

One battle after another

Poland

Economic Analysis Department
Santander Bank Polska S.A.
ekonomia@santander.pl



Index

■ Executive summary	p. 3
■ Middle East conflict	p. 6
■ GDP	p. 17
■ Investment	p. 19
■ Consumption	p. 21
■ Labour market	p. 22
■ Inflation	p. 23
■ Monetary policy	p. 25
■ Fiscal policy	p. 27
■ Financial market	p. 28
■ Forecasts	p. 32



Executive Summary (macro)

This was supposed to be a very good year for the Polish economy, with GDP growth close to 4%, the peak of the investment cycle, resilient consumption and a strong labour market, inflation stabilising close to the NBP's target, and slightly declining interest rates. We still see a chance that this scenario will materialise, although its success depends to a large extent on how persistent the disruption in commodity markets triggered by the US-Israeli attack on Iran proves to be.

Since the beginning of the decade, the global economy has been fighting one battle after another, grappling with, among other things, the global pandemic, the energy crisis, rising geopolitical instability, a wave of economic protectionism, volatility in financial markets, and now a severe disruption in commodity markets.

Our baseline scenario assumes that the conflict in the Middle East will ease within a relatively short period and will not lead to far-reaching consequences. Under this variant, the impact of higher fuel prices on inflation would be temporary, while the effect on economic growth would be negligible.

We maintain our forecast of GDP growth this year at 3.9%, despite the fact that a harsh winter cooled activity in industry and construction in January and February, meaning that economic growth in 1Q will most likely be slightly weaker than at the end of 2025. In addition, we have slightly lowered our investment growth forecast (although it will still be impressively high, close to 9%) due to a weaker starting point in construction and rising risks of incomplete absorption of RRF funds. This should be offset by somewhat stronger consumption growth than we previously assumed.

Inflation will be pushed up by 0.5–0.6pp from March to May, mainly due to higher fuel prices, but it will remain within the NBP's target band (2.5% \pm 1pp). From June onwards, CPI growth should begin to move back towards the path projected before the outbreak of the conflict, ending the year close to 3% y/y.

In this scenario, the Monetary Policy Council could still complete the easing cycle with a final interest rate cut in July, when the new NBP projection confirms that the medium-term inflation outlook remains favourable.

The public finance situation should not change materially, provided that the commodity shock proves to be moderate and short-lived. Temporarily higher inflation could even be slightly positive for tax revenues, so the risk of exceeding the planned fiscal deficit does not increase as long as the government refrains from costly measures to protect household budgets.

Nevertheless, the outlook is currently subject to much greater uncertainty than before due to the difficult-to-predict geopolitical situation. Therefore, at the beginning of the report we summarise the main transmission channels of the commodity shock to the economy. We also point to the risk of alternative less optimistic scenarios should a prolonged conflict lead to the entrenchment of high commodity prices.



Executive Summary (markets)

FX market

Despite the generally elevated volatility across financial markets in recent months, the domestic FX market remains an oasis of calm, and the zloty's reaction to episodes of heightened uncertainty has so far been very moderate.

In a scenario of a relatively swift de-escalation (which we still consider the most likely outcome), EURPLN should return to the trajectory we had previously envisaged, stabilising around 4.25.

However, in scenarios involving a prolongation or escalation of the war with Iran, further weakening of the zloty is both possible and likely.

FI market

The bond and interest rate market reacted more strongly to the war in Iran, primarily pricing in rising risks of interest rate hikes rather than a deterioration in public finance prospects.

In the baseline scenario, which assumes de-escalation in the Middle East within a few weeks, we expect a reversal of market expectations regarding MPC rate hikes (though not back to late-February levels), which should lead to a decline in domestic bond yields (although more towards end-2025 levels than those seen in February this year).



2026: Our forecasts and main risks

Indicator	Summary of our forecasts in December 2025	Summary of our forecasts in March 2026
GDP	GDP growth has a chance to accelerate slightly, approaching 4% y/y in some quarters, supported by a moderate improvement in the external environment. The market consensus, which until recently assumed weaker growth in 2026 than in 2025, has started to shift towards our expectations.	In the baseline scenario, we assume that the disruption in commodity markets will be sufficiently short-lived for its impact on GDP growth to remain barely noticeable. Despite likely weaker GDP in 1Q due to a severe winter, we maintain our full-year forecast at 3.9%.
GDP breakdown	The culmination of the long-awaited investment recovery will be driven by a race against time to spend funds from the RRF. Consumption will continue to grow at a moderate pace, adding a solid 2pp to GDP growth. Exports may accelerate thanks to a moderate improvement in Germany demand, but the impact of the trade balance on GDP will remain negative. Inventories will still have a positive contribution to GDP.	We continue to expect a strong rebound in investment, driven by the mobilisation to take advantage of RRF funds to the largest possible extent. This part of the demand impulse should be relatively insensitive to higher commodity prices, although we see a rising risk that the funds may not be fully utilised. The temporary increase in fuel prices has so far not disrupted our forecast of moderate consumption growth.
Labour market	Double-digit growth in investment outlays will require an increase in labour input. Wage growth may slow a little further, partly due to much smaller increases in the minimum wage and in the public sector than in previous years, but the scope for deceleration does not seem significant.	Forecast broadly unchanged.
Inflation	Much faster-than-expected disinflation in 2025 has pushed our inflation forecasts for the following year lower: for much of the year, CPI and core inflation will likely remain below 2.5%, helped by a still strong zloty, low commodity prices and the growth of unit labour costs consistent with the inflation target.	Higher commodity prices will push inflation up from March, but if the shock proves temporary, the CPI path in the second half of the year should converge back towards the previous forecast, ending the year close to 3% y/y.
Monetary policy	We still believe that in a world of greater economic fragmentation, structurally higher defence spending and looser fiscal policy, real interest rates should remain positive. A drop in inflation below 2.5% will create room for a few more cautious cuts in the reference rate – down to 3.5%.	We still assume that the MPC will cut the reference rate to 3.5%, but the commodity shock will delay the final move in the cycle until July. Even if CPI growth remains elevated at that point, awareness of the normalisation in the situation and the new NBP projection may give the MPC the green light to act.
Fiscal policy	We do not expect fiscal consolidation before the next parliamentary elections scheduled for 2027. The fiscal deficit will likely remain above 6% of GDP, and debt will stay on an upward path.	Forecast broadly unchanged. A short-lived commodity disruption should not harm tax revenues, so as long as the government does not decide to introduce costly shielding measures, the fiscal outlook does not deteriorate.
Fixed income market	Without a truce in Ukraine and/or significant Fed rate cuts, further declines in long-end yields will be difficult. We still see room for further yield curve steepening in response to additional NBP rate cuts.	Despite the decline in yields in January and February and the rebound in March, we keep our forecast for the rest of the year broadly unchanged. Normalisation of commodity prices should correct the exaggerated pricing of the risk of NBP rate hikes.
FX market	We assume the zloty will remain fairly stable, oscillating around 4.25 per euro.	Forecast broadly unchanged.

Middle East conflict

1



Middle East conflict – main assumptions

We are releasing economic forecasts in quite turbulent times and shortly after the conflict in Iran began. Following projections are based on the expectations that conflict in Middle East will de-escalate in relatively short period. The recent spike in oil and natural gas prices will leave a mark on average inflation forecast, however. We, therefore, adjust it accordingly based on assumption that prices of oil and natural gas will decline gradually over next couple of months. Monetary policy outlook reflects these assumptions as well. At this point we do not expect major negative impact on growth.

Long lasting conflict in Middle East is considered as an adverse scenario at this point. In such case we would follow with an update of economic outlook in which we would consider more closely following aspects:

- Elevated prices of oil and natural gas throughout a year
- Greater impact on food prices bringing second round effects into play
- Change in the interest rate outlook as space for interest rate cuts would be narrowing
- Negative impact on growth prospects would be rather contained
- Interventions of governments to shield the households and business from high energy prices rising fiscal risks in environment where fiscal headroom may be limited
- Adjustments of bond market projections and FX for non-Eurozone countries



Middle East conflict – channels of influence

(1) Inflation:

- The quickest channel through which the conflict in the Persian Gulf will affect prices in Poland is the rise in fuel prices – their impact on the CPI will be evident as early as March and April. Increases in the costs of imports (due to the weakening of the zloty), transport, fertilizers and food, goods manufacturing, and construction may become apparent with a greater delay.
- Market attention is focused on energy prices, but food prices could be the inflationary ‘black swan’, not only because of their significant weight in the CPI basket and strong correlation with oil and gas prices, but also due to the major role of the Gulf states in the global supply of fertilizers (almost half of total urea production). However, this effect will only become fully apparent after a considerable delay, at least several months.
- Domestic prices for natural gas, electricity and heating are regulated and may be subject to government protective measures, so their reaction will, firstly, be delayed and, secondly, may be mitigated. The current gas tariffs remain in force until the end of June, and those for electricity until the end of this year.
- Asian countries are the most dependent on gas and oil supplies from the Persian Gulf, so a prolonged disruption could spell the end of the flood of cheap Chinese goods onto European markets, which could lead to a reversal of the disinflationary trend in imported goods.
- Low gas stocks in the EU following the winter are likely to be replenished at fairly high prices, which may, at least to some extent, reinforce the pro-inflationary effect of the disruption.
- Domestic price rises resulting from cost pressures, particularly second-round effects, may over time be curbed by a demand weakening / destruction, to an extent dependent on the severity of the economic slowdown.

Mitigating factors:

- Diversification of raw material supplies in Europe is currently much greater than in 2021–22. The greatest supply disruption affects Asia.
- The European economy was just about to pick up, but is not overheated at the time of the shock. The output gap at the starting point is currently well below the 2021/22 level, and real interest rates are higher.



Middle East conflict – channels of influence

(2) Economic growth:

- Higher energy and food costs – that is, basic living costs, which are expenditure with low price elasticity – will leave less room in household budgets for discretionary spending. This, combined with rising economic uncertainty and a decline in the sense of security, may weaken the growth of consumer spending.
- Growth in private investment is also at risk of slowing down due to rising costs, increased economic and geopolitical uncertainty, and the unpredictability of business conditions.

Mitigating factors:

- A substantial savings buffer accumulated by households, allowing for ‘consumption smoothing’.
- A large part of this year’s investment momentum is linked to the use of funds from the RRF – potentially not very sensitive to changes in the global economic climate and uncertainty, although a significant rise in costs could erode their real value.
- The surge in natural gas prices may temporarily improve the energy price ratio in Poland compared to other EU states, due to the still high share of energy generated from coal (which is also getting more expensive, but at a slower pace – as in 2021/22), supporting the competitiveness of domestic manufacturing.
- The cost impact, primarily on Asian economies, may temporarily reduce competitive pressure from China.
- Another disruption in fossil fuel supplies to Europe creates a strong incentive to accelerate the energy transition and investment in renewable energy sources.

Sectors potentially at risk:

- Chemicals, heavy industry, construction materials, agriculture, transport and logistics, airlines, international tourism, AI

Sectors that may benefit:

- Renewable energy, domestic tourism, domestic fertilizer producers.



Middle East conflict – channels of influence

(3) Public finances:

- In our view, the impact of a commodity shock on public finances may be highly non-linear.
- In the event of a moderate and short-lived disruption, which mainly drives up inflation but has negligible negative effects on economic activity, the net effect may be even slightly positive for tax revenues. In this scenario, large-scale protective measures should not be necessary, and any absorption of temporarily higher commodity prices within the margins of state-owned companies will not affect public finances this year (though it will result in lower dividend revenues next year).
- The stronger and more sustained the rise in commodity prices and the greater the scale of the economic slowdown, particularly on the consumption side, the more the balance shifts to the detriment of budget revenue. At the same time, a larger and longer-lasting rise in commodity prices increases the risk of the government taking costly decisions to protect households from rising living costs. The result: public finances caught between (a) a shortfall in revenue and (b) unplanned expenditure linked to protective measures.
- The fiscal deficit at the starting point (nearly 7% of GDP) is much larger than before Russia's invasion of Ukraine (below 2% of GDP), which significantly limits the government's room for manoeuvre and may generate greater nervousness in financial markets. It creates a difficult dilemma for the government, particularly in the context of the upcoming parliamentary elections in late 2027.
- In the event of a major global shock, central banks could once again assume the role of stabilisers, mitigating potential turbulences in the debt markets.

