

**ECONOMICS – REGIONAL STUDIES**

# **CENTRAL, EASTERN AND SOUTH-EASTERN EUROPE (CESEE) BANK LENDING SURVEY**

**FIRST HALF OF 2025**



**European  
Investment Bank**



**CENTRAL, EASTERN AND  
SOUTH-EASTERN EUROPE (CESEE)  
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## **Central, Eastern and South-Eastern Europe (CESEE) Bank Lending Survey**

First half of 2025

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The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of economists is headed by Debora Revoltella, director of economics.

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This survey was developed in the context of the Vienna Initiative. The results are discussed and approved by the Vienna Initiative Steering Committee and are presented at an aggregate level in the Vienna Initiative Deleveraging and Credit Monitoring Report. The European Investment Bank (EIB) designed, conducted and managed the survey. The Bank wishes to thank participating banks for their contributions to the survey and all members of the Vienna Initiative and its steering committee for their comments and support in developing the survey.

**Note:** Given the low number of responses from Polish banks during the fieldwork, data from Poland are not significant and the Polish chapter has not been published.

\* The designation of Kosovo is without prejudice to positions on status and it is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

# KEY MESSAGES

**Credit demand has been strong and supply has been weaker in Central, Eastern and South-Eastern Europe in the last six months. However, banks are slightly more optimistic about credit supply in the next six months and demand is expected to remain strong. This may reduce the supply-demand gap seen in recent years. Groups' exposure to the region grew and is expected to grow more, with two-thirds of cross-border banking groups stating that they wanted to expand selectively in the region in the long term. Market potential is only considered to be medium or high and never low.**

**Credit demand and credit supply:** Credit demand has remained strong in recent years and has strengthened further in the last six months. This has been driven by both corporate demand (including for investments) and retail segments (especially demand for mortgages). In contrast, despite some signs of improvement in 2024, credit supply in the region has been weak since 2022 and has weakened again in the first part of 2025. The Central, Eastern and South-Eastern Europe (CESEE) Bank Lending Survey, which collected data in March and April 2025, helps to disentangle regional trends regarding credit demand (clients' willingness to borrow) and credit supply (banks' willingness to extend credit to their clients).<sup>1</sup>

**Credit demand is expected to remain favourable in the next six months.** After the previous semester remained in negative territory, with a decreasing appetite among banks to provide credit, **credit supply is expected to turn slightly positive**, according to the surveyed banks. The trend is driven mainly by banks' willingness to finance the corporate segment, especially small and medium-sized enterprises (SMEs).

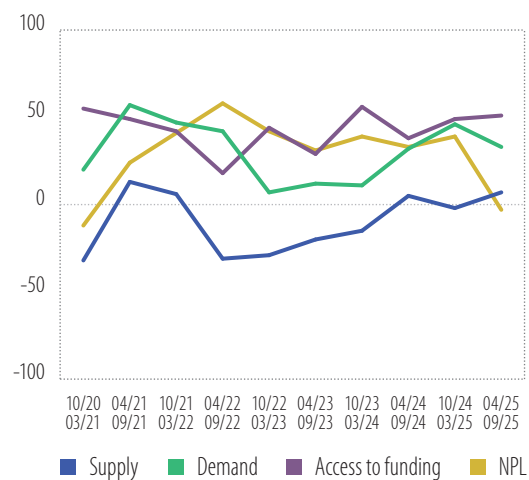
**International banking group strategies:** Most parent banks have maintained their level of exposure in Central, Eastern and South-Eastern European countries in the last six months. When asked about their **long-term strategies**, two-thirds of cross-border banking groups (a higher rate than in the previous round) stated that they wanted to expand selectively, and nearly 30% said they planned to maintain their exposure. None said they would reduce their exposure.

**Market potential:** Market potential is generally considered to be high (particularly in Czechia and Romania, but also in Bulgaria and Slovakia) or medium (mainly in the Western Balkans), and not low in any of the countries. Banks say that **profitability** in the region compared to overall group operations is higher (especially for Bulgaria and Kosovo<sup>2</sup>).

**Access to funding for subsidiaries:** In the region, access to funding for subsidiaries is favourable and may improve further, driven by retail deposits.

**Credit quality:** Credit quality has improved in the last six months, with fewer non-performing loans (NPLs). However, expectations regarding credit quality are once again negative for both retail and corporate business (in past years, negative credit quality expectations among surveyed banks have rarely materialised).

**Figure 1**  
**Banking outlook in CESEE (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Supply/demand: Positive values denote increasing (easing) demand (supply). Access to funding: Positive values indicate increased access to funding. NPL: Negative values indicate increasing non-performing loan ratios.

<sup>1</sup> The CESEE Bank Lending Survey is semi-annual. It collects data from 12 international banking groups operating in Central, Eastern and South-Eastern Europe and 70 local subsidiaries and independent domestic banks. The survey investigates the strategies of major international banks operating in the region and their local subsidiaries, as well as domestic banks in specific local markets, in an aim to better understand market conditions and expectations. For more details about the methodology, please read the [Survey context and methodology section](#) on page 81.

<sup>2</sup> This designation is without prejudice to positions on status and it is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.



# REGIONAL OVERVIEW

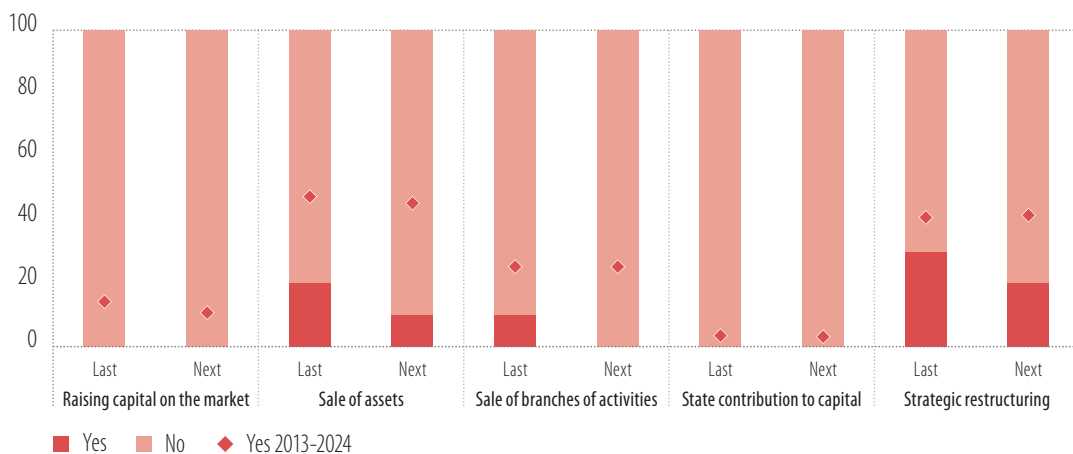
## CESEE Bank Lending Survey results – parent bank level

**10% of parent banks in Central, Eastern and South-Eastern Europe expect some sale of assets at the group level and strategic restructuring.**

About 20% of the surveyed banks said they had sold assets, 10% said they had sold branches, and almost 20% said they had restructured their activities in the last six months. They all expected to take further measures in the next six months (see Figure 2). Some major banking groups with a strong foothold in the regional markets still have a presence in Russia (Russia, Belarus and Ukraine are outside the scope of the survey).

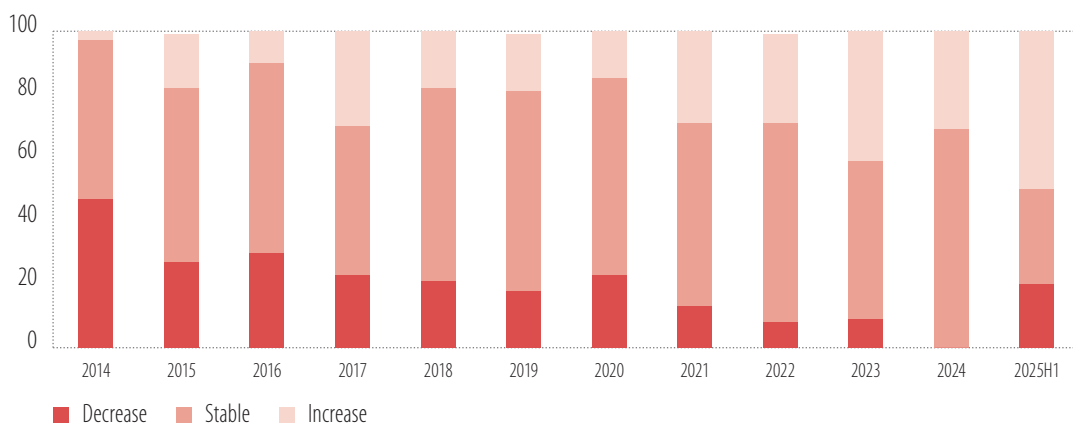
Group-level deleveraging – lowering the loan-to-deposit ratio – was significant before 2019. The latest survey round shows that a significant share of banks wants to increase the loan-to-deposit ratio, but some want to reduce it (see Figure 3).

**Figure 2**  
**Strategic operations to increase capital ratio (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: "Last" indicates the last six months (September 2024 to March 2025). "Next" indicates the next six months (March 2025 to September 2025). See Question A.Q2 in the Annex.

**Figure 3**  
**Deleveraging: Loan-to-deposit ratio (expectations over the next six months) (in %)**



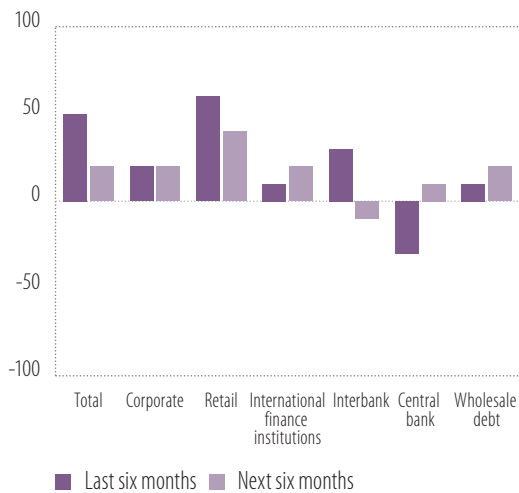
Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q4 in the Annex.

**Access to funding at the group level has remained good over the last six months, mainly thanks to retail funding (as in previous years), and is expected to remain so, again driven by retail.**

Banking groups' overall access to funding remained positive. Retail funding (or the collection of retail deposits) was one of the major drivers. Funding from central banks dropped again (Figure 4a).

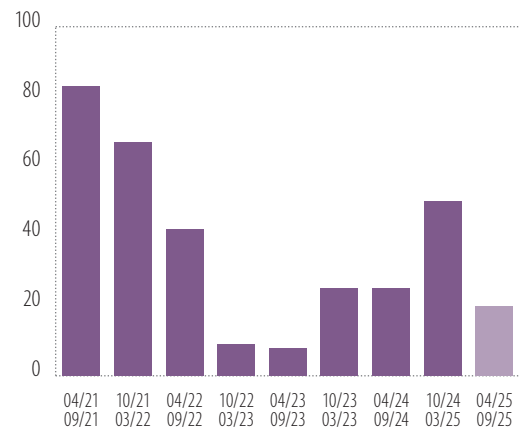
Over the next six months, banking groups expect the positive funding environment to remain favourable, driven mainly by retail, but also by wholesale funding (borrowing from the market) and corporate.

**Figure 4a**  
Access to funding conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increased access to funding. See Question A.Q3 in the Annex.

**Figure 4b**  
Total access to funding conditions (in %)

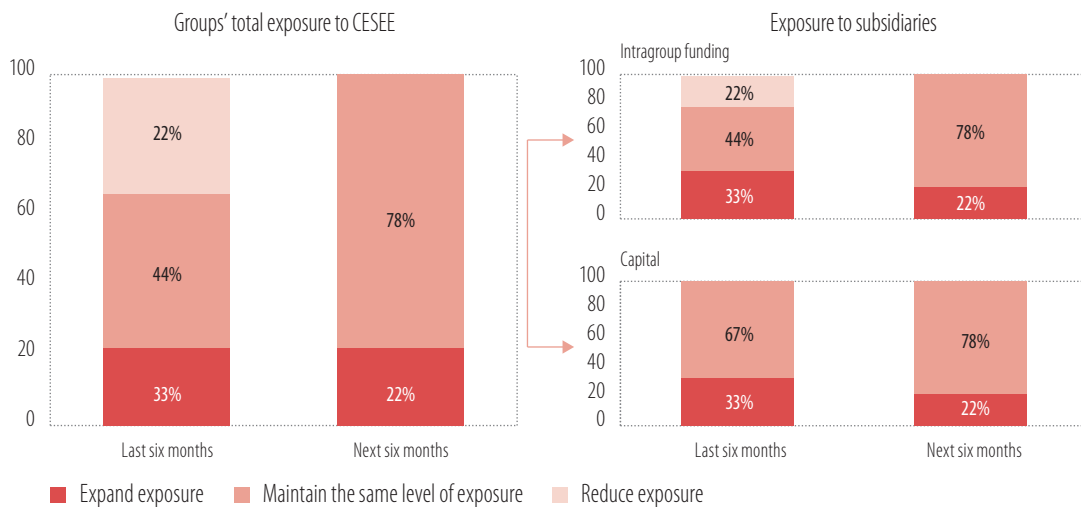


Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increased access to funding. See Question A.Q3 in the Annex.

**Cross-border groups' exposure to Central, Eastern and South-Eastern European banking markets has increased in the last six months and is expected to increase further.**

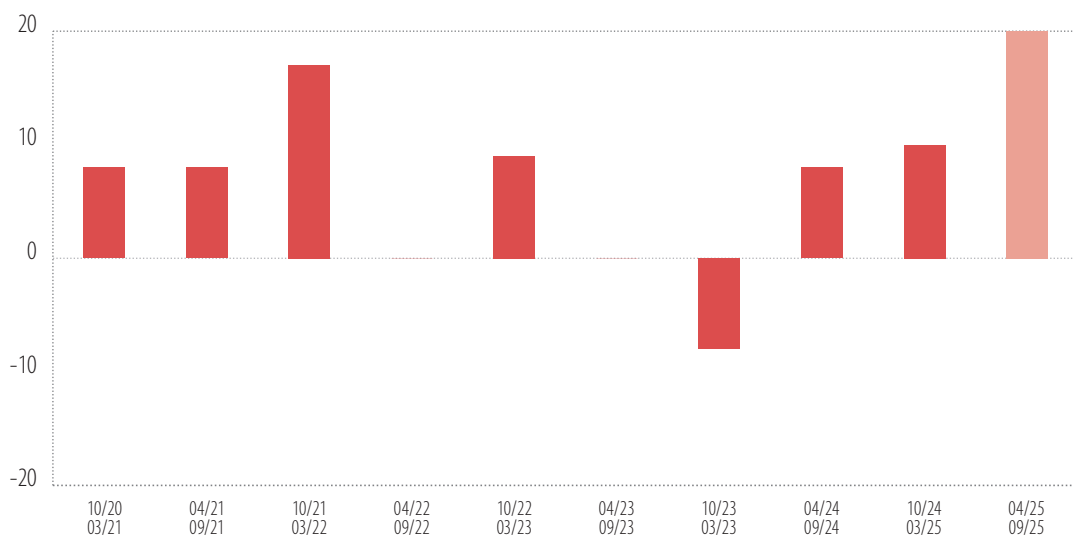
On average, groups' total exposure to banking markets in Central, Eastern and South-Eastern Europe increased (Figure 5b). Of the banks surveyed, 44% maintained the same level of exposure to the region in the last six months, 22% reduced their exposure (vs. 9% in the previous survey round) and 33% increased it (Figure 5a, left). In the next six months, 78% of banks expect to maintain their exposure to the region and 22% expect to strengthen it.

**Figure 5a**  
**Groups' total exposure to Central, Eastern and South-Eastern Europe**



Source: EIB – CESEE Bank Lending Survey.  
Note: Cross-border operations involving countries in the region. See Question A.Q8 in the Annex.

**Figure 5b**  
**Groups' total exposure to Central, Eastern and South-Eastern Europe (in %)**

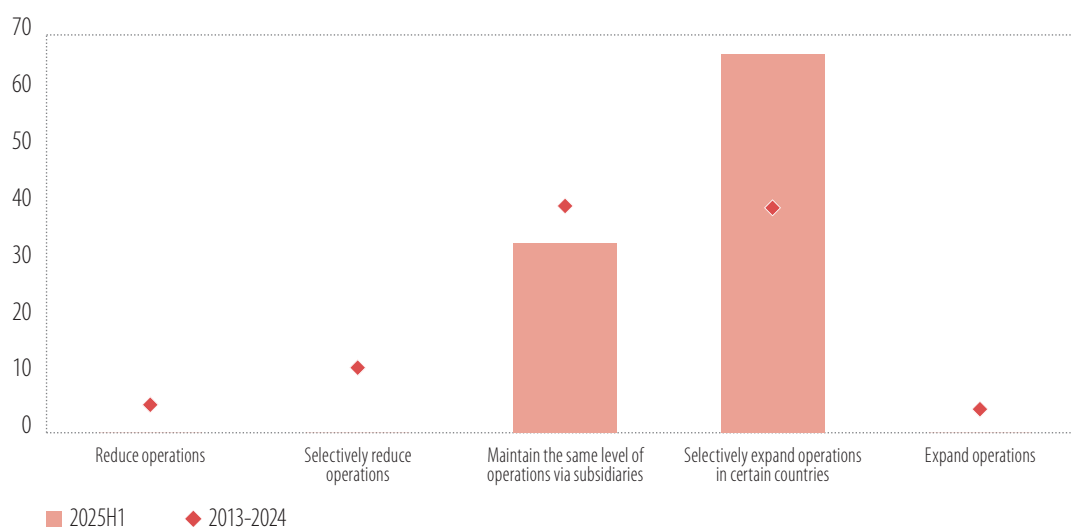


Source: EIB – CESEE Bank Lending Survey.  
Note: Cross-border operations involving countries in the region. The chart shows net percentages, with negative values denoting decreased exposure. See Question A.Q8 in the Annex.

**Regarding their long-term strategies for operations in Central, Eastern and South-Eastern Europe, two-thirds of banking groups are leaning towards expansion and more than 30% plan to maintain the same level of operations, with no bank planning to reduce operations in the region. Their view on profitability in the region is still positive compared to overall group operations.**

Overall, parent banks assess **market potential** as high (especially in Czechia and Romania, but also in Bulgaria and Slovakia) or medium (mainly in the Western Balkans markets), and not low in any of the countries (see additional CESEE regional data, A.4, at the end of the regional overview). Similarly, banks generally consider their overall **market positioning** to be optimal or satisfactory in most countries in the region. Only two subsidiary banks in the region assess their positioning as weak (see additional CESEE regional data, A.5). Banks say that **profitability in the region** (compared to overall group operations) is strong in terms of return on assets (RoA) and return on equity (RoE), adjusted for cost of equity in both cases. The situation is particularly favourable for Bulgaria and Kosovo (see additional regional CESEE data, A.6 and A.7).

**Figure 6**  
**Group-level long-term strategies (beyond 12 months) in Central, Eastern and South-Eastern Europe (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q5 in the Annex.

## CESEE Bank Lending Survey results – local banks/subsidiaries

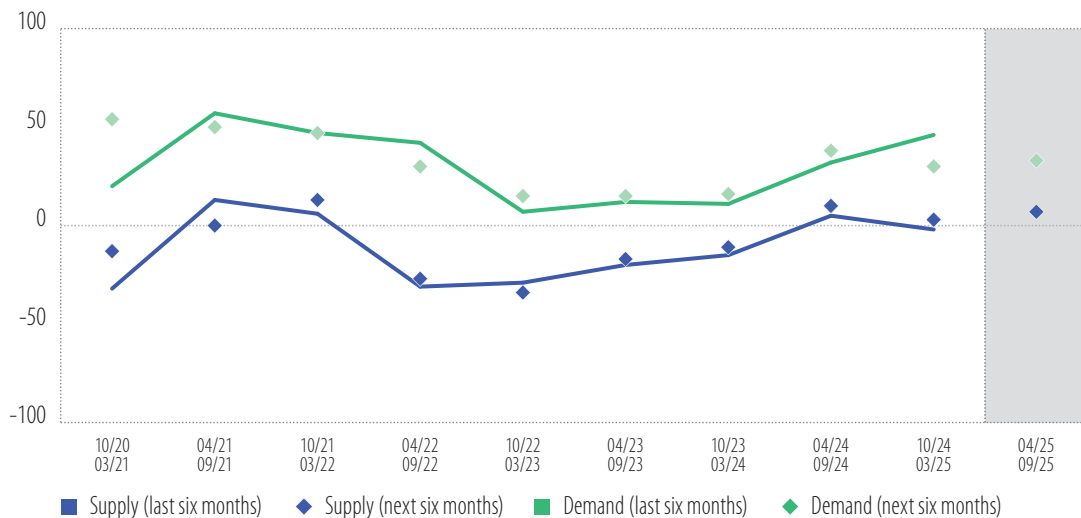
**Credit demand has remained strong in recent years and in the last six months. However, credit supply in the region, despite some signs of improvement in 2024, has been weak since 2022 and has weakened further in the first part of 2025. With better supply conditions expected for the next six months, the supply-demand credit gap may reduce.**

**Credit demand:** Credit demand – which indicates clients’ willingness to borrow from banks (see Figure 7) – has strengthened in the last six months. This rise in demand has been driven by demand from the corporate segment (including favourable demand for investments) and the retail segment (especially demand for mortgages). See additional CESEE regional data, A.1.

**Credit supply:** Credit supply conditions – which indicate banks’ willingness to extend credit – have turned slightly negative again after a semester in positive territory, which followed four negative semesters as a result of Russia’s full-scale invasion of Ukraine and the rise in rates and inflation (Figure 7).

The surveyed banks expect **credit demand** to remain favourable and **credit supply** to turn slightly positive, driven by small and medium-sized enterprises (SMEs) (see additional CESEE regional data, A.3).

**Figure 7**  
**Total supply and demand: Past and expected developments (in %)**

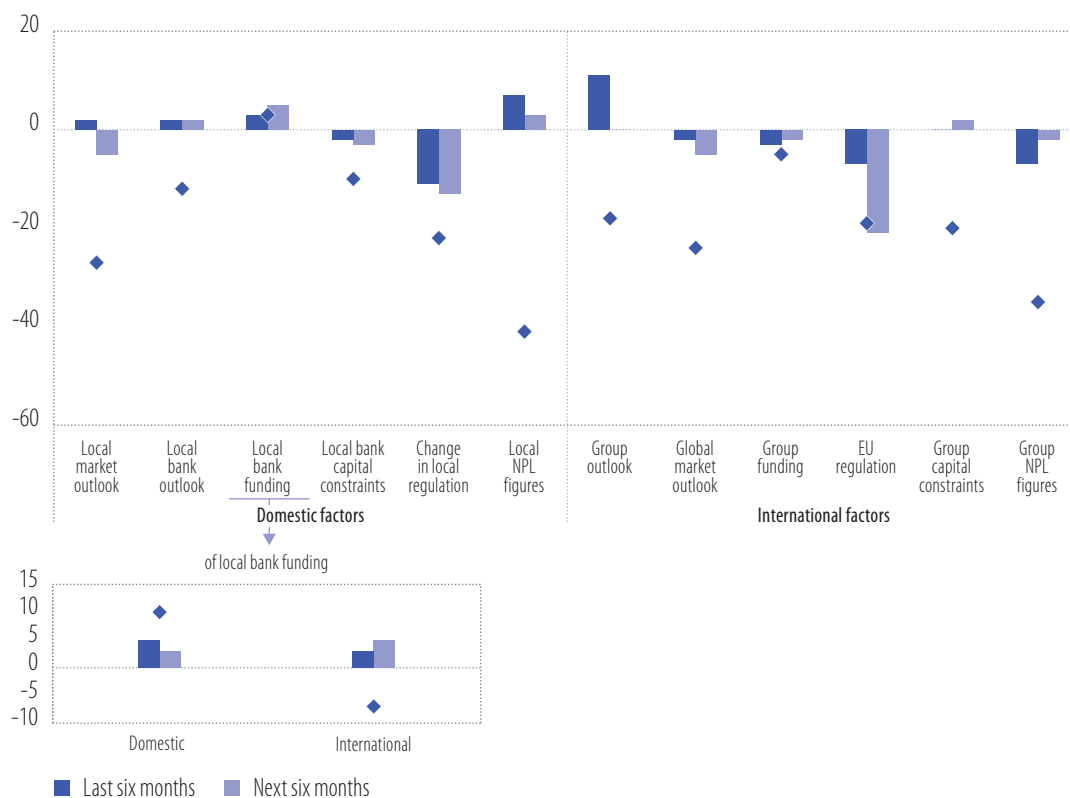


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply). Diamonds represent expectations from previous rounds of the survey; lines show actual values. See Questions B.Q1 and B.Q5 in the Annex.

### Worsening supply conditions in the last six months were driven by several domestic and international factors (particularly regulation).

International banking groups with a presence in Central Europe and South-Eastern Europe have also benefited from the positive performance of the global and European banking sectors. The positive group outlook has bolstered supply conditions in the region, according to surveyed banks. However, other domestic and international factors (particularly regulation) have negatively influenced supply conditions.

**Figure 8**  
Factors contributing to supply conditions (credit standards) (in %)



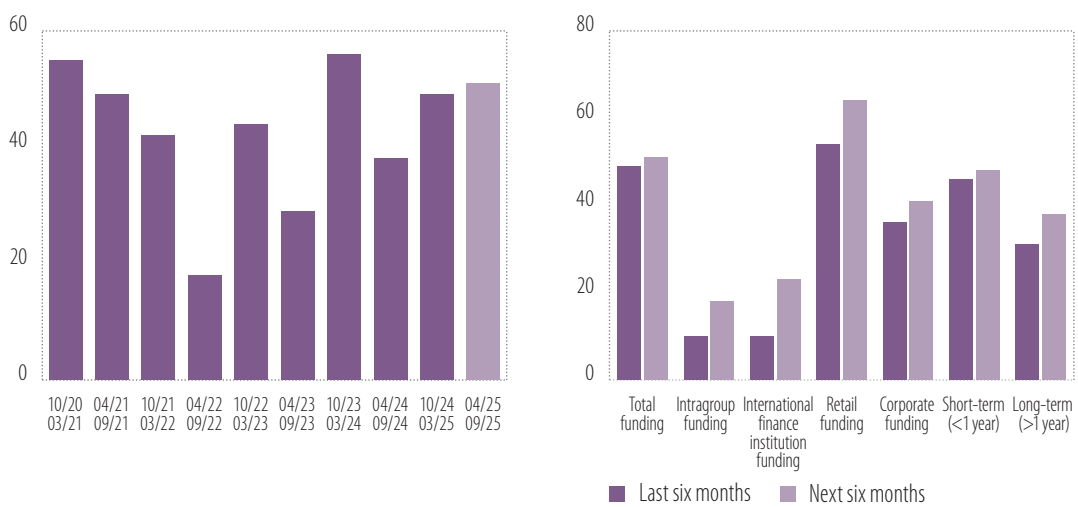
Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with negative values representing a negative contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Access to funding has been favourable again for Central, Eastern and South-Eastern European banking subsidiaries in the last six months. It is expected to be even stronger in the next six months, driven by retail funding.

Easy access to corporate and particularly to retail deposits has supported good funding conditions over the last six months. Access to intragroup funding was also positive. Banking groups expect funding conditions to improve over the next six months (Figure 9), with retail deposits again the main driver.

**Figure 9**  
**Access to funding for subsidiaries in Central, Eastern and South-Eastern Europe (in %)**  
**A. Trends in total funding conditions** (shaded bar = expectations)  
**B. Breakdown of funding conditions: Results from the latest survey**

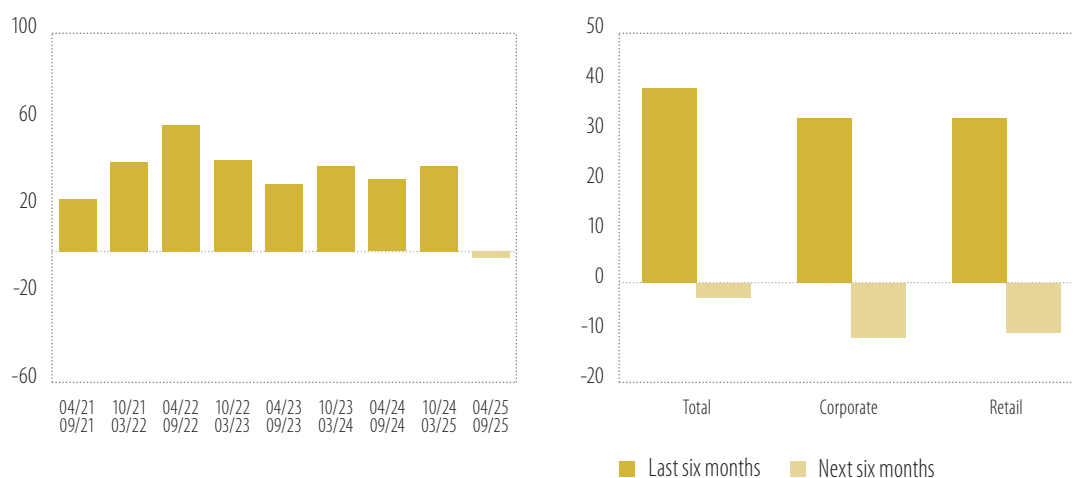


Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values representing an easing of access to funding. See Question B.Q9 in the Annex.

### Credit quality has improved again in the last six months. Banks predict that the situation of non-performing loans will deteriorate in the next six months.

Credit quality has continued to improve for the eighth survey round in a row, as shown in Figure 10. Credit quality has improved further for the corporate and retail segments in the last six months. The banking sector's non-performing loans as a percentage of total loans provided by central banks can be seen in the Annex of the report. Banks are more pessimistic about the upcoming six months and expect credit quality to deteriorate, affecting corporate and retail business. However, in the past, negative expectations on credit quality by the surveyed banks have rarely materialised.

**Figure 10**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with negative values indicating deteriorating credit quality (in other words, increasing non-performing loan ratios). See Question B.Q8 in the Annex.

## Additional CESEE regional data

### A.1

#### Factors affecting demand for credit (in %)



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating a positive contribution to demand conditions. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

### A.2

#### Demand for loans or credit lines – client breakdown (in %)

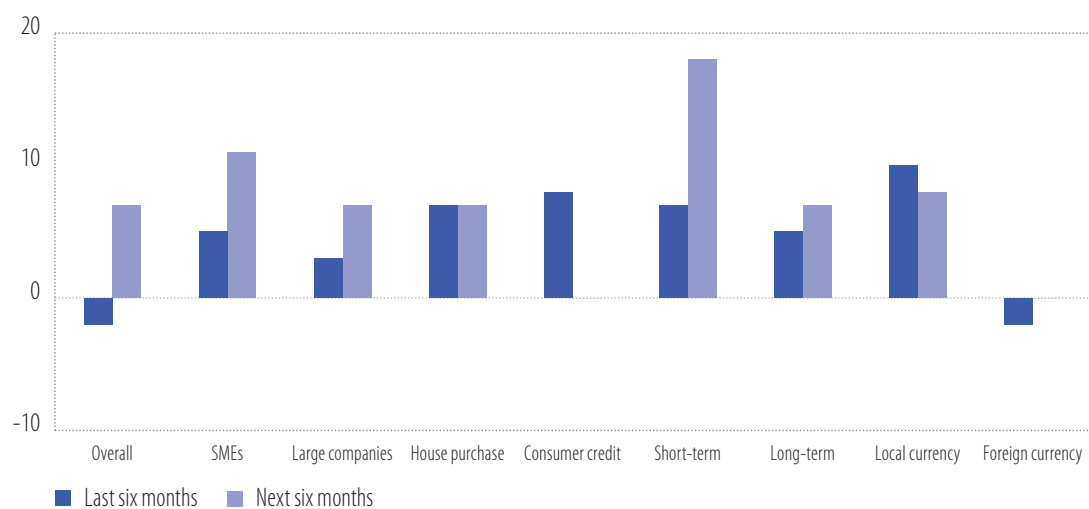


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

### A.3

#### Credit supply (credit standards) – client breakdown (in %)

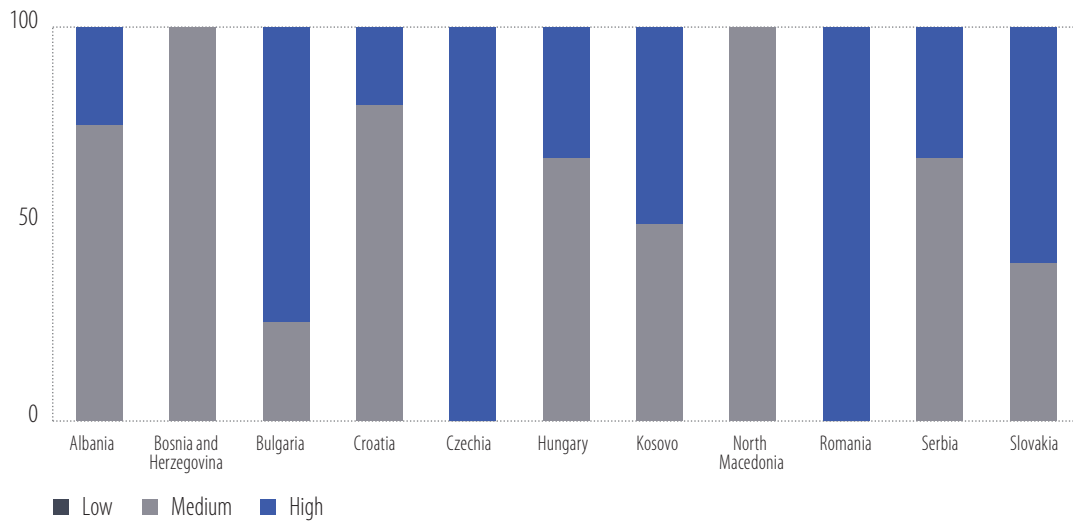


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with negative values indicating tighter supply conditions. See Question B.Q1 in the Annex.

