Macroprudential Commentary
September 2026

Summary

- The financial cycle has been stable over the past year. Its slight increase in the second quarter of 2026 was due mainly to developments in the household credit and housing markets. On the other hand, slowing economic growth, together with a climate of uncertainty and caution, are preventing any significant upturn. The cycle is therefore expected to remain flat.
- Mortgage lending accelerated moderately in the second quarter, owing largely to housing price growth. Interest rates edged up, which should dampen further acceleration in mortgage lending. Consumer credit growth has been steady for some time, at around the EU average. The credit quality of loans to households remains sound.
- Growth in lending to non-financial corporations (NFCs) remains stable overall, although developments vary across loan segments. Firms' demand for loans is holding up, despite a moderate rise in interest rates. The non-performing loan ratio remains low.
- Banks continue to be profitable, benefiting from higher net interest income and fee income, as well as from a year-on-year decline in net loan loss provisioning. However, inflation and rising wages have put upward pressure on operating costs. The Slovak banking sector remains well capitalised and sufficiently liquid. In terms of both profitability and capital adequacy, the sector has moved closer to the EU median.
- The countercyclical capital buffer (CCyB) rate remains unchanged at 1.5% of risk-weighted assets.

No change in countercyclical capital buffer (CCyB) rate

In an environment of subdued economic growth, persistent global uncertainty and caution, the financial cycle remains broadly unchanged. Although interest rates increased slightly in the second quarter of 2026, demand for loans remains strong, and growth in lending to firms, as well as to households, has not changed significantly. Continued growth in housing prices and concerns about possible further increases in interest rates are sustaining households' demand for mortgages. Housing prices have been recording double-digit year-on-year growth for around a year and a half. Banks are maintaining profitability and remain well capitalised. Loan defaults also remain low compared with their historical levels, reducing the need for banks to increase loan loss provisioning.

Current geopolitical risks are putting upward pressure on energy commodity prices in particular, with adverse implications for the financial situation of households and firms. In addition, the need to repair Slovakia's public finances has become even more pressing at a time when inflation is accelerating and funding costs are rising. In a recent statement,[1] the ECB recommended that national macroprudential authorities generally maintain existing capital buffer requirements and borrower-based measures.

NBS's financial cycle indicator, the 'cyclogram', is currently close to its median value, suggesting that risks associated with the financial cycle are not building up to a significant extent. At the same time, however, uncertainty and risks provide grounds for maintaining the countercyclical capital buffer (CCyB) rate at its current level of 1.5% of risk-weighted assets.

[1] Governing Council statement on macroprudential policies, 8 July 2026.

NBS does not envisage adjusting the CCyB rate in the next quarter

The outlook for the financial cycle does not point to any significant shift, either towards expansion or contraction. In this environment, risks are not building up to such an extent as would require an immediate macroprudential policy response. NBS does not envisage adjusting the countercyclical capital buffer (CCyB) rate in the next quarter, though it stands ready to reduce the rate in the event of sudden adverse developments.

Mortgage market activity remains elevated

The mortgage market maintained strong momentum in the second quarter of 2026. Annual growth in mortgage lending increased slightly from 8.3% in March 2026 to 8.8% in August 2026. The number of new mortgages remained broadly unchanged in the first half of 2026 compared with the second half of 2025, and was comparable to the average number of mortgages newly originated before 2022, i.e. before the period of rising interest rates. The current acceleration in loan growth is therefore attributable mainly to rising housing prices, which are reflected in increasing average loan amounts. Compared with other EU countries, Slovakia ranks approximately in the top quartile in terms of mortgage growth.

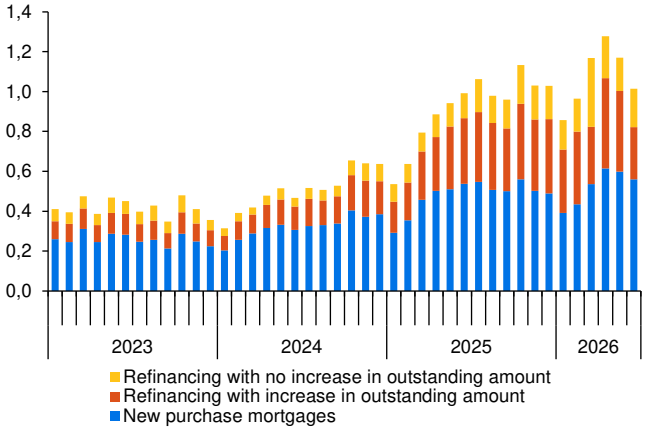
The latest data also indicate that a more pronounced acceleration in mortgage lending growth is not expected. An important factor is the turnaround in interest rate developments. The declining trend observed in previous months came to an end in the spring, and the average interest rate on new mortgages increased from 3.5% to 3.9% between March and August 2026. This level is slightly above the EU average of 3.6%. The increase reflects primarily the global rise in interest rates and risk premia in financial markets, driven by heightened uncertainty related to the conflict in the Middle East. As a result of this turnaround in interest rates, refinancing activity in the mortgage market slowed after peaking in April 2026. The flow of newly originated mortgages likewise peaked in April, possibly reflecting efforts by some borrowers to secure a mortgage before interest rates increased further.

