

ANNEX A7

Cross-country tables

A7.1. SHORT-TERM FISCAL SUSTAINABILITY CHALLENGES

Table A7.1: **S0 and sub-indices heat map**

| | Overall SHORT-TERM risk category | Overall S0 index | Components | |
|----|--|---------------------|---------------------|--|
| | | | Fiscal sub-index | Financial- competitiveness sub-index |
| BE | LOW | 0.00 | 0.57 | 0.12 |
| BG | LOW | 0.00 | 0.28 | 0.28 |
| CZ | LOW | 0.00 | 0.22 | 0.25 |
| DK | LOW | 0.00 | 0.00 | 0.34 |
| DE | LOW | 0.00 | 0.23 | 0.12 |
| EE | LOW | 0.00 | 0.08 | 0.13 |
| IE | LOW | 0.00 | 0.00 | 0.32 |
| EL | LOW | 0.00 | 0.33 | 0.45 |
| ES | LOW | 0.00 | 0.57 | 0.22 |
| FR | LOW | 0.00 | 0.57 | 0.21 |
| HR | LOW | 0.00 | 0.33 | 0.22 |
| IT | LOW | 0.00 | 0.69 | 0.07 |
| CY | LOW | 0.00 | 0.07 | 0.40 |
| LV | LOW | 0.00 | 0.22 | 0.22 |
| LT | LOW | 0.00 | 0.08 | 0.35 |
| LU | LOW | 0.00 | 0.08 | 0.30 |
| HU | LOW | 0.00 | 0.41 | 0.46 |
| MT | LOW | 0.00 | 0.22 | 0.14 |
| NL | LOW | 0.00 | 0.08 | 0.30 |
| AT | LOW | 0.00 | 0.45 | 0.06 |
| PL | LOW | 0.00 | 0.22 | 0.45 |
| PT | LOW | 0.00 | 0.53 | 0.33 |
| RO | LOW | 0.00 | 0.22 | 0.37 |
| SI | LOW | 0.00 | 0.29 | 0.13 |
| SK | LOW | 0.00 | 0.22 | 0.33 |
| FI | LOW | 0.00 | 0.15 | 0.24 |
| SE | LOW | 0.00 | 0.00 | 0.31 |

The following thresholds are used to identify countries at risk of fiscal stress: 0.46 for the S0; 0.36 for the fiscal sub-index and 0.49 for the financial-competitiveness sub-index. They have been derived using a signalling approach (see Chapter 1).

Source: Commission services.

Table A7.2: Fiscal variables used in the S0 indicator (2022)

| | Budget balance (%GDP) | Primary balance (%GDP) | Cyclically-adjusted balance (%GDP) | Stabilising primary balance (%GDP) | Gross debt (%GDP) | Change in gross debt (%GDP) | Short-term debt (%GDP) | Net debt (%GDP) | Gross financing needs (%GDP) | Interest-rate growth differential | Change in govt. exp. (%GDP) | Change in govt. consump. (%GDP) |
|----|-----------------------|------------------------|------------------------------------|------------------------------------|-------------------|-----------------------------|------------------------|-----------------|------------------------------|-----------------------------------|-----------------------------|---------------------------------|
| BE | -5.2 | -3.7 | -5.6 | -8.2 | 106.2 | -3.0 | 8.0 | 90.6 | 19.9 | -8.2 | -1.3 | 0.0 |
| BG | -3.4 | -2.9 | -3.8 | -2.8 | 22.5 | -1.5 | 0.0 | 13.9 | 3.5 | -13.6 | 3.1 | -0.2 |
| CZ | -4.3 | -3.3 | -3.9 | -3.4 | 42.9 | 0.9 | 1.1 | 27.4 | 9.2 | -9.0 | -1.3 | -1.1 |
| DK | 1.8 | 2.3 | 1.6 | -1.6 | 33.7 | -3.0 | 4.8 | 9.0 | 8.2 | -4.7 | -2.6 | -0.7 |
| DE | -2.3 | -1.7 | -2.3 | -3.9 | 67.4 | -1.2 | 8.3 | 47.7 | 17.1 | -6.0 | -1.8 | -0.2 |
| EE | -2.3 | -2.2 | -1.6 | -2.1 | 18.7 | 1.1 | 1.5 | 7.1 | 4.6 | -13.6 | -1.1 | -0.5 |
| IE | 0.2 | 0.9 | -2.5 | -7.9 | 44.7 | -10.6 | 7.3 | 42.8 | 3.6 | -16.9 | -2.7 | -1.1 |
| EL | -4.1 | -1.6 | -3.1 | -23.7 | 171.1 | -23.4 | 10.8 | : | 15.3 | -14.1 | -3.1 | -2.0 |
| ES | -4.6 | -2.4 | -3.7 | -6.7 | 114.0 | -4.3 | 8.1 | 99.1 | 21.0 | -6.2 | -1.9 | -1.0 |
| FR | -5.0 | -3.2 | -5.1 | -4.0 | 111.7 | -1.2 | 11.5 | 100.3 | 22.9 | -3.8 | -1.1 | -0.5 |
| HR | -1.6 | -0.3 | -3.2 | -7.0 | 70.0 | -8.4 | 4.5 | : | 10.6 | -10.0 | -1.3 | -0.6 |
| IT | -5.1 | -1.1 | -5.6 | -6.0 | 144.6 | -5.7 | 19.7 | 135.4 | 23.2 | -4.3 | -1.3 | 0.0 |
| CY | 1.1 | 2.6 | -0.7 | -8.1 | 89.6 | -11.5 | 1.8 | 49.5 | 8.4 | -8.8 | -2.9 | -0.2 |
| LV | -7.1 | -6.6 | -6.9 | -4.5 | 42.4 | -1.2 | 1.3 | 36.4 | 5.6 | -11.7 | -0.6 | -1.4 |
| LT | -1.9 | -1.6 | -1.8 | -6.8 | 38.0 | -5.7 | 0.2 | 38.0 | 4.8 | -18.7 | 0.1 | -0.5 |
| LU | -0.1 | 0.1 | 0.2 | -1.5 | 24.3 | -0.3 | 0.5 | -7.6 | 3.1 | -6.6 | 0.4 | 0.1 |
| HU | -6.2 | -3.2 | -6.8 | -7.2 | 76.4 | -0.5 | 4.6 | 67.9 | 15.6 | -10.8 | 0.9 | -0.4 |
| MT | -6.0 | -4.9 | -6.0 | -4.5 | 57.4 | 1.1 | 8.0 | 50.0 | 13.0 | -8.8 | -1.7 | -0.1 |
| NL | -1.1 | -0.5 | -2.1 | -3.4 | 50.3 | -2.1 | 4.2 | 39.5 | 12.2 | -7.1 | -1.8 | -0.7 |
| AT | -3.4 | -2.3 | -4.1 | -7.0 | 78.5 | -3.8 | 5.9 | 58.2 | 18.0 | -9.5 | -3.7 | -1.1 |
| PL | -4.8 | -3.1 | -5.3 | -6.2 | 51.3 | -2.4 | 0.6 | 35.7 | 9.8 | -13.5 | -0.1 | -0.7 |
| PT | -1.9 | 0.2 | -2.8 | -9.7 | 115.9 | -9.6 | 19.5 | 108.3 | 12.0 | -8.5 | -1.9 | -1.1 |
| RO | -6.5 | -4.7 | -6.3 | -5.6 | 47.9 | -1.0 | 2.5 | 41.0 | 10.8 | -13.5 | -0.3 | -1.5 |
| SI | -3.6 | -2.5 | -6.1 | -7.6 | 69.9 | -4.5 | 1.6 | 45.2 | 14.2 | -11.5 | -2.7 | -2.1 |
| SK | -4.2 | -3.2 | -4.3 | -4.4 | 59.6 | -2.6 | 2.2 | 50.6 | 4.3 | -7.7 | -1.4 | -0.6 |
| FI | -1.4 | -0.8 | -1.1 | -4.6 | 70.7 | -1.6 | 7.1 | 34.3 | 15.5 | -6.9 | -2.0 | -0.8 |
| SE | 0.2 | 0.6 | -0.1 | -2.8 | 32.1 | -4.2 | 8.9 | 7.6 | 7.5 | -8.4 | -0.6 | -0.9 |

Note: The upper thresholds used for each variable have been derived using a signalling approach (see Chapter 1). The lower thresholds have been set at 80% of the original signalling thresholds.

Source: Commission services.

Table A7.3: Financial-competitiveness variables used in the S0 indicator (2022)

| | Yield curve | Real GDP growth | GDP per capita (PPP, USD) | NIP (t-1) | HH net savings (%GDP, t-1) | Private debt (%GDP, t-1) | Private credit flow (%GDP, t-1) | Short debt NFC (%GDP, t-1) | Short debt HH (%GDP, t-1) | construction (% value added, t-1) | Current account (%GDP, t-1) | Change in REER (t-1) | Change in nom. ULC (t-1) |
|----|-------------|-----------------|---------------------------|-----------|----------------------------|--------------------------|---------------------------------|----------------------------|---------------------------|-----------------------------------|-----------------------------|----------------------|--------------------------|
| BE | 1.5 | 2.8 | 84.2 | 59.9 | 5.6 | 169.0 | 3.8 | 23.4 | 1.3 | 5.4 | 0.5 | -1.3 | 5.4 |
| BG | 0.2 | 3.1 | 41.2 | -18.4 | : | 84.4 | 4.4 | 11.7 | 1.5 | 3.8 | 0.5 | 7.3 | 16.4 |
| CZ | -1.9 | 2.5 | 62.4 | -15.6 | 8.0 | 78.8 | 2.9 | 12.5 | 0.9 | 5.6 | 0.5 | 0.7 | 13.9 |
| DK | 1.0 | 3.0 | 93.8 | 77.0 | 1.5 | 214.7 | 12.3 | 36.5 | 2.3 | 5.6 | 8.5 | 3.7 | 6.1 |
| DE | 1.0 | 1.6 | 83.1 | 70.7 | 8.8 | 120.4 | 5.7 | 16.8 | 1.5 | 5.5 | 7.3 | -1.6 | 7.4 |
| EE | 1.9 | -0.1 | 57.0 | -13.0 | 3.3 | 95.3 | 6.5 | 7.9 | 0.7 | 6.7 | -0.1 | -1.0 | 10.7 |
| IE | 1.6 | 7.9 | 161.7 | -145.5 | 6.0 | 168.1 | 2.6 | 17.7 | 0.4 | 2.2 | -4.2 | -6.1 | -7.9 |
| EL | 3.3 | 6.0 | 46.7 | -171.9 | -2.1 | 120.7 | -0.1 | 8.7 | 3.5 | 1.8 | -5.0 | -2.7 | 4.0 |
| ES | 2.0 | 4.5 | 59.8 | -71.5 | 5.9 | 139.1 | 2.5 | 7.2 | 2.7 | 5.6 | 1.2 | -0.3 | 12.3 |
| FR | 1.5 | 2.6 | 73.0 | -32.1 | 7.7 | 167.8 | 6.5 | 27.7 | 1.3 | 5.7 | -0.3 | 0.0 | 4.6 |
| HR | 2.5 | 6.0 | 52.0 | -35.1 | 3.7 | 86.9 | 3.0 | 3.9 | 2.5 | 6.0 | 1.8 | -3.2 | 8.2 |
| IT | 2.9 | 3.8 | 67.2 | 8.1 | 4.7 | 113.5 | 3.3 | 11.7 | 2.6 | 5.0 | 3.4 | -1.8 | 4.6 |
| CY | 2.7 | 5.6 | 63.8 | -117.8 | 3.1 | 248.4 | 4.3 | 14.2 | 3.6 | 6.2 | -7.5 | -5.4 | 4.1 |
| LV | 1.9 | 1.9 | 50.8 | -27.4 | 3.6 | 58.0 | 0.9 | 4.9 | 1.1 | 5.5 | -0.7 | 3.9 | 14.5 |
| LT | 0.3 | 2.5 | 62.0 | -7.4 | 1.3 | 53.9 | 5.9 | 4.4 | 0.5 | 7.1 | 4.0 | -4.6 | 19.2 |
| LU | 1.5 | 1.5 | 185.4 | 30.6 | 4.3 | 340.6 | 53.9 | 72.1 | 1.5 | 5.8 | 4.2 | 5.2 | 11.2 |
| HU | -0.9 | 5.5 | 54.5 | -53.1 | 7.2 | 80.5 | 12.7 | 11.5 | 1.9 | 6.1 | -1.9 | -5.2 | 12.4 |
| MT | 2.1 | 5.7 | 70.3 | 52.8 | : | 131.8 | 9.4 | 10.3 | 2.7 | 4.3 | -0.8 | -1.8 | 12.9 |
| NL | 1.2 | 4.6 | 93.4 | 93.0 | 9.0 | 229.3 | 11.7 | 34.9 | 1.6 | 5.3 | 6.4 | -1.2 | 11.2 |
| AT | 1.5 | 4.6 | 86.1 | 14.7 | 6.8 | 129.7 | 7.4 | 10.9 | 2.1 | 7.2 | 1.9 | -2.2 | 9.9 |
| PL | 0.1 | 4.0 | 53.6 | -39.5 | 0.4 | 71.6 | 4.0 | 6.9 | 1.8 | 6.9 | 0.3 | 1.4 | 9.9 |
| PT | 2.0 | 6.6 | 54.9 | -94.7 | -0.5 | 156.9 | 4.0 | 13.3 | 2.1 | 4.8 | -0.6 | -2.5 | 12.5 |
| RO | 1.9 | 5.8 | 53.4 | -47.2 | : | 48.1 | 3.8 | 8.7 | 0.7 | 7.3 | -5.7 | 0.4 | 14.4 |
| SI | 1.6 | 6.2 | 65.7 | -6.8 | 7.0 | 66.4 | 3.5 | 7.5 | 1.8 | 6.2 | 5.8 | -3.2 | 12.8 |
| SK | 1.8 | 1.9 | 47.8 | -61.0 | 2.0 | 95.0 | 5.5 | 12.0 | 1.3 | 6.0 | -1.8 | -3.4 | 14.1 |
| FI | 1.5 | 2.3 | 78.6 | -1.4 | 1.1 | 150.1 | 6.1 | 15.2 | 3.7 | 7.7 | 0.3 | -1.8 | 6.0 |
| SE | 0.7 | 2.9 | 87.1 | 21.2 | 8.0 | 215.2 | 16.6 | 38.5 | 15.5 | 6.7 | 5.6 | -2.6 | 5.5 |

Notes: (1) Variable names preceded by 'L.' are in lagged value. (2) The upper thresholds used for each variable have been derived using a signalling approach (see Chapter 1). (3) The lower thresholds have been set at 80% of the original signalling approach thresholds, for prudential reasons.

Source: Commission services.

Additional indicators

Table A7.4: Risks related to the government debt structure (2021)

| | as shares of total debt (%) | | |
|----|--|--------------------------------------|-----------------------------------|
| | Short-term public debt (original maturity) | Public debt held in foreign currency | Public debt held by non-residents |
| BE | 7.4 | 0.0 | 53.8 |
| BG | 0.1 | 74.6 | 46.1 |
| CZ | 2.6 | 7.7 | 29.7 |
| DK | 13.2 | 2.4 | 26.5 |
| DE | 12.3 | 2.7 | 41.5 |
| EE | 8.6 | 0.0 | 69.7 |
| IE | 8.0 | 0.0 | 53.6 |
| EL | 5.5 | 0.3 | 78.9 |
| ES | 6.9 | 0.0 | 43.2 |
| FR | 10.2 | 3.2 | 46.2 |
| HR | 5.7 | 70.7 | 34.0 |
| IT | 13.1 | 0.1 | 29.1 |
| CY | 1.9 | 0.0 | 89.4 |
| LV | 3.1 | 0.0 | 63.9 |
| LT | 0.0 | 0.0 | 64.7 |
| LU | 2.2 | 0.0 | 49.7 |
| HU | 5.9 | 22.6 | 31.7 |
| MT | 8.5 | 0.0 | 23.8 |
| NL | 10.2 | 0.0 | 34.7 |
| AT | 7.1 | 0.4 | 60.6 |
| PL | 1.2 | 22.7 | 33.1 |
| PT | 15.5 | 0.0 | 45.2 |
| RO | 5.1 | 53.3 | 49.2 |
| SI | 2.1 | 0.1 | 55.2 |
| SK | 3.6 | 0.0 | 49.6 |
| FI | 10.7 | 2.5 | 51.8 |
| SE | 24.9 | 3.4 | 19.1 |

(1) Upper and lower thresholds: (i) Share of short-term government debt: upper threshold 6.57%; lower threshold 5.3%; (ii) Share of government debt in foreign currency: upper threshold 31.58%; lower threshold 25%; (iii) Share of government debt held by non-residents: upper threshold 49%; lower threshold 40%.

(2) Share of short-term public debt is based on partially missing information for Netherlands.

(3) Foreign-held debt figures are shown against a double shading that blends the colour coding of volatility risks from non-resident tenure (left side of the shaded cells) with that of sovereign risk given by the average spread on 10-year government bonds vs. Germany (right side of the shaded cells).

Source: Eurostat, ECB.

Table A7.5: Potential triggers for governments' contingent liabilities from the banking sector

| | Private sector credit flow (% GDP) | Bank loan-to-deposit ratio (%) | NPL ratio (% of total gross loans) | NPL ratio change (pps.) | NPL coverage ratio (%) | House price nominal index change (%) |
|----|------------------------------------|--------------------------------|------------------------------------|-------------------------|------------------------|--------------------------------------|
| BE | 3.8 | 98.3 | 1.4 | -0.3 | 44.3 | 7.1 |
| BG | 4.4 | 72.4 | 3.5 | -2.9 | 65.7 | 8.7 |
| CZ | 2.9 | 78.3 | 1.2 | -0.2 | 53.5 | 19.7 |
| DK | 12.3 | 311.8 | 1.5 | -0.6 | 27.3 | 11.7 |
| DE | 5.7 | 123.8 | 1.0 | -0.1 | 35.3 | 11.5 |
| EE | 6.5 | 99.8 | 0.7 | -0.4 | 29.5 | 15.1 |
| IE | 2.6 | 72.5 | 2.4 | -1.0 | 30.5 | 8.3 |
| EL | -0.1 | 61.8 | 5.2 | -9.6 | 41.8 | 7.5 |
| ES | 2.5 | 102.0 | 2.8 | -0.4 | 41.8 | 3.7 |
| FR | 6.5 | 108.5 | 1.8 | -0.2 | 48.6 | 6.3 |
| HR | 3.0 | 62.5 | 2.9 | -1.0 | 62.6 | 7.3 |
| IT | 3.3 | 92.3 | 2.6 | -1.1 | 52.7 | 2.6 |
| CY | 4.3 | 51.9 | 3.6 | -5.5 | 28.5 | -3.4 |
| LV | 0.9 | 70.3 | 0.6 | -1.1 | 36.4 | 10.9 |
| LT | 5.9 | 68.5 | 0.9 | 0.0 | 38.5 | 16.1 |
| LU | 53.9 | 143.5 | 1.3 | -0.1 | 29.9 | 13.9 |
| HU | 12.7 | 79.4 | 3.7 | 0.1 | 63.9 | 16.5 |
| MT | 9.4 | 52.5 | 2.6 | -0.6 | 28.3 | 5.1 |
| NL | 11.7 | 115.8 | 1.3 | -0.4 | 25.7 | 15.0 |
| AT | 7.4 | 96.2 | 1.8 | -0.1 | 49.7 | 12.4 |
| PL | 4.0 | 83.6 | 4.3 | -0.9 | 53.9 | 9.2 |
| PT | 4.0 | 73.3 | 3.3 | -0.9 | 70.0 | 9.4 |
| RO | 3.8 | 63.2 | 2.9 | -0.9 | 40.1 | 4.4 |
| SI | 3.5 | 69.4 | 2.2 | -0.5 | 66.2 | 11.5 |
| SK | 5.5 | 111.5 | 1.5 | -0.3 | 43.8 | 6.4 |
| FI | 6.1 | 162.5 | 1.1 | -0.3 | 30.2 | 4.6 |
| SE | 16.6 | 166.8 | 0.3 | -0.1 | 51.3 | 10.1 |

The upper thresholds used for each variable were derived using a signalling approach, except for the NPL coverage ratio; the lower thresholds have been set at 80% of the upper thresholds, for prudential reasons (see Annex A4 and Chapter 4).
Source: Eurostat (2020), EBA (June 2021).

Table A7.6: 10-y sovereign yield spreads vs. German bund (bps., Nov. 2022)

| | |
|----|-----|
| BE | 58 |
| BG | -22 |
| CZ | 304 |
| DK | 31 |
| DE | 0 |
| EE | 168 |
| IE | 46 |
| EL | 235 |
| ES | 99 |
| FR | 51 |
| HR | 150 |
| IT | 217 |
| CY | 212 |
| LV | 167 |
| LT | 81 |
| LU | 63 |
| HU | 674 |
| MT | 137 |
| NL | 28 |
| AT | 63 |
| PL | 517 |
| PT | 95 |
| RO | 558 |
| SI | 149 |
| SK | 130 |
| FI | 62 |
| SE | -2 |

(1) The upper thresholds used for each variable were derived using a signalling approach; the lower thresholds have been set at 80% of the original signalling approach thresholds, for prudential reasons (see Annex A4).

Source: ECB.