**A.4**

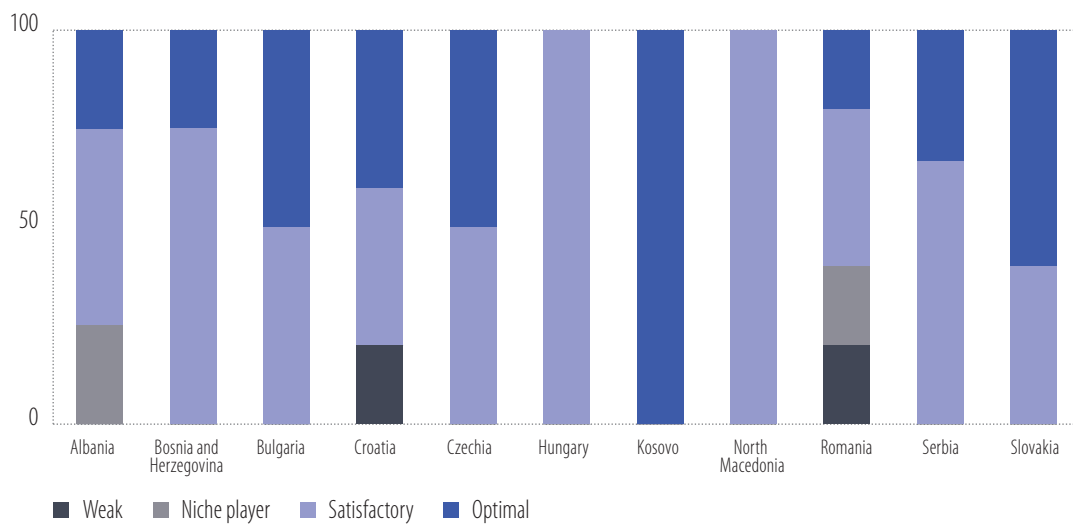
**Market potential (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q1 in the Annex.

**A.5**

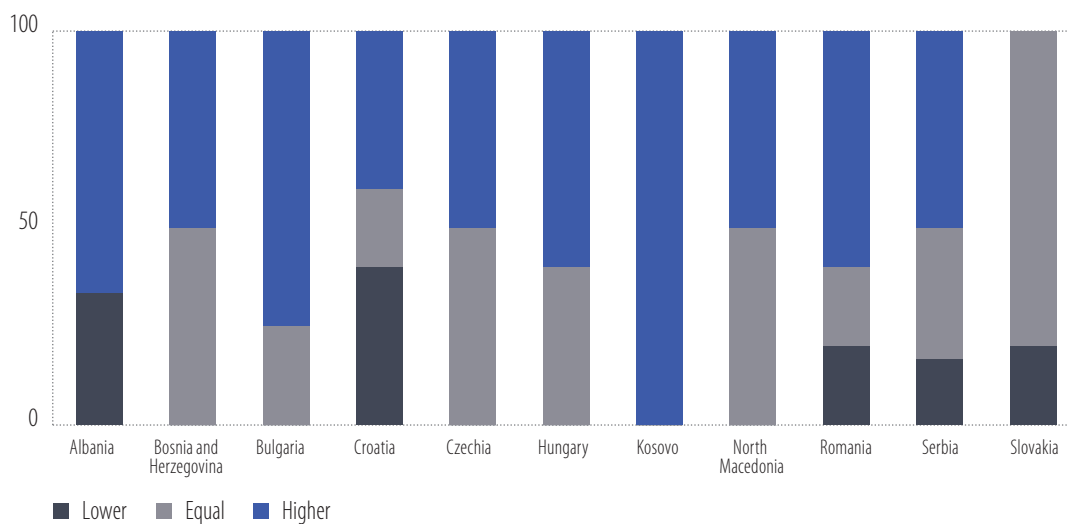
**Market positioning (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q1 in the Annex.

### A.6

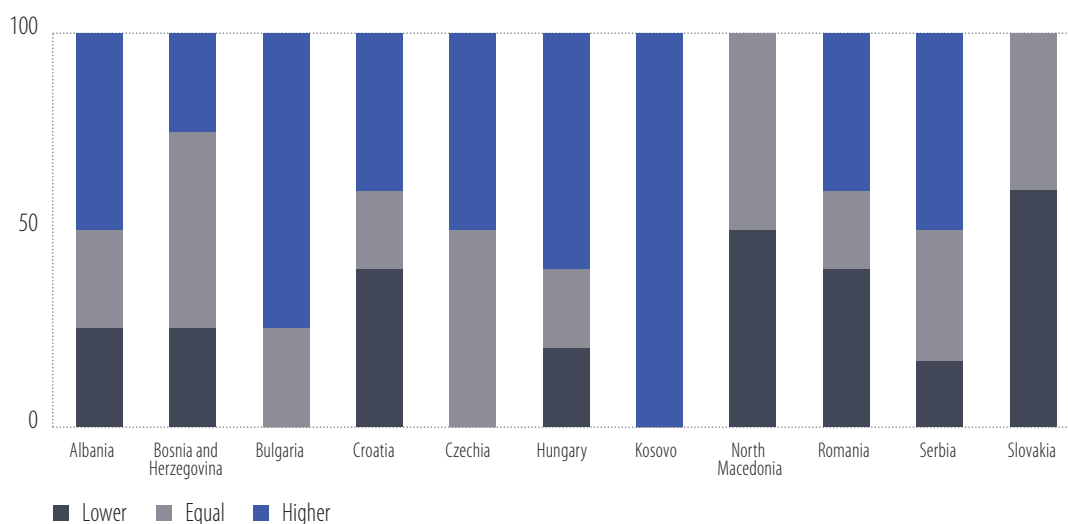
#### Return on assets (adjusted for cost of risk) compared with overall group operations (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q1 in the Annex.

### A.7

#### Return on equity (adjusted for cost of equity) compared with overall group operations (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: See Question A.Q1 in the Annex.

# ALBANIA

**Credit demand has increased substantially, while supply conditions have remained neutral. Softening demand is expected for the next period. Liquidity and credit quality have improved and are expected to remain on a positive trend.**

## SUMMARY

**Group assessment of positioning and market potential:** The majority of international banking groups have reported higher or equal profitability for Albanian operations compared to overall group operations. This is a significant improvement on the previous survey round. The perception of market potential and market positioning remained relatively unchanged, with all parent banks considering the Albanian market to have medium or high potential.

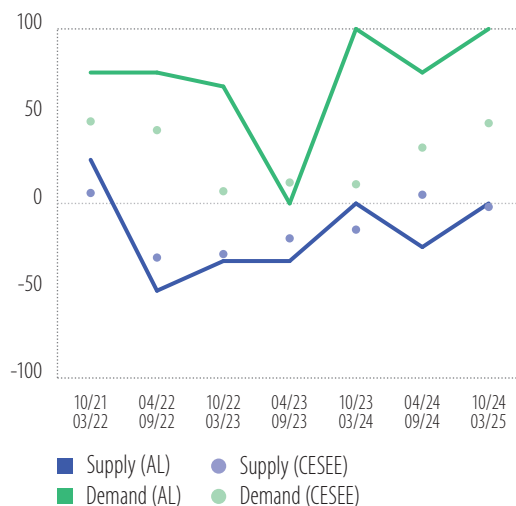
**Credit demand in Albania:** In Albania, credit demand has seen a strong increase, above the regional average. All segments have registered an improvement, except for foreign currency loans, which remained unchanged. Demand conditions are expected to soften in the next six months, closer to the average of the wider region.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – have remained neutral and are expected to stay so, in line with the regional trend.

**Access to funding:** In Albania, access to funding has remained in positive territory and is expected to continue improving in the next six months.

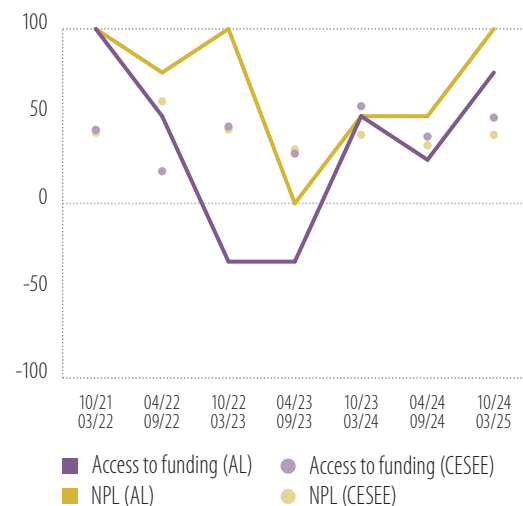
**Non-performing loans (NPLs):** Credit quality has improved over the last six months and is expected to remain unchanged overall for the next period.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

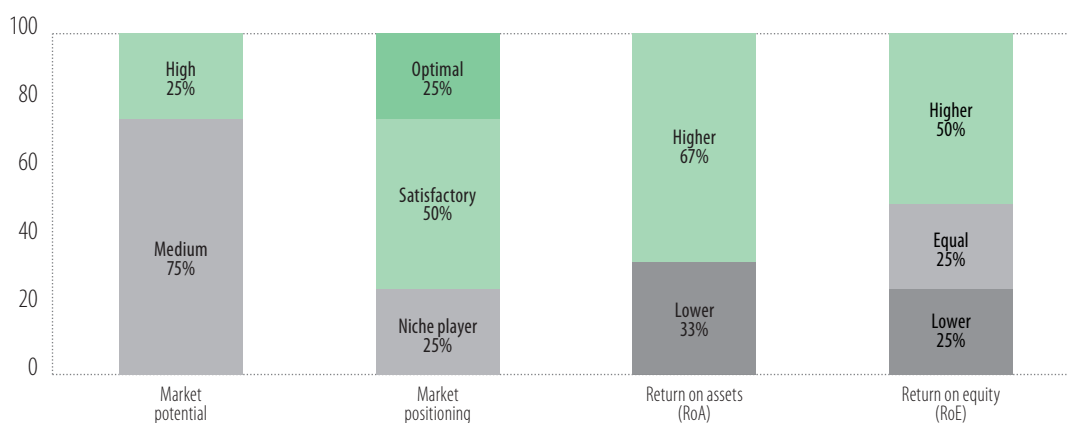


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

## CESEE Bank Lending Survey – parent bank level

CESEE banking groups consider Albania's market potential as medium (75%) or high (25%), and the majority report higher profitability compared to the parent bank, which is a significant improvement on the previous period.

**Figure 1**  
Market potential and positioning



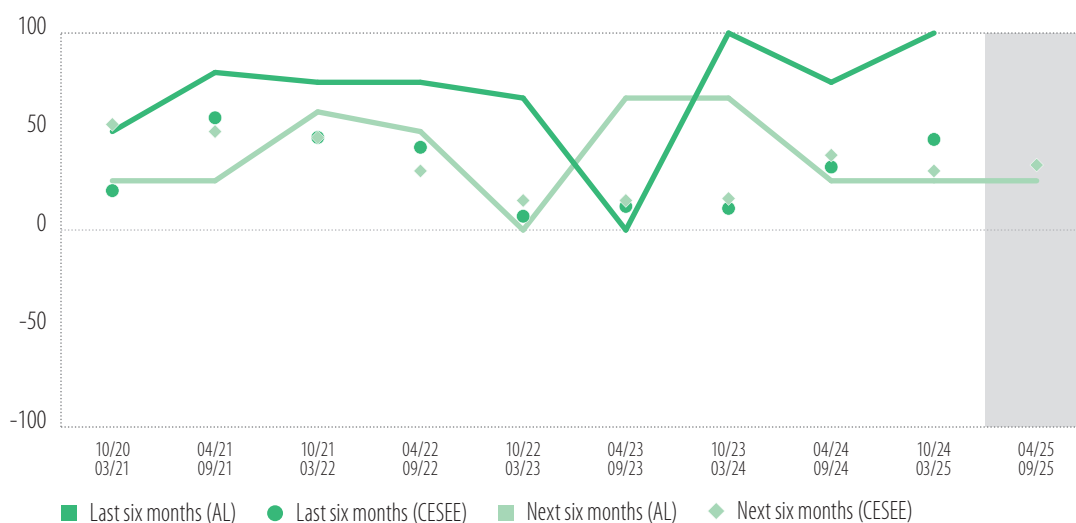
Source: EIB – CESEE Bank Lending Survey.

Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

## CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand remained particularly strong, above expectations and the regional trend. It is expected to soften in line with regional trends.

**Figure 2**  
Aggregate demand developments (in %)

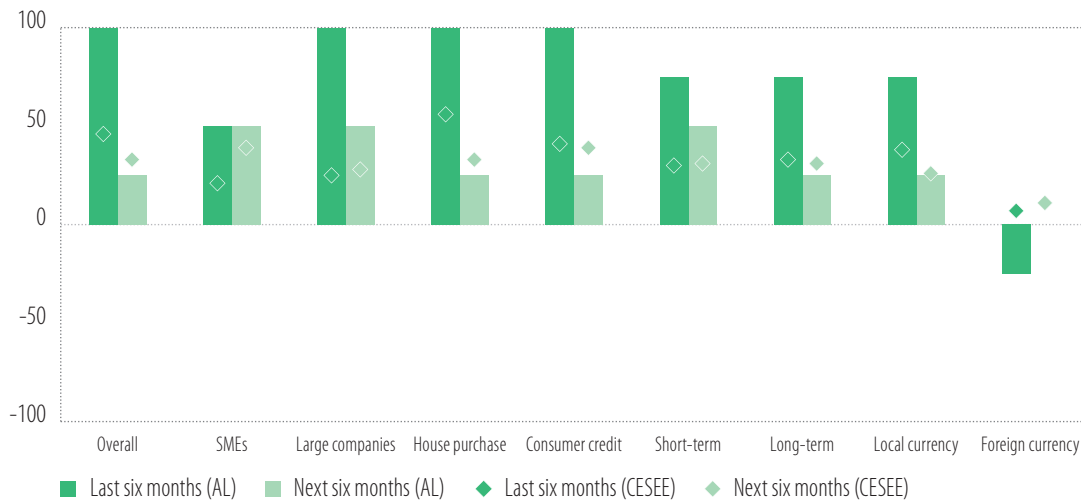


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t+1$ . See question B.Q5 in the Annex.

All segments registered positive credit demand trends except for the foreign currency loans segment.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Fixed investments and inventories of corporates, housing market prospects and consumer confidence were the main positive contributors. The same segments are expected to remain positive in the next six months.

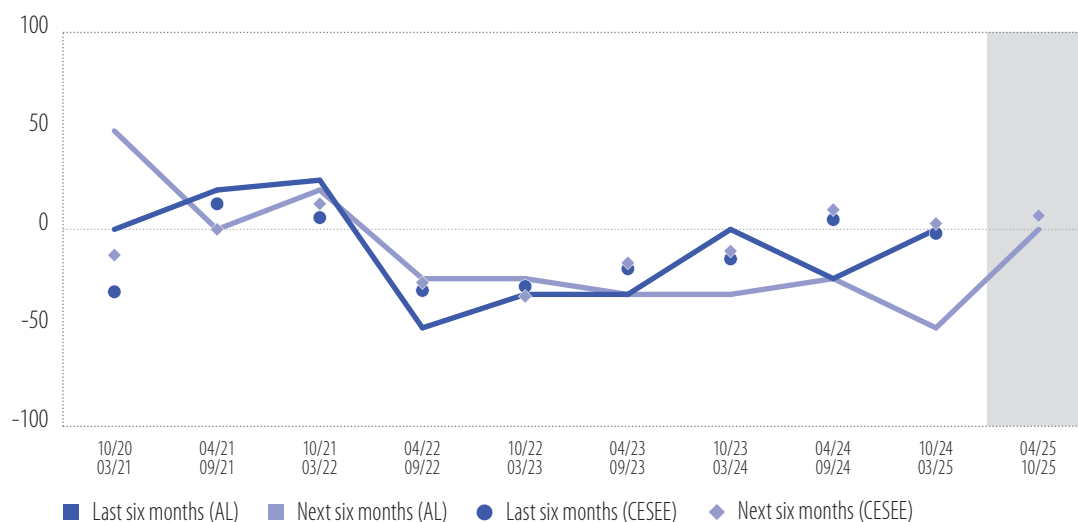
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply remained neutral and is expected to stay so, in line with the regional trend.

**Figure 5**  
Aggregate supply developments (in %)

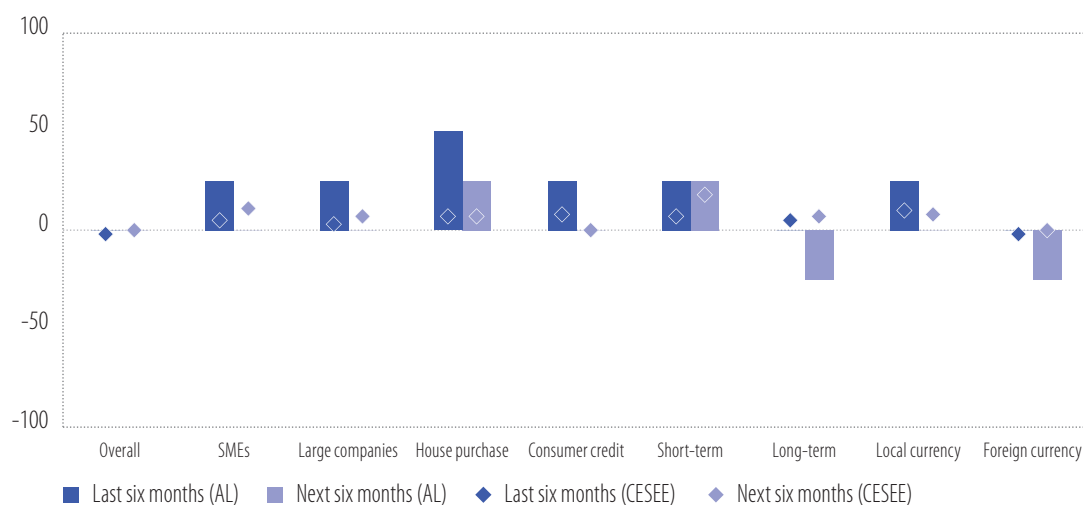


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Supply conditions remained neutral overall but eased for subsegments on short-term and local currency. For the next period, some tightening is expected for long-term foreign currency loans.

**Figure 6**  
Supply components and segments (in %)

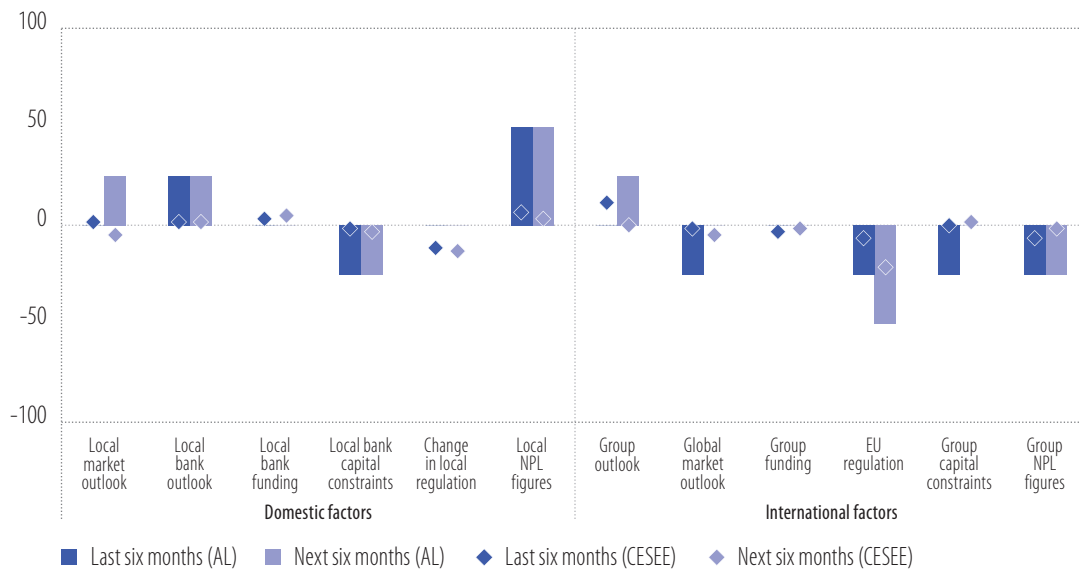


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Most of the international factors are contributing negatively to credit supply, while among the domestic factors, local non-performing loan figures and local bank outlook are contributing positively.

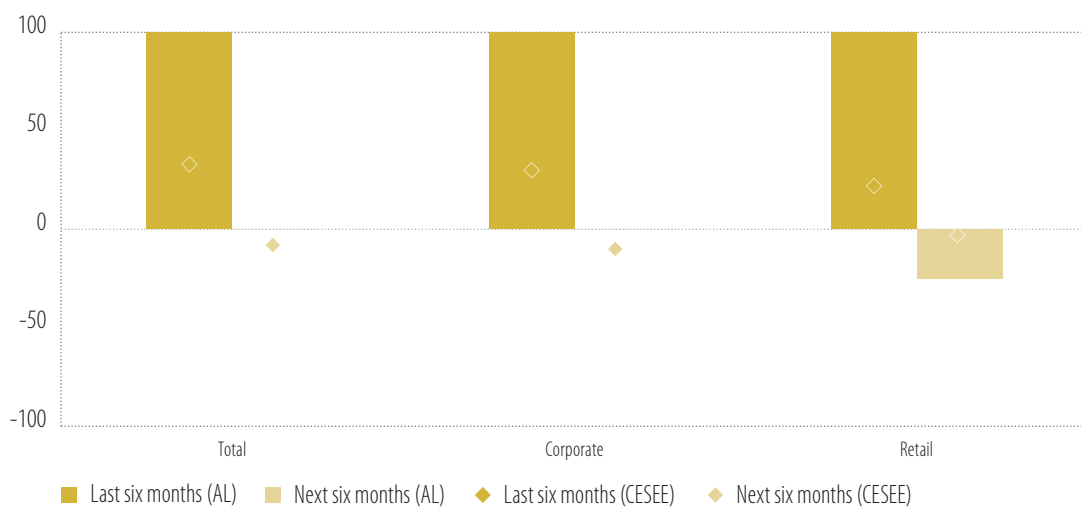
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality improved and no change is expected in the next period.

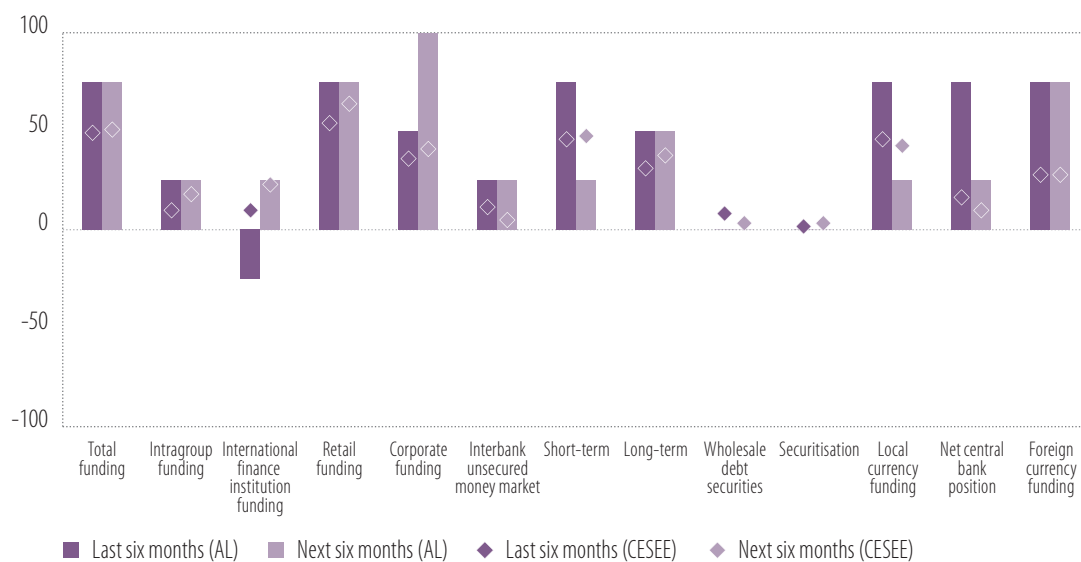
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions are positive and are expected to remain favourable, driven mainly by better access to both retail and corporate deposits.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# BOSNIA AND HERZEGOVINA

**Demand has remained on a positive trend while supply conditions have tightened. Similar conditions are expected on both the demand and supply side in the next six months. Both credit quality and liquidity conditions have registered improvements.**

## SUMMARY

**Group assessment of positioning and market potential:** Most of the international banking groups have reported equal or higher profitability for operations compared to overall group operations. All parent banks consider the local market to have medium potential.

**Credit demand:** In Bosnia and Herzegovina, credit demand has increased but is below the regional average. Stronger demand conditions are expected in the next six months, driven by corporate and consumer loans.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – have tightened, but remained neutral in the region overall. Credit supply conditions are expected to tighten further for households in the next six months.

**Access to funding:** In Bosnia and Herzegovina, access to funding has improved in the last six months and further improvement is expected for the next period.

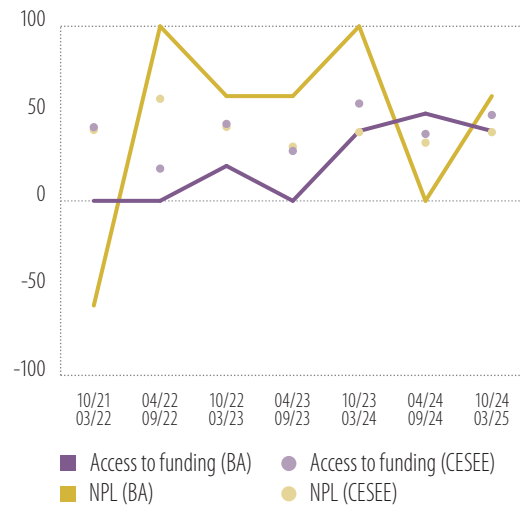
**Non-performing loans (NPLs):** NPL ratios have improved over the last six months, but some deterioration is expected in both the retail and corporate segments.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

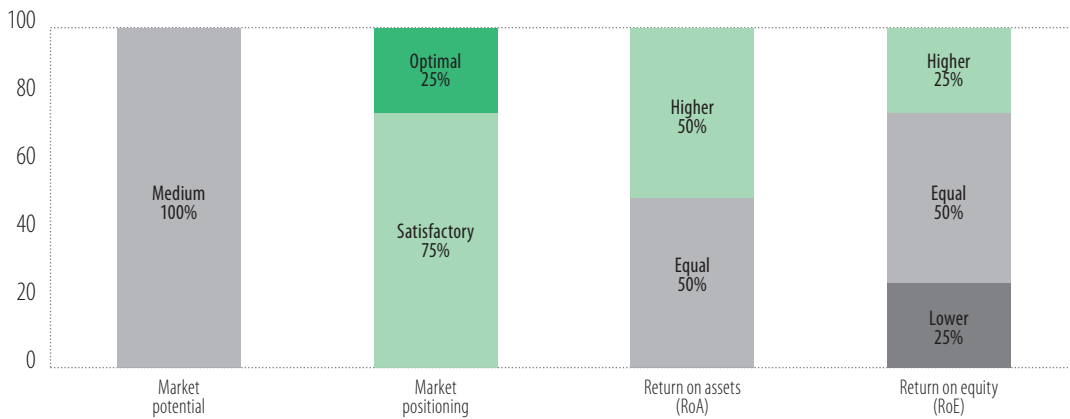


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey results – parent bank level

All CESEE banking groups consider Bosnia and Herzegovina’s market potential to be medium, and the vast majority of them report profitability in terms of return on equity (RoE) to be equal (50%) or higher (25%) compared to parent banks.

**Figure 1**  
Market potential and positioning

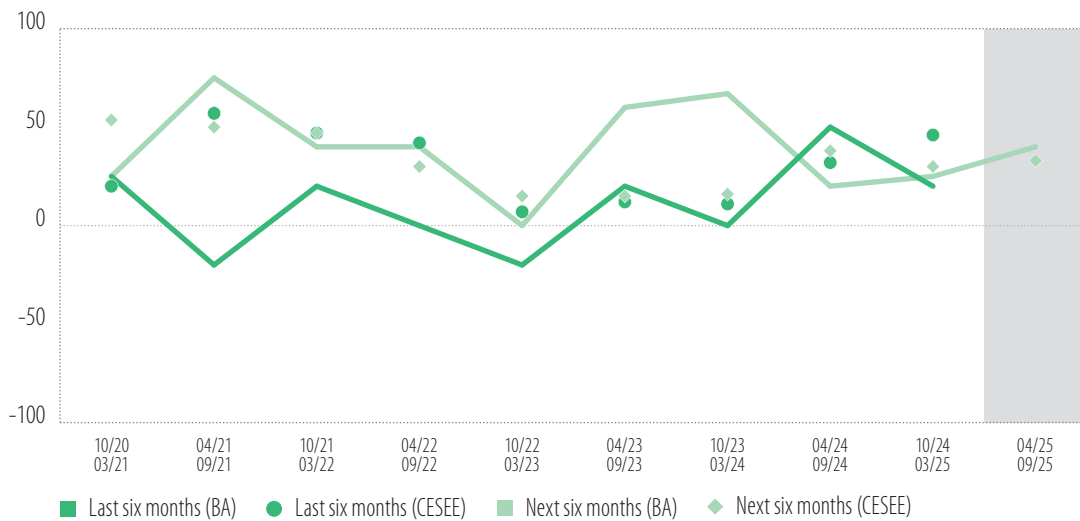


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand increased in the previous period but is slightly below the other countries in the CESEE region. It is expected that the positive trend will continue, in line with the region.

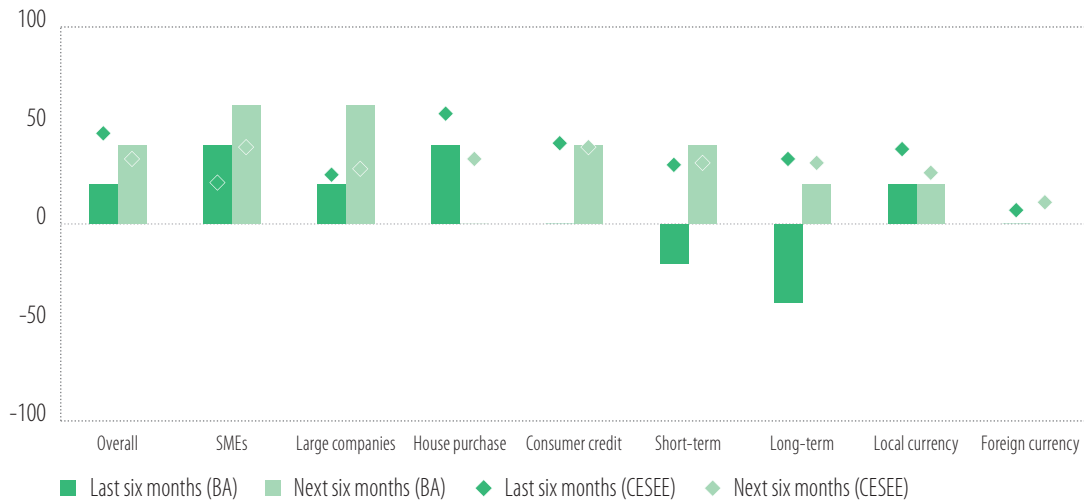
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Overall demand increased in the last six months, driven by the corporate segment and mortgage loans. For the next period, growth is expected in corporate segments and consumer credit.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

All factors affecting the household segment remained neutral, while those for corporate loans were positive, except the fixed investments, which contributed negatively. For the next period, most of the factors are expected to be positive.

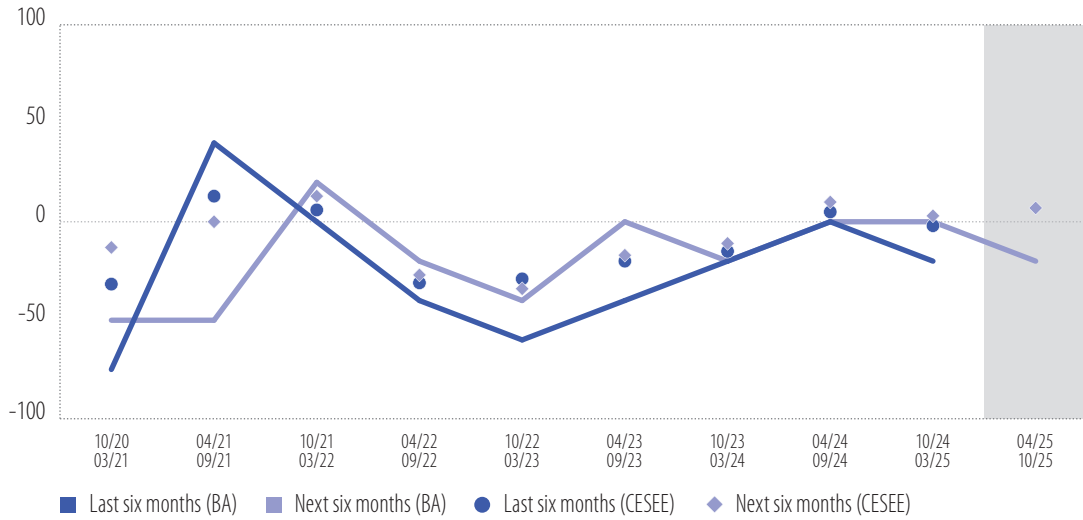
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply conditions tightened and are expected to remain negative, below the CESEE region on average.

