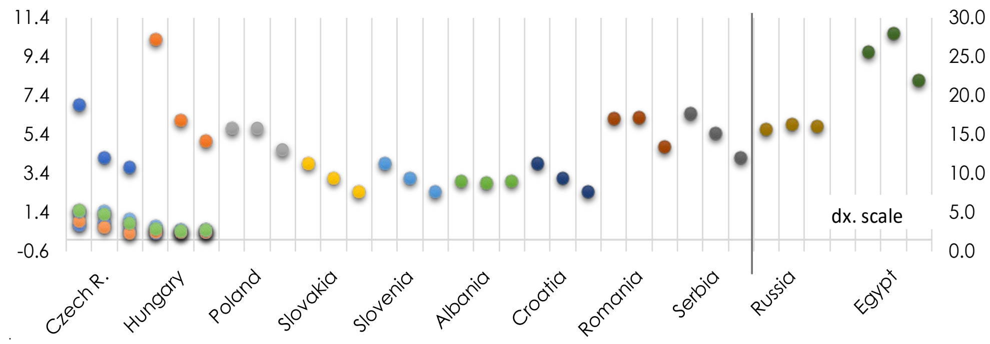
The policy rate decreasing cycle is expected to continue

In the CEE and SEE area, monetary policy is on a temporary pause, except for the Czech Republic, Romania and Serbia where policy rates were cut in August. In line with our June scenario, we continue to believe that the policy rate reduction cycle could resume before the end of the year for almost all countries. Hungary is expected to reach 6.25% by the end of 2024, while the Czech Republic is forecast at 4.0%. Poland is the only CEE country for which we have revised our forecast upwards. We now think that the interest rate could remain stable at 5.75% until December this year. Turning to the SEE area, monetary easing will see Albania, Romania and Serbia reduce their respective policy rates to 2.75%, 5.75% and 5.5%.

Outside the CEE/SEE regions, due to a new phase of growing inflation, **Russia's CB**, after seven months of the policy rate unchanged, has decided to raise the key interest rate by 300 basis points to 19.0% per annum. The return of inflation to the target requires much tighter monetary conditions than assumed in April, and therefore the CBR will assess the need for a further increase of the key rate at future meetings. For 2024, we raised our estimates for the CBR's key rates from the June forecast due to the high level of inflation and structural budget deficit. We also raised them for 2025 and 2026. In August, **Moldova's** central bank left the base rate unchanged at 3.60%. The decision aimed to slow the decline in inflation and keep it within the target range by further boosting aggregate demand, including by encouraging consumption and investment, balancing the domestic economy and anchoring inflation expectations. In July, **Ukraine's** CB decided to maintain the reference rate at 13% per annum. This decision was aimed at ensuring the sustainability of the foreign exchange market and bringing inflation closer to the 5% target within the forecast horizon. In **Egypt,** after the rise of 200 basis points at its meeting on 1 February, the CB at its extraordinary meeting on 6 March, in line with the continuation of the central bank's restrictive stance, decided to raise key interest rates by 600 basis points to 28.25%. Since that date, the CBE has left policy rates unchanged. The MPC expects inflation to hover around current levels until Q4 2024, given the implemented and planned fiscal consolidation measures, and to start declining significantly in Q1 2025 due to the cumulative impact of monetary tightening and the favourable base effect. Risks to the disinflation path are tilted upwards due to tightening global oil supplies, escalating regional geopolitical tensions, uncertainty over the adoption of protectionist trade policies and a higher-than-expected pass-through of fiscal measures.

The profiles for **long-term yields** have been revised slightly downwards overall across the forecast horizon with respect to our June scenario in the CEE/SEE region, due to the forecast lower path for Bund yields. In **FX markets**, exchange rates are expected to move around the current values in the CEE/SEE area overall in 2024 and 2025.

Short-term interest rates 2022-24 (% end of period, ISP forecast)



Source: ISP Research Department forecasts

Banking aggregates and interest rates

Banking aggregates are expected to accelerate in 2024 and to be more diversified in 2025

Forecasts for banking aggregates have been revised slightly for many countries for 2024, mainly because of recent monthly performances that have been better than expected. The forecast has been confirmed in the following years, a bit stronger in 2025 and then on a slightly decelerating path. Specifically, **stronger lending** data for June and the economic context explain the revisions to our lending estimates for 2024, particularly regarding the SEE countries. Similarly, **deposit forecasts** have been revised slightly upwards in 2024 and substantially confirmed for the following years. On the assets side, banks are benefiting from low ratios of non-performing loans and high profitability and capital. **Funding tensions** could increase in some countries, mainly in Slovakia and Russia, where LTD ratios remain very high. In general, banks can rely on granular and stable funding bases and conservative liquidity buffers to weather heightened volatility risks. They may count on broad bases of core, sticky domestic deposits and have a moderate reliance on market-sensitive institutional or external funding. **Loan/deposit ratios** are generally low.

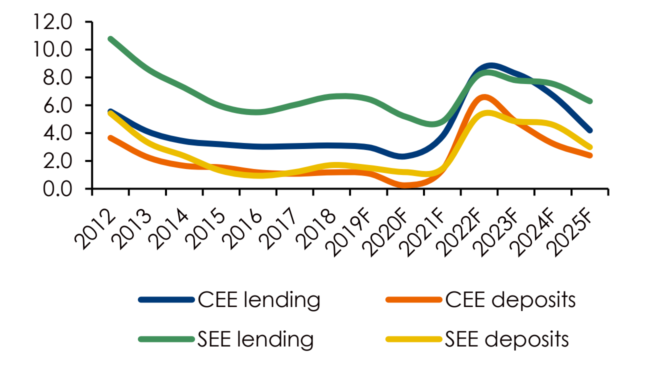
However, revisions to policy rates and moderately higher customer risks and provisions could have negative impacts on interest margins and profitability from 2025.

Loan growth is forecast to increase in 2024 by 4.4% in the CEE and 5.4% in the SEE countries and by 4.7% and still 5.4%, respectively, in 2025. Among CEE countries, forecasts have been revised upwards mainly in Hungary (+6% from 1.9% in 2024 and 5.3% in 2025). The loan recovery in Poland (from -2.5% in 2023 to 4.3% in 2024) will drive the regional average. In the SEE area, after a strong performance in 2024 (7.3%), lending in Croatia is expected to decelerate to 3.7% in 2025. In contrast, in Romania, an acceleration is seen (to 6% in 2025) in line with the GDP rebound. Lending will be negatively affected by higher interest rates in real terms, due to decreasing inflation. Furthermore, demand for credit could be supported by improving real disposable incomes supporting consumer lending, as has been happening in the last few months in many countries. In contrast, NPLs are expected to rise, specifically where the increase in real interest rates – and the associated rise in private sector debt servicing costs – has been particularly sharp. Taxes will likely weigh on bank activity, particularly in Romania.

In the CEE area, lending is expected to accelerate in 2025 to 4.7%, driven mainly by Poland (4.8%). In Slovakia, the tightening of the countercyclical capital buffer from 1% to 1.5% (from August) is expected to weigh on lending. In Slovenia as well, a better-than-expected performance in the last few months prompts to confirm the revision to 3.5% in 2024 and 2.6% in 2025. The new economic landscape will also affect lending in **the SEE countries** (5.4%, revised upwards slightly because of Romania and Serbia's acceleration, in 2024) and then is expected to stabilise at the same speed (of 5.4%) in the following two years. **In the EE area**, a much stronger than expected performance in the first part of the current year required a further lending revision to 18.2% in Russia (by +8pp vs the June forecast).

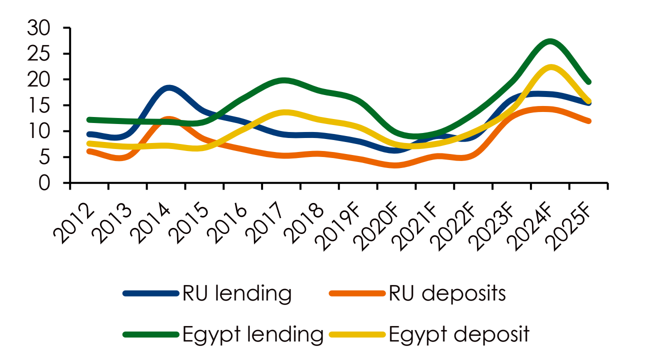
Deposit forecasts have been revised upwards in the CEE (from 7.8% in 2023, owing to a better-than-expected performance in Hungary and Slovenia, to 5.3% in 2024) but downward in the SEE (to 6.1% in 2024) countries. In 2025, deposits are expected to decelerate in many countries because of lower interest rates and growing popularity of mutual and pension funds. On the other hand, uncertainties about the economy and the evolution of the war could support deposit growth. In Russia, deposits are forecast to rise strongly by 19.3% in 2024 and then to slow to 5.6% in 2025. In **Egypt**, loans and deposits are expected to decelerate from 22.1% and 18.5%, respectively, in nominal terms in 2023 to 16.7% and 18.2% in 2024 (revised upwards because of the pound's depreciation, which can further sustain banking aggregates in 2025).

Lending and deposit interest rates (% end of period)*



Source: ISP Research Department forecasts. Note: * Weighted average

Lending and deposit interest rates (% end of period)*



Source: ISP Research Department forecasts. Note: * Weighted average

Country-Specific Analysis

Czech Republic

Real Economy

Zdenko Štefanides

Malaise in German industry weighs on the Czech manufacturing sector and exports, which led to us revising lower the expected GDP growth of the Czech economy by half a percentage point over 2024 and early 2025. Growth of the Czech economy this year is additionally dampened by fiscal consolidation. Therefore, we are now projecting a rather timid recovery in 2024 with 1.0% real GDP increment after a mild recession in 2023.

In 2025, growth is likely to pick up smartly as foreign demand is expected to gradually revive with Germany's current economic problems gradually fading away. The expected acceleration of growth of the Czech economy in 2025 to around 2.5% nonetheless relies primarily on domestic demand, led by household consumption. We namely continue to see inflation close to 2%, and nominal wages continue growing strongly, supporting the growth of consumers' purchasing power. We also foresee a recovery in firms' capital spending as prospects for the manufacturing sector should finally improve alongside the developments in Germany, a key Czech trading partner.

Financial Markets

With inflation – current and prospective – close to its 2% target, the Czech National Bank (CNB) has continued to ease policy rates. The pace of rate cuts predictably slowed from 50 bps rate cut per meeting during the first half of this year to 25 bps on August 1. The key 2-week repo rate is now at 4.5%, down from 7.0% peak last year. Ahead, we continue to see interest rates falling further toward 4.0% by the end of 2024 and 3.5% by end-2025, resp. The 3% level should be reached in 2026, which is also in line with the interest rate path foreseen by the new CNB prognosis.

Yields-wise, we foresee a slightly lower profile, reflecting on recent developments and the new forecast of major markets by Intesa Sanpaolo. In terms of the currency, we maintain our forecast of slight appreciation from temporarily weaker levels against the euro caused by narrowing interest rate differential.