A7.2. MEDIUM-TERM FISCAL SUSTAINABILITY CHALLENGES

Table A7.7: Medium-term risk classification: DSA heat map

| | | Heat map for medium-term risks in the EU countries - Debt sustainability analysis (DSA) | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|------|--------|------|--------|------|-------|--------|--------|-------|--------|--------|--------|--------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| | | BE | BG | CZ | DK | DE | EE | IE | EL | ES | FR | HR | IT | CY | LV | LT | LU | HU | MT | NL | AT | PL | PT | RO | SI | SK | FI | SE |
| Baseline (no-fiscal-policy-change scenario) | | HIGH | LOW | MEDIUM | LOW | MEDIUM | LOW | LOW | HIGH | MEDIUM | HIGH | MEDIUM | HIGH | LOW | LOW | LOW | LOW | MEDIUM | MEDIUM | MEDIUM | LOW | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | LOW | LOW |
| Debt level (2033) | | 121.6 | 40.3 | 52.2 | 16.3 | 70.3 | 33.6 | 25.3 | 125.4 | 112.4 | 121.1 | 84.9 | 155.9 | 45.4 | 36.9 | 39.6 | 23.5 | 81.5 | 63.4 | 70.4 | 74.4 | 69.0 | 94.3 | 62.8 | 79.3 | 82.6 | 71.5 | 10.9 |
| Debt peak year | | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2022 | 2022 | 2022 | 2033 | 2033 | 2033 | 2022 | 2023 | 2023 | 2024 | 2033 | 2033 | 2033 | 2022 | 2033 | 2022 | 2033 | 2033 | 2033 | 2024 | 2022 |
| Fiscal consolidation space (percentile rank of avg SPB 2024-2033) | | 97% | 96% | 36% | 74% | 88% | 94% | 60% | 24% | 77% | 92% | 58% | 66% | 28% | 42% | 41% | 85% | 67% | 70% | 100% | 94% | 78% | 34% | 75% | 84% | 61% | 97% | 61% |
| Stochastic projections | | HIGH | LOW | LOW | LOW | LOW | LOW | LOW | MEDIUM | HIGH | HIGH | HIGH | HIGH | MEDIUM | LOW | LOW | LOW | MEDIUM | LOW | LOW | LOW | LOW | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | LOW |
| Probability of debt in 2027 > debt in 2022 | | 59% | 81% | 57% | 16% | 40% | 100% | 12.0% | 12% | 46% | 51% | 62% | 50% | 6% | 47% | 52% | 45% | 45% | 66% | 71% | 24% | 79% | 22% | 55% | 45% | 61% | 55.1% | 8% |
| Difference between the 10th and 90th percentile in 2027 (p.p. of GDP) | | 36.2 | 25.0 | 27.3 | 17.9 | 24.7 | 9.7 | 28.1 | 58.4 | 38.9 | 21.7 | 39.0 | 43.651 | 38.1 | 35.8 | 29.3 | 24.3 | 46.7 | 26.7 | 24.4 | 26.4 | 20.4 | 55.0 | 39.6 | 29.2 | 31.3 | 25.4 | 16.6 |
| 'Historical SPB' scenario | | MEDIUM | LOW | MEDIUM | LOW | LOW | LOW | LOW | HIGH | MEDIUM | HIGH | MEDIUM | HIGH | LOW | LOW | LOW | LOW | LOW | LOW | LOW | LOW | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | LOW | LOW |
| Debt level (2033) | | 106.5 | 26.7 | 52.7 | 13.0 | 53.1 | 25.4 | 42.0 | 115.4 | 112.5 | 119.8 | 76.2 | 142.2 | 50.6 | 46.6 | 46.7 | 15.9 | 74.1 | 49.0 | 54.8 | 69.5 | 73.4 | 101.3 | 67.0 | 73.3 | 75.2 | 64.7 | 12.7 |
| Debt peak year | | 2024 | 2027 | 2033 | 2022 | 2022 | 2029 | 2022 | 2022 | 2022 | 2033 | 2033 | 2022 | 2022 | 2033 | 2033 | 2024 | 2022 | 2025 | 2033 | 2022 | 2033 | 2022 | 2033 | 2033 | 2033 | 2024 | 2022 |
| Fiscal consolidation space (percentile rank of avg SPB 2024-2033) | | 88% | 90% | 35% | 69% | 53% | 77% | 80% | 21% | 77% | 91% | 53% | 46% | 30% | 73% | 61% | 79% | 59% | 52% | 90% | 85% | 86% | 41% | 82% | 66% | 55% | 86% | 61% |
| 'Adverse r-g' scenario | | HIGH | LOW | MEDIUM | LOW | MEDIUM | LOW | LOW | HIGH | HIGH | HIGH | HIGH | HIGH | LOW | LOW | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | MEDIUM | LOW |
| Debt level (2033) | | 130.5 | 42.8 | 56.2 | 18.3 | 75.8 | 35.7 | 27.5 | 134.5 | 121.7 | 130.7 | 91.5 | 169.1 | 50.2 | 39.9 | 42.6 | 25.3 | 88.3 | 68.1 | 75.2 | 80.3 | 74.5 | 102.4 | 67.4 | 85.1 | 87.4 | 76.9 | 12.3 |
| Debt peak year | | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2022 | 2022 | 2033 | 2033 | 2033 | 2033 | 2022 | 2023 | 2033 | 2024 | 2033 | 2033 | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2033 | 2033 | 2022 |
| Fiscal consolidation space (percentile rank of avg SPB 2024-2033) | | 97% | 96% | 36% | 74% | 88% | 94% | 60% | 24% | 77% | 92% | 58% | 66% | 28% | 42% | 41% | 85% | 67% | 70% | 100% | 94% | 78% | 34% | 75% | 84% | 61% | 97% | 61% |
| 'Financial stress' scenario | | HIGH | LOW | MEDIUM | LOW | MEDIUM | LOW | LOW | HIGH | HIGH | HIGH | MEDIUM | HIGH | LOW | LOW | LOW | LOW | MEDIUM | MEDIUM | MEDIUM | LOW | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | LOW | LOW |
| Debt level (2033) | | 123.1 | 40.5 | 52.6 | 16.6 | 70.8 | 33.8 | 25.4 | 126.5 | 114.4 | 123.0 | 85.3 | 160.6 | 45.7 | 37.2 | 39.9 | 23.6 | 82.2 | 63.9 | 70.7 | 75.0 | 69.5 | 96.0 | 63.2 | 79.8 | 82.9 | 71.9 | 11.0 |
| Debt peak year | | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2022 | 2022 | 2033 | 2033 | 2033 | 2033 | 2022 | 2023 | 2023 | 2024 | 2033 | 2033 | 2033 | 2022 | 2033 | 2022 | 2033 | 2033 | 2033 | 2024 | 2022 |
| Fiscal consolidation space (percentile rank of avg SPB 2024-2033) | | 97% | 96% | 36% | 74% | 88% | 94% | 60% | 24% | 77% | 92% | 58% | 66% | 28% | 42% | 41% | 85% | 67% | 70% | 100% | 94% | 78% | 34% | 75% | 84% | 61% | 97% | 61% |
| 'Lower SPB' scenario | | HIGH | LOW | MEDIUM | LOW | MEDIUM | LOW | LOW | HIGH | HIGH | HIGH | MEDIUM | HIGH | LOW | MEDIUM | LOW | LOW | HIGH | MEDIUM | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | LOW | LOW |
| Debt level (2033) | | 127.5 | 45.6 | 60.8 | 18.0 | 70.3 | 34.1 | 36.3 | 144.5 | 114.6 | 127.1 | 85.6 | 164.4 | 52.3 | 66.0 | 43.2 | 23.3 | 96.3 | 73.2 | 73.4 | 84.8 | 80.6 | 104.0 | 75.3 | 88.7 | 82.1 | 72.1 | 15.5 |
| Debt peak year | | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2022 | 2022 | 2033 | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2023 | 2033 | 2033 | 2033 | 2033 | 2033 | 2022 | 2033 | 2033 | 2033 | 2024 | 2022 |
| Fiscal consolidation space (percentile rank of avg SPB 2024-2033) | | 100% | 100% | 53% | 76% | 89% | 94% | 70% | 39% | 78% | 97% | 59% | 71% | 30% | 93% | 55% | 85% | 74% | 86% | 100% | 100% | 90% | 44% | 86% | 93% | 61% | 97% | 72% |
| Overall MEDIUM-TERM risk category | | HIGH | LOW | MEDIUM | LOW | MEDIUM | LOW | LOW | HIGH | HIGH | HIGH | HIGH | HIGH | MEDIUM | LOW | LOW | LOW | HIGH | MEDIUM | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | MEDIUM | HIGH | MEDIUM | LOW |

(1) All the thresholds and decision trees used to derive the DSA risk assessment are presented in Annex A4.

Source: Commission services.

Table A7.8: **Gross government debt projections (% of GDP) and underlying macro-fiscal assumptions (EU, baseline)**

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2030 | 2033 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 86.0 | 84.9 | 84.1 | 83.4 | 82.9 | 82.6 | 83.9 | 87.6 |
| <i>of which</i> Outstanding (non-maturing) debt | 66.3 | 65.4 | 64.9 | 64.5 | 64.1 | 63.9 | 64.6 | 67.1 |
| <i>Rolled-over short-term debt</i> | 9.4 | 9.2 | 9.1 | 9.0 | 8.8 | 8.7 | 8.6 | 8.9 |
| <i>Rolled-over long-term debt</i> | 6.8 | 6.7 | 6.7 | 6.7 | 6.7 | 6.8 | 6.9 | 7.4 |
| <i>New short-term debt</i> | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| <i>New long-term debt</i> | 3.2 | 3.3 | 3.1 | 2.9 | 2.9 | 3.0 | 3.4 | 3.9 |
| Changes in the debt ratio (-1+2+3) | -3.4 | -1.1 | -0.8 | -0.7 | -0.5 | -0.3 | 0.7 | 1.3 |
| <i>of which</i> (1) Overall primary balance (1.1+1.2+1.3) | -1.8 | -1.8 | -1.4 | -1.3 | -1.3 | -1.4 | -1.7 | -2.0 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -2.0 | -1.5 | -1.1 | -1.2 | -1.3 | -1.4 | -1.7 | -2.0 |
| (1.1.1) <i>Structural primary balance (before CoA)</i> | -2.0 | -1.5 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 |
| (1.1.2) <i>Cost of ageing (incl. revenues pensions tax)</i> | | | | 0.1 | 0.1 | 0.2 | 0.6 | 0.9 |
| (1.1.3) <i>Property incomes</i> | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | 0.2 | -0.3 | -0.2 | -0.2 | -0.1 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (interest rate-growth differential) (2.1+2.2+2.3) | -5.6 | -3.2 | -2.4 | -2.1 | -1.9 | -1.7 | -1.0 | -0.7 |
| (2.1) <i>Interest expenditure</i> | 1.5 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 | 2.0 | 2.2 |
| (2.2) <i>Growth effect (real)</i> | -2.7 | -0.2 | -1.3 | -1.1 | -1.0 | -1.0 | -0.7 | -0.8 |
| (2.3) <i>Inflation effect</i> | -4.3 | -4.6 | -2.9 | -2.8 | -2.6 | -2.5 | -2.3 | -2.1 |
| (3) Stock flow adjustments | 0.3 | 0.2 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| PM : Structural balance | -3.6 | -3.2 | -3.0 | -3.0 | -3.1 | -3.2 | -3.7 | -4.3 |
| Key macroeconomic assumptions | | | | | | | | |
| Actual GDP growth (real) | 3.3 | 0.3 | 1.6 | 1.4 | 1.3 | 1.2 | 0.9 | 1.0 |
| Potential GDP growth (real) | 1.5 | 1.3 | 1.4 | 1.2 | 1.1 | 1.1 | 0.9 | 1.0 |
| Inflation (GDP deflator) | 5.3 | 5.7 | 3.6 | 3.4 | 3.3 | 3.2 | 2.8 | 2.5 |
| Implicit interest rate (nominal) | 1.8 | 2.1 | 2.2 | 2.2 | 2.2 | 2.3 | 2.4 | 2.7 |

Note: Given that the drivers of the change in the government debt ratio for the EU as a whole are calculated as GDP-weighted averages of country-specific debt projections, small differences may exist between the total change in the government debt ratio and the sum of its drivers.

Source: Commission services.

Table A7.9: **Gross government debt projections (% of GDP) and underlying macro-fiscal assumptions (euro area, baseline)**

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2030 | 2033 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 93.6 | 92.3 | 91.4 | 90.8 | 90.3 | 90.1 | 91.7 | 95.9 |
| <i>of which</i> Outstanding (non maturing) debt | 72.1 | 71.0 | 70.4 | 70.0 | 69.6 | 69.4 | 70.1 | 72.9 |
| <i>Rolled-over short-term debt</i> | 10.4 | 10.3 | 10.2 | 10.1 | 10.0 | 10.0 | 10.1 | 10.5 |
| <i>Rolled-over long-term debt</i> | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.6 | 8.1 |
| <i>New short-term debt</i> | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 |
| <i>New long-term debt</i> | 3.2 | 3.3 | 3.1 | 2.9 | 3.0 | 3.0 | 3.4 | 4.0 |
| Changes in the debt ratio (-1+2+3) | -3.5 | -1.3 | -0.9 | -0.7 | -0.4 | -0.2 | 0.8 | 1.5 |
| <i>of which</i> (1) Overall primary balance (1.1+1.2+1.3) | -1.9 | -1.9 | -1.4 | -1.4 | -1.5 | -1.5 | -1.9 | -2.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -2.0 | -1.7 | -1.3 | -1.3 | -1.4 | -1.5 | -1.9 | -2.3 |
| (1.1.1) <i>Structural primary balance (before CoA)</i> | -2.0 | -1.7 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.2 |
| (1.1.2) <i>Cost of ageing (incl. revenues pensions tax)</i> | | | | 0.1 | 0.2 | 0.3 | 0.7 | 1.0 |
| (1.1.3) <i>Property incomes</i> | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | 0.2 | -0.3 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (interest rate-growth differential) (2.1+2.2+2.3) | -5.6 | -3.4 | -2.6 | -2.3 | -2.0 | -1.9 | -1.2 | -0.9 |
| (2.1) <i>Interest expenditure</i> | 1.4 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 | 1.8 | 2.0 |
| (2.2) <i>Growth effect (real)</i> | -2.9 | -0.3 | -1.3 | -1.1 | -0.9 | -0.9 | -0.6 | -0.7 |
| (2.3) <i>Inflation effect</i> | -4.1 | -4.7 | -3.0 | -2.9 | -2.8 | -2.7 | -2.4 | -2.2 |
| (3) Stock flow adjustments | 0.3 | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| PM : Structural balance | -3.6 | -3.4 | -3.2 | -3.2 | -3.3 | -3.4 | -3.9 | -4.5 |
| Key macroeconomic assumptions | | | | | | | | |
| Actual GDP growth (real) | 3.2 | 0.3 | 1.5 | 1.2 | 1.1 | 1.0 | 0.7 | 0.8 |
| Potential GDP growth (real) | 1.3 | 1.2 | 1.3 | 1.1 | 1.0 | 1.0 | 0.7 | 0.8 |
| Inflation (GDP deflator) | 4.6 | 5.3 | 3.4 | 3.3 | 3.2 | 3.1 | 2.7 | 2.4 |
| Implicit interest rate (nominal) | 1.6 | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 | 2.2 |

Note: Given that the drivers of the change in the government debt ratio for the EU as a whole are calculated as GDP-weighted averages of country-specific debt projections, small differences may exist between the total change in the government debt ratio and the sum of its drivers.

Source: Commission services.

Table A7.10: **Gross government debt projections and underlying fiscal effort (% of GDP) under the baseline**

| | Baseline | | | | |
|----|----------|-------|-----------|--------------|------------|
| | Debt | | | SPB | |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank |
| BE | 108.6 | 121.6 | 2033 | -2.7 | 97% |
| BG | 25.6 | 40.3 | 2033 | -2.3 | 96% |
| CZ | 44.5 | 52.2 | 2033 | -0.9 | 36% |
| DK | 32.1 | 16.3 | 2022 | 1.7 | 74% |
| DE | 65.4 | 70.3 | 2033 | -1.4 | 88% |
| EE | 21.9 | 33.6 | 2033 | -1.9 | 94% |
| IE | 39.3 | 25.3 | 2022 | 1.0 | 60% |
| EL | 156.9 | 125.4 | 2022 | 2.5 | 24% |
| ES | 112.1 | 112.4 | 2022 | -1.1 | 77% |
| FR | 110.2 | 121.1 | 2033 | -2.0 | 92% |
| HR | 68.0 | 84.9 | 2033 | -2.0 | 58% |
| IT | 142.6 | 155.9 | 2033 | -0.5 | 66% |
| CY | 77.7 | 45.4 | 2022 | 2.4 | 28% |
| LV | 43.6 | 36.9 | 2023 | -0.3 | 42% |
| LT | 39.9 | 39.6 | 2023 | -0.3 | 41% |
| LU | 26.3 | 23.5 | 2024 | 0.6 | 85% |
| HU | 75.1 | 81.5 | 2033 | -1.1 | 67% |
| MT | 60.6 | 63.4 | 2033 | -2.5 | 70% |
| NL | 53.2 | 70.4 | 2033 | -2.5 | 100% |
| AT | 74.9 | 74.4 | 2022 | -0.6 | 94% |
| PL | 54.2 | 69.0 | 2033 | -1.4 | 78% |
| PT | 105.3 | 94.3 | 2022 | 1.4 | 34% |
| RO | 47.6 | 62.8 | 2033 | -2.2 | 75% |
| SI | 68.8 | 79.3 | 2033 | -2.2 | 84% |
| SK | 57.4 | 82.6 | 2033 | -3.3 | 61% |
| FI | 73.3 | 71.5 | 2024 | -0.8 | 97% |
| SE | 28.5 | 10.9 | 2022 | 1.5 | 61% |
| EU | 84.1 | 87.6 | 2033 | -1.1 | 66% |
| EA | 91.6 | 96.0 | 2033 | -1.3 | 90% |

Source: Commission services.

Table A7.11: **Gross government debt projections and underlying fiscal effort (% of GDP) under the 'historical SPB' scenario**

| | Historical SPB scenario | | | | | | |
|----|-------------------------|-------|-----------|--------------|------------|---------------------|--------------|
| | Debt | | | SPB | | | |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank | Diff. with baseline | Avg. 2007-21 |
| BE | 108.6 | 106.5 | 2024 | -0.8 | 88.2% | 1.9 | -0.2 |
| BG | 25.6 | 26.7 | 2027 | -0.8 | 89.9% | 1.5 | -0.3 |
| CZ | 44.5 | 52.7 | 2033 | -0.9 | 35.3% | 0.0 | -0.9 |
| DK | 32.1 | 13.0 | 2022 | 2.2 | 69.4% | 0.5 | 2.4 |
| DE | 65.4 | 53.1 | 2022 | 0.6 | 53.0% | 2.1 | 1.3 |
| EE | 21.9 | 25.4 | 2029 | -0.9 | 76.7% | 1.1 | -0.5 |
| IE | 39.3 | 42.0 | 2022 | -1.1 | 79.5% | -2.1 | -1.8 |
| EL | 156.9 | 115.4 | 2022 | 3.5 | 20.7% | 1.0 | 3.8 |
| ES | 112.1 | 112.5 | 2022 | -1.1 | 77.3% | 0.0 | -1.1 |
| FR | 110.2 | 119.8 | 2033 | -1.9 | 91.2% | 0.2 | -1.8 |
| HR | 68.0 | 76.2 | 2033 | -1.1 | 53.1% | 0.9 | -0.8 |
| IT | 142.6 | 142.2 | 2022 | 1.0 | 45.6% | 1.5 | 1.5 |
| CY | 77.7 | 50.6 | 2022 | 1.7 | 29.9% | -0.7 | 1.5 |
| LV | 43.6 | 46.6 | 2033 | -1.3 | 72.5% | -1.1 | -1.7 |
| LT | 39.9 | 46.7 | 2033 | -1.0 | 60.5% | -0.7 | -1.3 |
| LU | 26.3 | 15.9 | 2024 | 1.5 | 79.4% | 1.0 | 1.9 |
| HU | 75.1 | 74.1 | 2022 | -0.3 | 58.6% | 0.9 | 0.0 |
| MT | 60.6 | 49.0 | 2025 | -0.7 | 52.1% | 1.8 | -0.1 |
| NL | 53.2 | 54.8 | 2033 | -0.6 | 90.2% | 1.9 | 0.0 |
| AT | 74.9 | 69.5 | 2022 | 0.0 | 85.3% | 0.6 | 0.2 |
| PL | 54.2 | 73.4 | 2033 | -1.8 | 85.6% | -0.4 | -1.9 |
| PT | 105.3 | 101.3 | 2022 | 0.6 | 40.9% | -0.8 | 0.3 |
| RO | 47.6 | 67.0 | 2033 | -2.6 | 82.2% | -0.4 | -2.7 |
| SI | 68.8 | 73.3 | 2033 | -1.6 | 65.5% | 0.7 | -1.3 |
| SK | 57.4 | 75.2 | 2033 | -2.5 | 55.4% | 0.9 | -2.2 |
| FI | 73.3 | 64.7 | 2024 | 0.1 | 86.2% | 0.9 | 0.4 |
| SE | 28.5 | 12.7 | 2022 | 1.3 | 61.3% | -0.1 | 1.3 |
| EU | 84.1 | 80.9 | 2022 | -0.3 | 52.6% | 0.8 | 0.2 |
| EA | 91.6 | 87.6 | 2022 | -0.2 | 74.0% | 1.0 | 0.2 |

Source: Commission services.

Table A7.12: **Gross government debt projections and underlying fiscal efforts (% of GDP) under the 'adverse interest rate - growth rate differential' scenario**

| | Adverse 'r-g' scenario | | | | | | |
|----|------------------------|-------|-----------|--------------|------------|-------------|--------------|
| | Debt | | | SPB | | r-g in 2033 | |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank | Baseline | r-g scenario |
| BE | 109.9 | 130.5 | 2033 | -2.7 | 97.0% | -0.9% | 0.0% |
| BG | 25.9 | 42.8 | 2033 | -2.3 | 95.7% | -1.4% | -0.5% |
| CZ | 45.1 | 56.2 | 2033 | -0.9 | 35.5% | 0.2% | 1.2% |
| DK | 32.5 | 18.3 | 2022 | 1.7 | 73.9% | -1.7% | -1.0% |
| DE | 66.2 | 75.8 | 2033 | -1.4 | 87.5% | -1.6% | -0.7% |
| EE | 22.1 | 35.7 | 2033 | -1.9 | 93.6% | -2.1% | -1.2% |
| IE | 39.8 | 27.5 | 2022 | 1.0 | 60.0% | -2.0% | -1.2% |
| EL | 158.5 | 134.5 | 2022 | 2.5 | 23.5% | -1.9% | -1.2% |
| ES | 113.4 | 121.7 | 2033 | -1.1 | 77.4% | -0.6% | 0.3% |
| FR | 111.6 | 130.7 | 2033 | -2.0 | 92.1% | -0.6% | 0.3% |
| HR | 68.8 | 91.5 | 2033 | -2.0 | 58.3% | -0.2% | 0.7% |
| IT | 144.5 | 169.1 | 2033 | -0.5 | 65.9% | 0.4% | 1.4% |
| CY | 78.7 | 50.2 | 2022 | 2.4 | 28.3% | -1.6% | -0.8% |
| LV | 44.1 | 39.9 | 2023 | -0.3 | 42.3% | -1.7% | -0.9% |
| LT | 40.4 | 42.6 | 2033 | -0.3 | 40.7% | -1.8% | -1.0% |
| LU | 26.6 | 25.3 | 2024 | 0.6 | 84.9% | -1.9% | -1.0% |
| HU | 76.0 | 88.3 | 2033 | -1.1 | 66.9% | 1.2% | 2.1% |
| MT | 61.3 | 68.1 | 2033 | -2.5 | 70.2% | -2.7% | -1.8% |
| NL | 53.8 | 75.2 | 2033 | -2.5 | 100.0% | -1.4% | -0.5% |
| AT | 75.8 | 80.3 | 2033 | -0.6 | 93.9% | -1.4% | -0.5% |
| PL | 54.9 | 74.5 | 2033 | -1.4 | 78.4% | 1.0% | 1.9% |
| PT | 106.6 | 102.4 | 2022 | 1.4 | 34.2% | -0.3% | 0.5% |
| RO | 48.2 | 67.4 | 2033 | -2.2 | 75.2% | 1.2% | 2.2% |
| SI | 69.6 | 85.1 | 2033 | -2.2 | 83.7% | -1.7% | -0.8% |
| SK | 58.0 | 87.4 | 2033 | -3.3 | 61.1% | -1.4% | -0.5% |
| FI | 74.2 | 76.9 | 2033 | -0.8 | 96.5% | -1.8% | -0.9% |
| SE | 28.9 | 12.3 | 2022 | 1.5 | 60.5% | -2.7% | -2.1% |
| EU | 85.2 | 94.7 | 2033 | -1.1 | 66.3% | -0.8% | 0.0% |
| EA | 92.7 | 103.7 | 2033 | -1.3 | 90.0% | -1.0% | -0.1% |

Source: Commission services.

Table A7.13: **Gross government debt projections and underlying fiscal efforts (% of GDP) under the 'financial stress' scenario**

| | Financial stress scenario | | | | | |
|----|---------------------------|-------|-----------|--------------|------------|---|
| | Debt | | | SPB | | LT interest rate: Diff. with baseline in 2023 |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank | |
| BE | 109.2 | 123.1 | 2033 | -2.7 | 97.0% | 2.0% |
| BG | 25.6 | 40.5 | 2033 | -2.3 | 95.7% | 1.0% |
| CZ | 44.7 | 52.6 | 2033 | -0.9 | 35.5% | 1.0% |
| DK | 32.2 | 16.6 | 2022 | 1.7 | 73.9% | 1.0% |
| DE | 65.6 | 70.8 | 2033 | -1.4 | 87.5% | 1.0% |
| EE | 22.0 | 33.8 | 2033 | -1.9 | 93.6% | 1.0% |
| IE | 39.4 | 25.4 | 2022 | 1.0 | 60.0% | 1.0% |
| EL | 157.5 | 126.5 | 2022 | 2.5 | 23.5% | 5.9% |
| ES | 112.8 | 114.4 | 2033 | -1.1 | 77.4% | 2.4% |
| FR | 111.0 | 123.0 | 2033 | -2.0 | 92.1% | 2.3% |
| HR | 68.2 | 85.3 | 2033 | -2.0 | 58.3% | 1.0% |
| IT | 144.7 | 160.6 | 2033 | -0.5 | 65.9% | 4.3% |
| CY | 77.9 | 45.7 | 2022 | 2.4 | 28.3% | 1.0% |
| LV | 43.7 | 37.2 | 2023 | -0.3 | 42.3% | 1.0% |
| LT | 40.0 | 39.9 | 2023 | -0.3 | 40.7% | 1.0% |
| LU | 26.3 | 23.6 | 2024 | 0.6 | 84.9% | 1.0% |
| HU | 75.3 | 82.2 | 2033 | -1.1 | 66.9% | 1.0% |
| MT | 60.8 | 63.9 | 2033 | -2.5 | 70.2% | 1.0% |
| NL | 53.4 | 70.7 | 2033 | -2.5 | 100.0% | 1.0% |
| AT | 75.1 | 75.0 | 2022 | -0.6 | 93.9% | 1.0% |
| PL | 54.4 | 69.5 | 2033 | -1.4 | 78.4% | 1.0% |
| PT | 106.1 | 96.0 | 2022 | 1.4 | 34.2% | 2.6% |
| RO | 47.8 | 63.2 | 2033 | -2.2 | 75.2% | 1.0% |
| SI | 69.0 | 79.8 | 2033 | -2.2 | 83.7% | 1.0% |
| SK | 57.5 | 82.9 | 2033 | -3.3 | 61.1% | 1.0% |
| FI | 73.5 | 71.9 | 2024 | -0.8 | 96.5% | 1.0% |
| SE | 28.6 | 11.0 | 2022 | 1.5 | 60.5% | 1.0% |
| EU | 84.7 | 89.0 | 2033 | -1.1 | 66.3% | 1.8% |
| EA | 92.2 | 97.6 | 2033 | -1.3 | 90.0% | 2.0% |

Source: Commission services.