(4) Monetary policy:

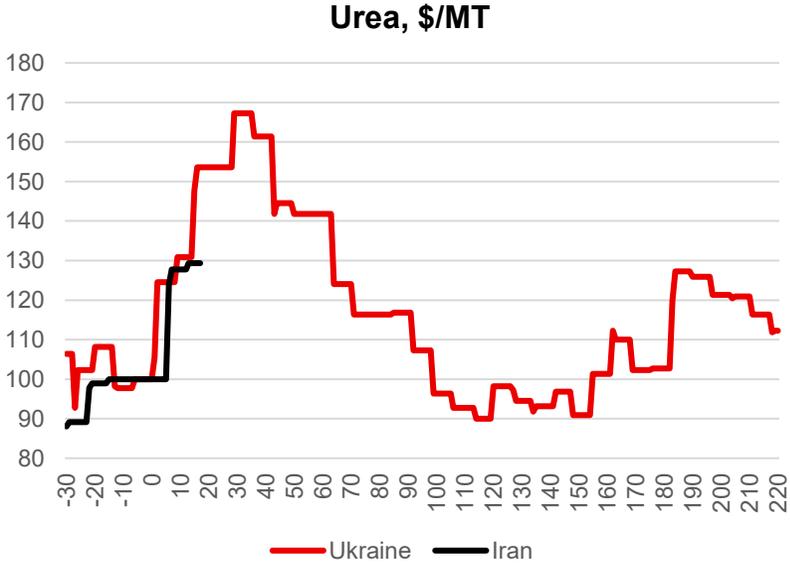
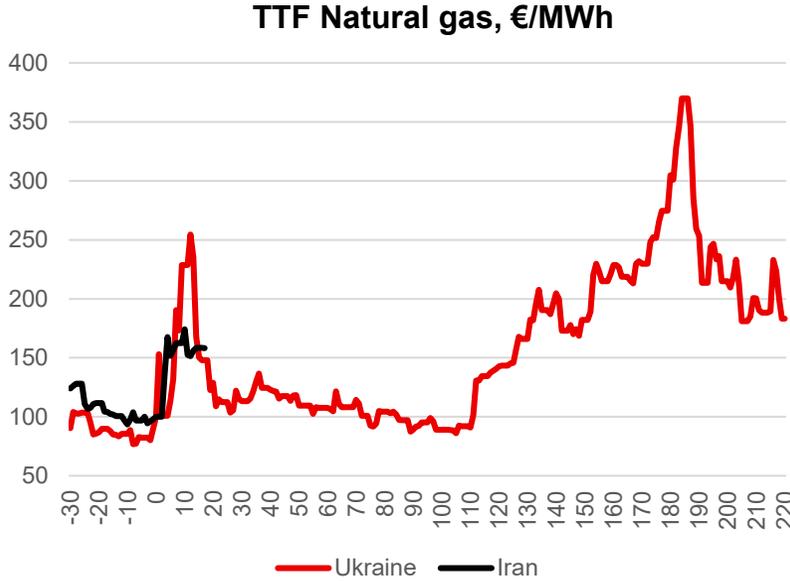
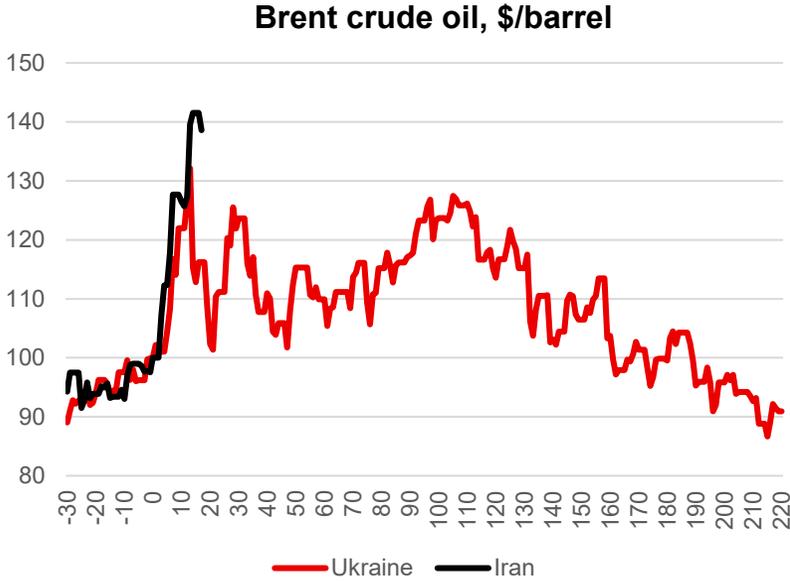
- A supply-side shock presents a dilemma for the central bank. The appropriate monetary policy response to such a disruption is not obvious, as it does not address the root cause of the shock. Nevertheless, if a sharp rise in inflation raises inflation expectations, real interest rates fall; thus, a lack of response corresponds to a de-facto policy easing. Furthermore, any protective measures by governments and fiscal expansion distort the supply-side nature of the shock. Finally, having learnt from their belated response to the shock caused by Russia's invasion of Ukraine, central banks may this time be more inclined to react pre-emptively.



Middle East conflict – market reaction

The change in crude oil price during the first two weeks following the start of the attack on Iran has been more significant than during the corresponding period after Russia's invasion of Ukraine in 2022; the reaction in natural gas prices has been much smaller, whilst urea prices at the Port of New Orleans have so far followed a similar pattern.

Market behaviour in the period just before and after (1) Russia's invasion of Ukraine, (2) the US-Israeli attack on Iran (the day before the attack = 100)



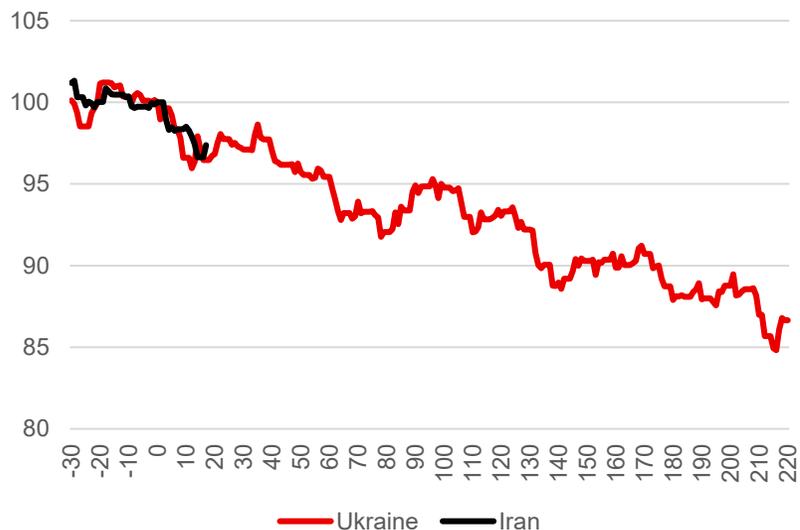


Middle East conflict – market reaction

The extent of the US dollar's strengthening in the current episode is similar to that observed in 2022. The reaction of the Polish bond market has so far been somewhat muted, and the reaction of the zloty exchange rate has been much weaker than in the period following Russia's invasion of Ukraine.

Market behaviour in the period just before and after (1) Russia's invasion of Ukraine, (2) the US-Israeli attack on Iran (the day before the attack = 100)

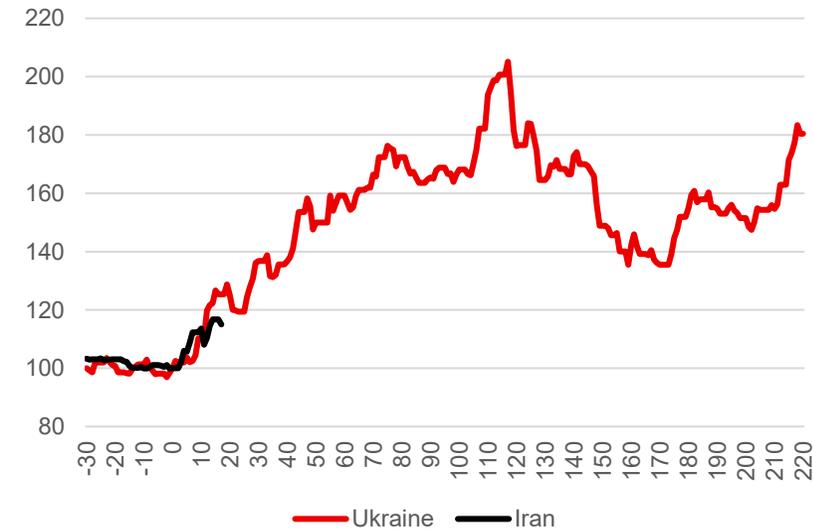
EURUSD



EURPLN



POLGB 10Y yield





Scenario 1 (baseline) – Quick deescalation

	Scenario 1 – Quick deescalation (probability 50%) The conflict ends within 4-6 weeks at the latest. Oil and gas prices return to February levels within 2–3 months.
CPI	Inflation rate between March and May higher by 0.5-0.6pp, mainly due to higher fuel prices, but remains safely within the NBP's target range (2.5% ±1 percentage point). From June onwards, the CPI starts converging to the path predicted prior to the outbreak of the conflict, ending the year near 3% y/y.
GDP	A negligible impact on GDP growth. Our forecast of 3.9% does not appear to be at risk.
Monetary policy	Even if the situation in Iran de-escalates rapidly, it will take a few months for commodity prices to stabilise. At the MPC's April meeting, in addition to the low February inflation reading (2.1% y/y), the flash CPI estimate for March will be available – boosted by higher fuel prices. We think it will delay the next rate cut until July, when the NBP's new projection will confirm that the medium-term inflation outlook remains favourable.
Fiscal policy	No significant impact. The cost of temporarily higher fuel prices partially absorbed by narrowing margins of state-owned companies, without having effect on public finances this year, while revenues do not suffer.
FX market	Following a temporary, moderate weakening of the zloty, EURPLN stabilising around 4.25, in line with our earlier forecast.
FI market	As commodity markets stabilise, the FRA and IRS markets erasing excessive expectations of interest rate hikes. As a result, bond yields also correcting the spike seen in early March – 10Y yield returning to a level slightly above 5%.



Scenario 2 – Prolonged uncertainty

	Scenario 2 – Prolonged uncertainty (probability 30%) The conflict drags on but is not escalating rapidly. Shipping through the Strait of Hormuz is hampered, but possible. Oil and gas prices stabilise roughly 15-20% above February levels for the rest of this year.
CPI	The CPI trajectory shifts upwards for good: from March to December, inflation remains on an upward trend, ending the year at around 4% y/y.
GDP	Global economic growth lower by 0.2–0.3pp*. The impact on the Polish economy will be smaller (less than 0.2pp), as a large part of the investment stimulus financed by the EU funds will be quite insensitive to energy prices.
Monetary policy	The reversal of the disinflationary trend closes the door for monetary easing. However, the MPC will not hurry to consider rate hikes, recognising the supply-side nature of the shock and the moderate scale and temporary nature of the inflationary disruption. NBP rates remain unchanged at 3.75% until the end of the year.
Fiscal policy	Higher inflation, coupled with only a minor slowdown in economic activity, may not, on balance, have a negative impact on tax revenues. Provided that the moderate rise in energy costs does not prompt the government to introduce costly protective measures, the risk of the fiscal deficit exceeding 7% of GDP need not increase.
FX market	Persistently higher risk aversion, a fall in real interest rates and a wider trade deficit reflected in the zloty stabilising at weaker levels: EURPLN in the 4.30–4.35 range.
FI market	The weakening in the bond market proving more persistent; the 10Y yield rising again towards 6% on the back of risk aversion and concerns about the economic and fiscal consequences, before gradually falling back but remaining well above 5%.



Scenario 3 – The conflict escalates further

	Scenario 3 – The conflict escalates further (probability 20%) Further geopolitical escalation, linked to a blockade of the Persian Gulf and/or damage to oil and gas infrastructure. Oil prices rise persistently above \$100/barrel, and gas prices to/above €100/MWh.
CPI	Sharp rises in fuel and energy prices pushing up the cost of food and other goods and services; disruptions to transport and supplies from Asia are reversing the disinflationary effect of imports. The scale of inflation rise partly reduced by government's shields on energy prices, but CPI could still rise to around 6% y/y by the end of 2026. Pressure for higher gas, electricity and food prices is spilling over into 2027.
GDP	Domestic GDP growth in 2026 lower by 0.4-0.5pp, partly cushioned by the 'inertia' of investments funded under the EU's RRF. A sharp deterioration in the terms of trade rapidly worsening the foreign trade balance. A more severe economic slowdown possible in 2027.
Monetary policy	In theory, a supply shock does not necessarily require a response from the central bank, but (1) rising inflation significantly reduces real interest rates, and (2) government support measures and fiscal expansion distort the supply-side nature of the shock. A first rate hike possible in July, with the base rate at 5.0% by the end of the year.
Fiscal policy	The government faces an extremely difficult choice: protecting households at the cost of further destabilising public finances. Slower economic growth and higher spending are pushing the deficit towards ~10% of GDP.
FX market	As uncertainty continues to rise and global risk aversion grows, the dollar is strengthening, whilst EM currencies, including the zloty, are weakening. It is difficult to pinpoint specific target levels, but in the event of a serious escalation of market turmoil, a temporary move in EURPLN towards 4.50 does not seem impossible.
FI market	Growing expectations of NBP rate hikes and mounting concerns about the stability of public finances are pushing yields to significantly higher levels – 10Y bond yield near 7%.

