Poland outlook report

Fourth quarter of 2024

R & D

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The quarterly report of Poland aims to provide a comprehensive and executive view of the main indicators of the banking sector, along with the macroeconomic situation at the end of the quarter.

1. International overview

Global growth held steady in late 2024, inflation gradually declined and labor markets improved, though vulnerabilities remain due to persistent inflationary pressures and heightened uncertainty in trade and financial conditions.

Macroeconomic outlook

- The Eurozone experienced year-on-year growth of 1.16% in the fourth quarter of the year, continuing the upward trend observed in previous periods. However, during 4Q24, Germany recorded negative growth. The region's average CPI increased slightly to 2.23% compared to the previous quarter. The average unemployment rate in the eurozone was 6.20%, showing a decrease from the previous quarter, which was 6.33%.
- The UK continued its upward trend in GDP, reaching 1.38% during the last quarter of the year. However, the CPI increased to 3.40% and the unemployment rate also rose to 4.40%, 0.50 p.p. above the 3Q23 level.
- In the fourth quarter of 2024, U.S. GDP grew by 2.48%, reflecting a decrease of 0.23 p.p. compared to the previous quarter. Meanwhile, Canada recorded a growth rate of 2.36%, an increase of 0.48 p.p. from the third quarter. The growth rate in Latin America[1] reached 2.36% in 4Q24. As for inflation, the U.S. experienced an increase from the previous quarter, reaching 2.74%. The average inflation rate in Latin America was 3.39%, excluding Argentina's high rate, which reached 154.36%. In terms of unemployment, the U.S. saw its unemployment rate fall to 4.13%, whereas Canada's rate increased to 6.73%. In Latin America, the average unemployment rate was 5.77%, reflecting a slight decrease compared to 3Q24. Most countries followed this downward trend, except for Costa Rica and Chile, where unemployment rose.
- In the Asia region, China recorded a growth rate of 5.40% in the fourth quarter of 2024, marking a year-on-year increase from 5.30% in 4Q23. Japan maintained its positive trend from the previous quarter, reaching 1.20%. Meanwhile, Turkey reversed its previous downward trend, with growth rising to 2.40% compared to the previous quarter. The inflation rate declined in China, Japan and Turkey, continuing the downward trend observed in earlier periods. Additionally, the unemployment rate in all three countries experienced a slight decrease compared to the previous quarter.
- During the fourth quarter of 2024, South Africa's GDP grew compared to the previous quarter, reaching 0.79%. Inflation continued its downward trend, registering 2.81% in the fourth quarter of the year, compared to 4.24% in the previous quarter. The unemployment rate remained high at 31.90%. In Australia, GDP increased by 0.50 p.p. from 3Q24, reaching 1.27% in 4Q24. The CPI continued its downward trend, standing at 2.42%. The unemployment rate improved by 0.13 p.p. compared to 3Q24, reaching 4.01%.

