

Macro-financial scenario for the 2025 EU-wide banking sector stress test

This document presents the baseline and adverse macro-financial scenarios that banks are required to use in the 2025 EU-wide stress-testing exercise coordinated by the European Banking Authority (EBA). In accordance with its mandate, the EBA, in cooperation with the European Systemic Risk Board (ESRB), initiates and coordinates EU-wide stress tests. The aim of such tests is to assess the resilience of financial institutions to adverse financial and economic developments, as well as to contribute to the overall assessment of systemic risk in the EU financial system.

The adverse scenario sets out paths for key economic and financial variables in a hypothetical adverse situation triggered by the materialisation of risks to which the EU banking system is exposed. The stress test is a scenario-based analysis that measures how the banking sector would fare under hypothetical adverse economic developments. Accordingly, the scenario should not be considered a forecast of the most likely negative shocks to the financial system.

Scenario variables include developments in real GDP, inflation, unemployment rates, real estate prices, stock prices, exchange rates, interest rates and real gross value added for selected economic sectors. The scenario covers the three years from 2025 to 2027 in line with the EBA methodology.¹ The baseline macro-financial scenario for EU countries is based on the December 2024 projections from the EU national central banks.² The adverse macro-financial scenario was designed by the ESRB's Task Force on Stress Testing in close collaboration with the European Central Bank (ECB).³ The scenario was approved by the ESRB General Board on 14 January 2025 and sent to the EBA on 15 January 2025.

1. Main risks to the stability of the EU financial sector and calibration of the adverse scenario

The narrative of the adverse scenario for the 2025 EU-wide banking stress test draws upon a subset of the main financial stability risks to which the EU banking sector is exposed, as identified by the ESRB General Board.⁴ In the fourth quarter of 2024 the ESRB General Board stated that risks to financial stability in the EU have

¹ Published on the [European Banking Authority's website](#).

² For non-EU countries, the baseline macro-financial scenario is based mainly on the projections from the October 2024 International Monetary Fund (IMF) World Economic Outlook and data from the Organisation for Economic Co-operation and Development (OECD).

³ Further information on the scenario design methodology can be found in Annex 3 to "[Macro-financial scenario for the 2020 EU-wide banking sector stress test](#)", ESRB, January 2020, while a decomposition of the GDP impact across different sectors of the economy can be found in Annex 4.3 to "[Macro-financial scenario for the 2023 EU-wide banking sector stress test](#)", ESRB, January 2023.

⁴ This subset does not include other risks identified by the General Board that may stem from climate change, or disruptions to critical financial infrastructures, including central counterparties.

increased amid elevated geopolitical tensions.⁵ This reflects the emergence of several plausible triggers for tail risk scenarios, including major new trade restrictions, the escalation of Russia's war in Ukraine and the conflict in the Middle East. The General Board stated that "Together these factors may intensify macroeconomic, credit and market risks and make financial markets and commodity prices more volatile, leading to higher balance sheet stresses for firms, sovereigns and, to a lesser extent, households". In addition, the General Board acknowledged the potential for a disorderly adjustment in global financial markets due to stretched valuations of certain assets such as US stocks, crypto-assets and high-yield debt instruments. Finally, the General Board discussed cyber risks, noting high concentration risk from the use of third-party providers and hybrid threats to critical infrastructure with implications for systemic risk.

The narrative also reflects recent risk assessments by the EBA and the ECB (see Annex, Section 4.2).

The convention used in the calibration of adverse scenarios for the EBA stress tests is one of "no policy change", which also applies to the 2025 adverse scenario. This means that monetary policy and fiscal policy actions other than those considered under the baseline scenario are not assumed under the adverse scenario. At the same time, risk-free rates and risk premia in the adverse scenario are consistent with market expectations. Nonetheless, the numbers reported (for example, risk-free rates) do not provide any information on potential policy decisions under such an adverse scenario.

2. Aggravation of geopolitical tensions leading to depressed global growth

The escalation of geopolitical tensions, coupled with increasingly inward-looking trade policies globally, worsen geopolitical polarisation and contribute to a fragmentation of the global supply system. The exacerbation of geopolitical tensions results in severe supply and demand shocks, culminating in a significant contraction in global economic growth. An increase in trade tariffs, along with retaliatory measures by several countries, results in more inward-looking global trade policies, further amplifying trade fragmentation.

This trade fragmentation and the renewed geopolitical tensions, in particular in the Middle East, give rise to supply-side inflationary pressures on the back of higher energy prices and supply chain disruptions.

The rise in energy prices also has ripple effects on other commodity markets, resulting in increased production costs for manufacturing and other sectors that rely heavily on energy and raw materials, ultimately leading to higher export prices globally. The increase in input costs is more pronounced in countries that are highly dependent on external sources of energy.

Soaring macroeconomic uncertainty and trade barriers generate a drastic and persistent reduction in global trade. Sluggish global demand, combined with growing separation between economic areas, results in a significant slowdown in trade. Additionally, heightened and persistent uncertainty arising from the perception of risky geopolitical and political landscapes, coupled with the increase in trade barriers stemming from global polarisation and the resurgence of trade wars, bring a long-lasting fall in global commerce and further disruptions

⁵ See [Press release on the ESRB General Board meeting of 28 November 2024](#).

in trade relationships. This results in a notable and persistent decrease in EU exports, further depressing demand, undermining economic confidence and increasing financial volatility.

Large, negative and persistent trade and confidence shocks have detrimental effects on EU growth and employment. The global trade slowdown and external inflationary shock ensuing from the global turmoil weigh heavily on domestic and foreign demand, leading to notable and long-lasting reductions in EU GDP. This is especially the case for more export-oriented countries and those with greater exposure to regions facing heightened geopolitical risks. Similarly, trade-intensive sectors and industries highly reliant on global value chains are characterised by a stronger decline in production. The drop in domestic demand is exacerbated by negative confidence shocks for both households and firms. In response to this persistent worsening in the economic outlook, firms make severe cuts to their workforces, particularly given the backdrop of cash buffer depletion, downscaled investment plans and still elevated labour hoarding. This ultimately results in a large increase in the unemployment rate, together with a fall in household consumption and overall domestic demand.

While higher input prices push inflation up, their effect is mitigated by depressed demand and limited second-round effects, with inflation falling slightly below the baseline value in 2027. Despite higher wage claims due to resurgent inflationary pressures, the large deterioration in the outlook for employment limits second-round effects. Overall, the increase in EU inflation is temporary and inflation returns to a level close to the baseline by the end of the horizon.

The return of inflationary pressure initially leads to higher market interest rates, triggering corrections in asset prices. The mild increase in inflation triggers an upward shift in market expectations for short-term risk-free rates compared with the expected downward path under the baseline scenario. As expectations of markedly lower interest rates and a soft landing recede, global financial markets react nervously, leading to a broad-based reassessment in asset valuations. This results in higher volatility, much lower asset prices and substantially increased risk premia across the board. Tighter financing conditions then exert a further drag on EU firms' investments and households' consumption. Vulnerabilities in the non-bank financial sector also amplify adverse market dynamics through procyclical forced asset sales amid low market liquidity, thereby exacerbating disorderly conditions in financial markets.

The generalised macro-financial deterioration reinforces debt sustainability concerns. The weakening economic environment amplifies pre-existing sovereign debt sustainability concerns. These stem from high post-pandemic government debt levels in several countries and rising military expenditure due to geopolitical tensions, along with the assumption that government expenditures will not change. The upward pressures on government bond yields are also affected by differing macroeconomic and fiscal positions across EU countries, resulting in some heterogeneity in the reappraisal of sovereign risk premia. Debt sustainability concerns in non-financial corporations (NFCs) are reflected in a rise in corporate bond yields. This is particularly pronounced for more vulnerable sectors, such as those with higher levels of debt.

The escalation of geopolitical risk and the ensuing materialisation of macro-financial risks causes bank deleveraging along with tighter credit conditions. Banks' asset quality deteriorates sharply, especially for vulnerable sectors such as commercial real estate (CRE), small and medium-sized enterprise (SME) and consumer

loans. Rising risk premia further exacerbate the unrealised losses of banks with large shares of fixed-rate assets in their portfolios, while weak credit demand reduces earnings potential. In such an environment, banks provide less credit to the economy and set stricter terms, thereby reinforcing the adverse impact of the external and domestic demand shocks. Amid escalating geopolitical tensions, a marked increase in the number and frequency of cyberattacks creates operational fragilities for banks.

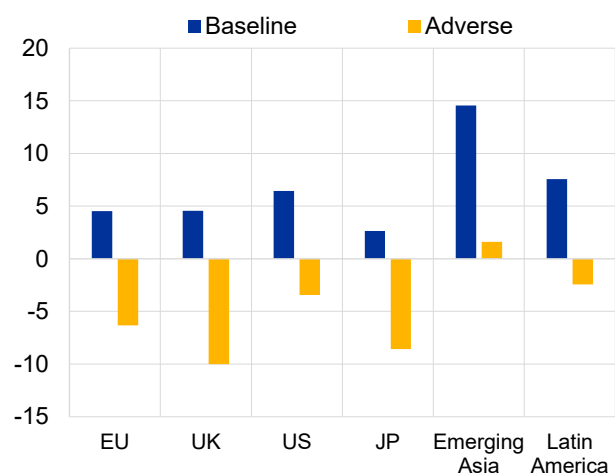
The tighter financial conditions and reduction in households’ incomes trigger a fall in real estate prices.

Despite the recent reductions in residential real estate (RRE) prices in several EU countries, significant house price imbalances persist in others. Rising borrowing costs and reduced disposable income lead to a significant decline in demand for real estate and in property values across the EU. The adverse impact of RRE price shocks is, however, more pronounced in countries with higher levels of RRE overvaluation. The pressure on the CRE market is particularly strong due to adverse cyclical and structural factors. CRE prices decline amid deteriorating business sentiment, a negative profitability outlook and tightening credit standards. Price falls also reflect structurally lower post-pandemic demand for some CRE assets, notably in the office segment.

Paths of key variables

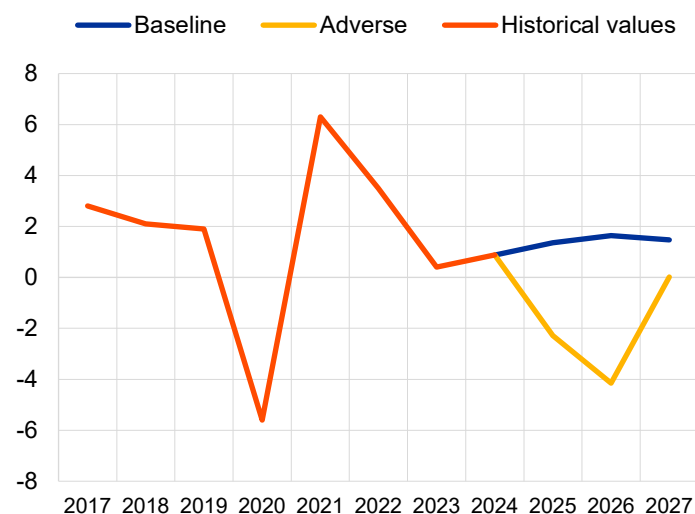
Over the three years, the adverse scenario results in a severe contraction in real GDP in the EU (-6.3% between 2024 and 2027). Similarly, other developed countries face a large drop in real GDP over the horizon, with the United Kingdom experiencing the strongest decline (Chart 1). This reflects the external slowdown, along with domestic real and financial shocks. For both 2025 and 2026, the EU experiences a strong recession (Chart 2).⁶

Chart 1
Three-year cumulative real GDP growth by region (percentages)



Sources: ECB and ECB/ESRB calculations.

Chart 2
Path of real GDP growth in the EU (percentages)



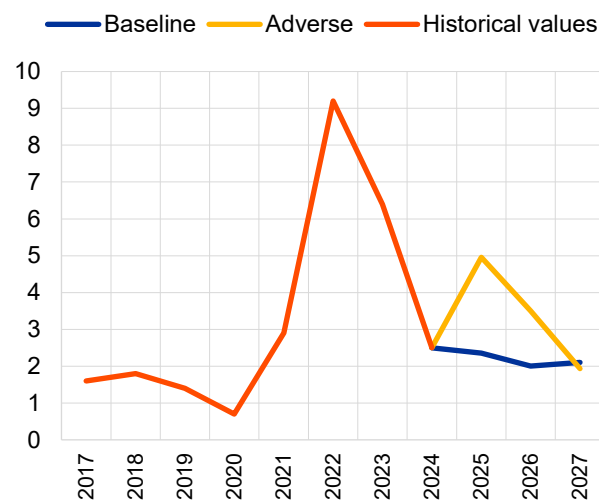
Sources: Eurostat, ECB and ECB/ESRB calculations.

⁶ In 2025, the deviation from the baseline growth rate stands at -3.7 percentage points.

Under the adverse scenario, inflation shifts upwards to 5.0% and 3.5% respectively in 2025 and 2026, before falling back to 1.9% in 2027 (Chart 3). As a result, market expectations for short-term risk-free rates increase compared with the baseline. However, levels under the adverse scenario remain around the 2024 starting points. Specifically, the one-year euro swap rate in 2025 increases to 3.3% from a starting point of 3.2% in 2024, and then starts to decrease slowly over the rest of the horizon to 3.0% in 2027 (Chart 4). In addition, the slope of the term structure of market rates under the adverse scenario is slightly inverted, with the yield curve flattening.

Chart 3

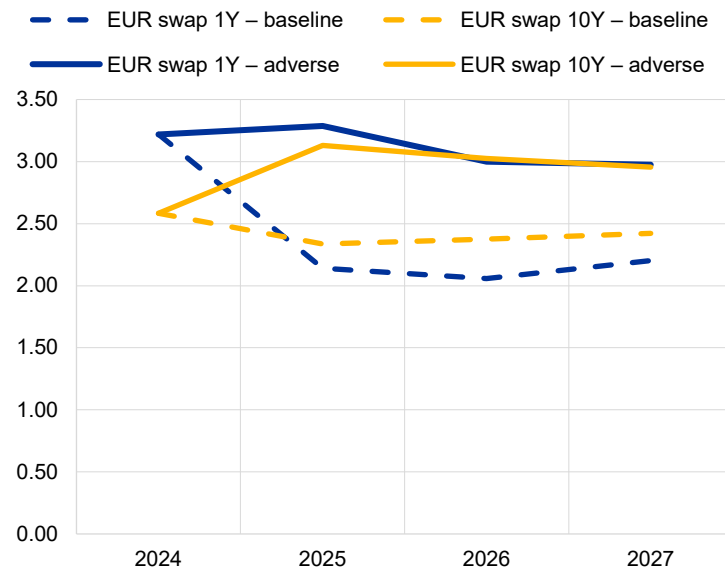
Path of HICP inflation under the baseline and adverse scenarios (percentages)



Sources: Eurostat, ECB and ECB/ESRB calculations.
Notes: HICP stands for Harmonised Index of Consumer Prices. The value for 2024 is the inflation observed for the year to date.