Economy

2

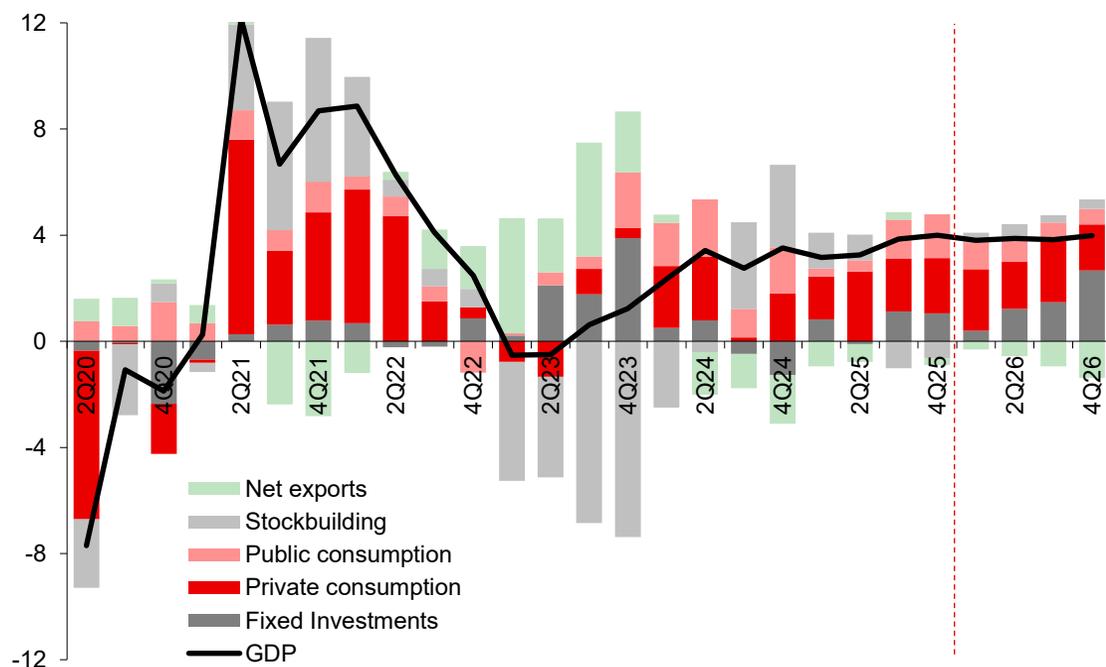


Baseline scenario – GDP growth still close to 4%

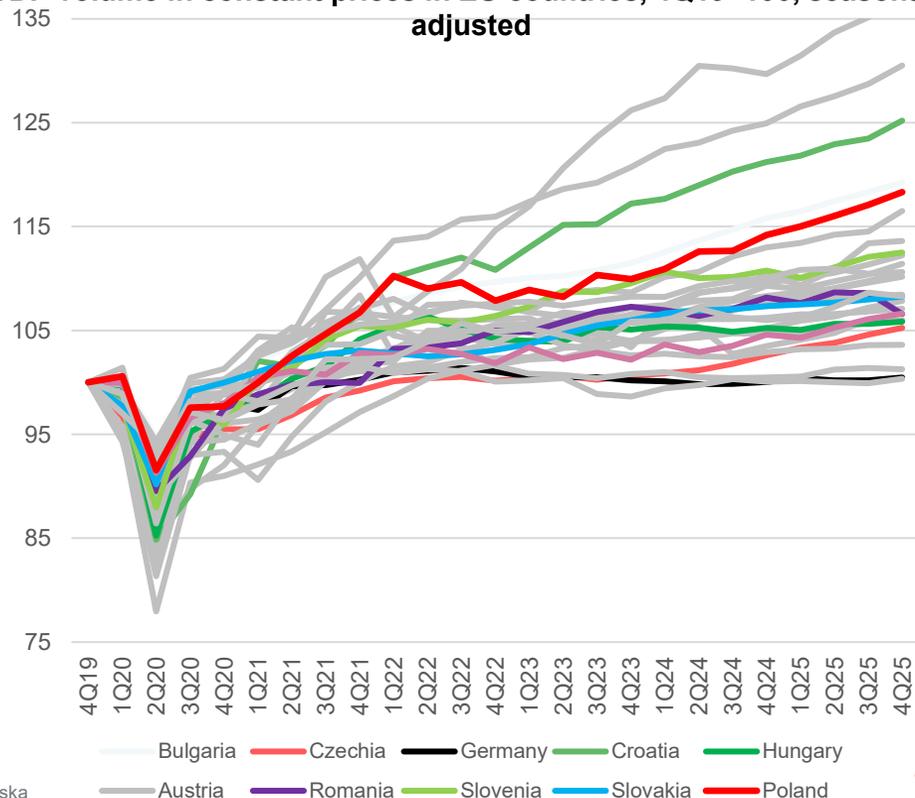
Poland has returned to the group of Europe's growth leaders, accelerating to 4% y/y at the end of 2025. This year, it is expected to remain among the fastest-growing economies in both the EU and the CEE region. Disruptions in oil and gas prices—provided they are temporary and moderate—should not materially alter the country's GDP trajectory, especially as EU Recovery and Resilience Facility (RRF)-financed investments, which are relatively insensitive to commodity prices, are set to play an increasingly important role. We continue to expect private consumption growth to remain moderate over the coming quarters, at around 3.5–4%, alongside a strong acceleration in gross fixed capital formation, averaging nearly 9% for the year.

An exceptionally harsh winter weighed on economic activity in January and February, which may result in slightly weaker GDP growth in 1Q2026 than previously anticipated—just below 4% y/y. Nevertheless, we maintain our full-year 2026 GDP growth forecast at 3.9%.

GDP growth and its breakdown, % y/y



GDP volume in constant prices in EU countries, 4Q19=100, seasonally adjusted





Middle East conflict – impact on GDP

Below we present a summary of studies and estimates that may help assess how the conflict in the Middle East and the resulting increase in commodity prices could affect domestic economic activity. The results of the studies discussed have been rescaled by us to make it possible to assess, on their basis, how a 10% increase in crude oil prices affects GDP growth. It should be stressed that the approximation we apply sacrifices potential non-linear effects and distorts the original results but allows for a straightforward scenario analysis.

The studies we have analysed indicate that a 10% increase in oil prices may be associated with a reduction in GDP growth of around 0.3 pp. It is worth adding that, according to the study by Gradzewicz et al. (2024), an increase in oil prices has a negative impact on all components of GDP (with the effect on imports being stronger than the effect on exports, which translates into a positive net exports effect), while the strongest negative impact concerns private consumption.

Nevertheless, we assess that the actual impact of a commodity price shock on GDP growth in 2026 would be clearly smaller than suggested by the above estimates, as one of the main drivers of GDP growth is expected to be an EU-funded investment recovery, which is characterised by limited sensitivity to commodity prices.

Study	Scope of the study	Studied economy	Results	Implied impact of a 10% increase in oil prices on GDP growth
The National Bank of Poland Gradzewicz i in. (2024) <i>The impact of energy price increases on the Polish economy</i>	Assessment of the impact that energy price shocks following Russia's invasion of Ukraine have had on the Polish economy.	Poland	The energy price shocks of 2022 led to a decline in GDP of 2.9% relative to the baseline scenario, with the oil price shock accounting for a 1.3% drop in GDP.	-0,2 pp
Instytut Badań Strukturalnych (The Institute for Structural Research), Antosiewicz i in. (2022) <i>The economic effects of stopping Russian energy imports in Poland</i>	Estimation of the impact that a cessation of imports of energy commodities from Russia would have on the Polish economy.	Poland	Halting imports of energy commodities from Russia could lead to a decline in GDP of 0.2–3.3% in the first year, depending on the scale of price increases (simulated oil price increases range from around 10% to 60% in the first year).	Between -0,2 and -0,5 pp
Jiménez-Rodríguez i Sánchez (2005) <i>Oil price shocks and real GDP growth: empirical evidence for some OECD countries</i>	An empirical assessment of the impact of an oil price shock on economic activity in major industrialised economies.	Germany and the euro area, among others	Among oil-importing countries, an oil price shock has a negative effect on GDP growth in all cases examined except Japan. Among other findings, a 1% increase in oil prices leads to a decline in GDP of the euro area and Germany of around 0.03% in the first year.	-0,3 pp



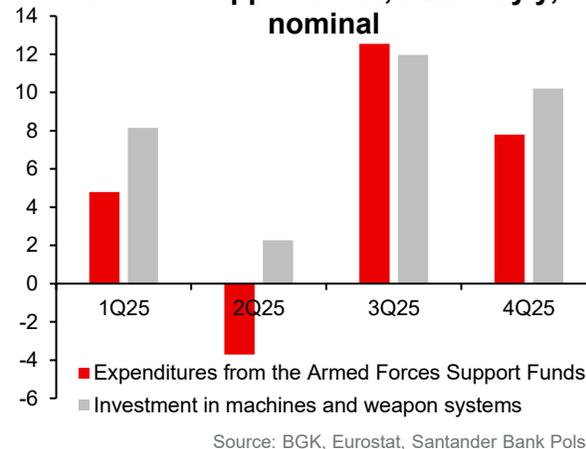
Investment – we are still counting on a solid rebound

The increase in investment in 2025 was driven almost exclusively by higher spending on machinery and weapons systems, most likely with the latter accounting for the dominant share. In 2026, a larger role in investment growth should be played by expenditure financed with EU funds, primarily under the Polish Recovery and Resilience Plan. The investment impulse stemming from defence-related activities will depend on the scale and pace of spending under new government programmes (SAFE), the detailed plans of which have not been made public. Available information on other defence programmes, mainly those financed from the Armed Forces Support Fund (FWSZ), suggest that activities carried out under these schemes should continue to support investment growth, albeit to a lesser extent than in 2025.

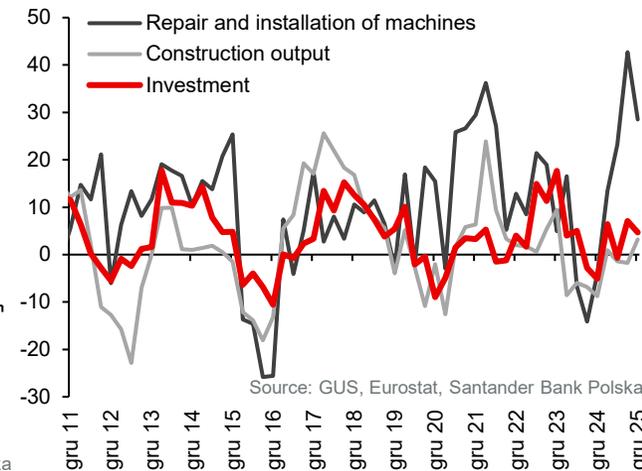
According to the FWSZ financial plan, spending on the implementation of the objectives set out in the Armed Forces Development Programme is expected to amount to PLN72.2bn in 2026, i.e. PLN20.8bn more than in 2025. Nevertheless, in previous years expenditure was not fully executed, which suggests that the actual increase may be closer to PLN5–10bn. Abstracting from price effects and assuming that the spending is directed exclusively towards investment, this would add around 1 pp to investment growth. By comparison, in 2025 the increase in spending amounted to PLN21.4bn, which under the same assumptions may have boosted investment growth by more than 3 pp.

We forecast that investment growth in 2026 will reach 8.8%, including 3% y/y in 1Q. We assume that the 1Q outcome will be lower than the previously estimated 8% y/y due to adverse weather conditions, which, among other things, reduced construction activity. In subsequent quarters, we expect stronger growth, driven not only by the end of the negative impact of weather on investment activity, but also by higher spending from the RRP and funds under the 2021–2027 financial framework.