Banking Sector

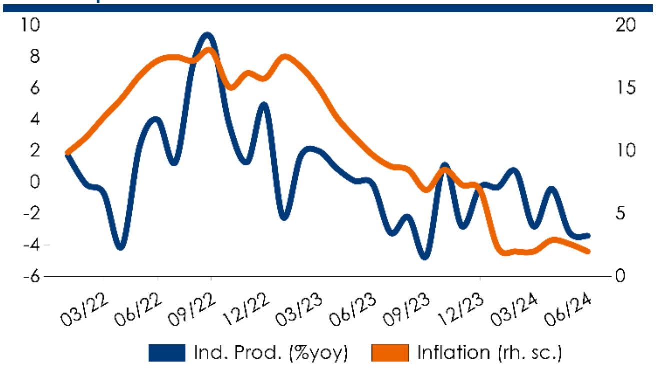
In the banking market, we continue to foresee a balanced growth of both loans and deposits, slightly above 4%yoy, which would keep the loan-to-deposit ratio at a comfortable level of around 70%. Nonetheless, in 2024, growth of deposits appears drifting above our forecast as Czech households remain remarkably strong savers. Indeed, from among 27 EU countries, the Czech saving rate is the second highest only to Germany.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	2.9	-0.1	1.0	2.5
CPI (eop)	15.8	6.9	2.3	2.0
Euro exch. rate (value, eop)	24.3	24.5	24.6	24.0
Short-term rate (eop)	7.3	7.0	4.2	3.7
L/T bond yields (eop)	4.8	4.0	4.0	4.1
Bank loans (pr. sector, yoy)	4.5	6.6	4.3	4.5
Bank deposits (pr. sector, yoy)	4.2	7.5	5.4	4.1
Lending int. rate (corp., eop)	9.0	8.2	5.7	4.3
Deposit int. rate (hh, eop)	6.0	5.7	3.5	2.9

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Czech Statistical Office

Hungary

Mariann Trippon

Real Economy

Q2 GDP growth was much weaker than expected, and a quick recovery is not in sight yet. The industrial sector remains weighed down by weak external and internal demand, the construction sector's performance is still subdued, and agriculture is suffering from the extreme weather conditions. On the absorption side, investments are in a freefall: corporate investments are held back by the uncertain demand picture and the impact of past cost shocks, while the fiscal adjustment resulted in a large-scale postponement of public investment projects. Consumption continued recovering, but only gradually; the prevailing theme remains cautiousness in the household sector. Therefore, we revised down our 2024 GDP projection to below 2% while leaving the 2025 projection unchanged. Next year, the continued consumption recovery and the expected turnaround in the industrial cycle along with the expected slow improvement of investments may push real GDP growth slightly above 3%. The disinflation process slowed down during the summer, and sticky services inflation - supported by the retrospective pricing of corporates and strong wage outflows - remains a concern. Average CPI could be ~4% in 2024-2025; the central bank target will likely not be reached until H2 2025. The shortage of skilled labor and the planned increase of the minimum wage will likely keep nominal wage growth elevated. The probability of reaching the 4.5% deficit target has increased following the new fiscal adjustment measures (extra taxes and postponement of investments).

Financial Markets

The central bank continued its cautious easing cycle, the base rate has been reduced to 6.75% in August followed by a temporary pause in September. Monetary policy will likely remain cautious and data dependent. We expect 2 more 25 bps rate cuts through the end of the year. Interest rate normalization will continue in 2025, and the pace will depend on the evolution of inflation, the risk assessment of Hungary and the speed of Fed, ECB rate cuts. HUF remains sensitive to shifts in risk sentiment and has kept a weakening bias recently. We expect EUR/HUF to trade in the upper half of the 385-400 range.

Banking Sector

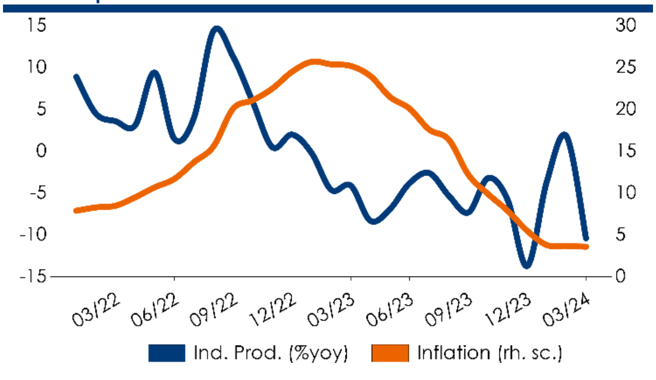
Total loans in the banking sector grew by 4,6% over the first six months of 2024, driven by the weakening of HUF in the case of corporate loans and the pick-up of the housing loan market in the case of Households. Customer deposits increased by 3%, mostly driven by the Households sector (+7%), where the 13th month extra pension and large government bond interest payments boosted the deposit volume. On the corporate deposit market, the growth rate was -1,0% in the same period. With subdued economic growth and still relatively high interest rates, loan volume may grow by around 6,0% in 2024, and we expect 5,0% growth on the deposit market as the increase on the Households sector is expected to slow down.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	4.6	-0.9	1.7	3.2
CPI (eop)	24.5	5.5	5.0	3.4
Euro exch. rate (value, eop)	407.2	381.8	393.3	395.2
Short-term rate (eop)	16.1	10.3	6.2	5.1
L/T bond yields (eop)	8.6	6.2	6.4	5.7
Bank loans (pr. sector, yoy)	11.6	3.3	6.0	5.3
Bank deposits (pr. sector, yoy)	2.5	0.3	5.0	4.5
Lending int. rate (corp., eop)	11.5	12.4	9.9	4.7
Deposit int. rate (hhs, eop)	12.3	7.7	3.9	2.7

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Hungarian Central Statistical Office

Poland

Real Economy

Zdenko Štefanides

We maintain the outlook for 2024, foreseeing real GDP to increase by 2.7% on the back of recovering consumer demand. The story of households regaining their real purchasing power and willingness to spend has continued to be upheld through the Summer data. Ahead, to be sure, an increase in inflation may be a hurdle for consumers to spend. Indeed, in July, due to energy price deregulation, CPI inflation has picked up to 4.2%yoy from 2.6% in the previous month and will likely remain well above 4% for the remainder of this year and the first half of next. This increase in inflation has been stronger than we expected and poses a downward risk to growth in the remainder of 2024. Yet, given the upside surprise in real GDP growth in 2Q, we leave the full-year 2024 growth figure unchanged at 2.7%, helped also by robust government spending.

In 2025, we continue to see growth pick up further, to above 3%-pace as economic prospects in Germany, Poland's main trading partner, are forecast to improve over 2024. Growth impetus also is likely to come from investment as utilization of the RRP will start in earnest in 2025.

Financial Markets

The National Bank of Poland (NBP) has pre-empted the prospective decline of inflation into an early policy adjustment of 100bps in the Autumn of 2023. Since then, the NBP held rates steady at 5.75%, arguing that inflation risks persist and concur with bold wage demands. In July, against the backdrop of rising inflation and expansionary fiscal stance, NBP president, Mr Glapinski, even stated that rates could remain unchanged until 2026. Other NBP Board members are nonetheless less hawkish and leaning towards monetary easing in 2025. The latter also is our call, with 75bps embedded in our forecast. Given the upside surprise in inflation recently, however, we rule out any easing of policy rates in the remainder of 2024. This is a change to our previous forecast, which in 2024 foresaw a 50bps cumulative easing instead.

In terms of the currency outlook, we maintain our previous view, projecting a broadly stable zloty, around 4.50 vs the euro. And we maintain our yields forecasts broadly unchanged in 2024, foreseeing their decline only in 2025.

Banking Sector

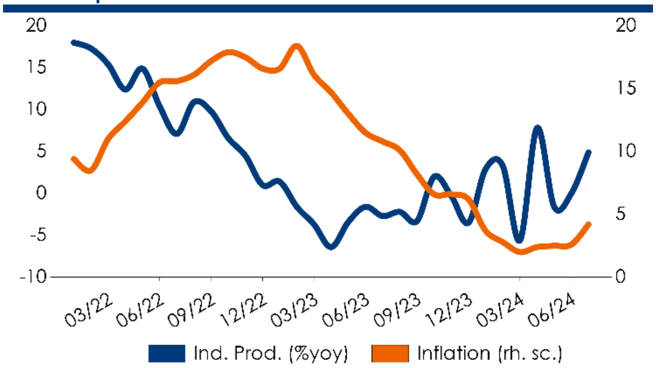
In the banking market, we continue see loan volume growing in 2024 as the economy recovers. On the deposit market, we now forecast slightly stronger growth in 2024, reflecting recent developments. Overall, we continue to see the loan-to-deposit ratio of the Polish banking sector remaining at a very comfortable level of 66%.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	4.9	0.1	2.7	3.1
CPI (eop)	16.6	6.2	4.5	3.1
Euro exch. rate (value, eop)	4.7	4.3	4.5	4.5
Short-term rate (eop)	7.0	5.8	5.7	4.6
L/T bond yields (eop)	6.6	5.2	5.3	5.1
Bank loans (pr. sector, yoy)	0.2	-2.5	4.3	4.8
Bank deposits (pr. sector, yoy)	5.6	10.5	5.3	5.2
Lending int. rate (corp., eop)	8.7	7.8	6.8	4.3
Deposit int. rate (hh, eop)	6.5	4.6	3.5	2.5

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Statistics Poland

Slovakia

Michal Lehuta

Real Economy

Slovak economy decelerated in 2Q in line with expectations. However, the wider euro area demand has not started to recover during the summer as we predicted earlier. In addition, the important automotive sector seems to be lagging behind Chinese competition at the world markets and vulnerable to further escalation of trade barriers. In addition, we believe the strong dynamic of government consumption (5-6% yoy in 1H24) cannot possibly last into the next year due to fiscal responsibility rules. This all leads us to cut the 2025 GDP growth forecast by 0.3 pp to 2.3%.

Local labour market remains very tight, when the survey-based unemployment rate narrowed to a record low of 5.2% during the second quarter. Due to demographic factors, further employment growth is virtually impossible without ever increasing the number of foreign workers. Inflation pressures thus remain elevated, when the harmonized CPI rate stepped up from 2.4% to 3.2% by August. January, moreover, will bring a liberalization of natural gas prices for households, resulting in a further increase in housing costs. Still, wage growth is expected to surpass price increases by more than 1.5 p.p., and household consumption may continue to grow.

Financial Markets

Despite expectations of further rate cuts by the ECB, and the start of rate-cutting by the Federal Reserve, the financial markets have been quite volatile recently. Our expectations are now more optimistic compared to the markets, and, counting on a "soft landing" of the major world economies, we expect the ECB to cut the deposit rate two more times this year and then three times more up until 3Q25, resulting in 2.5%. This may bring about further fall of not only short-term rates, but also longer-term benchmarks. With time, and the continuation of a shrinking balance sheet of the central bank, we forecast the government bond yields as well as interest rate swaps to increase again during the next year. Slovak government risk premium may stay elevated around 110 basis points.