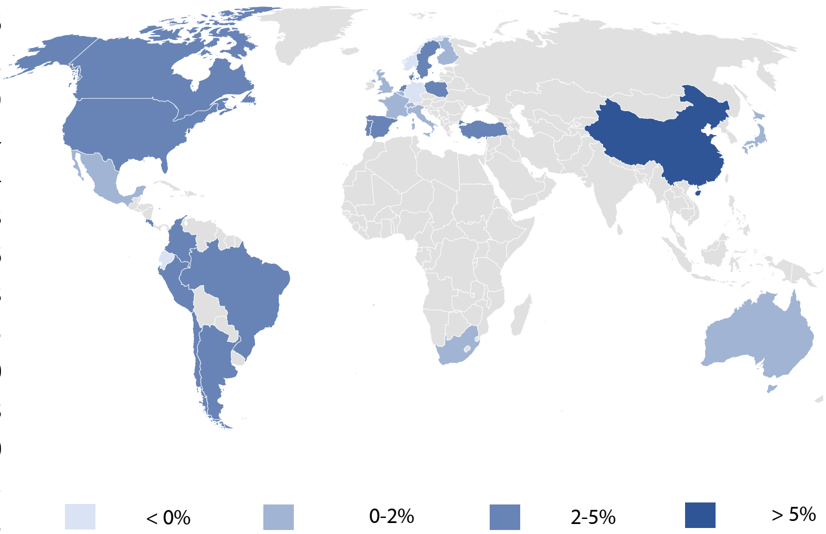
Macroeconomic forecasts and key risks

- The International Monetary Fund projects stable global economic growth of 3.3% in both 2025 and 2026. The U.S. leads among advanced economies with a 2025 growth forecast of 2.7%, driven by strong domestic demand and favorable financial conditions. In contrast, the euro area is expected to grow only 1.0%, hindered by weak manufacturing and geopolitical tensions. In Asia, China is projected to grow by 4.6%, slightly higher than previous estimates, and in Latin America, growth is forecast at 2.5%, despite slowdowns in the region's largest economies. Moreover, global inflation continues to decline, largely due to falling oil prices, though prices for other goods such as food are projected to rise in 2025.
- Short-term risks are divergent—tilted upward in the U.S. but downward in other regions—while medium-term risks are broadly to the downside globally. Trade tensions, political uncertainty, and potential monetary disruptions pose significant threats to future economic stability.
- The OECD is less optimistic and projects that global GDP growth will slow to 3.1% in 2025 and 3.0% in 2026. This deceleration is attributed to rising trade barriers, political and geopolitical uncertainty, and weaker momentum in investment and consumption. In the U.S. growth is expected to fall to 2.2% in 2025, and China is projected to grow by 4.8% in 2025. In the euro area it is projected to reach only 1.0%, in line with the IMF's projections. In terms of prices, the OECD affirms that inflation is expected to fall but remain elevated, though core inflation would stay above target in several countries.
- Regarding risks, major threats include trade fragmentation and tighter monetary policy if inflation persists. On the other hand, agreements to reduce tariffs, improvements in the political environment, or higher public spending could boost growth. The OECD stresses the importance of structural reforms and international cooperation to mitigate these risks and enhance long-term productivity.

(1) The average for Latam countries is based on macroeconomic data for Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Data from Ecuador is from 3Q24.

GDP (%, year-on-year growth)

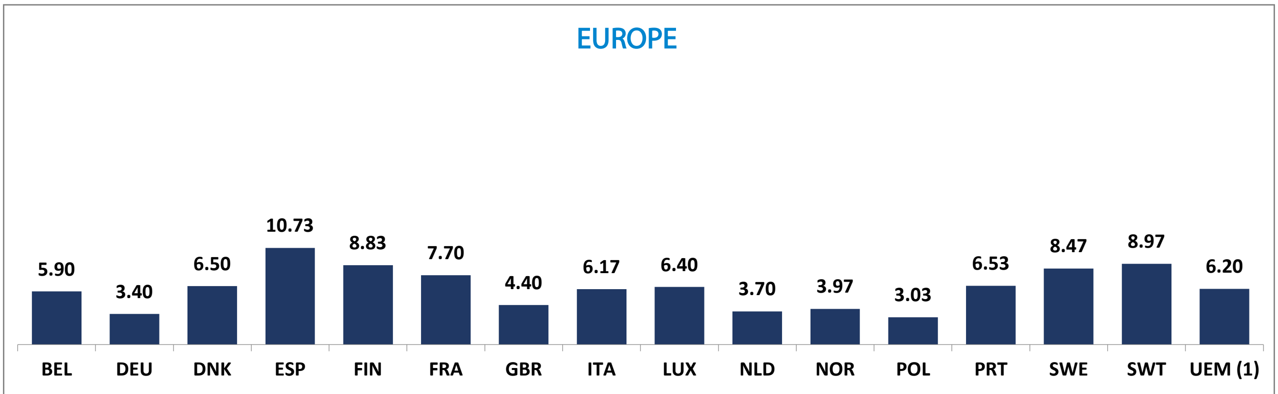
Europe	
BEL	1.10
DEU	-0.16
DNK	4.12
ESP	3.49
FIN	0.84
FRA	0.64
GBR	1.38
ITA	0.56
LUX	1.88
NLD	2.05
NOR	-0.20
POL	3.68
PRT	2.80
SWE	2.33
SWT	1.55
UEM(1)	1.16



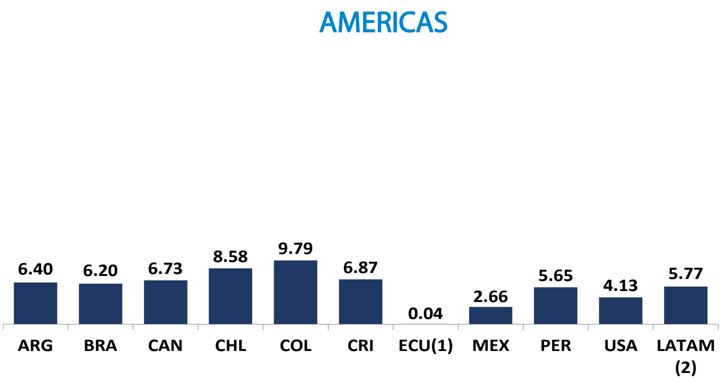
America	
ARG	2.49
BRA	3.26
CAN	2.36
CHL	3.09
COL	2.42
CRI	4.38
ECU(2)	-1.54
MEX	0.53
PER	4.23
LATAM(3)	2.36
USA	2.48
Oceania	
AUS	1.27
Asia	
CHN	5.40
JAP	1.20
TUR	2.40
Africa	
ZAF	0.79

Source: OECD data. Non-member central banks.
(1) Economic and Monetary Union. (2) Data from 3Q24. 4Q24 data not available (3) Latin America: average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru.