Table A7.14: **Gross government debt projections and underlying fiscal effort (% of GDP) under the 'lower SPB' scenario**

| | Lower SPB scenario | | | | | |
|----|--------------------|-------|-----------|--------------|------------|-----------------------------|
| | Debt | | | SPB | | |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank | Diff. with baseline in 2025 |
| BE | 108.0 | 127.5 | 2033 | -3.4 | 100.0% | -0.7 |
| BG | 26.8 | 45.6 | 2033 | -2.8 | 100.0% | -0.5 |
| CZ | 44.7 | 60.8 | 2033 | -1.8 | 52.8% | -0.9 |
| DK | 32.0 | 18.0 | 2022 | 1.5 | 76.4% | -0.2 |
| DE | 65.3 | 70.3 | 2033 | -1.5 | 88.5% | 0.0 |
| EE | 21.4 | 34.1 | 2033 | -2.1 | 94.4% | -0.1 |
| IE | 40.1 | 36.3 | 2022 | -0.3 | 70.4% | -1.3 |
| EL | 160.6 | 144.5 | 2022 | 0.8 | 39.4% | -1.7 |
| ES | 112.9 | 114.6 | 2033 | -1.3 | 78.4% | -0.2 |
| FR | 110.9 | 127.1 | 2033 | -2.6 | 97.1% | -0.6 |
| HR | 67.7 | 85.6 | 2033 | -2.1 | 58.9% | -0.1 |
| IT | 144.3 | 164.4 | 2033 | -1.2 | 71.2% | -0.8 |
| CY | 77.9 | 52.3 | 2022 | 1.6 | 30.2% | -0.8 |
| LV | 47.6 | 66.0 | 2033 | -3.3 | 93.1% | -3.1 |
| LT | 38.0 | 43.2 | 2033 | -0.9 | 55.2% | -0.6 |
| LU | 25.1 | 23.3 | 2023 | 0.5 | 85.2% | -0.1 |
| HU | 77.0 | 96.3 | 2033 | -2.4 | 74.0% | -1.3 |
| MT | 60.7 | 73.2 | 2033 | -3.7 | 85.6% | -1.2 |
| NL | 51.8 | 73.4 | 2033 | -3.0 | 100.0% | -0.5 |
| AT | 75.1 | 84.8 | 2033 | -1.8 | 100.0% | -1.2 |
| PL | 54.7 | 80.6 | 2033 | -2.6 | 89.9% | -1.2 |
| PT | 106.5 | 104.0 | 2022 | 0.5 | 44.0% | -1.0 |
| RO | 49.0 | 75.3 | 2033 | -3.3 | 86.3% | -1.2 |
| SI | 67.3 | 88.7 | 2033 | -3.5 | 93.3% | -1.2 |
| SK | 56.3 | 82.1 | 2033 | -3.4 | 61.4% | 0.0 |
| FI | 73.0 | 72.1 | 2024 | -0.9 | 96.8% | -0.1 |
| SE | 28.5 | 15.5 | 2022 | 0.9 | 72.3% | -0.6 |
| EU | 84.5 | 92.9 | 2033 | -1.7 | 71.4% | -0.5 |
| EA | 91.9 | 100.5 | 2033 | -1.7 | 93.5% | -0.5 |

Source: Commission services.

Table A7.15: **Gross government debt projections and underlying structural fiscal effort (% of GDP) under the 'SCP' scenario (by country)**

| Stability and convergence programme (SCP) scenario | | | | | | |
|--|-------|-------|-----------|--------------|------------|-----------------------------|
| | Debt | | | SPB | | |
| | 2024 | 2033 | Peak year | Avg. 2024-33 | Perc. rank | Diff. with baseline in 2025 |
| BE | 116.3 | 132.2 | 2033 | -3.5 | 100% | -0.5 |
| BG | 27.0 | 27.7 | 2033 | -1.4 | 92% | 1.6 |
| CZ | 47.3 | 63.1 | 2033 | -2.8 | 76% | -1.4 |
| DK | 33.6 | -1.3 | 2022 | 3.5 | 43% | 2.4 |
| DE | 66.9 | 51.4 | 2022 | -0.3 | 71% | 2.3 |
| EE | 21.6 | 19.9 | 2024 | -1.7 | 92% | 1.0 |
| IE | 50.3 | 55.6 | 2033 | -1.9 | 82% | -2.5 |
| EL | 155.2 | 113.2 | 2022 | 2.6 | 23% | -2.0 |
| ES | 120.1 | 117.5 | 2024 | -1.8 | 85% | -0.4 |
| FR | 115.0 | 128.1 | 2033 | -3.7 | 100% | -1.4 |
| HR | 75.9 | 86.3 | 2033 | -2.3 | 60% | -0.3 |
| IT | 150.9 | 162.2 | 2033 | -2.3 | 74% | -1.4 |
| CY | 90.5 | 65.2 | 2022 | 0.1 | 42% | -1.2 |
| LV | 49.3 | 48.6 | 2022 | -2.5 | 90% | -1.2 |
| LT | 43.9 | 28.8 | 2023 | -0.7 | 50% | 1.3 |
| LU | 23.6 | 14.6 | 2022 | 0.9 | 84% | 0.7 |
| HU | 75.2 | 64.8 | 2022 | -1.8 | 71% | 0.3 |
| MT | 65.3 | 71.4 | 2033 | -3.9 | 87% | -0.5 |
| NL | 56.9 | 71.1 | 2033 | -2.1 | 100% | 0.6 |
| AT | 76.5 | 70.4 | 2022 | -0.9 | 100% | 0.6 |
| PL | 48.7 | 56.2 | 2033 | -2.3 | 89% | -0.9 |
| PT | 121.6 | 123.5 | 2022 | -0.3 | 53% | -1.8 |
| RO | 52.5 | 60.8 | 2033 | -3.2 | 86% | 0.1 |
| SI | 76.2 | 83.7 | 2033 | -3.4 | 93% | -0.2 |
| SK | 58.0 | 62.2 | 2033 | -1.9 | 51% | 2.4 |
| FI | 70.3 | 64.5 | 2022 | -1.3 | 100% | -0.1 |
| SE | 31.1 | 28.1 | 2022 | -0.3 | 93% | -2.1 |
| EU | 88.6 | 86.7 | 2022 | -1.7 | 72% | 0.0 |
| EA | 96.7 | 95.6 | 2022 | -1.8 | 94% | 0.1 |

Note: This scenario was run based on the Commission 2022 spring forecast.

Source: Commission services.

A7.3. LONG-TERM FISCAL SUSTAINABILITY CHALLENGES

Table A7.16: S2 baseline and alternative scenarios (by country in pps. of GDP)

| | Baseline | Non-demographic risk scenario | Lower productivity scenario | Historical SPB scenario | Adverse 'r-g' scenario |
|----|----------|-------------------------------|-----------------------------|-------------------------|------------------------|
| BE | 6.7 | 8.4 | 7.4 | 4.3 | 7.0 |
| BG | 3.9 | 5.6 | 4.7 | 2.0 | 3.9 |
| CZ | 5.5 | 7.2 | 5.7 | 5.6 | 5.4 |
| DK | -0.1 | 1.5 | -0.6 | -0.8 | -0.1 |
| DE | 3.6 | 5.7 | 3.6 | 0.8 | 3.8 |
| EE | 0.9 | 6.3 | 1.1 | -0.5 | 1.2 |
| IE | 4.0 | 6.1 | 3.9 | 7.0 | 3.7 |
| EL | -3.6 | -0.8 | -2.6 | -5.0 | -2.1 |
| ES | 1.0 | 3.5 | 2.0 | 1.0 | 2.1 |
| FR | 0.9 | 4.0 | 2.0 | 0.7 | 2.1 |
| HR | 2.0 | 4.5 | 2.4 | 0.9 | 2.7 |
| IT | 0.7 | 2.2 | 1.7 | -1.3 | 2.5 |
| CY | -0.8 | 1.8 | -0.5 | 0.0 | -0.6 |
| LV | -0.4 | 3.5 | -0.2 | 1.0 | 0.0 |
| LT | 1.8 | 6.3 | 1.9 | 2.9 | 2.1 |
| LU | 7.2 | 9.5 | 7.3 | 6.1 | 6.2 |
| HU | 6.1 | 9.6 | 6.4 | 5.1 | 5.9 |
| MT | 9.4 | 12.9 | 9.5 | 7.1 | 8.2 |
| NL | 6.5 | 8.2 | 6.3 | 4.0 | 6.4 |
| AT | 3.2 | 5.0 | 3.6 | 2.4 | 3.5 |
| PL | 3.7 | 8.0 | 3.9 | 4.4 | 3.9 |
| PT | -2.1 | 5.1 | -1.1 | -1.0 | -0.7 |
| RO | 3.0 | 6.6 | 3.8 | 3.7 | 3.7 |
| SI | 10.0 | 13.8 | 10.0 | 9.3 | 9.6 |
| SK | 11.3 | 15.1 | 11.2 | 10.4 | 10.7 |
| FI | 3.0 | 5.4 | 3.3 | 1.9 | 2.9 |
| SE | 0.8 | 5.2 | 0.5 | 1.0 | 0.5 |

(1) The lower and upper thresholds for S2 are 2 and 6.

Source: Commission services.

Table A7.17: **S1 indicator, baseline and alternative scenarios, by country (pps. of GDP)**

| | Baseline | Non-demographic risk scenario | Lower productivity scenario | Historical SPB scenario | Adverse 'r-g' scenario |
|----|----------|-------------------------------|-----------------------------|-------------------------|------------------------|
| BE | 5.9 | 6.8 | 6.3 | 3.8 | 6.4 |
| BG | 2.5 | 3.5 | 2.9 | 0.6 | 2.8 |
| CZ | 3.9 | 4.9 | 4.1 | 4.3 | 4.1 |
| DK | -1.7 | -0.7 | -1.9 | -2.5 | -1.4 |
| DE | 2.7 | 3.9 | 2.8 | 0.0 | 3.1 |
| EE | 0.4 | 2.8 | 0.6 | -1.0 | 0.8 |
| IE | 1.6 | 2.7 | 1.6 | 4.6 | 1.8 |
| EL | -1.7 | -0.5 | -1.1 | -3.2 | -0.6 |
| ES | 2.4 | 3.8 | 3.0 | 2.6 | 3.2 |
| FR | 2.4 | 4.0 | 3.0 | 2.3 | 3.2 |
| HR | 2.1 | 3.4 | 2.3 | 1.0 | 2.7 |
| IT | 3.5 | 4.3 | 4.0 | 1.7 | 4.5 |
| CY | -1.7 | -0.7 | -1.5 | -1.0 | -1.2 |
| LV | -0.6 | 1.3 | -0.4 | 0.8 | -0.2 |
| LT | 1.3 | 3.5 | 1.4 | 2.4 | 1.6 |
| LU | 3.0 | 4.2 | 3.3 | 1.9 | 3.1 |
| HU | 4.2 | 5.9 | 4.6 | 3.6 | 4.6 |
| MT | 4.8 | 6.6 | 5.1 | 2.6 | 5.0 |
| NL | 4.8 | 5.8 | 4.7 | 2.5 | 5.1 |
| AT | 2.4 | 3.5 | 2.7 | 1.8 | 2.9 |
| PL | 2.8 | 5.0 | 3.1 | 3.8 | 3.2 |
| PT | 0.1 | 3.2 | 0.6 | 1.3 | 1.0 |
| RO | 3.6 | 5.4 | 4.2 | 4.7 | 4.0 |
| SI | 7.7 | 9.9 | 7.8 | 7.4 | 7.9 |
| SK | 8.5 | 10.4 | 8.6 | 7.9 | 8.6 |
| FI | 1.1 | 2.4 | 1.4 | 0.0 | 1.5 |
| SE | -1.8 | 0.6 | -1.8 | -1.7 | -1.5 |

(1) The lower and upper thresholds for S1 are 2 and 6 pps. of GDP.

Source: Commission services.

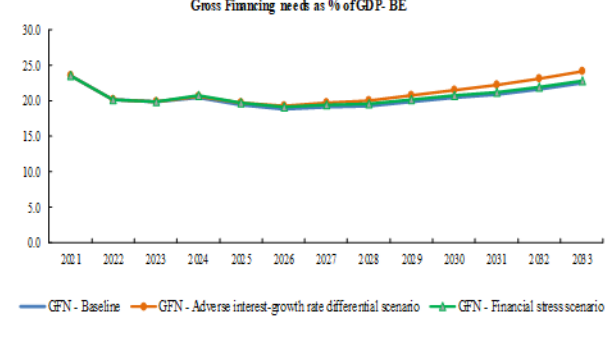
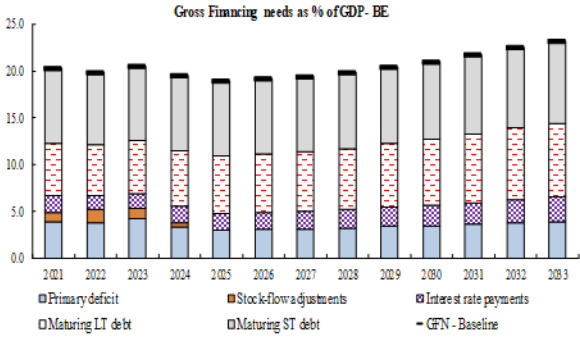
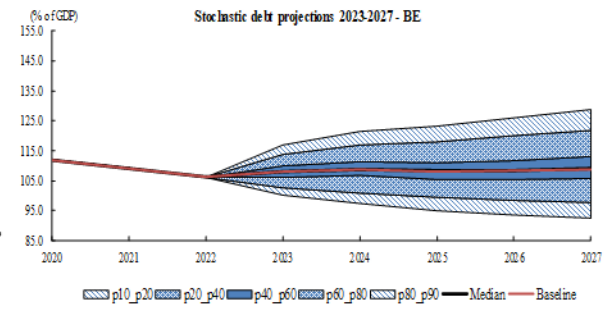
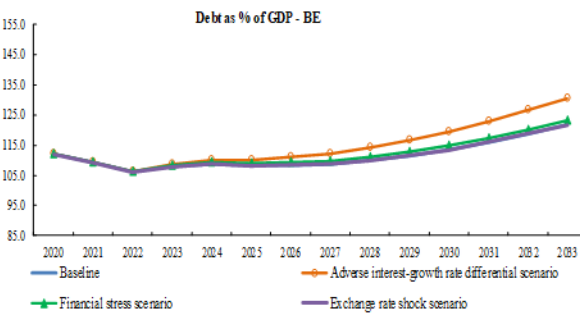
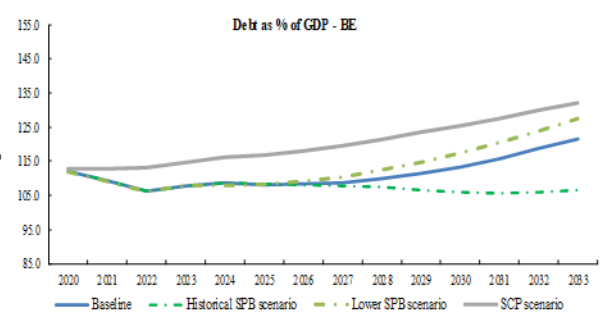
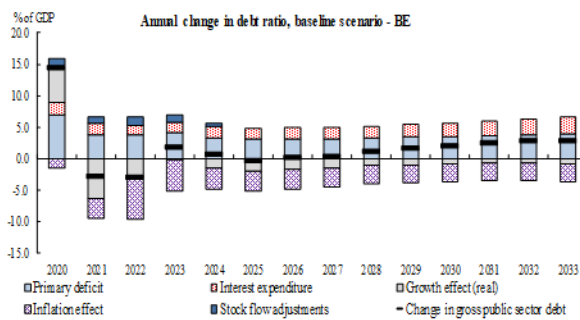
ANNEX A8

Country fiches tables and graphs

Belgium

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| BE - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gross debt ratio | 112.0 | 109.2 | 106.2 | 107.9 | 108.6 | 108.2 | 108.3 | 108.7 | 109.9 | 111.5 | 113.5 | 115.9 | 118.7 | 121.6 |
| Changes in the ratio (-1+2+3) of which | 14.4 | -2.8 | -3.0 | 1.7 | 0.7 | -0.4 | 0.1 | 0.4 | 1.2 | 1.6 | 1.9 | 2.4 | 2.8 | 2.9 |
| (1) Primary balance (1.1+1.2+1.3) | -7.0 | -3.9 | -3.7 | -4.2 | -3.4 | -3.1 | -3.1 | -3.1 | -3.3 | -3.4 | -3.5 | -3.6 | -3.8 | -3.9 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -4.1 | -3.5 | -4.1 | -3.6 | -2.7 | -2.7 | -2.9 | -3.1 | -3.3 | -3.4 | -3.5 | -3.6 | -3.8 | -3.9 |
| (1.1.1) Structural primary balance (def. CoA) | -4.1 | -3.5 | -4.1 | -3.6 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 | -2.7 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.0 | 0.3 | 0.5 | 0.7 | 0.9 | 0.9 | 1.1 | 1.3 | 1.4 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| (1.2) Cyclical component | -3.0 | -0.3 | 0.4 | -0.5 | -0.6 | -0.4 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.1 | -0.2 | -0.1 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 5.9 | -7.8 | -8.2 | -3.6 | -3.1 | -3.5 | -3.0 | -2.7 | -2.1 | -1.8 | -1.5 | -1.2 | -0.9 | -1.0 |
| (2.1) Interest expenditure | 1.9 | 1.7 | 1.5 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 | 1.9 | 2.0 | 2.2 | 2.3 | 2.5 | 2.7 |
| (2.2) Growth effect | 5.4 | -6.3 | -2.8 | -0.2 | -1.6 | -2.0 | -1.7 | -1.5 | -1.0 | -0.9 | -0.9 | -0.7 | -0.7 | -0.9 |
| (2.3) Inflation effect | -1.5 | -3.2 | -6.9 | -5.0 | -3.3 | -3.2 | -3.1 | -3.0 | -3.0 | -2.9 | -2.9 | -2.8 | -2.8 | -2.8 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 1.5 | 1.1 | 1.5 | 1.1 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.5 | 1.1 | 1.5 | 1.1 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -6.1 | -5.2 | -5.5 | -5.2 | -4.4 | -4.4 | -4.7 | -5.0 | -5.2 | -5.5 | -5.6 | -5.9 | -6.3 | -6.6 |
| Gross financing needs | 23.5 | 20.2 | 19.9 | 20.5 | 19.5 | 18.9 | 19.1 | 19.3 | 19.8 | 20.4 | 21.0 | 21.7 | 22.5 | 23.2 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | HIGH | MEDIUM | HIGH | HIGH | HIGH | HIGH | HIGH | MEDIUM | HIGH |
| | | Debt level (2033), % GDP | 121.6 | 106.5 | 127.5 | 130.5 | 123.1 | | | | |
| | | Debt peak year | 2033 | 2024 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 97% | 88% | 100% | 97% | 97% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 59% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 36.2 | | | |

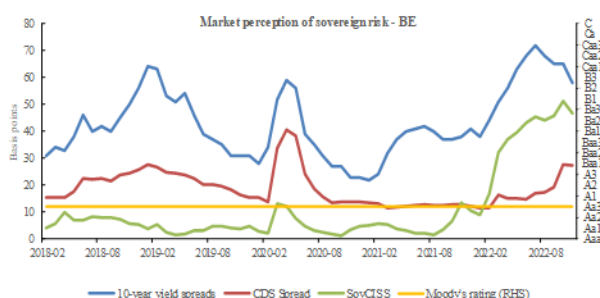
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.5 | 0.3 | 0.5 |
| Fiscal sub-index | 0.9 | 0.6 | 0.4 |
| Financial competitiveness sub-index | 0.3 | 0.1 | 0.5 |

| | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| S2 indicator | | | | |
| Overall index | 7.8 | 6.7 | 7.4 | 8.4 |
| of which Initial Budgetary position | 3.9 | 3.0 | 2.7 | 3.1 |
| Ageing costs | 3.9 | 3.7 | 4.7 | 5.3 |
| of which Pensions | 1.7 | 1.6 | 2.5 | 1.6 |
| Health care | 0.5 | 0.5 | 0.5 | 1.0 |
| Long-term care | 1.9 | 1.9 | 2.0 | 3.0 |
| Others | -0.3 | -0.2 | -0.2 | -0.2 |
| Required structural primary balance related to S2 | 4.2 | 4.0 | 4.8 | 5.7 |

| | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| S1 indicator | | | | |
| Overall index | | 5.9 | 6.3 | 6.8 |
| of which Initial budgetary position | | 2.1 | 2.3 | 2.1 |
| Debt requirement | | 1.1 | 1.0 | 1.1 |
| Ageing costs | | 2.7 | 3.0 | 3.6 |
| Required structural primary balance related to S1 | | 3.2 | 3.7 | 4.1 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 58.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

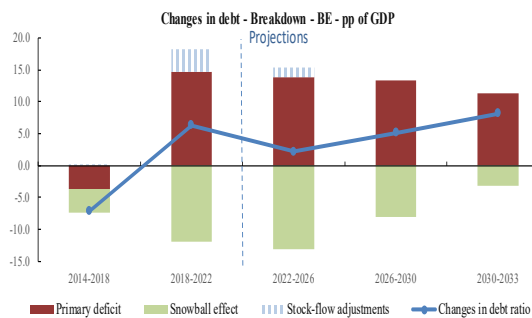
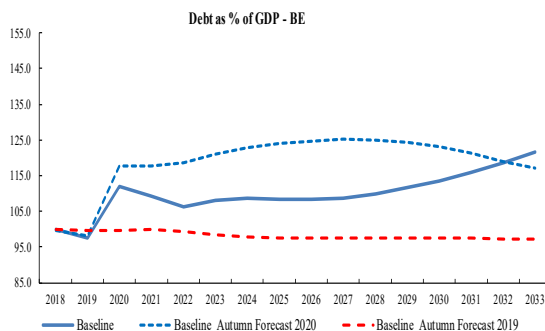
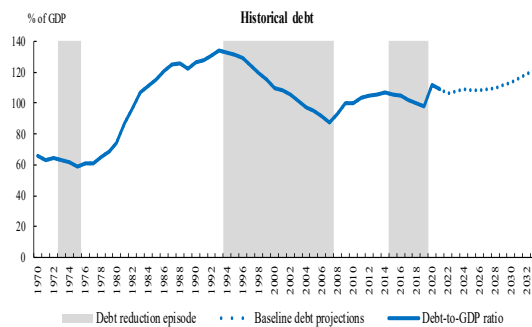
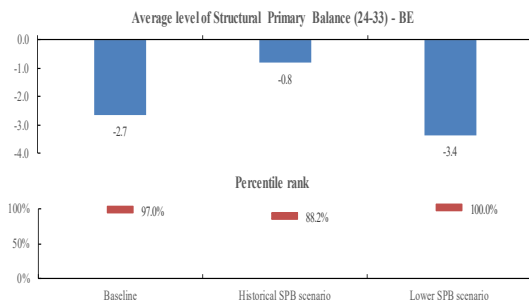
| | | | | | |
|--|--|---|---|--|---------------------------------|
| Public debt structure - BE (2021) | Share of short-term government debt (%): 7.4 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 53.8 | Net International Investment Position (IIP) - BE (2021) | Net IIP (% GDP): 59.9 |
|--|--|---|---|--|---------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | BE | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 10.5 | 9.7 | 9.2 | 8.3 | 9.5 | 8.5 | 7.5 |
| of which | One-off guarantees | 10.1 | 9.3 | 8.8 | 7.9 | 8.9 | 8.0 | 6.4 |
| | Standardised guarantees | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.6 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 8.5 | 7.8 | 7.3 | 6.5 | 6.2 | 4.9 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 8.5 | 7.8 | 7.3 | 6.5 | 6.2 | 4.9 | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|--|
| Government's contingent liability risks from banking sector - BE (2022) | Private sector credit flow (% GDP): 3.8 | Change in nominal house price index (p.p.): 7.1 | Bank loans-to-deposits ratio (%): 98.3 | Share of non-performing loans (%): 1.4 | Change in share of non-performing loans (p.p.): -0.3 | NPL coverage ratio (%): 44.3 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.02% Stressed: 0.38% |
|--|---|---|--|--|--|--|--|

