

CEE MACRO OUTLOOK REGAINING STABILITY AND FOCUSING ON GROWTH PROSPECTS

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Note: Past performance is not necessarily indicative of future results.
CEE8: Croatia, Czechia, Hungary, Poland, Romania, Slovenia, Slovakia, Serbia
Prices as of September 8, 2024.

Key changes in CEE outlook

- The **2Q25 GDP data brought limited optimism for the growth outlook in most of the CEE countries** and further downward growth revisions follow for 2025. Although Hungary delivered a mild upside surprise in 2Q25 (GDP rising by 0.4% q/q), the Hungarian economy is likely to stagnate mostly this year (growth close to 0.5%). Revisions to the downside took place in Serbia and Slovakia. In Slovakia, we expect growth below 1% in 2025. In Serbia, the first half of the year was rather disappointing, with growth dynamics “only” around 2%. We therefore adjust our expectations for Serbia and expect 2025 growth below 3%. In Romania, we stick to our 1.3% growth forecast.
- **There is some good news as well.** The Czech economy expanded by 0.5% q/q and 2.6% y/y. Although the pace of quarterly growth decelerated significantly from the 0.7% recorded in 1Q (due to the decline of export stockpiling), the first half of the year was strong. We revise 2025 to the upside, to 2.3% in 2025. Poland is on track to be the fastest-growing economy in the region. We see Poland growing by 3.4% this year and above 3% in 2026.

Key changes in CEE outlook

- The growth was driven by domestic demand in all CEE countries in the first half of the year. In particular, **private consumption was strong**. In many countries, the growth of households' consumption actually accelerated in 2Q. **Investment activity has been a mixed bag**. If we allow ourselves to generalize, however, then investment growth proved rather weak. In most of the region, investment declined in the first half of the year, or the growth was quite meager.
- **The 2025 economic performance has been influenced by the tariffs to a great extent.** Slovakia and Serbia have been exposed the most to a direct negative impact. Both countries have been facing the highest increase in the average effective tariff rate.
- **Local factors**, especially fiscal consolidation in Slovakia and Romania, **additionally weighed on the growth rates this year**. In Romania, the 2026 performance will also be affected strongly by ongoing fiscal consolidation and structural reforms. Hungary suffers from low investment, as RRF funds disbursement is particularly low compared to other CEE countries.

Key changes in CEE outlook

- We finally have more **clarity regarding tariffs** - a uniform rate of 15% with comprehensive accompanying measures. Although the rate is higher than the 10% we assumed as a baseline scenario in April when the tariffs were announced, the removal of a 25% tariff for the automotive sector supports the region's overall position. It seems that most of the damage has already happened (in Slovakia and other CEE countries), as growth has slowed considerably. It seems that the **direct negative impact in 2026 is going to be quite contained**.
- We hope that, with more clarity regarding tariffs, economic expectations and development improve in 2H. Less **uncertainty**, as evidenced by the decline of the Trade Uncertainty Index, should mean growing investment activity.
- **Looking more under the hood of 2026 growth prospects**, the time stamp on the utilization of RRF funds (implementation of the reforms and investments until the end of 2026) should provide another boost for economic activity. **We expect higher average growth next year.**

Key changes in CEE outlook

- **Regarding inflation**, if we look at the 2025 averages, inflation will be slightly higher in almost all CEE countries compared to last year, but **it should ease in 2026**.
- **Romania is going to have the highest inflation**. In July, inflation spiked to 7.84%, as the elimination of the cap resulted in electricity prices going up by almost 62% m/m in July. In August, the VAT and excise duty hikes kick in and inflation is expected to further accelerate. Only in the second half of 2026 do we expect more apparent disinflationary trends.
- This year, adjustments in monetary policy may only be expected in Poland and in Hungary (minor adjustments of 25 basis points). A rate cut in Hungary is conditional on global and regional interest rate developments. **Monetary easing should be resumed in the course of 2026 in all CEE countries except for Czechia**, where we see the key policy rate at 3.5% for longer. Inflation development should support interest rate cuts across the region.

Global trends affecting our forecasts

OUTLOOK FOR EUROZONE

- So far, the trade conflict has led to unexpectedly strong GDP growth in the Eurozone (2Q25 GDP growth surprised to the upside). However, trade was distorted by economic data (net exports). The Eurozone economy is being supported by the ECB's interest rate cuts, which have already taken effect. Loan growth, for example, is gaining momentum and the growth has been accelerating lately. In addition, we expect the German economic stimulus package and increased defense spending to provide initial positive growth impetus. We see the Eurozone development as quite stable at 0.9% this year and in 2026.
- Inflation has stabilized, with services inflation continuously losing momentum. Declining wage growth should support the downward trend. Headline inflation, despite goods inflation gaining slight momentum, should remain contained close to 2% on average in 2025 and 2026.

Global trends affecting our forecasts

MONETARY POLICY IN CORE MARKETS

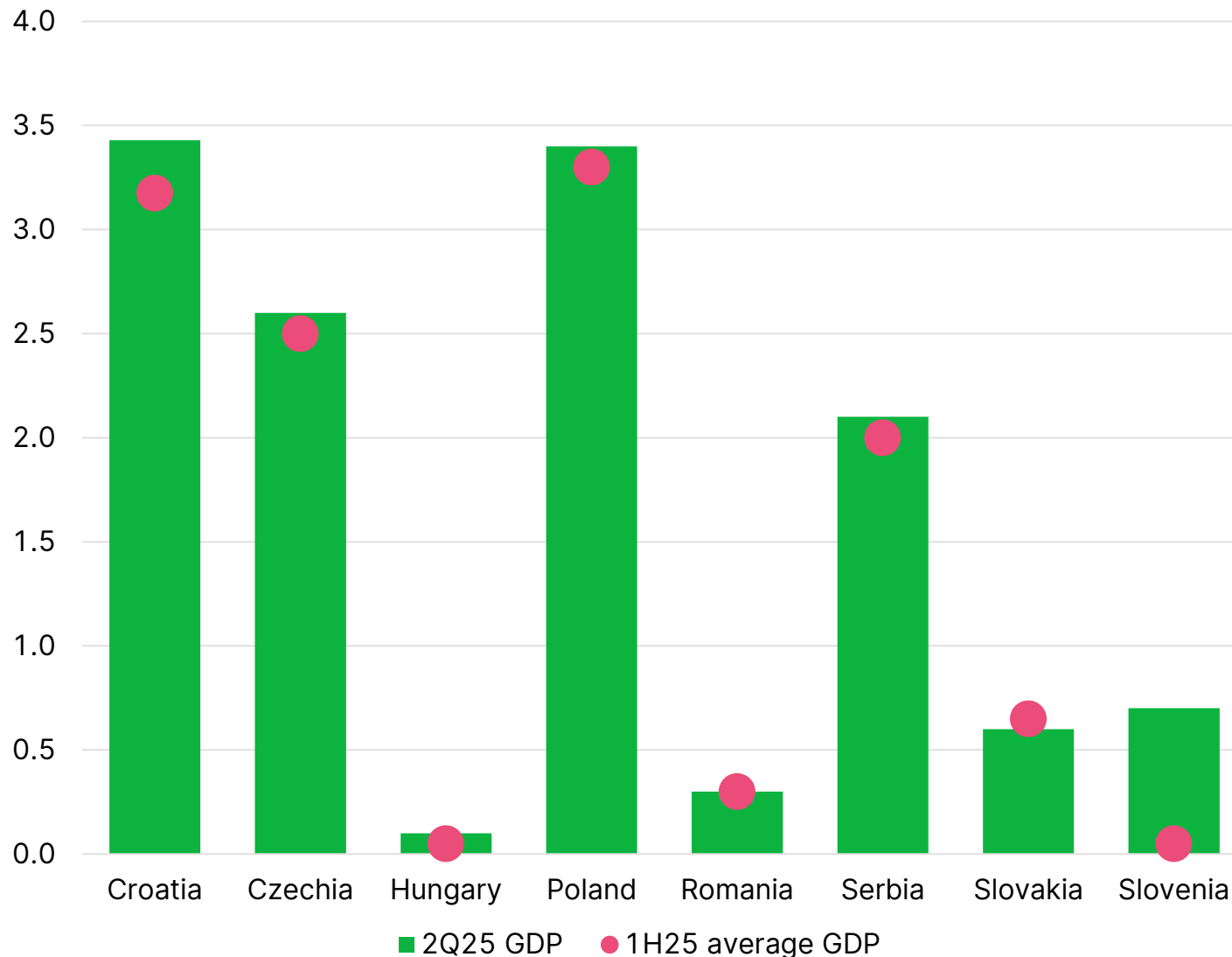
- The ECB reiterated “data dependency”, which points to no rate change in the nearest future. As we expect an ongoing economic recovery, interest rates should not be cut further. Only in the case of a more visible economic slowdown could we envisage interest rate cuts as a likely scenario.
- Market participants expect further interest rate cuts in the US this year. We expect two of them: one in September and the other in December. First tariff effects materialize in the data: the latest headline inflation at 2.7% and core inflation at 3.1%, combined with prospects for lower economic growth. Long-term inflation expectations are well anchored in the US, however.

Weaker economic performance in 2025

"The disappointing performance of several CEE countries in the first half of 2025 is a combination of global factors (impact of tariffs) and local policies (structural issues or fiscal consolidation plans)."



2Q25 GDP data, % y/y



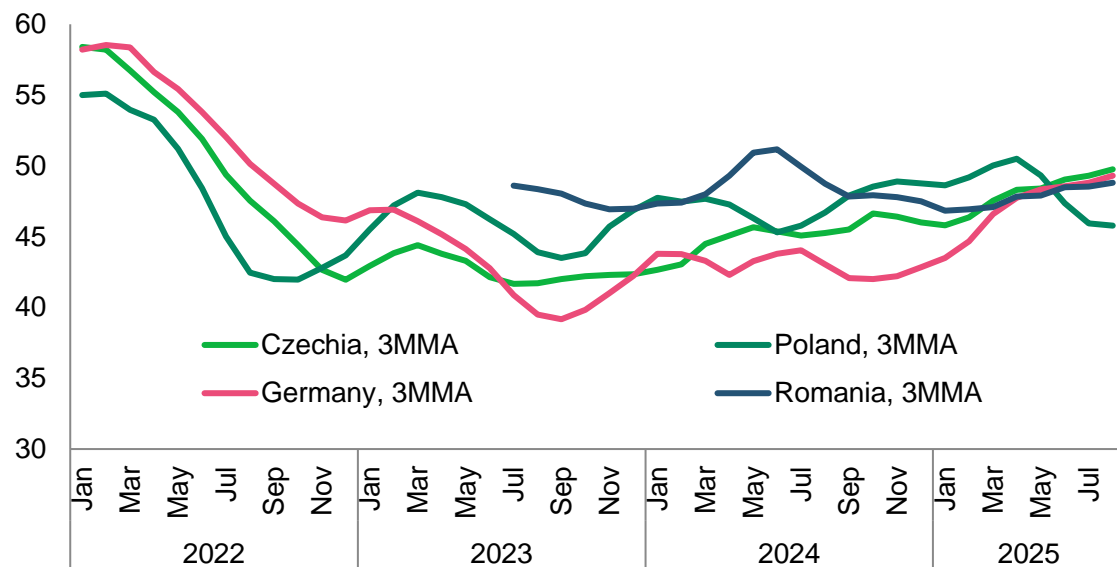
2025 economic performance so far

Starting with good news: **Czechia, Croatia and Poland's solid expansion confirm that these three economies will expand at the fastest pace in 2025.**

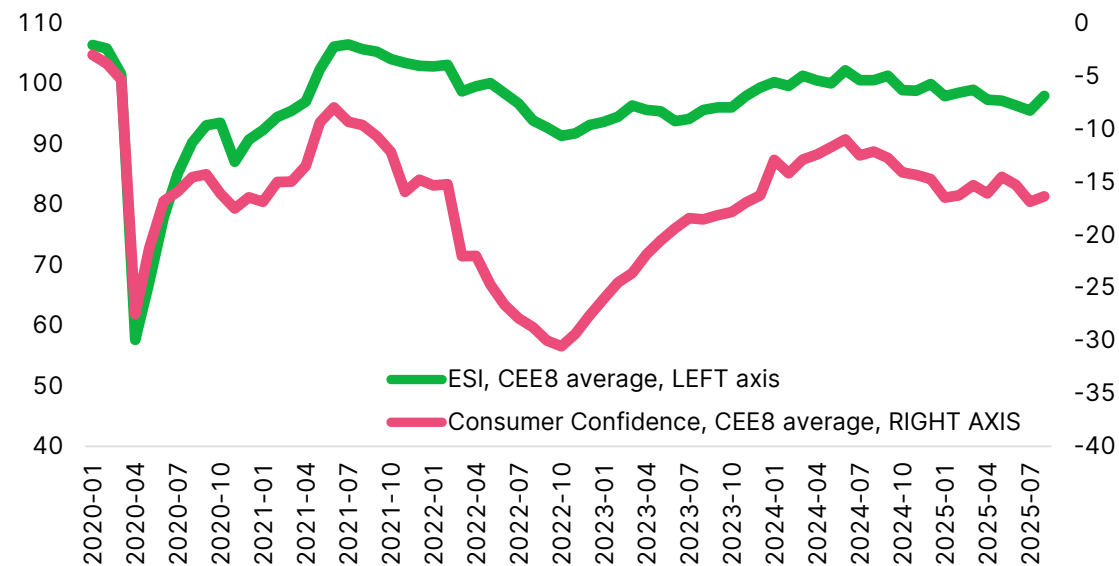
Poland is on track to be the fastest growing economy in the region in 2025. We revise our 2025 GDP forecast up in Czechia and Poland.