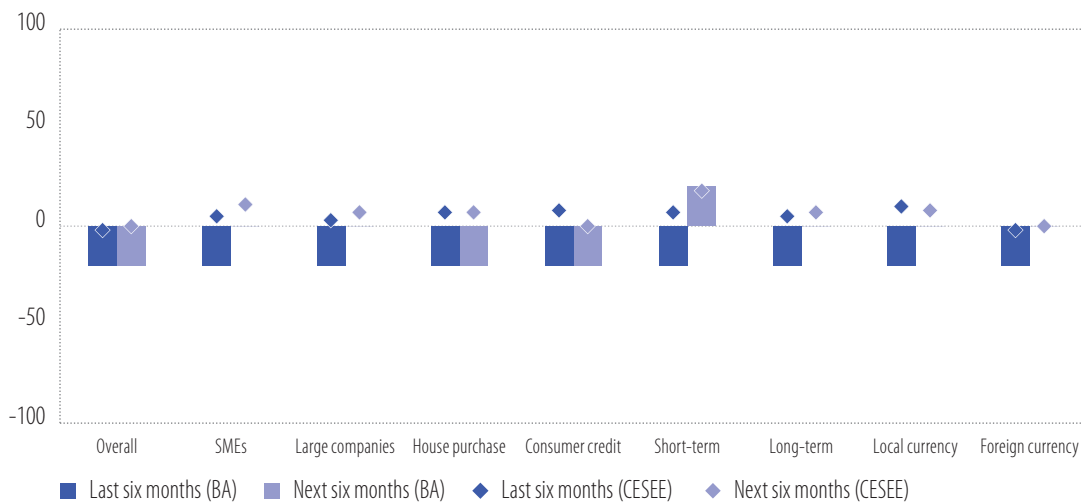
**Figure 5**  
Aggregate supply developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Supply conditions are expected to remain neutral for corporates and to tighten for households.

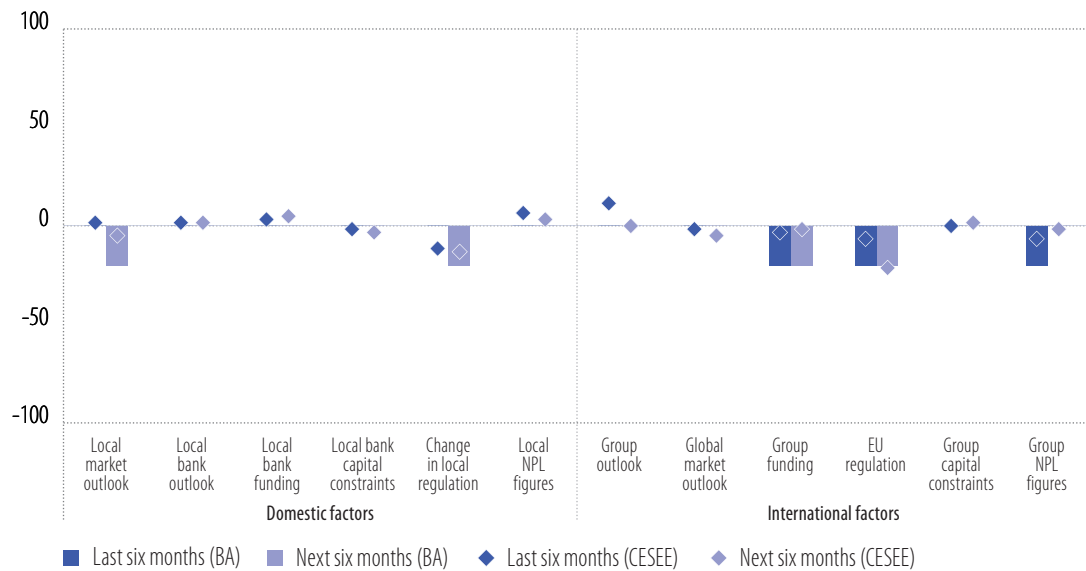
**Figure 6**  
Supply components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Most of the domestic and international factors made a neutral contribution to supply conditions and are expected to make a low contribution in the next period.

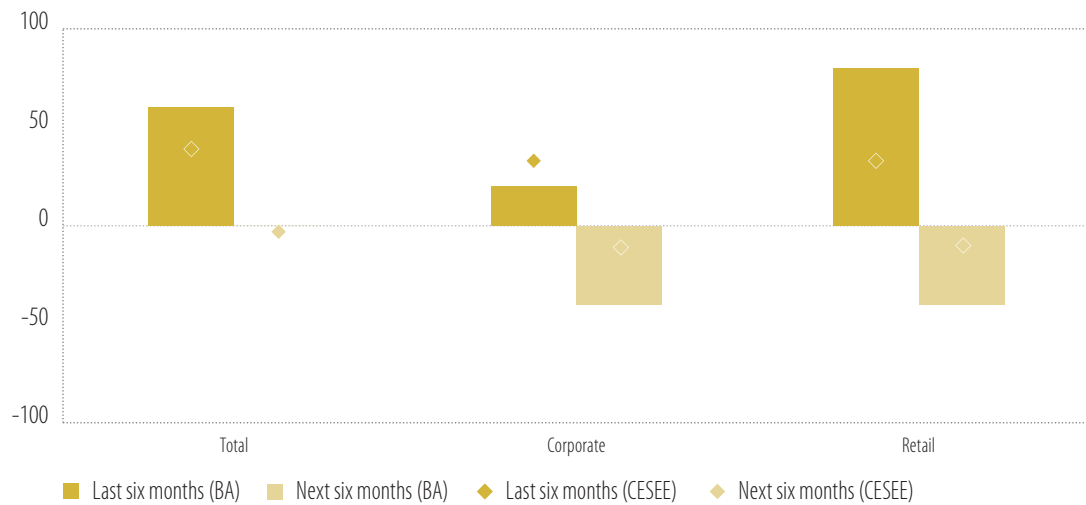
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality improved overall, driven by the retail segment. Some deterioration is expected in both segments for the next period.

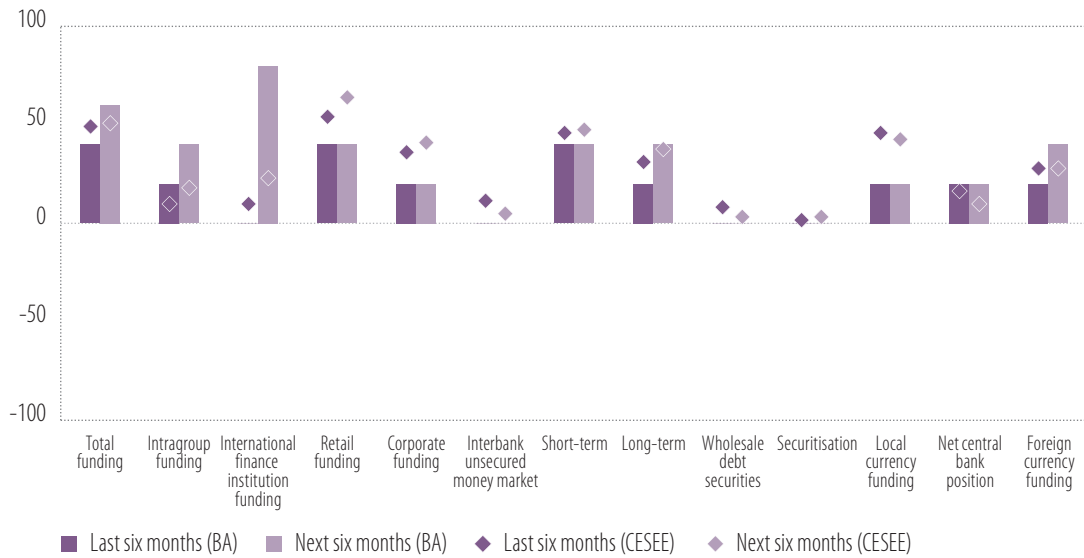
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Total funding conditions improved and are expected to improve further for the next period.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# BULGARIA

**Credit conditions are volatile in Bulgaria. Credit demand has picked up in the last six months, but supply has sharply deteriorated. Demand is expected to continue improving, while supply may return to a more neutral position.**

## SUMMARY

**Group assessment of positioning and market potential:** All international banking groups assess the market potential of their Bulgarian operations as medium or high. All respondents see profitability from their Bulgarian operations as equal or higher than at the group level.

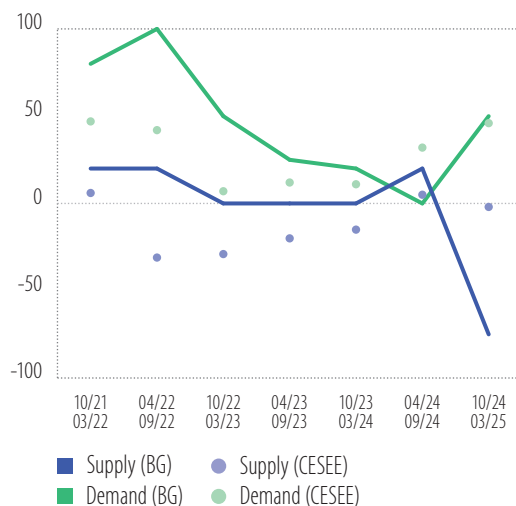
**Credit demand:** In Bulgaria, credit demand has picked up following a protracted deceleration and is in line with developments in the region. Demand is driven by the household sector. This improvement is likely to continue over the next six months.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – have sharply deteriorated over the last six months due to a tightening in the mortgage segment and large corporates. Nevertheless, supply conditions are expected to return to a more neutral position in the next six months.

**Access to funding:** In Bulgaria, access to funding has been improving and is expected to continue improving in the next six months.

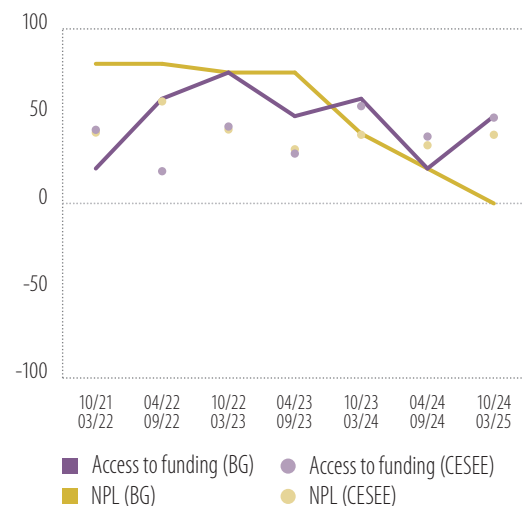
**Non-performing loans (NPLs):** NPL ratios have been stable across segments over the past six months but are expected to deteriorate in the next period.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

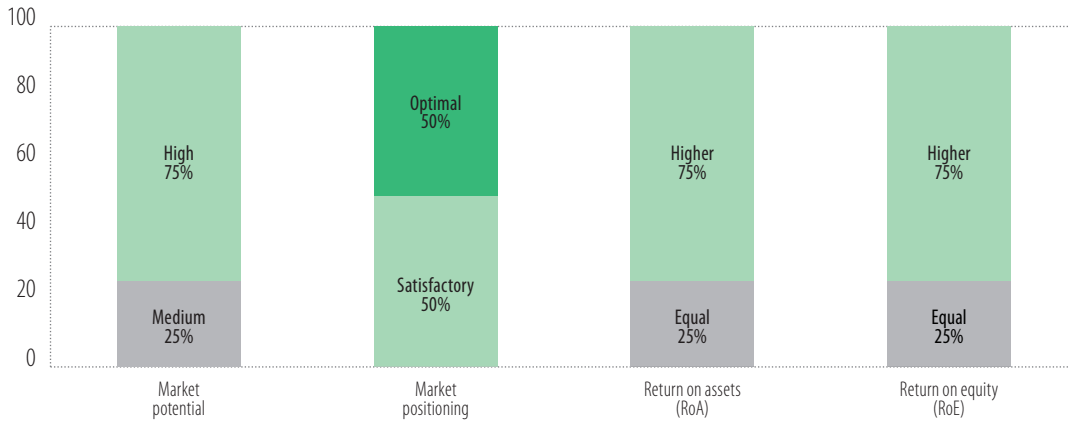


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey – parent bank level

CESEE banking groups consider Bulgaria’s market potential to be medium (25%) or high (75%). Profitability remains high compared to the parent bank, and market positioning of all subsidiaries is either satisfactory or optimal.

**Figure 1**  
Market potential and positioning

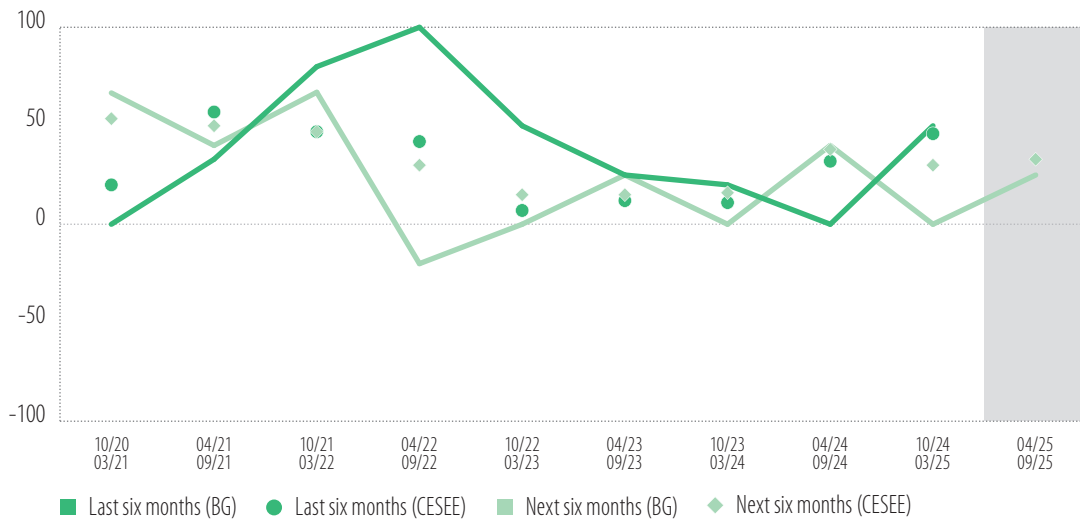


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand has picked up and is expected to continue improving over the next six months, in line with the rest of the region.

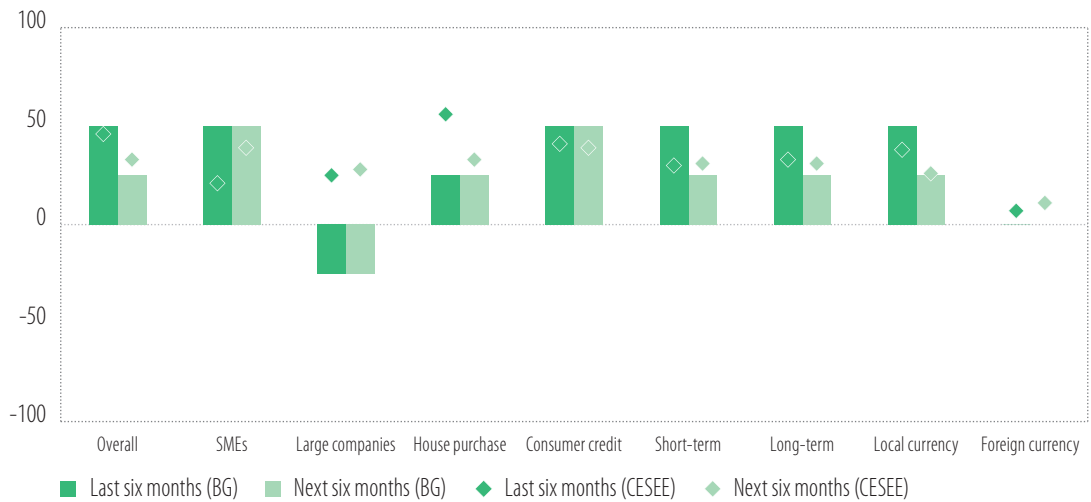
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Credit demand is driven by SMEs and the retail sector. These two segments are expected to underpin credit demand over the next six months.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Consumer confidence has been the main positive contributor to credit demand and is expected to remain so.

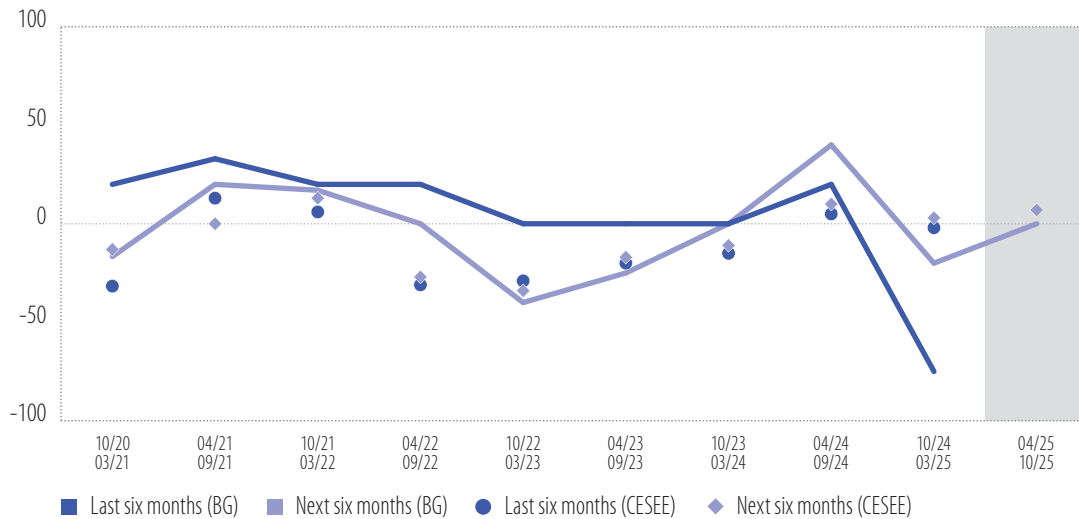
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply has deteriorated sharply over the past six months but banks expect a quick reversal in the next six months.

**Figure 5**  
Aggregate supply developments (in %)

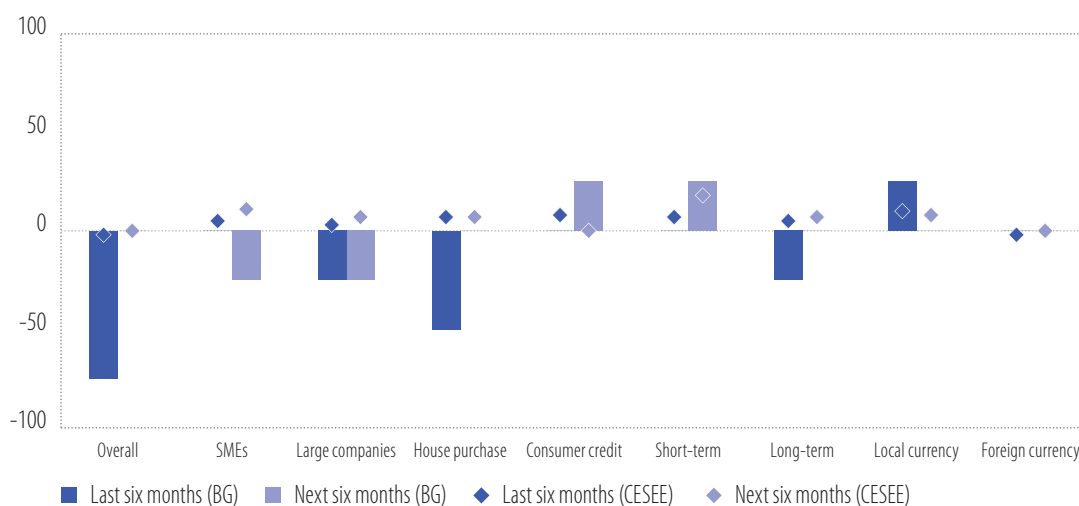


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Supply conditions for house purchases and large corporates have been driving the slump.

**Figure 6**  
Supply components and segments (in %)

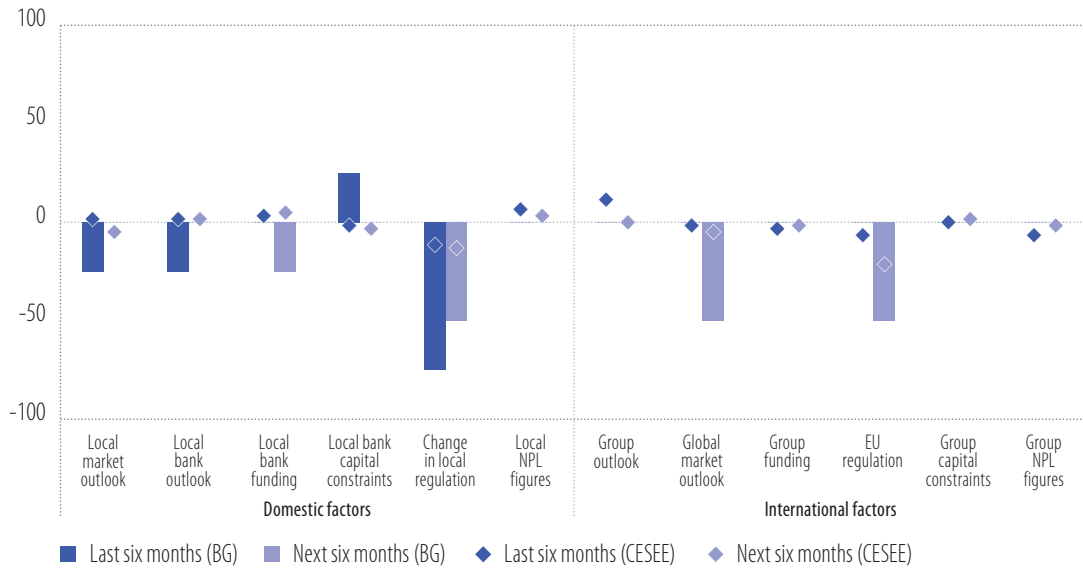


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Changes in local regulations, market and outlook have negatively affected supply conditions. The global market outlook is expected to add to this negative effect over the next six months.

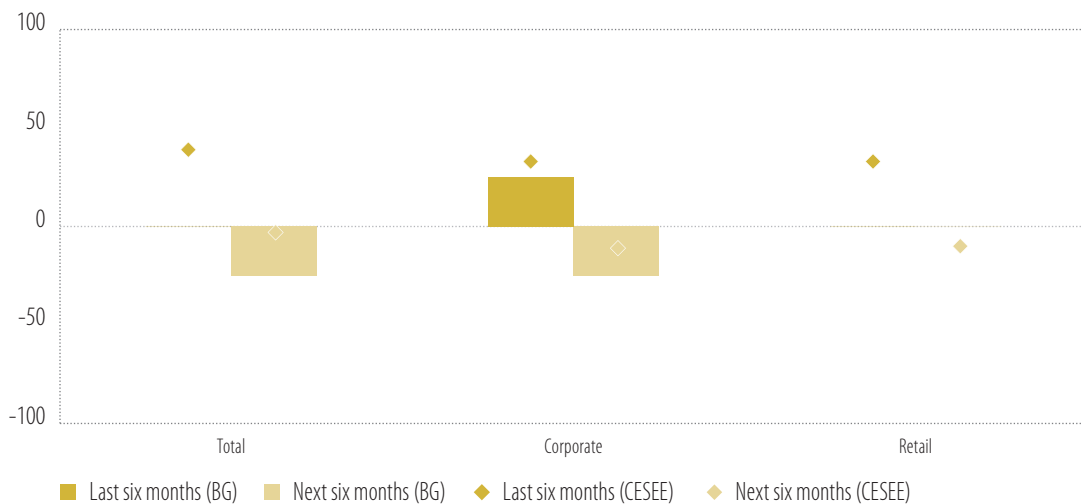
**Figure 7**  
**Factors contributing to supply conditions (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality remains stable but is expected to worsen due to developments in the corporate segment.

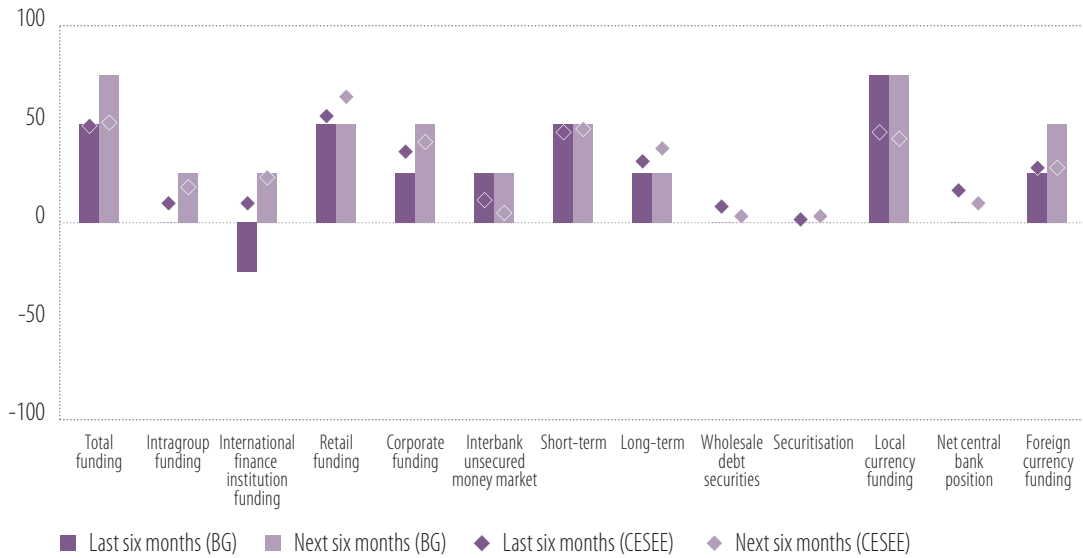
**Figure 8**  
**Credit quality and non-performing loan ratios (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions have improved and are expected to continue improving, following a multiannual trend. Both corporate and retail funding contribute to this trend.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# CROATIA

Both credit demand and supply conditions have improved, although tightening is expected in the next six months. Credit quality is expected to remain favourable and access to funding is expected to improve further.

## SUMMARY

**Group assessment of positioning and market potential:** The profitability of Croatian operations – compared to overall group operations – saw a slight improvement compared to the previous survey round, with the majority of banking groups reporting higher or equal profitability in Croatia than at group level. Most of the parent banks consider the Croatian market to have medium potential.

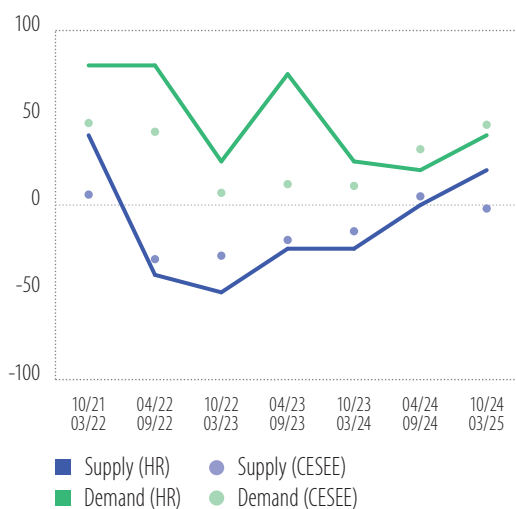
**Credit demand:** In Croatia, credit demand improved in line with the regional average. Demand for both corporate and household loans increased. Demand for corporate loans is expected to increase further, while loans for the household segment are expected to decrease in the next six months.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – improved above the regional trend, however tightening is expected in the next six months, mainly in the household segment.

**Access to funding:** In Croatia, access to funding has improved in the last six months and is expected to improve further in the next period.

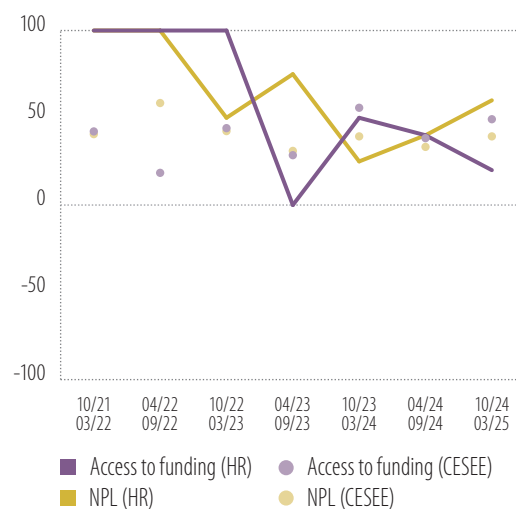
**Non-performing loans (NPLs):** NPL ratios have improved over the last six months and are expected to remain favourable, driven by the retail segment.

Credit supply and credit demand (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

Access to funding and credit quality (in %)

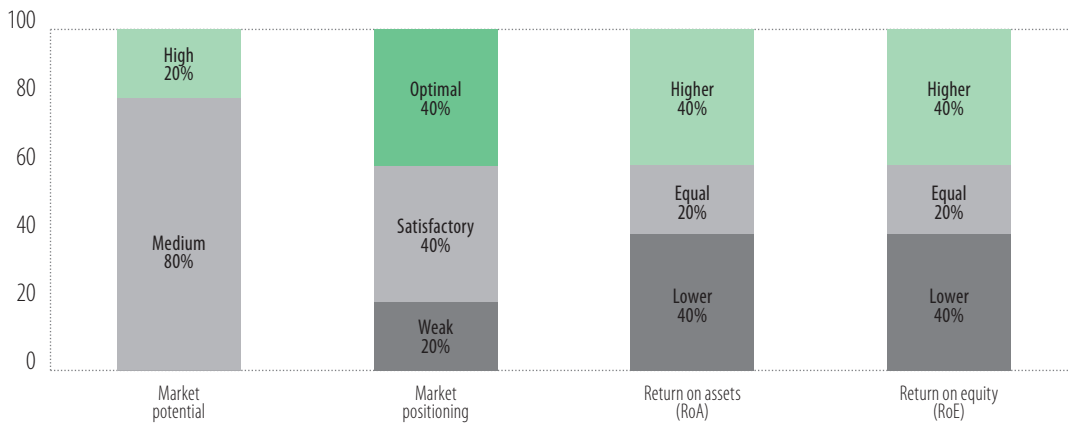


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey results – parent bank level

The vast majority of CESEE banking groups consider Croatia’s market potential to be medium, and more than half report higher or equal profitability compared to the parent bank.

**Figure 1**  
Market potential and positioning

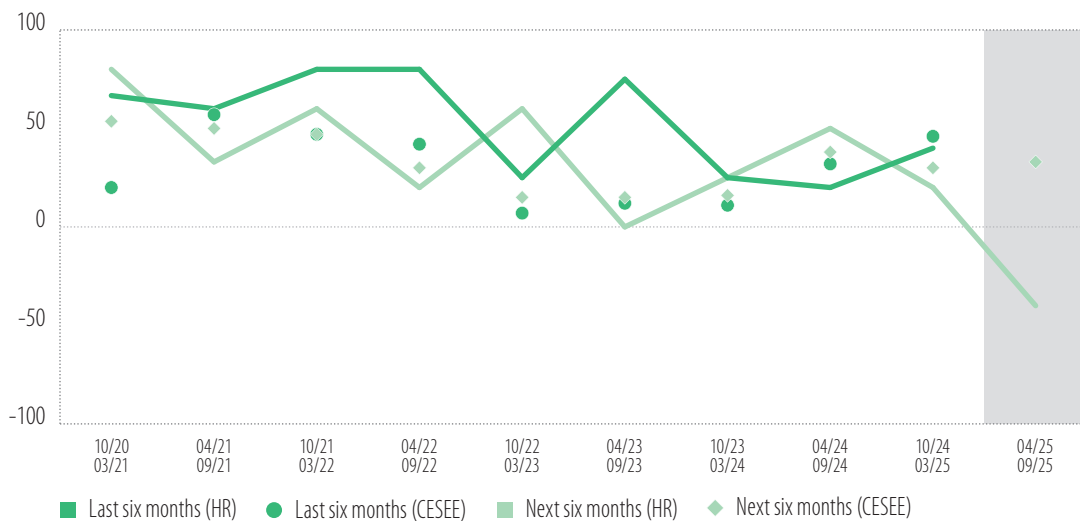


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey results – local bank/subsidiary level

Credit demand increased but is expected to turn negative, below the regional trend.

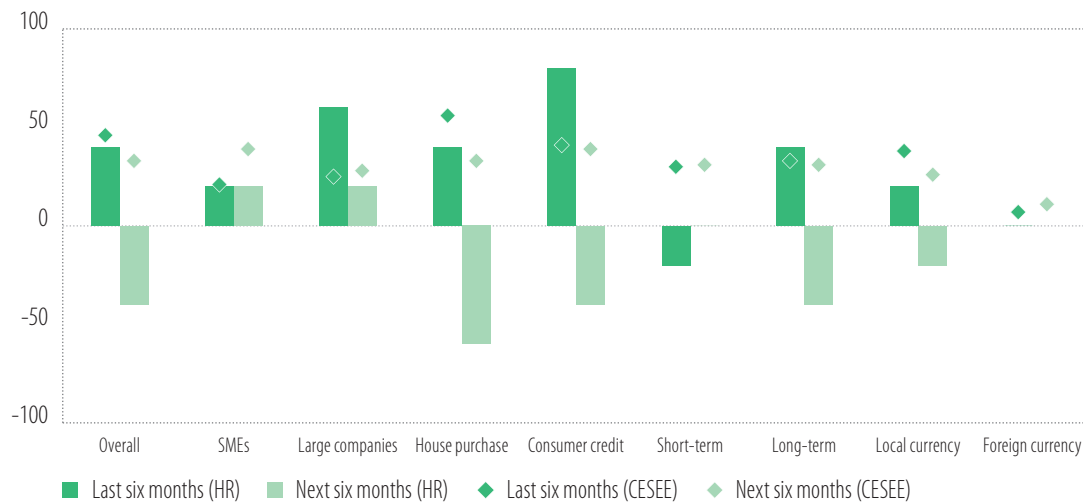
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Demand increased in both the corporate and household segments. Corporate demand is expected to increase, while for the household segment, a negative trend is expected.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Most of the factors affecting demand for corporate loans and consumption expenditure contributed positively to demand, while the rest of the factors remained neutral. Fixed investments and inventories and working capital are expected to remain positive in the next six months.