Chart 1

Mortgage lending continues to grow

Volume of new mortgage lending by month

(EUR billions)



Sources: NBS, and Register of Bank Loans and Guarantees (RBUZ).

Credit activity in the consumer lending segment was considerably more subdued. Annual growth in consumer credit has remained stable at around 5.6%. The lower net increase in the portfolio in the second quarter of 2026 was due mainly to faster repayments of older loans, while the volume of newly originated loans continued to grow. Interest rates on this type of lending declined slightly between March and August 2026, from 8.9% to 8.6%.

The quality of the mortgage portfolio remains favourable. The non-performing loan (NPL) ratio for the mortgage portfolio remains low, at around 1.1%, and has so far shown no signs of significant deterioration. In the case of consumer credit, the NPL ratio remains higher than in the past, at around 8%, and it increased slightly between March and August 2026.

Corporate lending maintains growth

Annual growth in total loans to non-financial corporations (NFCs) was slightly higher in the second quarter than in the first quarter, at 2.8%. That figure was skewed by funding optimisation among a number of the largest corporate clients. After a significant part of their bank financing was replaced by debt securities issuance, annual NFC loan growth slowed sharply around the turn of the year.[2] Adjusting for this effect,[3] the NFC portfolio's annual growth stood at 5.6% as of June.

The continuing growth momentum is being driven mainly by stronger demand,[4] despite a slight increase in interest rates and lending margins. Interest rates rose by 30 basis points, with this increase being reported both by banks and by firms themselves.[5] Compared with NFC loan growth in other central and eastern European countries, the rate in Slovakia remains among the lowest, even after adjusting for the largest firms mentioned above. Among all EU countries, however, Slovakia ranks in the top quarter for corporate loan growth following that adjustment. Slower loan growth compared with other countries is occurring against a backdrop of subdued economic activity, as reflected in business sentiment and corporate revenues.[6]

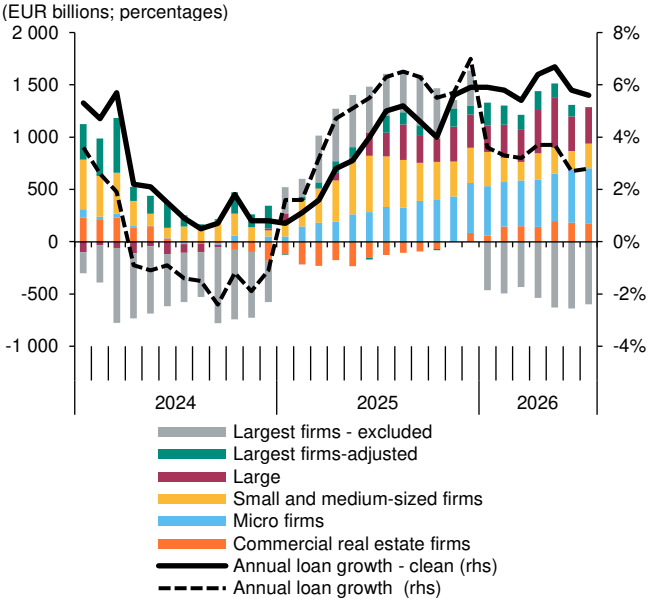
Corporate lending growth is being driven mainly by micro firms and large firms. Micro firms made the largest contribution in the second quarter, with annual loan growth exceeding 10%. Lending to large firms picked up in the second quarter, and a gradual recovery was also observed in lending to the commercial real estate (CRE) sector. The ECB's Survey on the Access to Finance of Enterprises (SAFE) in the euro area indicates some signs of declining access to finance, primarily regarding working capital financing for small and medium-sized firms. [7]

Chart 2

NFC loan growth driven by micro firms and large firms

Annual growth in total NFC loans and contributions by type of firm to that growth

(EUR billions; percentages)



Sources: NBS, and Register of Bank Loans and Guarantees (RBUZ)

The NPL ratio for corporate loans has remained low in 2026.[8] For loans to industry, however, the NPL ratio is elevated and rose slightly further in the second quarter of the year.