6. Realism of baseline assumptions



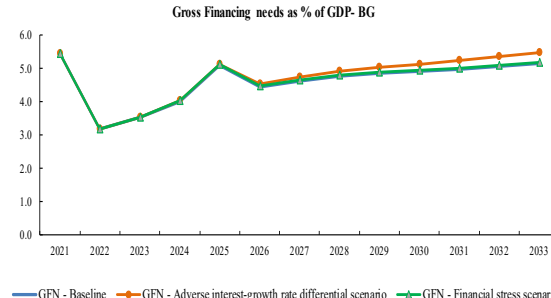
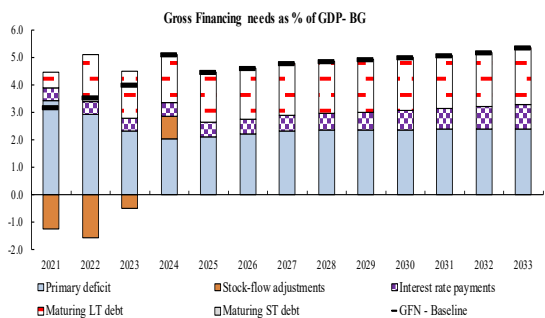
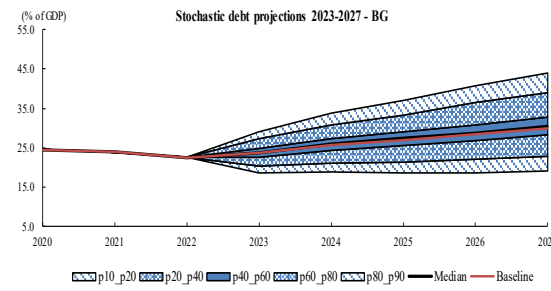
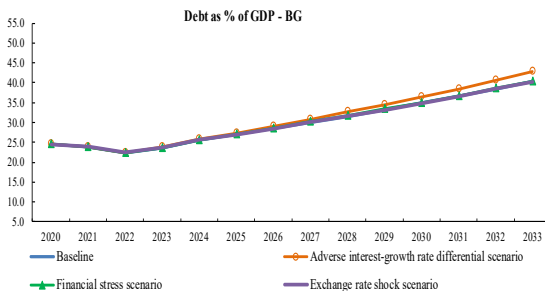
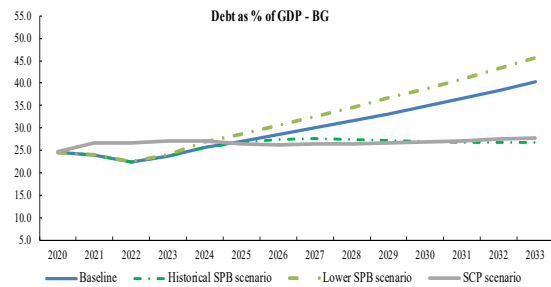
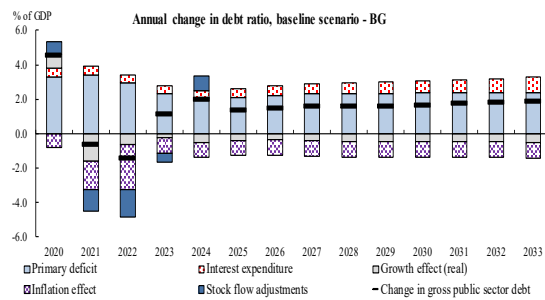
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Belgium | Levels | | | | | | Averages | | |
|--|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 106.2 | 107.9 | 108.6 | 111.5 | 115.9 | 121.6 | 107.6 | 112.9 | 111.6 |
| Primary balance | -3.7 | -4.2 | -3.4 | -3.4 | -3.6 | -3.9 | -3.8 | -3.4 | -3.5 |
| Structural primary balance (before CoA) | -4.1 | -3.6 | -2.7 | -2.7 | -2.7 | -2.7 | -3.4 | -2.7 | -2.9 |
| Real GDP growth | 2.8 | 0.2 | 1.5 | 0.9 | 0.6 | 0.8 | 1.5 | 1.1 | 1.2 |
| Potential GDP growth | 1.7 | 1.7 | 1.6 | 0.9 | 0.6 | 0.8 | 1.7 | 1.0 | 1.2 |
| Inflation rate | 6.7 | 5.0 | 3.1 | 2.7 | 2.5 | 2.4 | 4.9 | 2.7 | 3.3 |
| Implicit interest rate (nominal) | 1.5 | 1.6 | 1.7 | 1.9 | 2.1 | 2.3 | 1.6 | 2.0 | 1.9 |
| Gross financing needs | 19.9 | 20.5 | 19.5 | 20.4 | 21.7 | 23.2 | 19.9 | 20.7 | 20.5 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 113.1 | 114.7 | 116.3 | 123.4 | 127.6 | 132.2 | 114.7 | 122.1 | 119.9 |
| Primary balance | -3.7 | -3.4 | -3.5 | -4.1 | -4.3 | -4.6 | -3.6 | -3.9 | -4.0 |
| Structural primary balance (before CoA) | -3.5 | -3.3 | -3.1 | -3.1 | -3.1 | -3.1 | -3.3 | -3.1 | -3.4 |
| Real GDP growth | 2.6 | 1.7 | 1.2 | 0.9 | 0.6 | 0.9 | 1.8 | 1.0 | 1.6 |
| Gross financing needs | 19.8 | 19.8 | 19.8 | 22.1 | 23.3 | 24.4 | 19.8 | 21.6 | 21.3 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 106.2 | 107.9 | 108.6 | 106.7 | 105.6 | 106.5 | 107.6 | 107.0 | 107.1 |
| Primary balance | -3.7 | -4.2 | -3.4 | -1.5 | -1.2 | -1.4 | -3.8 | -1.7 | -2.2 |
| Structural primary balance (before CoA) | -4.1 | -3.6 | -2.7 | -0.2 | -0.2 | -0.2 | -3.4 | -0.6 | -1.3 |
| Real GDP growth | 2.8 | 0.2 | 1.5 | 1.3 | 1.1 | 0.8 | 1.5 | 1.1 | 1.2 |
| Gross financing needs | 19.9 | 20.5 | 19.5 | 18.0 | 18.0 | 18.6 | 19.9 | 18.3 | 18.7 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 106.2 | 108.3 | 109.2 | 112.7 | 117.2 | 123.1 | 107.9 | 114.1 | 112.5 |
| Implicit interest rate (nominal) | 1.5 | 2.0 | 1.9 | 2.0 | 2.2 | 2.4 | 1.8 | 2.1 | 2.0 |
| Gross financing needs | 19.9 | 20.8 | 19.7 | 20.7 | 22.0 | 23.5 | 20.1 | 21.0 | 20.8 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 106.2 | 107.9 | 108.0 | 114.7 | 120.4 | 127.5 | 107.3 | 116.0 | 113.8 |
| Primary balance | -3.7 | -4.3 | -3.5 | -4.1 | -4.3 | -4.6 | -3.8 | -4.1 | -4.0 |
| Structural primary balance (before CoA) | -4.1 | -3.7 | -3.4 | -3.4 | -3.4 | -3.4 | -3.7 | -3.4 | -3.4 |
| Real GDP growth | 2.8 | 0.2 | 2.3 | 0.9 | 0.6 | 0.8 | 1.8 | 1.0 | 1.2 |
| Gross financing needs | 19.9 | 20.6 | 19.5 | 21.5 | 23.0 | 24.8 | 20.0 | 21.7 | 21.3 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 106.2 | 107.9 | 108.6 | 111.5 | 115.9 | 121.6 | 107.6 | 112.9 | 111.6 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 19.9 | 20.5 | 19.5 | 20.4 | 21.7 | 23.2 | 19.9 | 20.7 | 20.5 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 106.2 | 108.5 | 109.9 | 116.6 | 122.7 | 130.5 | 108.2 | 118.1 | 115.6 |
| Implicit interest rate (nominal) | 1.5 | 1.7 | 1.8 | 2.2 | 2.5 | 2.7 | 1.7 | 2.3 | 2.1 |
| Real GDP growth | 2.8 | -0.3 | 1.0 | 0.4 | 0.1 | 0.3 | 1.2 | 0.6 | 0.7 |
| Gross financing needs | 19.9 | 20.6 | 19.8 | 21.5 | 23.2 | 25.1 | 20.1 | 21.8 | 21.4 |

Bulgaria

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| BG - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 24.5 | 23.9 | 22.5 | 23.6 | 25.6 | 27.0 | 28.5 | 30.0 | 31.6 | 33.2 | 34.9 | 36.6 | 38.4 | 40.3 |
| Changes in the ratio (-1+2+3) of which | 4.5 | -0.6 | -1.5 | 1.1 | 2.0 | 1.4 | 1.5 | 1.6 | 1.6 | 1.6 | 1.7 | 1.7 | 1.8 | 1.9 |
| (1) Primary balance (1.1+1.2+1.3) | -3.3 | -3.4 | -2.9 | -2.3 | -2.0 | -2.1 | -2.2 | -2.3 | -2.3 | -2.3 | -2.4 | -2.4 | -2.4 | -2.4 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.8 | -3.4 | -3.3 | -2.5 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.4 | -2.4 | -2.4 | -2.4 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.8 | -3.4 | -3.3 | -2.5 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.5 | 0.0 | 0.4 | 0.2 | 0.3 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.5 | -2.8 | -2.8 | -0.7 | -0.9 | -0.7 | -0.7 | -0.7 | -0.8 | -0.7 | -0.7 | -0.6 | -0.6 | -0.5 |
| (2.1) Interest expenditure | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.9 |
| (2.2) Growth effect | 0.8 | -1.6 | -0.6 | -0.2 | -0.5 | -0.4 | -0.4 | -0.4 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 |
| (2.3) Inflation effect | -0.8 | -1.6 | -2.6 | -0.9 | -0.8 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 0.8 | -1.3 | -1.6 | -0.5 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 0.8 | -1.3 | -1.6 | -0.5 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -2.3 | -3.9 | -3.8 | -2.9 | -2.8 | -2.8 | -2.8 | -2.9 | -2.9 | -3.0 | -3.0 | -3.1 | -3.2 | -3.3 |
| Gross financing needs | 5.5 | 3.2 | 3.5 | 4.0 | 5.1 | 4.5 | 4.6 | 4.8 | 4.9 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | LOW | LOW | MEDIUM | MEDIUM | MEDIUM | |
| | | Debt level (2033), % GDP | 40.3 | 26.7 | 45.6 | 42.8 | 40.5 | | | | |
| | | Debt peak year | 2033 | 2027 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 96% | 90% | 100% | 96% | 96% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | | | | 81% |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 25.0 | | | | | |

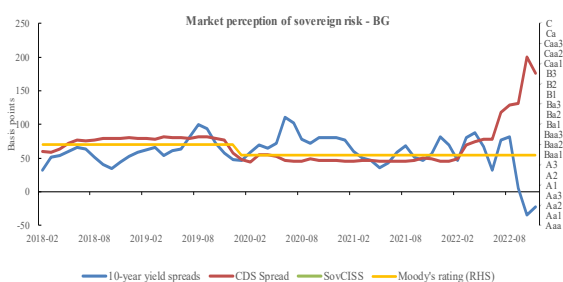
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.3 | 0.5 |
| Fiscal sub-index | 0.3 | 0.3 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 3.4 | 3.9 | 4.7 | 5.6 |
| of which Initial Budgetary position | 2.1 | 2.5 | 2.6 | 2.6 |
| Ageing costs | 1.3 | 1.4 | 2.1 | 3.0 |
| of which Pensions | 0.7 | 0.8 | 1.6 | 0.8 |
| Health care | 0.2 | 0.2 | 0.1 | 0.9 |
| Long-term care | 0.1 | 0.1 | 0.1 | 1.0 |
| Others | 0.3 | 0.3 | 0.3 | 0.3 |
| Required structural primary balance related to S2 | 1.6 | 1.6 | 2.4 | 3.3 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.5 | 2.9 | 3.5 |
| of which Initial budgetary position | | 2.3 | 2.3 | 2.3 |
| Debt requirement | | -0.7 | -0.7 | -0.7 |
| Ageing costs | | 1.0 | 1.3 | 2.0 |
| Required structural primary balance related to S1 | | 0.2 | 0.6 | 1.2 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | -22.0 |
|---|---------|-------|
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

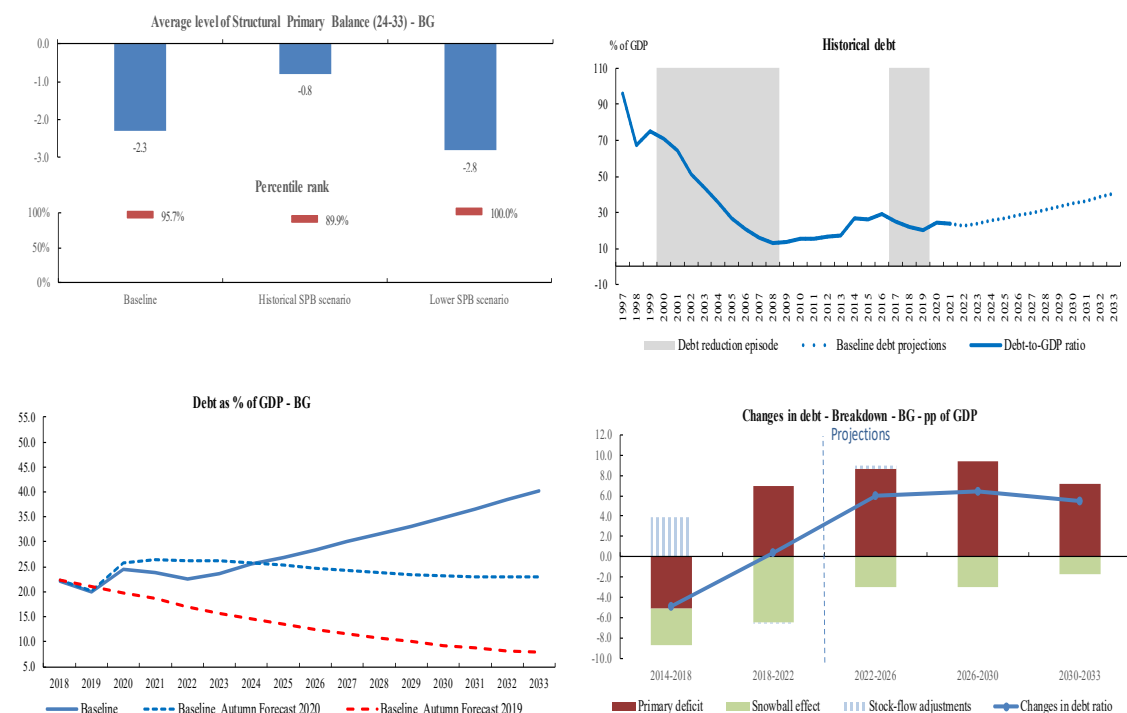
| | | | | | |
|--|--|--|---|--|----------------------------------|
| Public debt structure - BG (2021) | Share of short-term government debt (%): 0.1 | Share of government debt in foreign currency (%): 74.6 | Share of government debt by non-residents (%): 46.1 | Net International Investment Position (IIP) - BG (2021) | Net IIP (% GDP): -18.4 |
|--|--|--|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | BG | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 0.4 | 0.3 | 0.2 | 0.1 | 0.2 | 0.4 | 7.5 |
| of which | One-off guarantees | 0.3 | 0.2 | 0.1 | 0.1 | 0.2 | 0.4 | 6.4 |
| | Standardised guarantees | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|---|
| Government's contingent liability risks from banking sector - BG (2022) | Private sector credit flow (% GDP): 4.4 | Change in nominal house price index (p.p.): 8.7 | Bank loans-to-deposits ratio (%): 72.4 | Share of non-performing loans (%): 3.5 | Change in share of non-performing loans (p.p.): -2.9 | NPL coverage ratio (%): 65.7 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.01% Stressed: 0.09% |
|--|---|---|--|--|--|--|---|

6. Realism of baseline assumptions



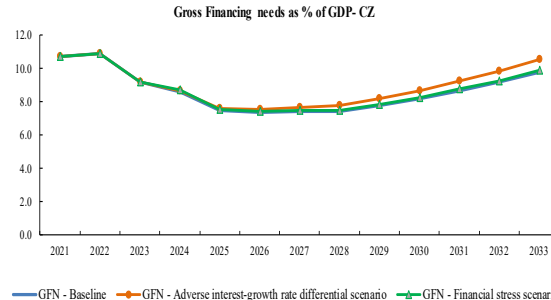
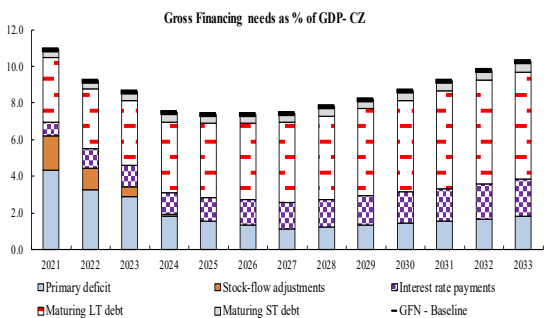
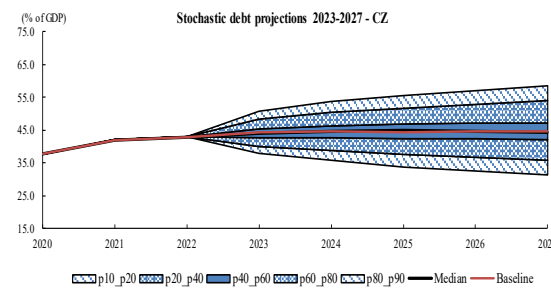
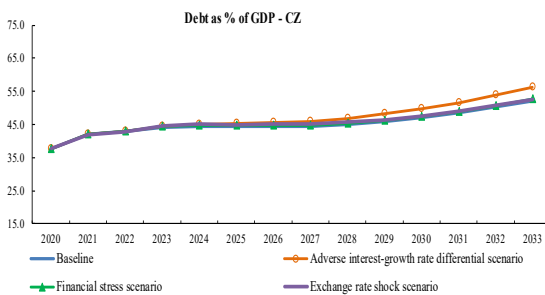
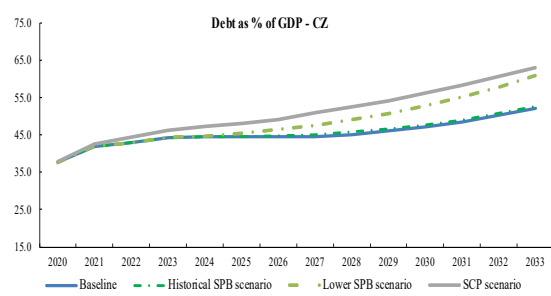
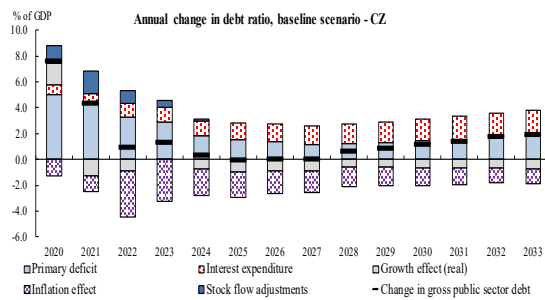
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Bulgaria | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 22.5 | 23.6 | 25.6 | 33.2 | 36.6 | 40.3 | 23.9 | 33.4 | 31.0 |
| Primary balance | -2.9 | -2.3 | -2.0 | -2.3 | -2.4 | -2.4 | -2.4 | -2.3 | -2.3 |
| Structural primary balance (before CoA) | -3.3 | -2.5 | -2.3 | -2.3 | -2.3 | -2.3 | -2.7 | -2.3 | -2.4 |
| Real GDP growth | 3.1 | 1.1 | 2.4 | 1.6 | 1.5 | 1.3 | 2.2 | 1.5 | 1.7 |
| Potential GDP growth | 1.6 | 1.9 | 2.0 | 1.6 | 1.5 | 1.3 | 1.8 | 1.6 | 1.7 |
| Inflation rate | 12.3 | 4.2 | 3.7 | 2.9 | 2.6 | 2.4 | 6.7 | 2.9 | 3.9 |
| Implicit interest rate (nominal) | 2.2 | 2.2 | 2.2 | 2.1 | 2.2 | 2.4 | 2.2 | 2.2 | 2.2 |
| Gross financing needs | 3.5 | 4.0 | 5.1 | 4.9 | 5.1 | 5.3 | 4.2 | 4.9 | 4.7 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 26.7 | 27.1 | 27.0 | 26.6 | 27.1 | 27.7 | 26.9 | 26.7 | 26.7 |
| Primary balance | -2.2 | -1.9 | -0.4 | -0.7 | -0.7 | -0.7 | -1.5 | -0.6 | -1.0 |
| Structural primary balance (before CoA) | -2.2 | -2.4 | -0.7 | -0.7 | -0.7 | -0.7 | -1.8 | -0.7 | -1.1 |
| Real GDP growth | 4.1 | 3.9 | 0.8 | 1.5 | 1.2 | 1.2 | 2.9 | 1.4 | 2.1 |
| Gross financing needs | 2.9 | 3.1 | 2.0 | 2.4 | 2.5 | 2.6 | 2.7 | 2.2 | 2.5 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 22.5 | 23.6 | 25.6 | 27.2 | 26.8 | 26.7 | 23.9 | 27.1 | 26.3 |
| Primary balance | -2.9 | -2.3 | -2.0 | -0.5 | -0.4 | -0.4 | -2.4 | -0.7 | -1.2 |
| Structural primary balance (before CoA) | -3.3 | -2.5 | -2.3 | -0.3 | -0.3 | -0.3 | -2.7 | -0.6 | -1.1 |
| Real GDP growth | 3.1 | 1.1 | 2.4 | 1.9 | 1.7 | 1.3 | 2.2 | 1.5 | 1.7 |
| Gross financing needs | 3.5 | 4.0 | 5.1 | 2.7 | 2.4 | 2.4 | 4.2 | 2.9 | 3.3 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 22.5 | 23.6 | 25.6 | 33.3 | 36.8 | 40.5 | 23.9 | 33.5 | 31.1 |
| Implicit interest rate (nominal) | 2.2 | 2.4 | 2.3 | 2.2 | 2.3 | 2.4 | 2.3 | 2.2 | 2.2 |
| Gross financing needs | 3.5 | 4.0 | 5.1 | 4.9 | 5.1 | 5.4 | 4.2 | 4.9 | 4.8 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 22.5 | 24.0 | 26.8 | 36.7 | 41.0 | 45.6 | 24.4 | 36.9 | 33.7 |
| Primary balance | -2.9 | -2.8 | -2.6 | -2.9 | -2.9 | -2.9 | -2.8 | -2.8 | -2.8 |
| Structural primary balance (before CoA) | -3.3 | -3.1 | -2.8 | -2.8 | -2.8 | -2.8 | -3.1 | -2.8 | -2.9 |
| Real GDP growth | 3.1 | 1.5 | 1.6 | 1.6 | 1.5 | 1.3 | 2.1 | 1.6 | 1.7 |
| Gross financing needs | 3.5 | 4.6 | 5.8 | 5.7 | 5.9 | 6.2 | 4.6 | 5.7 | 5.4 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 22.5 | 23.6 | 25.6 | 33.2 | 36.6 | 40.3 | 23.9 | 33.4 | 31.0 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 3.5 | 4.0 | 5.1 | 4.9 | 5.1 | 5.3 | 4.2 | 4.9 | 4.7 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 22.5 | 23.7 | 25.9 | 34.5 | 38.5 | 42.8 | 24.0 | 34.8 | 32.1 |
| Implicit interest rate (nominal) | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.8 | 2.3 | 2.5 | 2.5 |
| Real GDP growth | 3.1 | 0.6 | 1.9 | 1.1 | 1.0 | 0.8 | 1.9 | 1.0 | 1.2 |
| Gross financing needs | 3.5 | 4.0 | 5.1 | 5.1 | 5.4 | 5.7 | 4.2 | 5.1 | 4.9 |

Czechia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| CZ - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 37.7 | 42.0 | 42.9 | 44.2 | 44.5 | 44.5 | 44.5 | 44.5 | 45.1 | 46.0 | 47.1 | 48.5 | 50.3 | 52.2 |
| Changes in the ratio (-1+2+3) of which | 7.6 | 4.4 | 0.9 | 1.3 | 0.3 | -0.1 | 0.0 | 0.0 | 0.6 | 0.9 | 1.1 | 1.4 | 1.8 | 1.9 |
| (1) Primary balance (1.1+1.2+1.3) | -5.0 | -4.3 | -3.3 | -2.9 | -1.8 | -1.6 | -1.4 | -1.1 | -1.2 | -1.3 | -1.4 | -1.5 | -1.7 | -1.8 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.5 | -3.8 | -2.8 | -1.9 | -0.9 | -1.0 | -1.1 | -1.1 | -1.2 | -1.3 | -1.4 | -1.5 | -1.7 | -1.8 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.5 | -3.8 | -2.8 | -1.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.9 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.5 | -0.5 | -0.4 | -1.0 | -0.9 | -0.6 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.2 | -1.7 | -3.4 | -2.1 | -1.6 | -1.7 | -1.3 | -1.1 | -0.6 | -0.5 | -0.3 | -0.1 | 0.1 | 0.1 |
| (2.1) Interest expenditure | 0.8 | 0.8 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 |
| (2.2) Growth effect | 1.7 | -1.2 | -0.9 | 0.0 | -0.8 | -1.0 | -0.9 | -0.9 | -0.6 | -0.6 | -0.7 | -0.7 | -0.7 | -0.7 |
| (2.3) Inflation effect | -1.2 | -1.2 | -3.5 | -3.2 | -2.0 | -1.9 | -1.8 | -1.7 | -1.6 | -1.5 | -1.4 | -1.3 | -1.2 | -1.2 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 1.4 | 1.7 | 1.0 | 0.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.3 | 1.9 | 1.2 | 0.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.1 | -0.1 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -4.3 | -4.6 | -3.8 | -3.1 | -2.1 | -2.2 | -2.4 | -2.6 | -2.7 | -2.9 | -3.1 | -3.3 | -3.6 | -3.8 |
| Gross financing needs | 10.7 | 10.9 | 9.2 | 8.6 | 7.5 | 7.4 | 7.4 | 7.4 | 7.8 | 8.2 | 8.7 | 9.2 | 9.8 | 10.3 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 52.2 | 52.7 | 60.8 | 56.2 | 52.6 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 36% | 35% | 53% | 36% | 36% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 57% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 27.3 | | | | | |