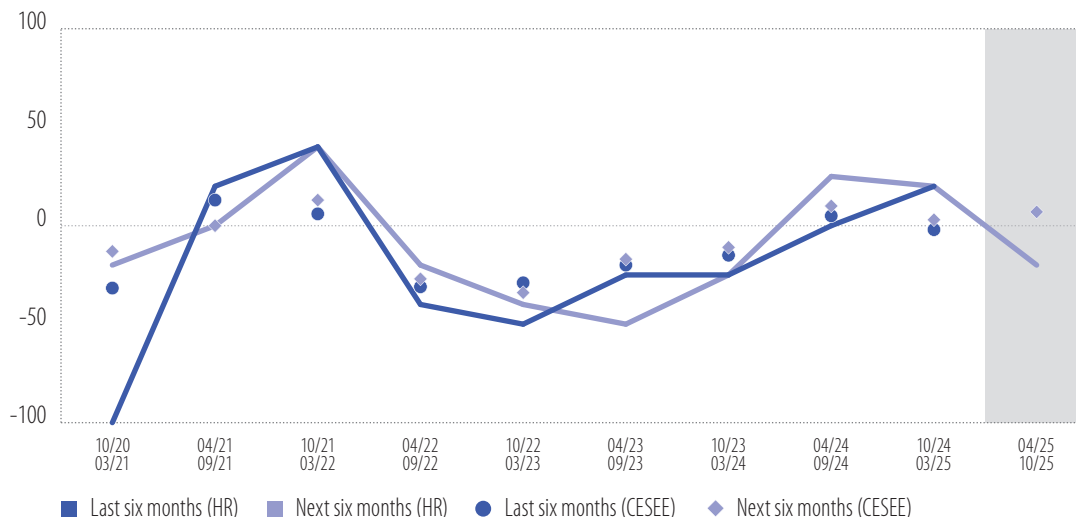
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

trends.

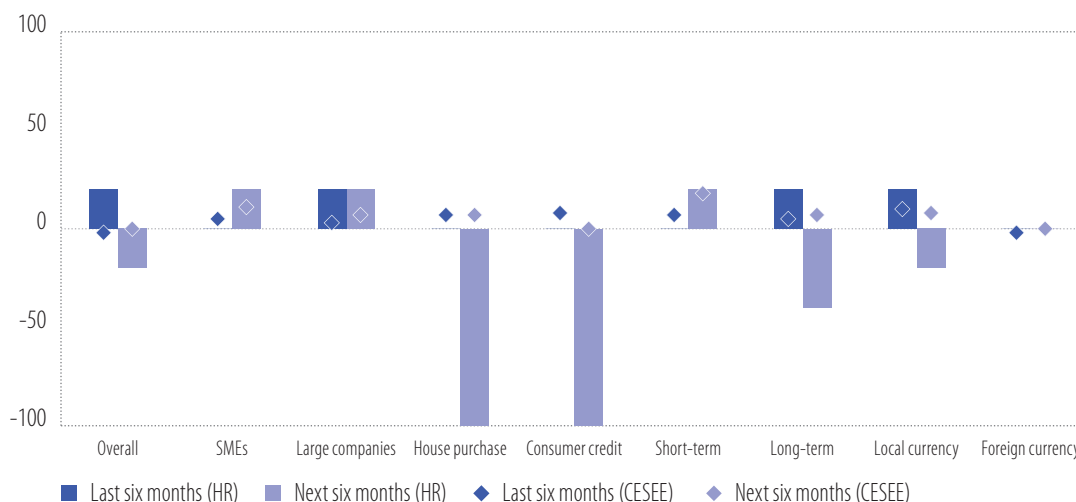
**Figure 5**  
Aggregate supply developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
 Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t + 1. See Question B.Q1 in the Annex.

Supply conditions are expected to deteriorate, driven by the household segment.

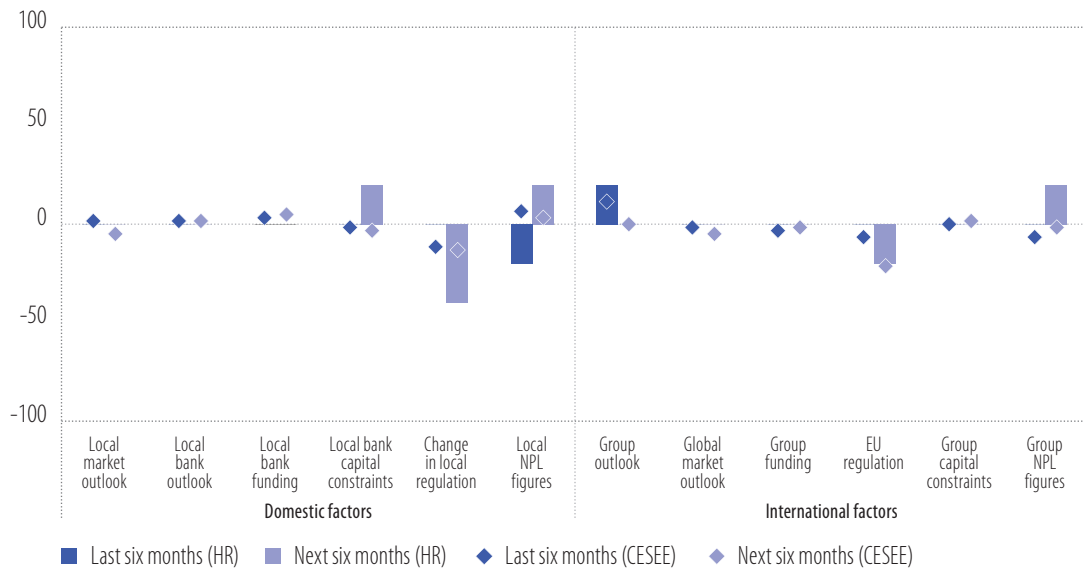
**Figure 6**  
Supply components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
 Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Most of the domestic and international factors did not affect credit supply, apart from the negative contribution of the local NPL figures and the positive group outlook.

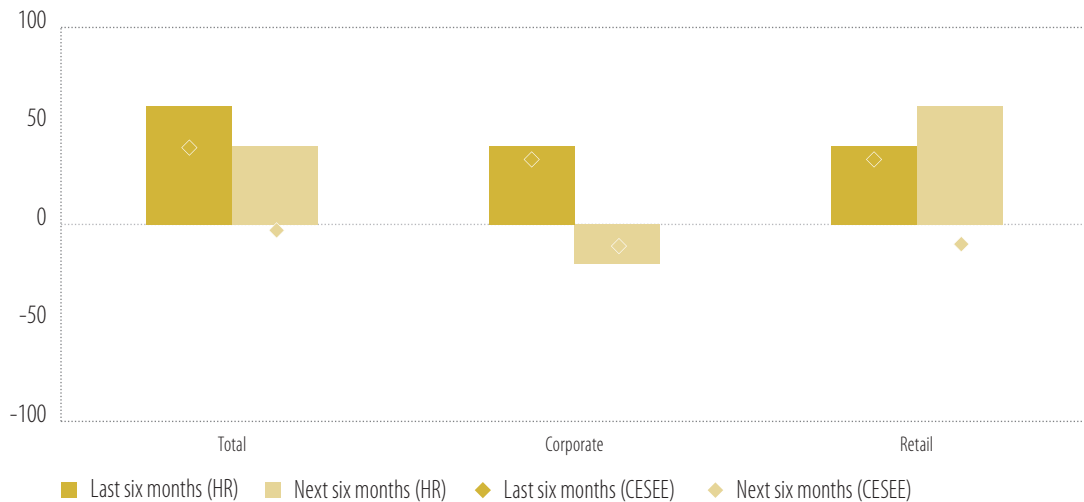
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality has improved in the last six months and is expected to remain favourable overall in the next six months (better than the regional average).

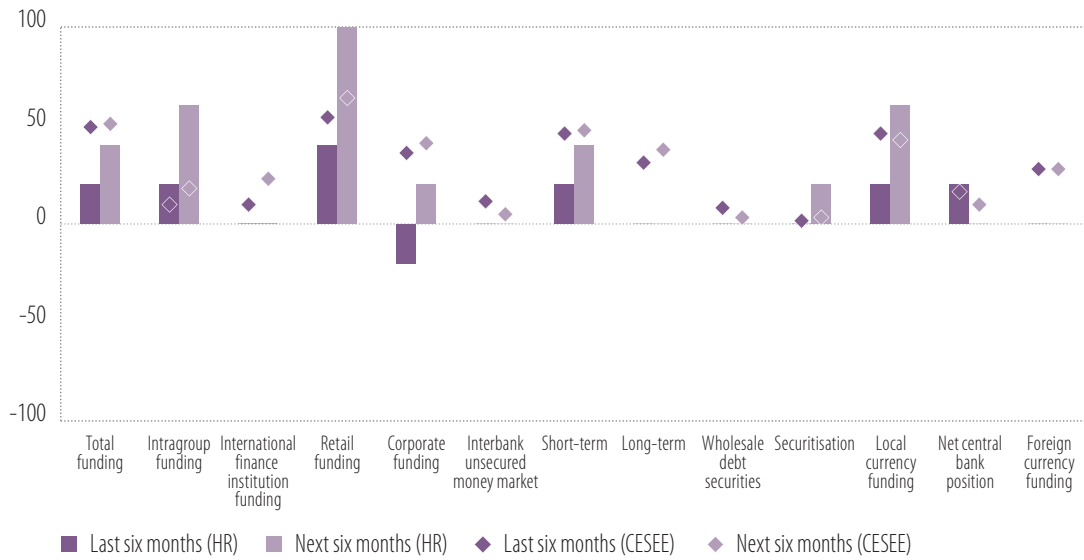
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions improved and are expected to remain favourable in the next six months, driven by better intragroup and retail funding.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# CZECHIA

**Banks report that demand for their loans in Czechia has continued to increase – more so than in the rest of the region – and will remain strong. Credit supply conditions have not changed. Banks expect their funding situation to continue improving.**

## SUMMARY

**Group assessment of positioning and market potential:** All international banking groups reported that the Czech banking market has high potential, and they are satisfied with their market position.

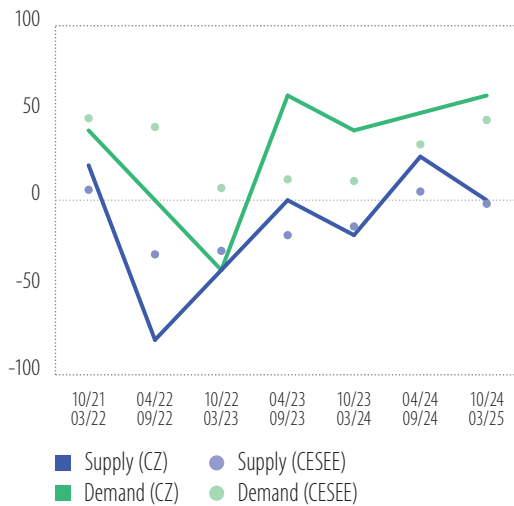
**Credit demand:** Credit demand in Czechia has seen more improvement than in the rest of the region over the past six months. In the next six months, on balance, banks expect it to continue improving.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – remained broadly constant, without much change expected.

**Access to funding:** In Czechia, access to funding continued to improve across different types of funding.

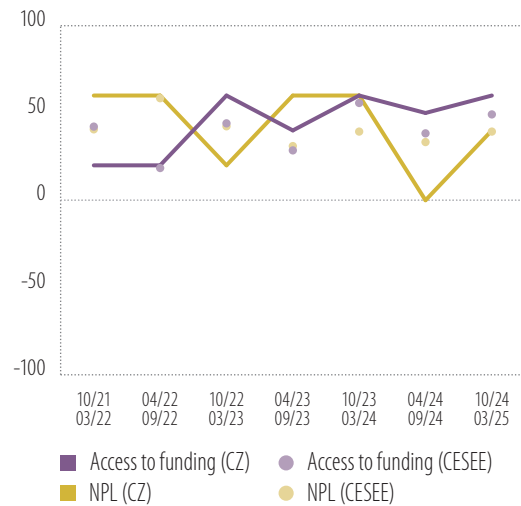
**Non-performing loans (NPLs):** NPL ratios are expected to deteriorate slightly for retail lending.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

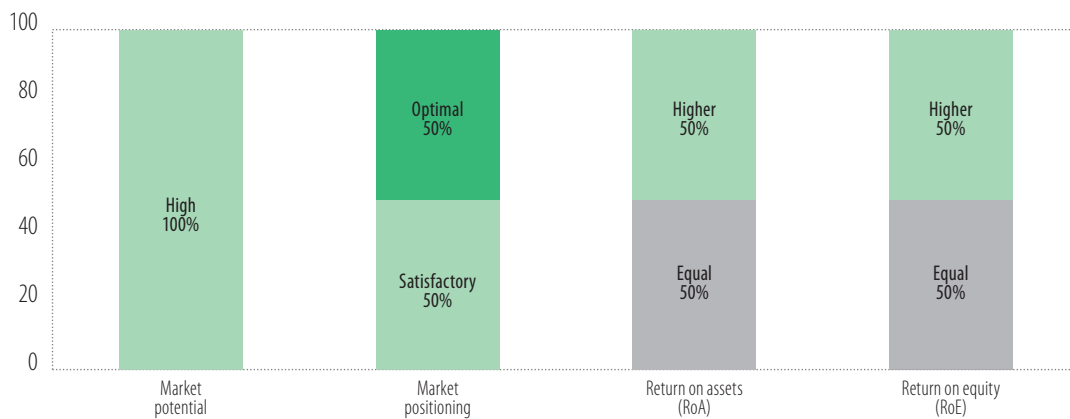


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

## CESEE Bank Lending Survey – parent bank level

All CESEE banking groups consider the banking market in Czechia to have high potential and they are satisfied with their market position. The profitability of their local operations tends to be higher than in other parts of their group.

**Figure 1**  
Market potential and positioning



Source: EIB – CESEE Bank Lending Survey.

Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

## CESEE Bank Lending Survey – local bank/subsidiary level

As in the rest of the region, banks report that, on balance, credit demand has improved over the past six months. Credit demand is set to remain strong, even more so than in the rest of the region.

**Figure 2**  
Aggregate demand developments (in %)

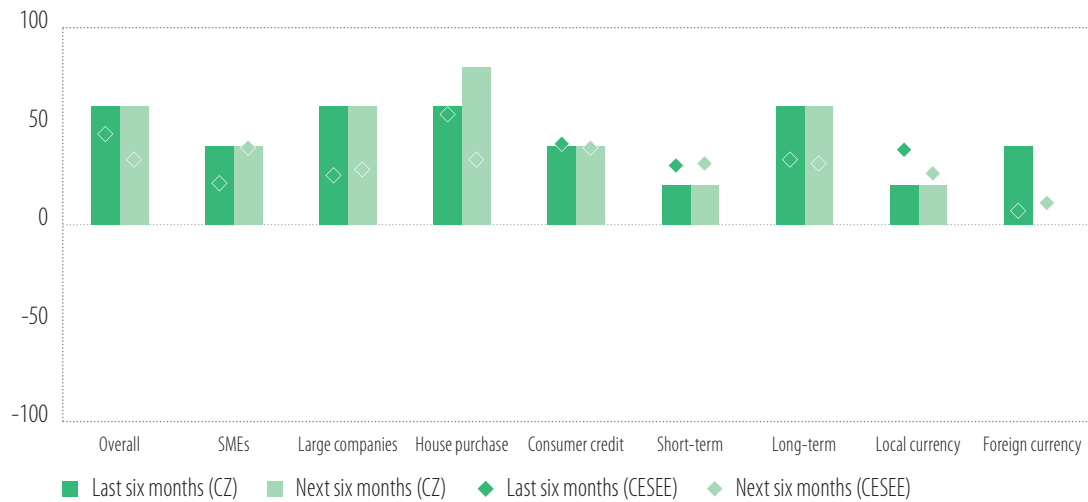


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t+1$ . See question B.Q5 in the Annex.

Demand for loans is expected to continue improving across product lines. Banks remain, on balance, most optimistic about demand for house purchase.

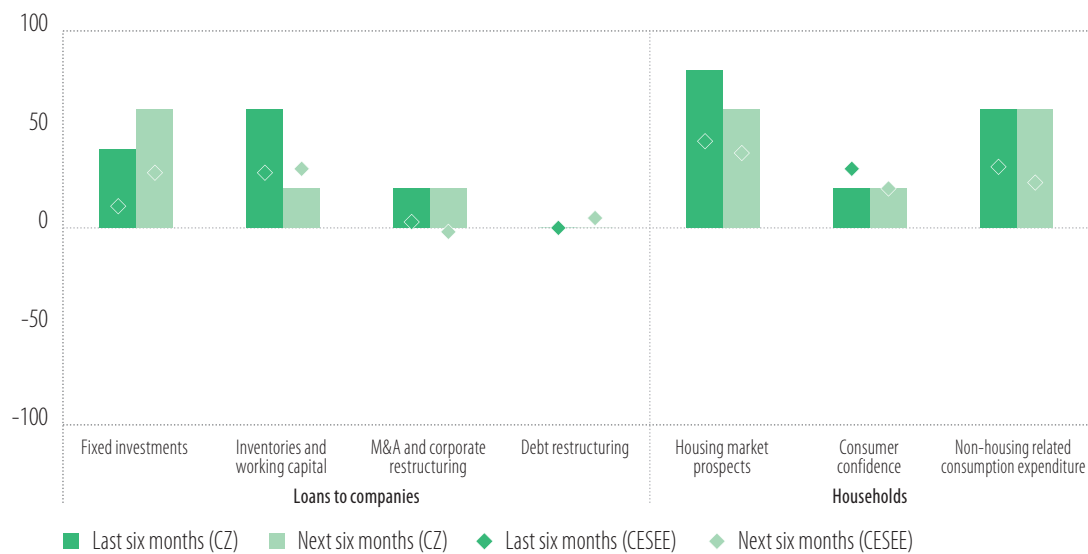
**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Banks report that financing needs for inventories stimulated loan demand from enterprises, while housing market prospects and higher consumption expenditures supported demand from households. Over the next six months, banks expect fixed investments to drive demand for loans among enterprises

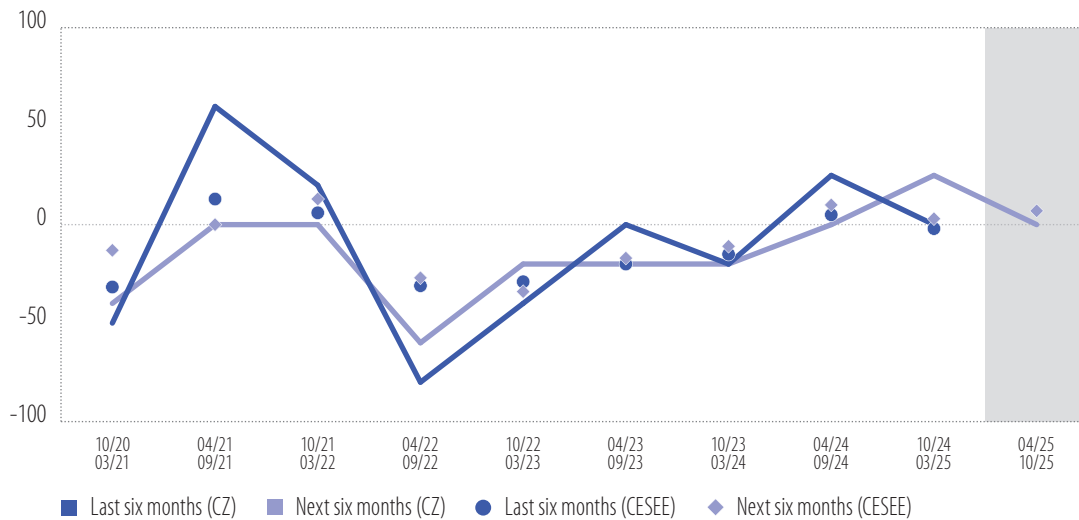
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply has remained broadly unchanged in the last six months, similar to the rest of the region. On balance, banks do not expect substantial changes over the next six months.

**Figure 5**  
Aggregate supply developments (in %)

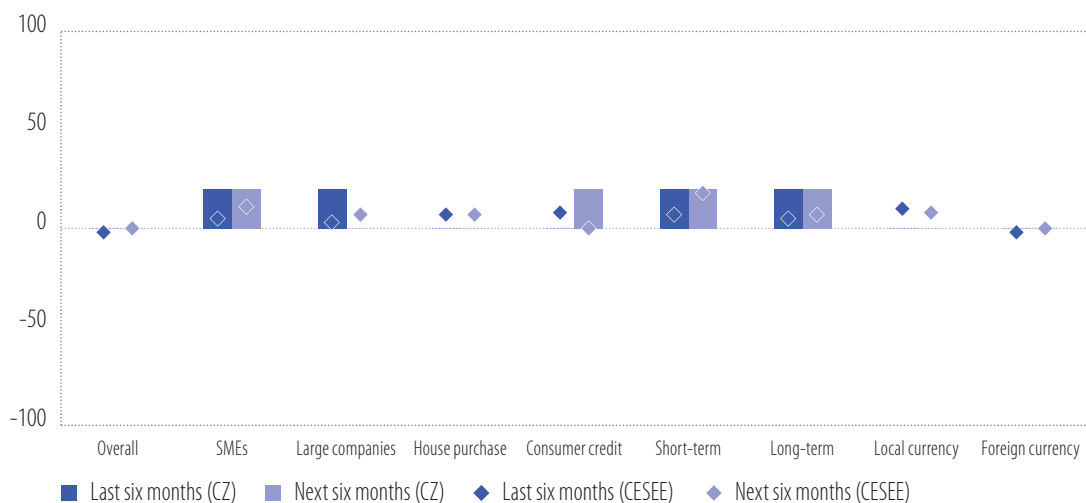


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

On balance, banks report that credit supply eased somewhat for corporate (small and medium-sized enterprises (SMEs) and large corporations), while it remained unchanged for household loans (affected by mortgages). This trend is expected to continue.

**Figure 6**  
Supply components and segments (in %)

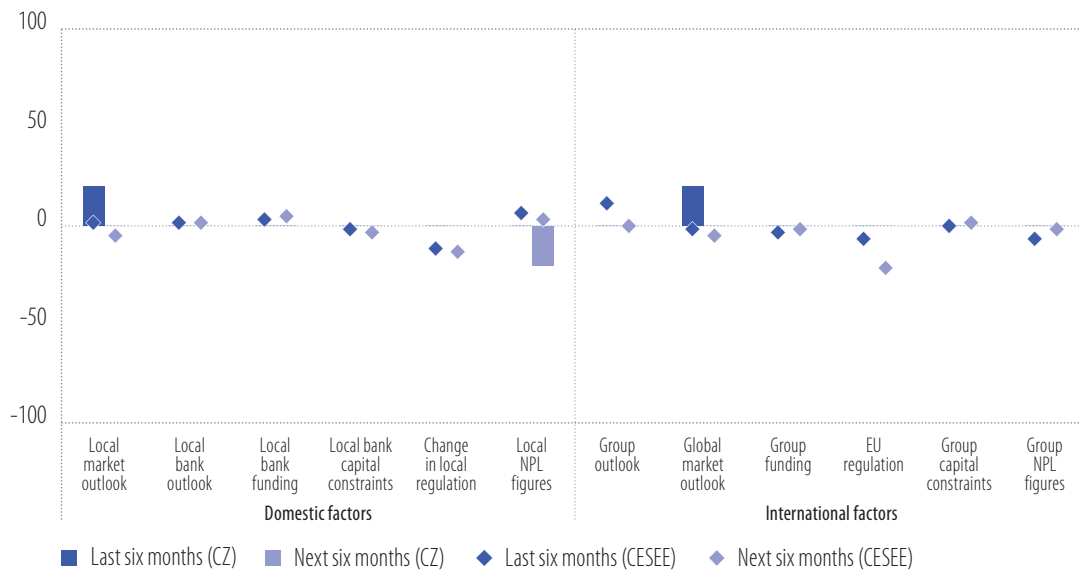


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

A positive market outlook, both globally and locally, drove loan supply over the past six months. On balance, banks do not expect this to change.

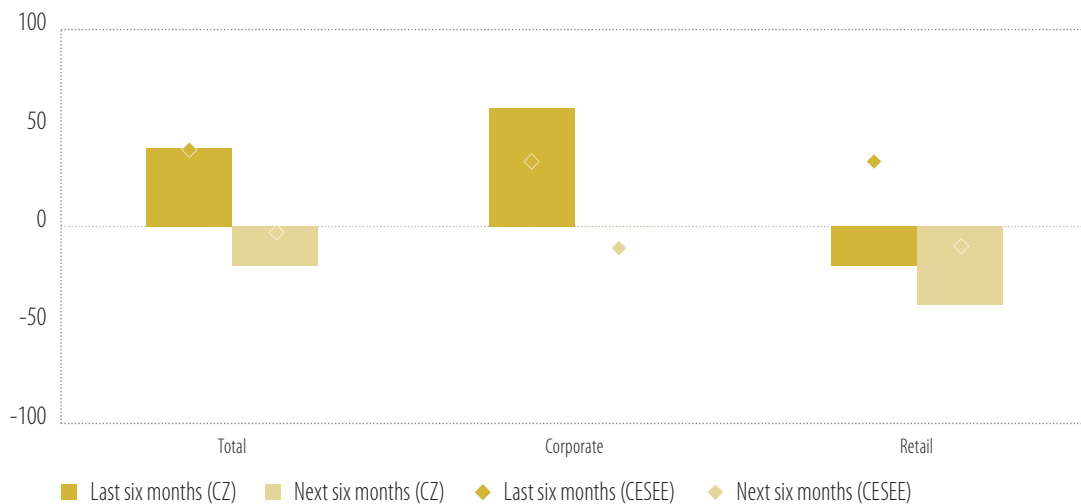
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Banks report that the quality of their corporate loans improved, but do not expect further changes over the next six months. In contrast, the quality of their retail loan book deteriorated somewhat and is expected to continue to do so over the next six months.

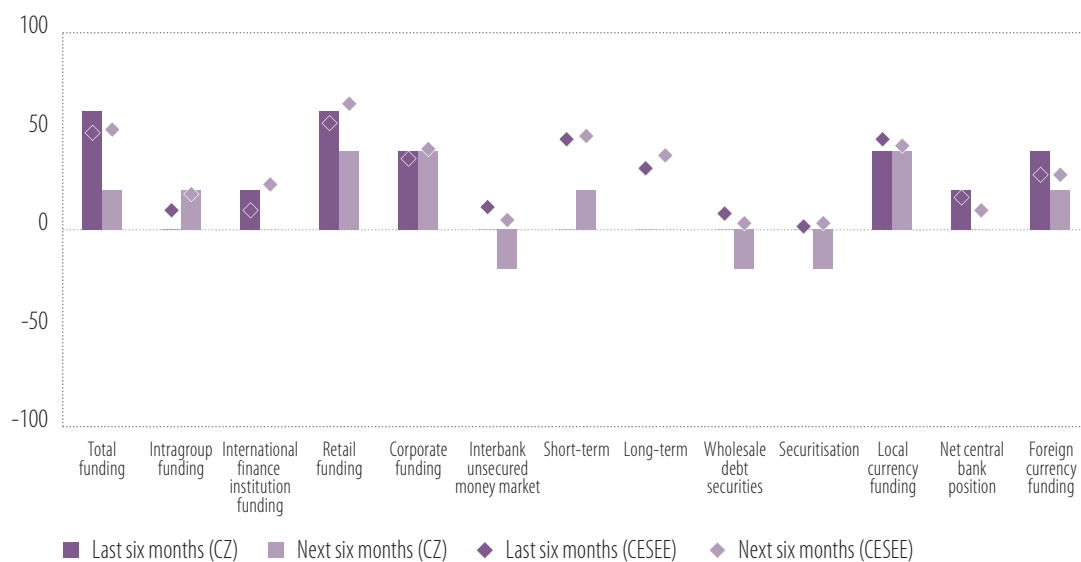
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Banks experienced easier retail and corporate funding conditions. A smaller proportion of banks expect this trend to continue.

**Figure 9**  
Access to funding (in %)



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# HUNGARY

**Credit demand has increased and credit supply has remained unchanged in Hungary in the last six months. According to banks operating in Hungary, market potential is broadly unchanged, but profitability has worsened. Loan quality has slightly improved and the outlook is positive.**

## SUMMARY

**Group assessment of positioning and market potential:** Perceptions of market potential in Hungary are broadly unchanged, with all banks considering it either high or medium. While most international banking groups reported higher profitability for Hungarian operations compared to overall group operations, the banks’ evaluation is less favourable than in the previous survey round. Banks’ market positioning in Hungary has slightly declined compared to the previous survey round, with 100% of banks only considering it to be satisfactory.

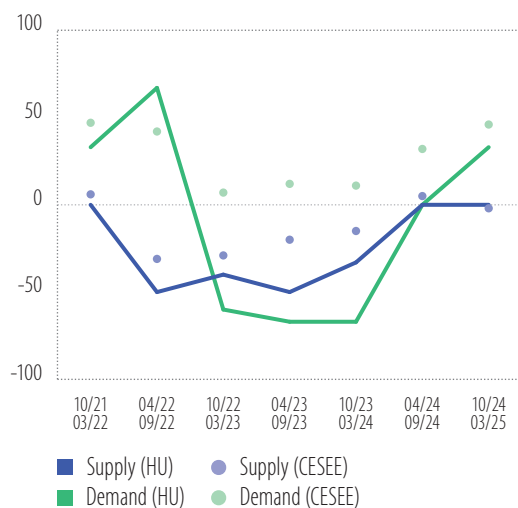
**Credit demand:** In Hungary, credit demand has increased overall. Demand from consumers has increased, while demand from corporates has declined. In the next six months, banks expect an increase in credit demand from the enterprise segment. Growth in household credit demand is expected to decelerate.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – have remained unchanged in the last six months and banks expect some easing overall for the next six months.

**Access to funding:** In Hungary, access to funding has improved in the last six months and is expected to improve in the next six months.

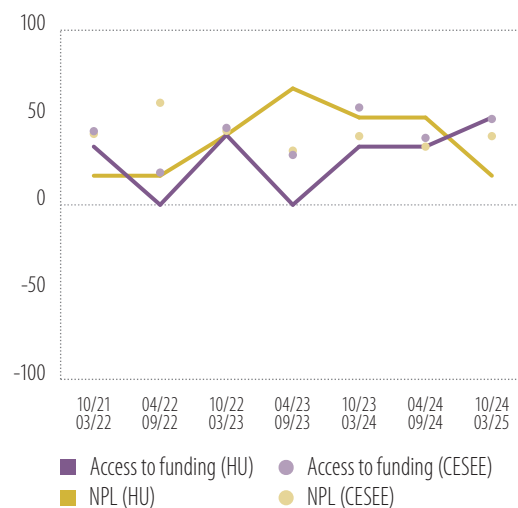
**Non-performing loans (NPLs):** Overall, NPL ratios in Hungary have improved slightly in the last six months, especially due to improvements in the retail segments.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

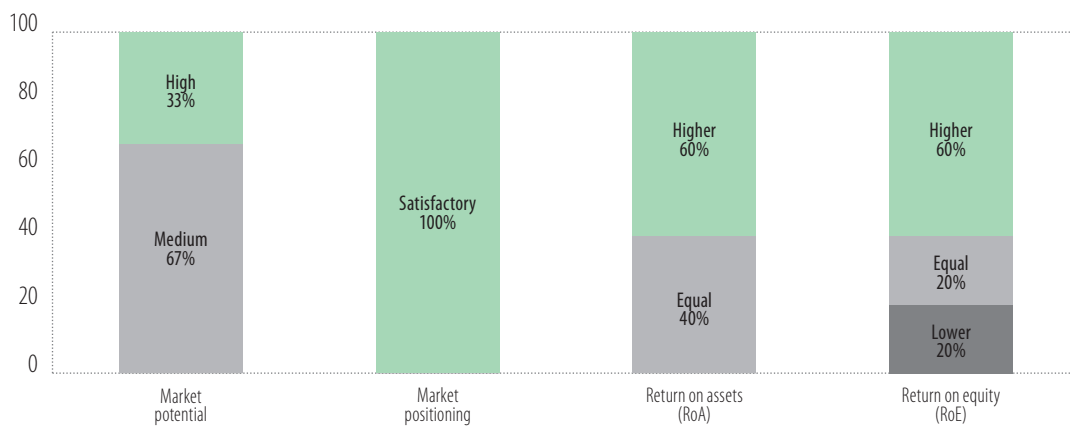


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

## CESEE Bank Lending Survey – parent bank level

CESEE banking groups consider the market potential in Hungary to be medium (67%) or high (33%). Banks' market positioning in Hungary has slightly declined compared to the previous survey round, with 100% of banks only considering it to be satisfactory. Most banks (60%) report that profitability is higher than the parent bank. Profitability has declined compared to the previous survey round.