Chart 4

1Y and 10Y EUR swap rates under the adverse scenario (percentages)

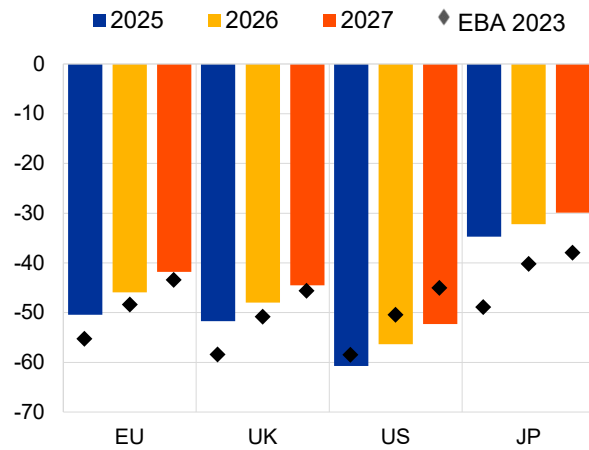


Sources: ECB and ECB/ESRB calculations.

The upward shift in market expectations for risk-free rates triggers a strong fall in global asset prices and an increase in credit default swap (CDS) spreads, reflecting soaring financial volatility. Under the adverse scenario, EU stock prices register a fall of -50% in 2025. Despite a slow recovery in the next two years, EU stock prices are still 42% lower than in 2024 by the end of the horizon. Owing to the global nature of the crisis, stock prices also fall sharply across several other developed economies, with the United States experiencing the strongest decline (Chart 5). Amid the global stock market crash, CDS spreads rise significantly. The overall five-year iTraxx index rises by 169 basis points, reflecting a widespread increase in default risk across various ratings and risk profiles, with a particularly pronounced effect on riskier bonds. Notably, the five-year iTraxx sub-financial index soars by 414 basis points in 2025 under the adverse scenario. As for stock prices, the recovery for all iTraxx indices is very slow, with the overall five-year iTraxx index still increasing by 88 basis points in 2027 compared with the baseline (Chart 6).

Chart 5

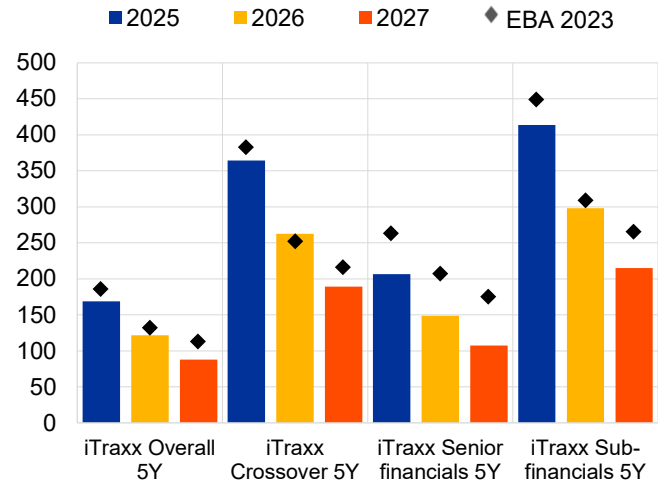
Path of stock price deviations from 2024 starting points under the adverse scenario (percentages)



Sources: ECB and ECB/ESRB calculations.

Chart 6

Path of iTraxx shocks under the adverse scenario (basis points)



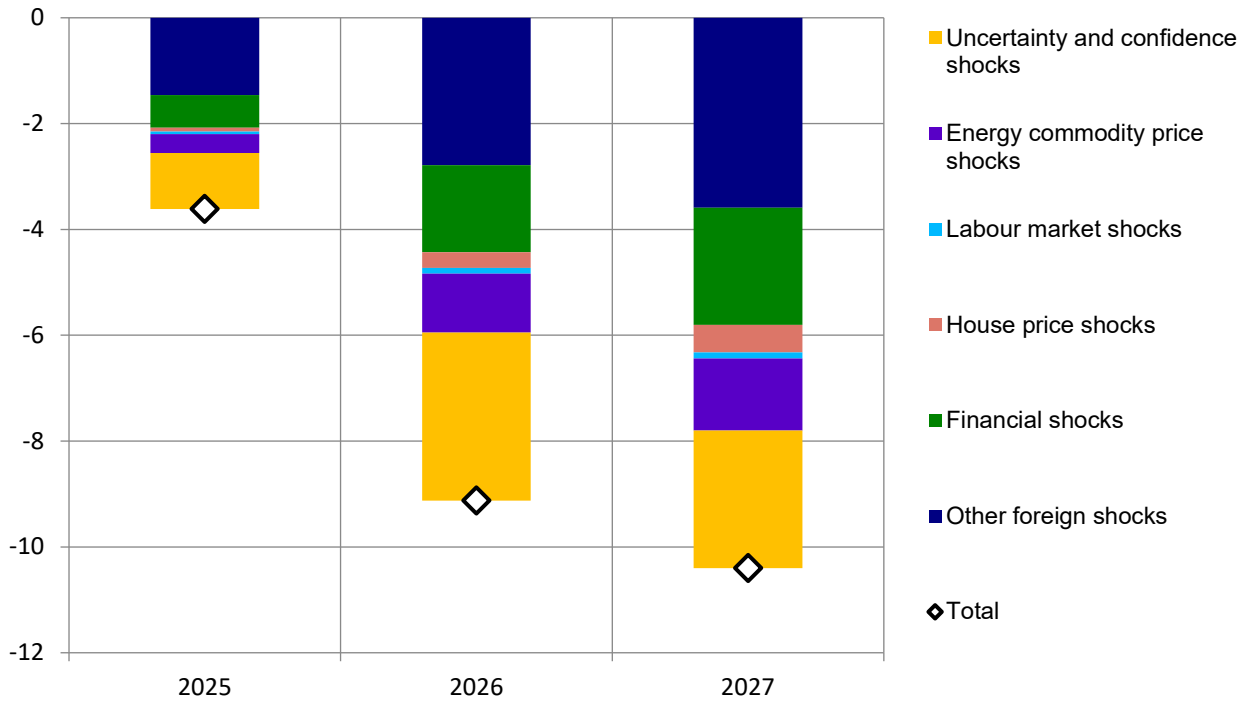
Sources: ECB and ECB/ESRB calculations.

3. Scenario drivers

The decline in EU real GDP under the adverse scenario, relative to the baseline, is primarily driven by foreign factors. At the end of the stress test horizon, the adverse scenario results in a significant deviation of -10.4% in EU real GDP relative to the baseline level. This is mainly driven by foreign shocks, notably the surge in commodity prices and the strong reduction in external trade, accounting for half of the total decrease with respect to the baseline. Domestic factors mainly reflect uncertainty and confidence shocks – arising from the anticipated adverse global economic outlook – and financial shocks, whose effects come into full force at the end of the horizon (Chart 7).

Chart 7

Decomposition of shocks of the adverse EU real GDP deviation from the baseline
(percentage point contributions)



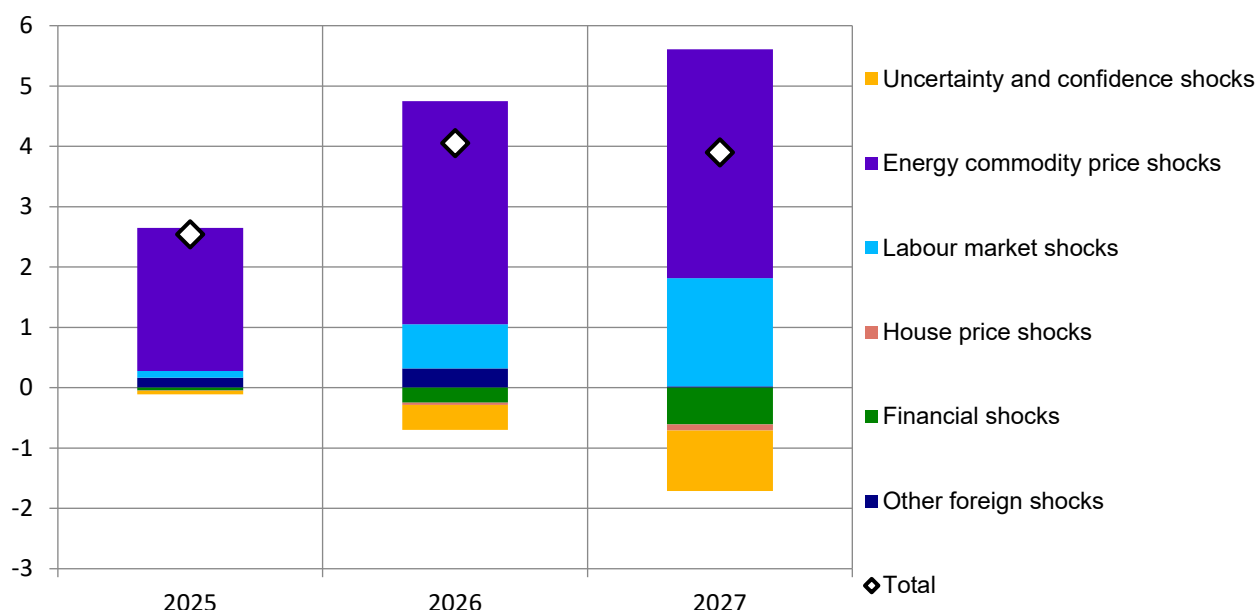
Sources: ECB and ECB/ESRB calculations.

Note: "Other foreign shocks" comprises foreign demand shocks and non-energy commodity price shocks.

The increase in inflation in the adverse scenario relative to the baseline is mainly driven by energy price shocks, while the drag on foreign and domestic demand makes up for most of the limited second-round effects. Higher energy prices, primarily resulting from oil and gas price shocks, account for almost all of the cumulative 2024-27 increase of 3.9% in the Harmonised Index of Consumer Prices (HICP) level relative to the baseline. Higher, though contained, nominal wage claims exert additional inflationary pressure, particularly in 2027 and to a lesser extent in 2026. However, these effects are almost entirely compensated for by the lagged disinflationary effects from adverse demand shocks, as shown in Chart 8.

Chart 8

Decomposition of shocks of the adverse EU HICP deviation from the baseline
(percentage point contributions)



Sources: ECB and ECB/ESRB calculations.

Note: "Other foreign shocks" comprises foreign demand shocks and non-energy commodity price shocks.

The severity of the EBA 2025 scenario is slightly higher than that of the EBA 2023 scenario in GDP terms.

The severity of the EBA 2025 scenario measured in terms of real GDP cumulative growth in 2027 compared with 2024⁷ has slightly increased in relation to the 2023 EBA exercise, with cross-EU-country median cumulative growth amounting to -5.8% (0.3 percentage points lower than the median cumulative growth in the EBA 2023 scenario)⁸. Based on this measure, the scenario is more severe than in the 2021, 2020 and 2018 scenarios (Chart 9). Taking into account the real GDP deviation from baseline levels in 2027, the severity of the 2025 adverse scenario is higher than in the EBA 2023 exercise (cross-country median deviation at -12.2% and -10.9% respectively)⁹, while it is lower than in the EBA 2021 scenario (Chart 10).

Despite a severity close to that of the 2023 scenario, the cross-country dispersion of real cumulative GDP growth is significantly higher than in 2023. The interquartile range in the adverse scenario is between -6.9%

⁷ In line with previous exercises, the main summary severity metrics focus on real GDP growth. However, the overall scenario severity also depends on other variables and on the transmission of shocks to the EU-banking system, as described in the EBA stress-test methodology. For this reason, despite the slight differences highlighted below, the scenario severity is comparable overall to the EBA 2023 stress test and other previous exercises.

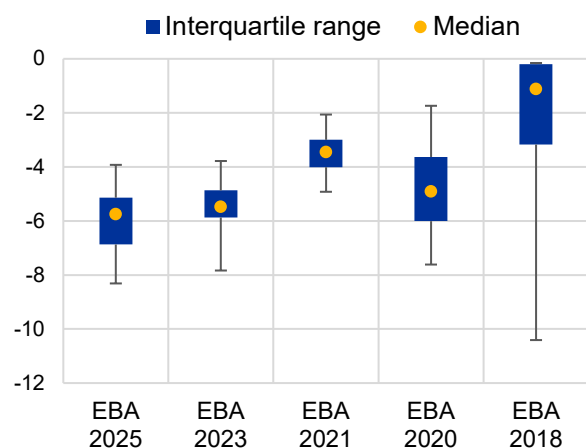
⁸ The same holds at the EU level (weighted average), with cumulative real GDP growth amounting to -6.3% (-6.0% in the EBA 2023 scenario).

⁹ At the EU level, the real GDP deviation from baseline levels in 2027 amounts to -10.4%, also slightly higher than in the EBA 2023 exercise (-9.8%).

and -5.1%, compared with ranges between -5.9% and -4.9% and between -4.0% and -3.0% in the EBA 2023 and EBA 2021 scenarios respectively (Chart 9). The increase in cross-country heterogeneity compared with the previous exercise is confirmed if the deviation from baseline in 2027 is also taken into account, with the interquartile range in the EBA 2025 stress test standing at between -14.1% and -10.2% (compared with a range between -12% and -9.6% in the EBA 2023 scenario; Chart 10). The cross-country dispersion reflects cross-country differences in the shocks and in their transmission to the real economy due to specific structural features such as the openness of the economy.

Chart 9

Cross-country dispersion of cumulative GDP growth under the adverse scenario (percentages)

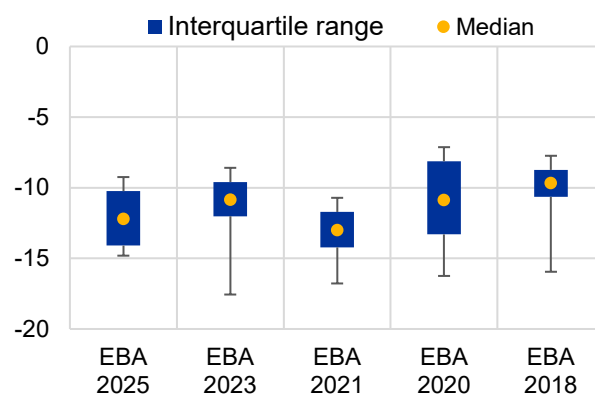


Sources: ECB and ECB/ESRB calculations.