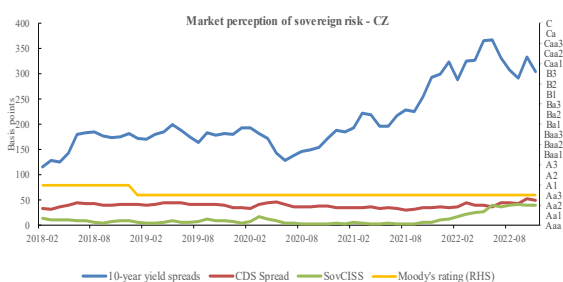
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.3 | 0.2 | 0.5 |
| Fiscal sub-index | 0.4 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.3 | 0.2 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 7.7 | 5.5 | 5.7 | 7.2 |
| of which Initial Budgetary position | 3.3 | 1.1 | 1.2 | 1.2 |
| Ageing costs | 4.4 | 4.4 | 4.4 | 6.0 |
| of which Pensions | 1.7 | 1.9 | 2.1 | 1.9 |
| Health care | 0.8 | 0.7 | 0.7 | 1.7 |
| Long-term care | 1.4 | 1.3 | 1.3 | 2.0 |
| Others | 0.4 | 0.4 | 0.4 | 0.4 |
| Required structural primary balance related to S2 | 4.6 | 4.6 | 4.7 | 6.2 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 3.9 | 4.1 | 4.9 |
| of which Initial budgetary position | | 0.9 | 1.0 | 0.9 |
| Debt requirement | | -0.3 | -0.3 | -0.3 |
| Ageing costs | | 3.3 | 3.4 | 4.3 |
| Required structural primary balance related to S1 | | 3.0 | 3.1 | 3.9 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 304.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

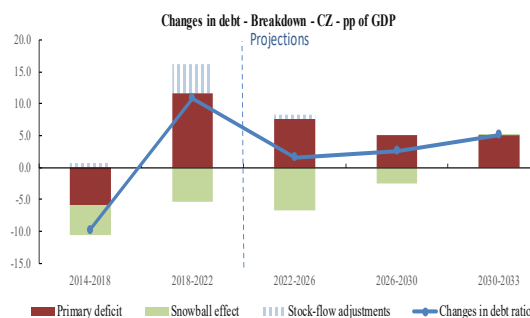
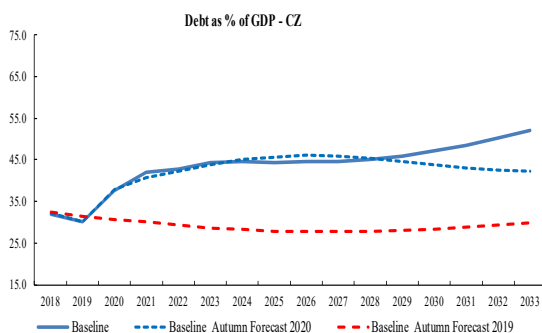
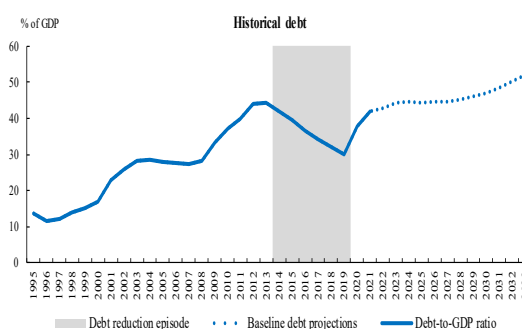
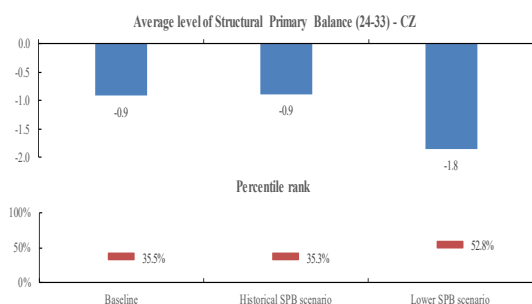
| | | | | | |
|--|---|--|--|--|----------------------------------|
| Public debt structure - CZ (2021) | Share of short-term government debt (%): 2.6 | Share of government debt in foreign currency (%): 7.7 | Share of government debt by non-residents (%): 29.7 | Net International Investment Position (IIP) - CZ (2021) | Net IIP (% GDP): -15.6 |
|--|---|--|--|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | CZ | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 0.3 | 0.2 | 0.2 | 0.2 | 0.6 | 0.7 | 7.5 |
| of which | One-off guarantees | 0.3 | 0.2 | 0.2 | 0.2 | 0.6 | 0.7 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.3 |
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|--|---|---|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - CZ (2022) | Private sector credit flow (% GDP): 2.9 | Change in nominal house price index (p.p.): 19.7 | Bank loans-to-deposits ratio (%): 78.3 | Share of non-performing loans (%): 1.2 | Change in share of non-performing loans (p.p.): -0.2 | NPL coverage ratio (%): 53.5 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.01% |
| | | | | | | | Stressed 0.14% |

6. Realism of baseline assumptions



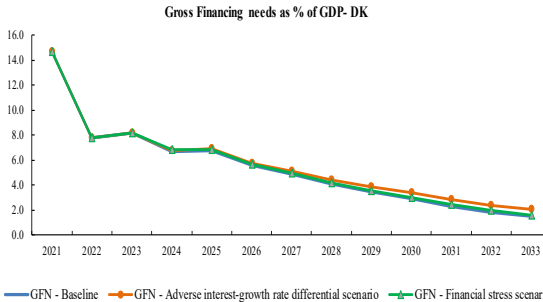
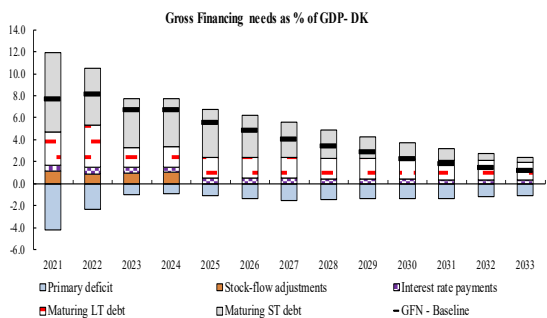
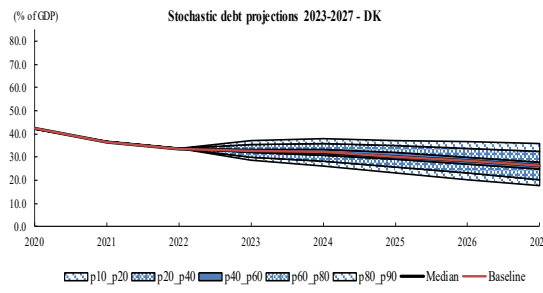
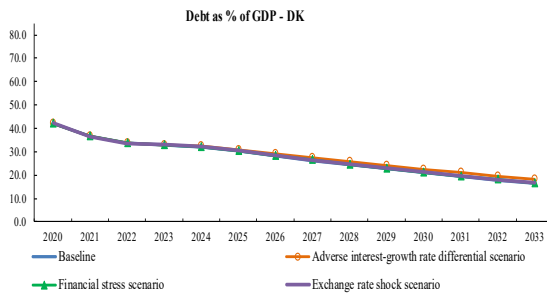
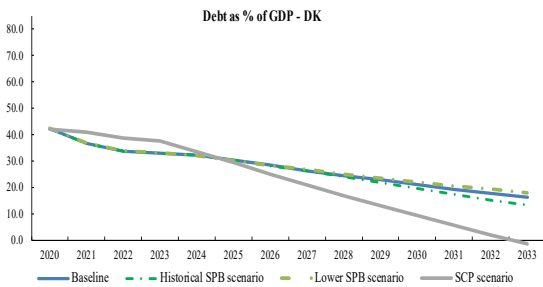
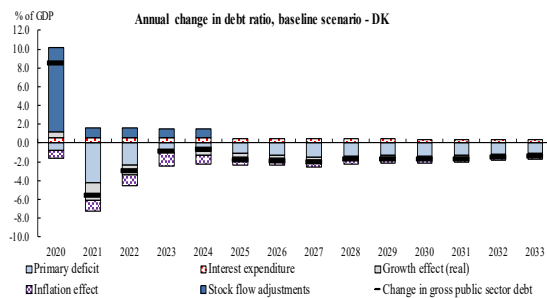
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Czechia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.2 | 44.5 | 46.0 | 48.5 | 52.2 | 43.9 | 47.0 | 46.2 |
| Primary balance | -3.3 | -2.9 | -1.8 | -1.3 | -1.5 | -1.8 | -2.7 | -1.4 | -1.8 |
| Structural primary balance (before CoA) | -2.8 | -1.9 | -0.9 | -0.9 | -0.9 | -0.9 | -1.9 | -0.9 | -1.2 |
| Real GDP growth | 2.5 | 0.1 | 1.8 | 1.4 | 1.5 | 1.5 | 1.5 | 1.7 | 1.6 |
| Potential GDP growth | 2.2 | 1.5 | 1.7 | 1.4 | 1.5 | 1.5 | 1.8 | 1.4 | 1.5 |
| Inflation rate | 9.2 | 8.1 | 4.8 | 3.3 | 2.7 | 2.4 | 7.4 | 3.4 | 4.4 |
| Implicit interest rate (nominal) | 2.8 | 3.0 | 2.8 | 3.7 | 4.0 | 4.2 | 2.9 | 3.7 | 3.5 |
| Gross financing needs | 9.2 | 8.6 | 7.5 | 8.2 | 9.2 | 10.3 | 8.4 | 8.5 | 8.4 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 44.3 | 46.1 | 47.3 | 54.2 | 58.4 | 63.1 | 45.9 | 53.0 | 50.8 |
| Primary balance | -3.5 | -2.8 | -2.4 | -2.7 | -2.9 | -3.2 | -2.9 | -2.6 | -3.0 |
| Structural primary balance (before CoA) | -3.1 | -2.6 | -2.3 | -2.3 | -2.3 | -2.3 | -2.7 | -2.3 | -2.6 |
| Real GDP growth | 4.4 | 2.9 | 2.1 | 1.8 | 1.5 | 1.7 | 3.1 | 1.8 | 2.2 |
| Gross financing needs | 9.4 | 9.0 | 8.4 | 10.4 | 11.5 | 12.6 | 9.0 | 10.0 | 10.0 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.2 | 44.5 | 46.7 | 49.0 | 52.7 | 43.9 | 47.4 | 46.6 |
| Primary balance | -3.3 | -2.9 | -1.8 | -1.4 | -1.5 | -1.8 | -2.7 | -1.5 | -1.8 |
| Structural primary balance (before CoA) | -2.8 | -1.9 | -0.9 | -0.9 | -0.9 | -0.9 | -1.9 | -0.9 | -1.1 |
| Real GDP growth | 2.5 | 0.1 | 1.8 | 1.6 | 1.7 | 1.5 | 1.5 | 1.7 | 1.6 |
| Gross financing needs | 9.2 | 8.6 | 7.5 | 8.4 | 9.3 | 10.3 | 8.4 | 8.6 | 8.5 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.3 | 44.7 | 46.3 | 48.9 | 52.6 | 44.0 | 47.3 | 46.5 |
| Implicit interest rate (nominal) | 2.8 | 3.2 | 3.0 | 3.8 | 4.0 | 4.3 | 3.0 | 3.8 | 3.6 |
| Gross financing needs | 9.2 | 8.7 | 7.5 | 8.3 | 9.3 | 10.4 | 8.5 | 8.5 | 8.5 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.4 | 44.7 | 50.8 | 55.2 | 60.8 | 44.0 | 51.7 | 49.8 |
| Primary balance | -3.3 | -3.2 | -2.3 | -2.2 | -2.5 | -2.7 | -2.9 | -2.3 | -2.5 |
| Structural primary balance (before CoA) | -2.8 | -2.3 | -1.8 | -1.8 | -1.8 | -1.8 | -2.3 | -1.8 | -2.0 |
| Real GDP growth | 2.5 | 0.3 | 2.9 | 1.4 | 1.5 | 1.5 | 1.9 | 1.6 | 1.6 |
| Gross financing needs | 9.2 | 9.0 | 7.9 | 9.7 | 11.1 | 12.5 | 8.7 | 10.0 | 9.7 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.5 | 45.1 | 46.5 | 49.0 | 52.7 | 44.2 | 47.5 | 46.7 |
| Exchange rate depreciation | 0.0% | 6.0% | 6.0% | 0.0% | 0.0% | 0.0% | 4.0% | 0.0% | 1.0% |
| Gross financing needs | 9.2 | 8.6 | 7.5 | 8.3 | 9.3 | 10.4 | 8.5 | 8.5 | 8.5 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 42.9 | 44.5 | 45.1 | 48.2 | 51.5 | 56.2 | 44.2 | 49.2 | 48.0 |
| Implicit interest rate (nominal) | 2.8 | 3.1 | 3.0 | 4.1 | 4.4 | 4.7 | 3.0 | 4.1 | 3.8 |
| Real GDP growth | 2.5 | -0.4 | 1.3 | 0.9 | 1.0 | 1.0 | 1.1 | 1.2 | 1.2 |
| Gross financing needs | 9.2 | 8.7 | 7.6 | 8.7 | 9.8 | 11.1 | 8.5 | 9.0 | 8.8 |

Denmark

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| DK - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 42.2 | 36.6 | 33.7 | 32.8 | 32.1 | 30.2 | 28.3 | 26.2 | 24.5 | 22.8 | 21.0 | 19.3 | 17.8 | 16.3 |
| Changes in the ratio (-1+2+3) of which | 8.5 | -5.6 | -3.0 | -0.9 | -0.7 | -1.9 | -1.9 | -2.0 | -1.8 | -1.7 | -1.7 | -1.7 | -1.5 | -1.4 |
| (1) Primary balance (1.1+1.2+1.3) | 0.8 | 4.2 | 2.3 | 1.0 | 0.9 | 1.1 | 1.3 | 1.6 | 1.4 | 1.3 | 1.4 | 1.4 | 1.2 | 1.1 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | 3.0 | 4.7 | 2.2 | 2.3 | 1.7 | 1.7 | 1.6 | 1.6 | 1.4 | 1.3 | 1.4 | 1.4 | 1.2 | 1.1 |
| (1.1.1) Structural primary balance (bef. CoA) | 3.0 | 4.7 | 2.2 | 2.3 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.2 | 0.2 | 0.4 | 0.5 | 0.4 | 0.5 | 0.4 | 0.5 | 0.4 | 0.5 | 0.6 | 0.8 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| (1.2) Cyclical component | -2.2 | -0.5 | 0.1 | -0.8 | -0.8 | -0.5 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.4 | -2.5 | -1.6 | -0.9 | -0.8 | -0.7 | -0.6 | -0.5 | -0.4 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 |
| (2.1) Interest expenditure | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 |
| (2.2) Growth effect | 0.7 | -1.9 | -1.0 | 0.0 | -0.4 | -0.4 | -0.3 | -0.2 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| (2.3) Inflation effect | -0.9 | -1.1 | -1.2 | -1.4 | -0.9 | -0.8 | -0.8 | -0.7 | -0.7 | -0.6 | -0.6 | -0.5 | -0.5 | -0.4 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 8.9 | 1.1 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 9.0 | 1.1 | 0.9 | 1.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | 2.5 | 4.2 | 1.6 | 1.7 | 1.2 | 1.2 | 1.1 | 1.1 | 1.0 | 0.9 | 1.0 | 1.0 | 0.9 | 0.8 |
| Gross financing needs | 14.6 | 7.7 | 8.2 | 6.7 | 6.8 | 5.6 | 4.9 | 4.1 | 3.5 | 2.9 | 2.3 | 1.9 | 1.5 | 1.2 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | LOW | LOW | LOW | LOW | LOW | |
| | | Debt level (2033), % GDP | 16.3 | 13.0 | 18.0 | 18.3 | 16.6 | | | | |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 74% | 69% | 76% | 74% | 74% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 16% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 17.9 | | | | |

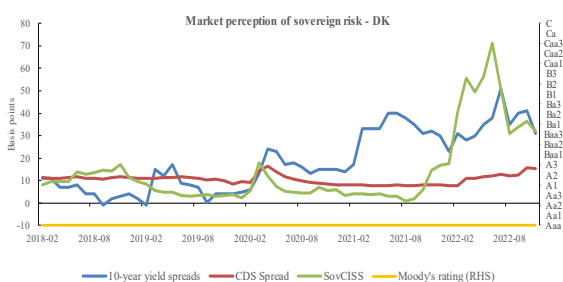
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.4 | 0.2 | 0.5 |
| Fiscal sub-index | 0.3 | 0.0 | 0.4 |
| Financial competitiveness sub-index | 0.5 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | -0.5 | -0.1 | -0.6 | 1.5 |
| of which Initial Budgetary position | -2.3 | -1.7 | -1.7 | -1.7 |
| Ageing costs | 1.8 | 1.6 | 1.2 | 3.2 |
| of which Pensions | -1.5 | -1.5 | -1.9 | -1.5 |
| Health care | 0.7 | 0.6 | 0.6 | 1.6 |
| Long-term care | 3.0 | 2.8 | 2.8 | 3.5 |
| Others | -0.4 | -0.3 | -0.3 | -0.3 |
| Required structural primary balance related to S2 | 2.0 | 1.6 | 1.2 | 3.3 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | -1.7 | -1.9 | -0.7 |
| of which Initial budgetary position | | -2.3 | -2.2 | -2.2 |
| Debt requirement | | -0.7 | -0.6 | -0.7 |
| Ageing costs | | 1.2 | 1.0 | 2.2 |
| Required structural primary balance related to S1 | | 0.0 | -0.1 | 1.1 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 31.0 |
|---|---------|------|
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

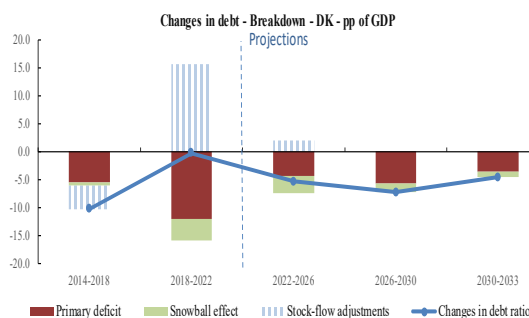
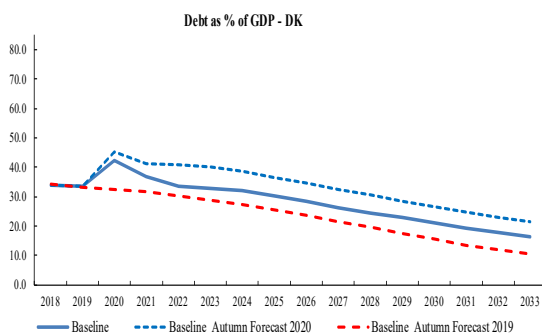
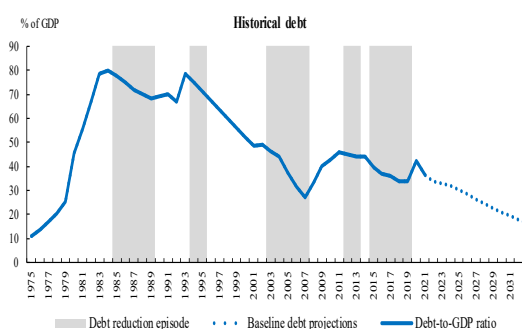
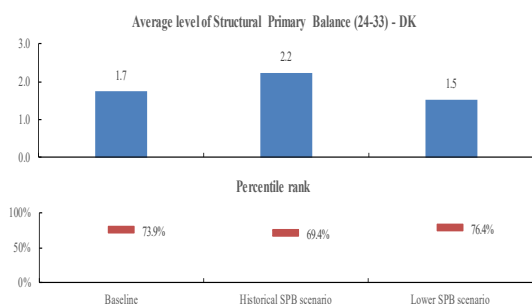
| | | | | | |
|-----------------------------------|--|--|--|---|--------------------------|
| Public debt structure - DK (2021) | Share of short-term government debt (%): 13.2 | Share of government debt in foreign currency (%): 2.4 | Share of government debt by non-residents (%): 26.5 | Net International Investment Position (IIP) - DK (2021) | Net IIP (% GDP): 77.0 |
|-----------------------------------|--|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | DK | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 12.2 | 11.6 | 11.8 | 11.4 | 11.5 | 11.1 | 7.5 |
| of which | One-off guarantees | 12.2 | 11.6 | 14.5 | 11.4 | 11.4 | 11.0 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|---|---|---|--|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - DK (2022) | Private sector credit flow (% GDP): 12.3 | Change in nominal house price index (p.p.): 11.7 | Bank loans-to-deposits ratio (%): 311.8 | Share of non-performing loans (%): 1.5 | Change in share of non-performing loans (p.p.): -0.6 | NPL coverage ratio (%): 27.3 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.19% |
| | | | | | | | Stressed 0.55% |

6. Realism of baseline assumptions



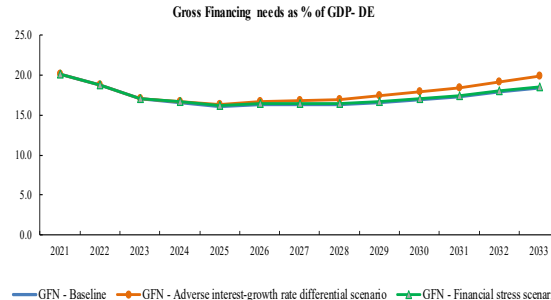
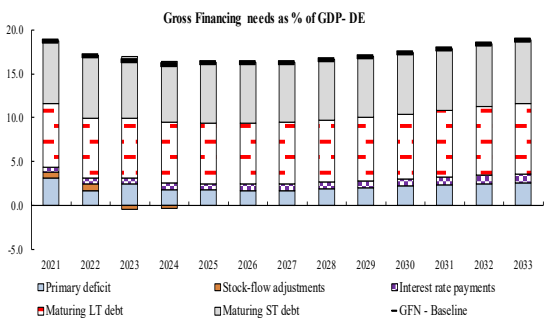
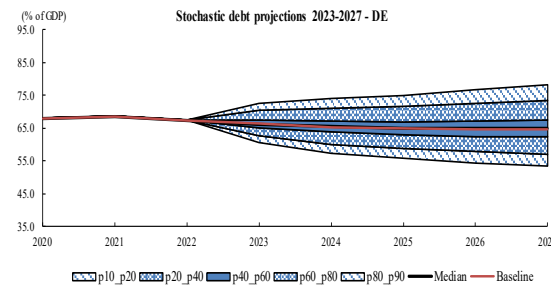
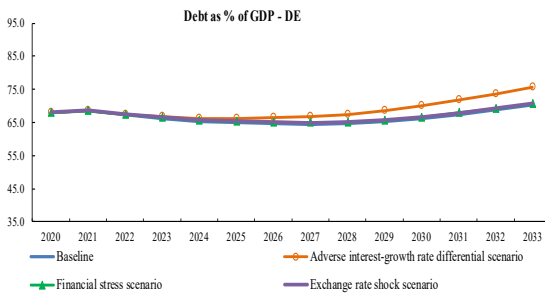
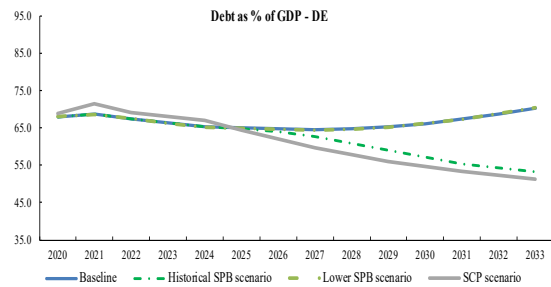
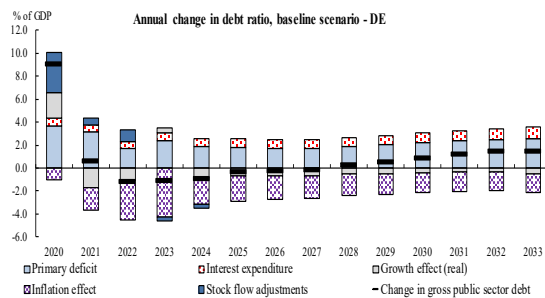
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Denmark | | | | | | | | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | Levels | | | | | | Averages | | |
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 33.7 | 32.8 | 32.1 | 22.8 | 19.3 | 16.3 | 32.8 | 22.9 | 25.4 |
| Primary balance | 2.3 | 1.0 | 0.9 | 1.3 | 1.4 | 1.1 | 1.4 | 1.3 | 1.3 |
| Structural primary balance (before CoA) | 2.2 | 2.3 | 1.7 | 1.7 | 1.7 | 1.7 | 2.1 | 1.7 | 1.8 |
| Real GDP growth | 3.0 | 0.0 | 1.3 | 0.6 | 0.9 | 1.1 | 1.4 | 0.9 | 1.0 |
| Potential GDP growth | 1.8 | 1.5 | 1.4 | 0.6 | 0.9 | 1.1 | 1.6 | 0.7 | 1.0 |
| Inflation rate | 3.3 | 4.4 | 2.7 | 2.6 | 2.5 | 2.4 | 3.5 | 2.6 | 2.8 |
| Implicit interest rate (nominal) | 1.6 | 1.6 | 1.6 | 1.7 | 1.8 | 1.8 | 1.6 | 1.7 | 1.7 |
| Gross financing needs | 8.2 | 6.7 | 6.8 | 2.9 | 1.9 | 1.2 | 7.2 | 3.1 | 4.1 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 38.8 | 37.5 | 33.6 | 13.0 | 5.5 | -1.3 | 36.6 | 17.2 | 22.7 |
| Primary balance | 1.8 | 2.9 | 2.9 | 3.5 | 3.5 | 3.3 | 2.6 | 3.5 | 3.0 |
| Structural primary balance (before CoA) | 3.8 | 4.2 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 3.7 |
| Real GDP growth | 2.7 | 1.1 | 2.5 | 1.4 | 1.4 | 1.4 | 2.1 | 1.7 | 2.0 |
| Gross financing needs | 5.5 | 5.3 | 3.1 | -1.7 | -2.5 | -3.1 | 4.6 | -0.9 | 0.9 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 33.7 | 32.8 | 32.1 | 21.9 | 17.2 | 13.0 | 32.8 | 21.7 | 24.5 |
| Primary balance | 2.3 | 1.0 | 0.9 | 1.8 | 2.0 | 1.8 | 1.4 | 1.7 | 1.6 |
| Structural primary balance (before CoA) | 2.2 | 2.3 | 1.7 | 2.4 | 2.4 | 2.4 | 2.1 | 2.3 | 2.2 |
| Real GDP growth | 3.0 | 0.0 | 1.3 | 0.8 | 1.1 | 1.1 | 1.4 | 0.9 | 1.0 |
| Gross financing needs | 8.2 | 6.7 | 6.8 | 2.2 | 0.6 | -0.1 | 7.2 | 2.4 | 3.6 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 33.7 | 32.9 | 32.2 | 23.0 | 19.6 | 16.6 | 32.9 | 23.1 | 25.6 |
| Implicit interest rate (nominal) | 1.6 | 1.9 | 1.7 | 1.8 | 1.8 | 1.9 | 1.8 | 1.8 | 1.8 |
| Gross financing needs | 8.2 | 6.8 | 6.8 | 3.0 | 1.9 | 1.3 | 7.3 | 3.2 | 4.2 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 33.7 | 32.9 | 32.0 | 23.6 | 20.6 | 18.0 | 32.8 | 23.8 | 26.0 |
| Primary balance | 2.3 | 0.8 | 1.1 | 1.1 | 1.1 | 0.9 | 1.4 | 1.1 | 1.2 |
| Structural primary balance (before CoA) | 2.2 | 1.9 | 1.5 | 1.5 | 1.5 | 1.5 | 1.9 | 1.5 | 1.6 |
| Real GDP growth | 3.0 | 0.3 | 1.6 | 0.6 | 0.9 | 1.1 | 1.6 | 0.8 | 1.0 |
| Gross financing needs | 8.2 | 7.1 | 6.6 | 3.4 | 2.6 | 2.0 | 7.3 | 3.6 | 4.5 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 33.7 | 32.9 | 32.4 | 23.1 | 19.6 | 16.6 | 33.0 | 23.2 | 25.7 |
| Exchange rate depreciation | 0.0% | 0.2% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% |
| Gross financing needs | 8.2 | 6.8 | 6.8 | 3.0 | 1.9 | 1.3 | 7.3 | 3.2 | 4.2 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 33.7 | 33.0 | 32.5 | 24.2 | 21.0 | 18.3 | 33.0 | 24.3 | 26.5 |
| Implicit interest rate (nominal) | 1.6 | 1.8 | 1.8 | 2.0 | 2.1 | 2.1 | 1.7 | 2.0 | 1.9 |
| Real GDP growth | 3.0 | -0.5 | 0.8 | 0.1 | 0.4 | 0.6 | 1.1 | 0.4 | 0.6 |
| Gross financing needs | 8.2 | 6.8 | 6.9 | 3.4 | 2.4 | 1.7 | 7.3 | 3.5 | 4.4 |