**Figure 1**  
Market potential and positioning



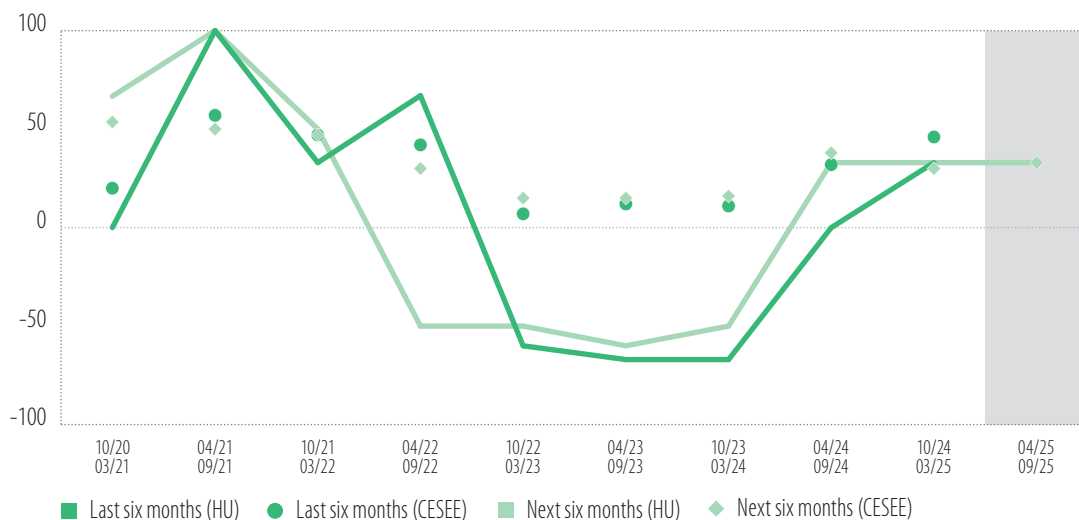
Source: EIB – CESEE Bank Lending Survey.

Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

## CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand has increased as expected, in line with the regional trend.

**Figure 2**  
Aggregate demand developments (in %)

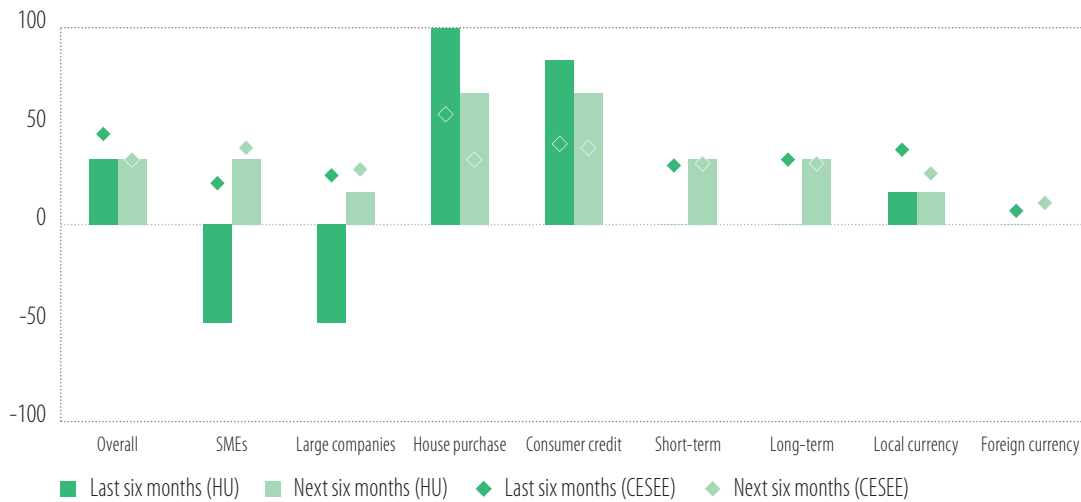


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t+1$ . See question B.Q5 in the Annex.

The increase in demand is driven mainly by the mortgage market and the consumer credit segments. Demand from the corporate sector has declined.

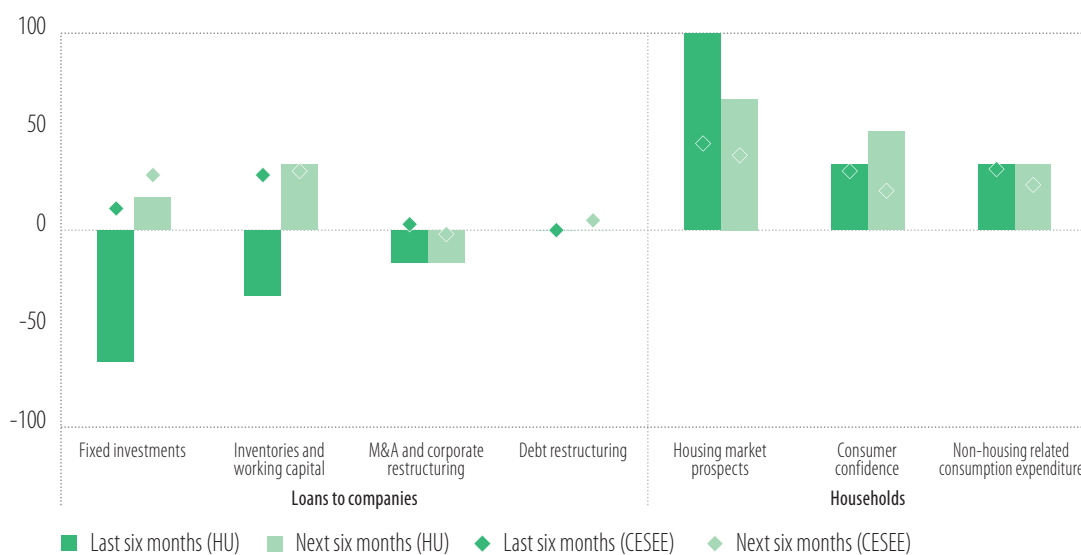
**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Banks expect an increase in credit demand from the enterprise segment. Past growth in household credit demand is expected to decelerate.

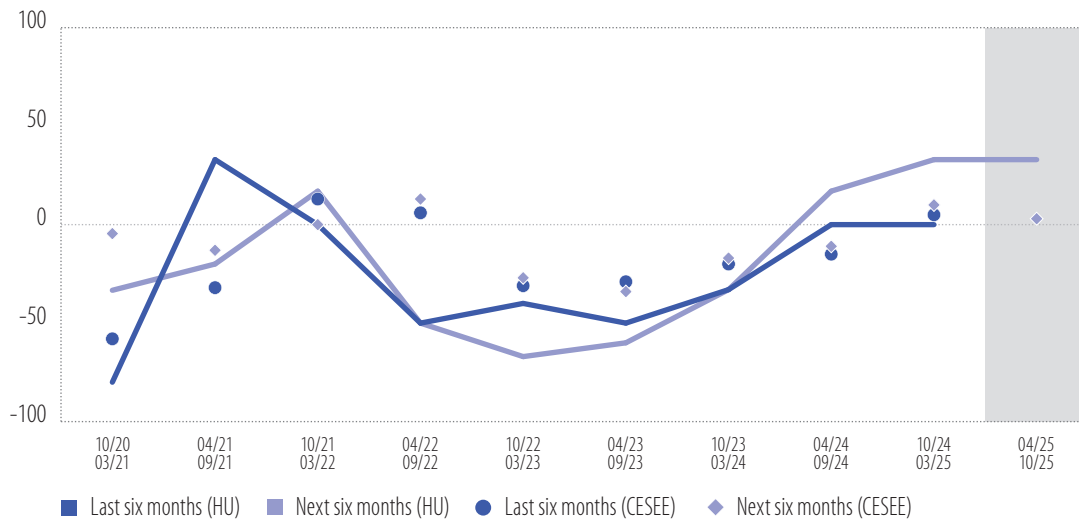
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Banks reported that credit supply had remained unchanged, despite the positive outlook in the last survey round.

**Figure 5**  
Aggregate supply developments (in %)

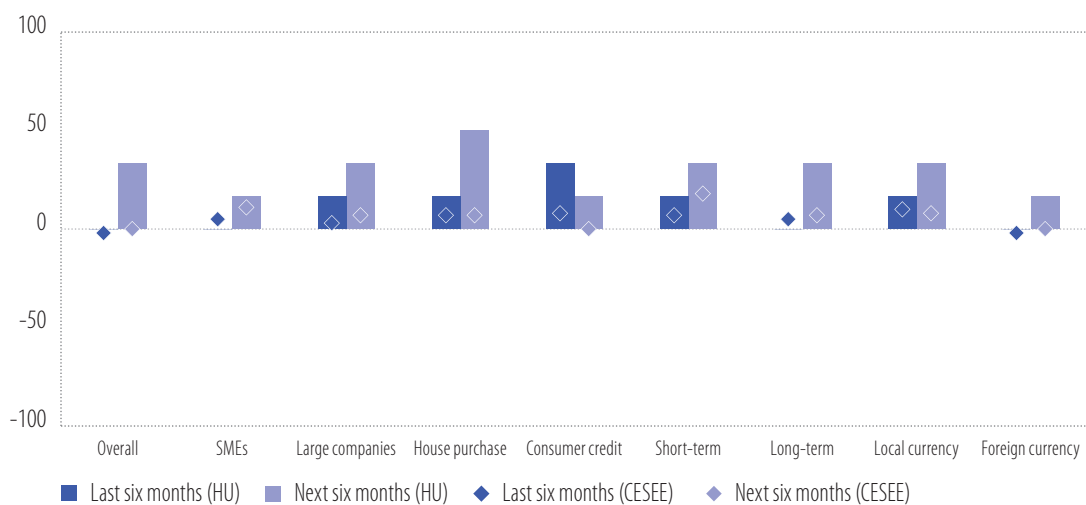


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Overall supply conditions are expected to improve slightly. Easing is expected for some segments, namely for large companies and for mortgages.

**Figure 6**  
Supply components and segments (in %)

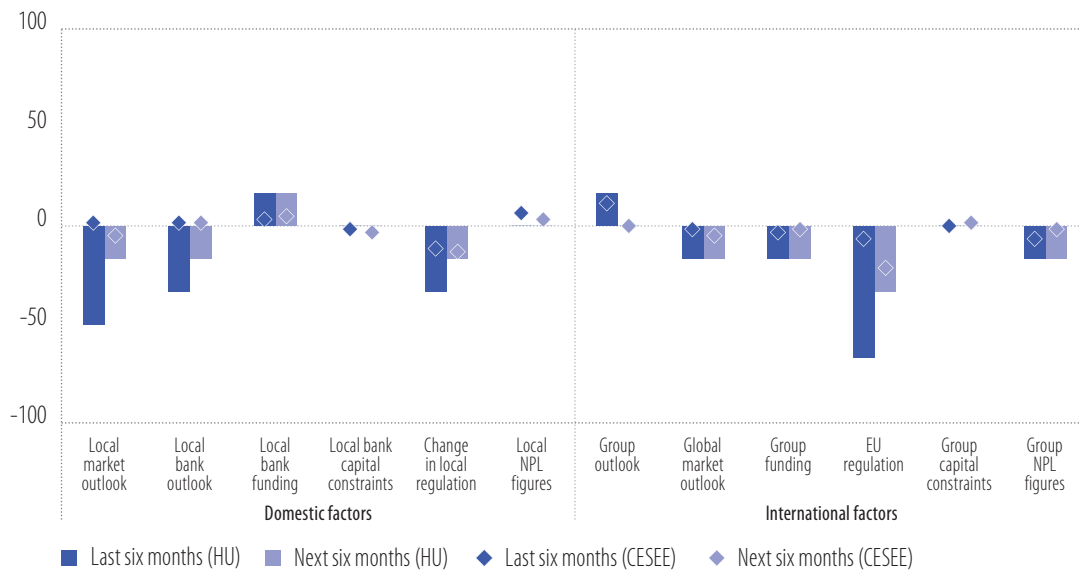


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Both domestic and international factors are contributing negatively to credit supply, especially local market and bank outlooks and EU regulation.

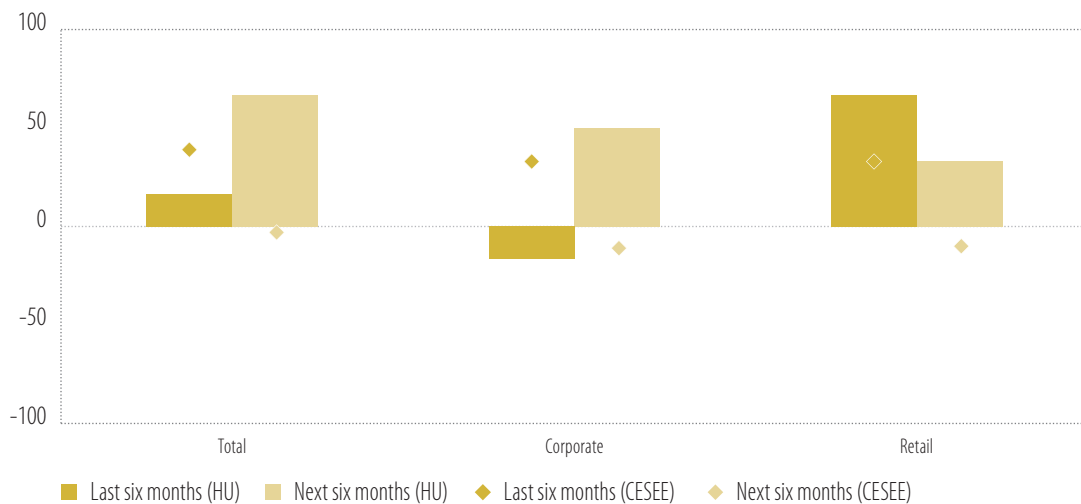
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Non-performing loan ratios in Hungary have improved in retail and have somewhat deteriorated in the corporate segment over the last six months. The outlook for the next six months foresees improvement in all segments.

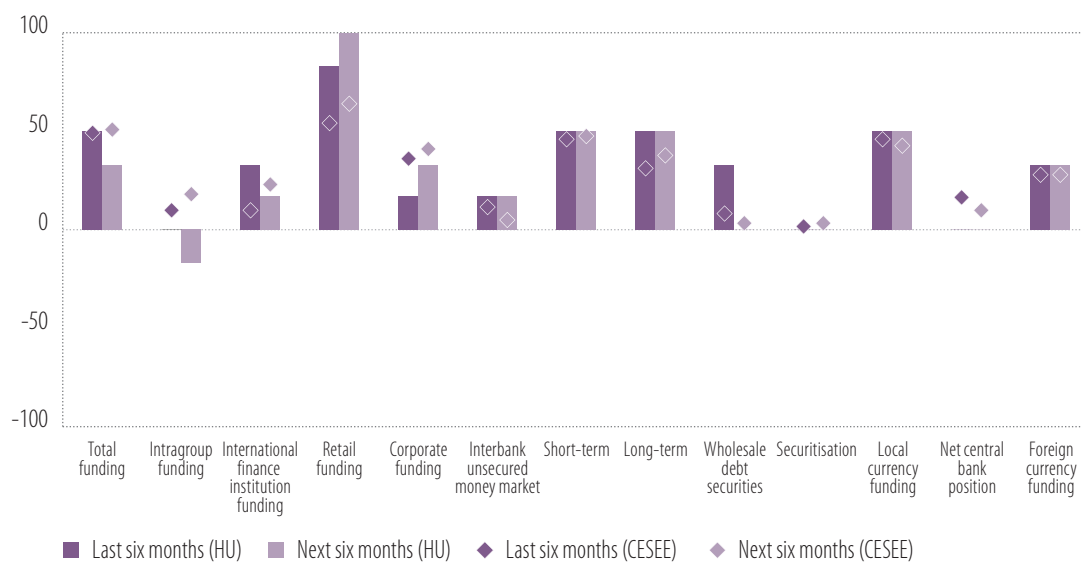
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions are positive and are expected to remain favourable, driven by retail funding.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# KOSOVO<sup>3</sup>

**Credit demand has remained positive in the last six months, while supply conditions have been broadly flat. In the next six months, credit supply is expected to expand amid stable demand. Credit quality has improved and access to funding is projected to be positive.**

## SUMMARY

**Group assessment of positioning and market potential:** International banking groups have reported that the market potential in Kosovo is either medium or high – better than the previous survey round – while market positioning is optimal. Profitability is higher than overall group operations.

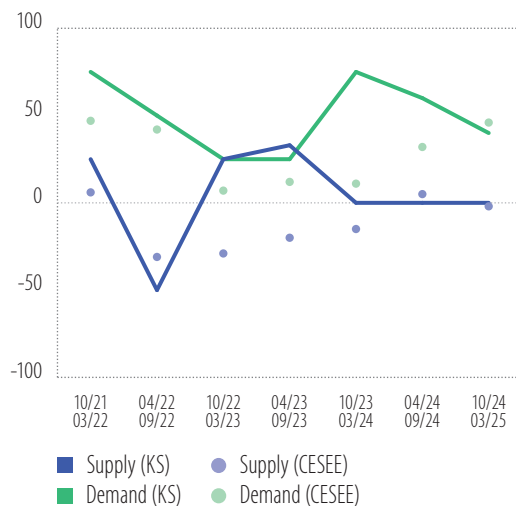
**Credit demand:** In Kosovo, credit demand has expanded in line with the regional average, supported by positive developments in the small and medium-sized enterprise (SME), consumer credit and house purchase segments. Demand conditions are expected to stabilise in the next six months, in line with the regional average.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – have been neutral in the last six months and are expected to improve, broadly in line with regional patterns.

**Access to funding:** In Kosovo, access to funding has been positive and better than the regional average and is expected to remain favourable in the next six months.

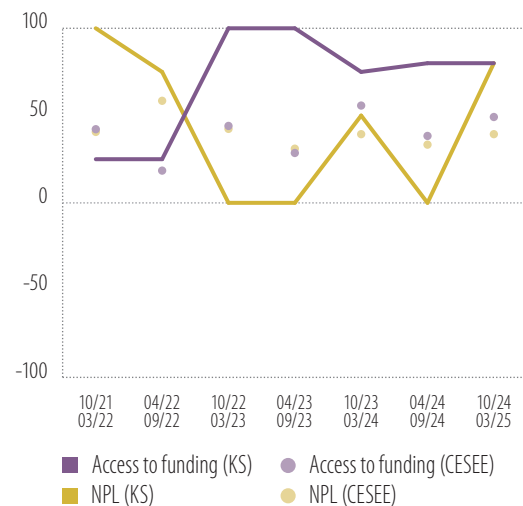
**Credit quality:** Credit quality has improved more than the regional trend in the last six months (non-performing loan ratios have declined) but credit quality is expected to deteriorate in the corporate sector for the next period.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**



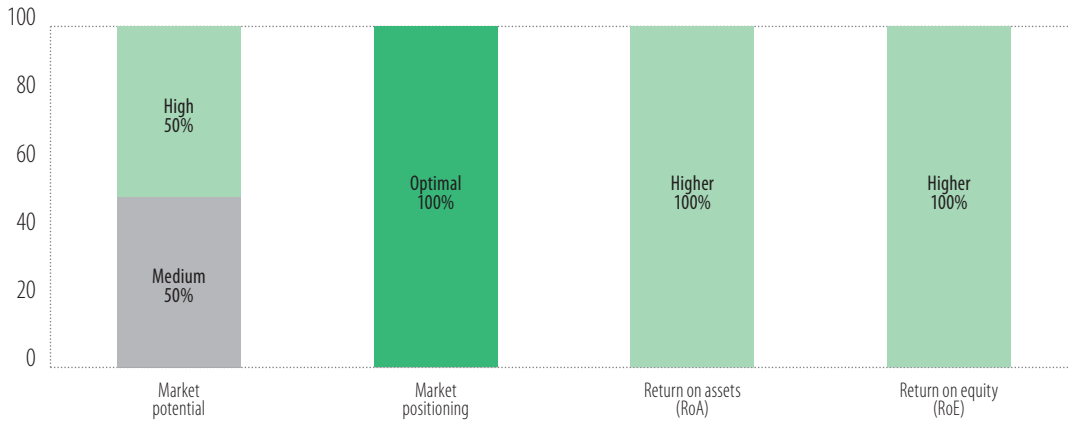
Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

3 The designation of Kosovo is without prejudice to positions on status and it is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

### CESEE Bank Lending Survey results – parent bank level

Half of CESEE banking groups consider Kosovo’s market potential to be medium, while the other half assess it as high. All banking groups assess their positioning on the market as optimal, and they report higher profitability than the parent bank.

**Figure 1**  
Market potential and positioning

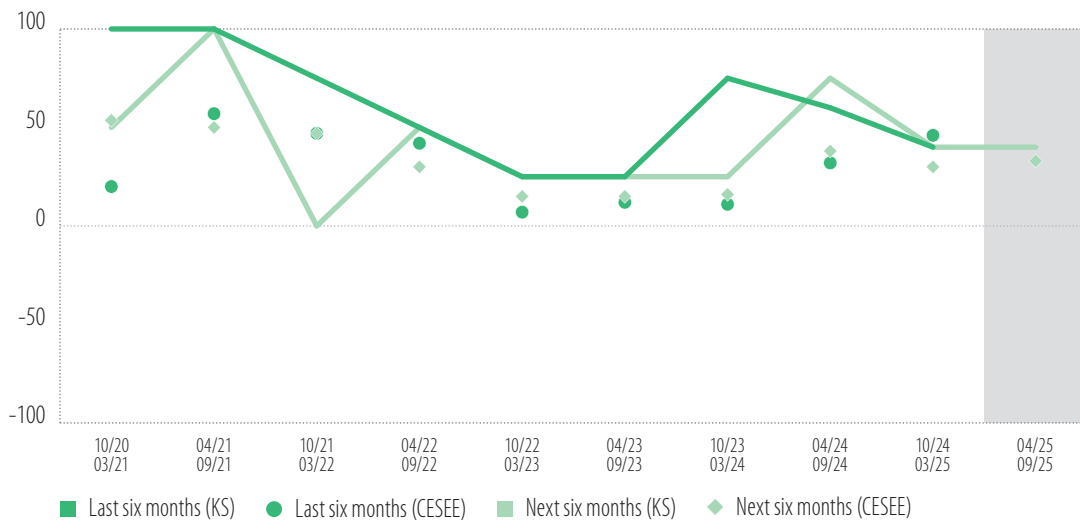


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey results – local bank/subsidiary level

Credit demand has been positive in the last six months but is expected to stabilise in the next six months, broadly in line with regional trends.

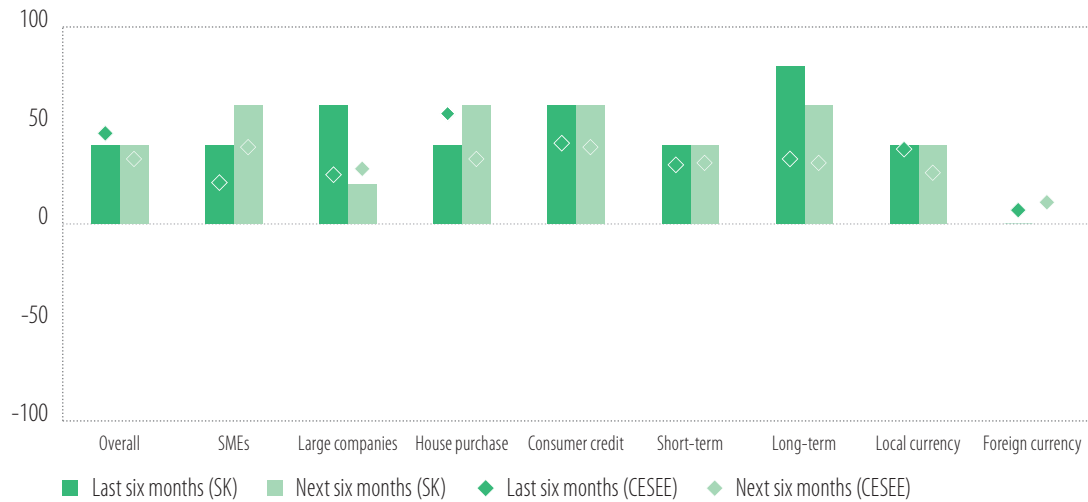
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Credit demand is expected to be supported by positive developments in lending to small and medium-sized enterprises (SMEs) and households, especially for house loans and consumer credit.

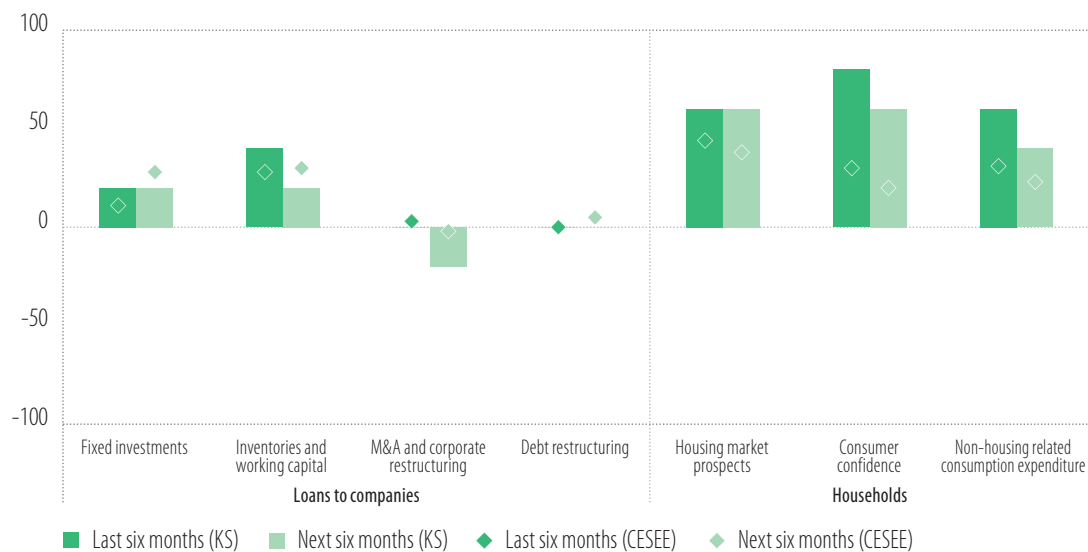
**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Although corporate demand is expected to weaken, recovery in the housing market and higher consumer confidence will support credit demand in the next six months.

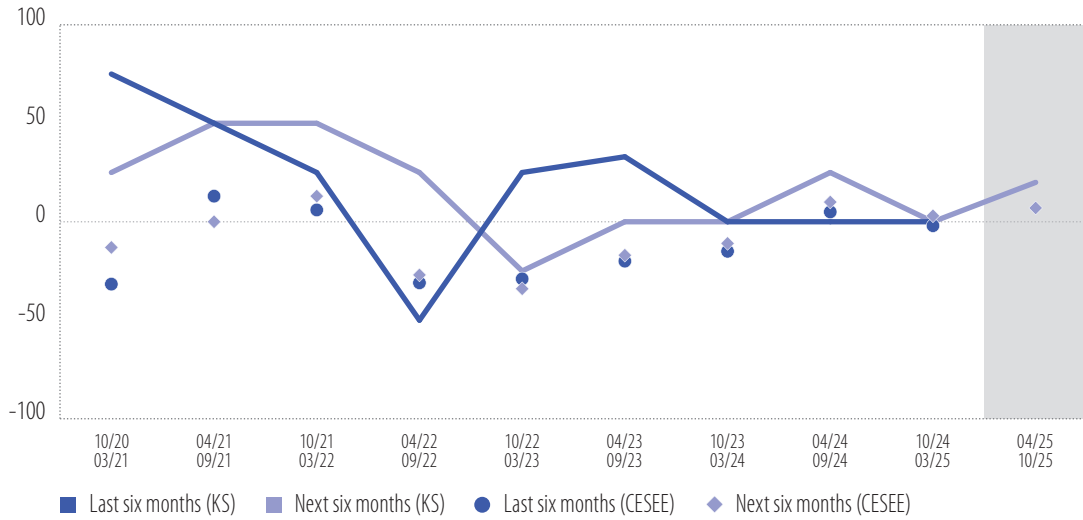
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply has remained stable in the last six months and is expected to expand moderately in the next six months, slightly above the regional average.

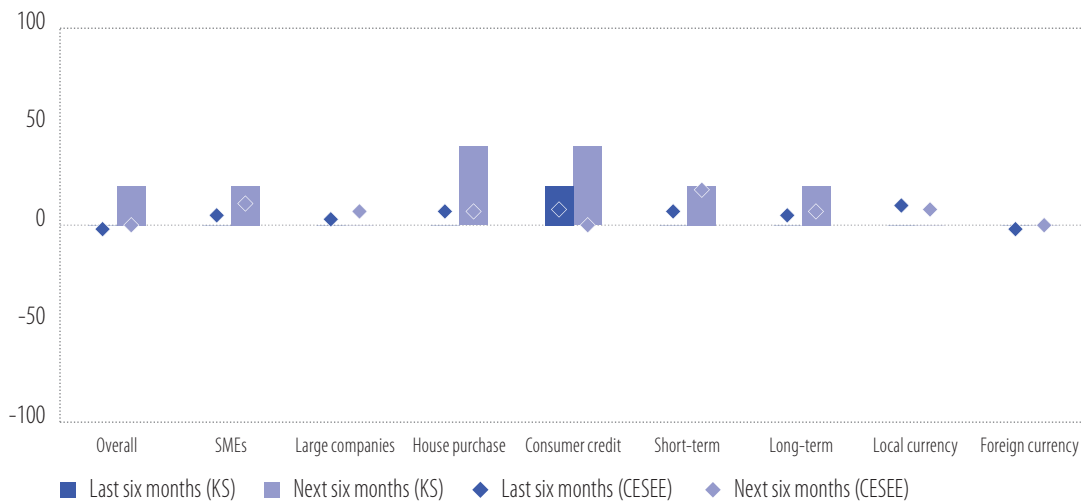
**Figure 5**  
Aggregate supply developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time *t* for the next six months are plotted on the chart at time *t* + 1. See Question B.Q1 in the Annex.

Supply conditions are expected to improve, with positive contributions from housing loans, consumer credit and SMEs, while supply conditions for large companies will remain neutral.

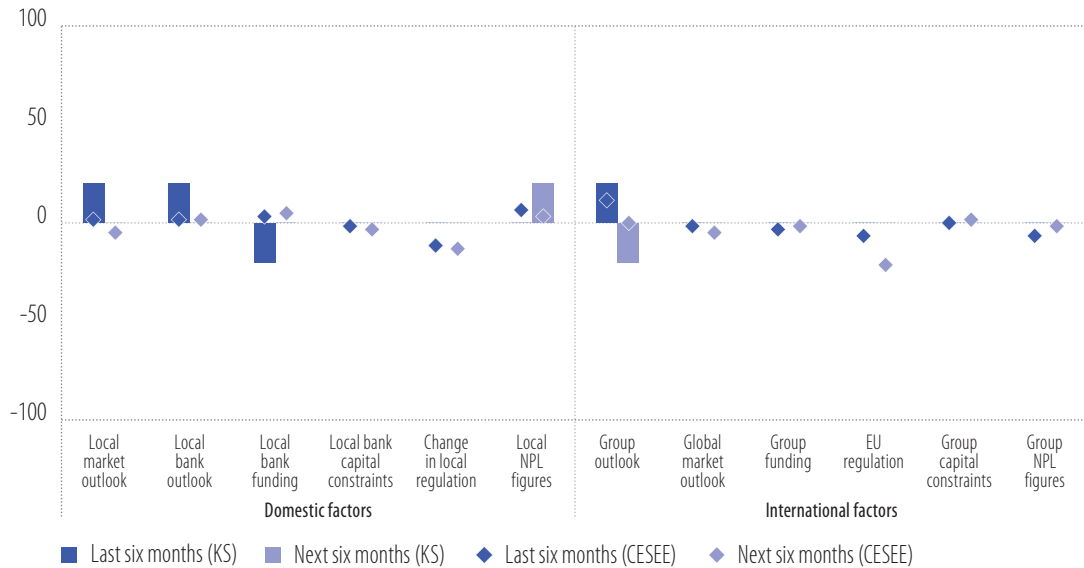
**Figure 6**  
Supply components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Credit supply has been supported by improving local market and bank outlooks, and a stronger group outlook.

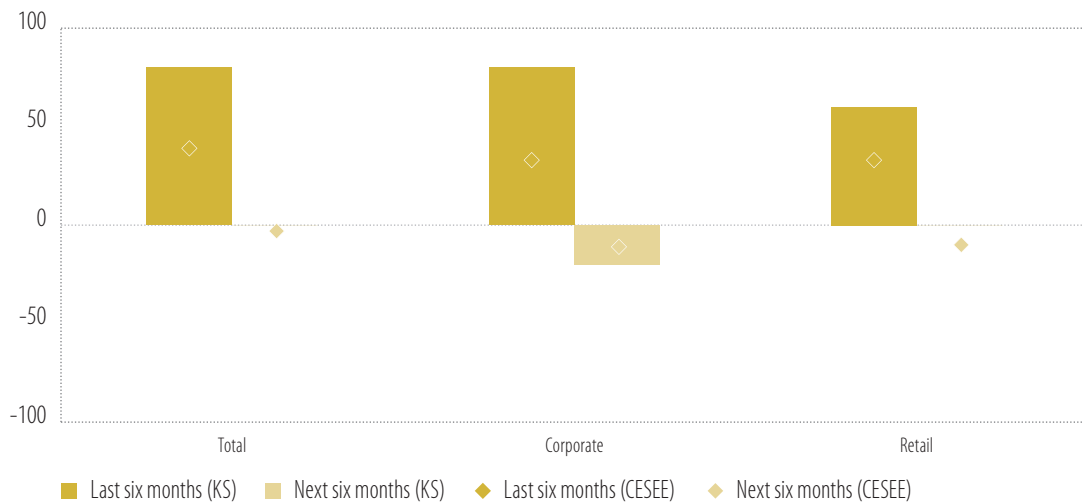
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality has improved in the last six months, more than the regional average, but is expected to deteriorate in the corporate sector.