Although Hungary delivered a mild upside surprise in 2Q25 (GDP rising by 0.4% q/q), the Hungarian economy is likely to stagnate mostly this year (growth around 0.5%). Revisions to the downside of 2025 GDP growth take place in Slovakia and Serbia. In Romania, we stick to our 1.3% growth forecast this year.

Market sentiment should benefit from declining uncertainty



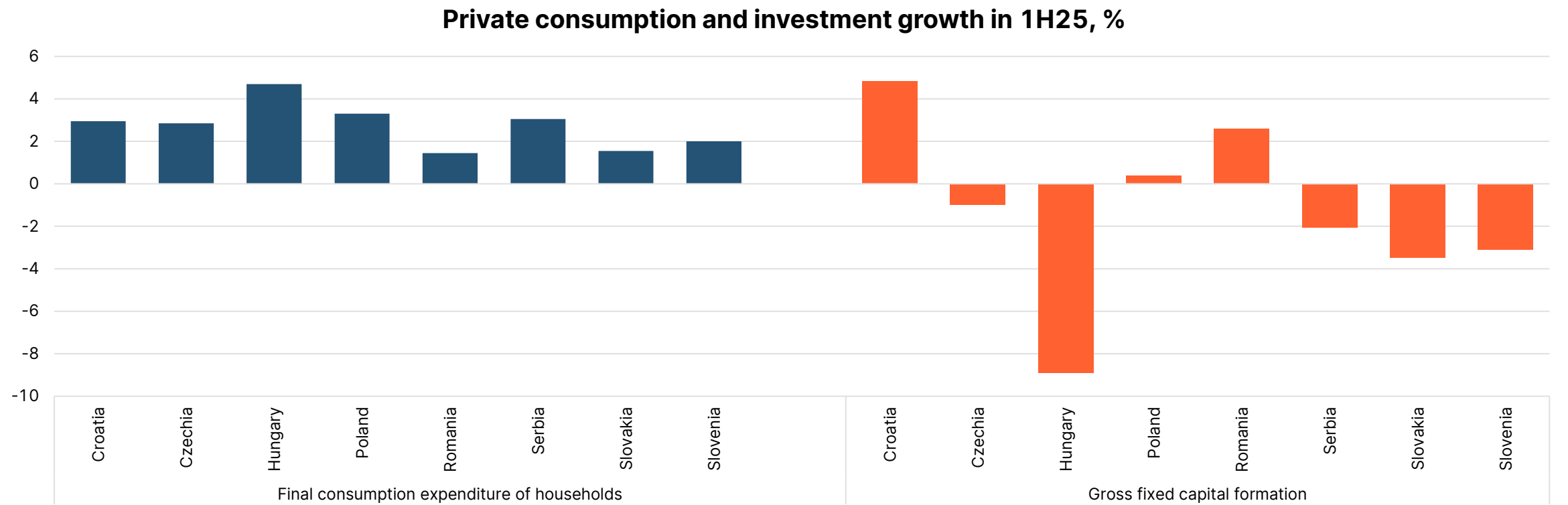
Manufacturing PMIs have been converging in Germany, Romania and Czechia. Only Poland has experienced a series of weaker months with manufacturing PMI visibly below the threshold of 50. Despite that development, Poland is on track to be the fastest growing economy in the region in 2025.



In August, a more visible uptick in the Economic Sentiment Indicator (ESI) in the region took place. The CEE8 average ESI went up to 98 in August, from 95.5 in July. ESI reached the level close to 98 already at the beginning of the year but dipped after the tariff announcement. We hope, however, that with more clarity regarding tariffs, the economic expectations and development improve in the second half of the year.

GDP structure

The growth was driven by domestic demand in all CEE countries in the first half of the year. In particular, **private consumption was strong**. In many countries, the growth of **households’ consumption actually accelerated in the second quarter of 2025**, as real wage keeps growing, translating into increasing purchasing power of households. Investment activity has been a mixed bag. If we allow ourselves to generalize, then **investment growth proved to be rather weak in most of the region**. Investment declined in the first half of the year, or the growth was quite meager in the majority of CEE countries.



Looking under the hood of 2026

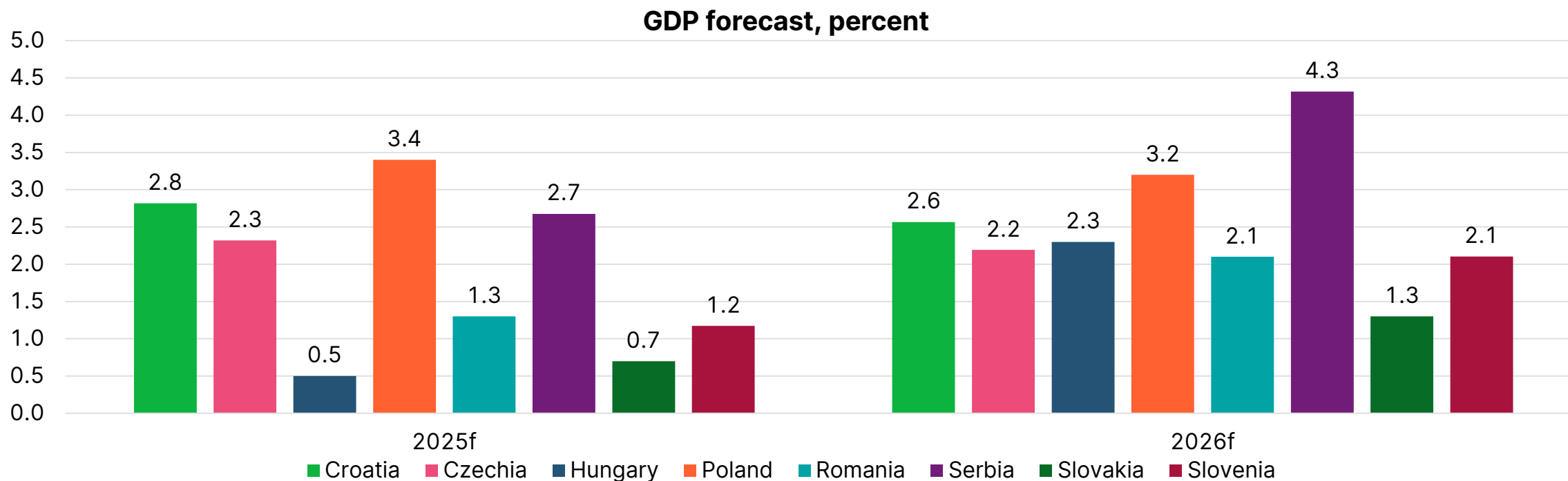
"Clarity about the tariff setup should provide more stability for the 2026 outlook. Although one cannot be sure that escalation will not repeat, for now the 15% tariffs scenario is here to stay."



Current growth forecast for 2025 sets low bar for next year

Two economies will grow below 1% in 2025: Hungary and Slovakia. For Hungary, it is another year with very weak growth. Slovakia experienced the highest effective tariff rate as of April, at the top of ongoing fiscal austerity. Romania's economy suffers due to fiscal consolidation as well and GDP growth dynamics are expected slightly above 1%. Slovenia is projected to grow around 1.5%. In Czechia and Poland, we revised the 2025 GDP growth forecast up.

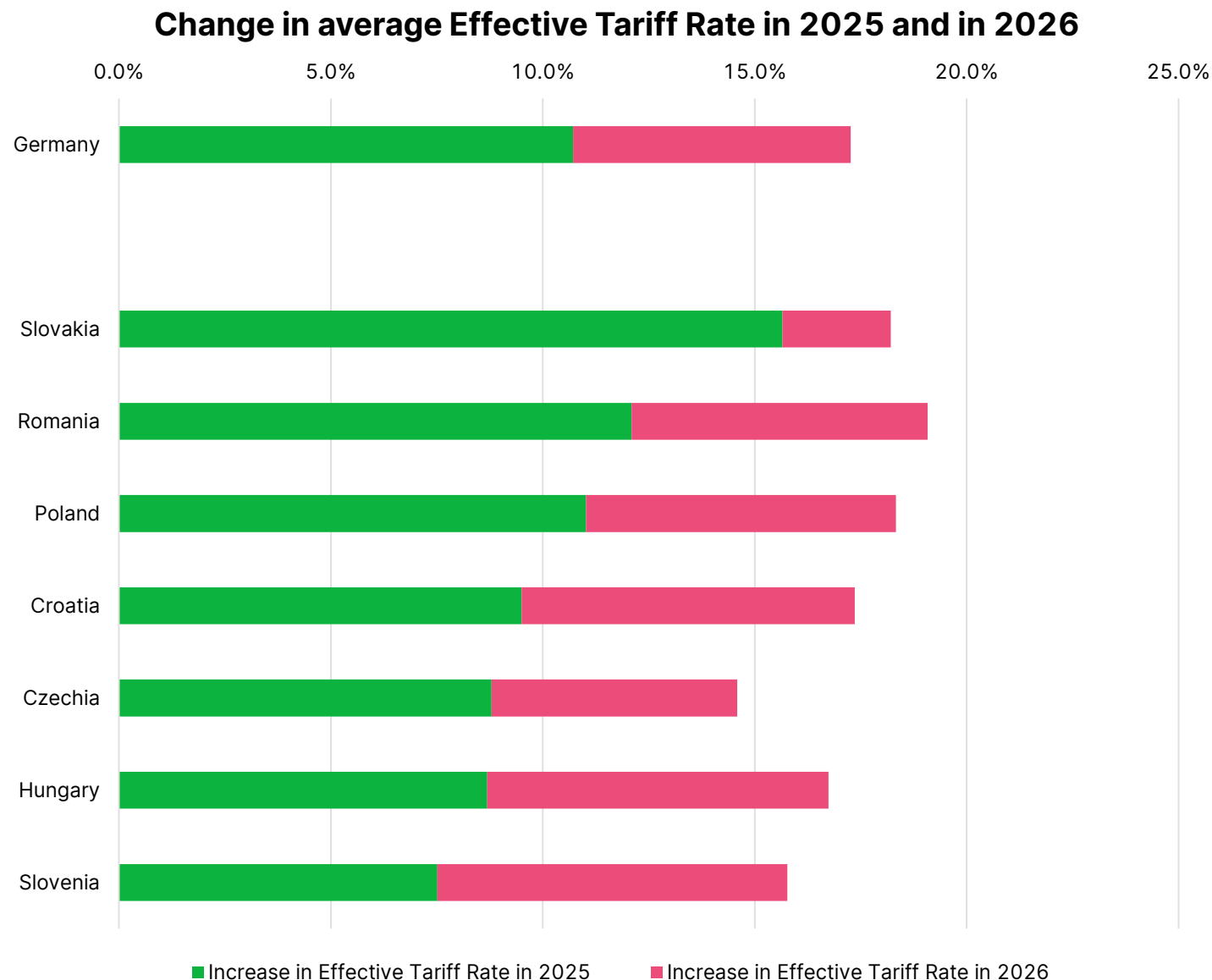
We finally get more clarity regarding tariffs - a uniform rate of 15% with comprehensive accompanying measures. It looks like most of the damage has already been done (in Slovakia and other CEE countries) and the direct negative impact in 2026 is going to be quite contained.



Increase of tariff rate already hit economies

Within the region, Slovakia experienced the highest increase on average. This development was one of the reasons behind the more visible economic slowdown in Slovakia. In 2026, the increase is already to be mild.

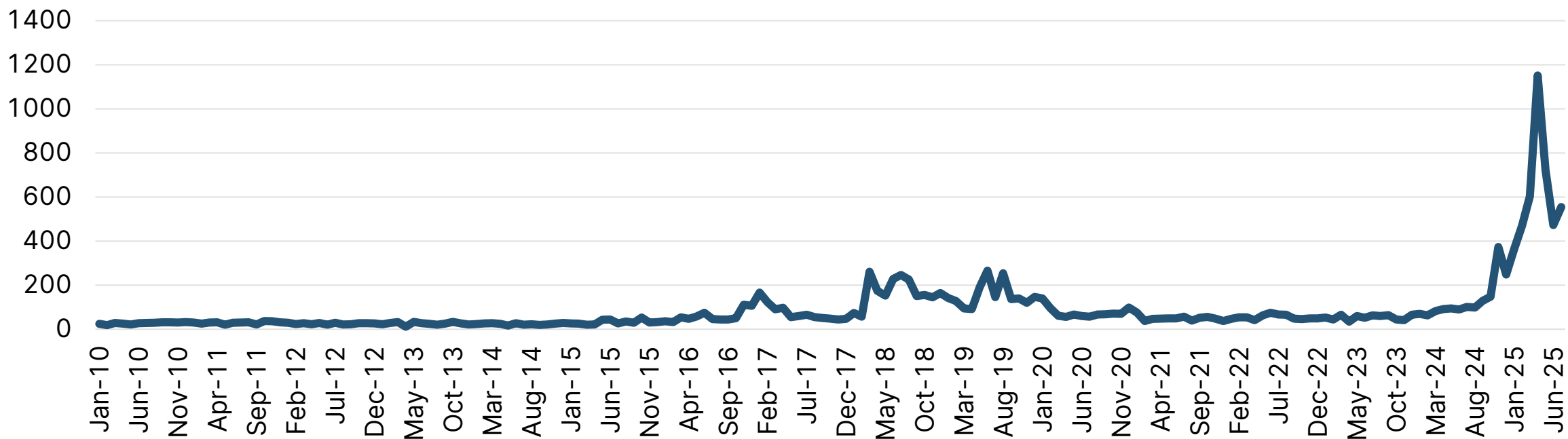
For other CEE countries, the negative effect may still be visible at the turn of 2025 and 2026, due to statistical effects (tariffs were announced and introduced in 2Q25). The overall direct effect in 2026 should be mild, however. We do not plan for major revisions of 2026 growth forecasts due to the 15% tariff rate.