Banking Sector

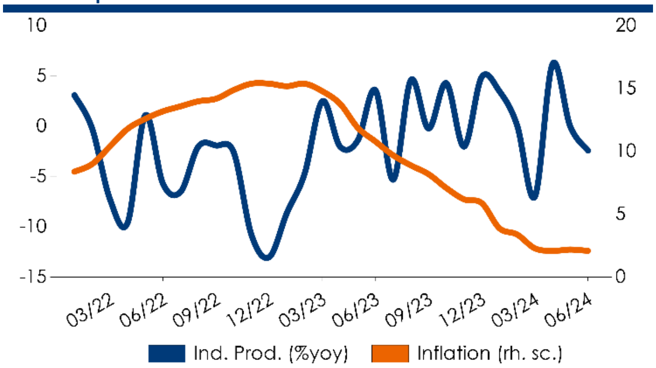
Credit provision in the economy has somewhat recovered over the last few months, together with slightly higher demand for mortgage loans. Corporate borrowing, on the other hand, remains lacklustre and may even book negative growth this year. Bank deposits grow thanks to high real income dynamics, improving the local (still high) loans-to-deposits ratio. With no credit boom in sight, we forecast only a modest (below nominal GDP) growth of the banking aggregates next year. Net profits of the sector may be hit by yet another bank tax, this time levied on financial transactions. The effect will depend on the final tax incidence - that is, on how much of the tax will be borne by the clients rather than banks themselves.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	1.9	1.6	2.1	2.3
CPI (eop)	15.4	5.9	2.5	3.7
Short-term rate (eop)	2.1	3.9	3.2	2.5
L/T bond yields (eop)	3.2	3.3	3.4	4.0
Bank loans (pr. sector, yoy)	10.4	3.4	2.5	4.6
Bank deposits (pr. sector, yoy)	5.9	4.6	6.1	4.9
Lending int. rate (corp., eop)	3.8	5.8	3.5	2.8
Deposit int. rate (hh, eop)	0.0	1.3	0.7	0.9

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Statistical Office of Slovakia

Slovenia

Ana Lokin

Real Economy

GDP in the second quarter registered a mild 0.2% increase qoq, whereas annual rate slowed to 0.7%. Private consumption stagnated qoq, softening on an annual basis to 1.1%, despite a strong labour market, rising consumer lending and improved consumer confidence, negatively impacted with new compulsory health insurance that curbed real-term net wage growth. Public consumption strengthened to 6.8% qoq and 12.3% yoy (measures for alleviating the impact of last year's floods), while the investments, in line with the negative trend of high frequency data on construction works, slipped into red (-0.4% qoq and -1.6% yoy). Contribution of net exports to annual growth remained negative, widening to -4.1pp as exports fell -0.8% yoy, while imports grew 4.4% yoy. GDP growth in the first six months of the year thus reached 1.4% yoy. Labour market strength goes maintained, with sustained growth of employment and a sharp drop in the unemployment rate (to 4.4% in June). Net wage growth, however, is lagging in real terms, amounting to 1% yoy in Q2. The third quarter started on a strong footing, with retail trade in July posting an upturn and rising 2.4% yoy and exports of goods surging by 24.8% yoy. Still, lower than expected Q2 outturn prompted a downward revision of this year's growth estimate to 2.1% yoy, whereas 2025 forecast was marginally trimmed to 2.6% yoy, reflecting a bit weaker impetus coming from the external environment.

Average inflation in August fell to 1.1% yoy (stagnation mom) due to a seasonal disinflation of Clothing prices (-7.4% both yoy and mom), as well as a drop in prices of Utilities and Transport on annual basis (-4.0%, i.e., -1.2%), moderating a rise in prices of Recreation and culture (4.6% yoy) paired with mild growth of Food prices (0.9% yoy). In the first eight months, the inflation on average reached 2.5% yoy (Food 0.8%, Services 5.3%), hence we lowered our estimation of the average inflation rate in 2024 to 2.1% yoy, while 2025 projection was slightly reduced to 1.9% yoy.

Financial Markets

10Y government bond spread on Bund widened in Jul-Aug compared to Q2, amounting to 70bps, while the average yield stood still at 3.1%. Average spread in 2024 is seen at 70bps, narrowing to 60bps in 2025, whereas the average yield is projected at 3.0% in both years.

Banking Sector

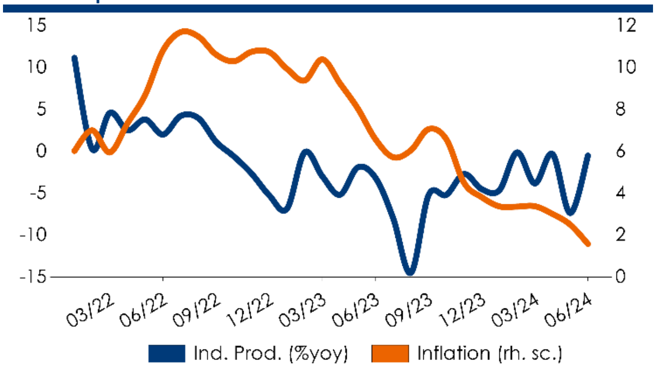
Loans continued rising at a modest rate (+1.0% yoy in July), backed chiefly by consumer lending. By the end of the year, we see lending strengthening, with loans ending the year up by 3.5% yoy. Deposit growth revolves around 4% yoy, and end-24 deposits are seen higher by 3.5% yoy. Projections for 2025 of loan and deposit growth are confirmed at 2.6% yoy.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	2.7	2.1	2.1	2.6
CPI (eop)	10.8	3.8	1.5	2.0
Short-term rate (eop)	2.1	3.9	3.2	2.5
L/T bond yields (eop)	3.3	3.0	2.7	3.4
Bank loans (pr. sector, yoy)	9.8	-0.5	3.5	2.6
Bank deposits (pr. sector, yoy)	7.8	5.5	3.5	2.6
Lending int. rate (corp., eop)	3.0	5.6	5.0	3.4
Deposit int. rate (hhs, eop)	0.2	1.3	1.3	0.7

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Statistical Office of the Republic of Slovenia

Albania

Real Economy

Kledi Gjordeni

The latest data from INSTAT show that the growth of GDP for Albania in the first quarter of 2024 was at the level of 3.63%. This positive performance is mainly supported by the increase of the construction and service sectors. Net exports recorded a negative figure at -9.94%, while imports were +7.61%, in Q1 2024. Gross capital formation recorded an increase of 7.67%. Inflation in Q2 continued to drop below the average of the first quarter of the year, which was 2.75%, while in July it was 2.1%. This reflects especially the decrease in import prices for food products as well as the increase in domestic productivity. However, the decrease in unemployment (10.7%), the lack of labor force, as well as the increase in the level of wages in the private sector by 12.7% constitutes an increased risk in the level of inflation. Total investment increased by 7.7% in Q1, driven by private investment. Instead, public investment contributed negatively. The Albanian economy is expected to return to balance and inflation to the target, throughout 2025. Economic growth and balancing the level of inflation will be dictated mainly by domestic consumption, foreign investments, imported prices and the growth of the tourism service sector.

Financial Markets

The shift to downside risks of inflation, as a result of the rapid decline in CPI for the 7th consecutive month, forced by mainly the drop in import and domestic prices for food items, has also dictated the monetary policy response from the CB, reducing in July 2024 the key interest rate from 3.25% to 3%. In the exchange market, although at slower pace, the exchange rate for Eur/Lek continues to depreciate. This is due mainly from the higher Lek demand and flux of tourism. In August, the Lek appreciated 5.7% against the Euro, YoY. In Q2,2024, the securities yield headed downwards, going close to the key monetary policy rate cut of July, confirming the trend observed in the first quarter of the year.

Banking Sector

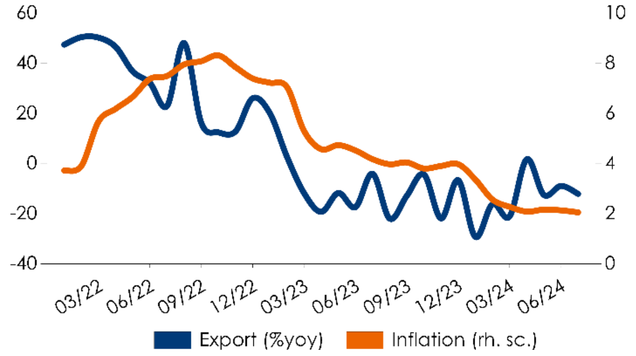
In June 2024, deposits in the banking system recorded an increase of 3.96% YoY. Deposits of individuals were 3.43% higher than a year ago, while those of companies were 5.76%. Lending activity continues to grow as a result of the improvement of the financial balances of companies as well as the accommodative conditions by the banking system. In June 2024, total credit to the private sector expanded by 10.92% YoY. The biggest contribution was given by the demand for loans in the local currency, which increased by 18.99% YoY. Loans for households increased by 12.18%, while loans for businesses increased by 10.14% YoY. The quality of the loan portfolio in the banking system has improved significantly. Npl is among historical lows. In July, it was 4.7%.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	4.8	3.3	3.3	3.3
CPI (eop)	7.4	4.0	2.3	3.0
Euro exch. rate (value, eop)	114.9	103.9	100.5	101.0
Short-term rate (eop)	2.5	3.0	3.0	3.1
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	6.9	3.7	5.4	3.6
Bank deposits (pr. sector, yoy)	4.8	1.6	3.6	3.5
Lending int. rate (pr. sec., eop)	6.5	5.6	5.6	5.6
Deposit int. rate (pr. sec., eop)	2.5	2.3	2.9	2.9

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Export and inflation



Source: National Statistical Institute

Bosnia and Herzegovina

Real Economy

Ivana Jović

Following 1.7% yoy growth registered in the closing quarter of 2023, GDP growth in the opening quarter of 2024 strengthened by 0.9% qoq and 2.7% yoy. As already foreseen by monthly retail, trade data growth in private consumption picked up (+2.7% y/y) supported by vivid growth in wages, strengthened retail lending and remittances inflows (+8%). At the same time, in line with a local elections year, government consumption increased, rising by +2.1% yoy. An extreme surge was registered in gross capital formation (+49.8% y/y), following a basically flattish last year performance, likely indicating improved sentiment as it is accompanied by strengthened lending activity of non-financial corporations as well. At the same time, exports nose-dived (-14.9%) followed by a mild increase in imports (+1.3% y/y), thus net exports contributed negatively to headline growth.