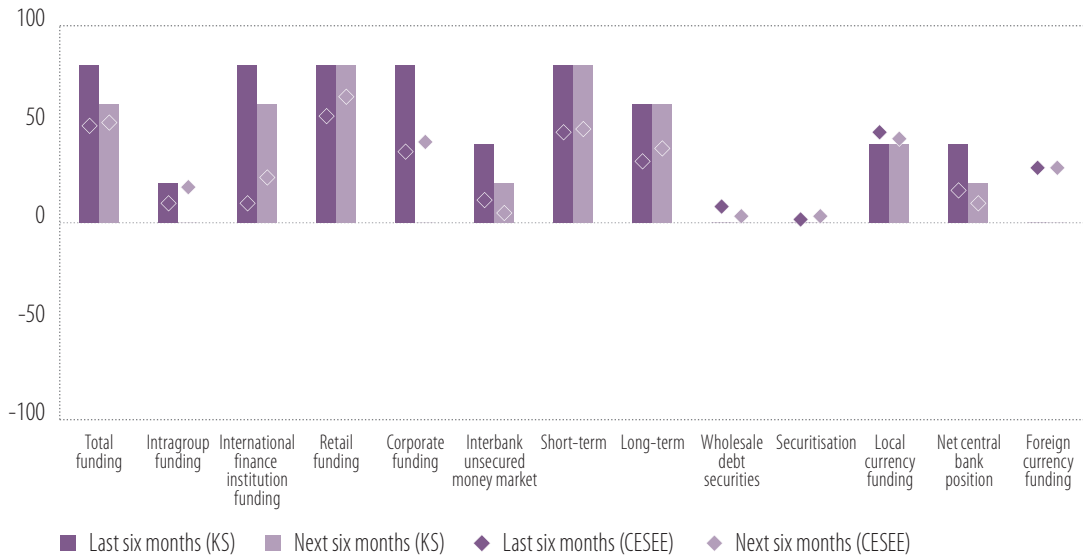
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions are expected to be positive, in line with the regional average, driven by retail funding (namely retail deposits) and international financial institutions (IFIs).

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# NORTH MACEDONIA

**Credit demand has continued to expand while supply conditions have remained tight amid improved funding conditions and credit quality. In the next six months, demand will remain strong and supply will remain neutral.**

## SUMMARY

**Group assessment of positioning and market potential:** All parent banking groups perceive their market positioning as satisfactory and consider the market potential of their North Macedonian operations to be medium. Most banks report that profitability is in line with group profitability, unchanged from the last survey round.

**Credit demand:** In North Macedonia, credit demand has continued to expand in the last six months, above the regional average, supported by positive developments in both the corporate and household sectors. Demand conditions are expected to remain buoyant in the next six months, outpacing the regional trend.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – improved marginally, in line with the regional trend, and are expected to remain broadly unchanged in the next six months.

**Access to funding:** In North Macedonia, access to funding has continued to improve in the last six months and is expected to remain favourable, especially thanks to the retail and corporate deposits.

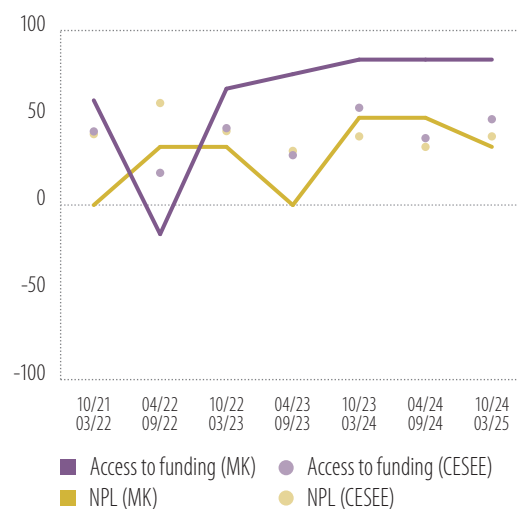
**Credit quality:** Credit quality conditions have been positive over the last six months thanks to positive developments in the corporate segment and are expected to deteriorate overall (from weaker credit quality in retail) in the next six months.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

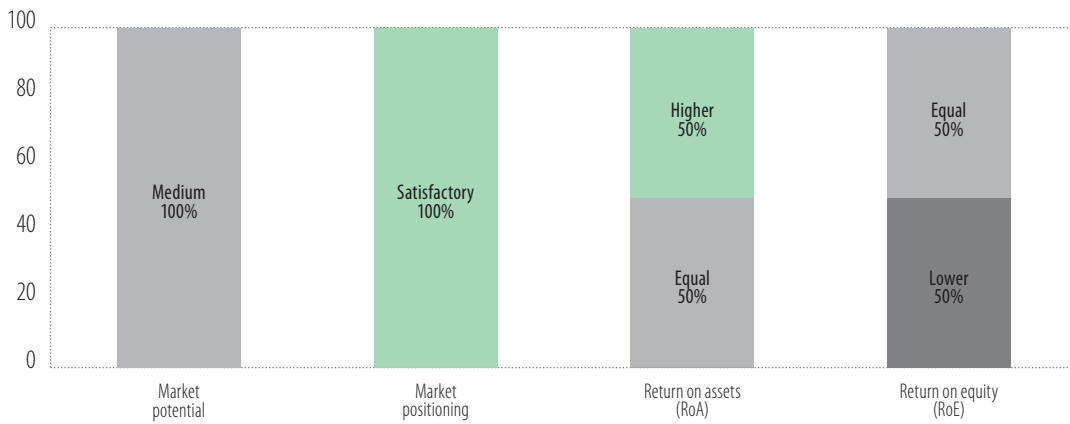


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey – parent bank level

All CESEE banking groups consider North Macedonia’s market potential to be medium and are satisfied with their positioning. Profitability is in line with the parent bank for most subsidiaries.

**Figure 1**  
Market potential and positioning

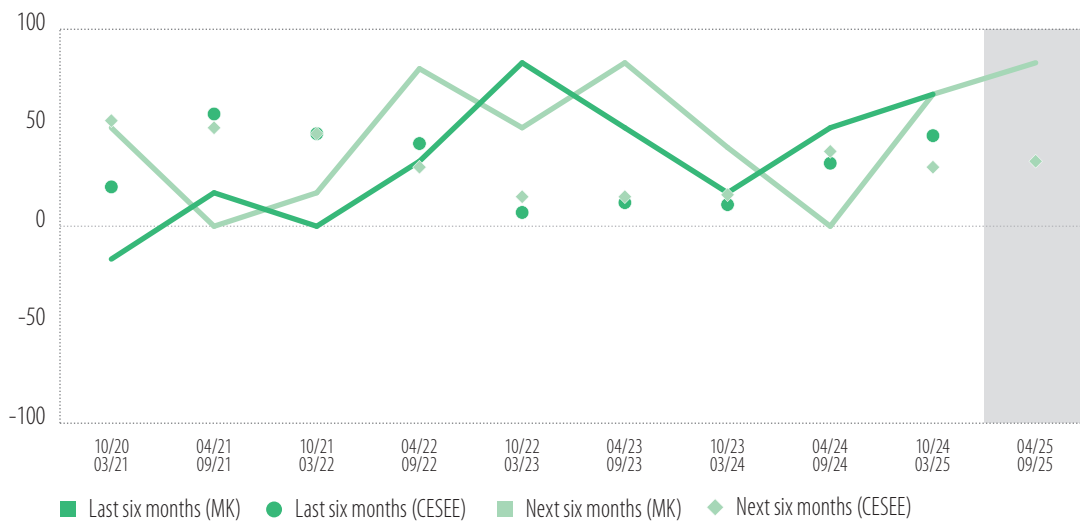


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand has increased in the last six months and is expected to remain buoyant, stronger than the regional average.

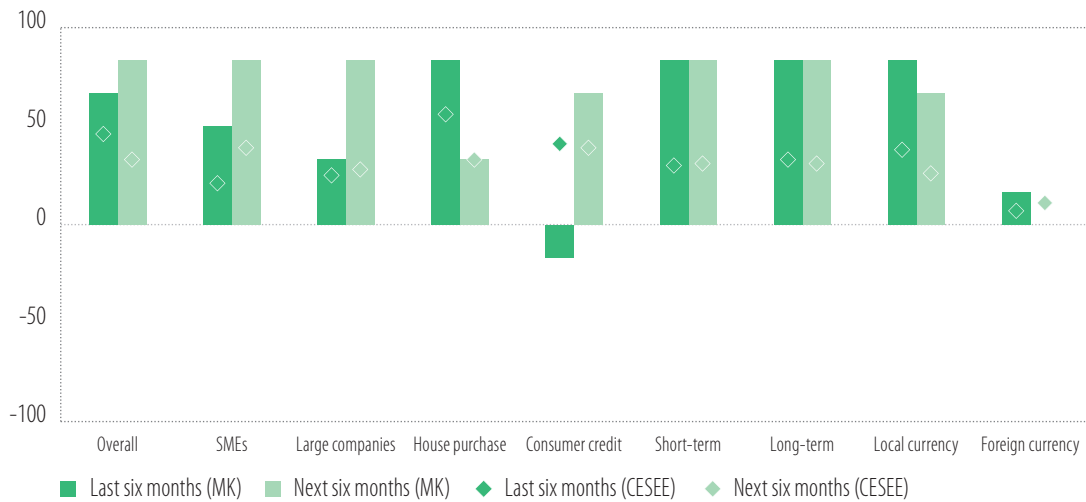
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Both corporate and retail segments have driven credit demand, which is expected to expand during the next six months across all segments and maturities.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Higher investments in fixed assets and working capital are expected to support credit demand in the next six months, combined with recovering housing prospects and stronger consumer confidence.

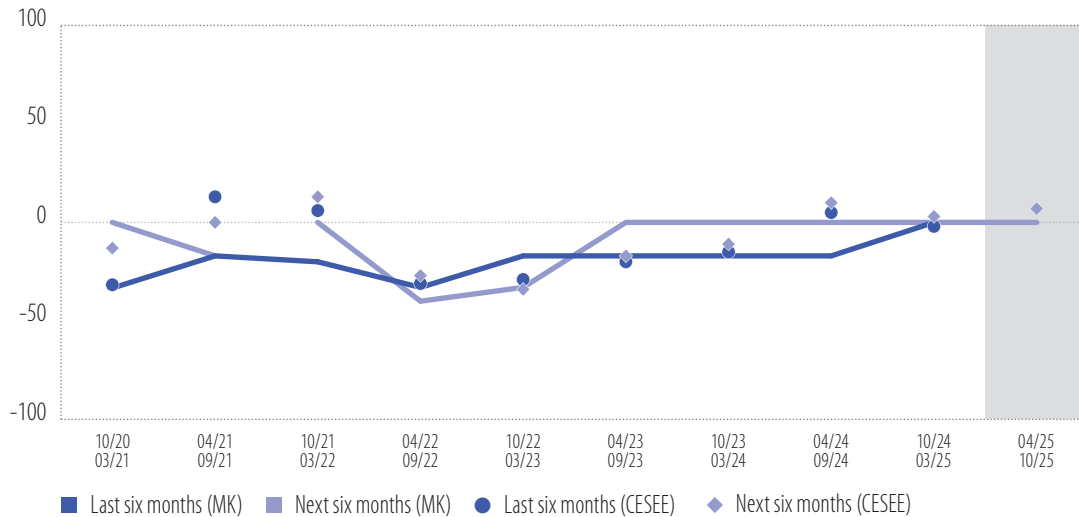
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply is expected to remain neutral, in line with the regional trend.

**Figure 5**  
Aggregate supply developments (in %)

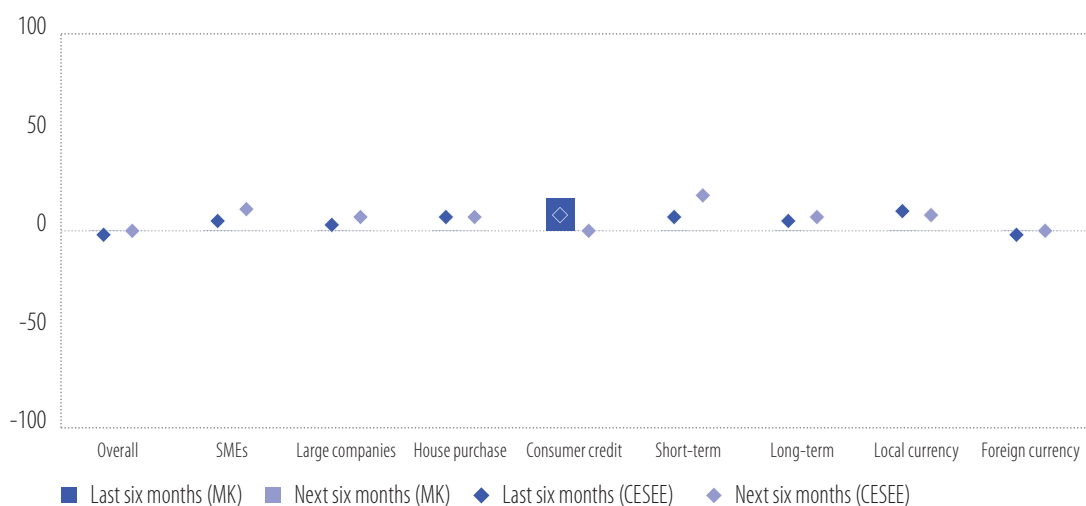


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Credit supply is expected to remain broadly unchanged in the next six months, which is reflected across components and market segments.

**Figure 6**  
Supply components and segments (in %)

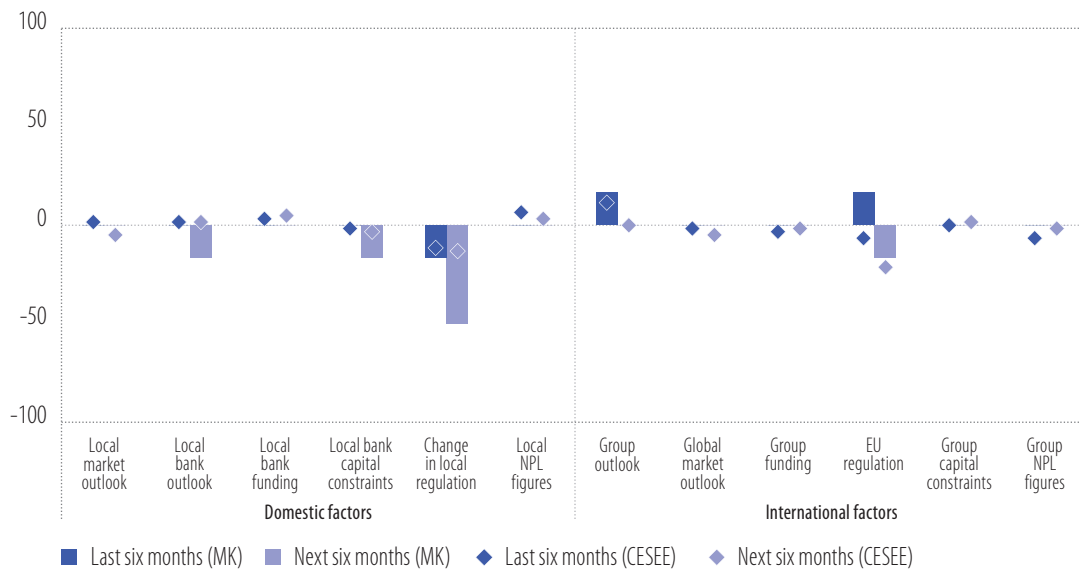


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Changes in domestic regulation are expected to contribute negatively to credit supply, while most other domestic and international factors (except for EU regulation) are expected to be neutral.

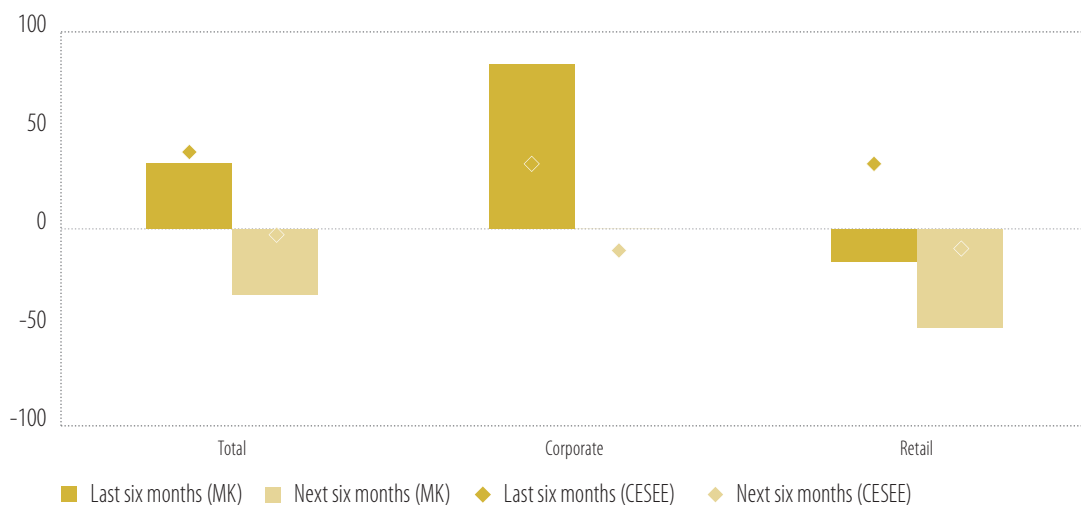
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Overall, credit quality has improved in the past six months thanks to a positive contribution from the corporate segment, but is expected to deteriorate in the future, due to a negative contribution from the retail segment.

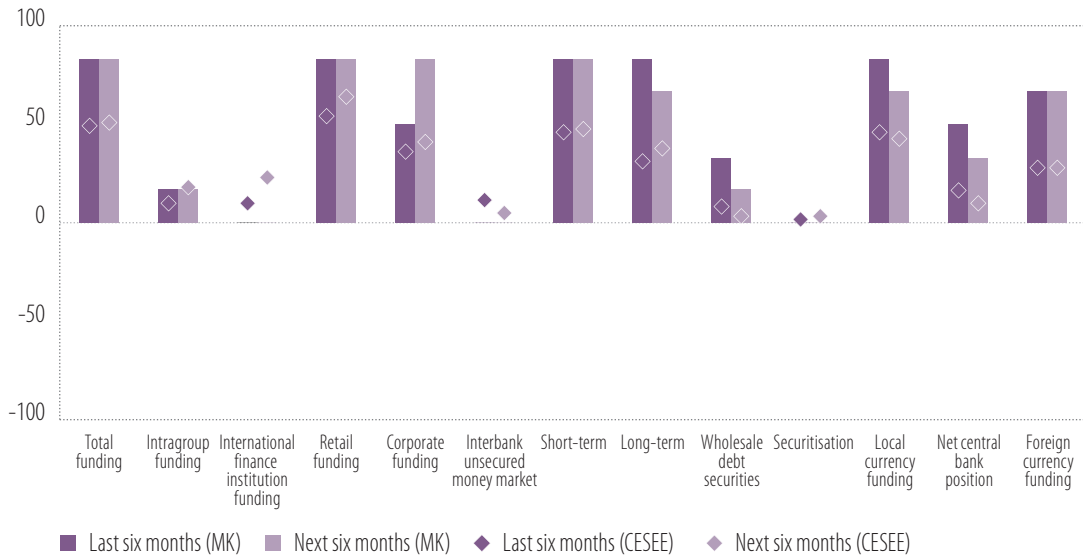
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions have been positive and are expected to remain favourable, especially in the retail and corporate segments.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# ROMANIA

**Credit demand has increased further, while supply conditions have softened slightly. Demand conditions are expected to continue the positive trend while supply conditions are expected to remain neutral in the next six months. Liquidity conditions have improved while credit quality has remained unchanged. Market potential is considered high, and profitability is mainly considered higher than or equal to the parent bank.**

## SUMMARY

**Group assessment of positioning and market potential:** All parent banks consider the Romanian market to have high potential and most of the banks report higher or equal profitability than at the group level.

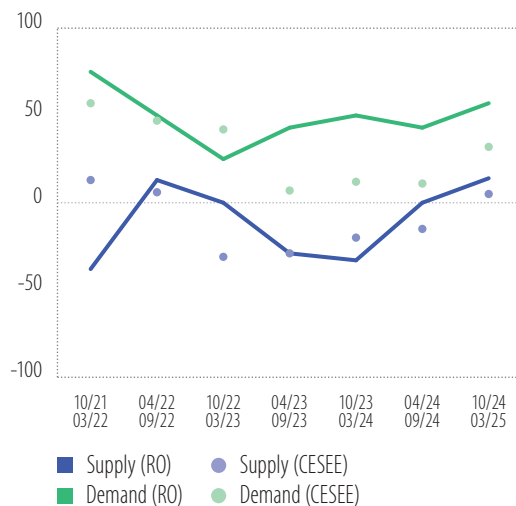
**Credit demand:** In Romania, credit demand continued to increase, more than the regional average. Most of the segments registered an improvement, while demand for consumer loans declined. The positive trend in credit demand is expected to continue in the next six months, in a similar way to the wider region.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – improved and are expected to remain neutral in the next six months.

**Access to funding:** In Romania, access to funding improved further and is expected to stay positive in the next six months.

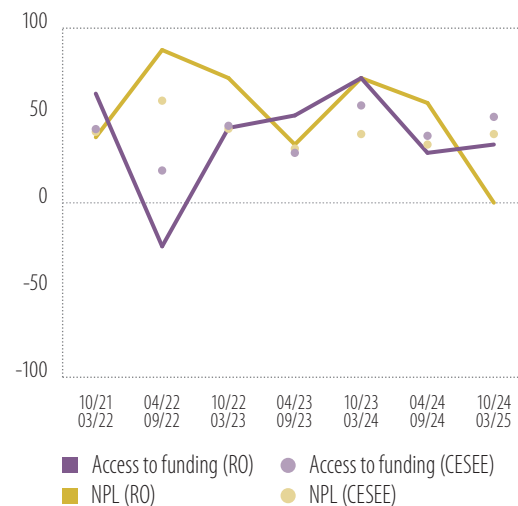
**Non-performing loans (NPLs):** NPL ratio have not changed over the last six months and is expected to remain the same for the next period.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

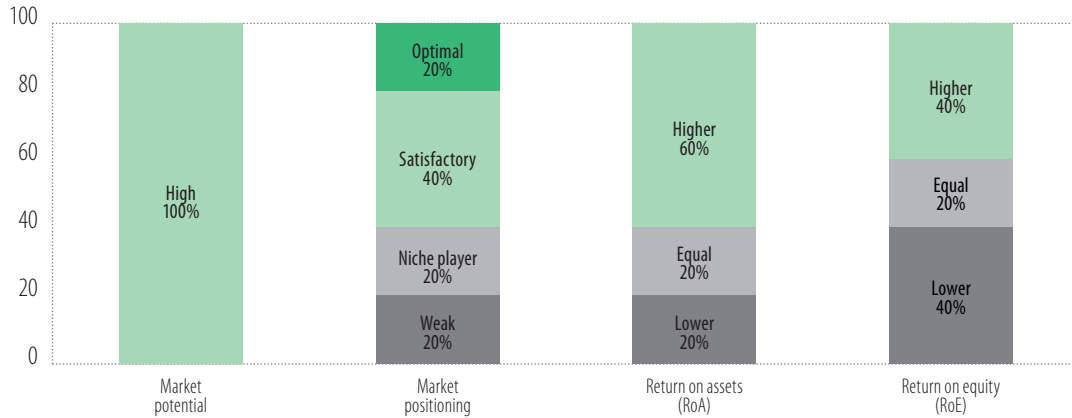


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey – parent bank level

All CESEE banking groups consider Romania’s market potential to be high, and the majority report higher or equal profitability compared to the parent bank.

**Figure 1**  
Market potential and positioning

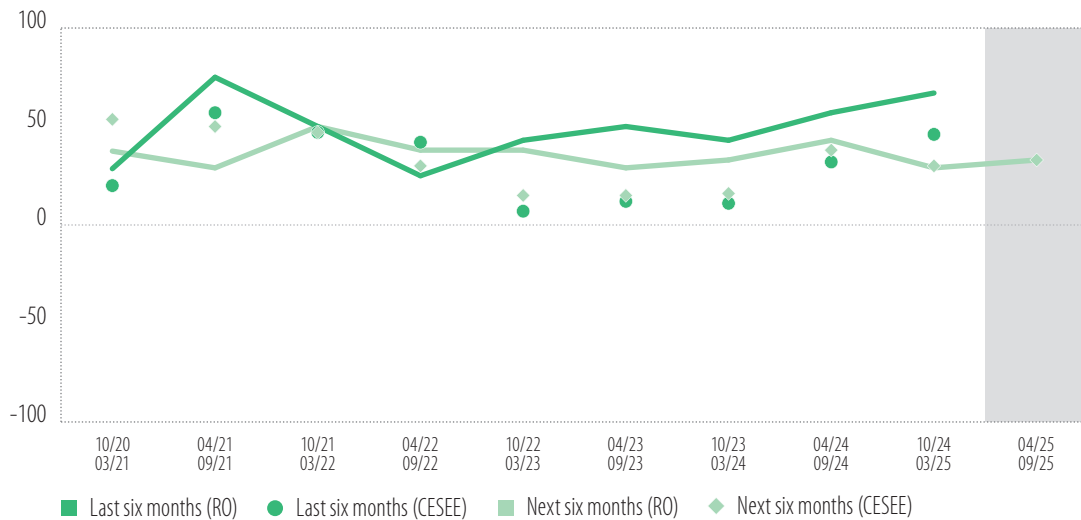


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand increased more than the regional average and the positive trend is expected to continue in the next six months.

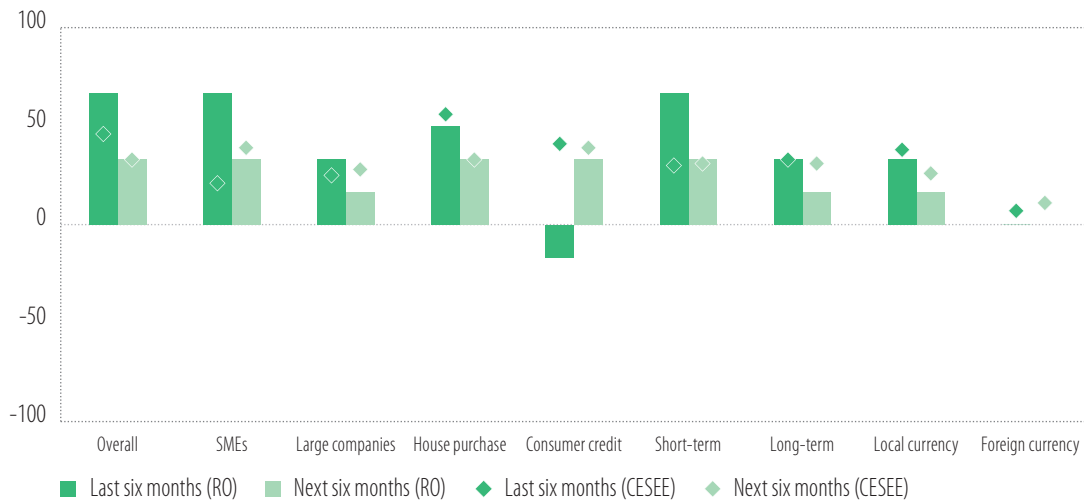
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (dotted line and diamonds) are shifted forward to be comparable to the perceptions series (solid lines and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

The positive demand trend was driven by most of the segments, except the demand for consumer loans, which decreased.

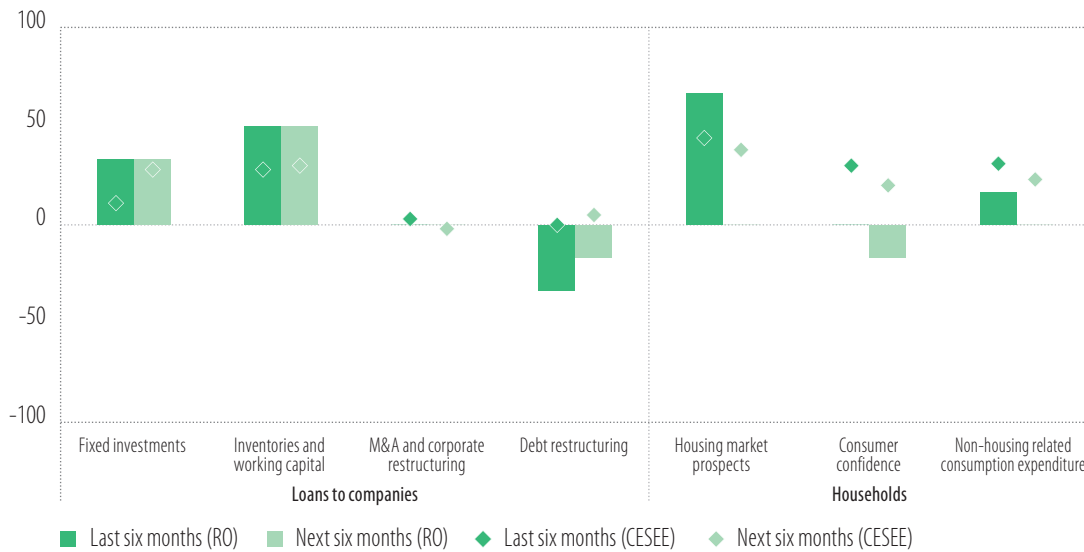
**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Investments in fixed assets, inventories and housing market prospects contributed positively to the demand for loans, and fixed investments and inventories are expected to continue to be positive in the next six months. Debt restructuring contributed negatively and is expected to stay on the negative side for the next period.

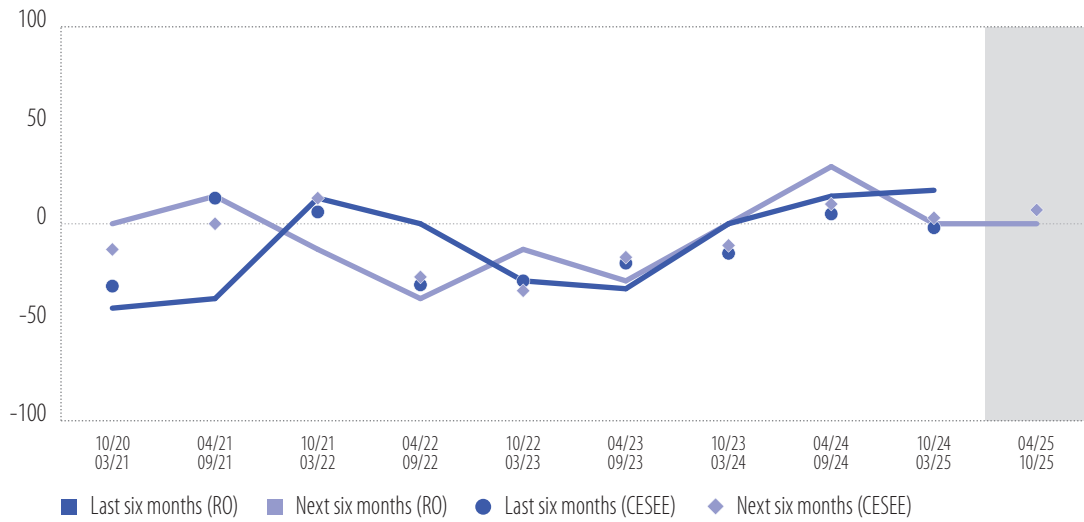
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply conditions have improved in the last six months and are expected to remain neutral in the next period, in line with the regional trend.

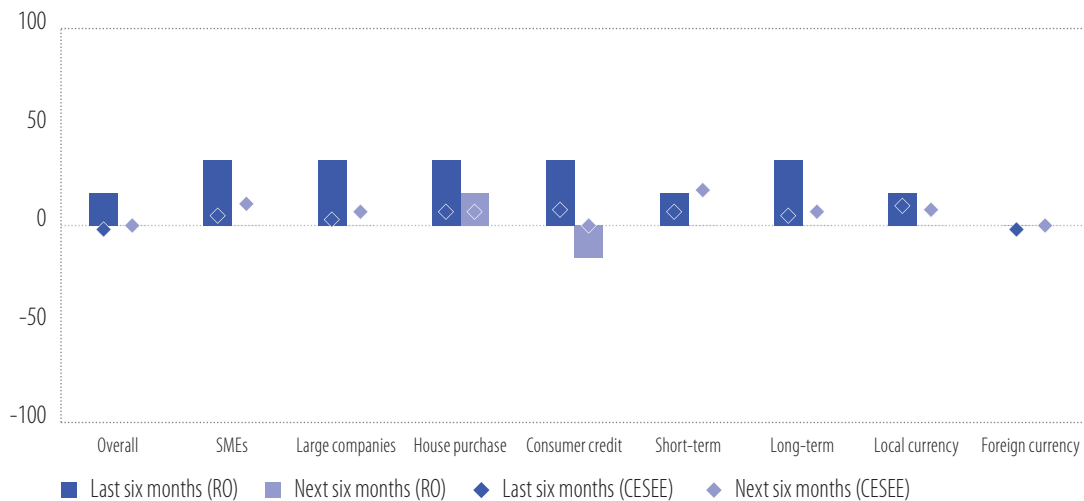
**Figure 5**  
Aggregate supply developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time *t* for the next six months are plotted on the chart at time *t* + 1. See Question B.Q1 in the Annex.

Supply conditions improved for all segments except foreign currency loans, while conditions are expected to remain neutral for most of the segments and to tighten for consumer credit in the next six months.

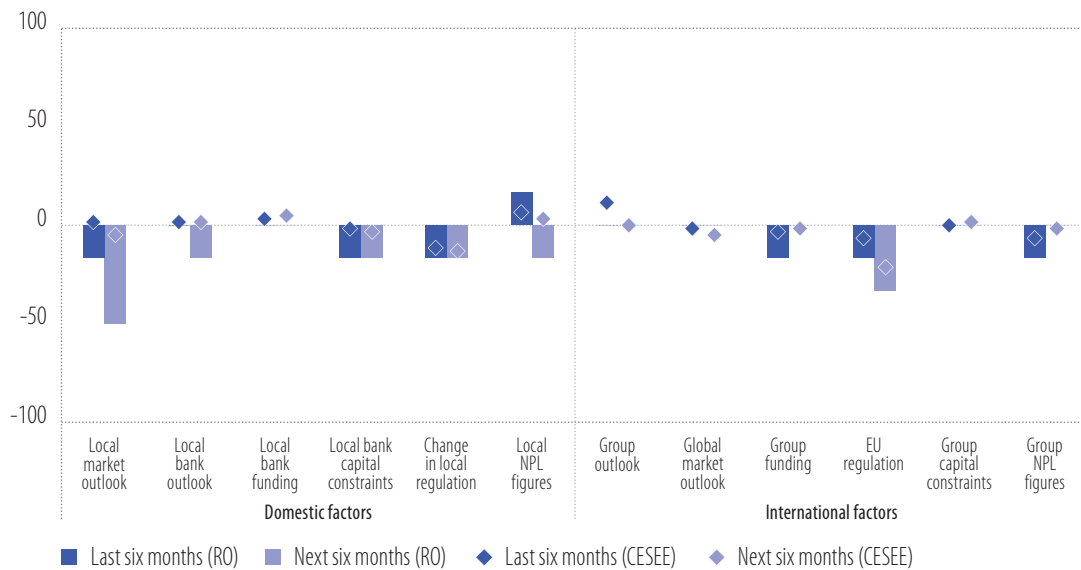
**Figure 6**  
Supply components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Some of the factors contributed slightly negatively to the supply conditions but most of the factors were neutral. Most of the local factors are expected to contribute negatively to supply conditions in the next six months, while international factors are expected to stay neutral.