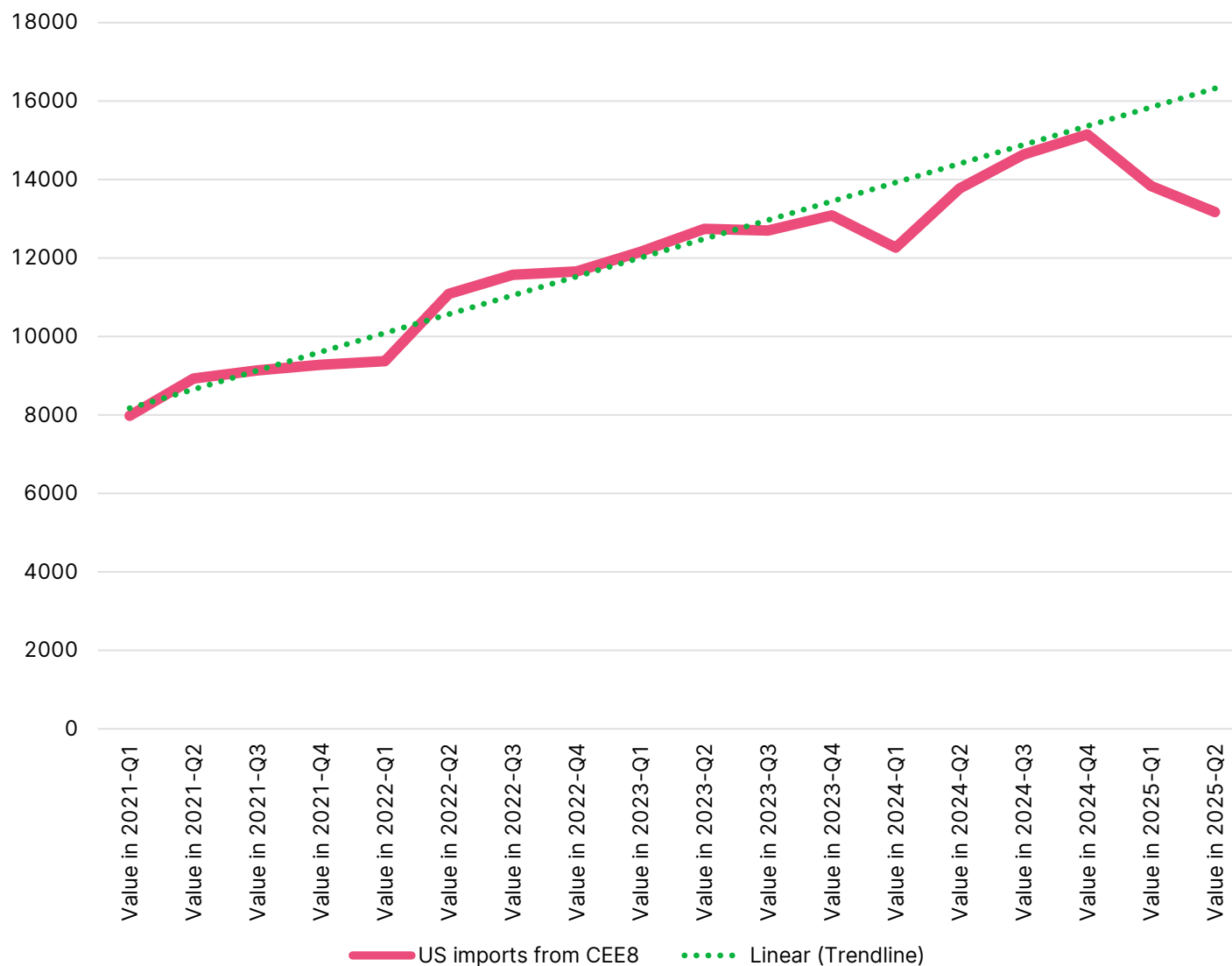
Trade uncertainty index eased with agreements in place

The Trade Policy Uncertainty index skyrocketed at the beginning of 2025. An increase, albeit to a lesser extent, in Trade Policy Uncertainty was observed in 2018 and 2019, when the US introduced tariffs and retaliation followed. Increases in TPU reduce investment and activity using both firm-level and aggregate data. Although the index eased most recently, it remains unprecedently high. We hope that the clarity regarding tariffs will improve market sentiment and increase the propensity to invest.

Trade Policy Uncertainty



US imports from CEE8 (CEE8 exports to US), US Dollar million



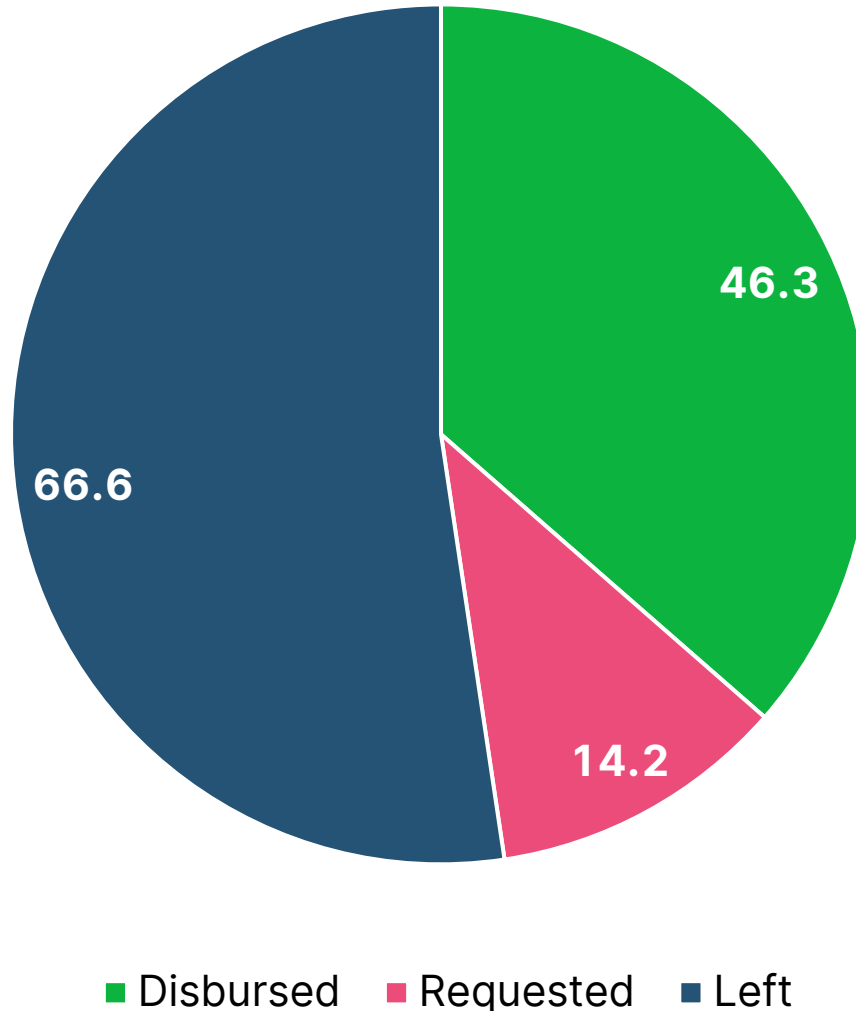
US imports from the region declined visibly in 1H25

The deviation of the actual US imports from the region compared to the trend based on data prior to the trade war is visible. In the first half of the year the actual trade between the US and the region suffered.

RRF envelope is still substantial

The RRF funds can be disbursed until the end of 2026 conditional on meeting milestones and targets by countries. So far, all CEE countries have EUR 46bn disbursed (EUR 26.3bn in grants and EUR 20bn in loans). CEE countries have already requested another EUR 14.2bn (EUR 10.3bn in grants and EUR 4bn in loans), but EUR 66.6bn remains available. The majority is in loans, however (EUR 35.6bn).

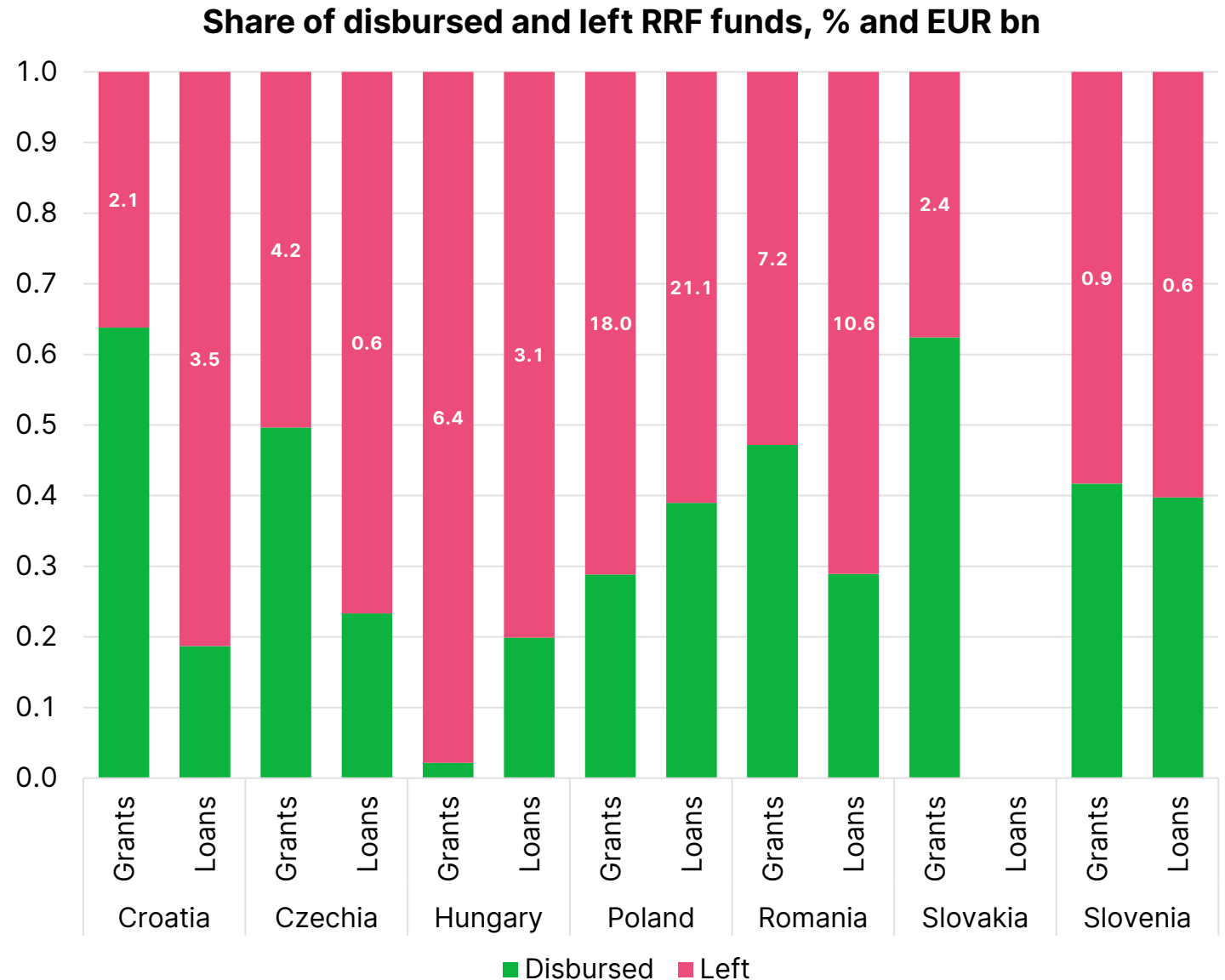
RRF funds in CEE, EUR bn



This should support investment activity in 2026

Looking country by country, so far, only Croatia and Slovakia have had more than 50% of grants disbursed. All other CEE countries still have at least half of the grants available (part of that could already have been requested) and an even higher share of loans to be utilized.

Taking full advantage of RRF funds will be a priority next year and has the potential to support the growth in a more meaningful manner.



Real growth of loans to households, percent



Strong private consumption

Easing inflation supports not only real growth of wages, but it has allowed central banks to ease monetary conditions.

As interest rates go down across the region, the credit growth has been picking up. Apart from Poland, the real growth of loans has been accelerating lately and getting toward double-digits in Croatia and Serbia.