Available high frequency data indicates that industrial production's doldrums continued in 2Q as headline decline strengthened to -6.6% vs -4.9% yoy registered in the 1Q24, while July data finally brought some improvement as industrial production increased by 3.1% mom, although not sufficient enough to pull annual growth above the water (-2.8% yoy). Supressed foreign demand burdens the domestic industrial sector as over the last year and a half exports registered positive growth only twice (April and July), leaving cumulative exports to decline over the first seven months of the year at -7% yoy. Meanwhile, retail trade continued to overperform as 2Q registered 11% yoy growth, just an inch weaker compared to 12.7% growth recorded in the 1Q; however, July data brought a slowdown as annual growth eased to 4.2%, mainly on a high last year base effect, as on a monthly level activity increased by 1.2%. Overall, we see FY24 GDP growth in the area of 2.7%, while next year growth should strengthen further in line with the improved outlook for major trading partners positively influencing exports performance.

Meanwhile, following on average 2% inflation over the first five months, disinflation continued, and inflation inched down to 1.6% and 1.8% in June and July, respectively. However, an announced hike of electricity prices for households by 10% starting in August is likely to alter current disinflation trends, and we see average annual inflation in 2024 landing just slightly over 2%.

Banking Sector

Ana Lokin

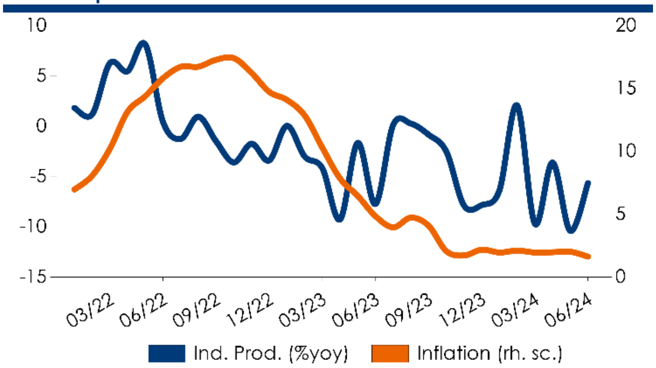
Lending maintained a buoyant trend thanks to the vivid economic growth and improving labour market, with loans advancing 9.2% yoy in July. Deposit rise stayed robust owing to loan increase, sharp wage growth and inflow of remittances, reaching 10.0% yoy. In September, we raised estimations of loan and deposit growth in 2024 to 9.5% yoy, i.e., 8.4% yoy. Projection of loan rise in 2025 was upgraded to 5.6% yoy, while deposit growth forecast was confirmed at 5.7% yoy.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	3.8	1.6	2.7	3.0
CPI (eop)	14.7	2.2	2.2	1.8
Euro exch. rate (value, eop)	2.0	2.0	2.0	2.0
Short-term rate (eop)	n.a.	n.a.	n.a.	n.a.
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	5.3	6.8	9.5	5.6
Bank deposits (pr. sector, yoy)	3.2	10.2	8.4	5.7
Lending int. rate (corp., eop)	4.0	3.9	n.a.	n.a.
Deposit int. rate (hh, eop)	0.5	0.6	n.a.	n.a.

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Agency for statistics of Bosnia and Herzegovina

Croatia

Real Economy

Ivana Jović

In line with expectations, year-to-year GDP growth in this year's second quarter slowed to 3.3% from 3.9% recorded in the first quarter (seasonally adjusted growth rate slowed from 3.9% to 3.0%), while quarter-to-quarter growth rate was 0.8% (1Q: 1.0%). Growth in (real) net wages, low unemployment and an increase in the number of employed persons, accompanied by a slowdown in the inflation rate and lively lending activity, supported personal consumption, which recorded a growth rate of 6.1% in the 2Q, slightly accelerating from 6% recorded in the 1Q. The first available data for July reveal that real retail trade turnover increased both month-on-month (2.9%) and year-on-year (7.9% cal. adjusted and 9.0% unadjusted), thus accelerating compared to the rates recorded in June. At the same time, the Tax Admin data for August indicate that the value of fiscalized invoices in retail trade increased by 7.4%. Nevertheless, the third consecutive month of decline in the consumer confidence index and the gradual closing of the gap of more optimistic (or less pessimistic) Croatian consumers compared to the euro area average indicate that in the coming period, a normalization of personal consumption growth rates is to be expected and thus a somewhat less generous positive contribution of this category to the overall GDP growth rate. In the 2Q, additional stimulus to domestic demand came from government spending, whose growth accelerated to 4.0%, attributable to a strong growth in public wage bill. At the same time, a strong increase was recorded for the second quarter in a row also in investments (+12.9%), reflecting vivid activity in both buildings and infrastructure construction. Obviously, growth in domestic consumption pulled the import component, and the growth of total imports accelerated to 5.2%. On the other hand, exports are in the red for the fifth quarter in a row, with an increase in exports of goods (in 2Q +3.1%) and a decline in exports of services (in 2Q -5.2%) observed in the last two quarters. Given that the trends in the first half of this year did not deviate significantly from our expectations, we remain with the FY24 call around 3.4%, although certain shifts could be caused by the announced statistical revision of historical data, which will be published at the end of October.

Financial Markets

Ana Lokin

Average 10Y government bond yield by end-August reached 3.3%, with average spread on Bund at 90 bps. FY2024 average yield is seen at 3.2% (eop 2.9%), with average spread at 90bps (eop 80bps). In 2025, average yield and spread are seen declining to 3.1% and 70bps.

Banking Sector

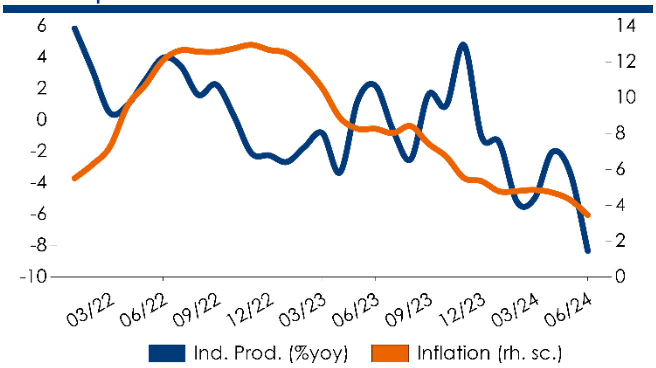
As household lending gradually loses steam, we expect loan rise to soften to 7.3% yoy at end-24, moderating to 3.7% yoy in 2025. Deposits lost pace due to the issue of government securities. We see their growth amounting to a modest 3.2% yoy in 2024, slowing further to 2.8% yoy in 2025.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	7.0	3.1	3.4	2.7
CPI (eop)	12.7	5.4	3.0	2.3
Short-term rate (eop)	0.2	3.9	3.2	2.5
L/T bond yields (eop)	3.5	3.3	2.9	3.5
Bank loans (pr. sector, yoy)	11.2	8.0	7.3	3.7
Bank deposits (pr. sector, yoy)	15.0	3.5	3.2	2.8
Lending int. rate (pr. sec., eop)	3.6	5.2	4.9	4.1
Deposit int. rate (pr. sec., eop)	0.7	3.1	2.8	1.9

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Croatia Bureau of Statistics

Romania

Marius Pacurari

Real Economy

GDP growth on second quarter 2024 was 0.1% qoq and 0.8% yoy. Main positive contributions came from agriculture (+17.3% yoy) and other cultural and recreational activities (+6.4%), while the rest of the activities had negative contributions. In our opinion, 2024 GDP growth will be at around +1.4% yoy.

Yoy CPI at the end of July was 5.3%, slightly higher than June (4.9%). Harmonized YOY CPI at the end of July decreased also at 5.8%. According to NBR latest projection (August), at the end of 2024, the YOY inflation should decrease around 4.0% while re-entrance on target interval should occur in the 3rd or 4th quarter of 2025.

The Unemployment rate increased in July at 5.4%. The Wages growth is still high with 12.5% yoy at the end of June, putting pressure on the Labor Market since productivity and inflation are at lower levels.

The Budget Deficit at the end of April is at 4.2% from GDP, the highest level in the last 4 years. Taking into consideration the peculiarities of this year, and the already announced increase of pensions and salaries, it is hard to believe that this year's deficit should stay below 7.0%. Further fiscal measures are needed to reduce the deficit; the announced measures have limited impact and are not consistent enough to limit the Budget Deficit.

The Current Account Deficit at the end of June 2024 was EUR 12.176 billion, 34% higher than the previous year in June.

Financial Markets

In the August 2024 Monetary Policy Meeting, the Romanian Central Bank cut for the second time The Monetary Policy Rates (Deposit, Lombard, and Reference Rate) at: Deposit Facility Rate 5.50%, Reference Rate 6.50%, and Credit Facility Rate 7.50%. The next monetary policy meeting is in October. For the November meeting, NBR will have a new Board of Directors voted by The Parliament. EUR/RON exchange rate was stable around 4.97 - 4.98. The exchange rate is used as a Monetary Policy Instrument.

Banking Sector

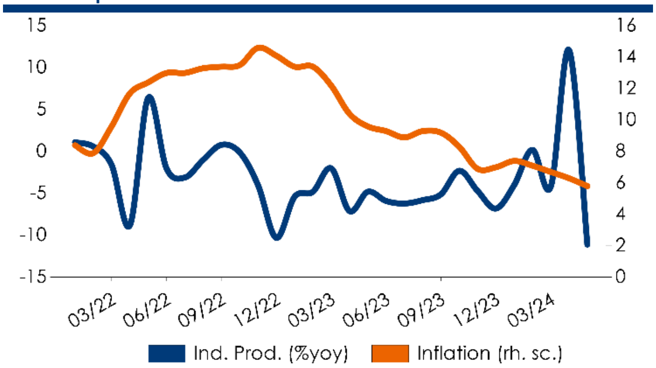
At the end of June 2024, yoy growth on loans was 5.86%, with a strong component on RON (8.86%), while EUR loans decreased 0.91%. On the deposits side, the overall growth yoy was 10.73%, with component of RON at +16.13% while Foreign Currencies loans decreased by 0.14%. On the deposit side, 2024 growth (first semester) was only 0.97%.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	4.9	1.9	1.7	3.2
CPI (eop)	14.1	7.0	4.5	3.5
Euro exch. rate (value, eop)	4.9	5.0	5.0	5.1
Short-term rate (eop)	7.7	6.3	6.3	4.8
L/T bond yields (eop)	7.9	6.6	6.4	6.2
Bank loans (pr. sector, yoy)	11.2	5.9	4.9	6.0
Bank deposits (pr. sector, yoy)	6.7	12.9	5.5	7.1
Lending int. rate (pr. sec., eop)	9.7	8.6	8.6	6.9
Deposit int. rate (pr. sec., eop)	6.7	5.6	5.6	3.4

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: National Institute of Statistics

Serbia

Real Economy

Tijana Matijasevic

Statistical Office revised GDP growth in 2Q24 to 4.0% y/y, 0.2pp down from its previous estimate, while it also cut 1Q growth by 0.1pp to 4.6%. Looking at the GDP structure, private consumption was a primary driver, accelerating by 4.7% y/y in 2Q (+3.4pp), supported by continued real wage increases as well as rising consumer lending. Investment growth of 8.5% added 2pp to the headline figure, while government consumption provided another 0.7pp, increasing by 4.5% y/y. On the other hand, net exports acted in the opposite direction, as imports rose more strongly (+8.5%) than exports (+4.4%). From the production side, all sectors supported the growth, except for agriculture (-4.1% y/y). After better than anticipated performance in the first part of the year, we decided to lift our GDP projection to 3.8% in 2024, with expected acceleration to 4.2% over 2025-2026, led by a pickup in investments, more favourable financing conditions and recovery of external demand. Y/y inflation inched up to 4.3% in July, somewhat above market expectations, while core inflation remained stable, at 5.1%. Inflation should remain within Central Bank's target corridor in the forthcoming period, but the disinflation process will notably slow down, due to pressures from increasing domestic consumption and services inflation, as well as imported inflation falling more slowly than anticipated a few months ago. In a new scenario, the forecast for eop-CPI was raised to 4.0%, while the average figure is seen at 4.6% in 2024, before easing to 3.6% in 2025.