Note: The interquartile range is defined as the difference between the 75th and 25th percentiles of the cross-country distribution.

Chart 10

Cross-country dispersion of the adverse real GDP deviation from the baseline level at the end of the horizon (percentages)



Sources: ECB and ECB/ESRB calculations.

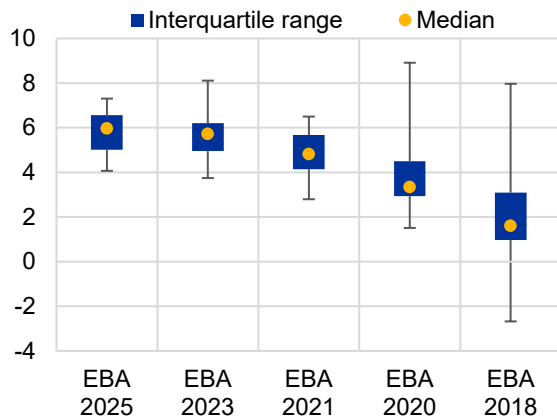
Note: The interquartile range is defined as the difference between the 75th and 25th percentiles of the cross-country distribution.

The increase in the unemployment rate in the adverse scenario is generally higher than in previous EBA scenarios. The scenario assumes a strong increase in the unemployment rate (measured in terms of the cumulative increase between 2024 and 2027). The median increase in the unemployment rate across EU countries is 6.0 percentage points, which is higher than the cumulative increase in the EBA 2023 and EBA 2021 scenarios (5.7 percentage points and 4.8 percentage points respectively; Chart 11). Similar conclusions can be drawn by looking at the deviation from the baseline levels, with a median value of 6.2 percentage points (5.7 and 5.1 percentage points in the EBA 2023 and EBA 2021 exercises respectively; Chart 10).

In addition, the cross-country dispersion for cumulative unemployment increases is similar to that in the previous EBA scenarios. The interquartile range under the adverse scenario is 5.0 to 6.6 percentage points compared with a range of 5.0 to 6.2 percentage points under the EBA 2023 scenario and 4.1 to 5.7 percentage points under the EBA 2021 scenario (Chart 11). The dispersion of the effects on unemployment is affected by different pre-existing labour market conditions, especially concerning the level of labour hoarding. Finally, taking into account the deviation from the baseline levels, cross-country heterogeneity results are very similar compared with the EBA 2023 scenario, but lower than in previous stress test exercises (Chart 12).

Chart 11

Cross-country dispersion of the cumulative increase in the unemployment rate in 2027 (percentage points)

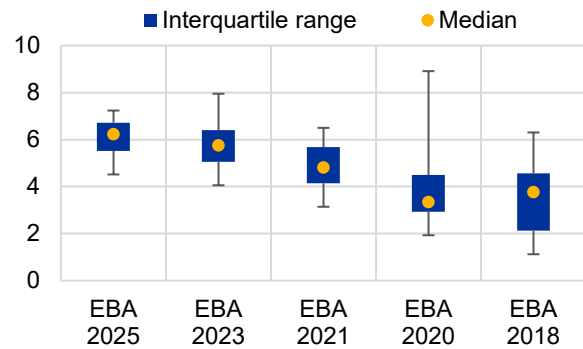


Sources: ECB and ECB/ESRB calculations.

Note: The interquartile range is defined as the difference between the 75th and 25th percentiles of the cross-country distribution.

Chart 12

Cross-country dispersion of the adverse unemployment rate deviation from the baseline level at the end of the horizon (percentage points)



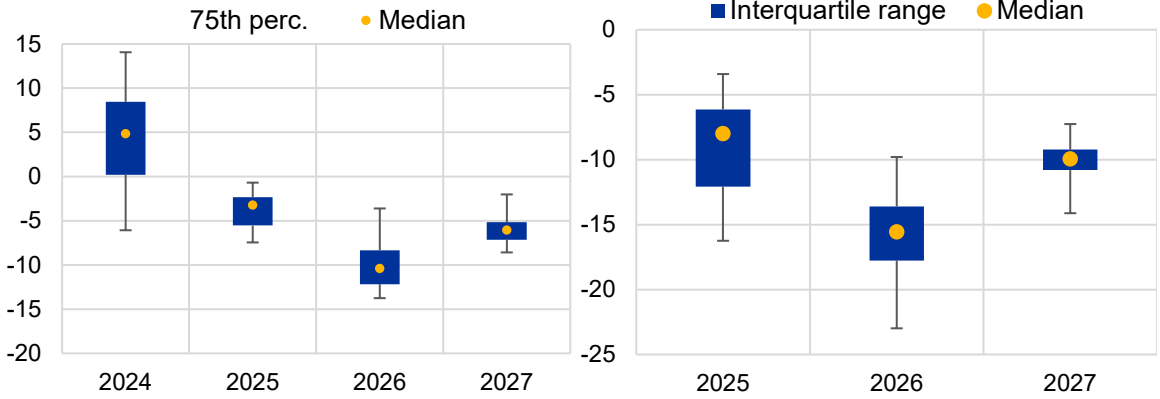
Sources: ECB and ECB/ESRB calculations.

Note: The interquartile range is defined as the difference between the 75th and 25th percentiles of the cross-country distribution.

In line with the previous EBA scenario, the fall in real estate prices is larger for CRE than for RRE. Tightening financial conditions, coupled with adverse post-pandemic structural factors, have a stronger impact on the outlook for the CRE market compared with the RRE market. The median decrease in RRE prices is -3.2% in 2025, with the maximum impact attained in 2026, marked by a decline of -10.4%. In 2027, the median decline in RRE prices is reduced at -6.1%. The median decline in CRE prices follows a similar trajectory to that of the median decrease in RRE prices but is larger for all three years of the horizon. Starting from a strong correction of -8.0% in 2025, CRE prices experience the most substantial impact in 2026, with a median decrease of -15.6%, and then a smaller, but still substantial, fall of -9.9% (Chart 13). Compared with the EBA 2023 adverse scenario, cross-country heterogeneity in CRE prices is higher, while for RRE prices the heterogeneity is lower, mainly driven by pre-existing differences in the evolution of house price imbalances across EU countries. While overvaluation has decreased at the EU and euro area aggregate level in the two years preceding the scenario, it has increased in certain countries.

Chart 13

Cross-country dispersion of annual changes in RRE prices (left) and CRE prices (right) (percentages)



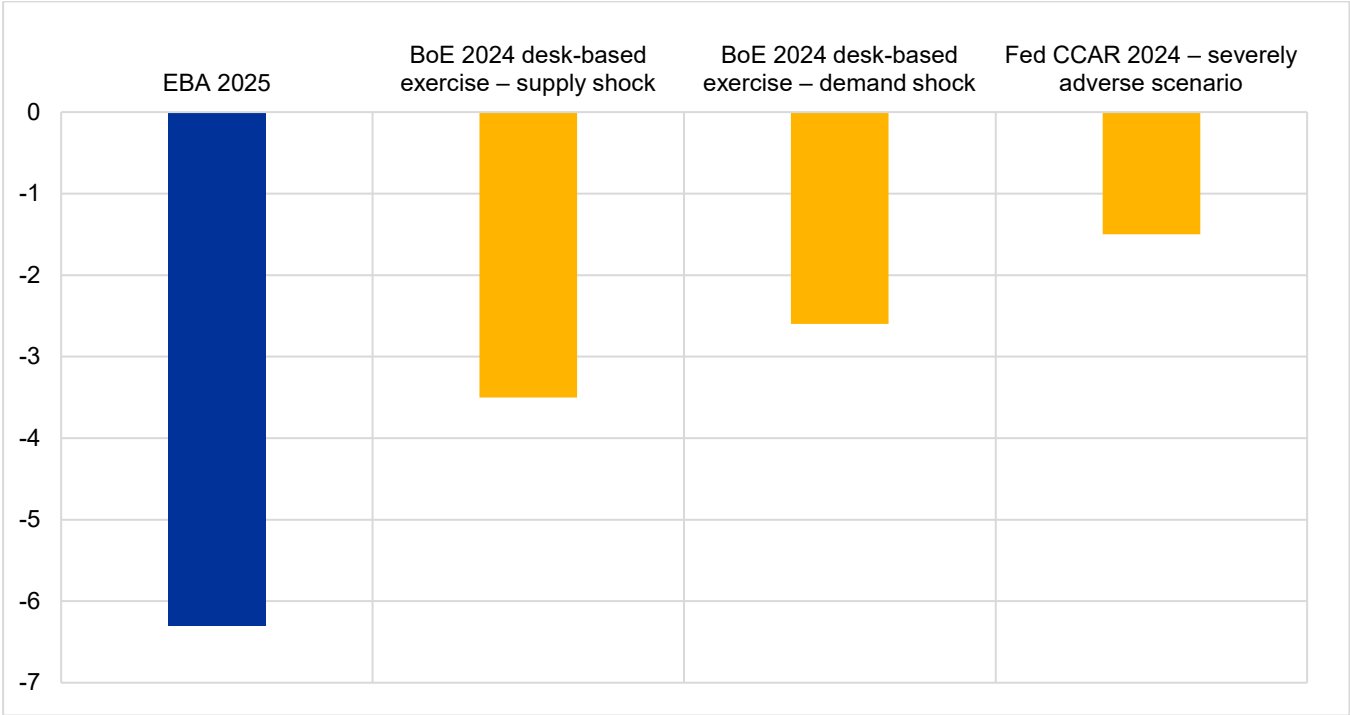
Sources: ECB and ECB/ESRB calculations.

Note: The interquartile range is defined as the difference between the 75th and 25th percentiles of the distribution.

The scenario is more severe than the 2024 scenario of the Bank of England and of the Federal Reserve System in terms of cumulated domestic real GDP losses (Chart 14). In comparison with the stress test scenarios released by the Bank of England and the Federal Reserve in 2024, the cumulative decline in domestic real GDP from the starting point is notably more pronounced than in the Federal Reserve’s 2024 Comprehensive Capital Analysis and Review (CCAR), and it is also sharper than in both adverse scenarios of Bank of England’s 2024 desk-based stress test exercise. The differences can be attributed to the varying dates of the respective risk assessments, the different starting dates, and the distinct cyclical and structural characteristics of the domestic economy under stress.

Chart 14

EBA scenarios versus Bank of England and Federal Reserve System – cumulative domestic real GDP decline



Sources: Federal Reserve, Bank of England, ECB and ECB/ESRB calculations

4. Annex

4.1 Detailed tables

4.1.1 Real GDP

		Historical growth (%)	Baseline growth (%)				Adverse growth (%)			Cumulative growth from the starting point (%)	Minimum growth from the starting point (%)	Level of deviation in 2027 (%)
		2024	2025	2026	2027	2025	2026	2027				
Belgium	BE	1.0	1.2	1.4	1.2	-1.1	-3.7	-0.7	-5.4	-5.4	-8.9	
Bulgaria	BG	2.2	2.7	3.4	2.7	-3.9	-3.6	2.0	-5.5	-7.3	-13.3	
Czech Republic	CZ	1.0	2.4	2.4	2.4	-3.1	-5.5	0.6	-7.9	-8.4	-14.3	
Denmark	DK	2.1	2.3	1.5	1.4	-2.9	-4.5	1.5	-5.9	-7.3	-10.6	
Germany	DE	-0.2	0.2	0.8	0.9	-3.6	-4.2	0.3	-7.5	-7.7	-9.2	
Estonia	EE	-0.7	1.6	2.9	2.9	-5.0	-4.4	0.9	-8.3	-9.2	-14.8	
Ireland	IE	-1.3	4.0	4.5	3.7	-0.7	-3.7	0.4	-3.9	-4.3	-14.7	
Greece	GR	2.3	2.5	2.3	2.0	-1.4	-4.3	-0.5	-6.1	-6.1	-12.2	
Spain	ES	3.1	2.5	1.9	1.7	-2.5	-3.5	2.0	-4.1	-5.9	-9.8	
France	FR	1.1	0.9	1.3	1.3	-1.3	-3.9	-0.7	-5.9	-5.9	-9.0	
Croatia	HR	3.7	3.3	3.0	2.3	-1.0	-4.4	1.1	-4.3	-5.3	-12.1	
Italy	IT	0.5	0.8	1.1	0.9	-1.6	-4.4	-1.5	-7.4	-7.4	-9.9	
Cyprus	CY	3.7	3.0	3.1	3.0	-2.5	-4.7	0.7	-6.4	-7.1	-14.6	
Latvia	LV	0.1	2.1	3.0	3.3	-2.7	-3.9	0.8	-5.8	-6.6	-13.2	
Lithuania	LT	2.4	3.1	3.1	3.0	-1.0	-4.4	1.1	-4.3	-5.3	-12.6	
Luxembourg	LU	1.3	2.0	2.5	2.5	-2.2	-4.0	1.0	-5.1	-6.1	-11.5	
Hungary	HU	1.4	3.2	4.0	3.0	-1.7	-4.8	1.3	-5.1	-6.4	-14.2	
Malta	MT	4.9	3.9	3.6	3.4	-1.8	-4.7	1.6	-4.9	-6.4	-14.5	
Netherlands	NL	0.9	1.5	1.5	1.2	-1.6	-4.0	0.0	-5.5	-5.5	-9.4	
Austria	AT	-0.5	1.1	1.6	1.3	-3.1	-3.8	1.2	-5.7	-6.8	-9.4	
Poland	PL	2.7	3.6	3.5	2.3	-0.8	-4.7	-0.2	-5.7	-5.7	-14.0	
Portugal	PT	1.7	2.2	2.2	1.7	-1.8	-3.8	-0.2	-5.8	-5.8	-11.3	
Romania	RO	1.1	2.7	3.3	3.8	-1.9	-4.1	0.1	-5.8	-5.9	-14.4	
Slovenia	SI	1.4	2.2	2.8	2.4	-1.4	-4.2	0.6	-5.0	-5.6	-11.6	
Slovakia	SK	2.1	2.1	1.8	2.3	-2.9	-5.3	0.3	-7.8	-8.1	-13.3	
Finland	FI	-0.5	0.8	1.8	1.3	-4.2	-2.8	-0.5	-7.3	-7.3	-10.9	
Sweden	SE	0.7	2.1	2.3	1.8	-3.4	-5.3	0.5	-8.0	-8.5	-13.5	
Euro area	EA	0.7	1.1	1.4	1.3	-2.3	-4.0	0.0	-6.2	-6.2	-9.8	
European Union	EU	0.9	1.4	1.6	1.5	-2.3	-4.2	0.0	-6.3	-6.3	-10.4	
United Kingdom	UK	1.1	1.5	1.5	1.5	-4.5	-4.5	-1.3	-10.0	-10.0	-13.9	
Norway	NO	1.6	1.8	0.5	0.5	-3.0	-1.1	-0.1	-4.3	-4.3	-6.9	
United States	US	2.8	2.2	2.0	2.1	-5.1	-2.5	4.3	-3.4	-7.4	-9.3	
Japan	JP	0.3	1.1	0.8	0.6	-5.4	-3.4	0.0	-8.6	-8.6	-10.9	
Canada	CA	1.3	2.4	2.0	1.8	-6.5	-5.1	2.1	-9.4	-11.3	-14.8	
Switzerland	CH	1.3	1.3	1.8	1.2	-5.1	-4.2	-1.1	-10.1	-10.1	-13.9	
Australia & New Zealand	AU	1.2	2.1	2.2	2.2	-4.4	-2.1	1.0	-5.5	-6.5	-11.5	
Türkiye	TR	3.0	2.7	3.2	3.4	-4.9	-2.7	1.0	-6.6	-7.5	-14.8	
Russia	RU	3.6	1.3	1.2	1.2	-8.2	-1.0	-0.8	-9.9	-9.9	-13.2	
Emerging Asia	AS	5.1	4.8	4.7	4.4	-2.3	0.9	3.1	1.6	-2.3	-11.3	
China	CN	4.8	4.5	4.1	3.6	-2.6	0.0	1.6	-1.0	-2.6	-12.2	
India	IN	7.0	6.5	6.5	6.5	-0.9	2.7	4.3	6.1	-0.9	-12.1	
Hong Kong	HK	3.2	3.0	2.9	2.7	-3.1	-1.7	2.0	-2.8	-4.7	-10.7	
Latin America	LA	1.7	2.3	2.5	2.6	-2.7	-0.6	0.9	-2.4	-3.3	-9.3	
Brazil	BR	3.0	2.2	2.3	2.4	-3.3	-0.6	1.0	-3.0	-3.9	-9.2	
Mexico	MX	1.5	1.3	2.0	2.3	-4.7	-2.2	-0.1	-6.9	-6.9	-11.9	
Chile	CL	2.5	2.4	2.5	2.4	-5.1	-0.2	2.1	-3.3	-5.3	-10.0	
Colombia	CO	1.6	2.5	2.8	3.0	-4.1	-0.1	1.6	-2.7	-4.2	-10.3	
Peru	PE	3.0	2.6	2.3	2.3	-3.9	-0.6	0.9	-3.6	-4.5	-10.3	
Rest of the world	WR	2.1	3.9	4.2	3.9	-3.2	-1.5	1.5	-3.2	-4.7	-13.9	