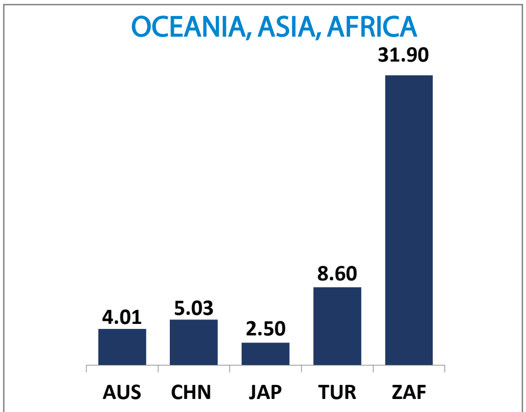
Unemployment rate (%)



Source: OECD data. Non-member central banks.
(1) UEM: Economic and Monetary Union

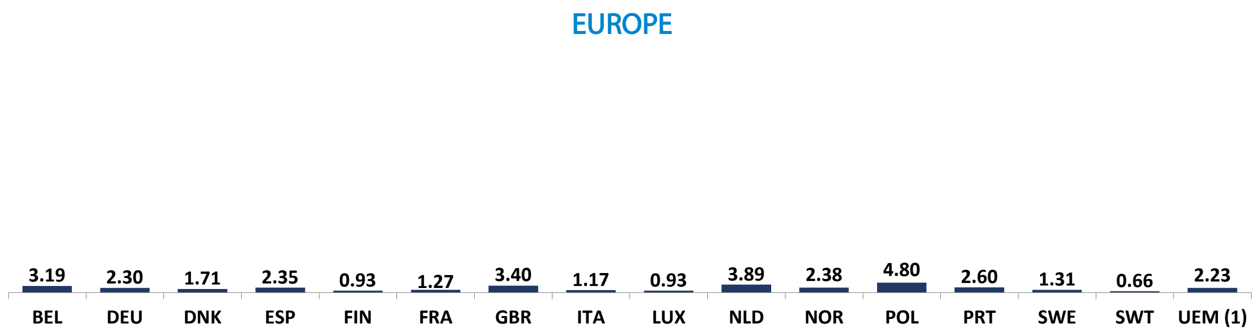


Source: OECD data. Non-member central banks. Data for Ecuador retrieved from INEC.
(1) Data from 3Q24. 4Q24 data not available
(2) LATAM: average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru

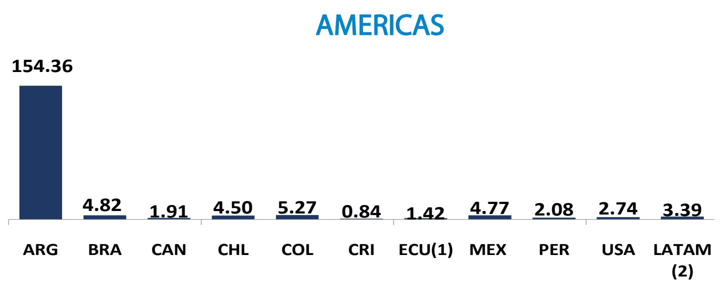


Source: OECD Data. Central Banks of Non-Member Countries.

Inflation rate (%)



Source: OECD Data. Central Banks of Non-Member Countries.
(1) Monetary and Economic Union



Source: OECD Data, Trading Economics. Central Banks of Non-Member Countries. Data for Ecuador retrieved from INEC.
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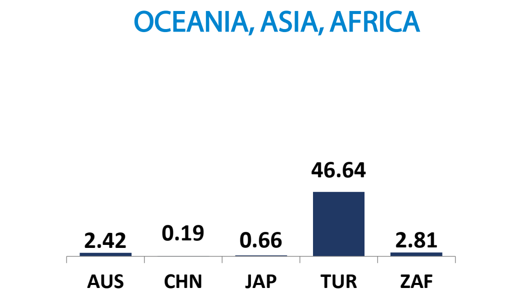


Source: OECD Data, Trading Economics. Central Banks of Non-Member Countries

Global Ratings and Exchange Rates

LONG-TERM RATES 4Q24

	MOODY'S	S&P	Fitch
		EUROPE	
BEL	Aa3	AA	AA-
DEU	Aaa	AAA	AAA
DNK	Aaa	AAA	AAA
ESP	Baa1	A	A-
FIN	Aa1	AA+	AA+
FRA	Aa3 ▼	AA-	AA-
ITA	Baa3	BBB	BBB
LUX	Aaa	AAA	AAA
NLD	Aaa	AAA	AAA
NOR	Aaa	AAA	AAA
POL	A2	A-	A-
PRT	A3	A-	BBB+
GBR	Aa3	AA	AA-
SWE	Aaa	AAA	AAA
SWT	Aaa	AAA	AAA
		AFRICA	
ZAF	Ba2	BB-	BB-
		OCEANIA	
AUS	Aaa	AAA	AAA
		ASIA	
CHN	A1	A+	A+
JAP	A1	A+	A
TUR	B1	BB-	B
		AMERICAS	
ARG	Ca	CCC	C
BRA	Ba1	BB	BB
CAN	Aaa	AAA	AA+
CHL	A2	A	A-
COL	Baa2	BB+	BB+
CRI	Ba3	BB-	BB-
ECU	Caa3	B-	B-
MEX	Baa2	BBB	BBB-
PER	Baa1	BBB-	BBB
USA	Aaa	AA+	AAA