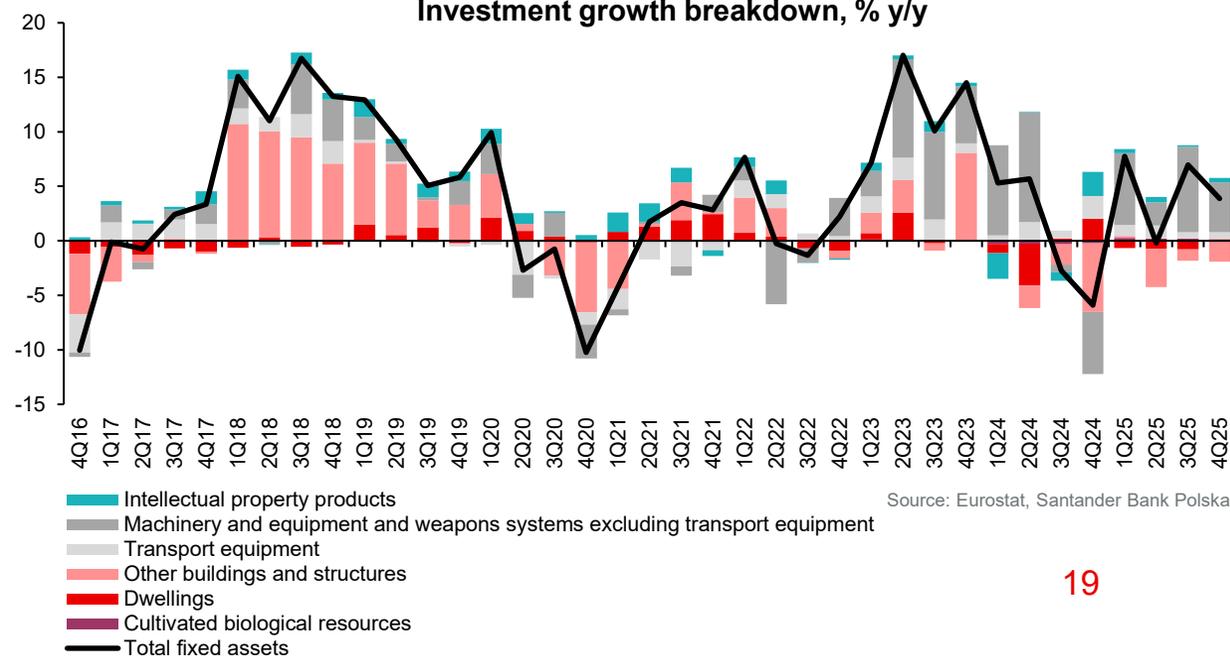
Changes in investment in machines, and in expenditures from the Armed Forces Support Fund, PLN bn y/y, nominal



Investment, installation of machines, and construction output, % y/y



Investment growth breakdown, % y/y





Risk of incomplete utilisation of RRF funds rising

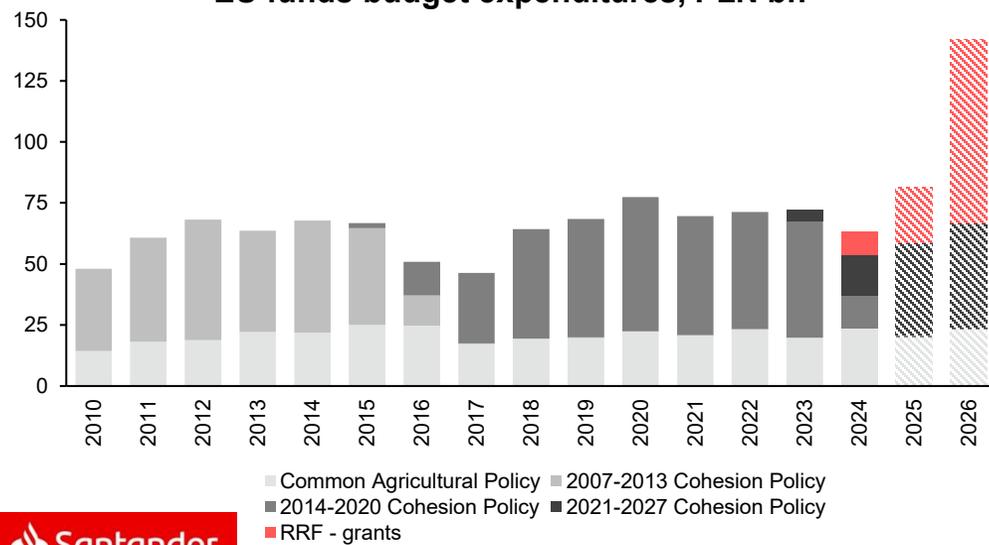
At the beginning of February, the Minister of Funds and Regional Policy assessed that, due to a two-year delay, it would certainly not be possible to invest 100% of the funds made available to Poland under the Recovery and Resilience Facility.

So far, we have assumed that despite the delayed launch of the programme, sufficiently rapid implementation of the Polish Recovery and Resilience Plan could allow for almost full absorption of its grant component, worth around PLN110bn. The minister's statement did not provide any indication of how large a share of these funds might remain unused. As she announced, more detailed information on the possible implementation of the KPO is expected to become available in mid-year.

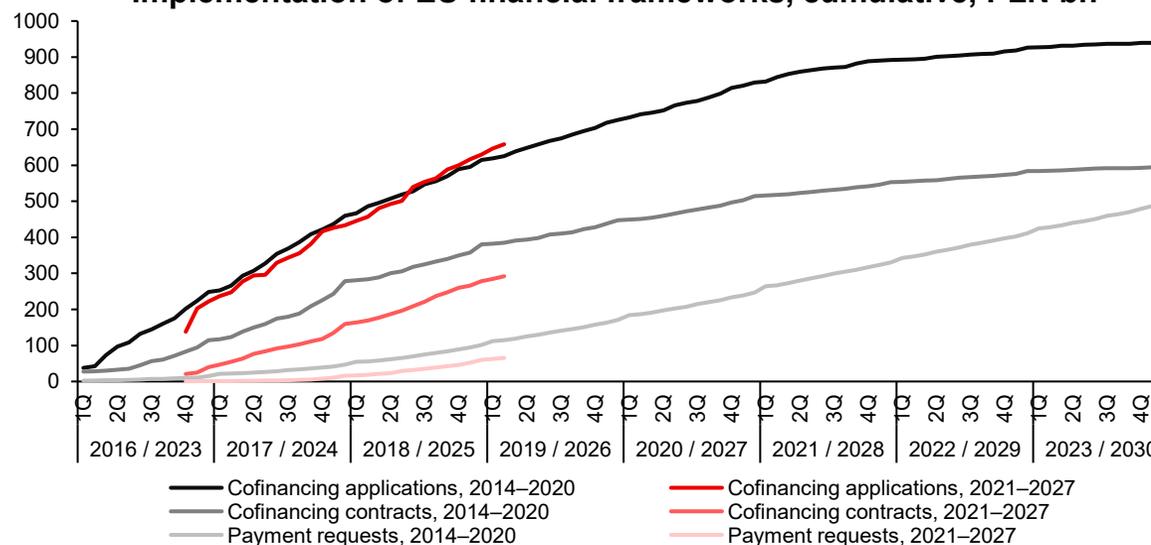
On the other hand, at the beginning of March the minister reported that almost all funds from the KPO grant envelope had already been contracted. Assuming that funding is granted only to projects whose implementation within the available timeframe is realistic, this statement suggests that the risk of non-absorption should concern only a small part of the grants. Therefore, until the ministry publishes detailed projections regarding KPO implementation, we have decided not to revise our existing forecast, according to which KPO grant expenditure should amount to around PLN75bn in 2026.

The implementation of the 2021–2027 financial framework is proceeding in line with our expectations. At the end of February, the value of signed co-financing agreements amounted to around PLN292bn, while the value of submitted payment applications stood at PLN65.4bn. In 2025 alone, the value of submitted payment applications reached around PLN43bn, which suggests that the execution of expenditure under the 2021–2027 framework may have been even slightly better than we had anticipated. We expect expenditure from the financial framework to exceed PLN40bn in 2026.

EU funds budget expenditures, PLN bn



Implementation of EU financial frameworks, cumulative, PLN bn





Private consumption is holding up well

In 4Q25, private consumption in constant prices accelerated to 4.2% y/y from 3.5% y/y in the previous quarter. Over the same period, retail sales increased on average by 4.6% y/y in real terms, and the January reading showed surprising resilience (4.4% y/y, versus expectations of a slowdown to 3.0% y/y due to frost). In our view, the strong January outcome does not imply weakness in the following months, i.e. consumers' purchasing power has not been absorbed by much higher heating costs. Our [analysis of card transaction data](#) and the structure of retail sales pointed in January to solid demand for some goods (clothing and footwear), alongside a likely postponement of some purchases (durable goods). **We maintain our forecast of private consumption growth at around 3.5% this year, with quarterly outcomes remaining in the 3–4% y/y range.**

Our baseline view on the labour market, the economic outlook and the interest rate path this year point to a further slowdown in the growth of nominal household disposable income, from an average of 10% last year to around 5%, which would translate into real growth of just over 2% this year.

Under these conditions, maintaining the pace of consumption growth requires the assumption that the savings rate will start to decline from elevated levels. The implemented and potential further rate cuts should support this process, although so far they have been less effective than we had assumed. This suggests that the current high savings rate reflects not so much a temporary reaction to the stress Polish households have been enduring (the war in a neighbouring country, the earlier period of high inflation) as a structural change in consumer behaviour.

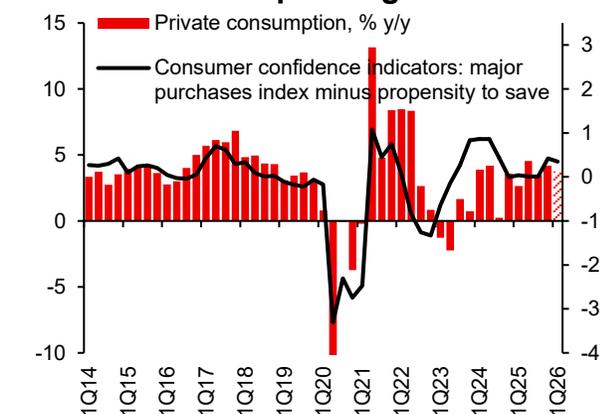
Household deposits still growing at a pace of over 8% y/y, record inflows into mutual funds and solid demand for retail bonds indicate that a pro-saving stance remains in place. According to the GUS consumer confidence survey, since mid-last year there have been clearly more indications of the ability to save over the next 12 months, while the indicator measuring the ability to save has posted a series of record highs.

Our econometric model for the savings rate has struggled in recent quarters – even after accounting for fluctuations in the real interest rate, the effect of an improvement in financial conditions and a certain increase in fears of job loss, an unexplained component of around 2 pp remains. During the pandemic, such an extraordinary add-on to the savings rate amounted to 2.5–3 pp. In our baseline scenario, we assume that this additional component persists, while the savings rate gradually declines in line with falling real interest rates. In scenario 2, we assume that households switch to consumption smoothing mode and this extra component fades away. In scenario 3, we assume that a precautionary mode is activated instead, lifting the savings rate by a further 2 pp. The scenarios also differ in terms of disposable income dynamics.