Notes: The table reports annual averages. Projections from the national central banks are used as baseline forecasts for EU countries. For non-EU countries, the baseline projections are based on projections from the October 2024 IMF World Economic Outlook.

4.1.2 Unemployment rate

		Historical value (%)	Baseline rate (%)				Adverse rate (%)			Cumulative growth from the starting point (p.p.)	Maximum growth from the starting point (p.p.)	Level of deviation in 2027 (p.p.)
			2024	2025	2026	2027	2025	2026	2027			
Belgium	BE	5.6	5.6	5.6	5.7	6.6	9.3	10.9	5.3	5.3	5.2	
Bulgaria	BG	4.3	3.9	3.6	3.3	6.8	8.8	8.7	4.4	4.5	5.4	
Czech Republic	CZ	2.7	2.9	3.0	3.0	5.3	8.5	8.6	6.0	6.0	5.6	
Denmark	DK	2.6	2.6	2.6	2.7	6.5	9.4	9.1	6.5	6.9	6.4	
Germany	DE	3.5	3.9	3.7	3.5	5.3	7.7	8.5	5.0	5.0	5.1	
Estonia	EE	7.6	7.3	7.0	6.5	10.3	12.8	13.3	5.8	5.8	6.8	
Ireland	IE	4.4	4.5	4.5	4.5	6.5	10.2	11.7	7.3	7.3	7.2	
Greece	GR	10.6	9.8	9.1	8.5	11.4	13.6	14.7	4.2	4.2	6.2	
Spain	ES	11.5	10.8	10.4	9.9	14.1	16.8	15.6	4.1	5.3	5.7	
France	FR	7.4	7.8	7.8	7.4	8.8	11.3	12.5	5.0	5.0	5.1	
Croatia	HR	4.9	4.7	4.5	4.4	7.0	10.6	11.0	6.1	6.1	6.7	
Italy	IT	6.6	6.1	6.1	6.1	7.9	10.0	11.2	4.6	4.6	5.1	
Cyprus	CY	5.0	4.9	4.7	4.6	8.3	11.6	11.8	6.7	6.7	7.2	
Latvia	LV	6.9	6.8	6.5	6.3	8.8	11.4	12.4	5.5	5.5	6.1	
Lithuania	LT	7.4	7.1	6.9	6.7	9.0	11.6	12.3	4.8	4.8	5.5	
Luxembourg	LU	5.8	5.9	5.8	5.6	7.3	10.1	11.9	6.1	6.1	6.3	
Hungary	HU	4.2	3.8	3.6	3.4	5.4	8.6	8.9	4.7	4.7	5.5	
Malta	MT	3.2	3.2	3.1	3.1	5.9	9.2	10.2	7.0	7.0	7.1	
Netherlands	NL	3.7	3.9	4.0	4.1	5.9	8.5	10.3	6.6	6.6	6.2	
Austria	AT	5.2	5.3	5.1	5.0	7.3	9.9	10.2	5.0	5.0	5.2	
Poland	PL	3.0	3.0	3.0	3.0	4.9	8.5	10.1	7.1	7.1	7.1	
Portugal	PT	6.4	6.4	6.4	6.4	9.2	12.4	12.9	6.5	6.5	6.4	
Romania	RO	5.3	5.6	5.6	5.6	7.6	10.8	12.0	6.7	6.7	6.4	
Slovenia	SI	3.5	3.4	3.4	3.4	6.1	9.9	10.2	6.7	6.7	6.8	
Slovakia	SK	5.3	5.4	5.8	5.7	7.6	10.7	11.7	6.4	6.4	6.1	
Finland	FI	8.3	8.7	8.2	7.7	10.9	14.0	14.0	5.6	5.6	6.2	
Sweden	SE	8.4	8.4	8.0	7.6	12.1	15.1	14.6	6.2	6.8	7.0	
Euro area	EA	6.4	6.4	6.2	6.0	8.1	10.6	11.9	5.6	5.6	5.9	
European Union	EU	5.8	5.9	5.7	5.5	7.7	10.3	11.6	5.8	5.8	6.1	
United Kingdom	UK	4.3	4.1	4.0	4.0	7.2	9.6	10.2	5.9	5.9	6.2	
Norway	NO	2.0	2.2	2.3	2.2	6.3	6.0	5.1	3.1	4.3	2.9	
United States	US	4.1	4.4	4.3	4.2	8.9	10.0	8.6	4.6	6.0	4.5	
Japan	JP	2.5	2.5	2.5	2.5	7.7	8.2	7.5	5.0	5.7	5.0	
Canada	CA	6.2	6.2	6.0	6.0	11.7	13.3	12.8	6.6	7.2	6.8	
Switzerland	CH	2.4	2.5	2.5	2.5	6.9	8.7	8.5	6.2	6.3	6.0	
Australia & New Zealand	AU	4.1	4.4	4.5	4.5	8.4	9.6	9.2	5.0	5.5	4.7	
Türkiye	TR	9.3	9.9	9.6	9.5	15.6	16.2	15.6	6.3	6.9	6.1	
Russia	RU	2.6	3.0	3.6	4.0	8.9	9.7	10.2	7.6	7.6	6.2	
Emerging Asia	AS	5.6	5.6	5.6	5.5	10.3	10.9	10.0	4.4	5.3	4.4	
China	CN	5.1	5.1	5.1	5.1	11.0	10.9	9.9	4.8	5.9	4.8	
India	IN	7.9	7.7	7.6	7.3	13.0	13.4	13.0	5.1	5.5	5.7	
Hong Kong	HK	2.8	2.7	2.7	2.7	7.2	7.6	7.3	4.5	4.8	4.6	
Latin America	LA	6.2	6.2	6.3	6.3	9.2	10.5	10.7	4.6	4.6	4.5	
Brazil	BR	7.2	7.2	7.3	7.4	11.6	12.1	11.7	4.5	5.0	4.3	
Mexico	MX	3.0	3.3	3.4	3.5	5.2	7.6	8.8	5.9	5.9	5.3	
Chile	CL	8.5	8.0	7.8	7.7	11.8	12.5	12.1	3.6	4.0	4.4	
Colombia	CO	10.2	10.0	9.8	9.6	13.4	14.4	14.4	4.2	4.2	4.8	
Peru	PE	6.8	6.5	6.5	6.5	9.9	11.1	11.3	4.6	4.6	4.8	
Rest of the world	WR	9.3	9.9	9.6	9.5	15.6	16.1	15.4	6.2	6.8	6.0	

Notes: The table reports annual averages. Projections from the national central banks are used as baseline forecasts for EU countries. For non-EU countries, the baseline projections are based on projections from the October 2024 IMF World Economic Outlook.

4.1.3 HICP and other consumption price indices

		Historical growth (%)	Baseline growth (%)			Adverse growth (%)			Cumulative growth from the starting point (%)	Minimum growth from the starting point (%)	Level of deviation in 2027 (%)
		2024	2025	2026	2027	2025	2026	2027			
Belgium	BE	4.3	2.9	1.3	1.7	6.0	2.7	0.4	9.3	6.0	3.1
Bulgaria	BG	2.5	2.4	2.4	2.4	2.9	2.7	2.9	8.8	2.9	1.3
Czech Republic	CZ	2.4	2.6	2.2	1.8	7.1	5.2	1.4	14.3	7.1	7.0
Denmark	DK	1.3	2.1	1.8	2.0	6.5	3.8	1.4	12.1	6.5	5.8
Germany	DE	2.5	2.4	2.1	1.9	4.5	4.1	2.8	11.8	4.5	4.9
Estonia	EE	3.8	4.5	3.6	2.6	8.0	6.7	1.4	16.9	8.0	5.2
Ireland	IE	1.4	2.0	2.0	1.5	3.0	2.5	0.2	5.8	3.0	0.2
Greece	GR	3.0	2.5	2.2	2.5	4.4	3.9	2.9	11.6	4.4	4.0
Spain	ES	2.9	2.1	1.7	2.4	4.9	2.9	1.1	9.1	4.9	2.6
France	FR	2.4	1.6	1.7	1.9	4.8	2.1	0.9	8.0	4.8	2.6
Croatia	HR	4.0	3.5	2.5	3.0	6.5	3.8	1.9	12.6	6.5	3.1
Italy	IT	1.1	1.5	1.5	2.0	3.9	3.9	3.5	11.7	3.9	6.3
Cyprus	CY	2.2	1.9	2.1	2.0	2.7	2.1	2.3	7.2	2.7	1.0
Latvia	LV	1.3	1.4	1.5	2.1	3.7	2.5	1.7	8.0	3.7	2.8
Lithuania	LT	0.8	2.3	2.6	2.6	3.5	2.1	2.2	8.1	3.5	0.3
Luxembourg	LU	2.3	2.6	2.1	1.9	6.2	2.9	1.0	10.3	6.2	3.3
Hungary	HU	4.2	3.0	3.0	3.0	6.0	5.0	3.2	14.8	6.0	5.1
Malta	MT	2.5	2.2	2.0	2.0	2.8	4.1	2.3	9.4	2.8	2.9
Netherlands	NL	3.2	3.2	2.8	2.8	4.7	4.2	2.4	11.7	4.7	2.4
Austria	AT	2.9	2.4	2.2	2.0	5.2	2.6	0.9	8.9	5.2	2.0
Poland	PL	3.7	5.6	3.1	2.9	10.7	6.3	1.1	19.0	10.7	6.2
Portugal	PT	2.6	2.1	2.0	2.0	3.8	1.4	1.4	6.7	3.8	0.4
Romania	RO	5.5	3.9	3.3	2.9	7.9	4.4	1.1	13.9	7.9	3.1
Slovenia	SI	2.0	2.2	2.2	2.1	5.0	1.6	1.1	7.9	5.0	1.2
Slovakia	SK	3.2	5.0	3.6	2.6	6.7	6.6	3.0	17.2	6.7	5.1
Finland	FI	1.0	1.9	1.5	1.7	3.6	2.3	1.9	8.0	3.6	2.8
Sweden	SE	1.7	1.6	1.9	2.0	5.0	3.4	1.6	10.3	5.0	4.4
Euro area	EA	2.4	2.1	1.9	2.1	4.5	3.3	2.0	10.1	4.5	3.7
European Union	EU	2.5	2.4	2.0	2.1	5.0	3.5	1.9	10.7	5.0	3.9
United Kingdom	UK	2.5	2.0	2.0	2.0	4.6	2.5	1.5	8.8	4.6	2.6
Norway	NO	3.2	3.2	2.8	2.4	4.1	2.9	2.1	9.5	4.1	0.8
United States	US	2.3	1.9	2.1	2.4	5.7	3.4	1.8	11.3	5.7	4.4
Japan	JP	1.8	1.8	2.0	2.0	5.4	2.6	0.5	8.6	5.4	2.6
Canada	CA	2.0	1.9	2.0	1.9	6.3	2.2	0.1	8.7	6.3	2.6
Switzerland	CH	1.2	1.0	1.0	1.0	4.4	1.9	0.1	6.5	4.4	3.4
Australia & New Zealand	AU	3.0	3.6	2.6	2.5	7.1	2.5	1.4	11.2	7.1	2.1
Türkiye	TR	43.0	24.0	17.2	15.3	29.6	18.2	12.6	72.5	29.6	2.9
Russia	RU	7.4	4.8	4.0	4.0	6.1	4.6	4.2	15.7	6.1	2.1
Emerging Asia	AS	2.3	2.9	2.7	2.7	5.2	4.1	2.9	12.7	5.2	3.9
China	CN	1.0	2.0	2.0	2.0	5.1	3.7	2.6	11.8	5.1	5.3
India	IN	4.2	4.2	4.1	4.0	6.7	5.5	4.0	17.1	6.7	3.8
Hong Kong	HK	2.3	2.4	2.4	2.5	3.2	2.9	2.5	8.8	3.2	1.2
Latin America	LA	19.4	7.9	5.4	3.9	10.6	6.8	3.5	22.1	10.6	3.3
Brazil	BR	4.3	3.3	3.0	3.0	4.1	4.0	3.5	12.0	4.1	2.2
Mexico	MX	4.5	3.2	3.0	3.0	7.3	3.7	-0.5	10.7	7.3	1.1
Chile	CL	4.5	3.5	3.0	3.0	4.9	3.7	3.4	12.5	4.9	2.5
Colombia	CO	5.7	3.5	3.0	3.0	6.1	4.6	3.5	14.8	6.1	4.5
Peru	PE	2.4	2.0	2.0	2.0	4.5	3.6	2.5	10.9	4.5	4.5
Rest of the world	WR	13.6	9.8	8.2	7.2	13.8	8.6	4.9	29.6	13.8	1.8

Notes: The table reports annual averages. Projections from the national central banks are used as baseline forecasts for EU countries. For non-EU countries, the baseline projections are based on projections from the October 2024 IMF World Economic Outlook.