▲ Increased from 3Q24 ▼ Decreased from 3Q24

Source: Investing

EXCHANGE RATES 4Q24 ($[1])

EUROPE	4Q23	1Q24	2Q24	3Q24	4Q24	2025
EUR	0.93	0.92	0.93	0.91	0.94	0.95
CHF	1.13	1.14	0.90	0.87	0.88	0.89
DKK	6.93	6.87	6.93	6.79	7.00	7.08
NOK	10.81	10.51	10.75	10.70	11.02	11.16
SEK	10.65	10.39	10.68	10.42	10.78	10.98
GBP	0.81	0.79	0.79	0.77	0.78	0.79
PLN	4.10	3.99	3.99	3.90	4.03	4.12
AMERICAS	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2025**
ARG	443.71	833.91	885.25	940.59	999.45	998.25
BRL	4.96	4.95	5.21	5.55	5.84	5.79
CLP	895.36	945.96	933.72	903.11	963.71	973.93
COP	4,064.32	3,913.15	3,923.29	4,904.54	4,348.68	4,484.94
PER	3.77	3.74	3.73	3.47	3.75	3.81
MXN	17.54	16.97	17.23	18.93	20.07	20.41
AFRICA	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2025**
ZAR	18.73	18.87	18.56	17.97	17.90	18.21
OCEANIA	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2025**
AUS	1.54	1.52	1.52	1.49	1.53	1.55
ASIA	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2025**
RMB	7.22	7.19	7.24	7.16	7.19	7.23
TRY	28.55	30.90	32.35	33.50	34.52	34.33

Source: Investing. OECD projections, December 2024.
(1) The base currency used is the U.S. dollar against each local currency quoted

2. Macroeconomic view

In the fourth quarter of 2024, the Polish economy showed signs of improvement, with growth rebounding despite persistent challenges. While inflation and weakening external demand remain concerns, domestic consumption and planned interest rate adjustments are expected to support further expansion.

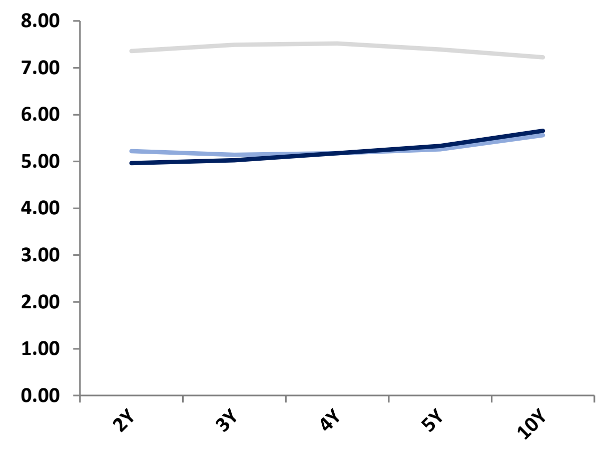
Main Macroeconomic Indicators (%)

ACTIVITY	4Q23	1Q24	2Q24	3Q24	4Q24	Var. p.p.3Q24	Var. p.p.4Q23	2025	2026
GDP	**1.77**	**1.71**	**3.79**	**2.01**	**3.68**	1.67	1.91	**3.36**	**3.04**
DOMESTIC DEMAND	-0.20	0.70	3.94	5.13	5.07	-0.06	5.27	5.14	3.48
HOUSEHOLD CONSUMPTION	1.18	3.83	3.97	0.96	3.52	2.56	2.34	3.54	3.06
PUBLIC CONSUMPTION	13.44	7.15	7.57	5.97	5.33	-0.64	-8.11	4.96	2.43
CAPITAL FORMATION	14.11	6.24	4.05	1.27	-0.71	-1.98	-14.82	9.51	6.01
EXTERNAL DEMAND									
EXPORTS	4.14	2.53	3.77	-2.12	0.83	2.95	-3.31	2.30	3.80
IMPORTS	-0.28	2.14	5.14	3.15	2.65	-0.50	2.93	5.93	4.71
INFLATION									
CPI	**6.47**	**2.83**	**2.50**	**4.47**	**4.80**	0.33	-1.67	**5.03**	**3.88**
LABOUR MARKET									
UNEMPLOYMENT RATE	**3.00**	**2.93**	**2.87**	**3.00**	**3.03**	0.03	0.03	**3.21**	**3.30**
EMPLOYMENT (1)	**-0.40**	**-0.60**	**-0.20**	**-0.51**	**-0.66**	-0.15	-0.26	**1.47**	**2.00**

(1) The employment variable represents the year-on-year change in employment growth.
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of March 3rd, 2025. The series for the other quarters have also been updated in the database as March 3rd, 2025, to ensure consistency. OECD projections, December 2024.