Household savings rate and ex post real interest rate



Private consumption and the declared consumer stance towards saving and spending



Source: GUS, Santander Bank Polska

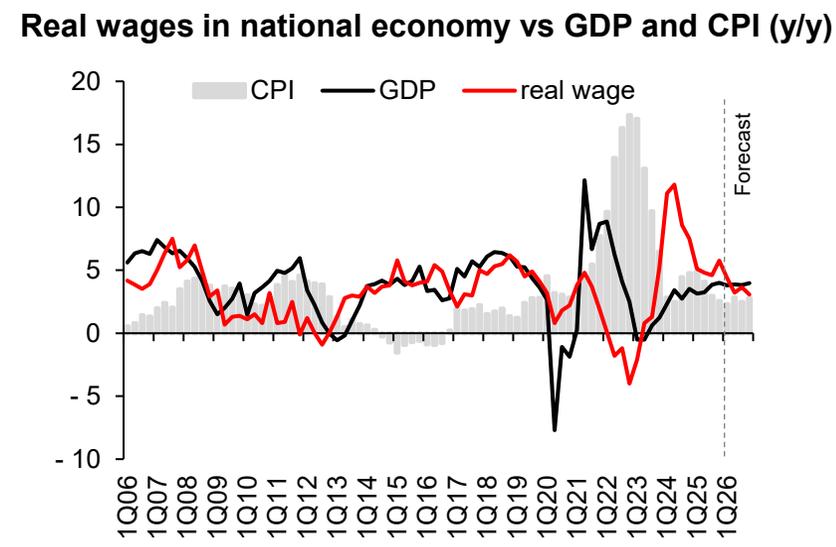
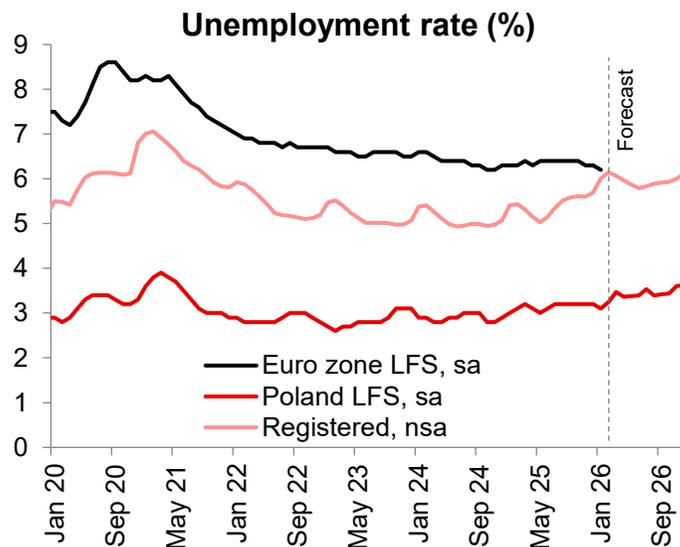
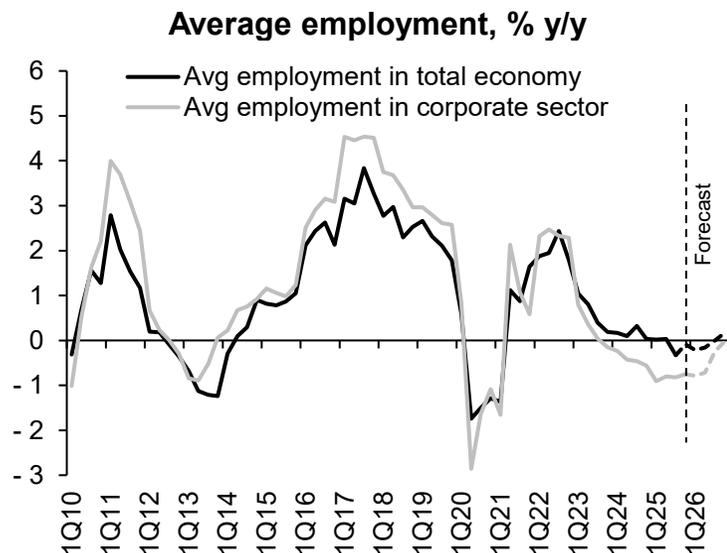


Will the labour market withstand the crisis once again?

Monthly enterprise-sector employment data have already accustomed us to year-on-year declines of 0.5–1.0% persisting for the past two years. However, **the LFS figures for 4Q confirmed the positive signal seen a quarter earlier – across the whole economy, the total employment rose by 0.6% y/y, after 0.5% in 3Q 2025.** Data on the number of people registered in Polish Social Insurance Institution (ZUS) show that, as in previous periods, the decline in the number of employees on standard employment contracts (-0.3% y/y in December) was offset by increases in those working under mandate contracts (up 4.8% y/y) and in the self-employed outside agriculture (up 2.3% y/y). The domestic labour market also continued to be supported by a rising number of foreign workers (1,289 thousand insured at the end of 2025, 8.0% more y/y).

In recent years, even in the face of significant economic shocks, employment and unemployment have reacted only mildly. Although the recent rises in registered unemployment have been driven by changes in administrative procedures and funding, in the event of a downturn in the global economy, they may contribute to a stronger reaction to any shock – through a higher starting level of unemployment and a reduced capacity to cushion a fall in demand. Instead of the labour-demand recovery we had expected until recently, **we may now be facing, at best, a continued stagnation of the labour market,** and, in a more pessimistic scenario, a gradual increase in unemployment.

In our previous report, we forecast a gradual decline in nominal wage growth from around 7% at the start of this year to around 6% by the end of 2026. We believe that, over the next few quarters, these forecasts are not at serious risk. Should we see, in the near term, higher-than-expected inflation, lower GDP growth and/or increased risk aversion among businesses, the pro- and anti-inflationary forces may well offset each other. Concerns about rising unemployment will dampen wage expectations, the modest increase in the minimum wage will cement the current wage distribution, and **what is likely to suffer most quickly and directly is the purchasing power of wages** – that is, slower real wage growth. This, in turn, would weaken private consumption growth.



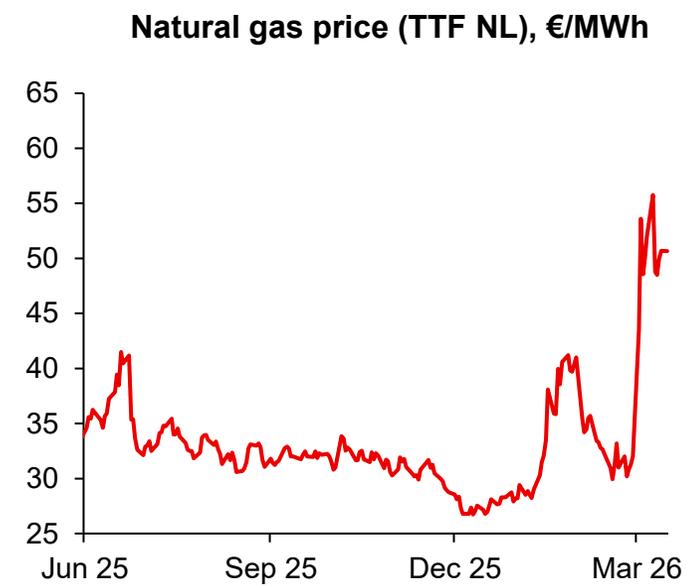
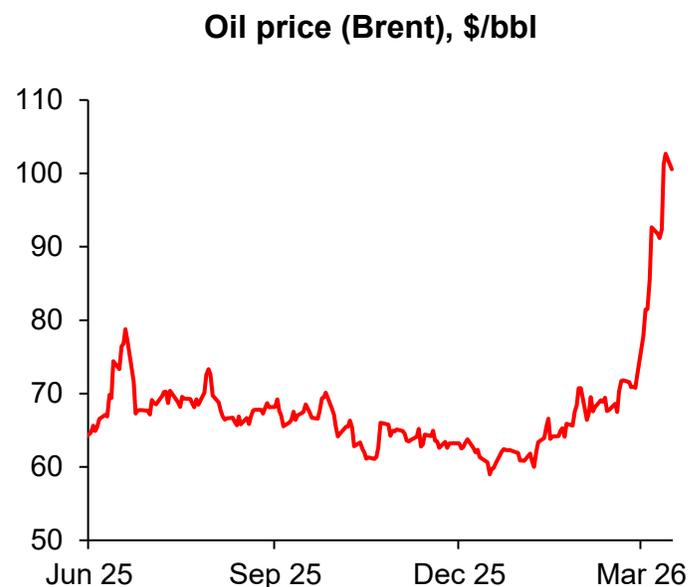
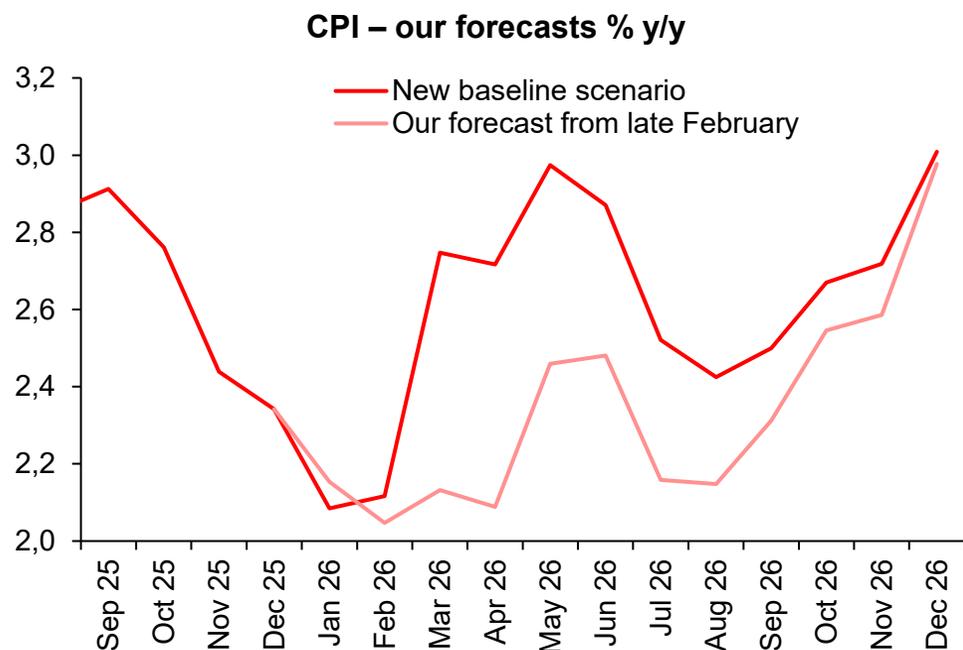


Inflation revised up

In light of the war in the Middle East, **we are raising our CPI inflation forecasts**: we now expect it to average 2.6% this year, compared to the 2.3% we forecast at the end of February. The year-end forecast remains broadly stable at 3.0%.

The upward revision is based on the following assumptions: 1) higher oil prices and, consequently, higher fuel prices in Poland, 2) higher gas prices, which will not, however, lead to higher tariffs, although they will contribute to an increase in LPG prices, 3) slightly higher food prices, 4) a weaker zloty. Fuel prices are currently the most important factor driving our CPI forecasts higher.

In the baseline scenario, we assume that all these effects are temporary and will last no longer than a few months.



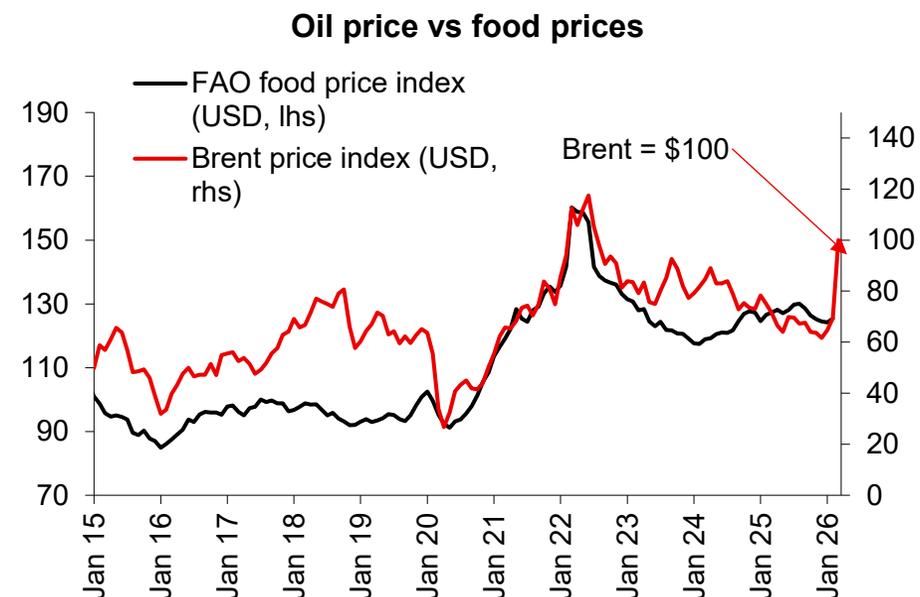
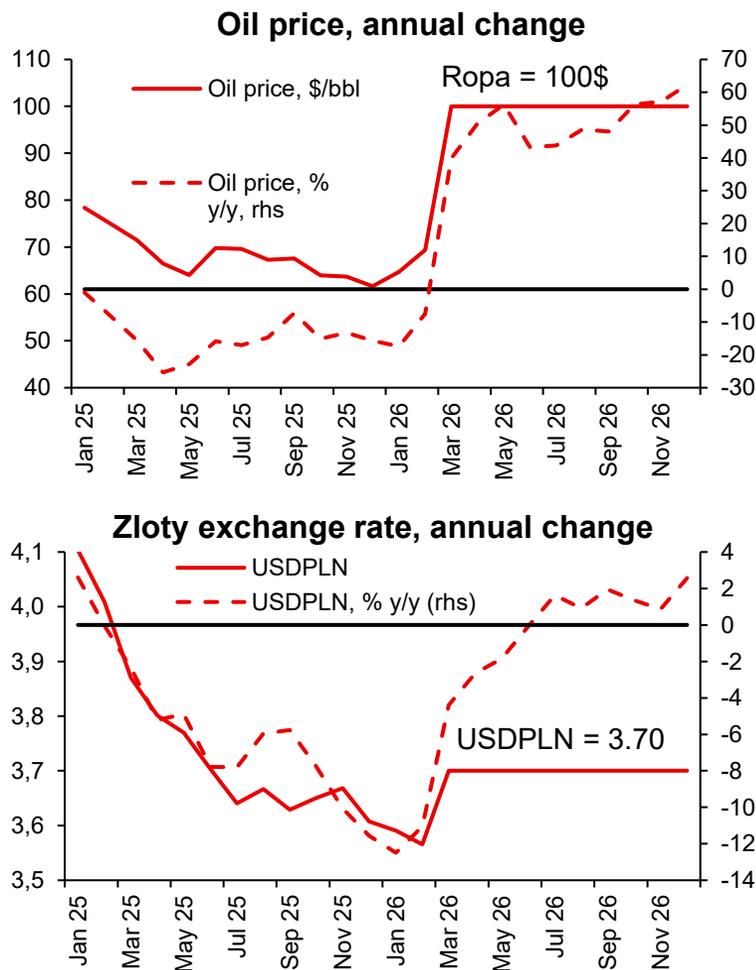