4.1.4 Residential real estate prices

		Historical growth (%)	Baseline growth (%)			Adverse growth (%)			Cumulative growth from the starting point (%)	Minimum growth from the starting point (%)	Level of deviation in 2027 (%)
		2024	2025	2026	2027	2025	2026	2027			
Belgium	BE	0.6	2.4	2.1	2.1	-5.1	-10.7	-6.1	-20.4	-20.4	-25.4
Bulgaria	BG	14.1	8.8	6.8	5.7	-2.2	-11.7	-6.6	-19.4	-19.4	-34.3
Czech Republic	CZ	4.8	6.1	4.2	4.1	-2.6	-10.7	-5.2	-17.5	-17.5	-28.4
Denmark	DK	3.3	3.2	3.2	2.7	-5.8	-12.7	-7.3	-23.8	-23.8	-30.4
Germany	DE	-1.9	2.0	2.2	2.2	-3.2	-6.6	-3.6	-12.8	-12.8	-18.1
Estonia	EE	-1.1	3.8	5.5	5.2	-6.4	-12.8	-6.7	-23.8	-23.8	-33.8
Ireland	IE	8.9	9.7	6.3	3.5	-0.7	-10.4	-7.1	-17.4	-17.4	-31.5
Greece	GR	9.2	4.4	3.2	2.5	-4.6	-12.3	-7.2	-22.3	-22.3	-29.6
Spain	ES	7.9	7.0	6.1	4.3	-2.3	-9.8	-6.2	-17.2	-17.2	-30.1
France	FR	-3.9	0.9	0.6	0.7	-3.4	-6.4	-3.7	-13.0	-13.0	-14.8
Croatia	HR	10.6	9.7	7.4	5.2	-0.7	-9.9	-6.6	-16.5	-16.5	-32.6
Italy	IT	2.6	2.4	2.0	1.2	-2.6	-6.3	-3.7	-12.0	-12.0	-16.8
Cyprus	CY	7.1	4.7	3.0	2.5	-3.4	-9.5	-6.1	-17.9	-17.9	-25.7
Latvia	LV	4.5	8.1	8.0	8.0	-2.7	-11.2	-5.3	-18.2	-18.2	-35.1
Lithuania	LT	9.7	7.5	7.5	7.2	-2.4	-10.0	-8.6	-19.7	-19.7	-35.1
Luxembourg	LU	-6.1	1.5	4.2	4.2	-7.5	-12.0	-6.1	-23.5	-23.5	-30.6
Hungary	HU	8.0	3.4	3.9	3.0	-6.1	-13.0	-8.6	-25.3	-25.3	-32.5
Malta	MT	6.2	4.4	4.0	3.9	-1.9	-6.5	-4.5	-12.4	-12.4	-22.4
Netherlands	NL	8.9	7.5	4.1	4.1	-3.4	-13.7	-8.2	-23.5	-23.5	-34.3
Austria	AT	-2.8	0.7	3.3	3.7	-6.7	-10.3	-5.7	-21.1	-21.1	-26.8
Poland	PL	10.3	-1.5	0.0	-0.4	-5.7	-9.8	-5.7	-19.8	-19.8	-18.2
Portugal	PT	6.8	4.2	3.0	3.0	-5.4	-13.8	-7.7	-24.7	-24.7	-31.9
Romania	RO	-0.1	0.5	1.4	2.5	-3.2	-4.9	-2.0	-9.8	-9.8	-13.7
Slovenia	SI	6.5	5.1	4.9	4.6	-2.0	-7.1	-5.3	-13.8	-13.8	-25.3
Slovakia	SK	0.5	5.0	2.4	3.5	-3.1	-11.4	-5.1	-18.6	-18.6	-26.9
Finland	FI	-3.1	1.1	2.7	2.8	-2.0	-3.6	-2.6	-8.1	-8.1	-13.9
Sweden	SE	1.8	3.0	3.4	3.5	-6.4	-13.3	-7.9	-25.2	-25.2	-32.2
Euro area	EA	1.6	3.3	2.7	2.4	-3.1	-7.9	-4.5	-14.8	-14.8	-21.6
European Union	EU	1.8	3.0	2.7	2.3	-3.5	-8.4	-4.7	-15.7	-15.7	-22.2
United Kingdom	UK	2.4	1.9	1.9	1.9	-4.0	-13.0	-12.2	-26.7	-26.7	-30.8
Norway	NO	0.2	5.4	8.1	6.4	-7.0	-2.6	0.6	-8.8	-9.4	-24.8
United States	US	7.8	7.4	7.6	7.9	-6.5	-3.5	6.6	-3.9	-9.8	-22.9
Japan	JP	4.5	4.5	4.7	4.8	-7.4	-5.7	-0.5	-13.2	-13.2	-24.3
Canada	CA	5.8	5.7	5.8	5.7	-7.4	-9.0	-0.2	-15.9	-15.9	-28.8
Switzerland	CH	4.9	4.7	4.7	4.7	-4.0	-5.5	-2.1	-11.2	-11.2	-22.6
Australia & New Zealand	AU	6.5	7.1	6.1	6.0	-1.8	-3.4	0.6	-4.5	-5.1	-20.7
Türkiye	TR	65.7	46.7	40.0	38.0	37.3	30.3	27.8	128.7	37.3	-19.3
Russia	RU	19.3	16.6	15.8	15.8	6.8	7.8	9.5	26.1	6.8	-19.4
Emerging Asia	AS	1.1	1.6	1.4	1.4	-7.5	-5.9	-4.1	-16.5	-16.5	-20.1
China	CN	1.5	2.6	2.5	2.5	-6.3	-5.0	-2.9	-13.6	-13.6	-19.9
India	IN	1.7	1.7	1.6	1.5	-9.1	-7.7	-9.1	-23.7	-23.7	-27.2
Hong Kong	HK	2.8	3.0	3.0	3.0	-15.8	-2.5	3.2	-15.3	-17.9	-22.4
Latin America	LA	20.2	8.7	6.2	4.7	-4.4	-3.5	-2.6	-10.1	-10.1	-25.6
Brazil	BR	3.9	2.9	2.6	2.6	-9.4	-6.7	-4.6	-19.4	-19.4	-25.6
Mexico	MX	7.1	5.8	5.6	5.6	-0.5	-3.4	-4.3	-8.1	-8.1	-22.1
Chile	CL	6.2	5.2	4.7	4.7	-1.1	-4.2	-5.1	-10.1	-10.1	-22.1
Colombia	CO	4.3	2.2	1.6	1.7	-3.9	-7.0	-7.9	-17.7	-17.7	-22.1
Peru	PE	3.2	2.8	2.8	2.8	-3.4	-6.0	-6.9	-15.4	-15.4	-22.1
Rest of the world	WR	13.0	9.2	7.6	6.6	-3.9	-2.2	-0.9	-6.8	-6.8	-25.6

Notes: The table reports annual averages. Projections from the national central banks are used as baseline forecasts for EU countries. For non-EU countries, the baseline projections are based on projections from the October 2024 IMF World Economic Outlook.

4.1.5 Commercial real estate prices

		Baseline growth (%)			Adverse growth (%)			Cumulative growth from the starting point (%)	Minimum growth from the starting point (%)	Level of deviation in 2027 (%)
		2025	2026	2027	2025	2026	2027			
Belgium	BE	0.7	1.0	1.5	-11.1	-16.0	-9.3	-32.3	-32.3	-34.5
Bulgaria	BG	5.2	1.7	1.3	-6.9	-17.1	-12.3	-32.2	-32.2	-37.4
Czech Republic	CZ	4.5	3.5	3.7	-10.6	-19.2	-10.7	-35.5	-35.5	-42.5
Denmark	DK	2.8	2.1	1.8	-10.9	-18.9	-11.0	-35.7	-35.7	-39.8
Germany	DE	-0.5	0.4	1.0	-12.1	-15.2	-10.6	-33.3	-33.3	-33.9
Estonia	EE	-0.8	2.2	3.6	-12.8	-21.9	-9.8	-38.6	-38.6	-41.5
Ireland	IE	3.5	3.1	1.5	-5.9	-14.0	-9.7	-26.9	-26.9	-32.5
Greece	GR	4.0	1.8	1.3	-6.1	-15.6	-10.2	-28.8	-28.8	-33.6
Spain	ES	2.9	3.0	1.6	-5.8	-12.1	-7.3	-23.2	-23.2	-28.8
France	FR	0.7	0.5	0.9	-12.3	-11.5	-7.5	-28.2	-28.2	-29.7
Croatia	HR	4.2	2.7	1.2	-5.9	-15.2	-10.3	-28.4	-28.4	-33.9
Italy	IT	2.4	1.3	0.6	-4.0	-11.5	-8.8	-22.5	-22.5	-25.6
Cyprus	CY	2.3	1.1	0.7	-8.6	-14.7	-11.6	-31.1	-31.1	-33.9
Latvia	LV	4.3	4.6	4.0	-8.1	-17.2	-10.9	-32.2	-32.2	-40.3
Lithuania	LT	4.0	3.3	2.9	-7.6	-15.2	-14.1	-32.8	-32.8	-39.1
Luxembourg	LU	-0.7	2.8	3.7	-14.3	-18.5	-10.2	-37.2	-37.2	-40.7
Hungary	HU	1.0	1.1	2.4	-7.1	-15.1	-9.9	-29.0	-29.0	-32.0
Malta	MT	3.5	3.6	3.6	-6.1	-12.1	-9.0	-24.9	-24.9	-32.5
Netherlands	NL	5.5	1.8	2.0	-3.4	-15.9	-9.9	-26.8	-26.8	-33.1
Austria	AT	-0.4	1.5	2.7	-12.4	-15.7	-9.1	-32.9	-32.9	-35.4
Poland	PL	-1.1	-1.0	0.0	-16.2	-19.4	-9.8	-39.1	-39.1	-37.9
Portugal	PT	3.4	2.0	2.1	-7.0	-16.6	-10.7	-30.7	-30.7	-35.6
Romania	RO	0.1	1.5	3.2	-13.4	-13.2	-7.5	-30.5	-30.5	-33.7
Slovenia	SI	2.0	2.1	2.2	-7.7	-12.3	-9.3	-26.6	-26.6	-31.0
Slovakia	SK	0.9	-1.0	1.5	-12.0	-23.0	-11.1	-39.8	-39.8	-40.6
Finland	FI	0.2	1.9	2.5	-8.0	-9.8	-7.5	-23.2	-23.2	-26.7
Sweden	SE	5.3	2.9	2.6	-5.7	-18.3	-12.5	-32.7	-32.7	-39.4
Euro area	EA	1.4	1.2	1.2	-9.1	-13.6	-9.1	-28.6	-28.6	-31.3
European Union	EU	1.5	1.3	1.3	-9.4	-14.3	-9.3	-29.5	-29.5	-32.3
United Kingdom	UK	1.8	0.7	1.2	-7.9	-20.1	-17.2	-39.1	-39.1	-41.3
Norway	NO	2.6	4.4	3.5	-14.4	-13.5	-7.8	-31.7	-31.7	-38.4
United States	US	3.8	4.0	4.7	-18.8	-19.9	-6.7	-39.3	-39.3	-46.3
Japan	JP	3.1	3.4	3.3	-15.7	-15.0	-6.8	-33.3	-33.3	-39.4
Canada	CA	4.5	4.0	3.9	-14.0	-17.7	-6.4	-33.6	-33.6	-41.3
Switzerland	CH	4.5	4.1	3.8	-11.3	-14.5	-8.7	-30.8	-30.8	-38.7
Australia & New Zealand	AU	5.0	3.7	4.0	-10.0	-13.3	-6.4	-27.0	-27.0	-35.5
Türkiye	TR	4.3	2.7	8.0	-5.9	-18.5	-8.5	-29.8	-29.8	-39.3
Russia	RU	6.7	3.5	4.9	-7.9	-13.2	-7.2	-25.8	-25.8	-35.9
Emerging Asia	AS	0.9	-0.1	0.4	-13.7	-15.7	-10.5	-34.9	-34.9	-35.6
China	CN	1.6	1.0	1.4	-14.1	-15.3	-9.7	-34.3	-34.3	-36.9
India	IN	-0.4	-2.0	-0.5	-14.1	-14.8	-11.3	-35.1	-35.1	-33.2
Hong Kong	HK	3.3	2.2	2.1	-20.0	-12.9	-4.3	-33.3	-33.3	-38.1
Latin America	LA	2.1	0.0	1.3	-15.2	-15.7	-8.5	-34.6	-34.6	-36.7
Brazil	BR	3.0	0.9	1.3	-15.6	-15.8	-10.9	-36.7	-36.7	-39.8
Mexico	MX	3.3	2.4	4.0	-12.9	-17.5	-11.5	-36.4	-36.4	-42.1
Chile	CL	3.1	1.8	2.4	-8.8	-13.7	-11.4	-30.3	-30.3	-35.1
Colombia	CO	0.9	-0.3	0.9	-11.3	-16.4	-13.2	-35.7	-35.7	-36.7
Peru	PE	2.4	1.2	1.9	-10.1	-14.9	-12.2	-32.8	-32.8	-36.3
Rest of the world	WR	4.1	1.5	2.4	-17.9	-17.4	-9.5	-38.6	-38.6	-43.3

Notes: The table reports annual averages. For almost all countries, public data are not available. For this reason, the starting points are not provided. The baseline for all countries has been projected by ECB staff.