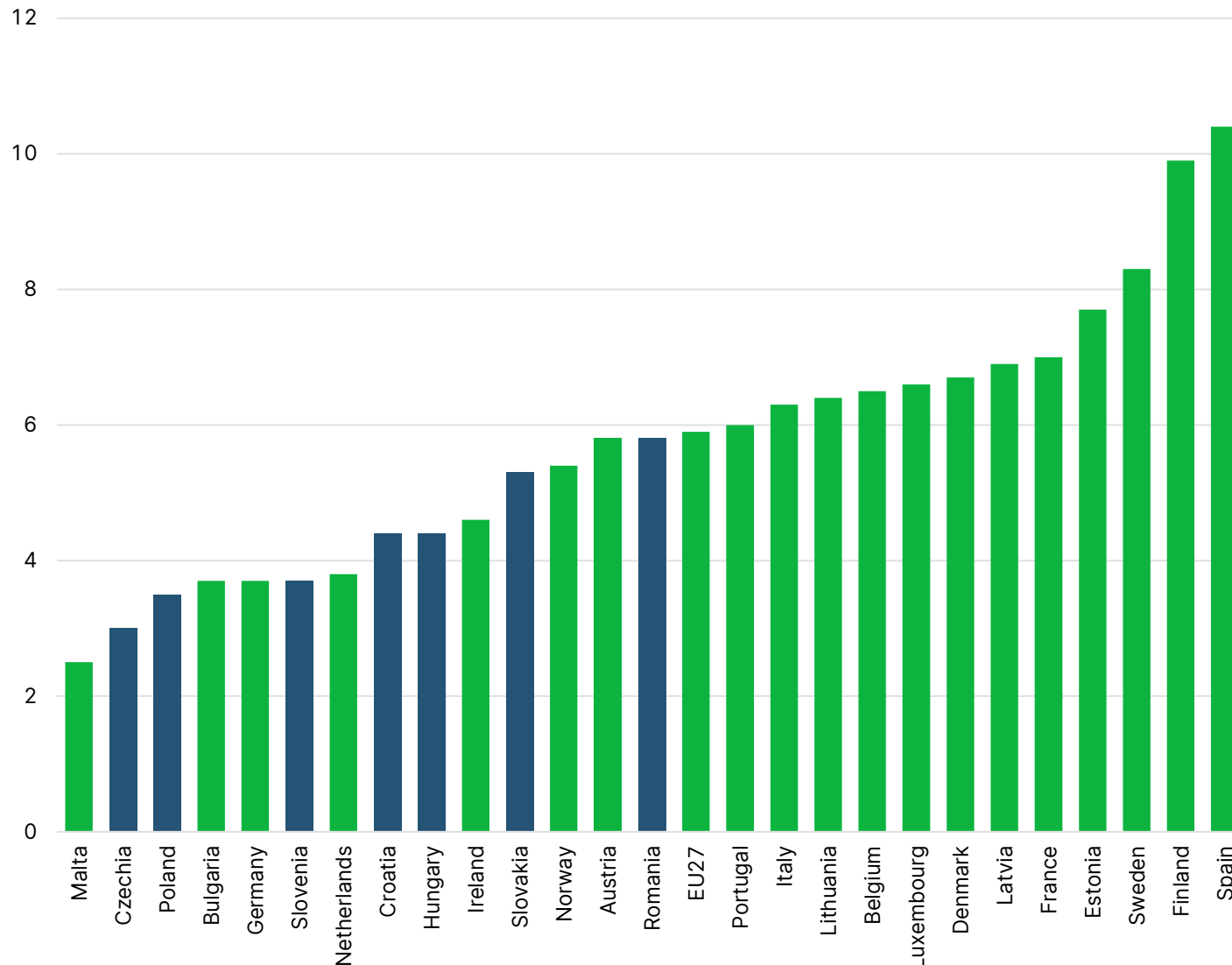
All in all, we see private consumption as a big contributor to GDP growth this and next year.

Labor market conditions

"The labor market has been tight and the unemployment rate remains the lowest in the whole EU, despite economic headwinds."



Unemployment rate in June 2025, LFS %



Unemployment rate below EU27 average

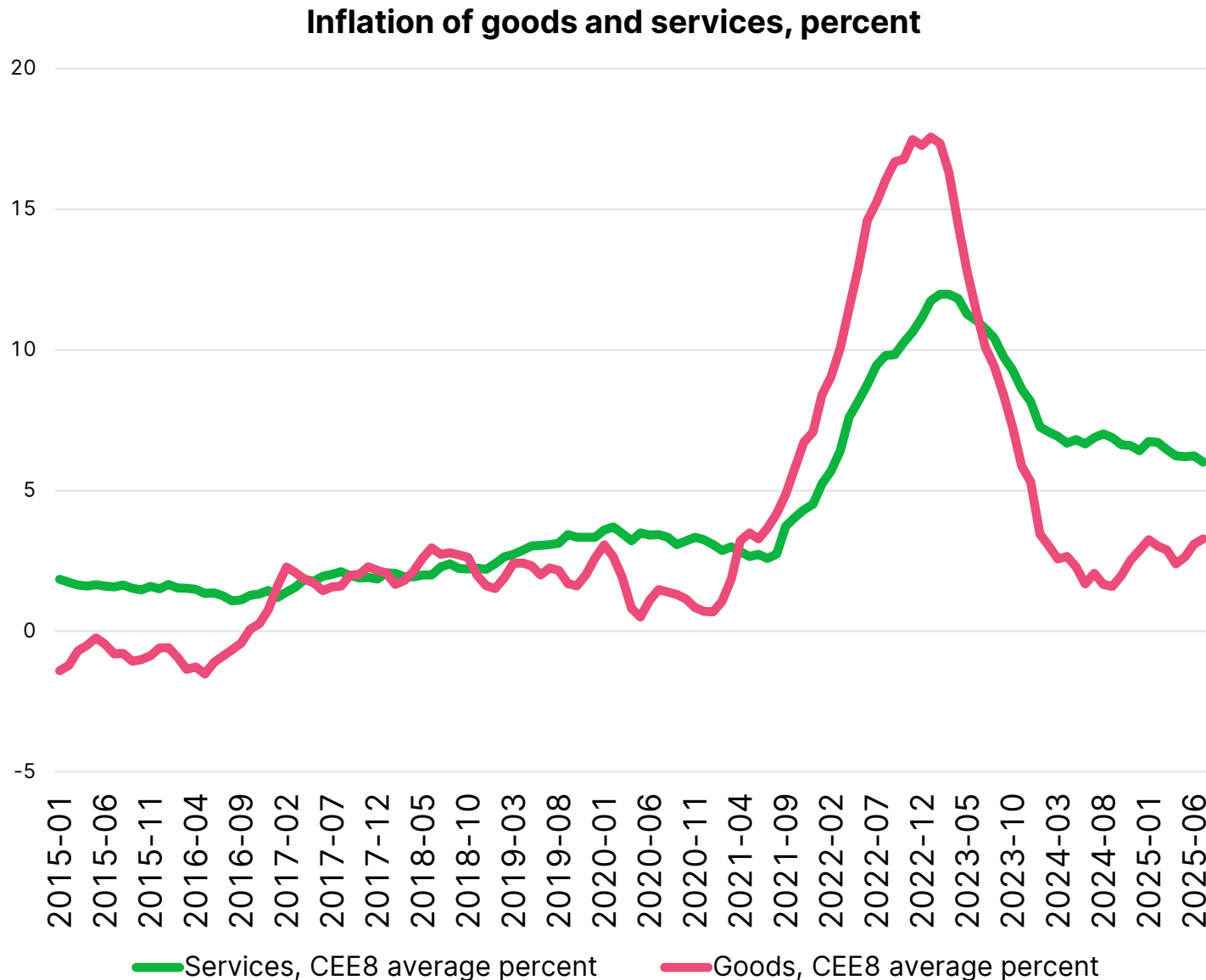
The labor market has been tight and unemployment rates remain low, according to Labor Force Survey data. In all CEE countries, the unemployment rate is below the EU27 average.

Despite there being no uptick in the unemployment rate, labor market conditions have become less favorable for those seeking new employment.

Inflation and monetary policy

"Inflation has eased visibly. Actually, it has fallen within the central bank's tolerance band in several CEE countries. We expect average inflation in 2026 to be lower compared to this year. Monetary easing should be in the cards next year as well."





Inflation of services shows signs of easing

Inflation of services keeps declining. Although the pace is rather slow, the downward trend is quite apparent. If we look at the CEE8 average, it remains elevated if compared to years prior to the inflation shock.

Inflation of goods, on the other hand, has peaked over the last couple of months. As opposed to services inflation, after the surge in 2022, it returned to the levels prior to the inflation shock. We believe that recent “bumps” in the development of inflation of goods were driven by energy prices as well as food price fluctuations.

Wage growth and inflation goes hand in hand

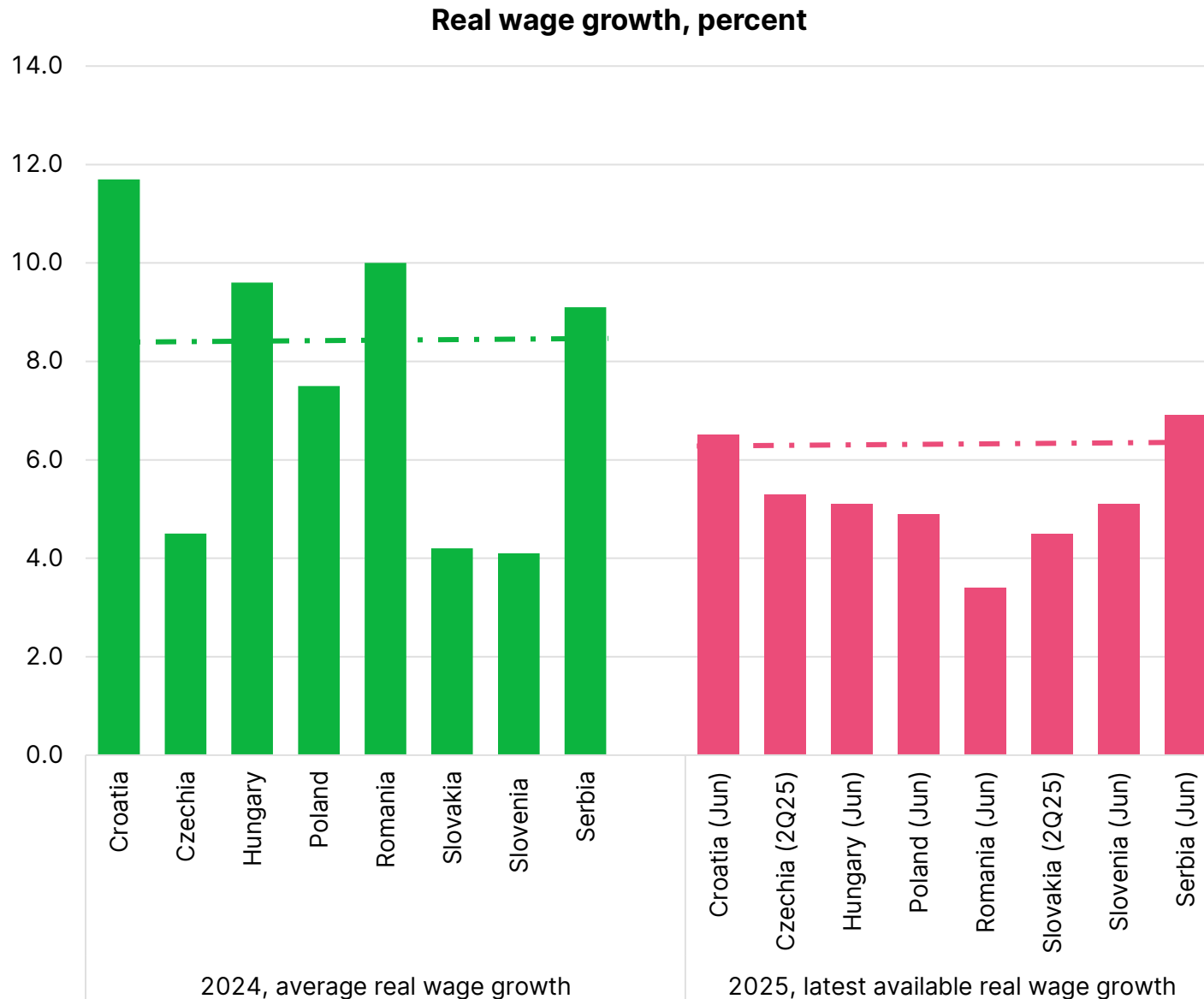
The strong, positive correlation between inflation and wage development is quite apparent.

While headline inflation was a trigger for wage adjustments (increase in the costs of leaving led to demand for higher compensation), we believe that the increase in nominal wages translates into elevated and quite persistent inflation of services (as shown on the previous slide).

The tight labor market is another, structural, factor that keeps up dynamic growth of wages across the region.

Wage growth and inflation correlates strongly,
2021 - YTD2025





Wage growth moderated in real terms

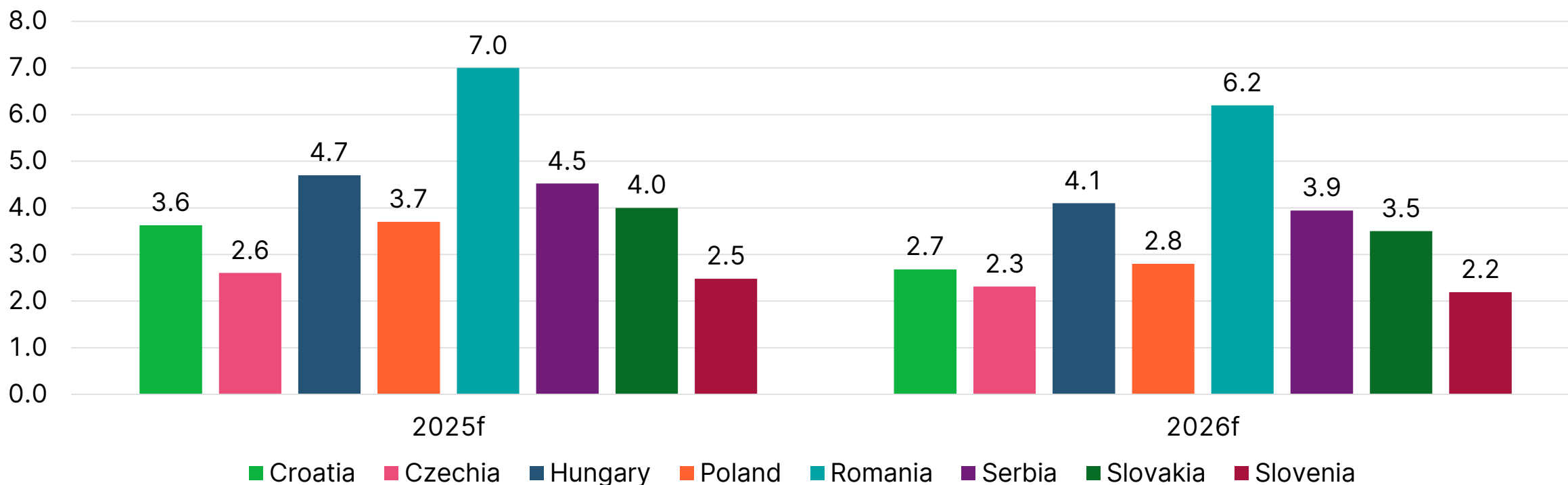
Real wage growth has slowed in 2025 compared to the previous year. The average real wage growth was above 7% in 2024, while in the first half of 2025, it declined toward 5%.