Middle East conflict – impact on CPI

If, however, the conflict proves to be prolonged, a stronger impact on domestic CPI inflation should be expected. So far, the zloty has remained relatively resilient to market turbulence, and assuming the EUR/PLN exchange rate stays at 4.26 and USD/PLN at 3.70, these levels will exert only a marginal upward influence on annual inflation. A more pronounced effect would be anticipated in the case of energy commodities and—most notably—food prices. Food prices are correlated with hydrocarbon prices, partly due to their role in the production of chemical fertilizers. Moreover, a significant share of the global fertilizer supply is transported through the Strait of Hormuz, which is relevant for both food supply and global price dynamics. In our view, a material impact on food prices would emerge only if the conflict persists; however, once it materializes, it could be both substantial and long-lasting.

Impact of 10% rise in price of variable on CPI

Oil	+0.3pp
Natural gas	+0.3pp
FX rate	+0.6pp
Food	+2.6pp



Source: GUS, LSEG Datastream, Bloomberg, Santander Bank Polska

Monetary policy – wait-and-see

A few days after the outbreak of the conflict in Iran, the Monetary Policy Council (MPC) cut rates by 25bp. However, the tone of the post meeting conference, as well as statements by individual members, suggest that due to the elevated uncertainty the MPC has shifted into a wait and see mode—holding off on further rate cuts and monitoring the situation. **In our baseline scenario, we assume that the Council has not abandoned its medium-term plan to bring the NBP’s rate to 3.50%. Nevertheless, given the current pace of market and geopolitical developments, the next cut is likely to take place only in July and would be conditional on a relatively swift stabilisation in the Middle East.**

Further escalation would push any rate cuts much further into the future. We consider rate hikes to be a last resort for the MPC—an option relevant only under the most severe scenario, involving an intensifying commodity price shock with no prospect of near term stabilisation.

The shape of the Polish economy and its outlook as presented in the NBP’s March projection support further monetary easing (see p. 26). Therefore, we do not interpret the MPC’s current stance as abandoning further easing, but rather as delaying the next steps. If, in line with our baseline scenario, geopolitical tensions ease by mid year, the July projection should indicate only a temporary disruption to inflation. Under this scenario, we see no compelling reason why the medium-term outlook from the July projection would diverge materially from the March version, which provided room for additional monetary policy easing.

Similarly, the latest March survey of economists on the MPC’s policy stance does not reveal any clear shift in either direction, but rather a strong clustering of views around a neutral position. This should imply an operational mode focused on data dependence and close monitoring of projection outcomes.

PAP Consensus Call: Polish MPC hawks and doves

Individual Council Member Bias, as ranked in PAP consensus survey of sell-side economists

Consensus call based on a survey of 13 economists, as collected by PAP Business at February 26th – March 3rd, 2026.

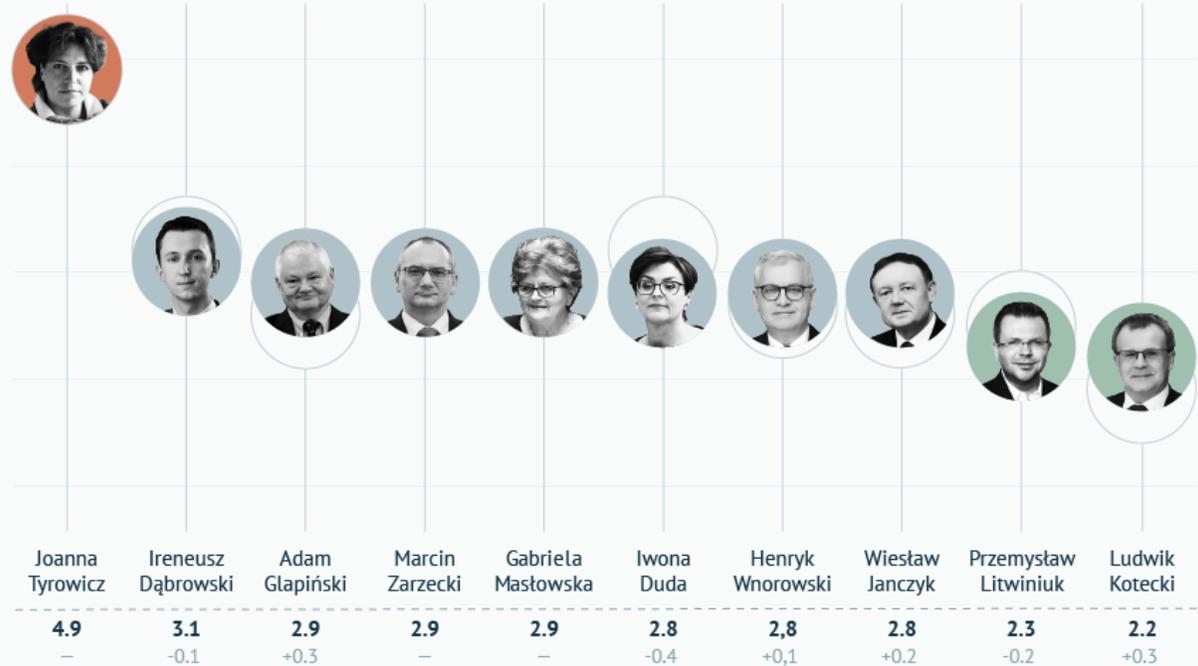
● March 2026 Call
○ September 2025 Call

Bias:

5 - hawkish

3 - neutral

1 - dovish



Source: PAP Business





New NBP forecasts – inflation stable close to target

In our view, the March projection offered an exceptionally clear signal in favour of further downward adjustment in interest rates. We assume that the Monetary Policy Council (MPC) recognised this as well and based its decision to cut rates—despite the substantial uncertainty generated by the attack on Iran and its potentially far-reaching global economic consequences, including for global inflation—on this assessment.

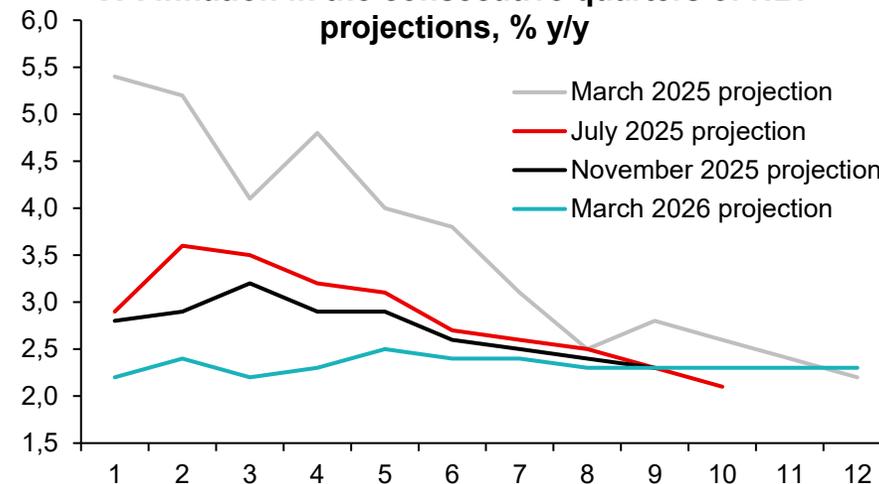
It is worth examining the implications of the projection with regard to our scenarios. One of the Middle East conflict scenarios we consider—the mildest, Scenario 1: rapid de-escalation—would allow the MPC to continue relying on the conclusions of the March NBP forecasts, with an adjustment for the temporary disruption to global energy commodity prices. Even under this scenario, however, we expect that only the next, July projection—provided it confirms the absence of material inflationary effects in the 2027–2028 horizon—would give the green light for a rate cut.

It is worth noting that in the March projection, inflation does not exceed the 2.5% target at any point in the forecast horizon. During the period in which interest-rate decisions exert their strongest effect, CPI inflation is projected at 2.3%, and in the final quarters of the exercise there is no emerging trend that would risk pushing inflation outside the target band in the following year. The CPI profile is exceptionally stable compared with earlier projections, as is core inflation (2.4% throughout the last eight quarters of the projection). In other words, it does not begin from a rising path or a level high enough to justify delaying monetary easing.

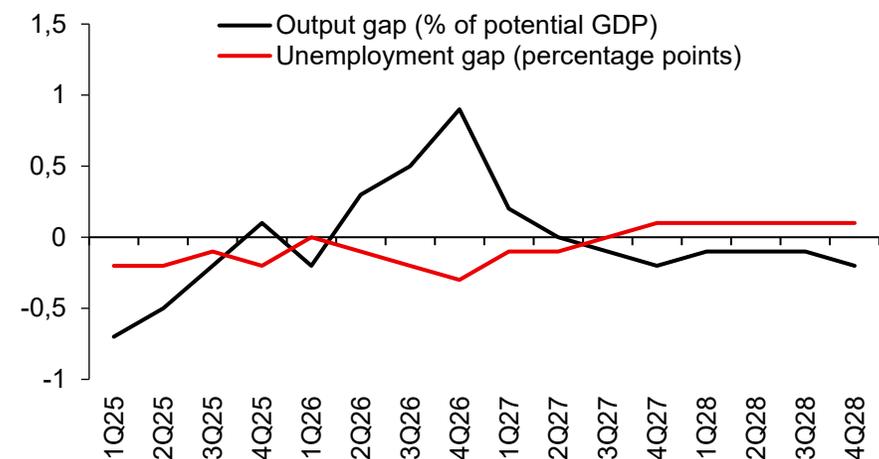
Additionally, for almost the entire projection the unemployment rate remains within 0.1 pp of its equilibrium level—suggesting no inflationary pressure from the labour market—while the output gap from 1Q2027 onwards is effectively indistinguishable from zero, indicating no demand-driven inflationary pressures.

Based on the CPI reaction function from the NBP’s Monetary Transmission Mechanism reports, we conclude that rapid rate cuts of 150 bp would shift the March projected inflation path to around 3% in just over a year, while cuts of 250 bp would push CPI dynamics to the upper boundary of the tolerance band. These estimates are theoretical and abstract from uncertainty; even under Scenario 1, we foresee only a single 25 bp rate cut.

CPI inflation in the consecutive quarters of NBP projections, % y/y



Output gap and unemployment gap in the March NBP projection



Positive values of output gap and negative values of unemployment gap mean upside inflation pressure.

Source: NBP, Santander Bank Polska



Fiscal risks – nonlinear and non-obvious

The year 2025 closed with a deficit of PLN276bn, compared with the PLN289bn assumed in the budget act and PLN211bn in 2024. As a share of GDP, the budget balance amounted to -7.1%, slightly better than planned (-7.3%). If this deficit were adjusted for the local-government financing reform, it would amount to PLN173.2bn, of which the redemption of PFR and BGK bonds accounted for PLN56.2bn. The “pure” deficit therefore stood at PLN117bn (3.0% of GDP). Despite this, given the large share of spending outside the central budget, **the deficit planned by the Ministry of Finance for the general government sector is 6.9%**, and the data up to 3Q last year suggest that this is a realistic projection – preliminary figures for the full year will be published in early April.

A deficit of around 7% is an uncomfortably high starting point on the verge of a potential economic slowdown. With hindsight, it appears that the risk of a sharp deterioration in public finances may be limited by the assumptions of the 2026 budget, which only a month ago would have been regarded as rather pessimistic. The Ministry of Finance forecast, on the one hand, relatively modest real GDP growth (3.5%) and, on the other, relatively high inflation (3.0%), an average NBP reference rate of 3.9%, and a weaker zloty than in recent months (EUR/PLN = 4.26).