4.1.6 Long-term rates

		Starting point rates (%) – average	Starting point rates (%) – latest	Baseline rates (%)			Adverse rates (%)		
		2024	2024	2025	2026	2027	2025	2026	2027
Belgium	BE	2.86	2.82	2.98	3.14	3.28	4.08	4.12	4.16
Bulgaria	BG	4.20	3.85	4.61	5.42	6.04	7.19	7.42	7.60
Czech Republic	CZ	3.95	4.03	3.63	3.69	3.87	4.73	4.67	4.75
Denmark	DK	2.32	1.97	2.19	2.29	2.38	3.29	3.27	3.26
Germany	DE	2.34	2.22	2.40	2.49	2.59	3.50	3.47	3.46
Estonia	EE								
Ireland	IE	2.58	2.34	2.70	2.82	2.93	3.80	3.80	3.81
Greece	GR	3.36	3.11	3.31	3.49	3.68	5.89	5.50	5.24
Spain	ES	3.15	2.91	3.16	3.33	3.50	5.74	5.33	5.06
France	FR	2.98	3.02	3.16	3.33	3.47	5.07	4.82	4.63
Croatia	HR	3.27	3.01	3.25	3.29	3.34	5.16	4.78	4.50
Italy	IT	3.70	3.37	3.64	3.86	4.06	6.22	5.87	5.62
Cyprus	CY	3.20	2.93	2.96	3.00	3.05	4.87	4.49	4.21
Latvia	LV	3.29	3.07	3.06	3.10	3.15	4.16	4.08	4.03
Lithuania	LT	3.56	3.20	3.37	3.41	3.45	5.28	4.90	4.62
Luxembourg	LU	2.76	2.80	2.80	2.83	2.88	3.90	3.82	3.76
Hungary	HU	6.57	6.52	6.87	7.04	7.06	9.45	9.04	8.62
Malta	MT	3.37	3.06	3.28	3.32	3.37	5.19	4.81	4.53
Netherlands	NL	2.62	2.44	2.63	2.74	2.83	3.73	3.72	3.70
Austria	AT	2.83	2.63	2.85	2.97	3.07	3.95	3.95	3.95
Poland	PL	5.54	5.75	5.69	5.53	5.61	7.60	7.02	6.77
Portugal	PT	2.96	2.68	2.86	3.04	3.23	4.77	4.53	4.39
Romania	RO	6.81	7.34	6.63	5.98	5.92	9.21	7.98	7.48
Slovenia	SI	3.05	2.92	3.13	3.32	3.50	4.23	4.30	4.37
Slovakia	SK	3.41	3.13	3.33	3.36	3.41	5.24	4.85	4.57
Finland	FI	2.81	2.60	2.87	2.99	3.11	3.97	3.98	3.98
Sweden	SE	2.20	2.15	2.00	1.90	1.90	3.10	2.88	2.78
Euro area	EA	2.88	2.73	2.93	3.07	3.21	4.63	4.45	4.34
European Union	EU	3.08	2.96	3.12	3.22	3.35	4.80	4.60	4.47
United Kingdom	UK	4.1	4.4	4.2	4.2	4.2	6.0	5.9	5.7
Norway	NO	3.6	3.7	3.2	2.8	2.6	4.3	3.9	3.6
United States	US	4.2	4.4	4.5	4.6	4.7	5.7	5.7	5.7
Japan	JP	0.9	1.1	1.1	1.2	1.3	2.3	2.3	2.3
Canada	CA	3.4	3.2	3.1	3.1	3.0	4.3	4.2	4.0
Switzerland	CH	0.6	0.3	0.8	0.8	0.8	1.9	1.9	1.8
Australia	AU	4.2	4.3	4.2	4.3	4.3	5.3	5.3	5.3
New Zealand	NZ	4.5	4.4	4.6	4.4	4.3	5.8	5.5	5.3
Türkiye	TR	41.6	29.9	33.9	20.1	16.9	36.7	22.8	19.3
Russia	RU	14.5	15.9	14.1	14.9	14.3	16.9	17.5	16.8
Emerging Asia	AS	4.2	4.0	3.6	3.8	4.0	5.9	5.9	6.0
China	CN	2.2	1.8	2.5	3.0	3.3	5.4	5.7	5.7
India	IN	7.0	6.7	7.9	9.5	10.3	10.8	12.1	12.7
Hong Kong	HK	3.5	3.5	2.1	1.1	1.1	3.9	2.8	2.6
Latin America	LA	8.9	9.6	8.6	8.1	7.6	11.4	10.7	10.0
Brazil	BR	11.9	14.2	11.5	10.8	10.1	14.3	13.4	12.5
Mexico	MX	9.7	10.2	9.3	8.8	8.2	12.1	11.4	10.6
Chile	CL	5.8	5.8	5.6	5.3	4.9	8.4	7.9	7.4
Colombia	CO	10.5	11.2	10.1	9.5	8.9	12.9	12.1	11.3
Peru	PE	6.8	6.6	6.6	6.2	5.8	9.4	8.8	8.2
Ukraine	UA	8.9	8.9	8.0	7.6	7.3	10.9	10.2	9.7
Angola	AO	18.6	21.0	18.3	17.7	17.1	21.1	20.3	19.6
Macao	MO	2.3	1.9	1.8	1.4	1.4	3.6	3.1	2.9
Mozambique	MZ	15.7	15.7	15.4	14.8	14.2	18.2	17.4	16.7
South Africa	ZA	9.7	9.0	9.3	8.8	8.2	12.2	11.4	10.7
Rest of the world	WR	4.2	4.4	4.5	4.6	4.7	7.4	7.2	7.2

Notes: This Table reports annual averages, unless stated differently. The starting point rates are based on averages of daily data. The “latest” starting point rates are computed as the average of December 2024 observations. The baseline projections for EU countries are based on market data, data collected from central banks and ECB staff computations. The baseline for other countries is based on projections from the October 2024 IMF World Economic Outlook. Owing to the absence of liquid benchmark bonds issued by Estonia, paths of long-term interest rates are not provided for this country. For Türkiye, Macao and Ukraine, the average starting point rates are from the October 2024 IMF World Economic Outlook. The “latest” starting point rates for Ukraine are set at their yearly average values.

4.1.7 Stock prices

	Deviation from the starting point (%)		
	2025	2026	2027
European Union	-50	-46	-42
Norway	-42	-39	-36
United Kingdom	-52	-48	-45
United States	-61	-56	-52
Japan	-35	-32	-30
Canada	-35	-33	-30
Switzerland	-43	-40	-37
Australia & New Zealand	-40	-37	-34
Rest of the world	-66	-61	-57

Note: Under the baseline scenario, stock prices are assumed to remain unchanged.

4.1.8 Foreign demand and commodity prices

	Level deviation from starting point (%)		
	2025	2026	2027
Oil prices	57.1	56.1	45.1
Other non-energy commodity prices	22.5	21.7	16.9
Metal prices	48.3	49.4	39.3
Gas prices	65.3	70.4	56.0
EU foreign demand	-9.1	-17.1	-21.0
Euro area foreign demand	-8.8	-16.8	-20.8

Note: Under the baseline scenario, commodity prices are assumed to remain at the same level as at the cut-off date.

4.1.9 iTraxx indices

	Historical level 2024	Baseline level			Adverse level		
		2025	2026	2027	2025	2026	2027
iTraxx Overall 5y	56	71	76	81	240	198	168
iTraxx Crossover 5y	307	322	327	331	686	590	521
iTraxx Sen-financials 5y	64	79	84	89	286	233	196
iTraxx Sub-financials 5y	115	130	135	140	544	434	355

Note: Under the baseline scenario, the iTraxx indices are assumed to follow the change in risk premia at euro area level.

4.1.10 Exchange rates

	Historical rates	Baseline rates			Adverse rates		
	2024	2025	2026	2027	2025	2026	2027
EUR/CZK	25.12	25.12	25.12	25.12	26.97	26.64	26.36
EUR/DKK	7.46	7.46	7.46	7.46	7.46	7.46	7.46
EUR/HUF	395.35	395.35	395.35	395.35	461.44	449.60	439.88
EUR/PLN	4.31	4.31	4.31	4.31	4.71	4.64	4.58
EUR/RON	4.97	4.97	4.97	4.97	5.16	5.12	5.10
EUR/SEK	11.44	11.44	11.44	11.44	11.44	11.44	11.44
EUR/GBP	0.85	0.85	0.85	0.85	0.85	0.85	0.85
EUR/NOK	11.63	11.63	11.63	11.63	11.63	11.63	11.63
EUR/USD	1.08	1.08	1.08	1.08	1.08	1.08	1.08
EUR/CHF	0.95	0.95	0.95	0.95	0.95	0.95	0.95
EUR/TRY	35.59	35.59	35.59	35.59	48.57	46.25	44.34
EUR/RUB	100.40	100.40	100.40	100.40	165.48	153.82	144.25
EUR/BRL	5.84	5.84	5.84	5.84	6.62	6.48	6.36
EUR/MXN	19.82	19.82	19.82	19.82	21.59	21.27	21.01
EUR/CLP	1020.95	1020.95	1020.95	1020.95	1179.32	1150.94	1127.65
EUR/AUD	1.64	1.64	1.64	1.64	1.64	1.64	1.64
EUR/CAD	1.48	1.48	1.48	1.48	1.48	1.48	1.48
EUR/HKD	8.44	8.44	8.44	8.44	8.44	8.44	8.44
EUR/ZAR	19.83	19.83	19.83	19.83	22.65	22.14	21.73
EUR/BGN	1.96	1.96	1.96	1.96	1.96	1.96	1.96
EUR/COP	4406.72	4406.72	4406.72	4406.72	4792.01	4722.98	4666.33
EUR/INR	90.56	90.56	90.56	90.56	103.81	101.43	99.49
EUR/CNY	7.78	7.78	7.78	7.78	7.78	7.78	7.78
EUR/JPY	163.85	163.85	163.85	163.85	163.85	163.85	163.85
EUR/NZD	1.79	1.79	1.79	1.79	1.79	1.79	1.79
EUR/PEN	4.06	4.06	4.06	4.06	4.23	4.20	4.18
EUR/UAH	43.47	43.47	43.47	43.47	54.62	52.62	50.98
EUR/AOA	951.87	951.87	951.87	951.87	1160.53	1123.15	1092.46
EUR/MOP	8.70	8.70	8.70	8.70	8.79	8.77	8.76
EUR/MZN	69.04	69.04	69.04	69.04	72.73	72.07	71.53
EUR-rest of the world	1.08	1.08	1.08	1.08	1.18	1.16	1.15

Notes: Under the baseline, exchange rates are assumed to remain unchanged. Positive shocks imply an appreciation of the euro.

4.1.11 Swap rates

		Starting point	Starting point	Baseline rates (%)			Adverse rates (%)		
		rates (%) – average	rates (%) – latest	2025	2026	2027	2025	2026	2027
		2024	2024						
EUR	1M	3.56	2.89	2.12	2.02	2.17	3.82	3.42	3.33
	3M	3.57	2.81	2.13	2.03	2.18	3.40	3.08	3.04
	1Y	3.22	2.35	2.14	2.06	2.20	3.29	3.00	2.97
	2Y	2.84	2.17	2.16	2.09	2.23	3.26	2.99	2.96
	3Y	2.70	2.26	2.17	2.24	2.34	3.25	3.13	3.07
	5Y	2.58	2.15	2.25	2.31	2.37	3.22	3.10	3.03
	7Y	2.56	2.18	2.27	2.27	2.35	3.15	2.99	2.94
	10Y	2.58	2.24	2.34	2.37	2.42	3.13	3.03	2.96
	20Y	2.58	2.24	2.33	2.37	2.41	3.01	2.92	2.87
	30Y	2.36	2.03	2.11	2.15	2.20	2.57	2.53	2.51
CZK	1M	5.14	4.01	3.32	3.17	3.19	4.84	4.42	4.21
	3M	4.98	3.91	3.16	3.01	3.03	4.68	4.26	4.05
	1Y	4.34	3.69	3.16	3.04	3.07	4.62	4.24	4.05
	2Y	3.82	3.60	3.16	3.07	3.12	4.54	4.21	4.05
	3Y	3.67	3.57	3.17	3.11	3.18	4.47	4.18	4.05
	5Y	3.58	3.58	3.18	3.18	3.29	4.31	4.11	4.05
	7Y	3.60	3.62	3.18	3.26	3.40	4.15	4.05	4.05
	10Y	3.67	3.68	3.20	3.37	3.57	3.92	3.96	4.05
	20Y	3.73	3.74	3.26	3.43	3.63	3.98	4.02	4.12
	30Y	3.80	3.78	3.33	3.50	3.69	4.05	4.09	4.18
DKK	1M	3.57	2.87	1.69	1.68	1.83	3.02	2.77	2.73
	3M	3.50	2.76	1.62	1.61	1.76	2.95	2.70	2.66
	1Y	3.28	2.38	1.65	1.64	1.79	2.93	2.69	2.65
	2Y	2.94	2.22	1.68	1.68	1.82	2.89	2.67	2.63
	3Y	2.81	2.22	1.71	1.72	1.85	2.85	2.66	2.62
	5Y	2.72	2.27	1.78	1.80	1.91	2.78	2.62	2.58
	7Y	2.70	2.31	1.85	1.88	1.97	2.71	2.59	2.55
	10Y	2.74	2.37	1.94	2.01	2.06	2.60	2.55	2.50
	20Y	2.72	2.38	1.93	1.99	2.04	2.58	2.53	2.48
	30Y	2.50	2.16	1.70	1.77	1.82	2.36	2.31	2.26
HUF	1M	7.58	6.50	6.54	6.80	6.83	8.13	8.11	7.90
	3M	7.31	6.50	6.27	6.53	6.56	7.86	7.83	7.63
	1Y	6.89	6.39	6.30	6.55	6.58	7.85	7.82	7.63
	2Y	6.23	6.38	6.35	6.57	6.61	7.84	7.79	7.62
	3Y	6.10	6.34	6.39	6.59	6.64	7.83	7.77	7.62
	5Y	6.08	6.40	6.47	6.63	6.71	7.81	7.73	7.61
	7Y	6.16	6.49	6.56	6.68	6.77	7.79	7.68	7.60
	10Y	6.31	6.62	6.69	6.74	6.86	7.76	7.62	7.58
	20Y	6.53	7.09	6.91	6.96	7.08	7.98	7.84	7.80
	30Y	6.53	7.09	6.91	6.96	7.08	7.98	7.84	7.80
PLN	1M	5.74	5.73	5.10	4.21	4.12	6.62	5.46	5.14
	3M	5.76	5.75	5.12	4.23	4.14	6.64	5.48	5.16
	1Y	5.68	5.59	5.09	4.29	4.22	6.56	5.50	5.21
	2Y	5.22	5.12	5.05	4.37	4.32	6.46	5.53	5.27
	3Y	4.94	4.90	5.01	4.45	4.43	6.35	5.55	5.34
	5Y	4.80	4.83	4.93	4.61	4.64	6.14	5.61	5.46
	7Y	4.81	4.88	4.84	4.77	4.86	5.93	5.66	5.59
	10Y	4.90	4.97	4.72	5.02	5.18	5.61	5.75	5.77
	20Y	5.22	5.27	5.04	5.34	5.50	5.93	6.07	6.10
	30Y	5.26	5.10	5.08	5.38	5.54	5.97	6.11	6.13
RON	1M	5.68	5.65	5.43	4.84	4.84	6.95	6.09	5.87
	3M	5.73	5.76	5.47	4.89	4.89	6.99	6.14	5.92
	1Y	5.39	5.87	5.46	4.92	4.93	6.94	6.14	5.93
	2Y	5.23	5.71	5.44	4.97	4.98	6.86	6.14	5.94
	3Y	5.22	5.70	5.41	5.02	5.03	6.78	6.14	5.95
	5Y	5.21	5.63	5.37	5.11	5.13	6.63	6.14	5.98
	7Y	5.07	5.58	5.33	5.20	5.23	6.48	6.14	6.00
	10Y	5.06	5.60	5.27	5.34	5.38	6.25	6.15	6.04
	20Y	5.29	5.72	5.49	5.56	5.60	6.47	6.37	6.26
	30Y	5.32	5.55	5.53	5.60	5.64	6.51	6.41	6.30
BGN	1M	2.45	2.43	2.34	2.19	2.29	3.92	3.49	3.36
	3M	2.47	2.48	2.36	2.20	2.31	3.94	3.51	3.38
	1Y	2.32	2.53	2.46	2.32	2.43	4.00	3.59	3.47
	2Y	2.25	2.46	2.59	2.48	2.58	4.08	3.71	3.59
	3Y	2.25	2.45	2.72	2.64	2.74	4.16	3.82	3.71
	5Y	2.24	2.42	2.99	2.95	3.04	4.32	4.05	3.94
	7Y	2.18	2.40	3.26	3.26	3.35	4.48	4.27	4.18
	10Y	2.18	2.41	3.66	3.73	3.81	4.73	4.61	4.53
	20Y	2.28	2.46	3.75	3.83	3.91	4.82	4.71	4.63
	30Y	2.29	2.39	3.77	3.85	3.92	4.84	4.72	4.64