Looking across countries, Serbia and Croatia enjoy the highest real wage growth. In Czechia, Hungary, Poland, Slovakia and Slovenia, the growth dynamics have been solid as well (above 4%). Romania was hit by an inflation surge that is likely to lower the purchasing power of households temporarily (VAT increases, removal of energy price caps).

Inflation to ease next year

We expect average inflation to decline in 2026 in all CEE economies. In most CEE countries, inflation should be within the tolerance band of the respective central banks. The most stunning exception regarding inflation development is Romania, where the fiscal consolidation package with broad tax increases will lead to high headline inflation numbers in the rest of 2025. More pronounced disinflation should be expected only in the second half of 2026.

Inflation forecast, percent

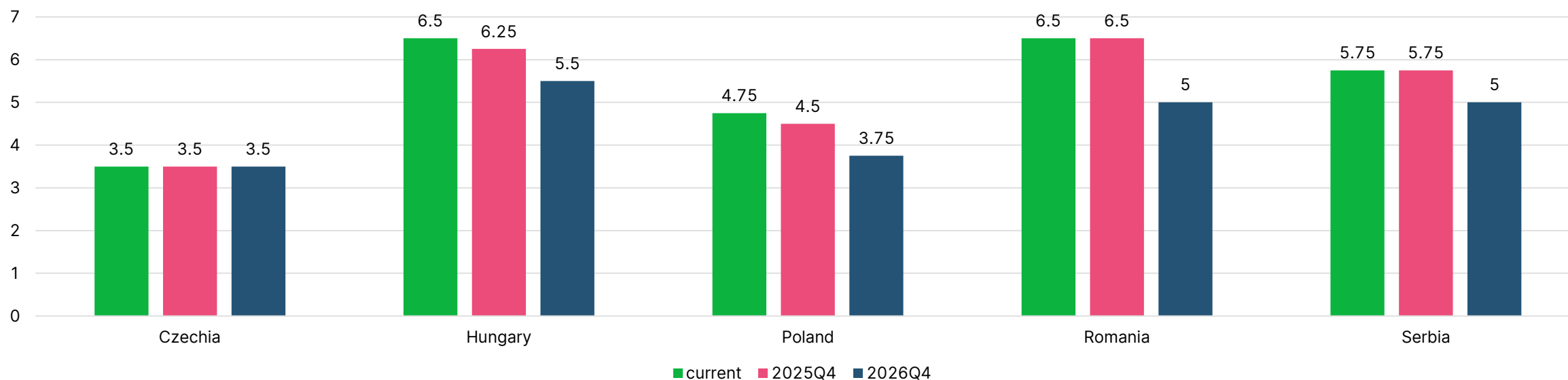


Monetary easing to be restored in 2026

This year, we see the probability of another rate cut in Poland and Hungary. In Hungary, it is conditional on inflation development, FX market stability as well as other central banks' decisions.

Next year, monetary easing is expected in all CEE countries except for Czechia, where 3.5% seems to be a terminal rate. Inflationary risks may also arise from planned fiscal expansion, especially in situation when ANO wins upcoming parliamentary elections. The decline of inflation supports a lower interest rate environment. In Romania, we expect monetary easing to resume once there is more clarity about the inflation development.

Interest rate, current and year-end forecast percent

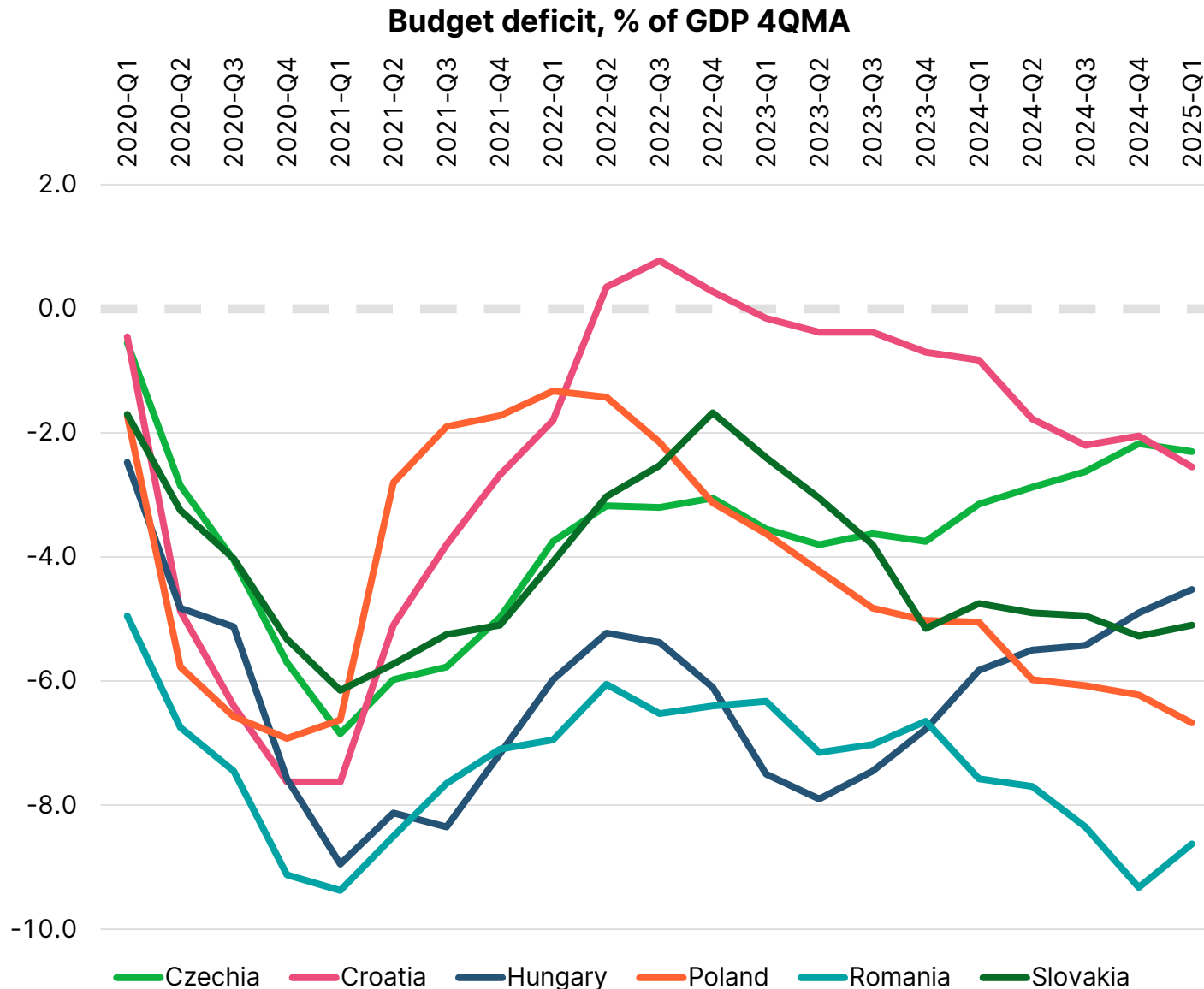


Fiscal policy and market development

"Romania and Slovakia proceed with austerity measures. Poland, on the other hand, does not plan to consolidate that resulted in the decision of Fitch Ratings to change the Poland's outlook from stable to negative. "



Avoiding fiscal consolidation



After 1Q25 (the latest available data on Eurostat), on a 4Q rolling basis, only Croatia (despite fiscal easing) and Czechia comply with the 3% of GDP Maastricht criterion, while in other CEE countries, the budget gap is bigger. In 2026:

- Poland does not plan to consolidate (budget gap at 6.5% of GDP in 2026 compared to 6.9% of GDP in 2025)
- Czechia announced fiscal expansion, driven by an increase in defense spending and the completion of the Dukovany nuclear power plant.
- Romania is to proceed with fiscal adjustments and structural reforms
- Slovakia's public finances are affected by the weak economic performance

Romania has adopted crucial fiscal consolidation package

Key Tax Measures (from 1 August 2025)

- **Banking sector turnover tax** increased from **2% to 4%**
- **Standard VAT increase** from **19% to 21%**
- **Reduced VAT brackets consolidated to a single rate of 11%**
- **Excise increases** for fuels, alcohol, tobacco, sugary products
- **Health contribution** introduced on pensions exceeding RON 3,000
- **Gambling taxation** significantly raised (e.g. authorization fees and vice tax)
- **Expected impact in 2025:** +RON 10.6bn (0.56% of GDP)

Key Spending Cuts (from 1 August 2025)

- **Wage and pension freeze** extended into 2026
- **Reduction of public sector bonuses** (hazard conditions, EU funds, etc.)
- **Education budget cuts:** reduced student grants, increased teaching load
- **Restructuring of local and state-owned entities**
- **Public investment cuts:** Reprioritization and transition from RRF loans to grants
- **Expected impact in 2025:** -RON 12.75bn (0.67% of GDP)

Additional Measures (from 1 January 2026)

- **Tax Increases**
 - **Dividend tax** raised from **10% to 16%**
 - **Property tax** hikes
 - **Green taxation reform** (new TollRo system; higher vignette fees)
 - **Total additional tax revenue in 2026:** RON 10.92bn (0.54% of GDP)
- **Further Spending Reductions**
 - **Continuation of wage and pension freeze**
 - **Central administration reform:** consolidation and downsizing of ministries and agencies
 - **Total savings in 2026:** RON 20.89bn (1.03% of GDP)

Overall Impact for State Budget:

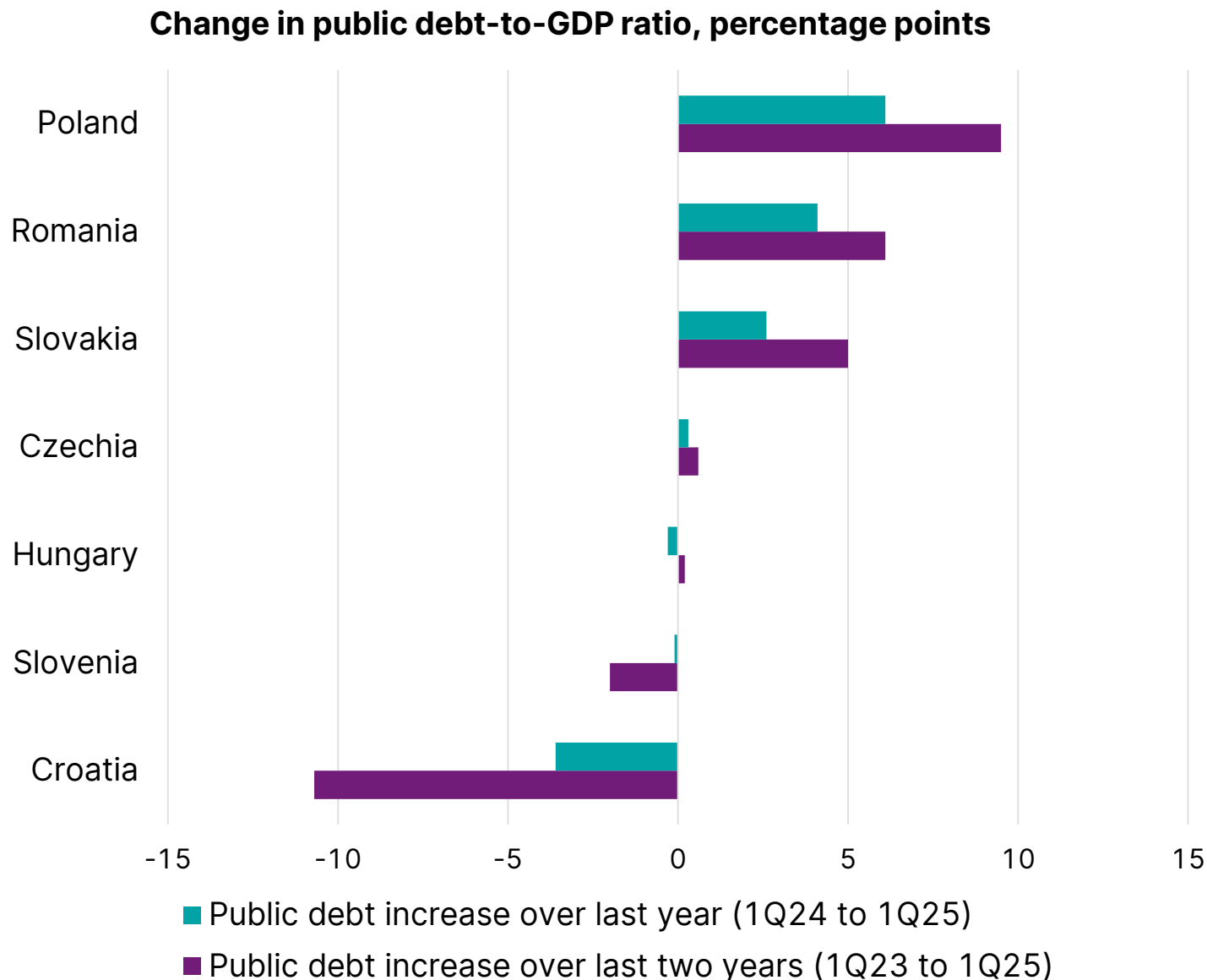
2025 (tax hikes + spending cuts): RON 23.36bn (**1.2% of GDP**)

2026 (full-year effect including carry-over from 2025 measures):
RON 76.23bn (**3.75% of GDP**)

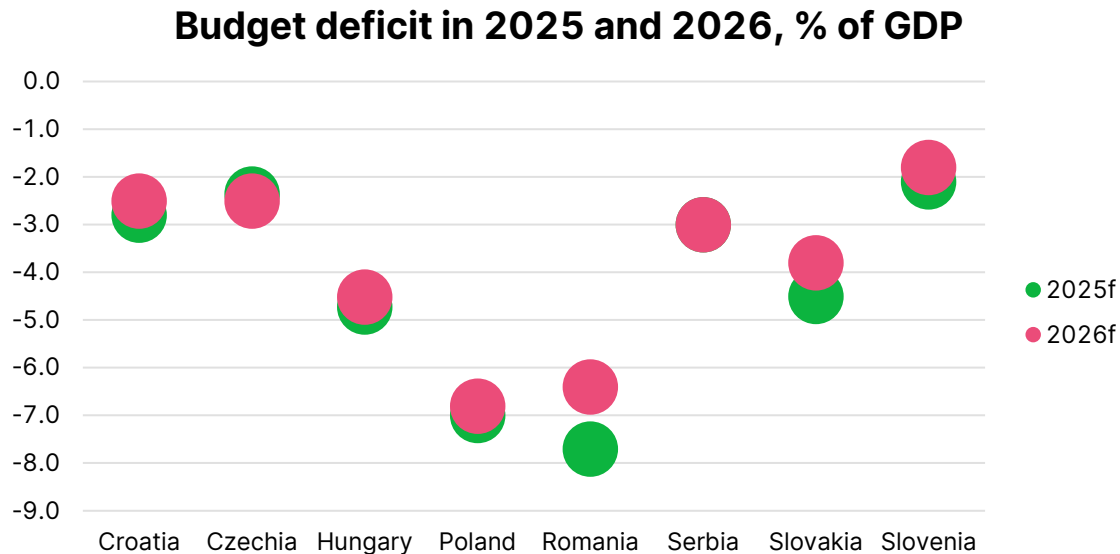
Poland experienced highest increase in public debt

Although Romania is the country with the highest budget deficit in terms of GDP, Poland experienced the biggest increase in public debt over last year (Eurostat data between 1Q25 and 1Q24) and over the last two years (between 1Q25 and 1Q23).