Financial Markets

NBS paused in August, keeping the key policy rate at 6.0% after two consecutive 25 bps cuts in June and July. Taking into account expected inflation path and interest rate trajectory of the major central banks, additional 50bps cuts are expected by the end of the year, while the key rate may reach 4.25-4.50% at end-2025, assuming no new inflation shocks. Meanwhile, EURRSD rate remained stable in August, while since the start of 2024 the dinar has gained 1% against the euro. During January-July, NBS net bought a total of € 1,555mln to mitigate prevailing appreciation pressures on the local currency. FX reserves hit a new record in July (€ 28.1bln gross), covering 7.4 months' worth of the country's goods and services imports.

Banking Sector

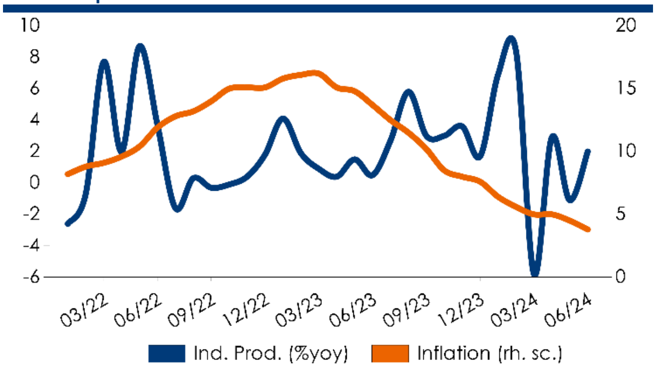
New lending surprised on the upside lately, recording c. 35% growth during 2Q24 before moderating to 7% in July. Total private sector loans accelerated to 4.9% y/y in July (from 1.3% in March) owing to rising loan demand amid eased credit standards, notably for corporates. As a result, the forecast for loans has been revised up to 4.5% in 2024, while deposits are seen growing at 11.2%, a similar pace as in the year before. Beyond 2024, a more balanced y/y growth in both loans and deposits is currently expected (4.9% for loans and 5.9% for deposits in 2025). In June, share of NPLs in total loans dropped below 3%.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	2.5	2.5	3.8	4.2
CPI (eop)	15.1	7.6	4.0	3.3
Euro exch. rate (value, eop)	117.3	117.2	117.2	117.4
Short-term rate (eop)	5.0	6.5	5.5	4.3
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	6.5	1.0	4.5	4.9
Bank deposits (pr. sector, yoy)	6.9	11.7	11.2	5.9
Lending int. rate (pr. sec., eop)	10.0	10.5	9.0	8.0
Deposit int. rate (pr. sec., eop)	6.2	5.7	4.3	3.6

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: Statistical Office

Moldova

Doina Caraman

Real Economy

Moldova's economic output rose by an annual 1.4% in the 1Q24, driven by growth in the production and supply of electricity as well as in the manufacturing sector. A GDP increase of about 2.5% and 3% is expected in 2024 and 2025, respectively, driven by a recovery in consumption, higher public sector salaries and pensions, agricultural rebound, improved trade with partners, lower energy prices, and supportive policies. While geopolitical instability remains an important downside risk, medium-term growth is expected to be bolstered by reforms, Moldova's EU candidacy, and recovery in domestic consumption and investment.

Consumer prices rose by 4.8% yoy in July, accelerating from a 3.8% annual increase in June. Inflation is projected to remain within the target range over the forecast period, rising slightly towards the end of 2024 and into 2025 on the back of increased administrative prices for healthcare and fuel tariffs.

Financial Markets

Successful disinflation allowed the National Bank to reduce the policy rate from 21.5% in August 2022 to 3.60% in May 2024, in order to stimulate the economy in the context of stabilizing inflation. Meanwhile, overnight loan rates and deposit rates have settled at 5.60% and 1.60%, respectively.

The base rate is foreseen to be kept at 3.6% by 2024 year-end, slightly increasing to 4.5% in 2025. The 91-, 182-, and 364-day treasury bill yields decreased by 1.0pp, 1.3pp, and 1.34pp, respectively, as of September 2024 vs end-December 2023 levels, in line with the inflation trajectory and expectations.

Banking Sector

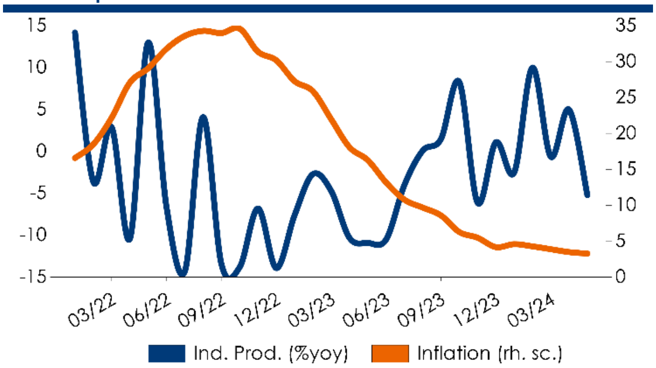
As of July 2024, the loan portfolio experienced a growth rate of 14.1%, with households driving this increase at 23.1%, compared to a more modest 8.5% growth in corporate loans. Conversely, deposit growth stood at 15.2% yoy, attributed to increases of 21.6% in corporate deposits and 11.0% in household deposits. A further deceleration in both loans and deposits is anticipated by the end of 2024 and into subsequent years. Specifically, loans are projected to grow by 8.3% yoy by the end of 2024, slowing down to 5.2% as of 2025. The deposit portfolio is expected to expand by 11.7%, decelerating in the following years. Additionally, lending and deposit interest rates are forecast to decline in the coming years.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	-4.5	0.7	2.5	3.0
CPI (eop)	30.2	4.2	5.8	4.8
USD exch. rate (value, eop)	19.5	17.8	18.1	18.4
Euro exch. rate (value, eop)	20.5	19.2	19.8	20.7
Short-term rate (eop)	39.0	4.6	3.9	4.5
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	9.3	3.7	8.3	5.2
Bank deposits (pr. sector, yoy)	5.4	19.9	11.7	7.4
Lending int. rate (corp., eop)	12.9	9.3	7.7	6.4
Deposit int. rate (hh, eop)	11.4	5.4	3.5	2.4

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: National Bureau of Statistics of the Republic of Moldova

Russia

Real Economy

Francesca Pascali

Russian GDP grew by 4.1% yoy in 2Q24 (from +5.4% in 1Q24). Even considering this slowdown, in line with the forecast of the central bank, we decided to keep unchanged our estimate for 2024 GDP growth of 3.4% yoy and to lower the 2025 GDP to 1.4% instead of 1.7% forecasted in June. High-frequency indicators for the second quarter show that the Russian economy continues to grow rapidly. Consumer activity remains high, thanks to a significant increase in household incomes and positive consumer sentiment. Strong investment demand is supported by both fiscal stimulus and high corporate profits. The significant upward deviation of the Russian economy from a balanced growth path shows no signs of abating. The labor shortage continues to grow. Under these conditions, the growth in domestic demand does not translate into a proportional expansion in the supply of goods and services, but rather increases the costs of business and thus intensifies inflationary pressures.

Financial Markets

At its meeting on 13 September, the Bank of Russia (CBR) decided to raise its benchmark interest rate by 100 basis points to 19.0% p.a.. Current inflationary pressures remain high. A further tightening of monetary policy is needed to resume the disinflation process, reduce expectations and ensure that inflation returns to target in 2025. The Bank of Russia opened up the prospect of raising the key rate at its next meeting. Over the medium-term horizon, the balance of risks is significantly tilted upwards. Inflationary risks associated with deteriorating foreign trade conditions have increased. Risks related to persistently high inflation expectations and the upward deviation of the Russian economy from a balanced growth path remain. Conversely, those related to disinflation are mainly seen in a more rapid slowdown in domestic demand growth than expected in the baseline scenario.

Banking Sector

Davidia Zucchelli

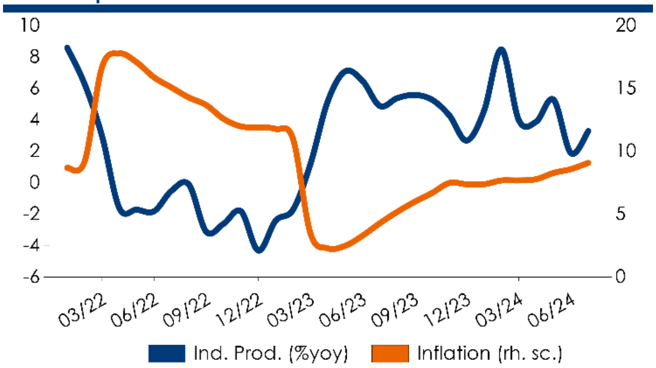
Lending growth maintained a strong performance in May (23% y/y, from 24.2% yoy in 2023), thanks to the persistently strong acceleration seen in the last available data and in line with the CBR's expectations. Loan growth remained strong both for corporates (+23.2% yoy) and for households, where loan growth stabilised at +22.7% in May. Lending is then expected to decelerate gradually in the following years (+18.2% in 2024, revised upward from 10.1% in June, and +5.6% in 2025). Lending is expected to cool from year-end, as downpayments on subsidised mortgages have been raised to 20%, the macroprudential regulation of both risky mortgages and consumer loans has been tightened and interest rates have risen significantly. Total deposit growth from the private sector remained vigorous as well (from +28.9% yoy in May), both in the corporate sector (+29.1% yoy in nominal terms) and in the household sector (+28.8% yoy), and are expected to decelerate in 2025 to a more moderate +5.6%.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	-2.1	3.6	3.4	1.4
CPI (eop)	11.9	7.4	6.8	4.2
USD exch. rate (value, eop)	66.6	90.9	92.2	92.6
Euro exch. rate (value, eop)	70.7	90.9	100.8	104.3
Short-term rate (eop)	8.4	15.7	16.3	16.0
L/T bond yields (eop)	11.3	12.2	15.6	13.9
Bank loans (pr. sector, yoy)	11.8	24.2	18.2	5.4
Bank deposits (pr. sector, yoy)	11.0	23.4	19.3	5.6
Lending int. rate (corp., eop)	8.9	16.1	17.2	15.5
Deposit int. rate (hh, eop)	5.4	12.8	14.3	12.0

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: State Statistics Federal Service

Ukraine

Real Economy

Artem Krasovskyi

In July, the Ukrainian economy kept recovering despite tight electricity rationing. According to Ministry of Economy, the GDP grew by 2.7% yoy, largely aided by the earlier start of the winter crop harvest due to favourable weather factors. This is better than June's print of +1.1% but worse than in May and April: +3.7% and +4.3%, respectively. Even though Ukrainian businesses demonstrates excellent adaptivity, high security risks, destruction of energy infrastructure and shallow labour market remain the major downside factors for further recovery. Inflation is expectedly gathering pace, surging to 5.4% yoy in July, from 4.8% in June and 3.3% in May. Core inflation is up to 5.7% yoy from 5.0% in June. Price pressure will remain on a growing trajectory within the next months due to higher electricity costs, rising wages, weakening of the UAH exchange rate and a looming tax increase.