[2] From 7% at the end of December 2025 to 3.7% in January 2026. In 2026 the monthly annual growth rate has hovered around 3%, and in July it stood at 2.8%.
[3] Loan growth adjusted for selected large firms that switched part of their financing from loans to debt securities.
[4] According to the bank lending survey for the second quarter of 2026.
[5] According to the ECB's Survey on the Access to Finance of Enterprises (SAFE) in the euro area for the second quarter of 2026.
[6] The Economic Sentiment Indicator has remained around 10 points below its long-term average throughout 2026. While pessimism has persisted in the industry and trade sectors, sentiment in services has improved. In real terms, corporate revenues for the first half of 2026 were unchanged year-on-year, while in nominal terms they increased by 3.2%.
[7] According to the SAFE report for the second quarter of 2026. The gap between financing needs and financing availability widened in the case of credit lines for small and medium-sized firms.
[8] The NPL ratio stood at 2.5% as of July 2026.

Housing prices continued to rise during the summer

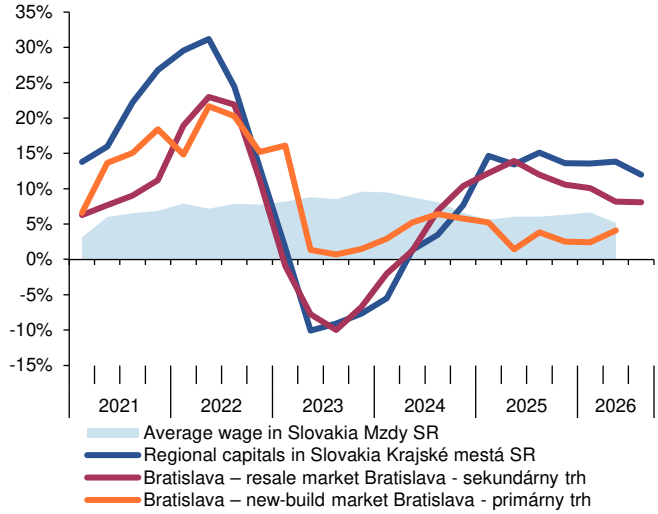
Asking prices for flats maintained double-digit year-on-year growth during the summer months. At the end of August, asking prices for flats were 13.8% higher than a year earlier. Higher flat prices were observed across all regions, in both regional capitals and rural areas. In Bratislava, annual housing price growth gradually slowed to 8.1%. Housing prices have now been increasing faster than economic fundamentals for several quarters, and their growth is not being driven by demand from young families purchasing a first home.

Average asking prices for flats have been rising faster than average household wages for a year and a half. At the same time, mortgage rates have continued to increase modestly, placing prospective mortgage borrowers in an increasingly unfavourable position. New flats in property developments in Bratislava are an exception. The number of completed flats available in such developments is currently at a multi-year high, while the sales velocity remains unchanged. Prices of these flats are rising more slowly than average wages.

Chart 3

Annual growth in average flat prices outpaces average wage growth

Annual percentage changes in prices and wages



Sources: United Classifieds, SO SR, Flatzone, and NBS.
Notes: All data are expressed as year-on-year changes. The figure for regional capitals is the median for the regional capitals excluding Bratislava.