Germany

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| DE - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 68.0 | 68.6 | 67.4 | 66.3 | 65.4 | 65.0 | 64.7 | 64.5 | 64.8 | 65.3 | 66.2 | 67.4 | 68.8 | 70.3 |
| Changes in the ratio (-1+2+3) | 9.1 | 0.6 | -1.2 | -1.1 | -0.9 | -0.4 | -0.3 | -0.2 | 0.3 | 0.5 | 0.9 | 1.2 | 1.4 | 1.5 |
| of which | | | | | | | | | | | | | | |
| (1) Primary balance (1.1+1.2+1.3) | -3.7 | -3.2 | -1.7 | -2.4 | -1.8 | -1.8 | -1.7 | -1.7 | -1.9 | -2.0 | -2.2 | -2.4 | -2.5 | -2.6 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -2.3 | -2.6 | -1.4 | -1.7 | -1.4 | -1.5 | -1.6 | -1.7 | -1.9 | -2.0 | -2.2 | -2.4 | -2.5 | -2.6 |
| (1.1.1) Structural primary balance (bef. CoA) | -2.3 | -2.6 | -1.4 | -1.7 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.3 | 0.4 | 0.6 | 0.8 | 1.0 | 1.2 | 1.4 | 1.5 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | | | | |
| (1.2) Cyclical component | -1.4 | -0.5 | 0.0 | -0.7 | -0.4 | -0.3 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | -0.1 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.8 | -3.1 | -3.9 | -3.2 | -2.4 | -2.2 | -2.0 | -1.9 | -1.6 | -1.5 | -1.3 | -1.1 | -1.0 | -1.1 |
| (2.1) Interest expenditure | 0.6 | 0.6 | 0.6 | 0.7 | 0.8 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.9 | 1.0 | 1.0 |
| (2.2) Growth effect | 2.2 | -1.7 | -1.0 | 0.4 | -0.9 | -0.7 | -0.7 | -0.7 | -0.5 | -0.5 | -0.4 | -0.3 | -0.4 | -0.5 |
| (2.3) Inflation effect | -1.0 | -2.0 | -3.5 | -4.3 | -2.3 | -2.2 | -2.1 | -2.0 | -1.9 | -1.8 | -1.7 | -1.7 | -1.6 | -1.6 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 3.6 | 0.6 | 1.0 | -0.4 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 3.6 | 0.7 | 0.8 | -0.4 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | -0.1 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -2.9 | -3.1 | -2.0 | -2.4 | -2.2 | -2.3 | -2.3 | -2.5 | -2.7 | -2.8 | -3.0 | -3.2 | -3.4 | -3.6 |
| Gross financing needs | 20.1 | 18.7 | 17.1 | 16.5 | 16.1 | 16.3 | 16.3 | 16.3 | 16.6 | 16.9 | 17.3 | 17.9 | 18.4 | 18.9 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 70.3 | 53.1 | 70.3 | 75.8 | 70.8 | | | | |
| | | Debt peak year | 2033 | 2022 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 88% | 53% | 89% | 88% | 88% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 40% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 24.7 | | | | | |

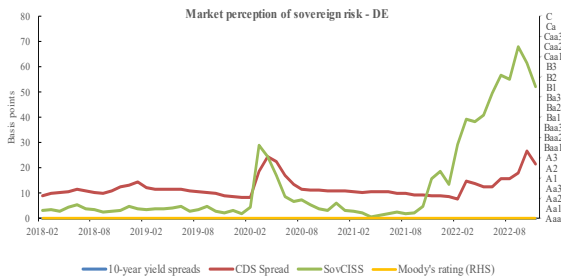
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.2 | 0.2 | 0.5 |
| Fiscal sub-index | 0.4 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.1 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 2.6 | 3.6 | 3.6 | 5.7 |
| of which Initial Budgetary position | 0.5 | 1.5 | 1.6 | 1.6 |
| Ageing costs | 2.1 | 2.1 | 2.0 | 4.1 |
| of which Pensions | 1.0 | 1.0 | 1.0 | 1.0 |
| Health care | 0.4 | 0.4 | 0.3 | 1.1 |
| Long-term care | 0.2 | 0.1 | 0.2 | 1.5 |
| Others | 0.5 | 0.5 | 0.5 | 0.5 |
| Required structural primary balance related to S2 | 2.2 | 2.1 | 2.2 | 4.2 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.7 | 2.8 | 3.9 |
| of which Initial budgetary position | | 0.8 | 1.0 | 0.8 |
| Debt requirement | | 0.1 | 0.1 | 0.1 |
| Ageing costs | | 1.7 | 1.7 | 2.9 |
| Required structural primary balance related to S1 | | 1.2 | 1.3 | 2.4 |

3. Financial information



| | | |
|---|---------|-----|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 0.0 |
|---|---------|-----|

4. Risks related to the structure of public debt financing and net International Investment Position

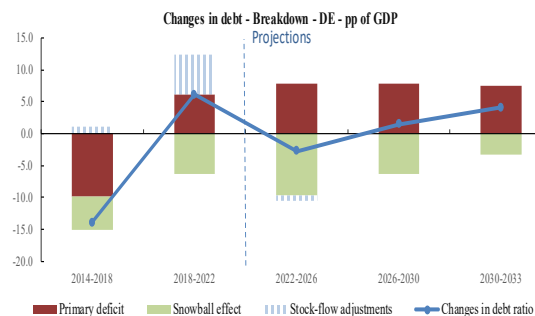
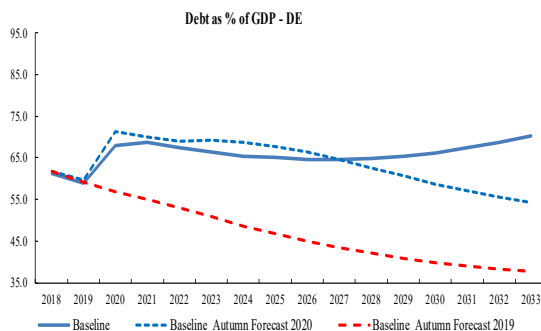
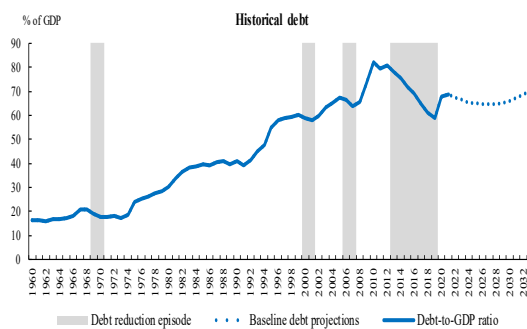
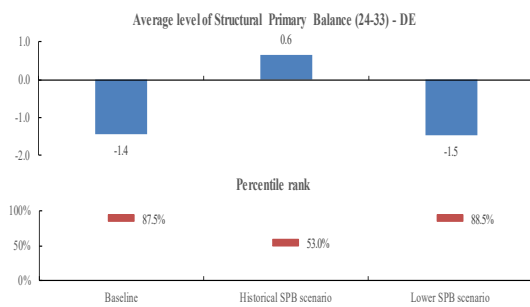
| | | | | | |
|-----------------------------------|--|--|--|---|--------------------------|
| Public debt structure - DE (2021) | Share of short-term government debt (%): 12.3 | Share of government debt in foreign currency (%): 2.7 | Share of government debt by non-residents (%): 41.5 | Net International Investment Position (IIP) - DE (2021) | Net IIP (% GDP): 70.7 |
|-----------------------------------|--|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | DE | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 14.3 | 13.4 | 12.8 | 13.1 | 18.4 | 17.3 | 7.5 |
| of which | One-off guarantees | 14.3 | 13.4 | 12.8 | 13.1 | 18.4 | 17.3 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.5 | 0.3 | 0.1 | 0.1 | 0.1 | 0.0 | 0.9 |

| | | | | | | | |
|---|--|---|--|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - DE (2022) | Private sector credit flow (% GDP): 5.7 | Change in nominal house price index (p.p.): 11.5 | Bank loans-to-deposits ratio (%): 123.8 | Share of non-performing loans (%): 1.0 | Change in share of non-performing loans (p.p.): -0.1 | NPL coverage ratio (%): 35.3 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.01% |
| | | | | | | | Stressed 0.12% |

6. Realism of baseline assumptions



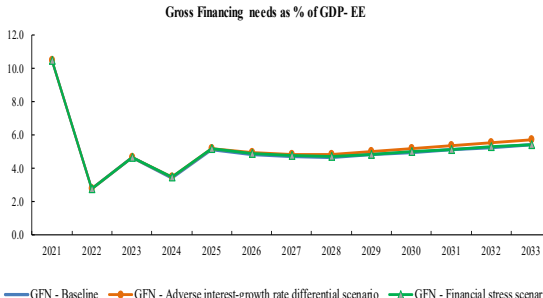
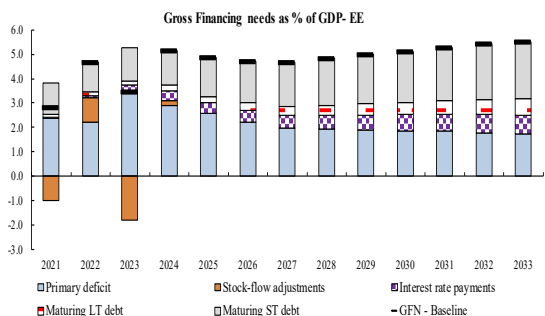
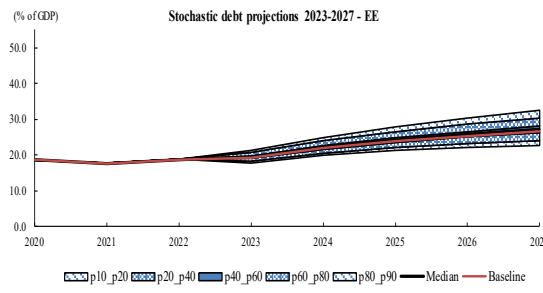
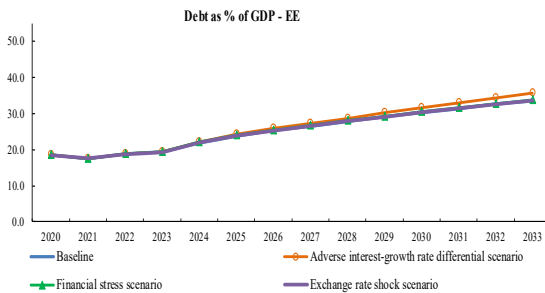
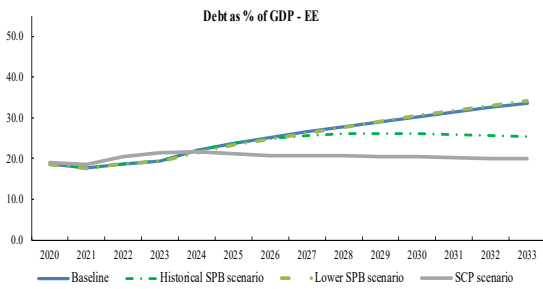
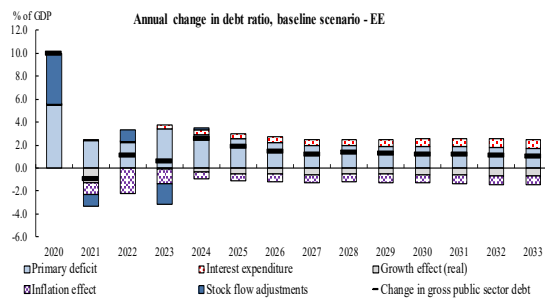
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Germany | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.3 | 65.4 | 65.3 | 67.4 | 70.3 | 66.4 | 66.3 | 66.3 |
| Primary balance | -1.7 | -2.4 | -1.8 | -2.0 | -2.4 | -2.6 | -2.0 | -2.1 | -2.1 |
| Structural primary balance (before CoA) | -1.4 | -1.7 | -1.4 | -1.4 | -1.4 | -1.4 | -1.5 | -1.4 | -1.5 |
| Real GDP growth | 1.6 | -0.6 | 1.4 | 0.8 | 0.5 | 0.8 | 0.8 | 0.8 | 0.8 |
| Potential GDP growth | 0.7 | 0.7 | 0.8 | 0.8 | 0.5 | 0.8 | 0.7 | 0.7 | 0.7 |
| Inflation rate | 5.3 | 6.8 | 3.6 | 2.9 | 2.6 | 2.4 | 5.2 | 2.9 | 3.5 |
| Implicit interest rate (nominal) | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.1 | 1.3 | 1.2 |
| Gross financing needs | 17.1 | 16.5 | 16.1 | 16.9 | 17.9 | 18.9 | 16.6 | 17.2 | 17.1 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 69.2 | 68.1 | 66.9 | 56.1 | 53.4 | 51.4 | 68.1 | 58.6 | 61.3 |
| Primary balance | -2.0 | -0.1 | 0.4 | 0.2 | -0.1 | -0.3 | -0.6 | 0.3 | -0.5 |
| Structural primary balance (before CoA) | -2.1 | -0.4 | 0.9 | 0.9 | 0.9 | 0.9 | -0.5 | 0.9 | 0.1 |
| Real GDP growth | 4.6 | 1.7 | -0.1 | 0.9 | 0.8 | 0.9 | 2.1 | 1.0 | 1.5 |
| Gross financing needs | 14.9 | 13.8 | 12.5 | 10.5 | 10.3 | 10.2 | 13.7 | 11.0 | 12.2 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.3 | 65.4 | 58.9 | 55.4 | 53.1 | 66.4 | 59.0 | 60.8 |
| Primary balance | -1.7 | -2.4 | -1.8 | 0.3 | 0.4 | 0.2 | -2.0 | -0.1 | -0.6 |
| Structural primary balance (before CoA) | -1.4 | -1.7 | -1.4 | 1.3 | 1.3 | 1.3 | -1.5 | 0.9 | 0.3 |
| Real GDP growth | 1.6 | -0.6 | 1.4 | 1.2 | 1.0 | 0.8 | 0.8 | 0.8 | 0.8 |
| Gross financing needs | 17.1 | 16.5 | 16.1 | 13.7 | 12.9 | 12.7 | 16.6 | 13.9 | 14.6 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.4 | 65.6 | 65.7 | 67.8 | 70.8 | 66.5 | 66.7 | 66.7 |
| Implicit interest rate (nominal) | 1.0 | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 | 1.2 | 1.4 | 1.3 |
| Gross financing needs | 17.1 | 16.7 | 16.2 | 17.0 | 18.0 | 19.0 | 16.7 | 17.3 | 17.2 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.2 | 65.3 | 65.3 | 67.4 | 70.3 | 66.3 | 66.3 | 66.3 |
| Primary balance | -1.7 | -2.2 | -1.9 | -2.1 | -2.4 | -2.6 | -1.9 | -2.1 | -2.1 |
| Structural primary balance (before CoA) | -1.4 | -1.4 | -1.5 | -1.5 | -1.5 | -1.5 | -1.4 | -1.5 | -1.5 |
| Real GDP growth | 1.6 | -0.8 | 1.5 | 0.8 | 0.5 | 0.8 | 0.7 | 0.8 | 0.8 |
| Gross financing needs | 17.1 | 16.3 | 16.1 | 16.9 | 17.9 | 18.9 | 16.5 | 17.2 | 17.0 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.5 | 65.8 | 65.7 | 67.8 | 70.6 | 66.6 | 66.7 | 66.7 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 17.1 | 16.6 | 16.2 | 17.0 | 17.9 | 19.0 | 16.6 | 17.3 | 17.1 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 67.4 | 66.7 | 66.2 | 68.5 | 71.7 | 75.8 | 66.8 | 69.6 | 68.9 |
| Implicit interest rate (nominal) | 1.0 | 1.2 | 1.4 | 1.6 | 1.8 | 1.9 | 1.2 | 1.7 | 1.5 |
| Real GDP growth | 1.6 | -1.1 | 0.9 | 0.3 | 0.0 | 0.3 | 0.4 | 0.3 | 0.3 |
| Gross financing needs | 17.1 | 16.7 | 16.4 | 17.9 | 19.1 | 20.4 | 16.7 | 18.2 | 17.8 |

Estonia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| EE - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 18.5 | 17.6 | 18.7 | 19.3 | 21.9 | 23.8 | 25.3 | 26.5 | 27.8 | 29.1 | 30.3 | 31.4 | 32.5 | 33.6 |
| Changes in the ratio (-1+2+3) of which | 10.0 | -0.9 | 1.1 | 0.6 | 2.6 | 1.9 | 1.5 | 1.2 | 1.3 | 1.3 | 1.2 | 1.2 | 1.1 | 1.1 |
| (1) Primary balance (1.1+1.2+1.3) | -5.4 | -2.4 | -2.2 | -3.4 | -2.9 | -2.6 | -2.2 | -2.0 | -1.9 | -1.9 | -1.9 | -1.8 | -1.8 | -1.7 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.9 | -4.1 | -1.7 | -2.2 | -1.9 | -1.9 | -1.9 | -2.0 | -1.9 | -1.9 | -1.9 | -1.8 | -1.8 | -1.7 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.9 | -4.1 | -1.7 | -2.2 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 | -1.9 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.2 | -0.2 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.5 | 0.7 | -0.7 | -1.2 | -1.0 | -0.6 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 1.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.1 | -2.3 | -2.1 | -1.0 | -0.5 | -0.7 | -0.7 | -0.7 | -0.6 | -0.6 | -0.7 | -0.7 | -0.7 | -0.7 |
| (2.1) Interest expenditure | 0.0 | 0.0 | 0.1 | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 |
| (2.2) Growth effect | 0.0 | -1.3 | 0.0 | -0.1 | -0.4 | -0.5 | -0.6 | -0.6 | -0.5 | -0.5 | -0.6 | -0.6 | -0.7 | -0.7 |
| (2.3) Inflation effect | 0.0 | -1.0 | -2.2 | -1.2 | -0.6 | -0.6 | -0.7 | -0.7 | -0.7 | -0.7 | -0.7 | -0.7 | -0.7 | -0.8 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 4.4 | -1.0 | 1.0 | -1.8 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 4.4 | -1.0 | 1.0 | -1.8 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -4.0 | -4.1 | -1.8 | -2.5 | -2.3 | -2.4 | -2.4 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 |
| Gross financing needs | 10.5 | 2.8 | 4.6 | 3.5 | 5.1 | 4.9 | 4.7 | 4.7 | 4.8 | 5.0 | 5.1 | 5.3 | 5.4 | 5.5 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|----|----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| | | Overall | LOW | LOW | LOW | LOW | LOW | | | | |
| | | Debt level (2033), % GDP | 33.6 | 25.4 | 34.1 | 35.7 | 33.8 | | | | |
| | | Debt peak year | 2033 | 2029 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 94% | 77% | 94% | 94% | 94% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 100% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 9.7 | | | |

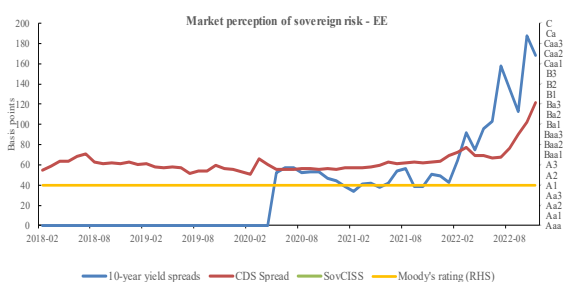
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.5 | 0.1 | 0.5 |
| Fiscal sub-index | 0.3 | 0.1 | 0.4 |
| Financial competitiveness sub-index | 0.6 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 0.5 | 0.9 | 1.1 | 6.3 |
| of which Initial Budgetary position | 1.8 | 2.0 | 2.0 | 2.0 |
| Ageing costs | -1.3 | -1.1 | -0.9 | 4.2 |
| of which Pensions | -2.0 | -1.7 | -1.4 | -1.6 |
| Health care | 0.7 | 0.6 | 0.6 | 1.7 |
| Long-term care | 0.3 | 0.3 | 0.2 | 4.4 |
| Others | -0.3 | -0.3 | -0.3 | -0.3 |
| Required structural primary balance related to S2 | -1.3 | -1.0 | -0.8 | 4.3 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 0.4 | 0.6 | 2.8 |
| of which Initial budgetary position | | 1.8 | 1.8 | 1.8 |
| Debt requirement | | -0.9 | -0.8 | -0.9 |
| Ageing costs | | -0.5 | -0.4 | 1.9 |
| Required structural primary balance related to S1 | | -1.6 | -1.3 | 0.9 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 168.0 |
|---|---------|-------|
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