- Poland's GDP growth reached 3.68% in 4Q24, reflecting a notable improvement from previous quarters, primarily driven by strong domestic demand and household consumption. Meanwhile, external demand declined sharply, with exports dropping by 3.31 p.p. year-over-year, largely due to high production costs and the absence of globally recognized Polish brands. However, they experienced an increase of 2.95 p.p. compared to the prior quarter. Moreover, inflation rose to 4.80%, surpassing forecasts and potentially impacting purchasing power.
- The unemployment rate increased slightly, reaching 3.03%, signaling a need for careful monitoring to prevent further labor market weakening. Additionally, the employment growth rate declined by 0.15 p.p. compared to 3Q24 and 0.26 p.p. year-over-year, indicating a slowdown in job creation. Despite these challenges, robust private consumption and public sector activity sustained economic momentum in 4Q24. However, rising inflation and weakening exports remain key risks that could slow future growth.
- The 4Q23 OECD projections for 2024 expected GDP growth of 2.58%, but actual growth reached 3.68%, outperforming expectations. Inflation was broadly in line with forecasts. The unemployment rate came in lower than expected, at 3.03% compared to the projected 3.33%. GDP growth is projected to reach 3.36% in 2025 and 3.04% in 2026.

Treasury Yield Curves Rates (%)



Source: Investing

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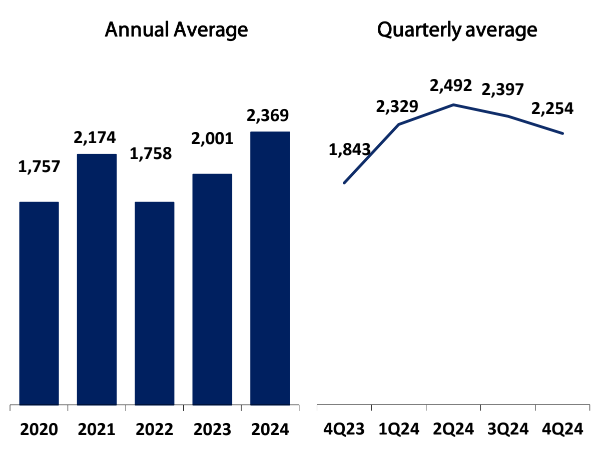


Source: Investing

3. Banking sector

During 4Q24, the Polish banking sector experienced an increase of the YoY growth rate of total loans. However, total deposits declined in the same comparison. The cost-to-income ratio and the NPL ratio improved, while coverage ratio decreased, all compared to 4Q23. Regarding solvency, all ratios experienced annual decreases. The NBP maintained interest rates at 5.75%, remaining stable since 1Q24.

BANKING SECTOR CONTEXT 4Q24 (%)

	4Q23	1Q24	2Q24	3Q24	4Q24	Var. p.p. 3Q24	Var. p.p. 4Q23
BUSINESS							
TOTAL LOANS (1)	-2.01	-0.40	0.90	2.53	4.08	1.55	6.09
TOTAL DEPOSITS (1)	9.99	7.26	7.80	5.24	7.76	2.52	-2.23
LTD RATIO	63.80	64.85	63.92	63.77	61.62	-2.15	-2.18
EFFICIENCY							
COST-TO-INCOME RATIO	41.80	41.18	38.50	37.00	36.80	-0.20	-5.00
EU AVERAGE	55.09	56.02	54.60	53.23	52.60	-0.63	-2.49
RISK							
NPL RATIO	4.28	4.15	3.80	4.00	3.80	-0.20	-0.48
EU AVERAGE	1.81	1.85	1.60	1.86	1.90	0.04	0.09
COVERAGE RATIO	62.11	61.35	56.00	54.70	49.10	-5.60	-13.01
EU AVERAGE	42.92	42.26	41.80	41.99	41.60	-0.39	-1.32
SOLVENCY (2)							
CET 1	16.58	16.60	16.10	16.30	16.50	0.20	-0.08
LCR	239.68	240.11	235.70	240.40	236.10	-4.30	-3.58
LEVERAGE RATIO	7.59	7.71	7.70	7.70	7.50	-0.20	-0.09
NBP INTEREST RATES							
INTEREST RATES	6.00	5.75	5.75	5.75	5.75	0.00	-0.25

Source: Polish Financial Supervision Authority (KNF) & European Banking Authority (EBA).
(1) Note: The values for total loans and total deposits reflect their year-on-year growth rates.
(2) Note: CET1 ratio measured as fully-loaded and Leverage ratio as fully phased-in definition of Tier 1.