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SEK	1M	3.55	2.65	2.17	2.07	2.07	3.39	3.07	2.89
	3M	3.52	2.55	2.14	2.04	2.04	3.36	3.04	2.87
	1Y	3.07	2.25	2.17	2.07	2.07	3.36	3.05	2.87
	2Y	2.72	2.17	2.21	2.11	2.11	3.35	3.05	2.88
	3Y	2.57	2.19	2.24	2.14	2.14	3.35	3.05	2.89
	5Y	2.47	2.25	2.32	2.22	2.22	3.34	3.06	2.91
	7Y	2.47	2.33	2.40	2.30	2.30	3.33	3.06	2.92
	10Y	2.52	2.43	2.51	2.41	2.41	3.31	3.07	2.95
	20Y	2.54	2.51	2.53	2.43	2.43	3.33	3.08	2.97
	30Y	2.35	2.34	2.34	2.24	2.24	3.14	2.89	2.78
GBP	1M	5.05	4.70	4.17	3.23	3.04	5.13	4.13	3.87
	3M	5.00	4.64	4.13	3.19	3.00	5.31	4.28	4.02
	1Y	4.69	4.42	4.10	3.37	3.21	4.87	4.08	3.86
	2Y	4.32	4.21	4.08	3.62	3.49	4.82	4.31	4.12
	3Y	4.11	4.09	4.05	3.87	3.76	4.87	4.64	4.47
	5Y	3.88	3.97	3.99	4.37	4.32	4.83	5.16	5.04
	7Y	3.79	3.92	3.93	4.87	4.87	4.71	5.59	5.54
	10Y	3.80	3.95	3.85	5.62	5.70	4.59	6.31	6.34
	20Y	3.91	4.11	3.96	5.74	5.82	4.61	6.34	6.37
	30Y	3.87	4.08	3.93	5.70	5.78	4.58	6.30	6.34
NOK	1M	4.63	4.64	4.22	3.42	3.02	5.11	4.25	3.79
	3M	4.72	4.68	4.30	3.50	3.10	5.20	4.33	3.87
	1Y	4.66	4.48	4.22	3.45	3.07	5.11	4.28	3.84
	2Y	4.24	4.14	4.11	3.39	3.03	5.00	4.22	3.80
	3Y	4.02	4.00	4.00	3.33	3.00	4.89	4.15	3.75
	5Y	3.83	3.86	3.79	3.21	2.92	4.66	4.01	3.67
	7Y	3.75	3.81	3.57	3.09	2.84	4.43	3.88	3.58
	10Y	3.71	3.80	3.25	2.90	2.73	4.09	3.68	3.45
	20Y	3.48	3.63	3.03	2.68	2.50	3.86	3.45	3.22
	30Y	3.18	3.36	2.72	2.37	2.19	3.56	3.15	2.91
CHF	1M	1.23	0.51	1.58	1.58	1.58	1.96	1.94	1.91
	3M	1.15	0.48	1.50	1.50	1.50	2.02	1.98	1.95
	1Y	0.91	0.16	1.47	1.47	1.47	1.82	1.79	1.77
	2Y	0.88	0.15	1.44	1.44	1.44	1.81	1.78	1.76
	3Y	0.79	0.11	1.40	1.40	1.40	1.76	1.74	1.71
	5Y	0.88	0.25	1.33	1.33	1.33	1.72	1.69	1.67
	7Y	0.86	0.26	1.26	1.26	1.26	1.63	1.60	1.58
	10Y	1.01	0.42	1.16	1.16	1.16	1.46	1.44	1.42
	20Y	1.02	0.46	1.17	1.17	1.17	1.41	1.39	1.37
	30Y	0.96	0.39	1.11	1.11	1.11	1.35	1.33	1.32
USD	1M	5.12	4.40	4.51	4.25	4.16	5.79	5.43	5.25
	3M	5.06	4.37	4.45	4.19	4.09	6.01	5.63	5.43
	1Y	4.64	4.17	4.42	4.18	4.11	5.63	5.30	5.15
	2Y	4.20	4.02	4.38	4.18	4.12	5.58	5.28	5.15
	3Y	3.98	3.95	4.34	4.17	4.14	5.45	5.20	5.10
	5Y	3.80	3.88	4.26	4.16	4.18	5.15	4.98	4.94
	7Y	3.75	3.86	4.19	4.15	4.21	5.02	4.92	4.93
	10Y	3.74	3.86	4.07	4.13	4.26	4.93	4.93	5.01
	20Y	3.74	3.88	4.07	4.14	4.27	4.80	4.81	4.89
	30Y	3.57	3.71	3.90	3.97	4.10	4.56	4.58	4.66
CAD	1M	4.51	3.34	3.05	2.89	2.68	4.43	4.17	3.87
	3M	4.41	3.23	2.95	2.79	2.57	4.33	4.07	3.76
	1Y	4.03	2.97	2.57	2.41	2.20	4.22	3.96	3.66
	2Y	3.64	2.83	2.18	2.02	1.80	4.07	3.82	3.52
	3Y	3.43	2.78	1.97	1.81	1.59	3.93	3.68	3.38
	5Y	3.22	2.75	1.75	1.59	1.38	3.63	3.39	3.10
	7Y	3.51	3.13	2.05	1.89	1.67	3.33	3.10	2.82
	10Y	3.58	3.27	2.12	1.96	1.74	2.89	2.67	2.40
	20Y	3.73	3.46	2.27	2.11	1.89	3.04	2.82	2.55
	30Y	3.55	3.31	2.09	1.93	1.72	2.86	2.64	2.38
AUD	1M	4.33	4.34	3.85	3.75	3.75	5.23	5.03	4.94
	3M	4.34	4.31	3.85	3.75	3.75	5.24	5.04	4.94
	1Y	4.44	4.34	3.95	3.85	3.85	5.19	4.99	4.90
	2Y	4.22	4.12	3.73	3.63	3.63	5.13	4.94	4.85
	3Y	4.12	4.05	3.63	3.53	3.53	5.07	4.88	4.80
	5Y	4.11	4.08	3.63	3.53	3.53	4.95	4.77	4.70
	7Y	4.22	4.19	3.73	3.63	3.63	4.83	4.66	4.60
	10Y	4.36	4.35	3.88	3.78	3.78	4.65	4.49	4.44
	20Y	4.52	4.52	4.03	3.93	3.93	4.80	4.65	4.60
	30Y	4.36	4.39	3.88	3.78	3.78	4.65	4.49	4.44

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NZD	1M	5.20	4.26	4.08	3.70	3.70	5.52	5.04	4.95
	3M	5.13	4.11	4.01	3.63	3.63	5.45	4.97	4.87
	1Y	4.83	3.70	3.71	3.34	3.34	5.34	4.86	4.77
	2Y	4.41	3.53	3.28	2.91	2.91	5.19	4.71	4.63
	3Y	4.20	3.51	3.08	2.71	2.71	5.03	4.57	4.48
	5Y	4.12	3.63	3.00	2.62	2.62	4.73	4.28	4.20
	7Y	4.18	3.79	3.05	2.68	2.68	4.43	3.98	3.91
	10Y	4.29	3.98	3.17	2.80	2.80	3.98	3.54	3.49
	20Y	4.55	4.33	3.43	3.06	3.06	4.24	3.80	3.75
	30Y	4.55	4.33	3.43	3.06	3.06	4.24	3.80	3.75
TRY	1M	49.96	49.45	42.22	28.48	25.21	44.92	30.99	27.54
	3M	51.30	49.41	43.55	29.82	26.54	46.26	32.33	28.87
	1Y	52.97	48.61	45.23	31.49	28.22	46.77	34.74	31.29
	2Y	44.13	42.31	36.38	22.64	19.37	38.67	26.45	23.01
	3Y	39.63	39.08	31.88	18.14	14.87	35.20	22.77	19.34
	5Y	34.96	35.68	27.22	13.48	10.21	30.36	17.53	14.11
	7Y	32.67	33.73	24.92	11.18	7.91	27.71	14.47	11.07
	10Y	30.73	31.90	22.98	9.24	5.97	24.58	10.73	7.35
	20Y	30.02	31.30	22.27	8.53	5.26	23.57	9.72	6.34
	30Y	29.95	31.22	22.20	8.46	5.19	23.50	9.65	6.27
RUB	1M	17.53	21.68	17.11	17.07	17.17	19.81	19.59	19.50
	3M	17.49	21.97	17.07	17.04	17.13	19.77	19.55	19.46
	1Y	18.25	23.08	17.83	15.74	15.84	19.37	18.99	18.92
	2Y	16.19	20.54	16.55	14.45	14.55	18.84	18.25	18.18
	3Y	14.90	18.88	14.98	12.89	12.98	18.30	17.52	17.45
	5Y	13.34	16.75	14.09	11.99	12.09	17.23	16.04	15.99
	7Y	12.44	15.35	13.37	11.27	11.37	16.16	14.56	14.53
	10Y	11.72	14.19	12.96	10.86	10.96	14.55	12.34	12.33
	20Y	11.31	13.81	12.84	10.75	10.85	14.14	11.93	11.92
	30Y	11.20	13.68	12.73	10.63	10.73	14.03	11.82	11.81
BRL	1M	10.87	12.06	10.96	9.47	7.99	12.70	11.08	9.49
	3M	10.94	12.73	11.03	9.54	8.06	12.78	11.16	9.56
	1Y	11.32	14.71	11.41	9.92	8.44	12.83	11.21	9.62
	2Y	11.52	15.02	11.61	10.12	8.64	12.90	11.29	9.69
	3Y	11.63	14.86	11.72	10.23	8.75	12.97	11.36	9.77
	5Y	11.84	14.54	11.92	10.43	8.96	13.11	11.50	9.91
	7Y	11.89	14.25	11.97	10.48	9.01	13.25	11.65	10.06
	10Y	11.86	13.98	11.95	10.46	8.98	13.46	11.86	10.28
	20Y	12.09	14.06	12.18	10.69	9.21	13.69	12.09	10.51
	30Y	12.09	14.06	12.18	10.69	9.21	13.69	12.09	10.51
MXN	1M	11.09	10.37	9.25	7.09	6.53	10.99	8.71	8.03
	3M	11.00	10.18	9.15	7.00	6.44	10.90	8.62	7.94
	1Y	10.44	9.56	8.59	6.44	5.87	10.73	8.45	7.77
	2Y	9.79	9.24	7.95	5.79	5.23	10.51	8.23	7.55
	3Y	9.40	9.16	7.55	5.40	4.83	10.29	8.01	7.34
	5Y	9.12	9.15	7.27	5.12	4.56	9.84	7.57	6.90
	7Y	9.04	9.13	7.19	5.03	4.47	9.40	7.13	6.46
	10Y	9.06	9.26	7.22	5.06	4.50	8.73	6.47	5.80
	20Y	9.16	9.43	7.31	5.16	4.60	8.83	6.56	5.90
	30Y	9.16	9.43	7.31	5.16	4.60	8.83	6.56	5.90
CLP	1M	5.86	5.07	5.39	4.42	3.87	7.26	6.16	5.48
	3M	5.86	5.07	5.39	4.42	3.87	7.26	6.16	5.48
	1Y	5.27	4.98	4.80	3.83	3.29	7.18	6.08	5.41
	2Y	4.94	4.94	4.47	3.50	2.95	7.08	5.97	5.30
	3Y	4.89	5.00	4.42	3.45	2.90	6.97	5.87	5.20
	5Y	4.90	5.10	4.44	3.46	2.92	6.76	5.66	5.00
	7Y	4.98	5.21	4.52	3.54	3.00	6.54	5.45	4.79
	10Y	5.11	5.34	4.65	3.67	3.13	6.22	5.13	4.48
	20Y	5.34	5.41	4.88	3.90	3.36	6.45	5.36	4.71
	30Y	5.34	5.41	4.88	3.90	3.36	6.45	5.36	4.71
COP	1M	10.49	8.93	9.67	7.96	7.00	11.88	10.01	8.91
	3M	10.28	8.81	9.46	7.75	6.80	11.67	9.81	8.70
	1Y	9.23	8.36	8.41	6.70	5.74	11.45	9.59	8.49
	2Y	8.11	7.96	7.29	5.58	4.62	11.16	9.30	8.21
	3Y	7.83	8.02	7.01	5.30	4.35	10.87	9.02	7.92
	5Y	7.75	8.23	6.93	5.22	4.26	10.29	8.44	7.36
	7Y	7.85	8.44	7.03	5.32	4.37	9.71	7.87	6.79
	10Y	8.06	8.70	7.24	5.53	4.57	8.83	7.01	5.94
	20Y	8.10	8.82	7.28	5.57	4.61	8.87	7.05	5.99
	30Y	8.10	8.82	7.28	5.57	4.61	8.87	7.05	5.99