Assuming a moderately negative scenario, a slight deceleration of real GDP growth combined with higher CPI inflation could even have a positive impact on nominal GDP dynamics, and thus on budget revenues. The question then becomes how budget expenditure might evolve. The vast majority of spending is rigid and independent of the current economic cycle. **The main risk at this point therefore seems to be a potential government decision to introduce anti-inflation measures** (the current debate concerns solely the possibility of a temporary reduction in the VAT rate on fuels). A separate risk to the budget is a possible increase in the cost of debt servicing due to higher yields on new and rolled-over issuance. We do not know exactly what yield assumptions were built into the budget act, but last year’s market conditions and the assumed 3.9% reference rate suggest that the Ministry of Finance’s projected debt-service cost (2.2% of GDP) may be reasonably resilient to a moderate increase in bond yields. In our view, only a scenario of a severe and prolonged escalation of the Middle East conflict would cause a severe deterioration in the budget balance and in the debt metrics for the entire general government.

A helpful **case study is the year 2022**, when the war in Ukraine broke out, inflation surged, and the government introduced a wide range of support measures. The Ministry of Finance estimated the impact of these measures on the state budget at 2.4% of GDP, of which cuts to indirect taxes (the anti-inflation shield) accounted for 1.3% of GDP, including the reduction of the VAT rate on fuels from 23% to 8% (around 0.2% of GDP). Interestingly, 2022 closed with a smaller budget deficit than projected in that year’s budget act, illustrating that **the ultimate impact of economic turbulence on public finances is far from obvious**, as it reflects the interaction of numerous forces pulling in different directions.

Assumption vs realisation of selected macroeconomic variables

	real GDP y/y	nominal GDP (PLNbn)	nominal GDP y/y	nominal private consumption y/y	nominal wage bill y/y	GDP deflator y/y	CPI r/r	NBP ref. rate (average)	EUR/PLN (average)
Budget act 2025	3.9	3973.1	9.1	9.5	7.5	5.0	5.0	5.4	4.29
2025 Budget act 2026	3.4	3901.2	7.1	7.2	8.0	3.7	3.7	5.2	4.25
Realisation	3.6	3894.0	6.6	7.5	8.6	2.9	3.6	5.1	4.24
2026 Budget act 2026	3.5	4160.2	6.6	6.4	6.4	3.0	3.0	3.9	4.26
Our forecast	3.9	4125.5	5.9	6.3	6.2	2.0	2.6	3.6	4.25

Main central budget aggregates

	Budget revenues	Budget expenditures	Budget balance (PLNbn)	Budget balance (% of GDP)
Budget act 2025	632.8	921.6	-288.8	-7.3
2025 realisation	594.6	870.2	-275.6	-7.1
Budget act 2026	647.2	918.9	-271.7	-6.5

Financial Market

A close-up photograph of a silver pen resting on a document with various financial charts, including line graphs and bar charts. The background is blurred, showing more of the document and a person's hand.

3



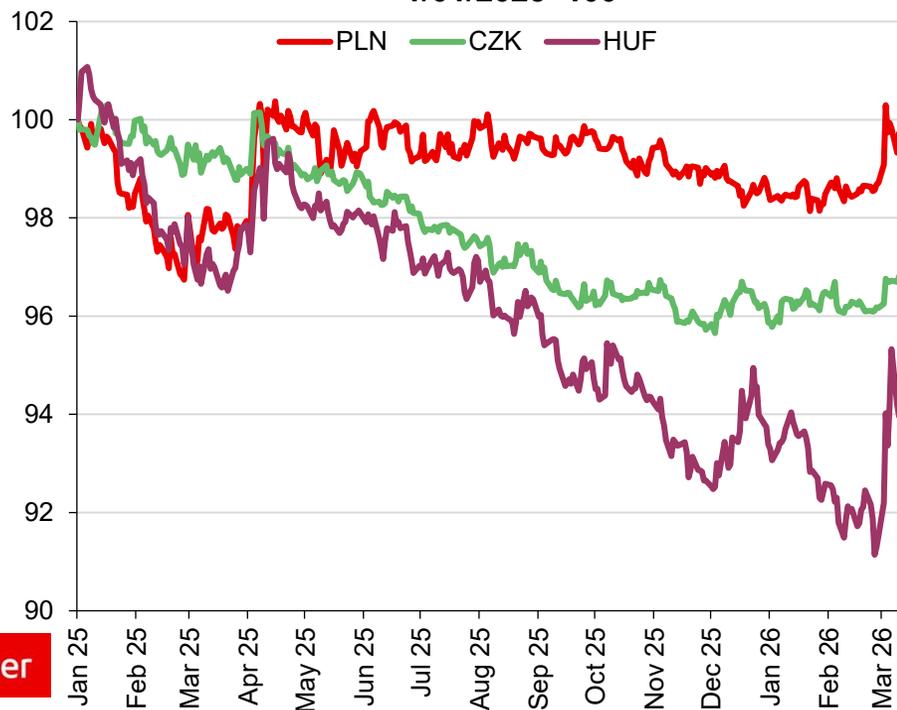
FX market – the zloty as a haven of stability

The foreign exchange market's reaction to the conflict in the Middle East has so far been moderate, and we assume that in a scenario of relatively rapid de-escalation the EURPLN exchange rate will return to the trajectory we had previously envisaged, stabilising around 4.25. Compared with the global outlook we assumed before the end of February, the zloty will be supported to a lesser extent by the level of the NBP real interest rate (due to a temporary upward shift in the inflation path). Nevertheless, the resilience of economic growth, which is set to remain among the highest in the EU, should continue to support the Polish currency.

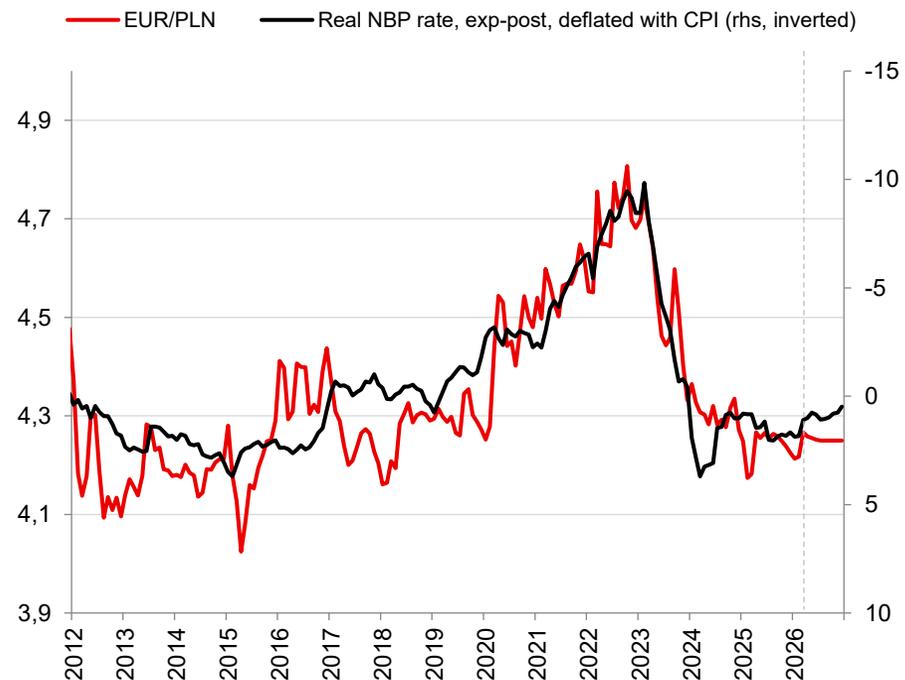
It is worth bearing in mind that a stable inflow of EU funds (RRF and cohesion funds) provides the government with a tool to stabilise the zloty exchange rate and defend it against excessive depreciation, should such a need arise — the Ministry of Finance may at any time decide to exchange EU funds on the market rather than at the NBP.

However, in scenarios involving a prolongation or escalation of the war with Iran, further weakening of the zloty is possible and likely.

Exchange rates of PLN, CZK and HUF to EUR,
1/01/2025=100



EURPLN and real NBP rate





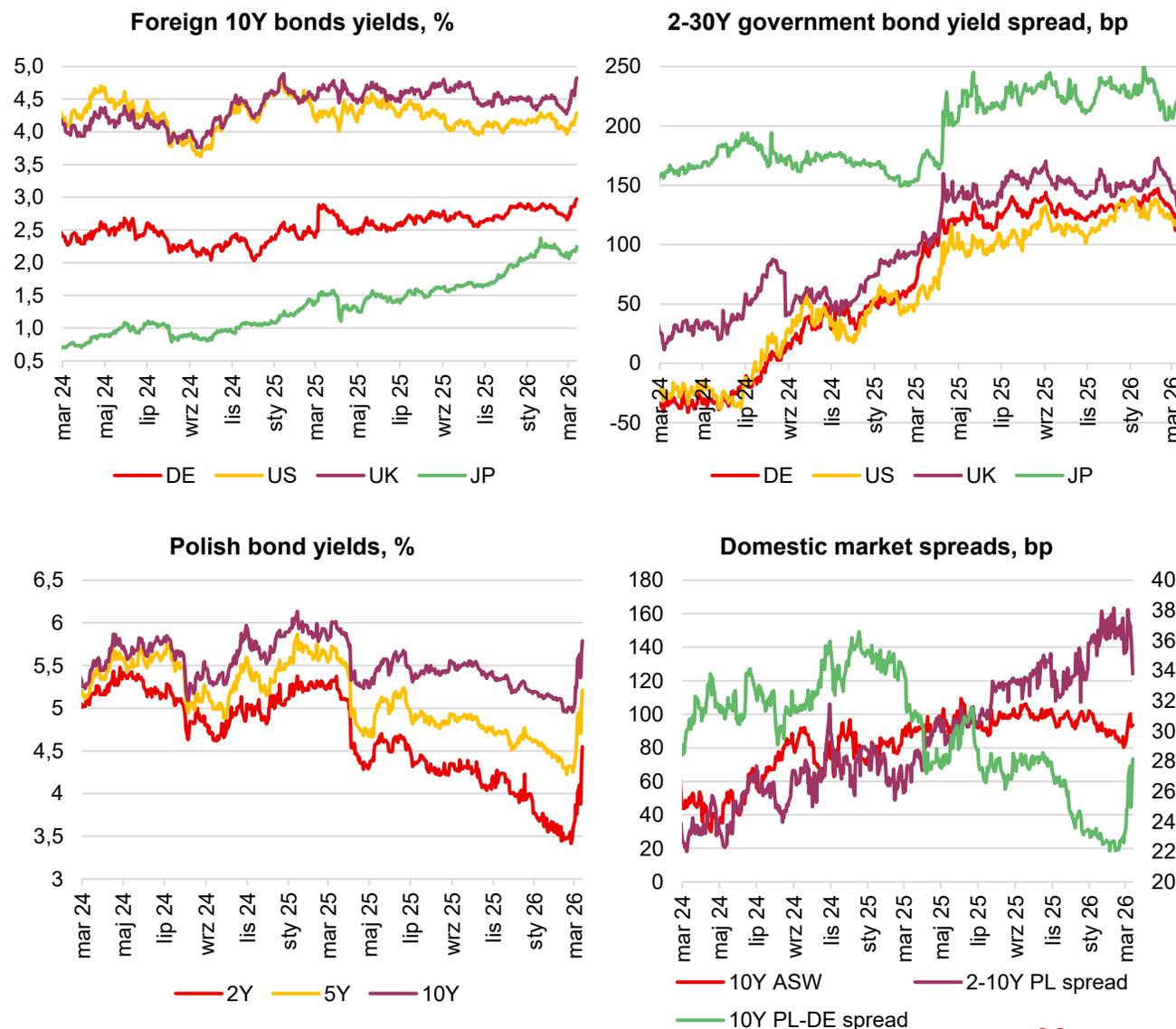
Fixed income – pricing includes hikes, but not fiscal trouble

After a marked decline in swap rates and government bond yields in the first two months of the year, a strong rebound occurred in March in response to the conflict in the Middle East.

The upward shift in the swap and government bond yield curves was driven mainly by a sharp revision of market expectations regarding NBP interest rates — within the space of two weeks, the market moved from pricing a cut in the reference rate to below 3.5% to anticipating the risk of rate hikes to above 4.0% before the end of the year.

At the same time, the widening of ASW spreads was limited in scale, with their level remaining below that seen at the end of 2025. In our view, this makes sense, as a short-lived and moderate commodity shock may even be slightly positive for the fiscal outlook (see [p. 27](#)) — as long as the government does not decide to implement costly support measures.