Banks' financial situation reflects mainly lending growth

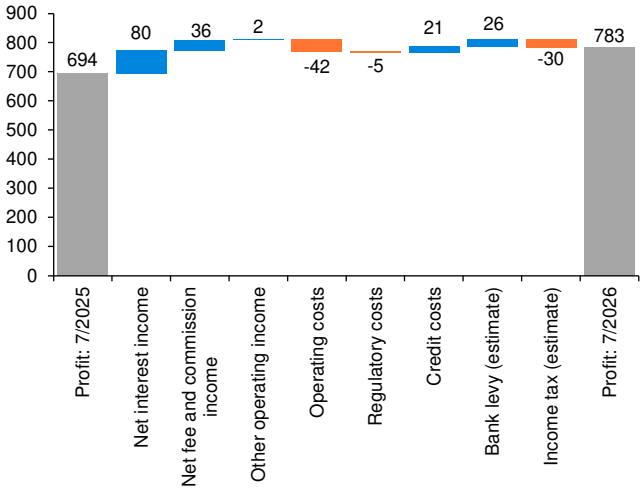
The banking sector's aggregate profit for the first seven months of 2026 stood at €783 million, representing an increase of almost 13% year-on-year.[9] Growth in net interest income has remained close to 5% since March 2026, its stabilisation resulting from growth in the loan portfolio and broadly stable retail lending and deposit rates. The increase in net profit was also supported by higher fee and commission income and lower loan loss provisioning.[10] The increase in pre-tax profit raised banks' tax liabilities, but this effect was offset by a reduction in the bank levy rate.[11]

The aggregate capital adequacy ratio (CAR) on a consolidated basis stood at just under 20% as of June 2026, down by 0.7 percentage points compared with March 2026. Alongside growth in the loan portfolio, the decline was due mainly to an increase in the portfolio's average risk weight. In the case of the retail loan portfolio, the average risk weight rose by 1.5 percentage points to more than 31%. The moderate increase in capital stemmed primarily from the inclusion of 2025 profits in own funds.[12] The leverage ratio decreased between March and June, to 7.5%. The sector's capital headroom – capital held in excess

Chart 4

Banks' net profit continues to be driven by net interest income

The banking sector's aggregate net profit after tax, and contributions to its year-on-year change (EUR millions)



Source: NBS.

[9] Profit before the bank levy and taxation increased by almost 9% year-on-year. Its annual growth rate as of April 2026 stood at 7%.
[10] Owing to growth in total loans, the NPL ratio for the portfolio declined from 2.0% to 1.9% between March 2026 and July 2026. As regards performing loans that have experienced a significant increase in credit risk (i.e. Stage 2 loans), their share in the portfolio fell over the same period, from 7.6% to 7.4%. As at July 2026, the provision coverage ratio for NPLs stood at 56%, while the Stage 2 coverage ratio amounted to 5%.
[11] The bank levy rate for 2026 is set at 20% (almost 5 percentage points lower than the rate for 2025). The effective tax-and-levy rate was 2 percentage points lower compared with 2025, at 32.1%.
[12] The banking sector's profit retention rate reached 26% for 2025 profits, 2 percentage points higher than for 2024 profits. This halted a continuous decline in the indicator over the previous three years. During the pandemic period, it was the range of 40% to 50%.

of all parallel capital requirements, including the minimum requirement for own funds and eligible liabilities (MREL) – fell by more than one-tenth to €1.5 billion. Relative to risk-weighted assets, it declined from 3.8% to 3.2%.

Liquidity ratios have remained at safe levels throughout 2026. The liquidity coverage ratio (LCR, a regulatory measure of short-term liquidity) stood at 188% as of July 2026, while the net stable funding ratio (NSFR, a structural measure) amounted to 132% as of June 2026. Since March 2026, the loan portfolio has increased by more than €3 billion. At the banking sector level, this increase was funded evenly through customer deposits, issued bonds and interbank market funding. The loan-to-deposit ratio stood at 103.6% as of July 2026, while the broader ratio of loans to deposits and issued bonds reached 88.4%. Both figures were the highest recorded so far this year.

The Slovak banking sector remains close to median values for EU banking sectors. Data published for EU banking sectors as of March 2026 pointed to positive developments in the Slovak banking sector, particularly in terms of profitability. Its aggregate return on equity increased to the level of the EU median (10.2%), while return on equity before tax and the bank levy moved well above the EU median (15.7% compared with 13.5%). As regards the capital adequacy ratio, the liquidity coverage ratio and the net stable funding ratio, the domestic banking sector was at, or slightly below, EU median levels.