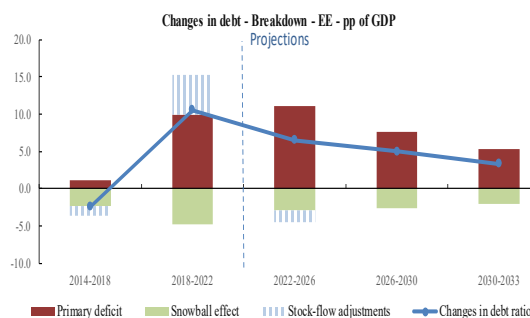
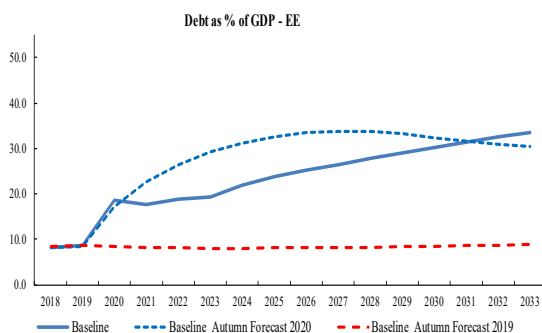
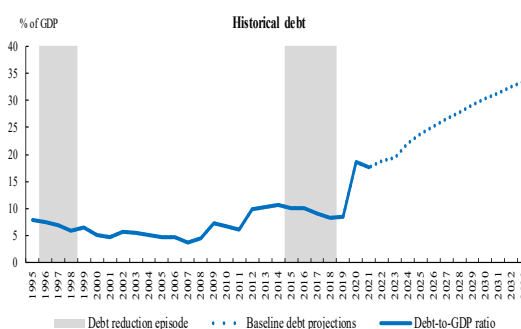
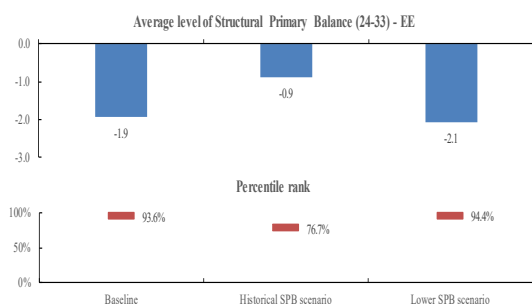
| | | | | | |
|-----------------------------------|---|--|--|---|---------------------------|
| Public debt structure - EE (2021) | Share of short-term government debt (%): 8.6 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 69.7 | Net International Investment Position (IIP) - EE (2021) | Net IIP (% GDP): -13.0 |
|-----------------------------------|---|--|--|---|---------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | EE | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 1.8 | 1.7 | 1.6 | 1.4 | 2.0 | 1.7 | 7.5 |
| of which | One-off guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 6.4 |
| | Standardised guarantees | 1.8 | 1.7 | 1.5 | 1.4 | 1.8 | 1.5 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |
| | Securities issued under liquidity schemes | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Special purpose entity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Total | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |

| | | | | | | | |
|---|--|---|---|---|---|---------------------------------|---|
| Government's contingent liability risks from banking sector - EE (2022) | Private sector credit flow (% GDP): 6.5 | Change in nominal house price index (p.p.): 15.1 | Bank loans-to-deposits ratio (%): 99.8 | Share of non-performing loans (%): 0.7 | Change in share of non-performing loans (p.p.): -0.4 | NPL coverage ratio (%): 29.5 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.00% |
| | | | | | | | Stressed 0.02% |

6. Realism of baseline assumptions



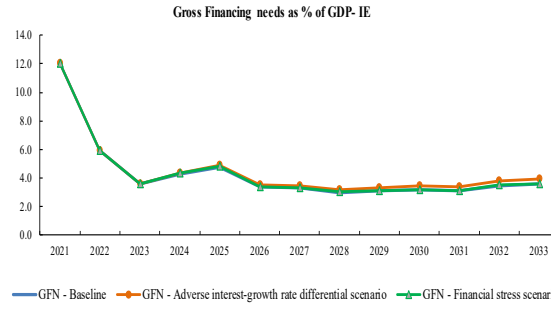
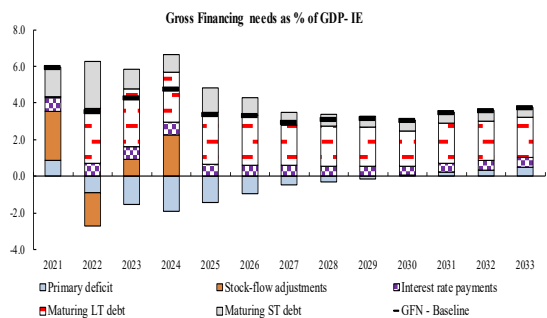
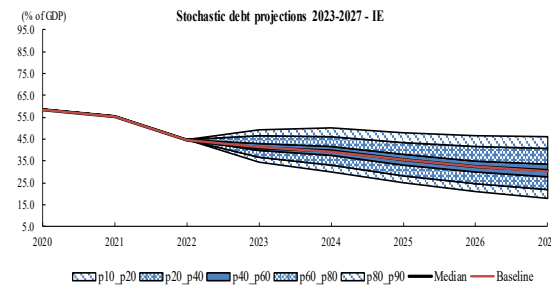
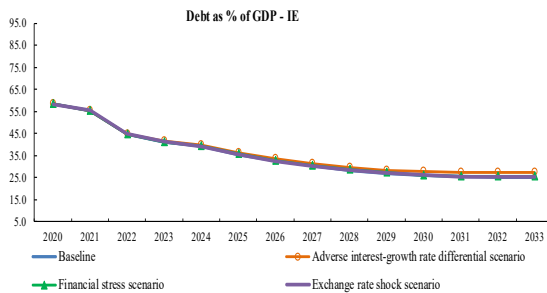
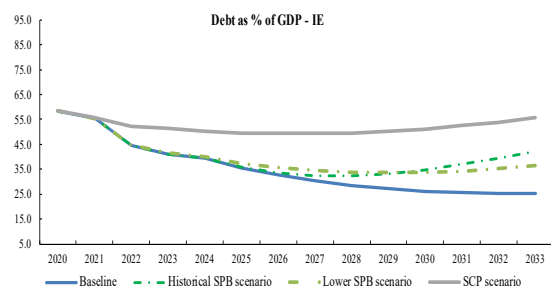
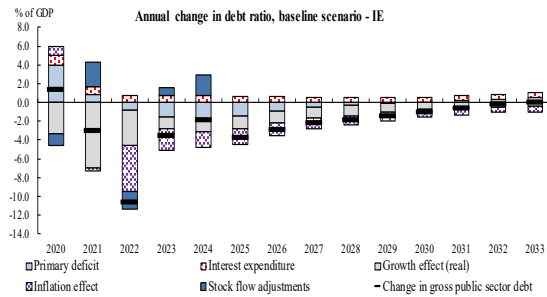
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Estonia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.3 | 21.9 | 29.1 | 31.4 | 33.6 | 20.0 | 28.9 | 26.7 |
| Primary balance | -2.2 | -3.4 | -2.9 | -1.9 | -1.8 | -1.7 | -2.9 | -2.0 | -2.2 |
| Structural primary balance (before CoA) | -1.7 | -2.2 | -1.9 | -1.9 | -1.9 | -1.9 | -2.0 | -1.9 | -1.9 |
| Real GDP growth | -0.1 | 0.7 | 2.1 | 2.0 | 2.2 | 2.2 | 0.9 | 2.2 | 1.9 |
| Potential GDP growth | 2.8 | 1.7 | 1.6 | 2.0 | 2.2 | 2.2 | 2.0 | 2.0 | 2.0 |
| Inflation rate | 14.3 | 6.9 | 3.0 | 2.6 | 2.5 | 2.4 | 8.1 | 2.6 | 4.0 |
| Implicit interest rate (nominal) | 0.5 | 1.8 | 2.2 | 2.3 | 2.4 | 2.5 | 1.5 | 2.3 | 2.1 |
| Gross financing needs | 4.6 | 3.5 | 5.1 | 5.0 | 5.3 | 5.5 | 4.4 | 5.0 | 4.9 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 20.4 | 21.4 | 21.6 | 20.5 | 20.2 | 19.9 | 21.1 | 20.6 | 20.5 |
| Primary balance | -2.5 | -2.1 | -1.2 | -0.8 | -0.7 | -0.6 | -1.9 | -0.8 | -1.2 |
| Structural primary balance (before CoA) | -2.3 | -1.8 | -1.0 | -1.0 | -1.0 | -1.0 | -1.7 | -1.0 | -1.4 |
| Real GDP growth | 3.7 | 3.5 | 3.0 | 2.9 | 2.9 | 2.5 | 3.4 | 3.0 | 3.6 |
| Gross financing needs | 4.1 | 3.3 | 2.5 | 2.3 | 2.3 | 2.2 | 3.3 | 2.2 | 2.5 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.3 | 21.9 | 26.1 | 25.8 | 25.4 | 20.0 | 25.4 | 24.1 |
| Primary balance | -2.2 | -3.4 | -2.9 | -0.8 | -0.4 | -0.3 | -2.9 | -1.0 | -1.5 |
| Structural primary balance (before CoA) | -1.7 | -2.2 | -1.9 | -0.5 | -0.5 | -0.5 | -2.0 | -0.8 | -1.1 |
| Real GDP growth | -0.1 | 0.7 | 2.1 | 2.4 | 2.5 | 2.2 | 0.9 | 2.2 | 1.9 |
| Gross financing needs | 4.6 | 3.5 | 5.1 | 3.7 | 3.4 | 3.3 | 4.4 | 3.8 | 3.9 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.4 | 22.0 | 29.3 | 31.6 | 33.8 | 20.0 | 29.1 | 26.8 |
| Implicit interest rate (nominal) | 0.5 | 2.1 | 2.4 | 2.4 | 2.4 | 2.6 | 1.7 | 2.4 | 2.2 |
| Gross financing needs | 4.6 | 3.5 | 5.2 | 5.0 | 5.3 | 5.5 | 4.4 | 5.1 | 4.9 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.2 | 21.4 | 29.1 | 31.7 | 34.1 | 19.8 | 28.9 | 26.6 |
| Primary balance | -2.2 | -3.2 | -2.8 | -2.0 | -2.0 | -1.9 | -2.7 | -2.1 | -2.2 |
| Structural primary balance (before CoA) | -1.7 | -1.9 | -2.1 | -2.1 | -2.1 | -2.1 | -1.9 | -2.1 | -2.0 |
| Real GDP growth | -0.1 | 0.4 | 2.9 | 2.0 | 2.2 | 2.2 | 1.1 | 2.2 | 1.9 |
| Gross financing needs | 4.6 | 3.1 | 5.0 | 5.1 | 5.4 | 5.7 | 4.2 | 5.1 | 4.9 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.3 | 21.9 | 29.1 | 31.4 | 33.6 | 20.0 | 28.9 | 26.7 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 4.6 | 3.5 | 5.1 | 5.0 | 5.3 | 5.5 | 4.4 | 5.0 | 4.9 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 18.7 | 19.4 | 22.1 | 30.2 | 33.0 | 35.7 | 20.1 | 30.1 | 27.6 |
| Implicit interest rate (nominal) | 0.5 | 2.0 | 2.4 | 2.6 | 2.7 | 2.9 | 1.6 | 2.6 | 2.4 |
| Real GDP growth | -0.1 | 0.2 | 1.6 | 1.5 | 1.7 | 1.7 | 0.5 | 1.7 | 1.4 |
| Gross financing needs | 4.6 | 3.5 | 5.2 | 5.2 | 5.5 | 5.8 | 4.4 | 5.2 | 5.0 |

Ireland

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| IE - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 58.4 | 55.4 | 44.7 | 41.2 | 39.3 | 35.5 | 32.6 | 30.4 | 28.5 | 27.1 | 26.1 | 25.5 | 25.3 | 25.3 |
| Changes in the ratio (-1+2+3) of which | 1.4 | -3.0 | -10.6 | -3.5 | -1.9 | -3.8 | -3.0 | -2.2 | -1.9 | -1.4 | -1.0 | -0.6 | -0.2 | 0.0 |
| (1) Primary balance (1.1+1.2+1.3) | -4.0 | -0.9 | 0.9 | 1.5 | 1.9 | 1.4 | 1.0 | 0.5 | 0.3 | 0.1 | 0.0 | -0.2 | -0.4 | -0.5 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.2 | -2.1 | -1.7 | -0.1 | 1.0 | 0.8 | 0.7 | 0.5 | 0.3 | 0.1 | 0.0 | -0.2 | -0.4 | -0.5 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.2 | -2.1 | -1.7 | -0.1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.2 | 0.3 | 0.5 | 0.7 | 0.9 | 1.1 | 1.2 | 1.4 | 1.5 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -2.8 | 1.2 | 2.5 | 1.6 | 0.9 | 0.6 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | -1.4 | -6.6 | -7.9 | -2.9 | -2.2 | -2.3 | -2.0 | -1.7 | -1.6 | -1.3 | -1.0 | -0.8 | -0.5 | -0.5 |
| (2.1) Interest expenditure | 1.0 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| (2.2) Growth effect | -3.4 | -6.9 | -3.7 | -1.3 | -1.2 | -1.4 | -1.3 | -1.1 | -1.1 | -0.9 | -0.8 | -0.6 | -0.5 | -0.5 |
| (2.3) Inflation effect | 0.9 | -0.4 | -4.9 | -2.3 | -1.7 | -1.6 | -1.3 | -1.2 | -1.0 | -0.9 | -0.8 | -0.7 | -0.6 | -0.6 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | -1.2 | 2.6 | -1.9 | 0.9 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | -1.2 | 2.6 | -1.9 | 0.9 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -2.2 | -2.9 | -2.4 | -0.8 | 0.3 | 0.2 | 0.0 | -0.1 | -0.2 | -0.4 | -0.6 | -0.7 | -0.9 | -1.0 |
| Gross financing needs | 12.1 | 5.9 | 3.6 | 4.3 | 4.8 | 3.4 | 3.3 | 3.0 | 3.1 | 3.2 | 3.1 | 3.5 | 3.6 | 3.8 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|--|--|----------------------------|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | LOW | LOW | MEDIUM | LOW | MEDIUM | |
| | | Debt level (2033), % GDP | 25.3 | 42.0 | 36.3 | 27.5 | 25.4 | | | | |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 60% | 80% | 70% | 60% | 60% | | | | |
| Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | | 12% | | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | | 28.1 | | | | |

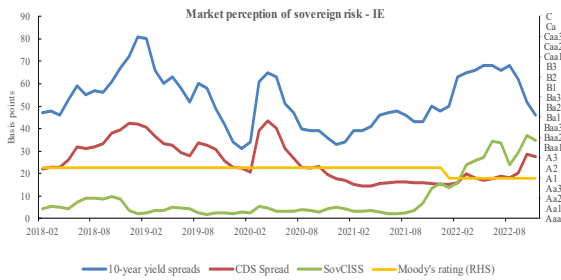
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.2 | 0.5 |
| Fiscal sub-index | 0.8 | 0.0 | 0.4 |
| Financial competitiveness sub-index | 0.7 | 0.4 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 5.7 | 4.0 | 3.9 | 6.1 |
| of which Initial Budgetary position | 0.6 | -0.9 | -0.8 | -0.9 |
| Ageing costs | 5.0 | 4.9 | 4.8 | 7.0 |
| of which Pensions | 2.3 | 2.3 | 2.3 | 2.3 |
| Health care | 1.2 | 1.2 | 1.1 | 1.7 |
| Long-term care | 1.6 | 1.6 | 1.5 | 3.1 |
| Others | -0.1 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | 5.2 | 5.1 | 5.0 | 7.1 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 1.6 | 1.6 | 2.7 |
| of which Initial budgetary position | | -1.4 | -1.4 | -1.4 |
| Debt requirement | | -0.5 | -0.5 | -0.5 |
| Ageing costs | | 3.5 | 3.5 | 4.5 |
| Required structural primary balance related to S1 | | 2.6 | 2.7 | 3.7 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 46.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

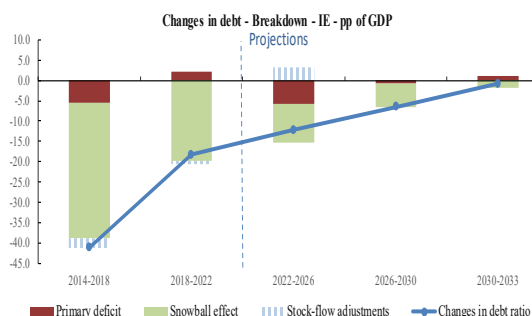
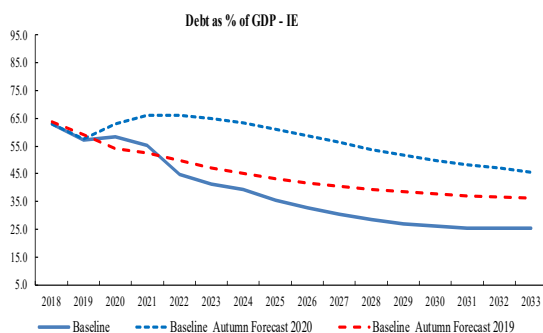
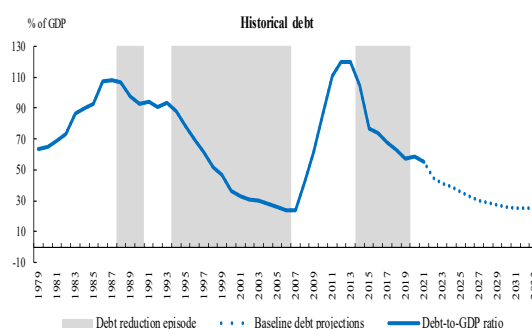
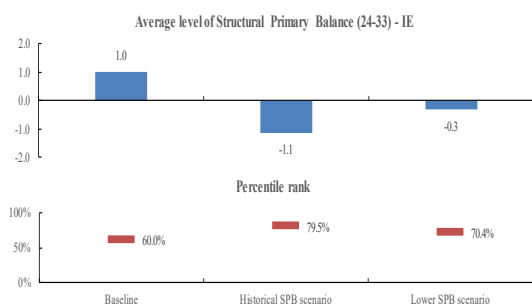
| | | | | | |
|--|--|---|---|--|-----------------------------------|
| Public debt structure - IE (2021) | Share of short-term government debt (%): 8.0 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 53.6 | Net International Investment Position (IIP) - IE (2021) | Net IIP (% GDP): -145.5 |
|--|--|---|---|--|-----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | IE | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 1.5 | 0.2 | 0.0 | 0.0 | 0.2 | 0.3 | 7.5 |
| of which | One-off guarantees | 1.5 | 0.1 | 0.0 | 0.0 | 0.2 | 0.2 | 6.4 |
| | Standardised guarantees | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.7 | 0.8 | 0.7 | 0.7 | 0.7 | 0.6 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 1.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|--|
| Government's contingent liability risks from banking sector - IE (2022) | Private sector credit flow (% GDP): 2.6 | Change in nominal house price index (p.p.): 8.3 | Bank loans-to-deposits ratio (%): 72.5 | Share of non-performing loans (%): 2.4 | Change in share of non-performing loans (p.p.): -1.0 | NPL coverage ratio (%): 30.5 | Probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.06% Stressed 0.65% |
|--|---|---|--|--|--|--|--|

6. Realism of baseline assumptions



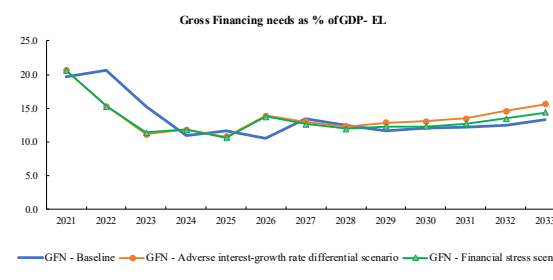
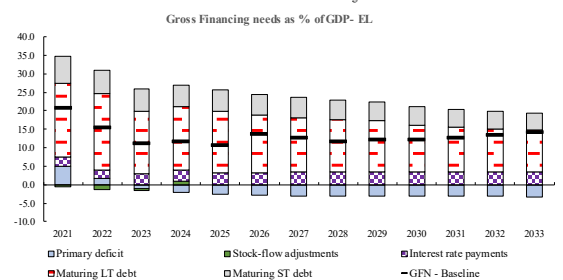
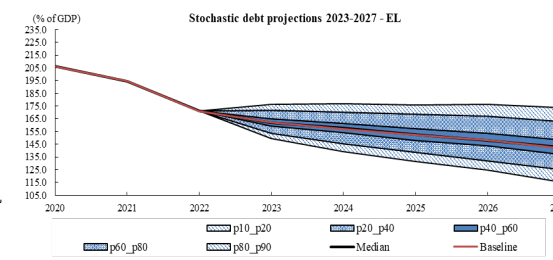
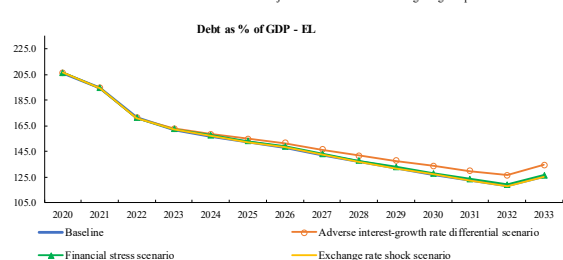
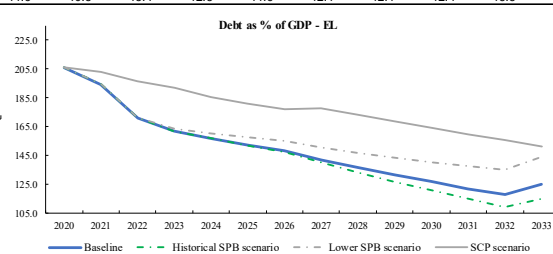
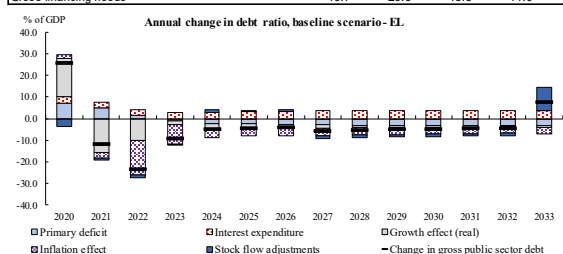
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Ireland | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.2 | 39.3 | 27.1 | 25.5 | 25.3 | 41.7 | 28.5 | 31.8 |
| Primary balance | 0.9 | 1.5 | 1.9 | 0.1 | -0.2 | -0.5 | 1.4 | 0.2 | 0.5 |
| Structural primary balance (before CoA) | -1.7 | -0.1 | 1.0 | 1.0 | 1.0 | 1.0 | -0.3 | 1.0 | 0.7 |
| Real GDP growth | 7.9 | 3.2 | 3.1 | 3.5 | 2.5 | 1.9 | 4.7 | 3.1 | 3.5 |
| Potential GDP growth | 5.3 | 4.9 | 4.5 | 3.5 | 2.5 | 1.9 | 4.9 | 3.3 | 3.7 |
| Inflation rate | 9.8 | 5.4 | 4.4 | 3.2 | 2.7 | 2.4 | 6.5 | 3.2 | 4.0 |
| Implicit interest rate (nominal) | 1.5 | 1.7 | 1.8 | 2.0 | 2.1 | 2.3 | 1.7 | 2.0 | 1.9 |
| Gross financing needs | 3.6 | 4.3 | 4.8 | 3.2 | 3.5 | 3.8 | 4.2 | 3.3 | 3.5 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 52.3 | 51.4 | 50.3 | 50.2 | 52.5 | 55.6 | 51.3 | 50.7 | 51.3 |
| Primary balance | -1.0 | -0.3 | -0.8 | -2.5 | -2.9 | -3.1 | -0.7 | -2.2 | -1.9 |
| Structural primary balance (before CoA) | -2.4 | -1.7 | -1.5 | -1.5 | -1.5 | -1.5 | -1.9 | -1.5 | -1.8 |
| Real GDP growth | 5.1 | 5.0 | 3.8 | 3.3 | 2.3 | 2.0 | 4.6 | 3.3 | 4.6 |
| Gross financing needs | 4.4 | 6.5 | 5.6 | 8.0 | 9.0 | 9.7 | 5.5 | 7.6 | 7.1 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.2 | 39.3 | 33.3 | 37.0 | 42.0 | 41.7 | 35.6 | 37.2 |
| Primary balance | 0.9 | 1.5 | 1.9 | -2.2 | -3.1 | -3.4 | 1.4 | -1.8 | -1.0 |
| Structural primary balance (before CoA) | -1.7 | -0.1 | 1.0 | -1.8 | -1.8 | -1.8 | -0.3 | -1.4 | -1.1 |
| Real GDP growth | 7.9 | 3.2 | 3.1 | 3.0 | 2.0 | 1.9 | 4.7 | 3.2 | 3.5 |
| Gross financing needs | 3.6 | 4.3 | 4.8 | 6.0 | 7.5 | 8.6 | 4.2 | 6.0 | 5.5 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.3 | 39.4 | 27.2 | 25.6 | 25.4 | 41.8 | 28.6 | 31.9 |
| Implicit interest rate (nominal) | 1.5 | 1.9 | 1.9 | 2.0 | 2.1 | 2.3 | 1.8 | 2.0 | 2.0 |
| Gross financing needs | 3.6 | 4.4 | 4.8 | 3.2 | 3.5 | 3.8 | 4.2 | 3.3 | 3.6 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.5 | 40.1 | 33.6 | 34.2 | 36.3 | 42.1 | 34.9 | 36.7 |
| Primary balance | 0.9 | 1.0 | 1.2 | -1.2 | -1.5 | -1.8 | 1.0 | -1.0 | -0.5 |
| Structural primary balance (before CoA) | -1.7 | -1.0 | -0.3 | -0.3 | -0.3 | -0.3 | -1.0 | -0.3 | -0.5 |
| Real GDP growth | 7.9 | 3.8 | 3.6 | 3.5 | 2.5 | 1.9 | 5.1 | 3.0 | 3.5 |
| Gross financing needs | 3.6 | 5.1 | 5.5 | 5.2 | 5.8 | 6.5 | 4.7 | 5.2 | 5.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.2 | 39.3 | 27.1 | 25.5 | 25.3 | 41.7 | 28.5 | 31.8 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 3.6 | 4.3 | 4.8 | 3.2 | 3.5 | 3.8 | 4.2 | 3.3 | 3.5 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 44.7 | 41.4 | 39.8 | 28.5 | 27.3 | 27.5 | 42.0 | 29.9 | 32.9 |
| Implicit interest rate (nominal) | 1.5 | 1.8 | 2.0 | 2.2 | 2.4 | 2.6 | 1.8 | 2.3 | 2.1 |
| Real GDP growth | 7.9 | 2.7 | 2.6 | 3.0 | 2.0 | 1.4 | 4.4 | 2.6 | 3.1 |
| Gross financing needs | 3.6 | 4.3 | 4.9 | 3.4 | 3.8 | 4.2 | 4.3 | 3.6 | 3.7 |