The government is struggling to cope with a growing fiscal gap this year on the back of delays in external arms supplies and defence spending increase by some UAH500 billion in 2H24. While the additional funding strategy is more or less clear for this year – via local debt market and broad-based tax increase - for the next year, the government still faces an uncovered gap of some USD15 billion. Meanwhile, Ukraine has successfully completed restructuring of its USD20.5 billion in external debt, reducing it by about USD9 billion. This will save USD11.4 billion over the next three years and USD22.8 billion by 2033.

Financial Markets

After three consecutive cuts this year, the NBU kept its key policy rate flat at 13% in the MP meeting in July, heralding a likely suspense of monetary policy easing through year-end amid rising inflation and UAH depreciation. Following a period of some turbulence in July, the USDUAH seems to have gained a foothold in August-September, trading at a new balanced level of 41.00-41.50. Even though the NBU keeps spending some USD 2.5-3.0 billion a month to support the FX market, the NBU FX reserves soared 13.7% to USD 42.3 billion in August, after four consecutive months of decline. The growth was driven by USD 8,4 billion in another tranche of financial support from EU and World Bank, which exceeded the NBU's net FX sales and Ukraine's FX debt repayments.

Banking Sector

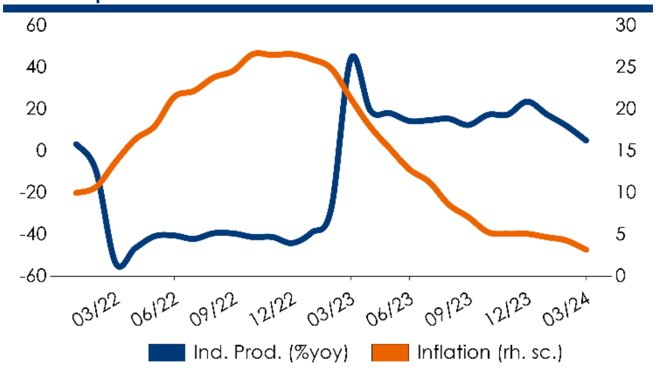
The Ukrainian banking sector remained stable in 2Q24. Banks generated UAH 39 billion in profit, which is 2% lower than in 1Q24 but 17% higher than in 2Q23. The UAH Retail and corporate loans portfolios continued to grow for more than 12 months in a row. The UAH Retail and corporate deposits kept growing as well; however, the pace of retail term deposits growth slowed. The gradual monetary policy easing led to a respective decline in asset yields. The quality of the loan portfolio kept improving, with the NPL share shrinking to 34.6%, down by 1.5pps in 2Q.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	-28.8	5.3	3.7	4.1
CPI (eop)	26.6	5.1	8.5	6.6
USD exch. (value, eop)	36.9	36.5	41.5	42.0
Euro exch. rate (value, eop)	38.7	40.5	45.4	47.3
Short-term rate (eop)	n.a.	12.8	n.a.	n.a.
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	-4.4	-0.3	8.2	4.0
Bank deposits (pr. sector, yoy)	25.1	26.7	11.1	4.9
Lending interest rate (pr.sect., eop)	22.0	20.7	18.0	14.1
Deposit interest rate (pr.sect , eop)	10.7	10.4	8.2	6.1

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

Industrial production and inflation



Source: State Statistics Service of Ukraine

Egypt

Samer Halim

Real Economy

Real GDP growth decelerated to 2.2% in 1Q 2024 against 2.3% in 4Q 2023, where the service sector was negatively impacted by the Red Sea maritime trade disruption. On the other hand, Egypt's PMI exceeded the neutral threshold of 50 points for the first time since November 2020, rising from 49.7 in July to 50.4 in August 2024. Further improvement in the private sector's activity, coinciding with expected lower cost of borrowing in the foreseen future, is likely to support rising growth to 4.1% in 2025 and 5.5% in the medium term.

Annual headline CPI slowed down to an average of 29.9% during the first 8 months of 2024 against 32.9% in the same period one year earlier, in light of stability in the FX market and tight monetary policy adopted by the CBE. Hence, the average annual inflation rate is projected to decline to 28.3% in 2024 compared to 33.8% in 2023, despite hiking the prices of fuel and electricity to phase out energy subsidies.

Financial Markets

Mounting upside inflation risks urged the CBE to hike policy rates by 800 bps in 2024. This trend could be reversed in 2025 (we expected a 6oo bps decline in policy rates next year) based on the inflation outlook. Favourable base year effect, end of tightening cycle by global central banks and stable foreign currency inflows are expected to support a more dovish stance.

The Banking sector's Net Foreign Assets (CBE + Commercial Banks) significantly improved to a surplus of USD 13.4Bn in July 2024 against a deficit of USD 29Bn in January. This recovery is attributed to the funds received from the Ras El Hekma deal (USD 24Bn) in addition to notable portfolio investments. Geopolitical tensions are still weighing on the Suez Canal revenues, whose traffic went down 70% yoy. This is going to be partially offset by the increase in remittances (Egyptian remittances increased by 87% yoy in July 2024 to USD 3Bn) and stable tourist arrivals. In the medium term, the inflation differential between Egypt and its main trade partners might moderately increase pressures on the local currency.

Banking Sector

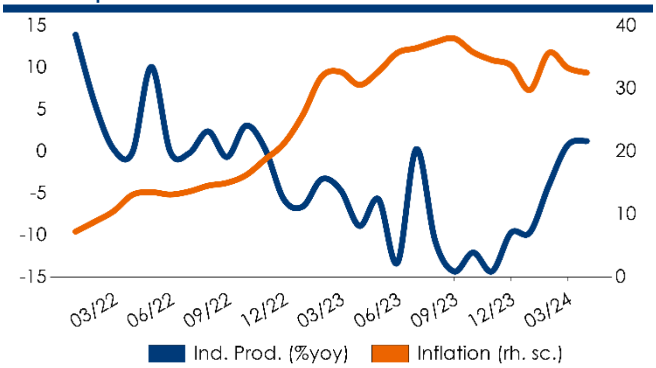
Total private loans grew 26.9% yoy in March 2024, mainly due to the revaluation of the foreign currency portfolio. Similarly, private deposits recorded an annual growth of 29.4% in June 2024. Projections are going to be affected by relative stability in exchange rates, uptick in private sector activities and lower interest rates. Therefore, annual growth of both private loans and deposits is expected to decline to 10.8% and 14.6%, respectively, in 2025.

Forecasts

	2022	2023	2024F	2025F
Real GDP yoy	4.3	2.9	3.7	4.1
CPI (eop)	21.3	33.7	22.7	15.0
USD exch. rate (value, eop)	24.7	30.9	49.5	52.0
Euro exch. rate (value, eop)	26.1	33.7	54.1	58.5
Short-term rate (eop)	18.1	25.7	28.0	22.0
L/T bond yields (eop)	n.a.	n.a.	n.a.	n.a.
Bank loans (pr. sector, yoy)	28.4	22.1	16.7	10.8
Bank deposits (pr. sector, yoy)	27.4	18.5	18.2	14.6
Lending int. rate (corp., eop)	13.3	19.5	27.4	19.5
Deposit int. rate (hh, eop)	9.8	14.2	22.4	15.8

Note: Average values are available in the Country Outlook Table
Source: Intesa Sanpaolo Research Department forecasts

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]		
		2Q24	1Q24	2023	Last	mth	2Q24	Last	mth	2Q24	Last	mth	2Q24	Last	mth	2Q24	Last	mth	2Q24	Last	mth	2Q24	Last	mth	2Q24
CEE	Czechia	0.4	-0.2	-0.1	-1.9	Jul	-2.3	-4.2	Jun	6.7	1.8	Jun	4.3	2.2	Jul	2.5	3.8	Jul	3.6	3.5	Jun	7.1	92.4	Aug	96.5
	Hungary	1.5	1.1	-0.9	-134	Jul	n.a.	-15.0	Mar	n.a.	3.6	Mar	n.a.	3.4	Aug	3.7	4.4	Mar	n.a.	14.0	Feb	n.a.	99.1	Aug	n.a.
	Poland	4.0	1.8	0.1	4.9	Jul	2.1	-11.6	Jun	-8.3	4.4	Jul	4.5	4.2	Jul	2.5	4.9	Jun	5.0	10.6	Jul	11.2	100	Aug	101.4
	Slovakia	1.9	2.7	1.6	-2.4	Jun	1.3	-6.6	Jun	-1.6	1.1	Jun	5.3	2.6	Jul	2.1	5.1	Jul	5.0	6.3	Jun	7.0	101.1	Aug	103.7
	Slovenia	0.7	2.1	2.1	-0.5	Jun	-2.7	24.8	Jul	15.8	4.7	Jul	-0.6	1.1	Aug	2.4	4.4	Jun	4.5	2.6	Jun	3.4	98.0	Aug	98.5
SEE	Albania	n.a.	3.6	n.a.	n.a.	n.a.	n.a.	-12.4	May	-5.3	n.a.	n.a.	n.a.	2.1	Jul	2.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Bosnia H.	n.a.	2.7	1.6	-5.6	Jun	-6.5	0.6	Jul	-4.0	7.3	Jun	10.8	1.8	Jul	1.9	27.6	Jun	27.6	8.5	Jun	9.4	n.a.	n.a.	n.a.
	Croatia	3.3	3.9	3.1	-8.3	Jun	-3.6	4.0	May	n.a.	4.4	Jun	6.7	1.8	Aug	4.2	4.8	Jul	5.1	14.3	Jun	16.4	108.0	Aug	105.3
	Romania	0.8	0.5	n.a.	0.2	*Jun*	0.5	-16.2	May	-0.7	5.7	May	10.2	5.1	Aug	5.8	5.5	Jun	5.4	12.7	May	13.5	104.1	Aug	104.2
	Serbia	4.0	4.7	2.5	2.0	Jun	1.3	-3.6	Jun	1.1	7.2	Jun	8.3	4.3	Aug	4.4	n.a.	n.a.	n.a.	16.2	May	15.8	n.a.	n.a.	n.a.
EE & MENA	Moldova	n.a.	n.a.	0.7	-5.2	May	-0.1	-17.4	May	-12.6	-5.6	Dec	n.a.	5.1	Aug	3.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Russia	4.1	5.4	3.6	3.3	Jul	3.7	72.1	Jan	n.a.	6.1	Jul	7.4	9.1	Aug	8.2	2.4	Jun	2.5	8.5	May	8.5	52.1	Aug	54.9
	Ukraine	n.a.	6.5	5.3	5.1	Mar	n.a.	1.0	Jun	1.4	19.9	Dec	n.a.	7.5	Aug	3.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Egypt	n.a.	2.2	2.9	1.3	Apr	1.3	8.0	Apr	8.0	n.a.	n.a.	n.a.	26.2	*Aug*	29.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.9	Jun	49.9
	m.i. E. A.	*0.6*	*0.4*	*0.4*	*-3.9*	*Jun*	*-3.4*	*-6.3*	*Jun*	*2.1*				*2.2*	*Aug*	*2.5*									