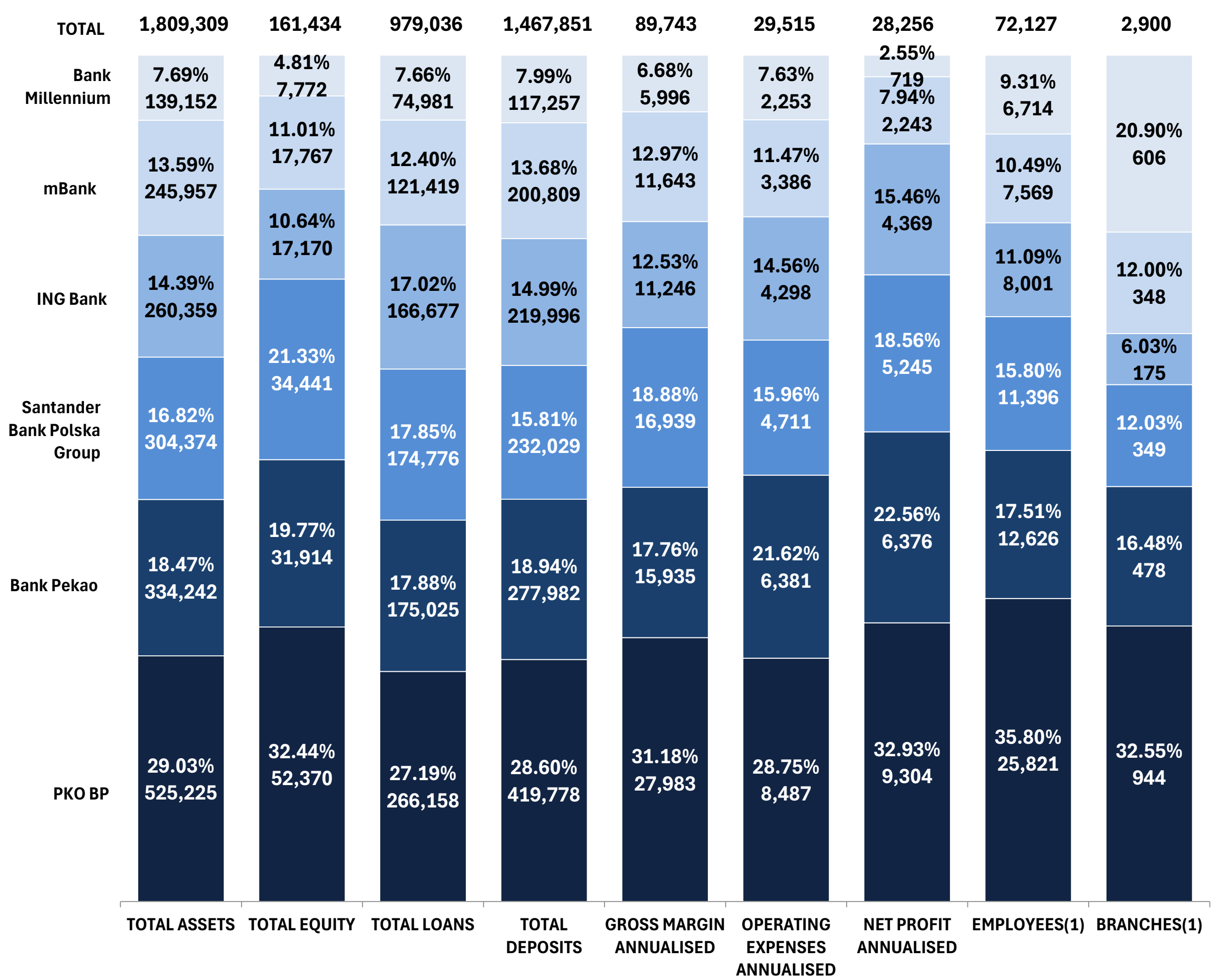
- The YoY growth rate of total loans of the Polish banking sector experienced a positive variation of 6.09 p.p. compared to the same quarter of the previous year and a positive variation of 1.55 p.p., compared to the previous quarter. On the other hand, the YoY growth rate of total deposits decreased by 2.23 p.p. relative to 4Q23, while it improved by 2.52 p.p. compared to 3Q24. The loan-to-deposits ratio (LTD ratio) declined by 2.18 p.p. compared to the same quarter of the previous year, reaching 61.62%.
- The cost to income ratio was favorable compared to the EU average (36.80% vs 52.60%), improving by 5.00 p.p. and 0.20 p.p. compared to 4Q23 and 3Q24, respectively.
- The Polish NPL ratio reached 3.80%, improving by 0.48 p.p. and 0.20 p.p. on an annual and quarterly basis, respectively. However, it remained 1.90 p.p. higher than the EU average of 1.90%. In terms of coverage ratio, the Polish banking sector maintained its position above the EU average of 41.60% during 4Q24, despite a YoY drop of 13.01 p.p., settling at 49.10%.
- Regarding solvency ratios, the CET1 ratio stood at 16.50%, decreasing by 0.08 p.p. compared to 4Q23. During 4Q24, the LCR ratio fell by 3.58 p.p. over the same period, reaching 236.10% Additionally, the Polish leverage ratio fell to 7.50%, declining by 0.09 p.p. and 0.20 compared to 4Q23 and 3Q24, respectively.
- The National Bank of Poland maintained interest rates at 5.75%, unchanged from 1Q24, but 0.25 p.p. lower than the previous year. The NBP decided to keep interest rates steady, considering them appropriate to achieve its inflation target.

Peer Group

During the 4Q24, the Polish Peer Group continued to grow its total assets, equity, loans and deposits compared to 4Q23. Likewise, total annualised gross margin, operating expenses and net profit increased in the same comparison. The number of branches during 4Q24 declined to 2,900, a 5.20% reduction compared to 4Q23.