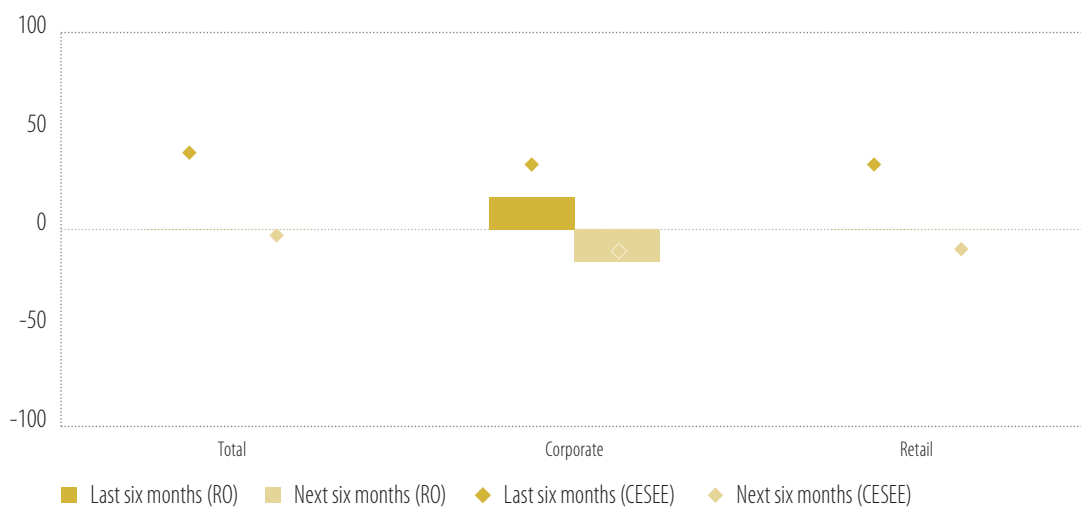
**Figure 7**  
**Factors contributing to supply conditions (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Credit quality has remained the same in the last six months and no change is expected for the next period.

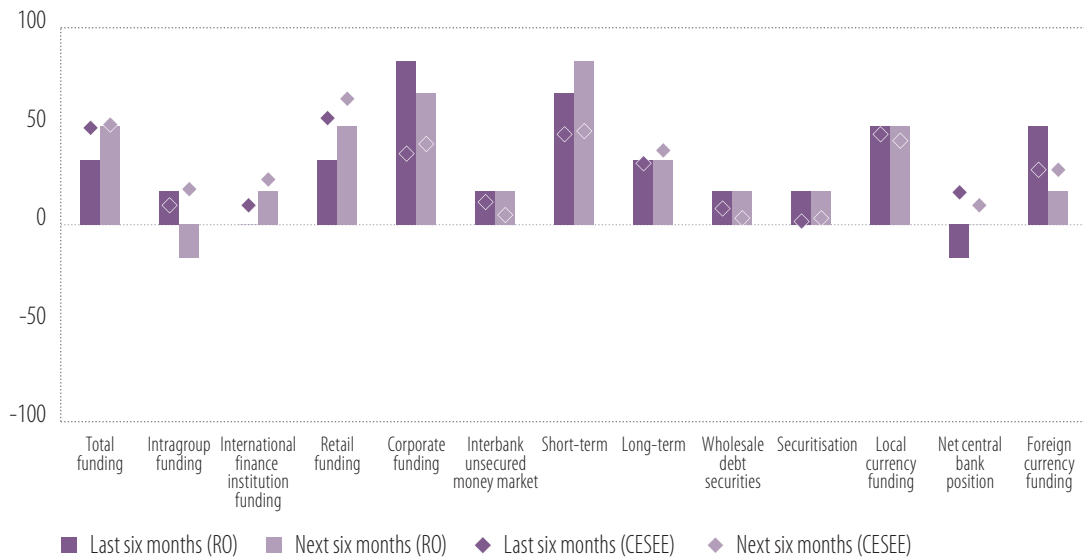
**Figure 8**  
**Credit quality and non-performing loan ratios (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions are positive and are expected to remain favourable, driven mainly by retail and corporate funding.

**Figure 9**  
Access to funding (in %)



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# SERBIA

**Credit demand has continued to expand in the last six months, while supply has decelerated amidst neutral funding conditions. Both demand and supply conditions are expected to expand in the next six months. Funding conditions are expected to improve. Credit quality has improved but is expected to deteriorate.**

## SUMMARY

**Group assessment of positioning and market potential:** The assessment of market potential and market positioning remains strong, with parent banks considering the Serbian market to have medium or high potential, and their positioning to be either satisfactory or optimal. The majority of international banking groups reported higher or equal profitability for Serbian operations compared to overall group operations, but some reported lower profitability.

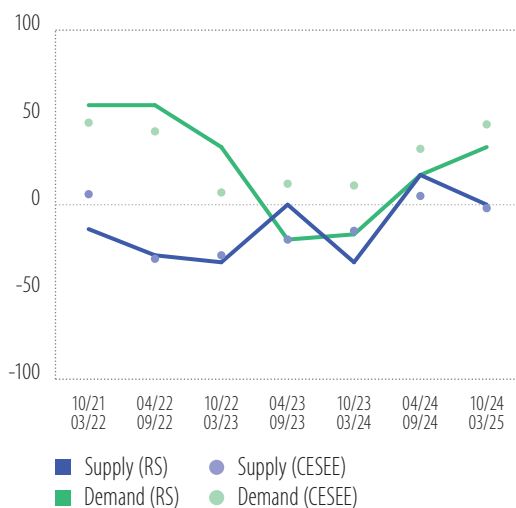
**Credit demand:** In Serbia, credit demand has increased in the last six months, broadly in line with the regional average. Credit demand for consumer credit remains particularly strong. Credit demand is expected to remain favourable in the next six months.

**Credit supply conditions:** Credit supply conditions – which indicate banks’ willingness to extend credit to their clients – were neutral, in line with the regional average, on the basis of muted corporate activity, but are expected to improve in the next six months.

**Access to funding:** In Serbia, access to funding was positive but below the regional average in the last six months and is expected to improve across several markets in the next six months.

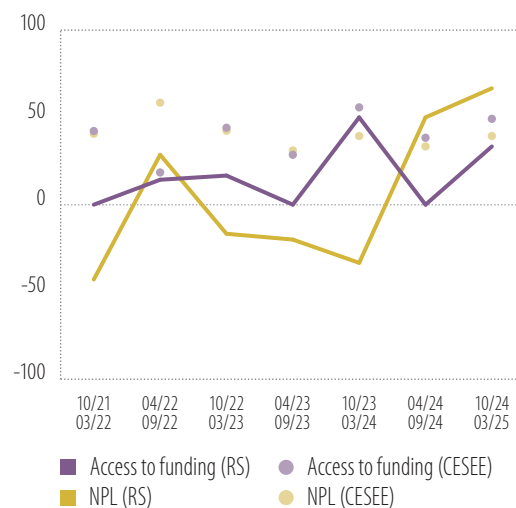
**Credit quality:** In Serbia, credit quality has improved over the last six months, especially in the retail segment, but is expected to deteriorate in the next six months for both retail and corporates.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

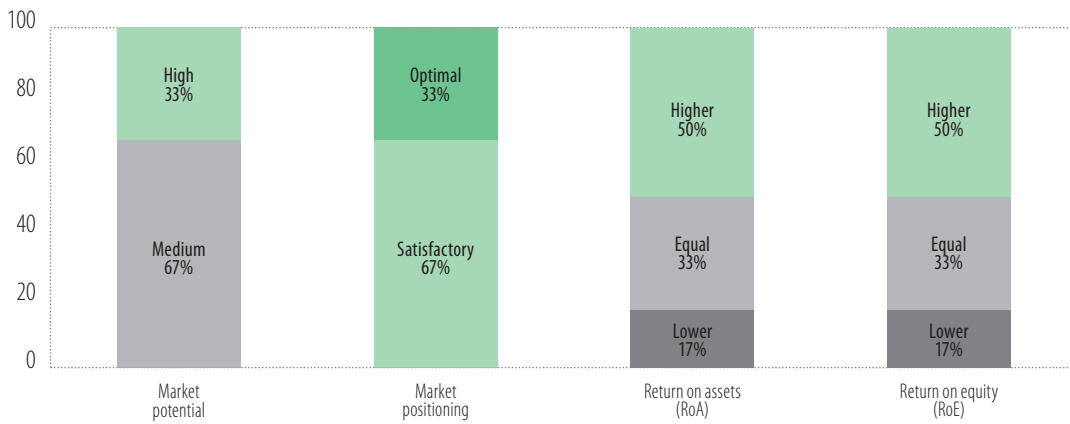


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

### CESEE Bank Lending Survey – parent bank level

CESEE banking groups consider the market potential in Serbia to be medium or high and their positioning to be either satisfactory or optimal. Profitability is higher than the parent bank for most banks, but some report lower profitability.

**Figure 1**  
Market potential and positioning

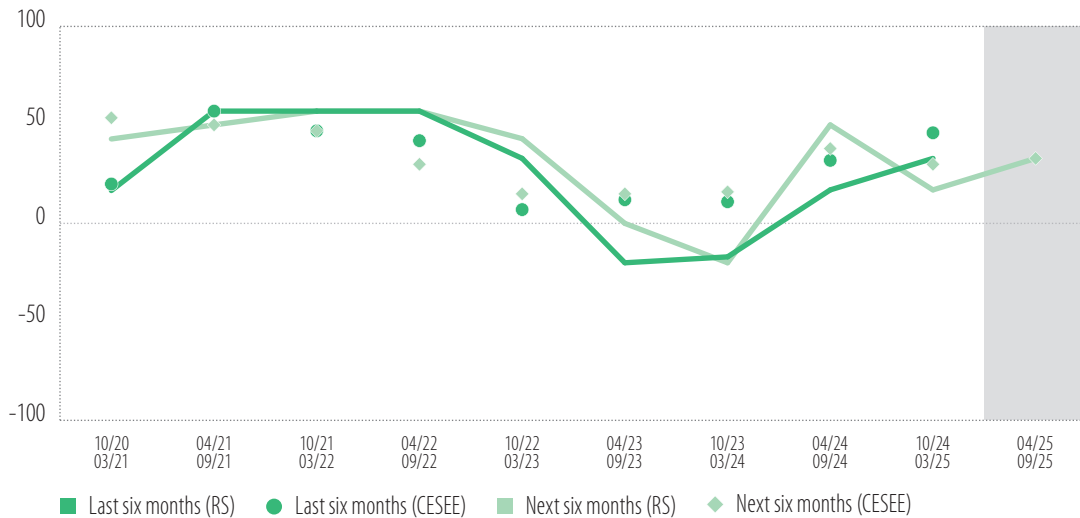


Source: EIB – CESEE Bank Lending Survey.  
Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

### CESEE Bank Lending Survey – local bank/subsidiary level

Credit demand has improved in the last six months and is expected to remain strong, in line with the regional trend.

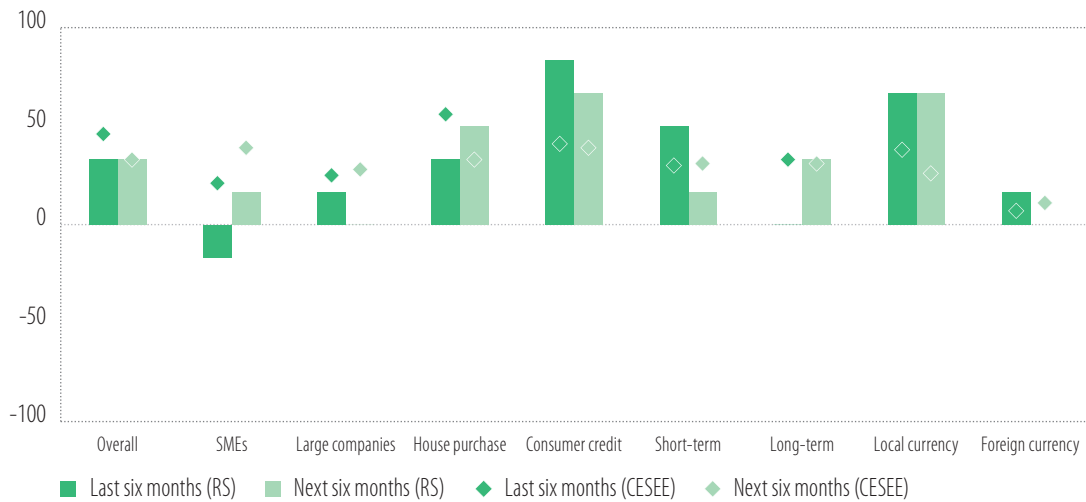
**Figure 2**  
Aggregate demand developments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

It is expected that there will be an expansion in credit demand concentrated in the consumer credit segment.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Better housing market prospects and stronger consumer confidence are expected to support credit demand, while corporate investments and restructuring are projected to remain weak.

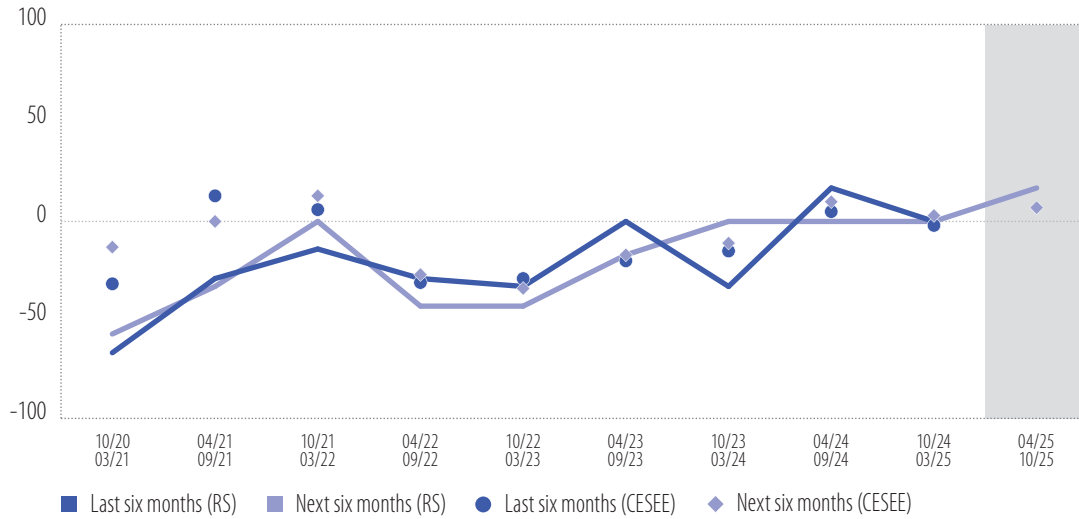
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Credit supply has been stable in the last six months, and is expected to rebound modestly, slightly higher than regional trends.

**Figure 5**  
Aggregate supply developments (in %)

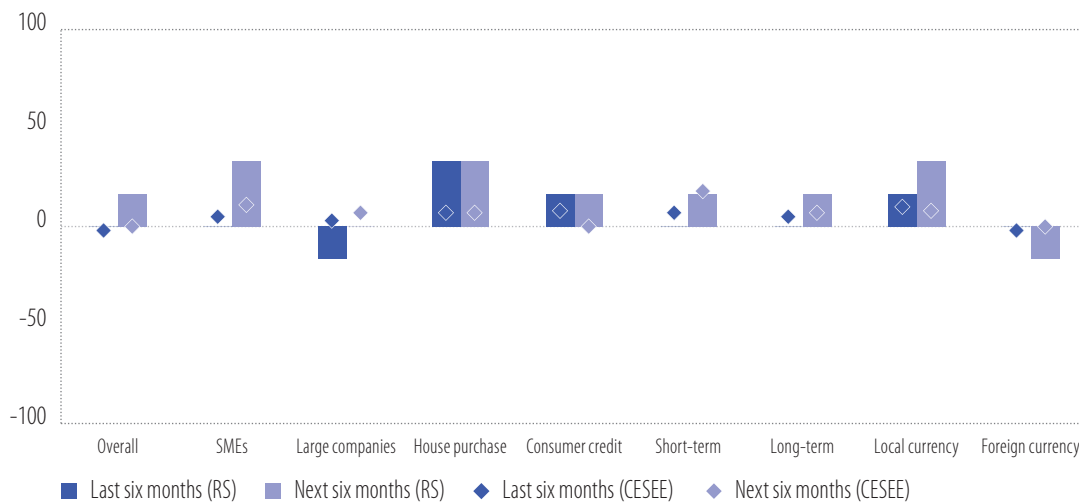


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Supply conditions are expected to improve, especially for small and medium-sized enterprises (SMEs) and housing loans.

**Figure 6**  
Supply components and segments (in %)

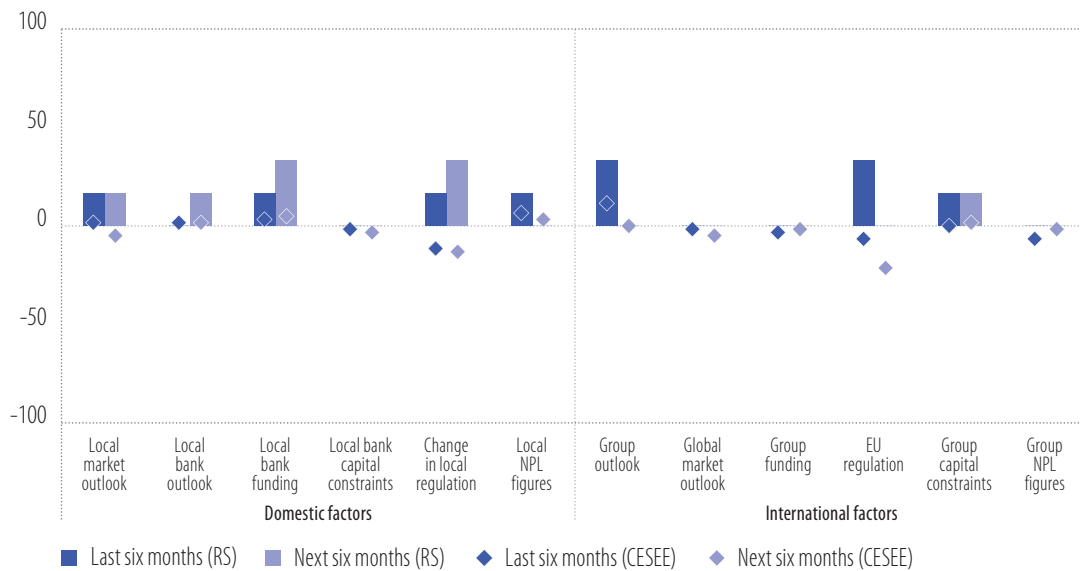


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Domestic regulatory changes are expected to contribute positively to credit supply, along with improving domestic conditions.

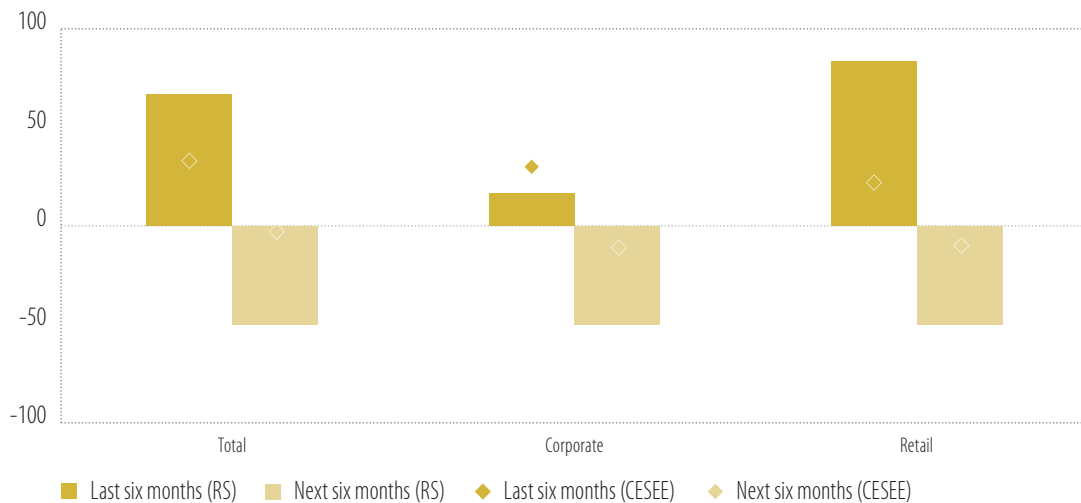
**Figure 7**  
Factors contributing to supply conditions (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Following the improvements of the last six months, credit quality is expected to deteriorate in both the corporate and retail segments.

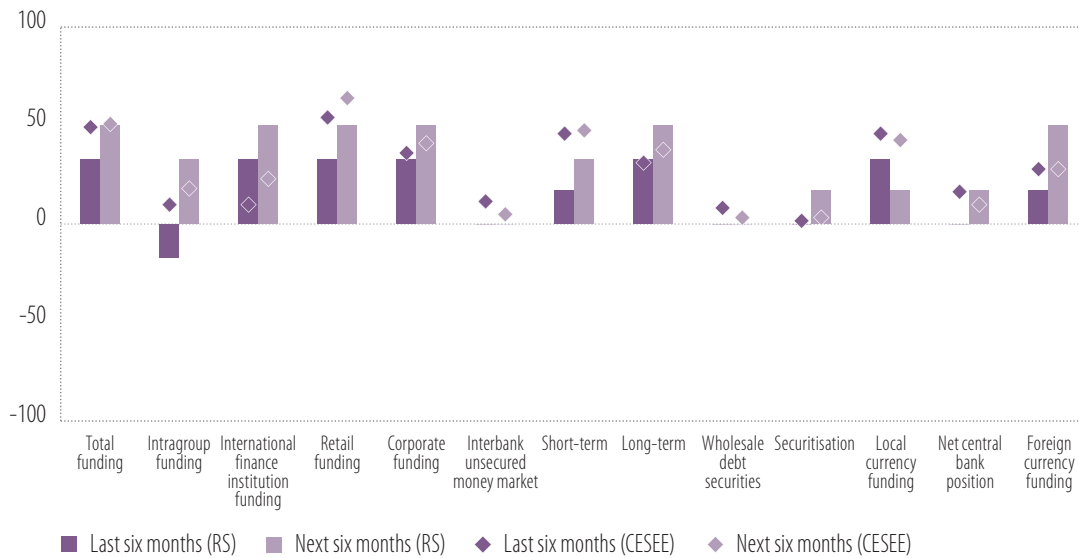
**Figure 8**  
Credit quality and non-performing loan ratios (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Funding conditions are expected to improve compared to the past six months, supported by funding from international financial institutions (IFIs), intragroup funding and retail and corporate deposits.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# SLOVAKIA

Banks report that, on balance, their clients' demand for loans has increased, driven by mortgages. Loan demand is set to continue to recover. The conditions for the supply of bank loans are likely to improve somewhat. Banks expect loan quality to remain broadly unchanged and their own funding position to continue improving.

## SUMMARY

**Group assessment of positioning and market potential:** Banking groups consider Slovakia's market potential to be medium (33%) or high (67%). Some report lower profitability than their parent bank.

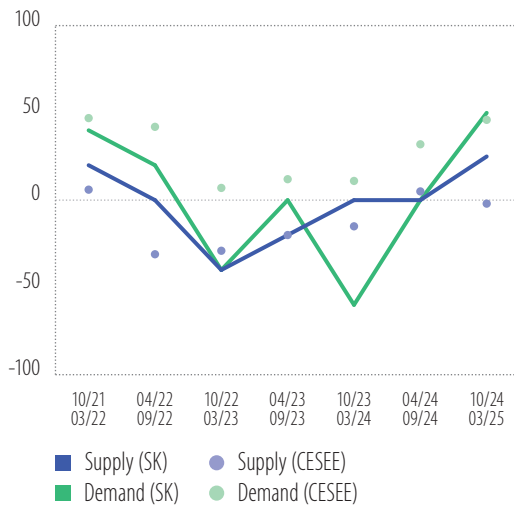
**Credit demand:** In Slovakia, credit demand is expected to improve, especially in the mortgage market.

**Credit supply conditions:** Credit supply conditions – which indicate banks' willingness to extend credit to their clients – have improved in the last six months and are expected to become somewhat more relaxed.

**Access to funding:** In Slovakia, banks report that their retail funding conditions have improved somewhat and that they should improve further.

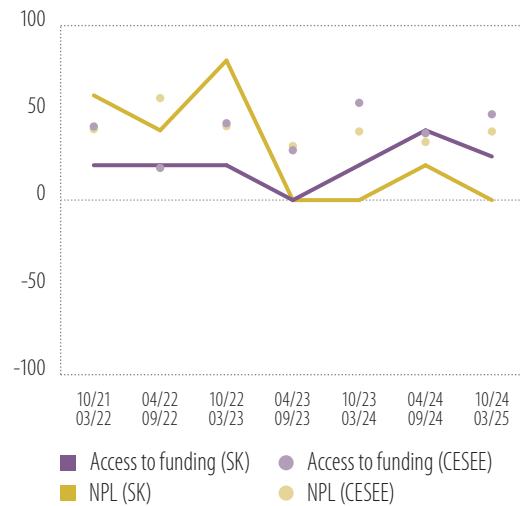
**Non-performing loans (NPLs):** NPL ratios are expected to remain broadly unchanged.

**Credit supply and credit demand (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Positive values denote increasing (easing) demand (supply).

**Access to funding and credit quality (in %)**

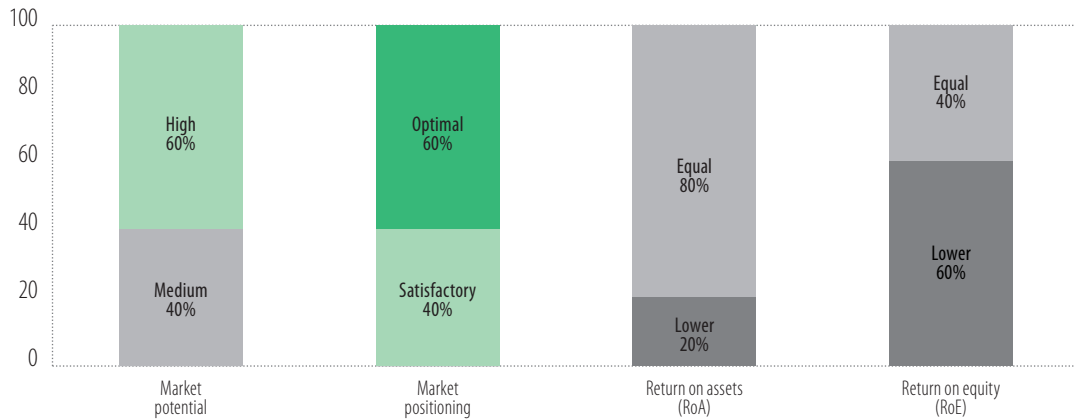


Source: EIB – CESEE Bank Lending Survey.  
Note: All values are net percentages. Access to funding: Positive values indicate increased access. NPL: Negative values indicate an increase in the non-performing loan ratio.

## CESEE Bank Lending Survey – parent bank level

Cross border banking groups consider Slovakia's market potential to be medium (40%) or high (60%). Some report lower profitability than their parent bank.

**Figure 1**  
Market potential and positioning



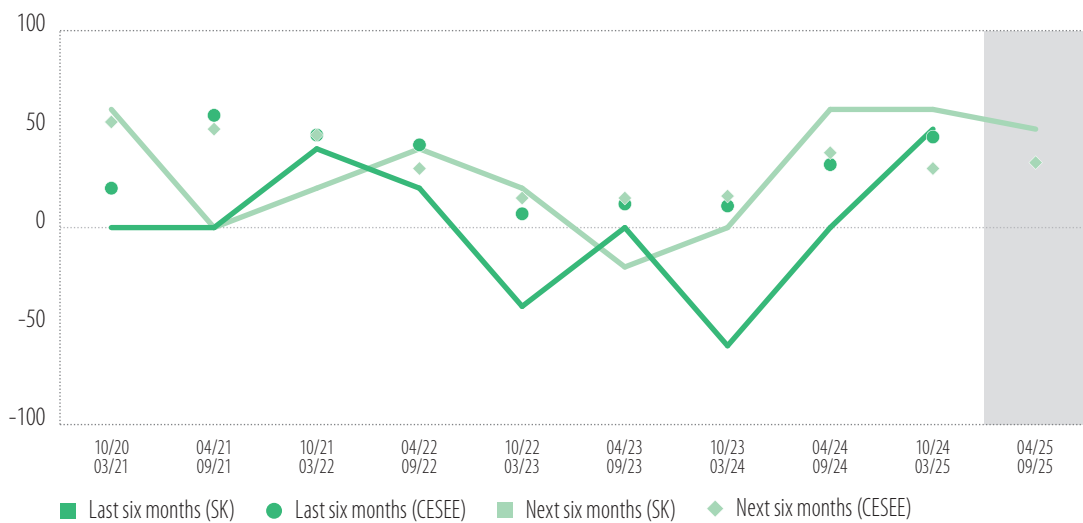
Source: EIB – CESEE Bank Lending Survey.

Note: Return on assets (adjusted for cost of risk) compared to overall group operations; return on equity (adjusted for cost of equity) compared to overall group return on equity. See Question A.Q1 in the Annex.

## CESEE Bank Lending Survey – local bank/subsidiary level

On balance, banks expect credit demand to remain strong, similar to regional trends.

**Figure 2**  
Aggregate demand developments (in %)

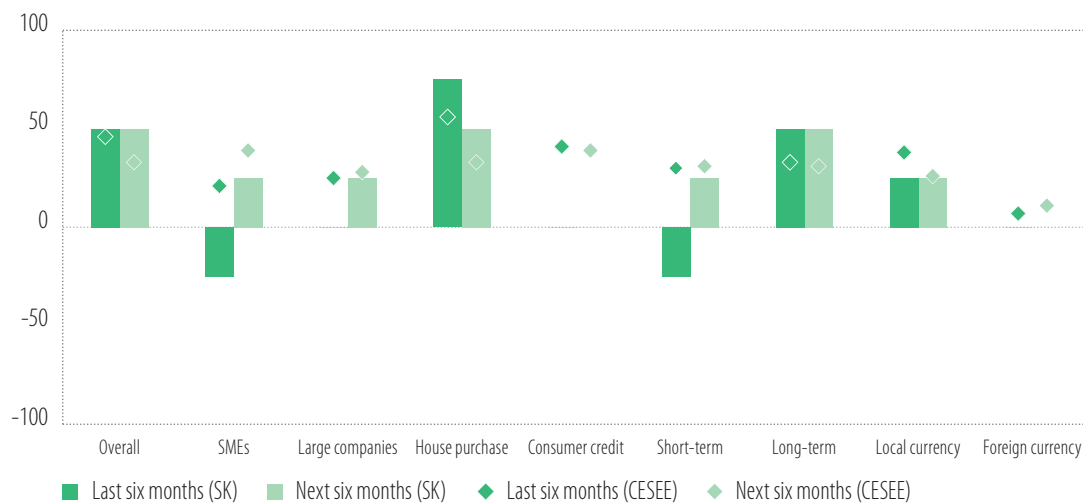


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating increasing demand. The two expectations series (light green line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time t for the next six months are plotted on the chart at time t+1. See question B.Q5 in the Annex.

Most banks report that demand for mortgages has increased over the past six months, while demand among small and medium-sized enterprises (SMEs), on balance, has somewhat declined. Looking ahead, banks expect mortgage demand to continue to increase and demand among SMEs to recover. This is similar to the experience of banks across the region.

**Figure 3**  
Demand components and segments (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating increasing demand. See Question B.Q5 in the Annex.

Loan demand has been driven by better housing market prospects and increased consumer confidence. On balance, financing needs for fixed investments and inventories are likely to support loans to companies in the next six months.

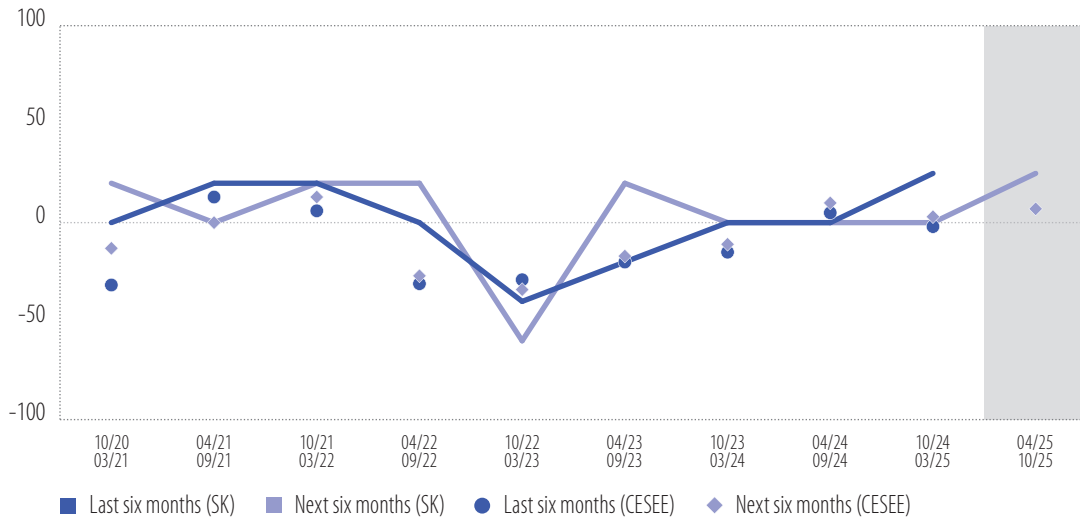
**Figure 4**  
Factors affecting demand for loans (in %)



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to demand. M&A refers to mergers and acquisitions. See Question B.Q7 in the Annex.