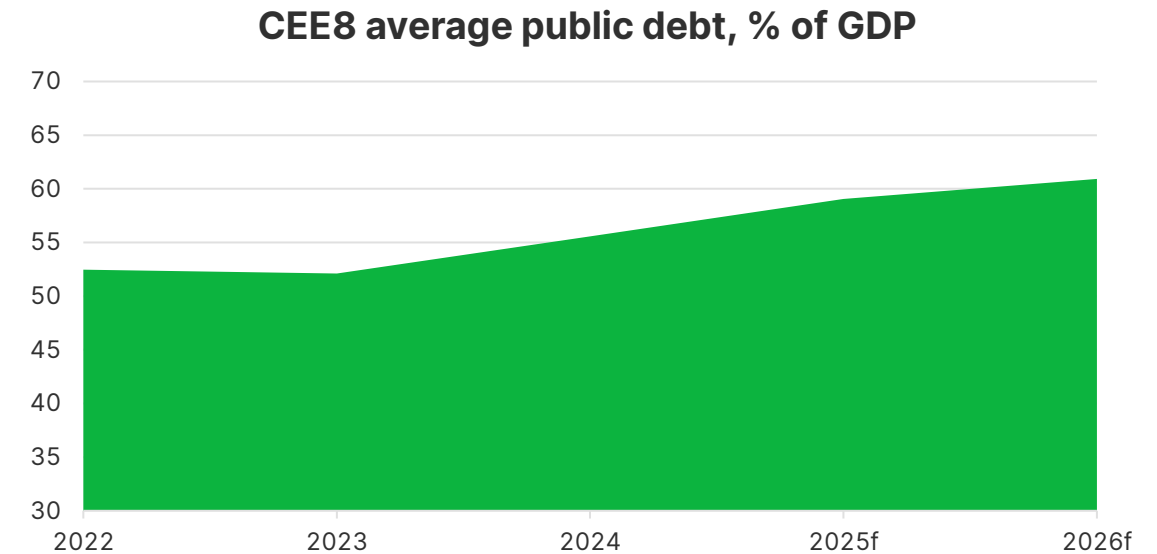
Fiscal expansion supports the economic performance of Poland, yet it poses the risks that most recently translated into the change of the outlook from stable to negative by Fitch. The budget deficit is expected to reach 6.9% of GDP in 2025 (well above the 'A' median of 2.9%) and public debt will rise towards 68% of GDP by 2027 (significantly above the peer median as well), according to Fitch Ratings.



Public debt-to-GDP ratio is expected to rise further



Only Romania and Slovakia plan to reduce the budget deficit in a more meaningful manner in 2026. Other countries do not plan for fiscal consolidation or aim at fiscal expansion (Czechia, in particular).



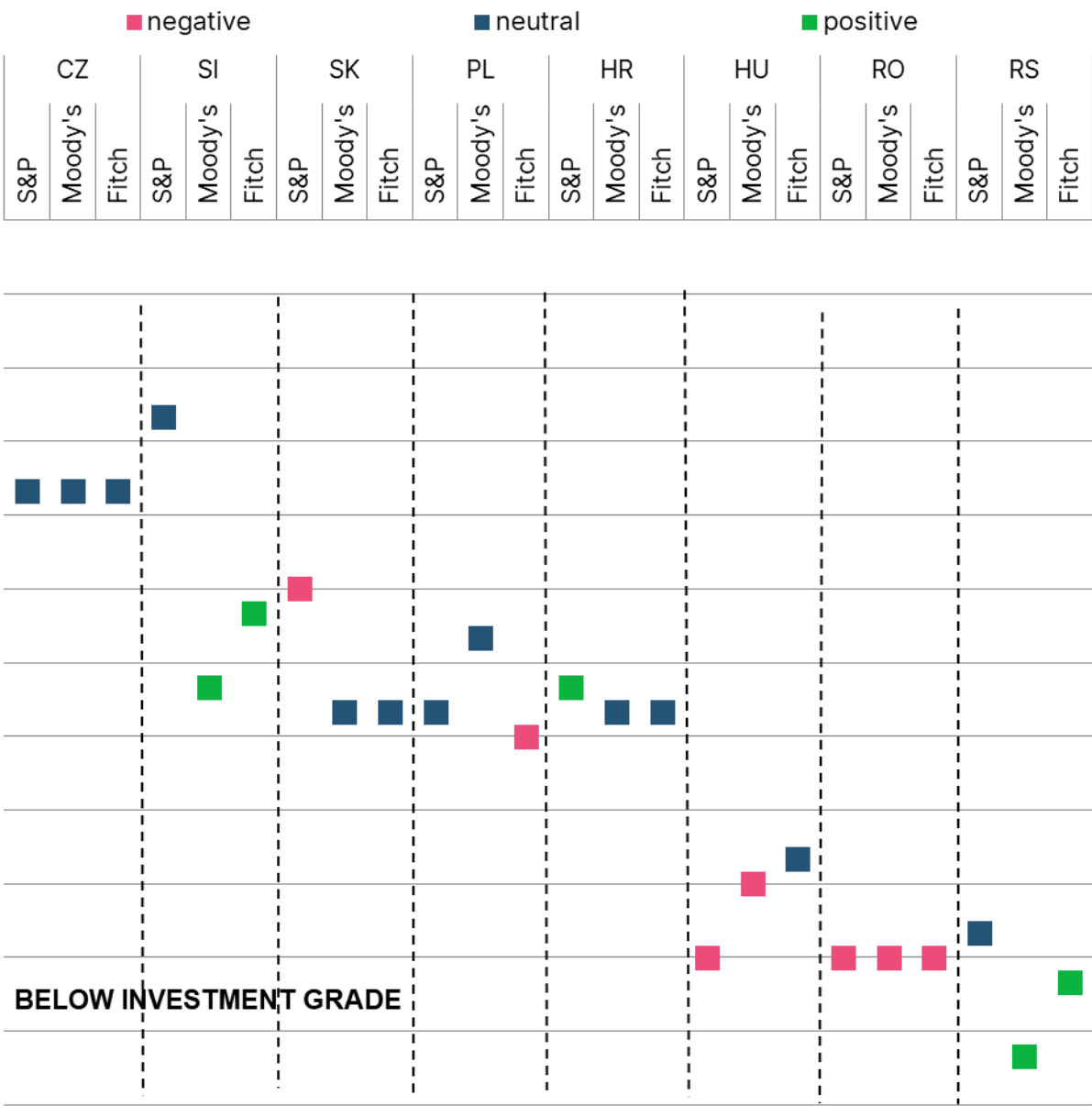
Since 2022, the CEE8 average public debt-to-GDP ratio has increased from 52.5% to roughly 60% in 2025. This is the outcome of a quite visible increase in public debt in Poland and Romania. In Slovakia, public debt also went up, but to a lesser extent. In Croatia and Slovenia, the public debt to GDP ratio declined, while in the other countries it was stable.

Ratings

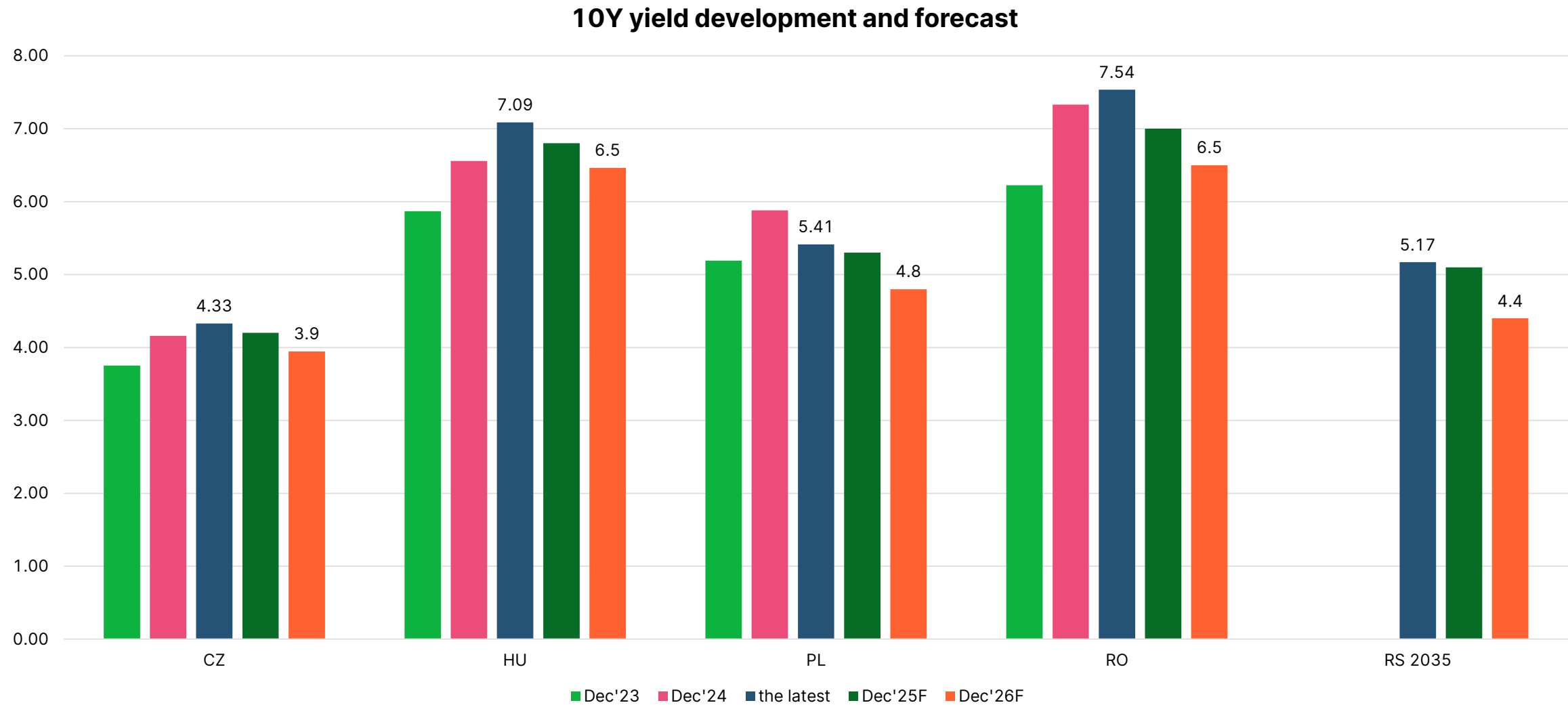
Romania avoided the rating downgrade once it was clear the fiscal consolidation follows through, and the budget deficit will be curbed in the coming years. For now, the investment grade rank has been saved, but negative outlooks persist, suggesting there is little space for any major fiscal slippage.

Fitch Ratings changed Poland’s outlook to negative, citing rising fiscal risks.

Serbia was granted investment grade by S&P, but other agencies are not likely to follow (despite positive outlooks), given political tensions and the energy sector being in crisis (US sanctions against NIS).