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

Markets and Ratings

		S/T rates		L/T rates1		Foreign exchanges2			Stock markets		CDS spread (bp)		FX res. chg (mln €)3			CA bal. (mln €)4		Rating
		12/9	3M*	12/9	3M*	12/9	3M*	1Y*	3M*	1Y*	12/9	31/5	2Q24	1Q24	2023	2Q24	1Q24	Moody's
CEE	Czechia	4.4	-0.8	4.0	-0.4	25.03	1.33	3.67	3.4	19.9	28.1	28.1	n.a.	n.a.	n.a.	n.a.	4,177.5	Aa3
	Hungary	6.5	-0.5	6.3	-0.6	392.75	0.84	2.29	7.2	31.1	112.0	109.3	n.a.	n.a.	n.a.	n.a.	n.a.	Baa2
	Poland	5.9	-0.1	5.5	-0.2	4.28	0.31	-4.36	-0.1	24.9	67.3	69.4	n.a.	n.a.	n.a.	n.a.	4,663.0	n.a.
	Slovakia	3.5	-0.3	3.4	-0.3	n.a.	n.a.	n.a.	-1.2	-7.9	27.1	27.2	n.a.	n.a.	n.a.	-90	78.0	A2
	Slovenia	3.5	-0.3	3.1	-0.2	n.a.	n.a.	n.a.	7.3	39.3	34.5	34.5	111	278	18	893	679.0	A3
SEE	Albania	2.7	n.a.	n.a.	n.a.	99.82	-0.95	-7.69	n.a.	n.a.	n.a.	n.a.	n.a.	-280	n.a.	n.a.	-371.0	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.	268	-132	115	n.a.	-460.6	n.a.
	Croatia	0.4	0.0	3.1	-0.3	7.53	0.00	0.00	4.8	20.0	75.6	75.6	208	-164	-24,997	n.a.	-2,741.0	Baa2
	Romania	5.4	-0.5	6.7	-0.1	4.98	-0.03	0.59	3.0	36.3	129.6	134.0	n.a.	5,645	n.a.	n.a.	-3,945.0	Baa3
	Serbia	6.0	-0.5	n.a.	n.a.	117.02	-0.07	-0.17	9.5	23.0	167.0	168.8	2,565	33	5,493	-824	-410.1	Ba2
EE & MENA	Moldova	3.6	0.0	n.a	n.a.	17.42	-1.11	-2.05	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-17.6	B3
	Russia	24.7	0.0	15.1	0.0	104.07	0.00	0.00	0.0	-0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	WR
	Ukraine	12.8	0.0	30.3	-4.2	41.21	1.37	12.12	0.0	0.0	n.a.	n.a.	-3,640	1,705	12,546	-5,396	-3,234.0	Ca
	Egypt	29.6	3.8	11.3	0.0	48.54	2.69	57.09	14.4	64.1	696.0	588.4	6,023	5,141	1,217	n.a.	-7,463.1	Caa1
	m.i.A.E.	*3.5*	*-0.3*	*2.3*	*-0.4*	*1.1*	*2.0*	*2.4*	*1.6*	*15.1*	*4.06*	*4.06*						

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

Banking aggregates and interest rates (private sector)

		Loans chg yoy %			NPL/Loans %			Foreign Liab. chg yoy %			Deposits chg yoy %			Loans rate1-NewB*. %				DepositsRate1-NewB*. %				Loans/Dep %		
		Last	Mth	2023	Last	mth	2023	Last	mth	2023	Last	Mth	2023	Last	mth	2023	S[4]	Last	mth	2023	S[4]	Last	mth	2023
CEE	Czechia	5.4	Jun	6.6	1.7	Jun	1.7	20.3	Jun	18.6	6.2	Jun	7.5	6.7	Jun	8.2	C	4.3	Jun	5.7	H	69.4	Jun	70.4
	Hungary	4.5	Jul	3.3	2.1	Mar	2.0	-6.3	Jul	16.8	8.2	Jul	0.3	11.0	Jul	12.4	C	4.9	Jul	7.7	H	80.8	Jul	80.6
	Poland	0.8	Jun	-2.5	4.0	Mar	n.a.	-7.7	May	n.a.	8.2	Jun	10.5	7.7	Jun	7.8	C	4.1	Jun	4.6	H	67.1	Jun	67.1
	Slovakia	2.2	Jun	3.4	2.0	Jun	2.0	-8.4	Jun	25.9	8.0	Jun	4.6	5.8	Jun	5.8	C[2]	0.0	Dec	n.a.	H[2]	104.6	Jun	107.0
	Slovenia	1.0	Jun	-0.5	1.0	Mar	1.0	11.4	Jun	21.9	3.9	Jun	5.5	5.5	Jun	5.6	C[2]	1.5	Jun	1.3	H[2]	62.3	Jun	60.6
SEE	Albania	10.9	Jun	3.7	4.7	Jun	4.7	17.3	Jun	5.3	4.0	Jun	1.6	5.5	Jun	5.6	PS	2.7	Jun	2.3	PS	59.9	Jun	56.0
	Bosnia H.	9.0	Jun	6.8	3.6	Mar	3.8	29.3	Jun	-15.6	10.4	Jun	10.2	4.2	Jun	3.9	C	0.7	Jun	0.6	H	90.1	Jun	88.5
	Croatia	8.3	Jun	8.0	2.6	Mar	2.6	13.1	Jun	-13.6	3.5	Jun	3.5	5.2	Jun	5.2	PS	3.1	Jun	3.1	PS	71.2	Jun	66.6
	Romania	5.9	Jun	5.9	2.5	May	2.3	13.2	Jun	19.0	10.7	Jun	12.9	8.0	Jun	8.6	PS	5.3	Jun	5.6	PS	67.9	Jun	66.6
	Serbia	4.7	Jun	1.0	2.9	Jun	3.2	-6.1	Jun	-5.8	14.3	Jun	11.7	10.1	Jun	10.5	PS	5.1	Jun	5.7	PS	80.3	Jun	81.1
EE & MENA	Moldova	14.1	Jul	3.7	4.5	Jul	5.6	0.7	Jul	n.a.	15.2	Jul	19.9	7.6	Jul	9.3	C	3.3	Jul	5.4	H	57.8	Jul	56.1
	Russia	23.1	May	24.2	6.1	Dec	n.a.	13.3	Dec	n.a.	28.9	May	23.4	17.3	May	16.1	C	15.0	May	12.8	H	119.3	May	121.0
	Ukraine	10.0	Jun	-0.3	34.6	Jun	37.4	7.1	Jun	-2.6	19.7	Jun	26.7	19.1	Jun	20.7	PS	8.8	Jun	10.4	PS	43.6	Jun	43.4
	Egypt	26.9	Mar	22.1	3.0	Dec	3.0	45.1	Jun	33.9	29.4	Jun	18.5	24.9	Jun	19.5	C	20.0	Jun	14.2	H	36.5	Mar	36.7
	m.i. E. A.	*0.44*	*Jun*	*0.6*	*n.a.*	*n.a.*	*n.a.*	*-0.9*	*Jun*	*1.2*	*3.5*	*Jun*	*1.5*	*5.1*	*Jul*	*5.2*	*C*	*3.0*	*Jul*	*3.3*	*H*	*73.5*	*Jun*	*74.5*

Source: Central Banks, IMF, Moody's ;[1]monthly average; [2]lending rate on current account overdraft; on deposits up to 1 year.[4]Sector C=Corporates, H=Household, PS=Private Sector.

Country Outlook

The Economy

	GDP (% yoy)	2021	2022	2023	2024F	2025F	Inflation (%, avg)	2021	2022	2023	2024F	2025F
CEE	Czech Rep.	3.4	2.9	-0.1	1.0	2.5	Czech Rep.	3.9	15.1	10.8	2.3	2.1
	Hungary	7.1	4.6	-0.9	1.7	3.2	Hungary	5.1	14.5	17.6	4.0	3.8
	Poland	6.8	4.9	0.1	2.7	3.1	Poland	5.1	14.3	11.6	3.5	3.2
	Slovakia	4.8	1.9	1.6	2.1	2.3	Slovakia	3.2	12.8	10.5	2.6	3.6
	Slovenia	8.4	2.7	2.1	2.1	2.6	Slovenia	2.0	9.3	7.2	2.1	1.9
SEE	Albania	8.9	4.8	3.3	3.3	3.3	Albania	2.0	6.7	4.8	2.3	2.9
	Bosnia Herzegovina	7.3	3.8	1.6	2.7	3.0	Bosnia Herzegovina	2.0	14.0	6.1	2.1	2.0
	Croatia	13.0	7.0	3.1	3.4	2.7	Croatia	2.7	10.7	8.4	3.9	2.8
	Romania	6.7	4.9	1.9	1.7	3.2	Romania	5.0	12.1	9.8	5.7	3.8
	Serbia	7.7	2.5	2.5	3.8	4.2	Serbia	4.0	11.9	12.1	4.6	3.6
EE & MENA	Moldova	13.8	-4.5	0.7	2.5	3.0	Moldova	5.1	28.6	14.0	4.8	5.3
	Russia	4.7	-2.1	3.6	3.4	1.4	Russia	6.7	13.8	6.0	7.9	5.0
	Ukraine	3.4	-28.8	5.3	3.5	4.1	Ukraine	9.3	20.1	13.4	5.9	8.1
	Egypt	7.2	4.3	2.9	3.7	4.1	Egypt	5.2	13.8	33.8	28.3	21.3