Banks in Slovakia expect their credit supply to increase somewhat over the next six months, somewhat more than in the rest of the region.

**Figure 5**  
Aggregate supply developments (in %)

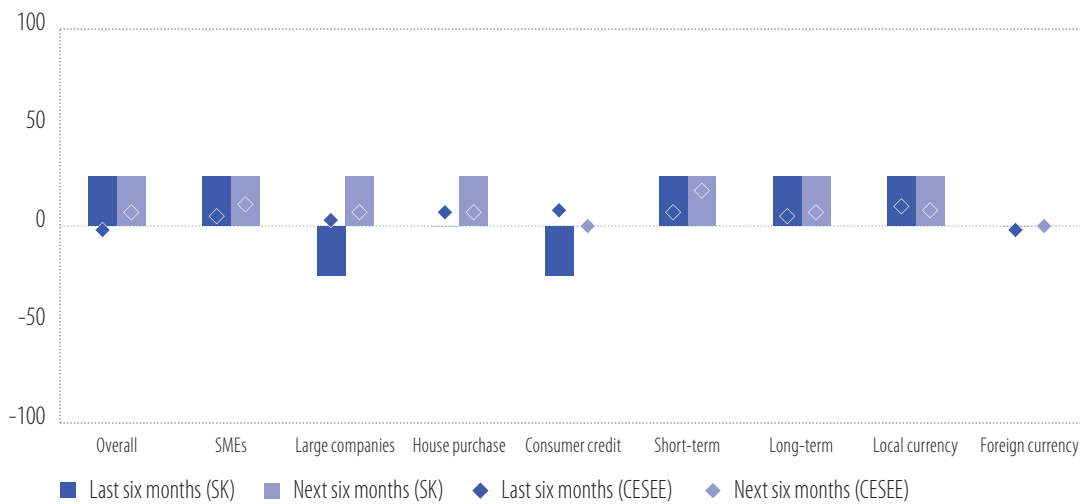


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply. The two expectations series (light purple line and diamonds) are shifted forward to be comparable to the perceptions series (dark line and circles). In other words, expectations reported at time  $t$  for the next six months are plotted on the chart at time  $t + 1$ . See Question B.Q1 in the Annex.

Banks in Slovakia expect to continue increasing their credit supply for most types of lending, other than for consumer credit and foreign currency lending.

**Figure 6**  
Supply components and segments (in %)

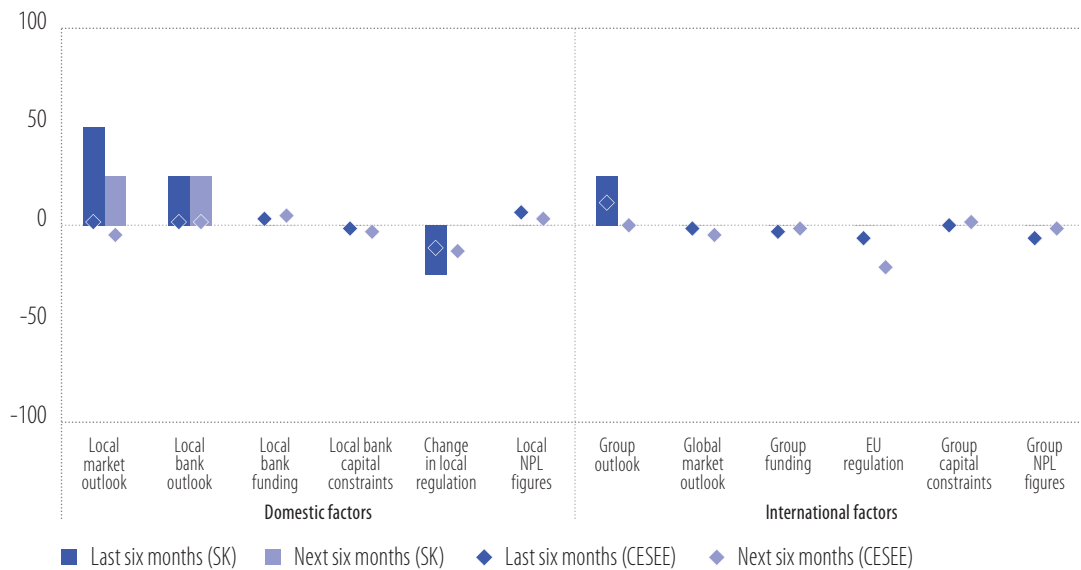


Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating easing supply conditions. See Question B.Q1 in the Annex.

Banks have become slightly more optimistic about the impact of the domestic outlook on loan supply. On balance, banks do not report that the international outlook has deteriorated, and do not expect any deterioration over the next six months.

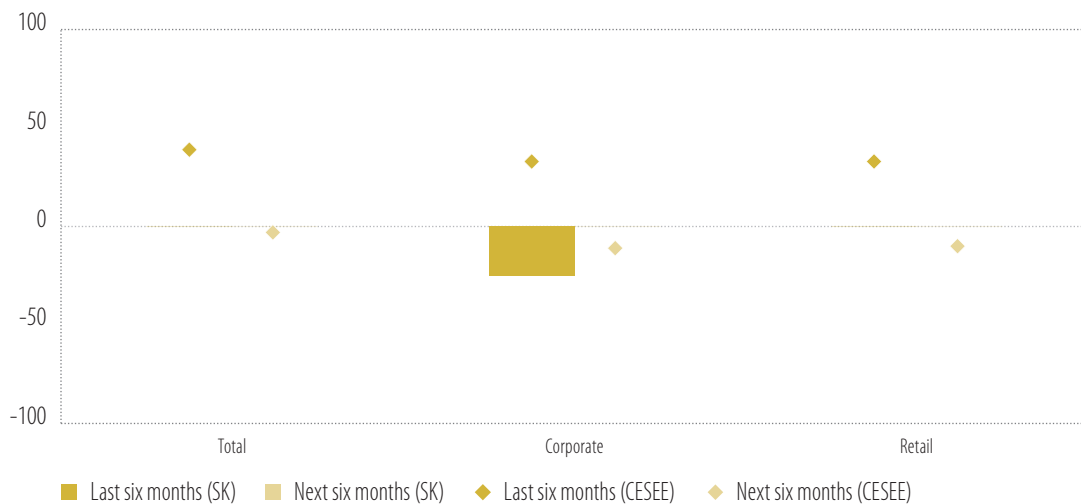
**Figure 7**  
**Factors contributing to supply conditions (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating a positive contribution to supply. NPL: Non-performing loan. See Question B.Q4 in the Annex.

Having seen, on balance, a small deterioration in the quality of corporate loans, banks expect credit quality to remain unchanged.

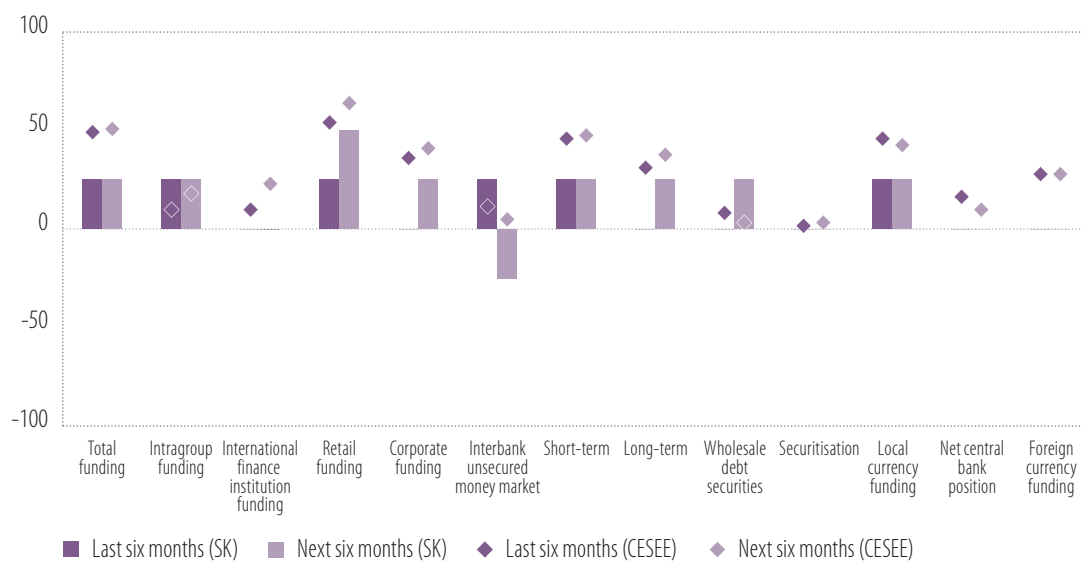
**Figure 8**  
**Credit quality and non-performing loan ratios (in %)**



Source: EIB – CESEE Bank Lending Survey.  
Note: The chart shows net percentages, with positive values indicating improving credit quality (in other words, decreasing non-performing loan ratios). See Question B.Q8 in the Annex.

Banks in Slovakia report that their funding conditions have improved somewhat for retail funding. As in the rest of the region, they expect the improvement to continue, with the support of corporate and intra-group funding.

**Figure 9**  
**Access to funding (in %)**



Source: EIB – CESEE Bank Lending Survey.

Note: The chart shows net percentages, with positive values indicating improved access to funding. See Question B.Q9 in the Annex.

# SURVEY CONTEXT AND METHODOLOGY

The **Central, Eastern and South-Eastern Europe (CESEE) Bank Lending Survey** was developed in the context of the Vienna Initiative 2.0<sup>4</sup> and has been endorsed by the various participating institutions as an instrument for:

- monitoring cross-border banking activities and deleveraging in the region;
- better understanding the determinants and constraints of credit growth;
- gaining insight into the business strategies and market expectations of cross-border banks.

**Target groups:** The survey's target groups are international banks active in Central, Eastern and South-Eastern Europe (interviewed at the group level), subsidiaries of those banking groups, and local banks (interviewed at the single-entity level).

**Countries covered:** The survey covers Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Hungary, Kosovo, North Macedonia, Poland, Romania, Serbia and Slovakia. Details for Slovenia and Ukraine are not presented on a standalone basis because the number of banks operating in these countries is low. Russia and Belarus are outside the scope of the survey.

**Frequency:** The survey is conducted on a semi-annual basis (in March and September).

**Spring 2025 survey wave:** The survey for Spring 2025 was conducted in March and April 2025. In this report, “the last six months” refers to the period between October 2024 and March 2025, and “the next six months” refers to the period between April 2025 and September 2025. Given the low number of responses from Polish banks during the fieldwork, data from Poland are not significant and the Polish chapter has not been published.

**Participating banks:** The latest survey involved 12 international groups operating in Central, Eastern and South-Eastern Europe and 70 local subsidiaries and independent domestic banks. It is highly representative of international groups active in the region and of local market conditions, as survey participants collectively represent 50% of local banking assets.

The survey investigates the strategies of major international banks operating in the region and their local subsidiaries, considering that many banks in the region are foreign-owned. The survey also covers relevant domestic players in specific local markets, aiming to better understand market conditions and expectations.

The survey is a unique instrument for monitoring banking sector trends and challenges in Central, Eastern and South-Eastern Europe. It complements domestic bank lending surveys by enabling comparison between countries and offers the unique feature of specifically addressing the parent/subsidiary nexus. The survey also complements data from the Bank for International Settlements (BIS) concerning the exposure of cross-border banks and the Bank Lending Survey of the European Central Bank (which only includes euro area countries).

The survey is administered by the European Investment Bank (EIB) under a confidentiality agreement with the individual participating banks. It is addressed to the senior officials of those banks. Most questions have backwards and forwards-looking components, covering both the last six months and expectations for the next six months.

<sup>4</sup> The Vienna Initiative is a forum for decision-making and coordination that brings together all the relevant public and private sector stakeholders of EU-based cross-border banks active in Central, East and South-Eastern Europe (central banks and regulators, commercial banks, and international financial institutions). For more information on the Vienna Initiative, see: [Vienna Initiative](#) and [Vienna Initiative](#).

**Survey questionnaire:** The complete survey questionnaire is available in the Annex. The survey is divided into two sections, the first addressed to international groups and the second to domestic banks and international subsidiaries. The first section investigates international banks' strategies, restructuring plans, access to funding and deleveraging at the global and group levels. Its questions cover the long-term strategic approaches adopted for Central, Eastern and South-Eastern Europe, the profitability of regional operations, and the groups' exposure to the region. The second section investigates the main determinants of local banking conditions. Among the supply conditions, attention is given to credit standards and credit terms and conditions, as well as various factors that may cause them to change. Credit standards are the internal guidelines or criteria for a bank's loan policy, while credit terms and conditions are the specific obligations included in a loan contract, such as the interest rate, collateral requirements and maturity.

One set of questions assesses the underlying factors affecting the bank's credit standards. Factors are clustered into domestic and international components. Examples of domestic factors include the local market outlook, the local bank outlook and access to funding, changes in local regulation, and local bank capital constraints and non-performing loans. International factors include, for example, the group outlook, global market outlook, EU regulations, group capital constraints and group non-performing loans.

Demand for loans is investigated by considering loan applications. Various aspects of the financing needs of companies and households are examined as part of the elements potentially affecting loan demand. For companies, the survey covers fixed investment, inventories and working capital, corporate restructuring and debt restructuring. For households, it considers housing market prospects, consumer confidence and non-housing-related consumption expenditure.

Most of the questions on supply and demand are classified into two borrower sectors – households and companies – with subsectors also considered where relevant. For example, the survey investigates developments for small and medium-sized enterprises (SMEs) and large corporates, and for the household sector, such as consumer credit and loans for house purchases. Maturity and currency dimensions are also explored.

The survey includes questions on credit quality and funding conditions for banks in the CESEE region, specifically covering non-performing loan ratio developments in the retail and corporate subsectors. It also investigates aggregate access to funding and the funding conditions for an extensive list of funding sources, including intragroup, retail and corporate, international financial institutions and wholesale.

Most of the survey responses are presented as net percentages – in other words, as positive minus negative responses (excluding neutral answers) – irrespective of the size of the increase or decrease. For instance, regarding change in loan demand over the last six months, the net percentage is the difference between responses reporting an increase and responses reporting a decrease. This is an oft-cited indicator, and its barometer function helps to detect potential drifts and trends among survey respondents. Answers are not weighted by the size of participating banks.

## GLOSSARY

CESEE: Central, Eastern and South-Eastern Europe

IFI: International financial institution

NPL: Non-performing loan

SME: Small and medium-sized enterprise

### Country abbreviations:

AL: Albania

BA: Bosnia and Herzegovina

BG: Bulgaria

HR: Croatia

CZ: Czechia

HU: Hungary

KS: Kosovo<sup>5</sup>

MK: North Macedonia

RO: Romania

SK: Slovakia

SR: Serbia

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<sup>5</sup> This designation is without prejudice to positions on status and it is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.



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## Non-performing loan (NPL) figures

### Non-performing loans in % of total loans (more than 90 days overdue)

	AL	BA	BG	HR	CZ	HU	KS	MK	PL	RO	RS	SK	CESEE
2024Q4	4.17	3.20	3.16	2.36	1.66	2.25	1.80	2.61	5.05	2.46	2.50	1.70	3.19
2024Q3	4.58	3.50	3.55	2.50	1.70	2.37	2.10	2.89	5.30	2.54	2.70	1.80	3.37
2024Q2	4.70	3.49	3.64	2.57	1.70	2.45	2.10	2.94	5.20	2.49	2.90	1.78	3.55
2024Q1	4.64	3.61	3.74	2.61	1.70	2.47	2.00	2.90	5.30	2.41	3.00	1.80	3.59
2023Q4	4.74	3.82	3.63	2.62	1.60	2.54	2.00	2.65	5.40	2.33	3.00	1.70	3.59
2023Q3	5.24	3.97	3.81	2.66	1.76	2.75	2.00	2.71	5.70	2.61	3.00	1.77	3.81
2023Q2	5.20	4.08	3.80	2.99	1.80	2.81	2.00	2.79	5.60	2.65	3.00	1.66	3.79
2023Q1	5.15	4.20	4.05	3.17	1.90	3.21	2.00	2.76	5.50	2.73	3.00	1.67	3.83
2022Q4	5.00	4.50	4.63	3.01	1.90	3.21	2.00	2.83	5.60	2.65	3.00	1.69	3.89
2022Q3	5.06	4.90	5.09	3.29	2.00	3.41	2.10	3.24	5.70	2.82	3.20	1.82	4.04
2022Q2	5.32	5.20	5.24	3.82	2.10	3.47	2.10	3.21	5.60	3.01	3.26	1.93	4.08
2022Q1	5.24	5.40	5.50	4.16	2.30	3.15	2.10	3.06	5.70	3.31	3.40	1.97	4.19
2021Q4	5.65	5.78	6.03	4.33	2.40	3.20	2.30	3.20	5.80	3.35	3.50	1.90	4.30
2021Q3	6.49	5.55	6.44	4.68	2.60	3.04	2.40	3.49	6.30	3.65	3.55	1.98	4.61
2021Q2	7.12	5.70	6.72	5.07	2.70	3.40	2.50	3.44	6.50	3.78	3.60	2.10	4.79
2021Q1	7.96	6.00	7.10	5.27	2.80	3.57	2.70	3.39	6.80	3.94	3.90	2.23	5.02
2020Q4	8.11	6.10	7.45	5.43	2.70	3.60	2.70	3.28	7.00	3.83	3.70	2.34	5.12
2020Q3	8.30	6.60	7.78	5.49	2.30	3.84	2.70	3.33	7.00	4.06	3.40	2.48	5.13
2020Q2	8.09	6.70	8.11	5.50	2.40	3.98	2.60	4.56	6.90	4.38	3.70	2.69	5.20
2020Q1	8.21	6.60	8.00	5.39	2.40	4.15	2.90	4.83	6.60	3.94	4.00	2.81	5.06
2019Q4	8.37	7.40	6.62	5.53	2.50	4.06	2.00	4.61	6.60	4.09	4.10	2.81	5.04
2019Q3	10.61	7.74	7.56	6.03	2.70	4.48	2.30	4.81	6.80	4.58	4.70	2.80	5.37
2019Q2	11.23	8.03	7.31	7.25	2.80	4.92	2.50	5.36	6.80	4.74	5.20	2.89	5.54
2019Q1	11.38	8.50	7.55	7.40	3.20	5.22	2.60	5.11	6.80	4.90	5.50	2.95	5.69
2018Q4	11.08	8.80	7.80	7.56	3.30	5.43	2.70	5.11	6.80	4.96	5.70	3.06	5.77
2018Q3	12.89	9.39	8.68	8.07	3.30	6.17	2.80	4.95	7.00	5.56	6.41	3.40	6.14
2018Q2	13.27	9.31	9.29	8.89	3.40	6.59	2.80	5.02	7.10	5.71	7.81	3.46	6.39
2018Q1	13.43	9.66	9.56	8.92	3.60	6.98	2.90	5.04	7.70	6.16	9.20	3.60	6.81
2017Q4	13.23	10.05	10.43	11.35	4.00	7.52	3.10	6.24	6.80	6.41	9.85	3.61	6.85
2017Q3	14.78	10.78	11.73	12.51	4.00	8.47	3.60	6.49	6.90	7.96	12.21	3.92	7.42
2017Q2	15.58	11.09	12.39	13.16	4.30	9.23	3.90	6.63	6.90	8.32	15.58	4.02	7.80
2017Q1	17.44	11.49	12.92	13.91	4.50	10.16	4.50	6.18	6.90	9.36	16.82	4.26	8.21
2016Q4	18.27	11.78	13.17	13.80	4.80	10.75	4.90	6.39	7.10	9.62	17.03	4.37	8.49
2016Q3	21.29	12.12	14.02	14.65	5.20	12.50	5.10	7.19	7.30	10.00	19.51	4.67	9.10
2016Q2	19.96	12.11	14.40	14.99	5.30	13.59	5.30	7.41	7.30	11.30	20.22	4.70	9.42
2016Q1	19.31	13.24	14.74	16.12	5.50	14.50	5.90	10.52	7.40	13.52	20.92	4.71	10.00
2015Q4	18.22	13.71	14.51	16.65	5.80	13.59	6.20	10.43	7.50	13.51	21.58	4.81	10.00

Source: WIW.

## Credit to private sector

### Credit to private sector, year-on-year growth rate

	AL	BA	BG	HR	CZ	HU	KS	MK	PL	RO	RS	SK	CESEE
2025Q1	14.07	9.24	15.02	12.05	5.46	5.91	19.66	12.36	2.89	8.58	9.37	3.91	6.12
2024Q4	12.39	9.27	15.04	9.42	5.67	6.77	17.67	11.24	3.61	8.10	7.86	2.35	6.05
2024Q3	11.85	8.89	13.72	7.76	5.72	5.34	14.61	7.59	1.56	7.52	6.45	1.46	6.17
2024Q2	10.92	8.95	13.24	8.35	5.40	6.09	12.96	6.45	0.80	5.80	4.75	1.70	4.70
2024Q1	6.77	8.17	12.37	7.81	7.07	4.06	12.63	6.14	-1.02	4.21	1.29	2.29	1.77
2023Q4	1.81	6.79	11.13	8.36	6.57	3.24	12.69	5.04	-2.50	5.91	1.02	3.00	1.39
2023Q3	-1.30	6.07	10.20	7.99	4.83	2.31	13.18	5.77	-4.17	3.96	-0.49	4.03	-0.02
2023Q2	-0.53	5.04	10.87	9.18	5.65	6.99	14.32	6.49	-3.09	5.79	0.33	6.18	0.90
2023Q1	1.76	5.05	10.80	10.18	3.30	11.52	14.60	6.51	-1.26	9.25	2.70	8.39	2.97
2022Q4	7.01	5.26	12.22	10.89	4.52	11.58	16.06	9.36	0.23	11.21	6.46	10.83	5.77
2022Q3	12.77	4.69	13.09	10.45	7.03	14.96	18.32	9.92	4.82	15.12	11.16	11.77	8.85
2022Q2	12.46	4.77	12.36	7.35	8.06	13.36	17.34	9.94	5.66	16.65	12.81	11.32	9.16
2022Q1	12.16	4.26	10.53	4.65	9.28	9.77	18.37	9.79	5.38	14.96	12.38	8.77	8.33
2021Q4	9.55	3.70	8.27	2.77	8.36	12.83	15.42	8.23	4.61	14.26	10.23	7.19	7.52
2021Q3	7.20	2.74	7.33	3.09	6.32	11.49	12.25	6.17	2.89	12.96	6.92	5.98	5.91
2021Q2	6.06	2.05	6.20	2.65	4.18	10.26	12.23	5.01	0.47	10.88	7.26	5.08	4.08
2021Q1	2.42	-0.40	4.51	1.50	3.21	9.01	7.68	5.12	-2.04	6.93	8.93	5.12	2.33
2020Q4	6.92	-2.50	4.46	1.93	4.10	13.45	7.07	4.61	0.42	5.00	11.06	5.02	3.64
2020Q3	5.32	-0.55	4.25	2.49	4.75	12.55	7.65	7.40	0.56	4.19	14.38	5.29	3.84
2019Q2	6.60	0.36	4.88	1.74	5.61	13.68	6.39	6.71	2.91	4.10	13.89	6.05	5.03
2020Q1	8.85	3.46	7.05	3.31	6.40	18.36	9.17	5.88	5.97	6.23	11.47	6.56	7.13
2019Q4	6.62	6.68	7.36	3.49	5.20	13.14	10.02	6.07	4.65	7.02	8.93	6.55	6.03
2019Q3	5.06	6.04	6.51	2.10	5.15	13.25	10.26	5.53	6.05	7.15	9.71	7.63	6.62
2019Q2	3.62	6.03	5.98	2.42	5.43	11.37	10.51	8.07	5.34	6.66	8.95	7.22	6.12
2019Q1	-0.77	5.28	7.51	3.52	6.79	11.53	11.47	8.97	7.07	7.73	9.61	8.54	7.42
2018Q4	-3.59	5.48	7.54	2.63	6.83	10.57	10.81	7.21	7.17	7.84	9.91	9.78	7.46
2018Q3	-3.53	6.32	6.10	2.50	6.70	9.63	11.47	7.83	5.84	6.44	6.40	9.52	6.50
2018Q2	-2.44	6.98	5.73	2.53	6.12	8.72	11.41	6.15	5.50	6.95	4.44	10.20	6.22
2018Q1	0.36	7.19	3.80	0.86	5.52	5.05	10.57	5.65	4.44	5.89	2.16	9.86	5.07
2017Q4	0.72	7.33	3.27	1.51	6.53	5.47	11.65	5.43	3.08	5.26	2.13	9.85	4.65
2017Q3	0.88	7.34	4.14	0.70	6.47	4.63	10.26	4.01	4.10	7.24	0.77	11.20	5.25
2017Q2	-1.52	6.22	3.57	0.24	7.27	2.30	10.17	4.09	4.02	3.94	2.21	11.74	4.89
2017Q1	0.09	4.75	3.33	-1.22	6.75	0.14	10.93	-1.16	4.69	2.67	4.48	11.24	4.69
2016Q4	0.24	3.54	0.97	-3.30	6.73	-1.33	10.50	-0.06	5.28	0.89	2.35	9.30	4.19
2016Q3	0.49	2.41	-0.69	-4.44	6.48	-4.59	9.67	1.52	4.90	0.46	5.97	8.75	3.64
2016Q2	-0.10	2.18	-1.21	-5.41	6.51	-5.75	8.33	2.50	5.22	0.57	4.65	7.36	3.42
2016Q1	-2.05	3.31	-2.27	-5.47	7.94	-6.44	8.80	8.53	5.38	2.34	2.07	8.02	3.80
2015Q4	-2.64	2.02	-1.57	-2.83	6.63	-12.34	7.23	9.60	7.07	2.50	3.02	9.69	4.18

Source: *WIIW*.

## The questionnaire – PART A

### A.Q1 – How do you assess in each country...

Country	...market potential	...your subsidiary's current positioning	...return on assets (adjusted for cost of risk)	...return on assets (adjusted for cost of risk) compared to overall group return on assets	...return on equity (adjusted for cost of equity)	...return on equity (adjusted for cost of equity) compared to overall group return on equity
Albania						
Bosnia and Herzegovina						
Bulgaria						
Croatia						
Czechia						
Estonia						
Hungary						
Kosovo*						
Latvia						
Lithuania						
Macedonia						
Poland						
Romania						
Serbia						
Slovakia						
Slovenia						
Ukraine						

### A.Q2 – Strategic operations: Has your group conducted strategic operations to increase the capital ratio and/or will it conduct strategic operations? If yes, which type?

	LAST six months	NEXT six months
Strategic restructuring		
Sale of assets		
Sale of branches of activities		
Raising capital on the market		
State contribution to capital		

\* This designation is without prejudice to positions on status and it is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

**A.Q3 – Group funding: group’s access to funding...**

	...how has it changed over the LAST six months?	...how do you expect it to change over the NEXT six months?
<b>Total</b>		
Retail (deposits and bonds to clients)		
Corporate (deposits and bonds to clients)		
Interbank market		
International financial institutions (IFIs)		
Wholesale debt securities		
Loans or credit lines from the central bank		
Securitisation		
Short-term funding (any source)		
Long-term funding (any source)		

**A.Q4 – Deleveraging: Over the next six months, you expect the loan-to-deposit ratio of your group to...**

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**A.Q5 – Longer-term strategic approach (beyond 12 months): Looking at operations via subsidiaries in CESEE, your group intends to...**

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**A.Q6 – Profitability of the strategy in the CESEE region: The contribution of activities in CESEE in total return on assets (RoA) of the group is/will...**

	LAST six months	NEXT six months

**A.Q7 – Profitability of the strategy in the CESEE region: Return on assets (RoA) of your CESEE operations is higher/lower/equal to that for the overall group...**

	LAST six months	NEXT six months

**A.Q8 – Group total exposure to CESEE: Concerning cross-border operations to CESEE countries, your group did/intends to...**

	LAST six months	NEXT six months
<b>Total exposure</b>		
Exposure to subsidiaries – intragroup funding		
Exposure to subsidiaries – capital		
Direct cross-border lending to domestic clients, booked in the balance sheet of the parent company		
MFI (monetary financial institutions) – funding to banks not part of the group, booked in the balance sheet of the parent company		

**A.Q9 – Conditions of your funding to your own subsidiaries in CESEE...**

	...how have they changed over the LAST six months?	...how do you expect them to change over the NEXT six months?
Overall		
Pricing		
Maturity		

## The questionnaire – PART B

### B.Q1 – Credit supply: Bank’s (local subsidiary’s) credit standards applied when assessing credit applications...

	...how have they changed over the LAST six months?	...how do you expect them to change over the NEXT six months?
<b>Overall</b>		
Loans to small and medium-sized enterprises		
Loans to large companies		
Loans to households for house purchase		
Consumer credit (other than loans for house purchase)		
Short-term loans		
Long-term loans		
Local currency		
Foreign currency		

### B.Q2 – Credit supply: Bank’s (local subsidiary’s) approval rate for loan applications...

	...how has it changed over the LAST six months?	...how do you expect it to change over the NEXT six months?
<b>Overall</b>		
Loans to small and medium-sized enterprises		
Loans to large companies		
Loans to households for house purchase		
Consumer credit (other than loans for house purchase)		
Short-term loans		
Long-term loans		
Local currency		
Foreign currency		

**B.Q3 – Credit supply: Have the bank's conditions and terms (maturity, pricing, size of average loan, etc.) for approving loans or credit lines changed/will they change?**

	Over the LAST six months	Over the NEXT six months
A) Your bank's margin on average loan (wider margin = --, narrower margin = ++)		
B) Size of the average loan or credit line		
C) Maturity		
D) Non-interest rate charges		
E) Collateral requirements		

**B.Q4 – Factors affecting your bank's credit standards (credit supply):  
Have the following domestic and international factors contributed to the tightening (or easing) of your credit standards over the last six months, and do you expect them to contribute to the tightening (or easing) of your credit standards over the next six months?**

	...how have they changed over the LAST six months?	...how do you expect them to change over the NEXT six months?
<b>Impact on credit standards</b>		
<b>A) Domestic factors – affecting your subsidiary</b>		
i) Local market outlook		
ii) Local bank outlook		
iii) Local bank access to total funding		
a) of which: domestic		
b) of which: international/intragroup		
iv) Local bank capital constraints		
v) Change in local regulation		
vi) Competition		
vii) Credit quality (non-performing loans)		
viii) Bank's liquidity position		
ix) Risk on collateral demanded		
<b>B) International factors – affecting your subsidiary</b>		
i) Group company outlook		
ii) Global market outlook		
iii) Overall group access to funding		
iv) EU regulation		
v) Group capital constraints		
vi) Global competition		
vii) Credit quality (non-performing loans)		

**B.Q5 – Loan applications: Demand for loans or credit lines to enterprises and households (to your local subsidiary/branch)...**

	...how has it changed over the <b>LAST</b> six months?	...how do you expect it to change over the <b>NEXT</b> six months?
<b>Overall</b>		
Loans to small and medium-sized enterprises		
Loans to large companies		
Loans to households for house purchase		
Consumer credit (other than loans for house purchase)		
Short-term loans		
Long-term loans		
Local currency		
Foreign currency		

**B.Q7 – Factors affecting clients’ demand for loan applications**

	...how have they changed over the <b>LAST</b> six months?	...how do you expect them to change over the <b>NEXT</b> six months?
<b>Loans or credit lines to enterprises</b>		
<b>A) Financing needs</b>		
Fixed investments		
Inventories and working capital		
Mergers and acquisitions and corporate restructuring		
Debt restructuring		
<b>Loans to households</b>		
<b>A) Financing needs</b>		
Housing market prospects		
Consumer confidence		
Non-housing related consumption expenditure		

**B.Q8 – Gross non-performing loan ratio in your local subsidiary/branch (excluding extraordinary operations)**

	Has the non-performing loan ratio changed over the <b>LAST</b> six months?	How do you expect the non-performing loan ratio to change over the <b>NEXT</b> six months?
<b>Total</b>		
Retail		
Corporate		

**B.Q9 – In terms of funding: Has access to funding of your local subsidiary/branch changed over the last six months, or do you expect it to change over the next six months?**

	Over the <b>LAST</b> six months	Over the <b>NEXT</b> six months
<b>A) Total funding</b>		
<b>A.1) Intragroup funding</b>		
<b>A.2) International financial institution (IFI) funding</b>		
<b>A.3) Retail funding</b> (deposits and bonds to clients)		
<b>A.4) Corporate funding</b> (deposits and bonds to clients)		
<b>A.5) Interbank unsecured money market</b>		
<b>A.6) Wholesale debt securities</b>		
<b>A.7) Securitisation</b>		
<b>A.8) Net central bank position</b>		
<b>B.1) Local currency funding</b>		
<b>B.2) Short-term</b> (less than 1 year)		
<b>C.1) Long-term</b> (more than 1 year)		
<b>C.2) Foreign currency funding</b>		



# **CENTRAL, EASTERN AND SOUTH-EASTERN EUROPE (CESEE) BANK LENDING SURVEY**

FIRST HALF OF 2025



**European  
Investment Bank**