In the baseline scenario, which assumes de-escalation in the Middle East within a few weeks, we expect a reversal of market expectations regarding NBP rate hikes (although not back to the levels observed at the end of February), which should lead to a decline in domestic government bond yields (again, more likely towards end-2025 levels rather than those seen in February this year).

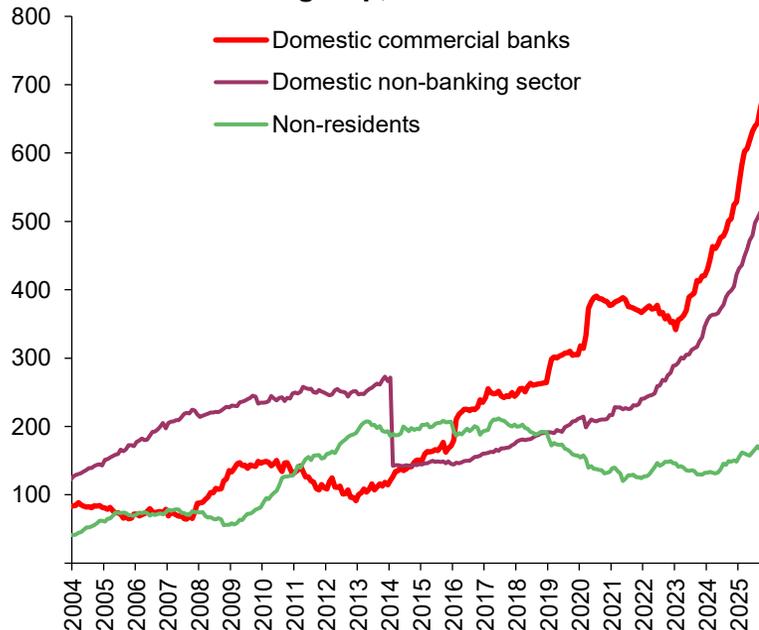




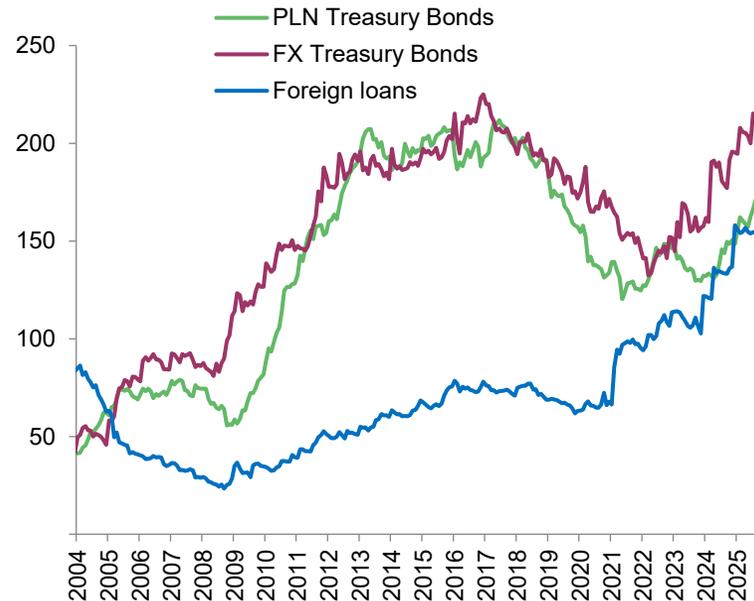
Share of non-residents down, but holdings up

In 2025, the value of State Treasury debt held by non-residents increased by PLN 49 billion (around 10% y/y), while their holdings of domestic marketable Treasury securities rose by PLN 26 billion (17% y/y). Nevertheless, the share of foreign investors in State Treasury debt has been steadily declining. At the end of 2025, it stood at 28% for total State Treasury debt and 13.5% for domestic Treasury securities—both the lowest levels since at least the beginning of this century.

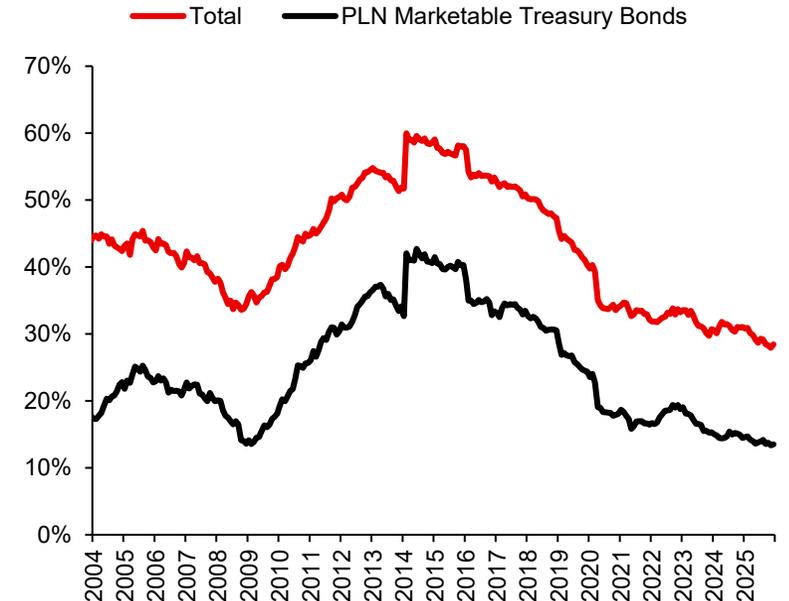
Domestic Treasury Bonds – breakdown by investor group, PLNbn



Treasury debt held by non-residents, PLNbn



Share of non-residents in Treasury Debt, %



Forecasts

4



Economic Forecasts

		2023	2024	2025	2026	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
GDP	PLNbn	3 415.3	3 653.4	3 894.0	4 121.8	893.2	928.3	970.6	1 101.9	942.7	981.9	1 025.9	1 171.3
GDP	% y/y	0.2	3.0	3.6	3.9	3.2	3.3	3.8	4.0	3.8	3.9	3.8	4.0
Domestic demand	% y/y	-3.0	4.5	4.1	4.8	4.3	4.1	3.7	4.3	4.2	4.6	4.9	5.5
Private consumption	% y/y	-0.3	2.9	3.7	3.6	2.6	4.5	3.5	4.2	3.7	3.0	4.0	3.5
Fixed investment	% y/y	12.7	-0.9	4.3	8.8	6.4	-0.7	7.1	4.7	3.0	8.0	9.0	12.0
Industrial output	% y/y	-2.1	1.1	2.1	1.0	-0.1	1.6	3.9	2.9	0.2	0.9	0.3	2.6
Construction output	% y/y	4.8	-7.6	0.4	1.3	0.9	-1.4	-1.7	3.2	-5.6	1.5	5.7	1.3
Retail sales (real terms)	% y/y	-3.6	3.2	3.7	3.9	1.1	4.6	4.5	4.5	4.1	4.6	3.9	3.0
Gross wages in national economy	% y/y	12.8	13.7	8.7	6.3	10.0	8.8	7.5	8.5	6.8	6.2	6.2	6.0
Employment in national economy	% y/y	0.6	0.2	-0.1	-0.1	0.0	0.0	-0.3	-0.1	-0.2	-0.2	0.0	0.2
Unemployment rate *	%	5.1	5.1	5.7	6.1	5.3	5.2	5.6	5.7	6.1	5.8	5.9	6.1
Current account balance	EURmn	11 591	2 616	-6 307	-16 959	-1 057	-885	-4 221	-144	-2 714	-3 279	-7 036	-3 929
Current account balance	% GDP	1.5	0.3	-0.7	-1.7	-0.4	-0.7	-0.8	-0.7	-0.9	-1.1	-1.4	-1.7
General government balance (ESA 2010)	% GDP	-5.2	-6.5	-6.9	-6.5	-	-	-	-	-	-	-	-
CPI	% y/y	11.6	3.6	3.6	2.6	4.9	4.1	3.0	2.6	2.3	2.9	2.5	2.8
CPI *	% y/y	6.2	4.7	2.4	3.0	4.9	4.0	2.9	2.4	2.7	2.9	2.5	3.0
CPI excluding food and energy prices	% y/y	10.2	4.3	3.3	2.8	3.6	3.4	3.2	2.8	2.6	2.7	2.7	3.1

* End of period; other variables – average in period
All shaded areas represent Santander's estimates

Source: GUS, NBP, Santander Bank Polska



Market Forecasts

		2023	2024	2025	2026	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Reference rate *	%	5.75	5.75	4.00	3.50	5.75	5.25	4.75	4.00	3.75	3.75	3.50	3.50
WIBOR 3M	%	6.52	5.86	5.10	3.79	5.86	5.35	4.88	4.30	3.87	3.85	3.76	3.70
Yield on 2-year T-bonds	%	5.67	5.05	4.55	3.84	5.24	4.54	4.31	4.09	3.68	3.97	3.87	3.86
Yield on 5-year T-bonds	%	5.66	5.33	5.05	4.68	5.63	4.97	4.87	4.71	4.47	4.79	4.72	4.75
Yield on 10-year T-bonds	%	5.83	5.55	5.54	5.21	5.92	5.46	5.45	5.33	5.12	5.27	5.23	5.25
2-year IRS	%	5.63	5.22	4.32	3.77	5.13	4.24	4.09	3.84	3.68	3.87	3.77	3.76
5-year IRS	%	5.01	4.80	4.28	3.96	4.90	4.16	4.11	3.97	3.90	4.10	3.95	3.90
10-year IRS	%	5.10	4.90	4.60	4.27	5.08	4.50	4.47	4.35	4.30	4.34	4.25	4.20
EUR/PLN	PLN	4.54	4.31	4.24	4.25	4.20	4.26	4.26	4.24	4.23	4.26	4.25	4.25
USD/PLN	PLN	4.20	3.98	3.76	3.66	3.99	3.76	3.65	3.64	3.61	3.70	3.66	3.66
CHF/PLN	PLN	4.68	4.52	4.53	4.64	4.44	4.55	4.55	4.56	4.62	4.70	4.64	4.59
GBP/PLN	PLN	5.22	5.09	4.95	4.84	5.03	5.02	4.92	4.84	4.87	4.84	4.83	4.83

* End of period; other variables – average in period
All shaded areas represent Santander's estimates

Source: NBP, Bloomberg, Santander Bank Polska

This analysis is based on information available until **16.03.2026** has been prepared by:

**ECONOMIC ANALYSIS DEPARTMENT
SANTANDER BANK POLSKA S.A.**

al. Jana Pawła II 17, 00-854 Warszawa

email: ekonomia@santander.pl

Web site: <https://www.santander.pl/en/economic-analysis>

Piotr Bielski , Director	+48 691 393 119
Bartosz Białas , Economist	+48 517 881 807
Adrian Domitrz , Economist	+48 571 664 004
Marcin Luzziński , Economist	+48 510 027 662
Grzegorz Ogonek , Economist	+48 609 224 857



IMPORTANT DISCLOSURES

This report has been prepared by Santander Bank Polska S.A. registered in Poland and authorized and regulated by The Polish Financial Supervision Authority.

This material has been prepared for information purposes only and does not constitute a prospectus or other offering document, a solicitation or an offer to buy or sell any securities, related investments or other financial instruments. This report is neither research, a “research report” as commonly understood under the securities laws and regulations promulgated thereunder nor an investment advice.

The information and opinions contained in this report have been obtained from, or are based on, public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. Information and opinions contained in the report are published for the assistance of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient, are subject to change without notice and not intended to provide the sole basis of any evaluation of any instruments.

Any reference to past performance should not be taken as an indication of future performance. This report is for the use of intended recipients only and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of Santander Bank Polska S.A.. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this report. The material in this report is general information intended for recipients who understand the risks associated with investment. Furthermore, this document is intended to be used by market professionals (eligible counterparties and professional clients but not retail clients). Retail clients must not rely on this document. To the fullest extent permitted by law, no Santander Group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this report. All estimates and opinions included in this report are made as of the date of this report. Unless otherwise indicated in this report there is no intention to update this report. Santander Bank Polska S.A. and its legal affiliates may make a market in, or may, as principal or agent, buy or sell securities of the financial instruments or derivatives mentioned, discussed or related to in this report. All reasonable care has been taken to ensure that the information contained in this report is not untrue or misleading. No representation, however, is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it.

Santander Bank Polska S.A. or any of its affiliates, salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, Santander Bank Polska S.A. or any of its affiliates’ trading and investment businesses may make investment decisions that are inconsistent with the opinions expressed herein.

No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

© Santander Bank Polska S.A. 2025. All Rights Reserved.

Thank you