Markets

	Exch.rate (avg Euro)	2021	2022	2023	2024F	2025F	Interest rate (%, avg)	2021	2022	2023	2024F	2025F
CEE	Czech Rep.	25.6	24.6	24.0	24.9	24.1	Czech Rep.	1.1	6.3	7.1	5.1	3.9
	Hungary	358.7	391.1	381.8	392.0	394.3	Hungary	1.4	9.9	14.3	7.2	5.5
	Poland	4.6	4.7	4.5	4.4	4.5	Poland	0.4	5.9	6.4	5.8	4.9
	Slovakia	n.a.	n.a.	n.a.	n.a.	n.a.	Slovakia	-0.5	0.3	3.4	3.6	2.7
	Slovenia	n.a.	n.a.	n.a.	n.a.	n.a.	Slovenia	-0.5	0.3	3.4	3.6	2.7
SEE	Albania	122.3	118.9	108.4	101.3	100.9	Albania	0.5	1.3	3.1	3.0	3.0
	Bosnia Herzegovina	2.0	2.0	2.0	2.0	2.0	Bosnia Herzegovina	n.a.	n.a.	n.a.	n.a.	n.a.
	Croatia	n.a.	n.a.	n.a.	n.a.	n.a.	Croatia	0.3	0.2	3.4	3.6	2.7
	Romania	4.9	4.9	4.9	5.0	5.1	Romania	1.8	6.2	6.6	6.2	5.4
	Serbia	117.6	117.5	117.3	117.2	117.3	Serbia	1.0	2.6	6.1	6.1	4.6
EE & MENA	Moldova (USD)	17.7	18.8	18.2	18.0	18.3	Moldova	8.1	34.6	16.1	3.7	4.3
	Russia (USD)	73.6	68.3	85.2	90.4	83.5	Russia	6.8	11.9	9.4	19.6	16.1
	Ukraine (USD)	27.4	32.3	36.8	40.0	41.8	Ukraine	10.7	n.a.	n.a.	n.a.	n.a.
	Egypt (USD)	15.7	19.2	30.7	45.2	50.7	Egypt	12.7	14.5	23.1	27.3	24.0

Banking aggregates (% change yoy)

	Loans (pr. sector)	2021	2022	2023	2024F	2025F	Deposits (pr. sector)	2021	2022	2023	2024F	2025F
CEE	Czech Rep.	8.4	4.5	6.6	4.3	4.5	Czech Rep.	7.0	4.2	7.5	5.4	4.1
	Hungary	12.7	11.6	3.3	6.0	5.3	Hungary	17.6	2.5	0.3	5.0	4.5
	Poland	4.6	0.2	-2.5	4.3	4.8	Poland	7.7	5.6	10.5	5.3	5.2
	Slovakia	7.5	10.4	3.4	2.5	4.6	Slovakia	4.4	5.9	4.6	6.1	4.9
	Slovenia	5.2	9.8	-0.5	3.5	2.6	Slovenia	8.2	7.8	5.5	3.5	2.6
SEE	Albania	9.6	6.9	3.7	5.4	3.6	Albania	9.2	4.8	1.6	3.6	3.5
	Bosnia Herzegovina	3.7	5.3	6.8	9.5	5.6	Bosnia Herzegovina	10.0	3.2	10.2	8.4	5.7
	Croatia	2.3	11.2	8.0	7.3	3.7	Croatia	11.7	15.0	3.5	3.2	2.8
	Romania	14.3	11.2	5.9	4.9	6.0	Romania	13.6	6.7	12.9	5.5	7.1
	Serbia	10.2	6.5	1.0	4.5	4.9	Serbia	13.3	6.9	11.7	11.2	5.9
EE & MENA	Moldova	23.5	9.3	3.7	8.3	5.2	Moldova	13.1	5.4	19.9	11.7	7.4
	Russia	18.8	11.8	24.2	18.2	5.4	Russia	12.7	11.0	23.4	19.3	5.6
	Ukraine	9.6	-4.4	-0.3	8.2	4.0	Ukraine	12.3	25.1	26.7	11.1	4.9
	Egypt	18.3	28.4	22.1	16.7	10.8	Egypt	18.7	27.4	18.5	18.2	14.6

Banking interest rates (%)

	Lending (Corp. avg)	2021	2022	2023	2024F	2025F	Deposits (HH avg)	2021	2022	2023	2024F	2025F
CEE	Czech Rep.	2.3	7.6	8.6	6.7	5.1	Czech Rep.	0.9	5.0	6.0	4.4	3.1
	Hungary	3.2	8.3	12.3	10.4	6.0	Hungary	0.6	6.6	11.6	5.3	3.2
	Poland	2.4	7.5	8.5	7.6	4.9	Poland	0.3	4.4	5.6	4.2	2.7
	Slovakia	1.9	2.4	4.3	4.8	2.4	Slovakia	0.0	0.0	1.4	1.0	0.3
	Slovenia	2.1	1.9	4.6	5.3	3.6	Slovenia	0.1	0.1	0.8	1.3	0.8
SEE	Albania	6.1	6.4	5.9	5.6	5.6	Albania	0.4	1.2	2.1	2.7	2.9
	Bosnia Herzegovina	3.0	3.2	3.7	n.a.	n.a.	Bosnia Herzegovina	0.2	0.3	0.5	n.a.	n.a.
	Croatia	2.1	2.6	4.7	5.1	4.5	Croatia	0.1	0.2	2.4	3.0	2.3
	Romania	5.6	8.0	9.4	8.4	7.9	Romania	1.3	5.3	6.0	5.5	4.7
	Serbia	6.2	8.0	11.6	10.2	8.2	Serbia	1.4	4.0	5.8	4.8	3.5
EE & MENA	Moldova	8.3	10.6	11.3	7.9	7.9	Moldova	3.2	7.0	9.8	3.7	3.8
	Russia	7.2	11.5	11.6	18.2	16.6	Russia	3.8	7.6	7.6	15.6	13.2
	Ukraine	13.3	18.6	22.1	19.3	15.4	Ukraine	4.6	7.4	12.3	9.1	7.2
	Egypt	9.4	10.6	17.8	24.9	22.5	Egypt	7.4	8.4	12.7	20.1	18.3

Source: Intesa Sanpaolo Research Department forecasts

Important Information

The economists 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.

This report has been produced by Intesa Sanpaolo S.p.A. The information contained herein has been obtained from sources that Intesa Sanpaolo S.p.A. believes to be reliable, but it is not necessarily complete and its accuracy can in no way be guaranteed. This report has been prepared solely for information and illustrative purposes and is not intended in any way as an offer to enter into a contract or solicit the purchase or sale of any financial product. This report may only be reproduced in whole or in part citing the name Intesa Sanpaolo S.p.A.

This report is not meant as a substitute for the personal judgment of the parties to whom it is addressed. Intesa Sanpaolo S.p.A., its subsidiaries, and/or any other party affiliated with it may act upon or make use of any of the foregoing material and/or any of the information upon which it is based prior to its publication and release to its customers.

Disclosure of potential conflicts of interest

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (jointly also the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, management and control model" pursuant to Legislative Decree 8 June, 2001 no. 231 (available at the Intesa Sanpaolo website, webpage https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001), providing for practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the measures taken to manage the conflicts of interest between the Intesa Sanpaolo Banking Group and issuers of financial instruments, including companies belonging to their group, in the production of reports by Intesa Sanpaolo S.p.A.'s economists, are available in the "Rules for Research " and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A., webpage https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures. This documentation is available to the recipient of this report upon making a written request to the Compliance Department, Conflicts of Interest, Inside Information and Personal Transactions, Intesa Sanpaolo S.p.A., Via Hoepli, 10 – 20121 Milan – Italy.

Furthermore, in accordance with the aforesaid regulations, the disclosures of the Intesa Sanpaolo Banking Group's interests and conflicts of interest are available through webpage https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest. The conflicts of interest published on the internet site are updated to at least the day before the publishing date of this report. We highlight that disclosures are also available to the recipient of this report upon making a written request to Intesa Sanpaolo S.p.A. – International Research Network, Via Romagnosi, 5 - 20121 Milan - Italy.

Intesa Sanpaolo Research Department – Head of Department Gregorio De Felice

Coordination International Research Network	e-mail address
Giovanni Barone (Head)	giovanni.barone1@intesasanpaolo.com
ISP Research Department (Headquarter Team)	
Macroeconomic Research	
Silvia Guizzo (Asia ex-Japan)	silvia.guizzo@intesasanpaolo.com
Debora Palmieri (Latin America and Sub-Saharan Africa)	debora.palmieri@intesasanpaolo.com
Francesca Pascali (MENA and EE)	francesca.pascali@intesasanpaolo.com
Antonio Pesce (CEE and SEE Countries and Quantitative Analysis)	antonio.pesce@intesasanpaolo.com
Francesco Martinelli (Data Base and Quantitative Analysis)	francesco.martinelli4@intesasanpaolo.com
Trade & Industry, Banking and Market Research	
Wilma Vergi (Trade and Industry)	wilma.vergi@intesasanpaolo.com
Vincenzo Petrignano (Financial Markets)	vincenzo.petrignano@intesasanpaolo.com
Davidia Zucchelli (Banking)	davidia.zucchelli@intesasanpaolo.com
ISP International Subsidiaries Research Departments:	
VUB (Slovakia, Czech Republic and Poland)	
Zdenko Štefanides (Head)	zstefanides@vub.sk
Michal Lehuta	mlehuta1@vub.sk
Jacob Obst	jobst@vub.sk
CIB (Hungary)	
Mariann Trippon (Head)	trippon.mariann@cib.hu
Andras Bukovszki	bukovszki.andras@cib.hu
PBZ (Croatia, Bosnia I Hercegovina and Slovenia)	
Ivana Jovic (Head)	ivana.jovic@pbz.hr
Ana Lokin	ana.lokin@pbz.hr
Banca Intesa (Serbia)	
Marija Savic (Head)	marija.v.savic@bancaintesa.rs
Tijana Matijasevic	tijana.matijasevic@bancaintesa.rs
Jelena Draskovic	jelena.draskovic@bancaintesa.rs
Sanja Djokic	sanja.djokic@bancaintesa.rs
Katarina Bubonja	katarina.bubonja@bancaintesa.rs
Alexbank (Egypt)	
Samer Halim (Head)	samer.halim@alexbank.com
Mariam Massoud	mariam.massoud@alexbank.com
Aly Fayad	aly.fayad@alexbank.com
Mayada Hassan	mayada.hassan@alexbank.com
ISP International Subsidiaries Research Contacts:	
Intesa Sanpaolo Bank (Albania)	
Kledi Gjordeni	kledi.gjordeni@intesasanpaolobank.al
Intesa Sanpaolo Bank (Romania)	
Marius Pacurari (Head)	marius.pacurari@intesasanpaolo.ro
Pravex Bank (Ukraine)	
Artem Krasovskyi	artem.krasovskyi@pravex.ua
Eximbank (Moldova)	
Natalia Mihalas	natalia.mihalas@eximbank.com
Olga Pisla	olga.pisla@eximbank.com
Doina Caraman	doina.caraman@eximbank.com