- During the fourth quarter of 2024, the Peer Group's total assets volume recorded an increase of 8.67% compared to 4Q23, reaching a total amount of 1,809,309 million PLN. Meanwhile, total equity stood at 161,434 million PLN, representing an increase of 10.10% compared to the same quarter of the previous year.
- Total loans for the Peer Group grew by 7.54%, reaching a volume of 979,036 million PLN, compared to the same quarter of the previous year. Regarding deposits, the total amount reached 1,467,851 million PLN, 8.63% higher than in 4Q23.
- The annualised gross margin grew by 12.83% compared to 4Q23, reaching 89,743 million PLN during 4Q24. The annualised operating expenses for the entire group grew by 8.58% compared to 4Q23, being mBank the only one that reduced its operational expenses. Nevertheless, the total annualised net profit increased by 28.02%, compared to the same quarter of the previous year, reaching a total volume of 28,256 million PLN.
- During 4Q24, the Peer Group recorded a total of 72,127 employees, marking a decrease of 0.11% compared to 4Q23. Lastly, total number of branches declined YoY by 5.20%, down to 2,900.

PEER GROUP 4Q24 (million PLN, except employees and branches)



Source: Banks' quarterly reports. Data corresponding to P &L corresponds to quarterly annualised data.
(1) The figure for employees and branches is expressed in units. The number of branches corresponds to the total number of company-owned and franchised branches.

Peer group summary

PEER GROUP CONTEXT 4Q24 (percentage, except business volume in million PLN)

	PKO BP		Bank Pekao		Santander Bank Polska		ING Bank		mBank		Bank Millennium		Peer Group average[2]
	4Q24	Var. p.p. 4Q23	4Q24	Var. p.p. 4Q23	4Q24	Var. p.p. 4Q23	4Q24	Var. p.p. 4Q23	4Q24	Var. p.p. 4Q23	4Q24	Var. p.p. 4Q23	
BUSINESS													
BUSINESS VOLUME[1]	685,936	6.35	453,007	11.52	406,805	10.31	386,673	6.87	322,228	7.77	192,238	6.27	407,815
LTD RATIO	63.40	1.84	62.96	-2.97	75.30	-0.92	75.76	-0.48	60.46	-0.74	63.95	-4.72	66.70
EFFICIENCY													
COST-TO-INCOME RATIO	30.33	-5.90	40.04	3.63	27.81	0.27	38.22	1.21	29.08	-7.06	37.57	6.42	32.89
GM/ATAs	5.68	1.15	4.98	-0.07	5.83	-0.13	4.60	0.04	4.92	0.01	4.53	-1.15	5.23
OE/ATAs	1.72	0.08	1.99	0.16	1.62	-0.02	1.76	0.07	1.43	-0.34	1.70	-0.07	1.72
RISK													
NPL RATIO	3.59	0.15	4.47	-0.43	4.40	-0.20	3.86	1.19	4.07	-0.13	4.50	-0.20	4.15
COVERAGE RATIO	89.34	-24.12	52.78	-16.82	51.00	-4.40	48.72	-12.22	51.09	-3.61	72.90	0.69	60.97
SOLVENCY													
TIER 1	17.39	-0.38	14.90	-0.30	16.75	-0.43	14.48	-0.84	16.71	2.00	14.82	0.09	15.84
RESULTS													
ROA	1.77	0.67	1.91	-0.24	1.80	0.01	1.79	-0.20	0.91	0.90	0.52	0.06	1.56
ROE	17.77	5.60	19.98	-1.70	20.40	5.71	25.45	-1.09	12.63	12.45	9.25	0.90	17.50

Source: Banks' Financial Reports.
(1) The figure for business volume is expressed in millions of PLN. The business volume´s variation is expressed as a percentage and represents the year-on-year growth.
(2) The averages of the LTD ratio, efficiency and results indicators are calculated by dividing the total sum of Peer values of the numerator variable, as well as the denominator for each of the ratios. The rest corresponds to the arithmetic mean.