The financial cycle has stabilised

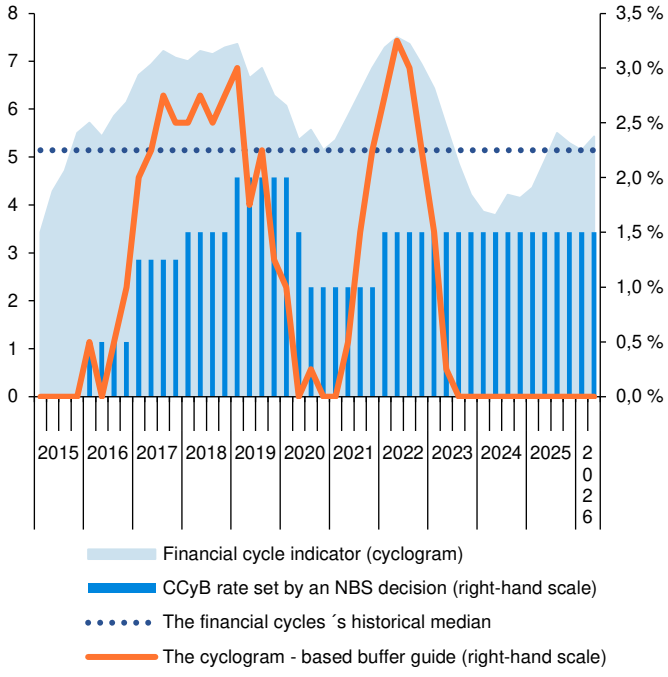
The financial cycle has stabilised over the course of the past year. In an environment of subdued economic growth, continued labour market resilience, and stable developments in the housing and lending markets, the financial cycle has been broadly stable. Although the financial cycle indicator (the 'cyclogram', a composite NBS-developed indicator) increased slightly in the second quarter of 2026, this rise does not signal a change in trend. Rather, it can be interpreted as confirming the cycle's stabilisation at its current levels. The indicator's modest increase in the second quarter reflected ongoing acceleration in mortgage growth, a steady rise in housing prices and a slight increase in household indebtedness.

Subdued economic growth and a climate of uncertainty and caution will continue to shape the financial cycle in the period ahead. The outlook for the coming year does not point to any significant shift, either towards expansion or contraction. In this environment, risks are not building up to such an extent as would require an immediate upward adjustment of the countercyclical capital buffer (CCyB) rate. The non-performing loan ratio remains stable at a relatively low level compared with historical levels. In an environment of persistent uncertainty, it is warranted to maintain the existing CCyB rate to ensure that buffers are available in case economic and financial conditions deteriorate. In a recent statement,[1] the ECB called on national macroprudential authorities to closely monitor the situation and to generally maintain existing capital buffer requirements and borrower-based measures.

Chart 5

The financial cycle is in a stable phase

Financial cycle indicator and CCyB buffer guide
(percentages of risk-weighted assets; index)



Source: NBS

Notes: Higher values of the financial cycle indicator imply a stronger build-up of imbalances, while lower values indicate a cooling of the financial cycle accompanied by a limited build-up of imbalances.
NBS decisions on the CCyB rate are shown according to the reference period of the underlying data.

What's new in the world of macroprudential policy

Macroeconomic effects of stablecoin adoption

This topic was analysed in a study recently published by the Bank for International Settlements (BIS).[13] According to the authors, stablecoins[14] influence the economy through two opposing channels: (i) a bank lending channel, as household demand for stablecoins raises deposit rates, increases bank funding costs, and reduces loan supply; and (ii) a fiscal space channel, as stablecoin issuers' demand for Treasury bills lowers sovereign borrowing costs, expanding fiscal space for tax reductions or higher spending. Using a quantitative New Keynesian model calibrated to annual US macro-financial data, the authors conclude that widespread stablecoin adoption modestly reduces long-run output, since the negative bank lending channel dominates the fiscal space channel. However, the overall long-run impact may shift under alternative scenarios about stablecoin reserve asset regulation, the level of public debt and the strength of foreign demand. Moreover, the fiscal space channel activates more quickly than the bank lending channel, resulting in significantly positive short-term output effects during the transition phase. Additionally, according to the study, stablecoins may strengthen monetary policy transmission via the bank lending channel.

How did the Credit Suisse case affect the credibility of the resolution framework?

This question is examined in a recent BIS study.[15] The resolution framework for global systemically important banks (G-SIBs) has been over a decade in the making. The failure of Credit Suisse (CS) in March 2023 was its first major test. Authorities had a resolution plan in place but chose a different path amid financial stability concerns. They facilitated a takeover of CS by UBS, backed by public guarantees. Additional Tier 1 (AT1) bonds were written down in full; bail-in creditors, who would bear losses next under resolution, were left whole. According to the authors, this episode reshaped bail-in credibility across Europe. Using bond-level data from 94 banks in 22 EU countries, the authors traced the repricing of AT1, bail-in, and senior debt over the subsequent year. AT1 spreads moved in line with jurisdiction-specific regulatory signals, while bail-in spreads and credit default swap subordination premia narrowed across the board, consistent with markets assigning a lower probability to a bail-in. Lower-rated banks saw larger spread declines, and investor responsiveness to firm-specific disclosures fell, pointing to reduced market discipline. This evidence suggests the CS episode weakened bail-in credibility.