JPY	1M	0.13	0.26	0.65	0.82	0.86	0.85	1.01	1.03
	3M	0.16	0.33	0.68	0.85	0.88	0.88	1.04	1.06
	1Y	0.29	0.52	0.81	0.97	1.01	0.94	1.09	1.11
	2Y	0.41	0.63	0.93	1.09	1.13	1.01	1.16	1.19
	3Y	0.49	0.70	1.01	1.17	1.21	1.08	1.24	1.26
	5Y	0.61	0.78	1.13	1.30	1.34	1.23	1.38	1.41
	7Y	0.74	0.88	1.26	1.43	1.47	1.38	1.53	1.56
	10Y	0.95	1.04	1.46	1.63	1.67	1.60	1.75	1.78
	20Y	1.46	1.59	1.98	2.15	2.18	2.11	2.27	2.30
	30Y	1.64	1.82	2.16	2.33	2.37	2.29	2.45	2.48
CNY	1M	1.92	1.80	1.92	1.92	1.92	3.37	3.27	3.17
	3M	1.91	1.70	1.91	1.91	1.91	3.36	3.26	3.16
	1Y	1.81	1.49	1.81	1.81	1.81	3.35	3.25	3.15
	2Y	1.80	1.43	1.80	1.80	1.80	3.34	3.24	3.15
	3Y	1.83	1.43	1.83	1.83	1.83	3.33	3.23	3.14
	5Y	1.95	1.50	1.95	1.95	1.95	3.30	3.21	3.13
	7Y	2.04	1.57	2.04	2.04	2.04	3.28	3.19	3.11
	10Y	2.14	1.68	2.14	2.14	2.14	3.25	3.17	3.09
	20Y	2.25	1.78	2.25	2.25	2.25	3.35	3.27	3.20
	30Y	2.28	1.82	2.28	2.28	2.28	3.39	3.31	3.24
INR	1M	6.67	6.67	6.67	6.67	6.67	8.19	8.08	7.97
	3M	6.68	6.61	6.68	6.68	6.68	8.19	8.08	7.98
	1Y	6.64	6.45	6.64	6.64	6.64	8.14	8.04	7.94
	2Y	6.35	6.16	6.35	6.35	6.35	8.08	7.98	7.88
	3Y	6.29	6.12	6.29	6.29	6.29	8.02	7.92	7.82
	5Y	6.26	6.11	6.26	6.26	6.26	7.90	7.80	7.70
	7Y	6.29	6.12	6.29	6.29	6.29	7.78	7.68	7.59
	10Y	6.31	6.13	6.31	6.31	6.31	7.60	7.50	7.42
	20Y	6.31	6.13	6.31	6.31	6.31	7.60	7.50	7.42
	30Y	6.31	6.13	6.31	6.31	6.31	7.60	7.50	7.42
HKD	1M	4.38	4.46	3.86	2.95	2.90	5.62	4.59	4.42
	3M	4.52	4.35	4.00	3.09	3.04	5.76	4.72	4.55
	1Y	4.23	3.94	3.71	2.80	2.75	5.62	4.59	4.43
	2Y	3.90	3.74	3.37	2.47	2.41	5.44	4.42	4.26
	3Y	3.72	3.63	3.20	2.29	2.24	5.26	4.24	4.09
	5Y	3.58	3.53	3.06	2.15	2.10	4.90	3.90	3.75
	7Y	3.57	3.50	3.04	2.14	2.09	4.54	3.55	3.42
	10Y	3.58	3.53	3.06	2.15	2.10	4.00	3.03	2.91
	20Y	3.67	3.60	3.14	2.24	2.19	4.08	3.11	3.00
	30Y	3.67	3.60	3.14	2.24	2.19	4.08	3.11	3.00
ZAR	1M	8.11	7.70	7.46	6.09	5.33	8.98	7.51	6.64
	3M	8.22	7.79	7.57	6.20	5.43	9.09	7.62	6.75
	1Y	7.91	7.41	7.26	5.89	5.12	9.15	7.67	6.81
	2Y	7.71	7.28	7.05	5.69	4.92	9.23	7.75	6.89
	3Y	7.73	7.31	7.07	5.71	4.94	9.31	7.83	6.97
	5Y	8.05	7.62	7.40	6.03	5.27	9.46	7.99	7.13
	7Y	8.54	8.06	7.88	6.52	5.75	9.62	8.15	7.29
	10Y	9.13	8.63	8.48	7.11	6.34	9.85	8.39	7.53
	20Y	9.73	9.24	9.08	7.71	6.95	10.45	8.99	8.13
	30Y	9.73	9.24	9.08	7.71	6.95	10.45	8.99	8.13
RoW	1M	5.12	4.40	4.51	4.25	4.16	5.79	5.43	5.25
	3M	5.06	4.37	4.45	4.19	4.09	6.01	5.63	5.43
	1Y	4.64	4.17	4.42	4.18	4.11	5.63	5.30	5.15
	2Y	4.20	4.02	4.38	4.18	4.12	5.58	5.28	5.15
	3Y	3.98	3.95	4.34	4.17	4.14	5.45	5.20	5.10
	5Y	3.80	3.88	4.26	4.16	4.18	5.15	4.98	4.94
	7Y	3.75	3.86	4.19	4.15	4.21	5.02	4.92	4.93
	10Y	3.74	3.86	4.07	4.13	4.26	4.93	4.93	5.01
	20Y	3.74	3.88	4.07	4.14	4.27	4.80	4.81	4.89
	30Y	3.57	3.71	3.90	3.97	4.10	4.56	4.58	4.66

Notes: This Table reports annual averages, unless stated differently. The baseline projections for the three-month rates for the euro area are based on ECB staff computations. For the baseline projections of EU, non-euro area countries and Norway, the corresponding central banks provided values for the three-month and ten-year swap rates for the purpose of the exercise. The baseline for other countries is based on projections from the October 2024 IMF World Economic Outlook. The "average" starting point rates are computed as the average of daily data for 2024. The "latest" starting point rates are computed as the average of daily data for December 2024. The baseline projections for other maturities are derived using interpolation and extrapolation methods and based on market data, and available short-term and long-term rates projections. Whenever no long-term rates projections are available, these are obtained based on the projections for the long-term rates of corresponding maturity.

4.2 Detailed risk assessments

4.2.1 ESRB risk assessment

At its meeting on 28 November 2024, the ESRB General Board considered a number of vulnerabilities in the EU financial system, including the following:

- **Materialisation of macroeconomic risks resulting in balance sheet stress for non-financial corporations (NFCs) and households.** The EU economy is expected to recover only gradually, while risks to the outlook are tilted to the downside. An escalation of geopolitical tensions may trigger adverse developments, especially in energy and commodity prices. In addition, an escalation of global trade wars, including higher tariffs on US imports and retaliatory actions by others, will reduce global trade flows and fragment global supply chains, leading to lower growth prospects and higher inflationary pressures. Materialisation of macroeconomic risks could result in balance sheet stress for NFCs and households, leading to a sharp rise in corporate bankruptcies and household insolvencies, as well as challenges in servicing debt.
- **Disorderly market corrections possibly amplified by the non-banking sector.** As illustrated by the market turmoil in early August, markets remain vulnerable to rapid adverse dynamics. Further escalations of geopolitical tensions or fragmenting policies, for example through trade wars, may lead to a sell-off in riskier asset classes, and this has the potential to affect the real economy via confidence channels. Vulnerabilities in the form of stretched valuations, high-risk appetite on the part of investors and the potential for the underpricing of financial risks require close monitoring. In addition, a rapid unwinding of carry trades and low market liquidity coinciding with highly leveraged positions, including in the non-bank sector, could give rise to disorderly financial market conditions with potentially significant negative consequences for the real economy.
- **Deteriorating asset quality and funding risk for the banking sector.** A materialisation of macroeconomic risks, potentially in combination with abrupt asset price corrections, could reveal vulnerabilities for EU banks. Under such an adverse scenario, banks' asset quality could deteriorate sharply, particularly for vulnerable sectors such as CRE, SME and consumer loans. In the event of idiosyncratic bank fragility, digitalisation and negative social media sentiment could sharply increase deposit outflows and create bank funding liquidity issues. Furthermore, global cooperation regarding financial regulation and supervision may become more difficult to pursue under the new US administration.
- **Materialisation of accumulated risks in the residential and commercial real estate sectors.** The risk of sharp RRE and CRE corrections have receded somewhat in recent months as the interest rate cycle has turned and real estate markets seems to have bottomed out. In the RRE sector, however, materialisation of macroeconomic risks could lead to disorderly adjustments, including through direct losses, increased credit risk and declining collateral values. The materialisation of macroeconomic risks could aggravate the ongoing downturn in the CRE sector, which could have negative repercussions for banks and investment funds with high CRE exposures. Under such a scenario, downward pressures on prices and transactions may intensify, also owing to outflows from investment funds, and trigger a broad-based rise in bankruptcies for CRE firms operating with elevated leverage.

- **Re-emergence of sovereign financing and debt sustainability concerns.** A materialisation of macroeconomic or political risks could reignite markets' sovereign debt sustainability concerns. These could be compounded by widening intra-euro area spreads, which would also affect private sector financing conditions.

In addition, the General Board took note of the risks to financial stability which might result from climate change, system-wide cyber incidents and disruptions to critical financial infrastructures, including central counterparties.

4.2.2 EBA risk assessment

The EBA's November 2024 Risk Assessment Report¹⁰ summarises the main risks to the European banking sector, including the following:

- **Slow economic growth and inflationary pressures create macroeconomic uncertainty.** Macroeconomic uncertainty remains high fuelled by geopolitical risks, including political developments. Approximately 2.5% of EU/European Economic Area (EEA) banks' total exposures – equivalent to €500 billion – are directly linked to high-risk countries. These exposures create vulnerabilities, with banks facing downside risks from second-round effects through geopolitically sensitive sectors. Additionally, risks related to market dynamics, liquidity and operational factors persist. High volatility stemming from economic instability, political uncertainty and shifts in monetary policy exacerbates the challenges in lending and investment, raising concerns over the potential negative impact on banks' valuations.
- **Risks may materialise from exposures to NBFIs.** EU/EEA banks' exposures to non-banking financial institutions (NBFIs) represent almost 10% of their total assets and are highly concentrated in larger banks. Over the past decade, NBFi activity has grown substantially. This is due in part to banks adapting their business strategies in response to regulatory changes such as the revisions to the Capital Requirements Regulation (CRR III) and the Capital Requirements Directive (CRD VI). This expansion has heightened exposure to unforeseen linkages and shared asset holdings. Should banks' liquidity facilities for NBFIs be suddenly activated, or should failing off-balance-sheet entities need to be integrated into banks' balance sheets, banks' capital and liquidity ratios could be adversely affected.
- **Lending is picking up slowly, and concerns over CRE have not fully abated.** Lending activity has shown a modest recovery, with loans to NFCs and households gradually picking up. However, demand has been tempered by factors such as interest rates and weak fixed investment by corporates, while credit standards remain stringent. In the CRE sector, valuations have stabilised, but risks persist for banks. Restructuring support has driven significant loan increases, particularly in office and multifamily CRE portfolios. It remains critical for banks to ensure that collateral valuations align with current market conditions.
- **Asset quality worsens, but marginally and at slow pace.** Asset quality showed a slight decline in 2024. Non-performing loans (NPLs) increased by 3.4% compared with 2023 and stood at €373 billion, accounting for 1.9% of total loans. This increase was primarily driven by defaults in the NFC sector, especially among SME and CRE borrowers. Smaller institutions are particularly exposed to heightened

¹⁰ See the [EBA November 2024 Risk Assessment Report](#).

credit risks. Stage 2 loans, which indicate potential credit risk, rose by 4.5% year on year to nearly €1.5 trillion, accounting for 9.3% of all loans. While 40% of banks anticipate a further deterioration in asset quality over the next six to 12 months – particularly in the consumer credit, SME and CRE segments.

- **Banks' profitability remains high, yet sustainability of profits is challenging.** EU/EEA banks reported a 10.9% annualised return on equity (RoE). Net profitability remained close to an all-time high. However, growth in net interest income decelerated due to the stabilisation in the interest rate environment. In response, banks are increasingly focusing on boosting fee income to offset this pressure.

In addition, the EBA risk assessments highlighted a number of risks to financial stability which might result from (i) climate change, (ii) operational risk including cyberattacks and (iii) the consolidated adoption of AI among the major technologies used within the EU banking sector.

4.2.3 ECB risk assessment

In its November 2024 Financial Stability Review¹¹ the ECB identified the following risks and vulnerabilities to the stability of the euro area financial sector:

- **High valuations and strong risk concentration leave financial markets vulnerable to adverse dynamics which could be amplified by non-banks, given liquidity and leverage vulnerabilities.** High equity market valuations compared with fundamentals, combined with strong stock market concentration, raise the likelihood of heightened volatility and further market corrections that may turn into systemic events. Market-wide shocks may be amplified by forced asset sales stemming from structural liquidity and leverage vulnerabilities in the NBFIs sector.
- **Sovereign vulnerabilities are increasing in light of heightened policy and geopolitical uncertainty, weak fiscal fundamentals and sluggish trend growth.** Rising policy uncertainty and geopolitical risk, coupled with high sovereign debt and deficit levels, weaken fiscal fundamentals in several euro area countries. The resulting debt sustainability concerns, amplified in the context of weak productivity and uncertainty around the implementation of the new EU fiscal framework, could lead to a market repricing of sovereign risk. Given the benchmark role of sovereign debt and cross-sector interlinkages, sovereign stress could spill over to other sectors.
- **Credit risk concerns in some parts of the corporate and household sectors may lead to asset quality headwinds for banks and non-banks, should downside risks to growth materialise.** Corporate vulnerabilities and weak cyclical conditions may increase corporate insolvencies, notably among SMEs. Additional structural factors reinforce downside risks for commercial real estate markets, with the potential to generate significant losses for some banks and investment funds. Finally, weaker than expected growth and deteriorating labour market conditions could erode households' debt servicing capacity.

In addition, the ECB risk assessment identifies a number of cross-cutting structural risks to financial stability which could result from climate change and the transition to a low-carbon economy, cybersecurity weaknesses and the

¹¹ See the [2024 Financial Stability Review](#).

rise of AI. It also identifies geopolitical fragmentation and a reversal of global economic, trade and financial integration.