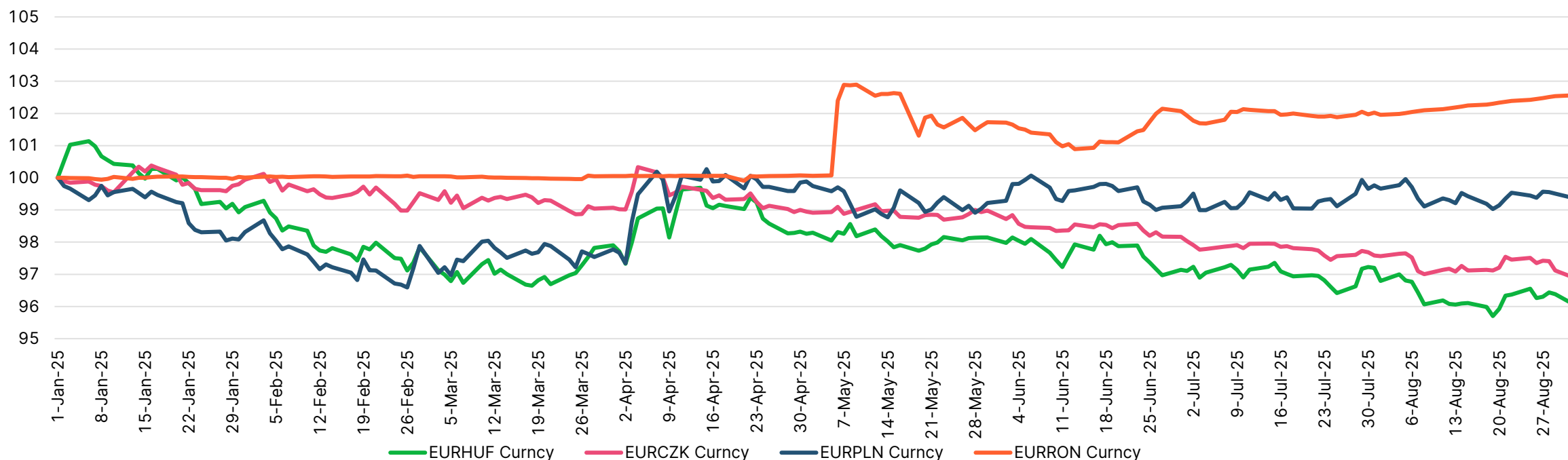
Yields are expected to remain in downward trajectory



FX market: Continuous strengthening of Czech koruna and Hungarian forint

The Czech koruna and Hungarian forint have been strengthening against the euro over the last couple of months. The Hungarian forint has appreciated against the euro roughly 4% this year. In Czechia, the end of monetary easing supports lower EURCZK levels. On the other hand, upcoming parliamentary elections (October 2025) may affect the FX rate development. The new comfort range for the Romanian central bank seems to be 5.05-5.10 for EURRON. The EURPLN is to move sideways.

Development since January 2025, Index Jan 1 = 100



Point of interest: State of the CEE region

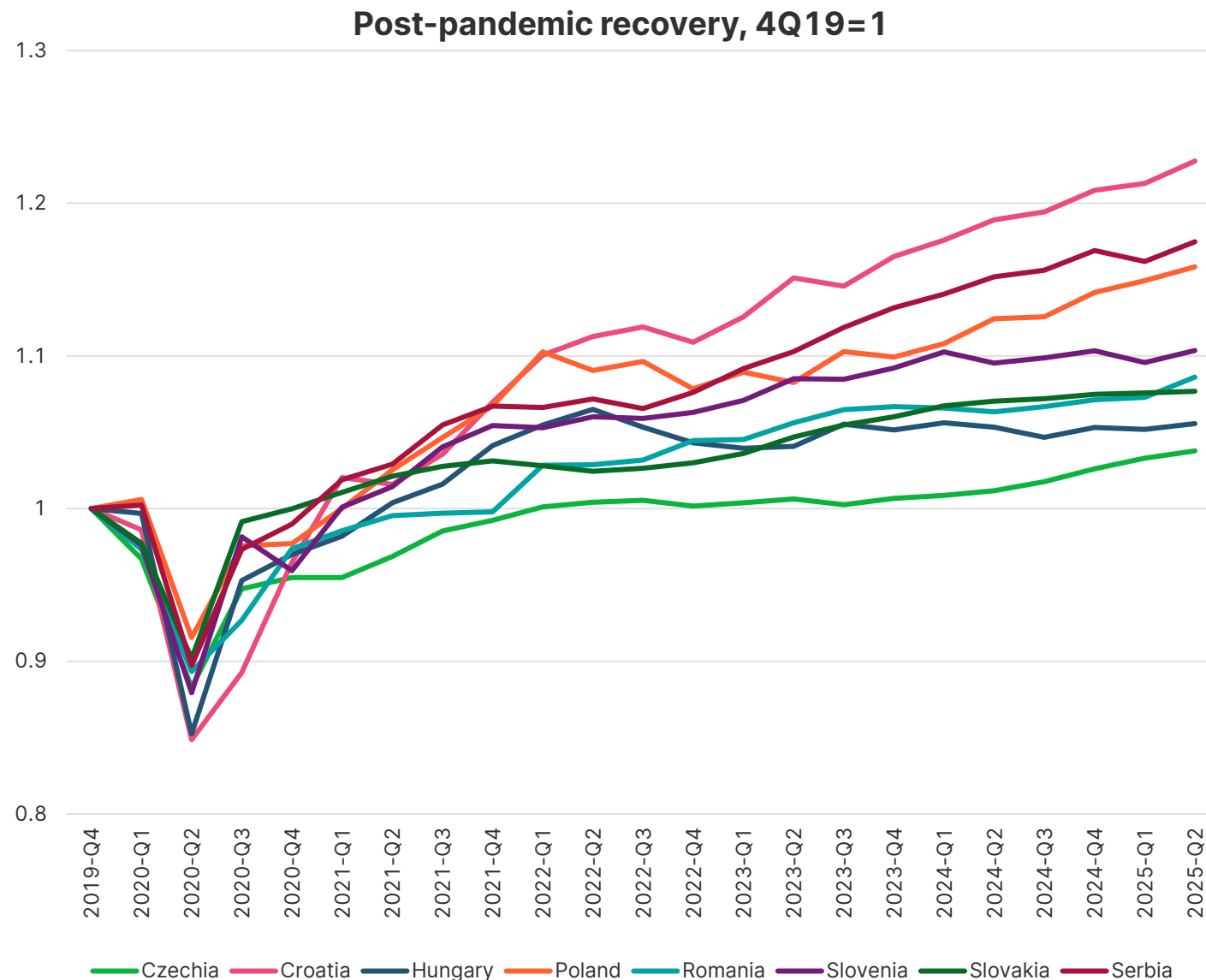
"We see signs of overheating in Croatia. Czechia has been picking up lately, while Hungary's underperformance has been driven by structural issues and low utilization of RRF funds. Solid growth dynamics in Poland has been supported by fiscal expansion. Romania is highly impacted by austerity measures."



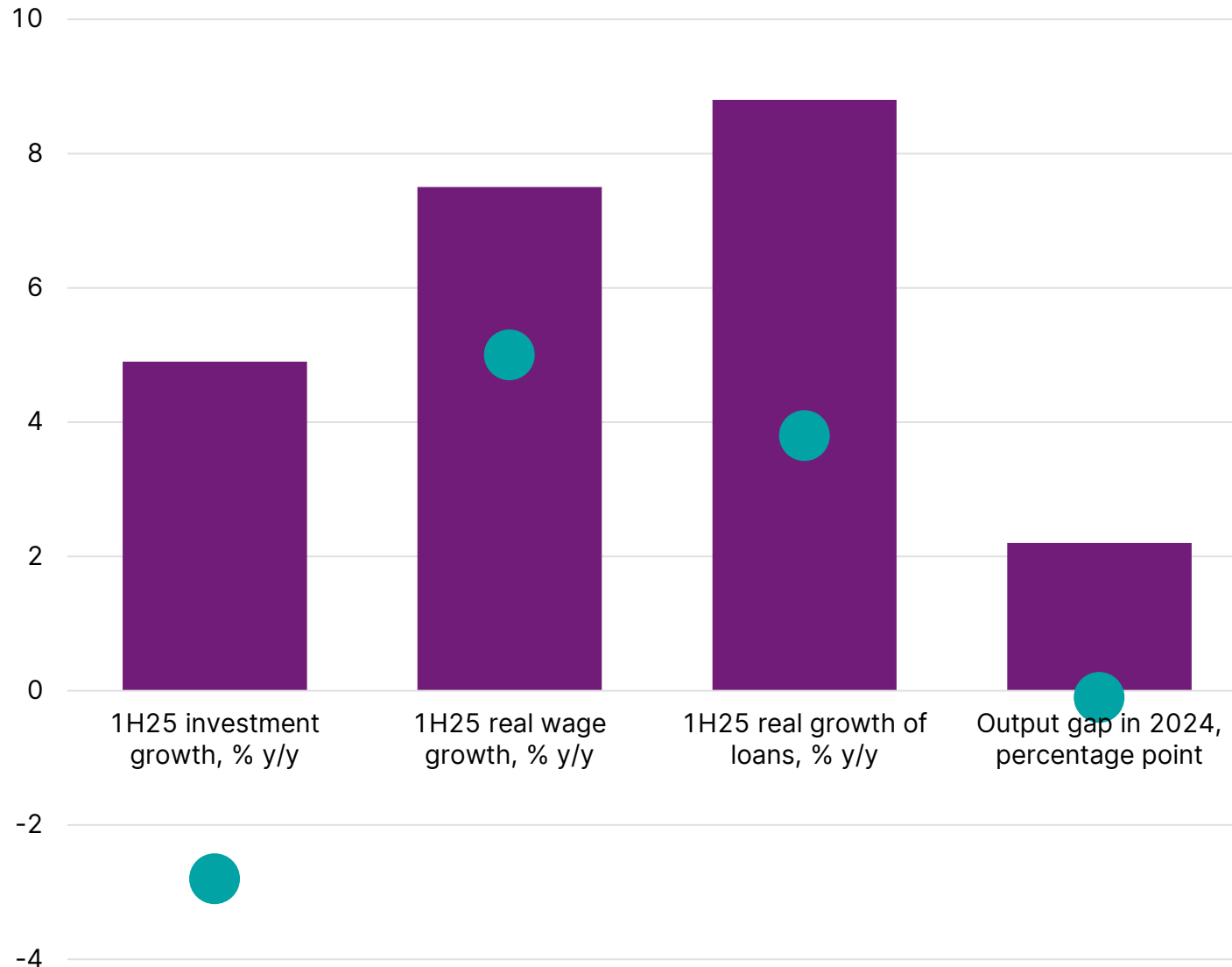
Heterogenous pace of post-pandemic recovery

Croatia has a real GDP more than 20% higher compared to the pre-pandemic level. Serbia and Poland outperform as well. In Poland, the growth has picked up more visibly since early 2024. Czechia seems to be moving out of its post-pandemic lethargy.

After a decent pace of recovery in 2021, Hungary has been stagnating since then, with its real GDP level only 5% higher compared to the last quarter of 2019.



Croatia's outstanding performance



Croatia

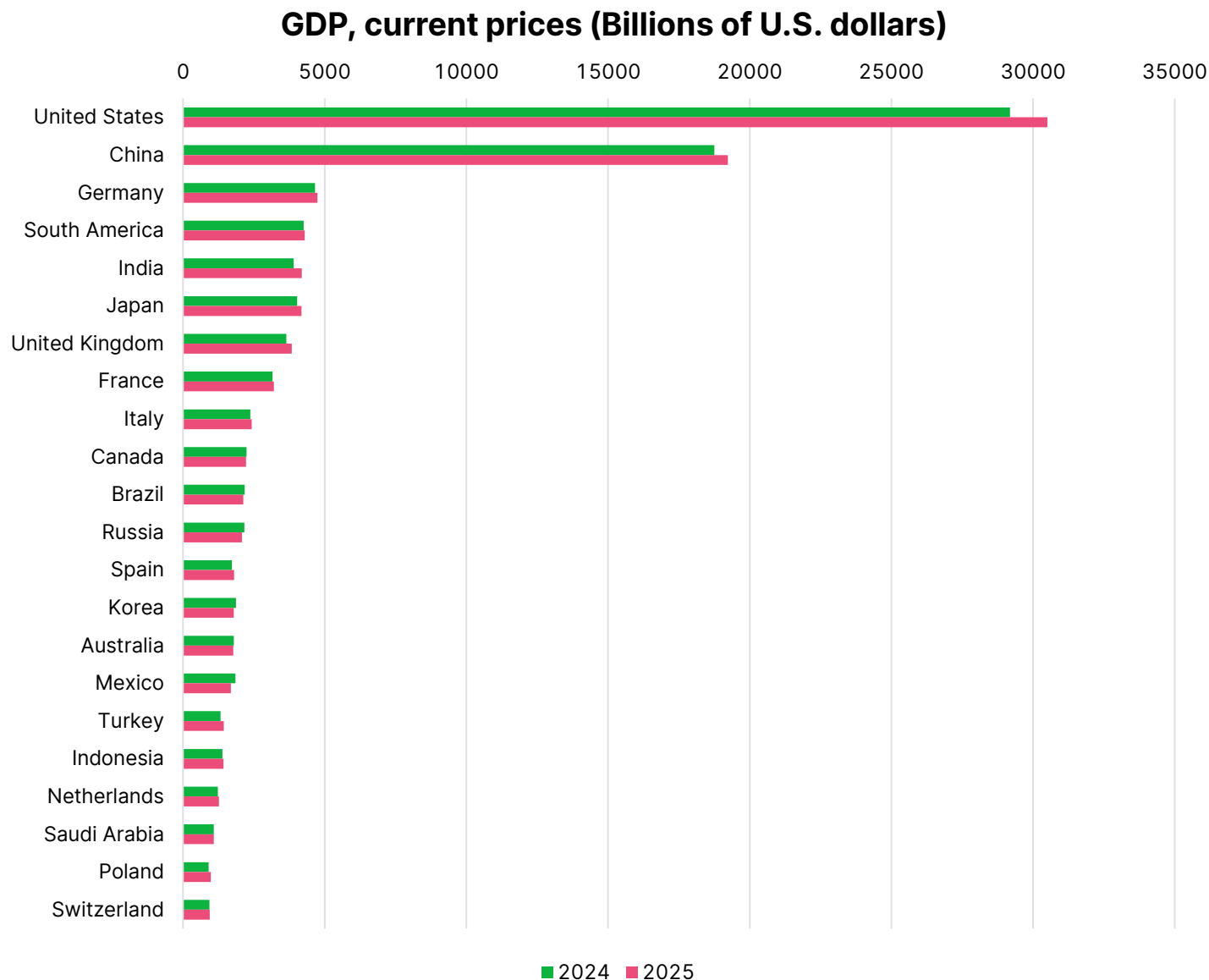
Croatia is no. 1 in the region regarding:

- Investment growth in 1H25 (average at 4.9% y/y)
- Highest share of RRF funds disbursed
- Real wage growth (6.5% y/y in June and 1H25 average at 7.5% y/y)
- Real growth of loans to households (9.8% y/y in June and 8.8% y/y average in 1H25)
- The highest output gap in 2024 (2.2 percentage points and 1.4 percentage points expected in 2025, according to EC estimates)

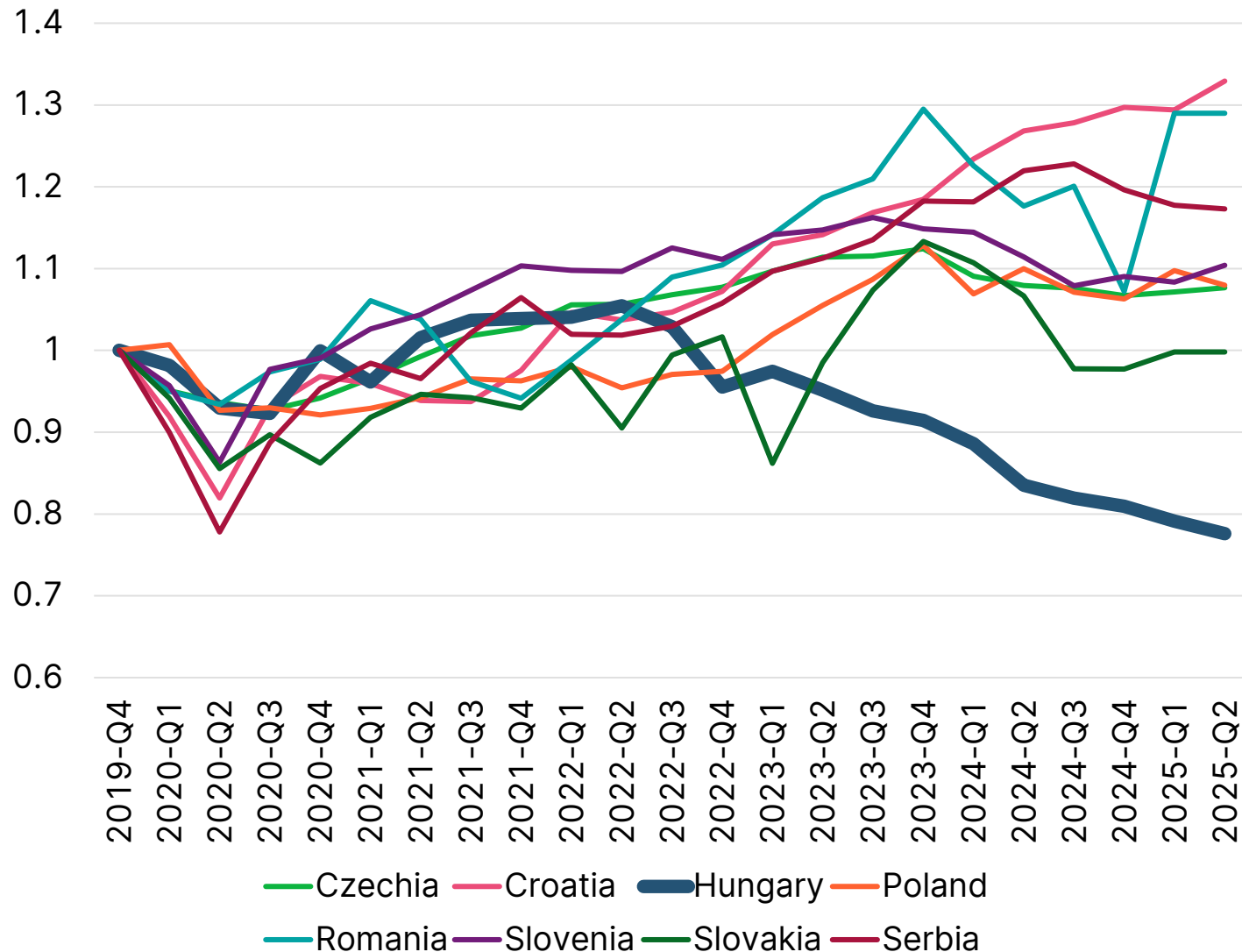
Poland enters G20 club, but fiscal risks have been rising

Poland has officially joined the world's top 20 economies by nominal GDP, overtaking Switzerland and marking a historic milestone in its post-transformation economic journey.

Poland's growth has been solid and close to potential. Inflation has eased and has fallen within the tolerance band of the central bank. Unemployment rates are low in both countries and below the EU average. The only indicator that puts Poland off the "golden spot" is a very high fiscal deficit (above 6% of GDP in 2025 with limited fiscal consolidation in sight).



Gross Fixed Capital Formation, 4Q19=1



Falling investment in Hungary

One of the key developments affecting the weak economic development in Hungary is a visible fall of investment activity.

Actually, no other CEE country is in such a position as Hungary. Investment growth has been declining for three years in a row (continuous negative y/y growth since the third quarter of 2022).

Hungary is also the only country that has not used the RRF funds almost at all. Disbursement of grants has been minimal (EUR 140mn out of EUR 6.1bn available) and roughly 20% of available loans have been drawn so far.



Trade to GDP

- Czechia: 132% of GDP
- Hungary: 144% of GDP



Negative output gap 23-24

- Czechia: -1.4 percentage points
- Hungary: -0.7 percentage points



RRF funds

- Czechia: disbursed grants EUR 4.2bn out of EUR 8.4bn
- Hungary: disbursed grants EUR 0.1bn out of EUR 6.5bn



Real interest rate

- Czechia: 2024 average ex-post interest rate at 2.3% and 0.8% in 1H25
- Hungary: 2024 average ex-post interest rate at 3.3% and 1.9% in 1H25

Why is Czechia picking up and Hungary is not?

Both economies are small open economies with potentially similar negative impacts stemming from the global slowdown due to tariffs. Both economies have been growing below potential, but Czechia has picked up over the last couple of quarters. Extensive use of RRF funds may be one of the factors supporting the growth. The lower real interest rate in Czechia may also be considered a growth-positive impulse. The monetary easing cycle, which was disrupted in Hungary due to volatility on the FX market, puts Czechia in more favorable positions.

State of region: Overheating Croatia, Poland well balanced

Growth – Croatia's performance is particularly strong and above potential, showing signs of overheating. Czechia's economy has been picking up. Hungary and Romania, on the other hand, underperform with growth below potential.

Inflation – mostly within the target band, apart from Slovakia and Romania, where tax changes affect the trajectory in 2025 and 2026.

Fiscal stance – several CEE countries struggle with fiscal discipline.

Labor market – unemployment rate remains historically low.

	GDP growth	Inflation	Fiscal deficit	Current account	Unemployment
Croatia	above potential	within target band	close to -3% of GDP	deficit	below EU average
Czechia	below potential	within target band	close to -3% of GDP	surplus	below EU average
Hungary	below potential	within target band	higher than -3% of GDP	surplus	below EU average
Poland	potential	within target band	higher than -3% of GDP	balance	below EU average
Romania	below potential	above target band	higher than -3% of GDP	deficit	close to EU average
Slovakia	potential	above target band	higher than -3% of GDP	deficit	close to EU average
Slovenia	potential	within target band	close to -3% of GDP	surplus	below EU average
Serbia	below potential*	within target band	close to -3% of GDP	deficit	above EU average*

Deviation bigger than -1pp

Deviation between -1pp to 1pp

Deviation bigger than 1pp

Macro Forecasts

Real GDP growth (%)				
	2023	2024f	2025f	2026f
Croatia	3.3	3.9	2.8	2.6
Czechia	0.2	1.1	2.3	2.2
Hungary	-0.8	0.5	0.5	2.3
Poland	0.1	2.9	3.4	3.2
Romania	2.4	0.8	1.3	2.1
Serbia	3.8	3.9	2.7	4.3
Slovakia	2.2	2.1	0.7	1.3
Slovenia	2.1	1.6	1.2	2.1
CEE8 avg	0.9	2.0	2.3	2.6

Average inflation (%)				
	2023	2024f	2025f	2026f
Croatia	8.1	3.0	3.6	2.7
Czechia	10.7	2.4	2.6	2.3
Hungary	17.6	3.7	4.7	4.1
Poland	11.4	3.6	3.7	2.8
Romania	10.5	5.6	7.0	6.2
Serbia	12.5	4.6	4.5	3.9
Slovakia	10.5	2.8	4.0	3.5
Slovenia	7.4	2.0	2.5	2.2
CEE8 avg	11.5	3.7	4.2	3.5

Unemployment (%)				
	2023	2024f	2025f	2026f
Croatia	6.1	5.0	4.7	4.5
Czechia	2.6	2.7	2.9	3.5
Hungary	4.1	4.4	4.3	4.1
Poland	5.1	5.1	5.3	5.2
Romania	5.6	5.5	5.9	5.7
Serbia	9.5	8.6	8.7	8.4
Slovakia	5.8	5.3	5.3	5.7
Slovenia	3.7	3.7	3.6	3.6
CEE8 avg	4.9	4.8	5.0	5.0

Public debt (% of GDP)				
	2023	2024f	2025f	2026f
Croatia	61.8	57.6	56.8	56.4
Czechia	42.5	43.6	44.2	44.8
Hungary	73.0	73.5	74.4	74.5
Poland	49.5	55.3	62.0	66.0
Romania	48.9	54.8	58.5	60.0
Serbia	48.4	47.5	47.6	47.0
Slovakia	55.6	59.3	61.3	62.1
Slovenia	68.4	67.0	66.6	65.9
CEE8 avg	52.0	55.6	59.2	61.2

C/A (%GDP)				
	2023	2024f	2025f	2026f
Croatia	0.4	-1.2	-2.4	-2.8
Czechia	0.3	1.7	1.9	1.4
Hungary	0.3	2.2	1.7	1.6
Poland	1.8	0.0	-0.5	-1.0
Romania	-6.6	-8.3	-7.8	-6.8
Serbia	-2.4	-4.7	-5.8	-5.6
Slovakia	-0.9	-2.8	-3.0	-3.0
Slovenia	4.8	4.6	3.4	3.2
CEE8 avg	-0.3	-1.1	-1.5	-1.6

Budget Balance (%GDP)				
	2023	2024f	2025f	2026f
Croatia	-0.8	-2.4	-2.8	-2.5
Czechia	-3.8	-2.2	-2.4	-2.5
Hungary	-6.7	-4.9	-4.7	-4.5
Poland	-5.3	-6.6	-7.0	-6.8
Romania	-6.6	-9.3	-7.7	-6.4
Serbia	-2.1	-2.0	-3.0	-3.0
Slovakia	-5.2	-5.3	-4.5	-3.8
Slovenia	-2.6	-0.9	-2.1	-1.8
CEE8 avg	-5.0	-5.5	-5.5	-5.2

Market Forecasts

LCY Government bond yields

	Latest	2025Q4	2026Q1	2026Q2	2026Q3
Czechia 10Y	4.33	4.20	4.11	4.03	4.00
Hungary 10Y	7.08	6.80	6.74	6.67	6.53
Poland 10Y	5.41	5.30	5.20	5.20	5.00
Romania10Y	7.51	7.00	6.80	6.70	6.60
Serbia 10Y	5.20	5.10	5.00	4.80	4.60

Spreads vs. German Bunds (bps)

Croatia 10Y	40.00	50.00	50.00	50.00	50.00
Slovakia 10Y	79.00	85.00	85.00	85.00	125.00
Slovenia 10Y	33.00	50.00	50.00	50.00	50.00
DE10Y yields	2.65	2.50	2.50	2.50	2.50

3M Money Market Rate

	Latest	2025Q4	2026Q1	2026Q2	2026Q3
Czechia	3.48	3.56	3.56	3.57	3.57
Hungary	6.50	6.20	5.95	5.70	5.45
Poland	4.75	4.60	4.40	4.10	4.10
Romania	6.54	6.00	5.85	5.55	5.20
Serbia	4.68	4.67	4.67	4.67	4.04
Eurozone	2.03	1.99	2.01	2.02	2.02

FX

	Latest	2025Q4	2026Q1	2026Q2	2026Q3
EURCZK	24.32	24.35	24.31	24.25	24.18
EURHUF	392.6	405.0	408.0	408.0	410.0
EURPLN	4.24	4.25	4.30	4.30	4.30
EURRON	5.07	5.09	5.10	5.10	5.15
EURRSD	117.0	117.3	117.3	117.2	117.1
EURUSD	1.18	1.20	1.20	1.22	1.22

Key Interest Rate (deposit facility in Eurozone)

	Latest	2025Q4	2026Q1	2026Q2	2026Q3
Czechia	3.50	3.50	3.50	3.50	3.50
Hungary	6.50	6.25	6.00	5.75	5.50
Poland	4.75	4.50	4.25	4.00	4.00
Romania	6.50	6.50	6.25	6.00	5.50
Serbia	5.75	5.75	5.75	5.75	5.00
Eurozone	2.00	2.00	2.00	2.00	2.00

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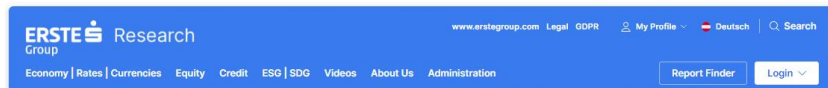
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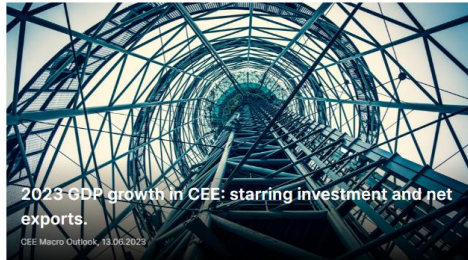
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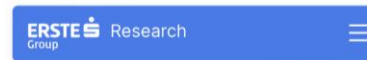
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