- During 4Q24, the business volume grew across all banks within the Peer Group, reaching an average of 407,815 million PLN. PKO BP recorded the highest business volume at 685,936 million PLN. The LTD ratio decreased by 0.67 p.p. compared to 4Q23, standing at 66.70%. ING Bank registered the highest LTD, reaching a 66.70%.
- Regarding efficiency, Poland's Peer Group recorded an average cost-to-income ratio of 32.89% for the fourth quarter of 2024, indicating a deterioration of 1.29 p.p. relative to the same quarter of the previous year. The entities that improved this ratio compared to 4Q23 were composed of mBank, and PKO BP with variations of 7.06 p.p. and 5.90 p.p., respectively.
- In terms of GM/ATAs, Santander Bank reached the highest ratio at 5.83%. Additionally, PKO Bank reached the highest increase compared to the same period of the previous year, with a variation of 1.15 p.p. compared with the previous year. In addition, OE/ATAs Peer Group Average amounted to 1.72%, worsening by 0.01 p.p. compared to 4Q23.
- Regarding risk ratios, NPL ratio increased on average by 0.06 p.p. compared to 4Q23, reaching 4.15%. All entities improved their ratio except ING Bank and PKO BP, which worsened their ratio by 1.19 p.p. and 0.15 p.p., respectively, compared to 4Q23. On the other hand, the coverage ratio fell on average by 10.08 p.p. compared to 4Q23, with all entities experiencing a decrease except for Bank Millenium.
- In terms of solvency, the Tier 1 ratio worsened for most of the entities in the Peer Group, except for mBank and Bank Millenium, whose ratios increased by 2.00 p.p. and 0.09 p.p., respectively, compared to the same quarter of the previous year.
- Regarding the return ratios, all entities experienced annually increases in both ROA and ROE, except Bank Pekao and ING Bank. The ROA improved on average year on year by 0.24 p.p., reaching 1.56%. The ROE ratio for the Peer Group was 17.50%, mBank experienced the highest increase within the Peer Group, rising by 12.45 p.p. to reach 12.63%. Lastly, mBank was the entity that showed the greatest improvement in both ROA (0.90 p.p.) and ROE (12.45 p.p.) compared to 4Q23.

4. Glossary

- **BUSINESS VOLUME:** The business volume is the set of activities that generate income for a bank, formed by financing (loans) plus customer resources (deposits).
- **COST TO INCOME RATIO:** It is a ratio that measures the productivity of an entity. It is the result of the quotient between operating expenses and gross margin. In other words, it relates the income obtained with the expenses necessary for its achievement. As a conclusion, an entity will be more efficient the lower its efficiency ratio.
- **COVERAGE RATIO:** It is a ratio that informs us about the protection that financial entities have against the unpaid loans of their clients. It is represented as the total provisions that the entity has over the total doubtful loans.
- **CPI:** The consumer price index is an indicator that measures the variation of prices of a basket of goods and services in a specific location during a certain period of time.
- **GDP:** Gross Domestic Product (GDP) is an economic indicator that reflects the monetary value of all final goods and services produced by a territory in a certain period of time. It is used to measure the wealth generated by a country.
- **GM/ATAs:** Gross Margin / Average Total Assets. Gross margin is composed of the set of revenues generated by a financial entity in its activity.
- **LEVERAGE RATIO:** The Tier 1 leverage ratio measures a bank's core capital relative to its total assets. The numerator consists of the most stable and liquid capital, as well as the most effective at absorbing losses during a financial crisis or recession. The denominator is a bank's total exposures, which include its consolidated assets, derivative exposures and certain off-balance sheet exposures.
- **LCR (Liquidity Coverage Ratio):** This ratio measures a bank’s liquidity. It is calculated as the institution’s total liquid assets divided by its short-term obligations.
- **LTD RATIO:** The loan-to-deposit ratio (LDR) is used to evaluate a bank's liquidity by comparing the total loans of a bank with the total deposits during the same period.
- **NON-PERFORMING LOANS (NPL) RATIO:** The non-performing loan (NPL) ratio is an indicator used to measure the volume of operations that have been considered non-performing, in relation to the volume of loans and credits granted by said entity.
- **NBP:** Narodowy Bank Polski (Polish)/ National Bank of Poland (English).
- **OE/ATAs:** Operating Expenses / Average Total Assets. Operating expenses are those that an entity incurs during the exercise of its activity.
- **OECD:** Organization for Economic Cooperation and Development.
- **p.p.**: percentage points.
- **ROA:** An indicator that measures the profitability of a company in relation to its total assets. It indicates the return that is being obtained for its assets. It is calculated as the quotient between profit and total assets. The profit used is that obtained before taxes and interests.
- **ROE:** Financial profitability is also known as return on equity, which relates the net profits obtained in a given investment operation with the own resources.

5. Appendix

MACROECONOMIC OVERVIEW

- National Bank of Poland (NBP): http://www.nbp.pl
- Central Statistical Office (GUS): http://www.stat.gov.pl/gus
- Eurostat: http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/
- Organization for Economic Cooperation and Development, OECD: http://www.oecd.org/home/

BANKING SECTOR

- KNF (Polish Financial Supervision Authority): http://www.knf.gov.pl/en/

ACRONYMS

- DEU - Germany
- BEL - Belgium
- DIN - Denmark
- ESP - Spain
- FIN - Finland
- FRA - France
- ITA - Italy
- LUX - Luxembourg
- NLD - Netherlands
- NOR - Norway
- POL - Poland
- PRT - Portugal
- GBR - United Kingdom
- SUE - Sweden
- TUR - Turkey
- ARG - Argentina
- BRA - Brazil
- CAN - Canada
- CHL - Chile
- COL - Colombia
- CRI - Costa Rica
- ECU - Ecuador
- MEX - Mexico
- PER - Peru
- USA - United States
- AUS - Australia
- CHN - China
- JAP - Japan
- ZAF - South Africa
- UEM - European Monetary Union

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