The impact of house prices on internal migration

A paper recently published by the IMF[16] studies how house prices shape internal migration across Spain's provinces. Using a gravity-style framework, the authors estimate the causal impact of destination and origin house prices on bilateral migration flows between 2007 and 2023. The authors conclude that housing costs constitute a significant barrier to internal migrants – a 10% increase in destination house prices reduces inflows by about 4.0%, while a 10% increase in origin house prices increases outflows by about 2.8%. These push effects of origin house prices are larger for foreign-born and foreign-born young individuals compared to natives. Rental costs have even stronger effects than home sale prices, with destination rental prices having two to three times larger impacts on cross-province mobility than sale prices do (as renting is typically the first housing option chosen by movers). The authors estimate that if house prices in high-productivity provinces had not grown faster than inflation over 2017-23, the increase in migration to these provinces would have raised GDP by approximately 0.05%.

Do liquidity buffers serve their purpose during times of stress?

This question is examined in a paper recently published by the US Federal Reserve.[17] The liquidity coverage ratio (LCR), introduced as part of the Basel III reforms, requires large banks to hold sufficient high-quality liquid assets (HQLAs) to cover projected net cash outflows over a 30-day stress period. The regulatory intent has been to mitigate the adverse effects of disruptive runs when banks are deemed to be solvent but illiquid. Yet, banks face strong disincentives to actually draw down their LCR buffers during stress. Using them may bring them closer to binding liquidity requirements and may signal weakness to markets. Using confidential bank-firm credit data and hand-collected LCR disclosures during the COVID-19 pandemic, the authors find that banks with higher LCR buffers above the regulatory minimum provided significantly more credit to firms with large undrawn credit lines in March 2020. Critically, only buffers, not overall LCR levels, matter. The effect is concentrated among

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[13] Hofmann, B., Kaldorf, M. and Rottner, M., "The macroeconomics of stablecoins", *BIS Working Papers*, No 1363, Bank for International Settlements, June 2026.
[14] Cryptoasset tokens that are pegged to a reference asset, in most cases the US dollar.
[15] Di Stefano, A., Lengwiller, Y. and Rishabh, K., "The credibility of bail-in", *BIS Working Papers*, No 1356, Bank for International Settlements, June 2026.
[16] Nguyen, H., Arulrajhan, A., Pizzinelli, C. and Shibata, I., "The Impact of House Prices on Internal Migration: The Case of Spain", *IMF Working Papers*, No 2026/65, International Monetary Fund, Washington DC, April 2026.
[17] Darst, R.M., Gurrieri, L., Lubis, A. and Vardoulakis, A.P., "The Last Taxi: LCR Buffers and Bank Liquidity Provision", *Finance and Economics Discussion Series*, No 2026-027, Board of Governors of the Federal Reserve System, Washington DC, July 2026.

high-quality borrowers with clean credit profiles and disappears by mid-2020, confirming that LCR buffers provide selective, temporary liquidity insurance during acute stress, rather than reflecting permanent relationship characteristics.

ECB recommends maintaining the current macroprudential policy stance amid elevated uncertainty

In a recent statement,[1] the ECB's Governing Council called on national macroprudential authorities to maintain the current resilience of the banking system as risks to euro area financial stability remain elevated. Authorities were recommended to maintain existing capital buffer requirements to ensure that buffers are available in case banking sector or macro-financial conditions deteriorate. Having releasable buffers in place also enhances the complementarity between macroprudential policy and monetary policy, especially when the economy faces adverse supply-driven shocks, which reduce output and simultaneously increase inflation. The Governing Council similarly recommended authorities to maintain existing borrower-based measures to preserve sound lending standards via their role as structural backstops. However, in cases where the sources of systemic risks have changed persistently, a targeted recalibration of macroprudential measures can also be considered when such actions would not substantially reduce the overall resilience of the banking sector. At the same time, the Governing Council advised authorities to continue to closely monitor the situation, as further adverse shocks may require a shift in the policy stance. The Governing Council also expressed support for an ambitious reform agenda to simplify the prudential framework while preserving the resilience and stability of the financial system. In this regard, it stressed the importance of establishing a truly integrated European banking market.