Greece

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| EL - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross debt ratio | 206.3 | 194.5 | 171.1 | 161.9 | 156.9 | 152.4 | 148.3 | 142.3 | 136.8 | 131.8 | 127.0 | 122.4 | 118.0 | 125.4 |
| Changes in the ratio (-1+2+3) of which | 25.7 | -11.7 | -23.4 | -9.2 | -5.0 | -4.6 | -4.1 | -6.0 | -5.5 | -5.0 | -4.8 | -4.6 | -4.3 | 7.3 |
| (1) Primary balance (1.1+1.2+1.3) | -6.9 | -5.0 | -1.6 | 1.1 | 2.2 | 2.5 | 2.8 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | 0.1 | -2.1 | -0.9 | 1.8 | 2.5 | 2.5 | 2.0 | 1.9 | 1.8 | 1.8 | 1.7 | 1.7 | 1.8 | 1.5 |
| (1.1.1) Structural primary balance (def. CoA) | 0.1 | -2.1 | -0.9 | 1.8 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.4 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.8 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 |
| (1.2) Cyclical component | -7.6 | 3.7 | 0.9 | 0.7 | 0.3 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.6 | -0.8 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 22.6 | -16.0 | -23.7 | -7.7 | -3.7 | -2.3 | -2.0 | -1.7 | -1.0 | -0.7 | -0.5 | -0.2 | 0.0 | -0.2 |
| (2.1) Interest expenditure | 3.0 | 2.5 | 2.4 | 3.0 | 3.0 | 3.1 | 3.3 | 3.5 | 3.6 | 3.5 | 3.6 | 3.6 | 3.7 | 3.6 |
| (2.2) Growth effect | 18.0 | -15.8 | -10.0 | -1.6 | -3.0 | -1.8 | -1.8 | -1.7 | -1.2 | -1.1 | -0.9 | -0.8 | -0.7 | -1.0 |
| (2.3) Inflation effect | 1.6 | -2.6 | -16.1 | -9.1 | -3.7 | -3.6 | -3.5 | -3.3 | -3.2 | -3.1 | -3.0 | -2.9 | -2.8 | -2.8 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | -3.9 | -0.7 | -1.3 | -0.4 | 1.0 | 0.3 | 0.6 | -1.3 | -1.4 | -1.2 | -1.3 | -1.3 | -1.3 | 10.7 |
| (3.1) Base | -3.9 | -0.7 | -1.3 | -0.4 | 1.0 | 0.3 | 0.6 | -1.3 | -1.4 | -1.2 | -1.3 | -1.3 | -1.3 | 10.7 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -2.9 | -4.6 | -3.4 | -1.1 | -0.5 | -0.6 | -0.8 | -1.0 | -1.1 | -1.1 | -1.1 | -1.1 | -1.2 | -1.1 |
| Gross financing needs | 19.7 | 20.6 | 15.3 | 11.0 | 11.6 | 10.5 | 13.4 | 12.5 | 11.6 | 12.1 | 12.1 | 12.4 | 13.3 | 14.1 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| | | Overall | HIGH | HIGH | HIGH | HIGH | HIGH | MEDIUM | | | |
| LOW | HIGH | Debt level (2033), % GDP | 125.4 | 115.4 | 144.5 | 134.5 | 126.5 | | LOW | LOW | LOW |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 24% | 21% | 39% | 24% | 24% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 12% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | | | | 58.4 |

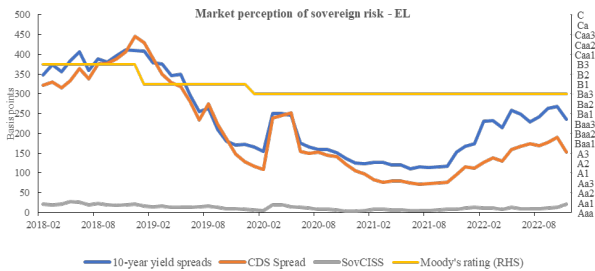
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold | |
|-------------------------------------|------|------|--------------------|--|
| Overall index | 0.76 | 0.41 | 0.46 | |
| Fiscal sub-index | 0.87 | 0.33 | 0.36 | |
| Financial competitiveness sub-index | 0.72 | 0.45 | 0.49 | |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | -2.2 | -3.6 | -2.6 | -0.8 |
| of which Initial Budgetary position | 0.3 | -1.7 | -1.3 | -1.7 |
| Ageing costs | -2.5 | -1.9 | -1.3 | 0.9 |
| of which Pensions | -2.6 | -2.1 | -1.4 | -2.1 |
| Health care | 0.7 | 0.6 | 0.6 | 1.4 |
| Long-term care | 0.0 | 0.0 | 0.0 | 2.1 |
| Others | -0.6 | -0.5 | -0.5 | -0.5 |
| Required structural primary balance related to S2 | -1.8 | -1.1 | -0.1 | 1.7 |

| S1 indicator | Baseline | 2022 DSM | |
|---|----------|------------------|-------------------|
| | | Lower TFP growth | AWG risk scenario |
| Overall index | -1.7 | -1.1 | -0.5 |
| of which Initial budgetary position | -2.6 | -2.3 | -2.7 |
| Debt requirement | 2.1 | 1.9 | 2.1 |
| Ageing costs | -1.1 | -0.8 | 0.1 |
| Required structural primary balance related to S1 | 0.8 | 1.4 | 2.0 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 235.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

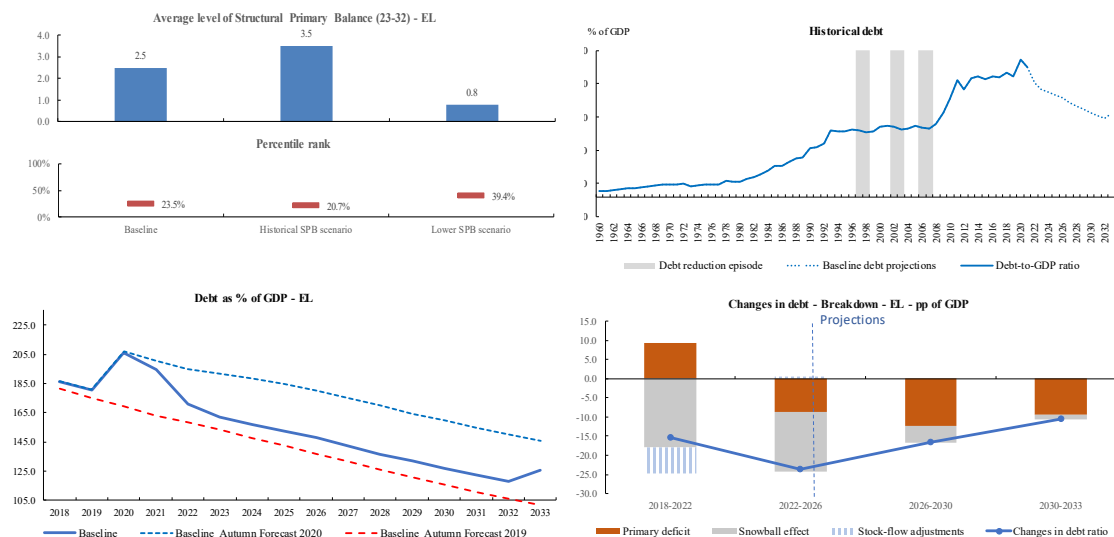
| | | | | | |
|--|--|---|---|--|-----------------------------------|
| Public debt structure - EL (2021) | Share of short-term government debt (%): 5.5 | Share of government debt in foreign currency (%): 0.3 | Share of government debt by non-residents (%): 78.9 | Net International Investment Position (IIP) - EL (2021) | Net IIP (% GDP): -171.9 |
|--|--|---|---|--|-----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | EL | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 6.5 | 4.4 | 4.1 | 4.1 | 6.3 | 14.4 | 7.5 |
| of which | One-off guarantees | 6.5 | 4.3 | 4.1 | 4.1 | 5.4 | 13.4 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | Liabilities and assets outside gen. gov. under guarantee | 2.2 | 0.2 | 0.2 | 0.2 | 1.6 | 10.2 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 2.2 | 0.2 | 0.2 | 0.2 | 1.6 | 10.2 | 0.9 |

| | | | | | | | |
|--|--|---|--|--|--|--|--|
| Government's contingent liability risks from banking sector - EL (2022) | Private sector credit flow (% GDP): -0.1 | Change in nominal house price index (p.p.): 7.5 | Bank loans-to-deposits ratio (%): 61.8 | Share of non-performing loans (%): 5.2 | Change in share of non-performing loans (p.p.): -9.6 | NPL coverage ratio (%): 41.8 | Probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.11% Stressed 1.50% |
|--|--|---|--|--|--|--|--|

6. Realism of baseline assumptions



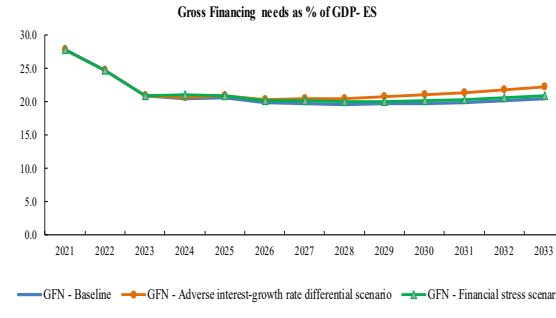
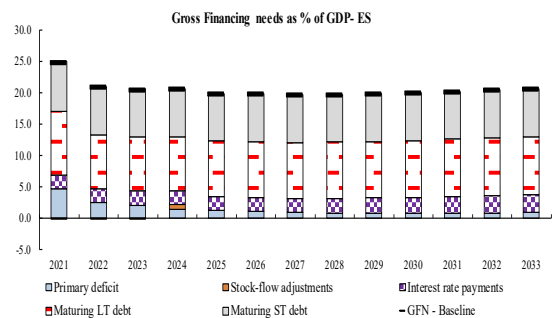
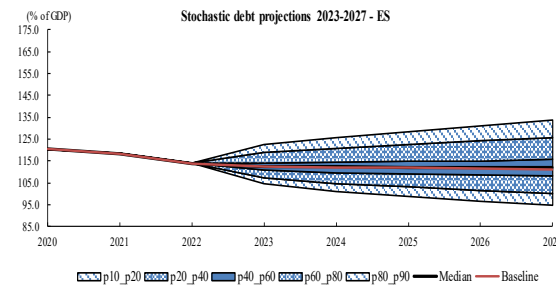
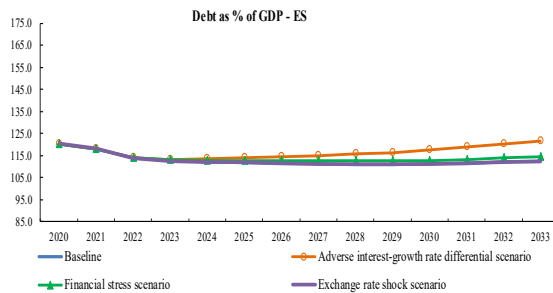
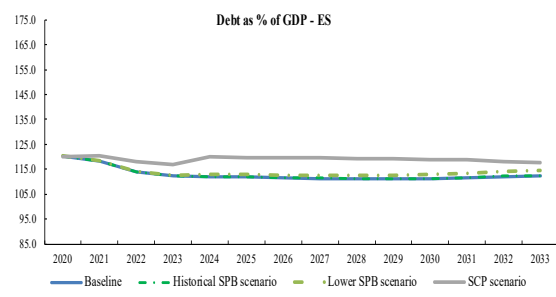
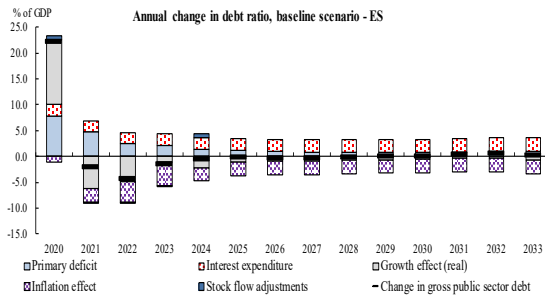
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Greece | | | | | | | | | |
|---|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | Levels | | | | | | Averages | | |
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 171.1 | 161.9 | 156.9 | 131.8 | 122.4 | 125.4 | 163.3 | 133.8 | 141.2 |
| Primary balance | -1.6 | 1.1 | 2.2 | 3.1 | 3.1 | 3.2 | 0.6 | 3.0 | 2.4 |
| Structural primary balance (before CoA) | -0.9 | 1.8 | 2.5 | 2.5 | 2.5 | 2.5 | 1.1 | 2.5 | 2.2 |
| Real GDP growth | 6.0 | 1.0 | 2.0 | 0.8 | 0.6 | 0.9 | 3.0 | 0.9 | 1.4 |
| Potential GDP growth | 0.3 | 0.6 | 1.0 | 0.8 | 0.6 | 0.9 | 0.6 | 0.8 | 0.8 |
| Inflation rate | 9.0 | 5.6 | 2.3 | 2.4 | 2.4 | 2.4 | 5.6 | 2.4 | 3.2 |
| Implicit interest rate (nominal) | 1.4 | 1.8 | 1.9 | 2.7 | 2.9 | 3.2 | 1.7 | 2.7 | 2.4 |
| Gross financing needs | 15.3 | 11.0 | 11.6 | 12.1 | 12.4 | 14.1 | 12.6 | 12.4 | 12.5 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 180.2 | 168.6 | 155.2 | 125.8 | 115.1 | 113.2 | 168.0 | 127.0 | 137.3 |
| Primary balance | -1.6 | 1.1 | 2.1 | 3.0 | 3.0 | 3.2 | 0.5 | 2.9 | 2.3 |
| Structural primary balance (before CoA) | 0.5 | 1.8 | 2.4 | 2.7 | 2.7 | 2.7 | 1.6 | 2.7 | 2.4 |
| Real GDP growth | 3.1 | 4.8 | 3.5 | 1.0 | 0.7 | 1.1 | 3.8 | 1.3 | 1.9 |
| Gross financing needs | 3.0 | 3.0 | 0.2 | -0.7 | -0.7 | 8.2 | 2.0 | 0.7 | 1.1 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 171.1 | 161.9 | 156.9 | 127.2 | 115.1 | 115.4 | 163.3 | 129.0 | 137.6 |
| Primary balance | -1.6 | 1.3 | 1.0 | 4.4 | 4.4 | 4.6 | 0.2 | 4.1 | 3.1 |
| Structural primary balance (before CoA) | -0.9 | 2.0 | 1.3 | 3.8 | 3.8 | 3.8 | 0.8 | 3.6 | 2.9 |
| Real GDP growth | 6.0 | 1.0 | 2.0 | 0.8 | 0.6 | 0.9 | 3.0 | 0.9 | 1.4 |
| Gross financing needs | 15.3 | 11.0 | 11.6 | 10.4 | 10.1 | 11.3 | 12.6 | 10.8 | 11.3 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 171.1 | 162.4 | 157.5 | 132.8 | 123.5 | 126.5 | 163.7 | 134.8 | 142.0 |
| Implicit interest rate (nominal) | 1.4 | 2.1 | 2.0 | 2.7 | 2.9 | 3.2 | 1.8 | 2.7 | 2.5 |
| Gross financing needs | 15.3 | 11.4 | 11.8 | 12.3 | 12.7 | 14.4 | 12.8 | 12.7 | 12.7 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 171.1 | 163.9 | 160.6 | 143.9 | 138.0 | 144.5 | 165.2 | 146.0 | 150.8 |
| Primary balance | -1.6 | -0.8 | 0.5 | 1.4 | 1.4 | 1.5 | -0.6 | 1.3 | 0.8 |
| Structural primary balance (before CoA) | -0.9 | -0.1 | 0.8 | 0.8 | 0.8 | 0.8 | -0.1 | 0.8 | 0.6 |
| Real GDP growth | 6.0 | 1.0 | 2.0 | 0.8 | 0.6 | 0.9 | 3.0 | 0.9 | 1.4 |
| Gross financing needs | 15.3 | 12.9 | 13.4 | 15.7 | 16.7 | 19.2 | 13.9 | 15.9 | 15.4 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 171.1 | 161.9 | 156.9 | 131.8 | 122.4 | 125.4 | 163.3 | 133.8 | 141.2 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 15.3 | 11.0 | 11.6 | 12.1 | 12.4 | 14.1 | 12.6 | 12.4 | 12.5 |
| 7. Adverse interest-growth rate differential | | | | | | | | | |
| Gross public debt | 171.1 | 162.7 | 158.5 | 137.5 | 129.8 | 134.5 | 164.1 | 139.5 | 145.7 |
| Implicit interest rate (nominal) | 1.4 | 1.9 | 2.0 | 2.8 | 3.1 | 3.4 | 1.8 | 2.8 | 2.5 |
| Real GDP growth | 6.0 | 0.5 | 1.5 | 0.3 | 0.1 | 0.4 | 2.7 | 0.4 | 1.0 |
| Gross financing needs | 15.3 | 11.1 | 11.8 | 12.9 | 13.5 | 15.6 | 12.7 | 13.3 | 13.1 |

Spain

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| ES - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross debt ratio | 120.4 | 118.3 | 114.0 | 112.5 | 112.1 | 111.8 | 111.6 | 111.2 | 111.1 | 111.1 | 111.2 | 111.6 | 112.1 | 112.4 |
| Changes in the ratio (-1+2+3) of which | 22.2 | -2.1 | -4.3 | -1.4 | -0.5 | -0.2 | -0.3 | -0.3 | -0.1 | 0.0 | 0.1 | 0.4 | 0.6 | 0.3 |
| (1) Primary balance (1.1+1.2+1.3) | -7.9 | -4.7 | -2.4 | -2.0 | -1.4 | -1.2 | -1.0 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.9 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.6 | -1.7 | -1.5 | -1.3 | -1.1 | -1.1 | -0.9 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.9 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.6 | -1.7 | -1.5 | -1.3 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 |
| (1.1.2) Cost of ageing | 0.0 | -0.1 | -0.2 | -0.3 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.3 | -0.3 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -5.7 | -2.9 | -0.9 | -0.8 | -0.3 | -0.2 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | -0.5 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 13.5 | -6.7 | -6.7 | -3.4 | -2.6 | -1.4 | -1.3 | -1.2 | -0.9 | -0.8 | -0.6 | -0.4 | -0.2 | -0.6 |
| (2.1) Interest expenditure | 2.2 | 2.2 | 2.2 | 2.3 | 2.2 | 2.3 | 2.3 | 2.3 | 2.4 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 |
| (2.2) Growth effect | 12.4 | -6.2 | -5.0 | -1.0 | -2.2 | -1.1 | -1.0 | -0.9 | -0.7 | -0.6 | -0.5 | -0.4 | -0.3 | -0.8 |
| (2.3) Inflation effect | -1.2 | -2.7 | -4.0 | -4.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.7 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 0.8 | -0.1 | 0.0 | -0.1 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 0.8 | -0.1 | 0.0 | -0.1 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -3.8 | -3.9 | -3.7 | -3.6 | -3.4 | -3.3 | -3.2 | -3.2 | -3.2 | -3.2 | -3.3 | -3.4 | -3.6 | -3.7 |
| Gross financing needs | 27.8 | 24.8 | 21.0 | 20.5 | 20.6 | 19.9 | 19.8 | 19.7 | 19.7 | 19.8 | 19.9 | 20.2 | 20.5 | 20.6 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | MEDIUM | MEDIUM | HIGH | HIGH | HIGH | HIGH | LOW | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 112.4 | 112.5 | 114.6 | 121.7 | 114.4 | | | | |
| | | Debt peak year | 2022 | 2022 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 77% | 77% | 78% | 77% | 77% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 46% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 38.9 | | | |

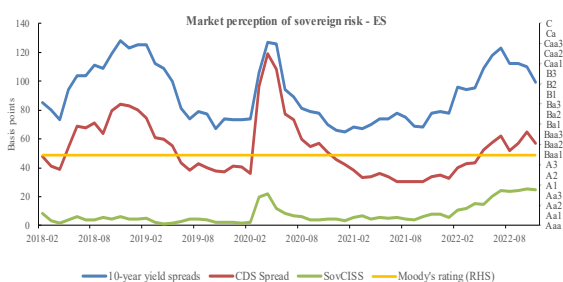
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.8 | 0.3 | 0.5 |
| Fiscal sub-index | 0.7 | 0.6 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.2 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 2.2 | 1.0 | 2.0 | 3.5 |
| of which Initial Budgetary position | 3.0 | 1.7 | 1.9 | 1.6 |
| Ageing costs | -0.8 | -0.7 | 0.1 | 1.9 |
| of which Pensions | -2.2 | -2.0 | -1.1 | -2.0 |
| Health care | 1.2 | 1.1 | 1.1 | 1.9 |
| Long-term care | 0.7 | 0.6 | 0.6 | 2.3 |
| Others | -0.4 | -0.4 | -0.4 | -0.4 |
| Required structural primary balance related to S2 | -0.3 | -0.2 | 0.9 | 2.4 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.4 | 3.0 | 3.8 |
| of which Initial budgetary position | | 0.9 | 1.1 | 0.9 |
| Debt requirement | | 1.1 | 1.1 | 1.1 |
| Ageing costs | | 0.4 | 0.8 | 1.8 |
| Required structural primary balance related to S1 | | 1.3 | 1.8 | 2.7 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 99.0 |
|---|---------|------|
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

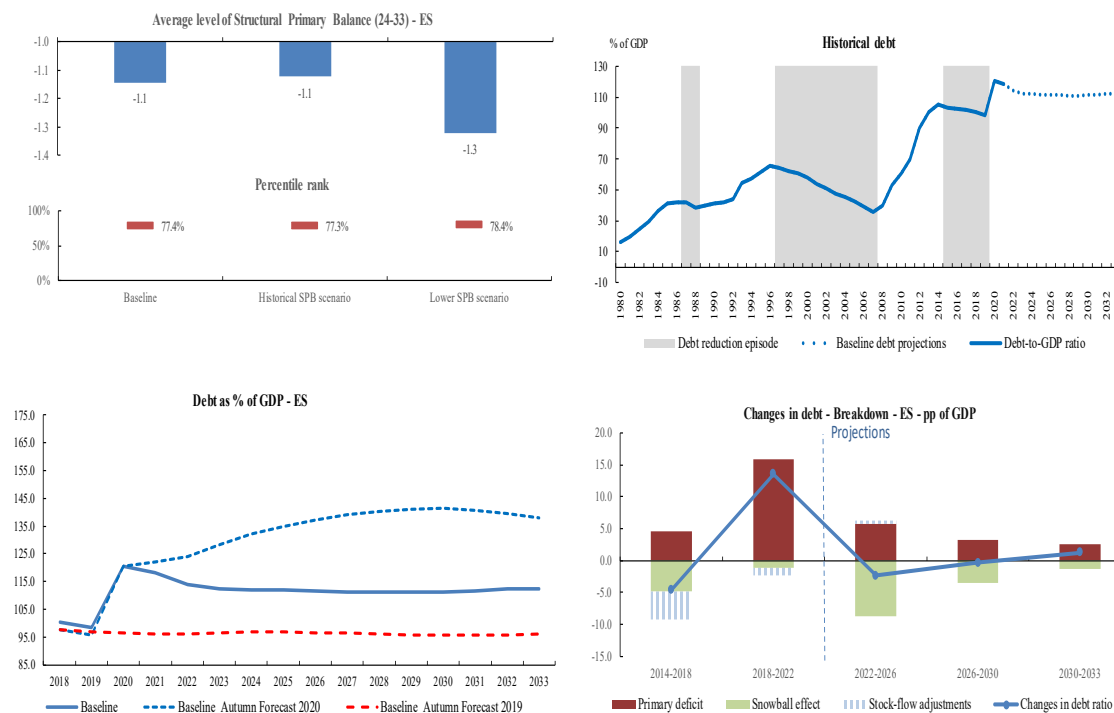
| | | | | | |
|--|--|---|---|--|----------------------------------|
| Public debt structure - ES (2021) | Share of short-term government debt (%): 6.9 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 43.2 | Net International Investment Position (IIP) - ES (2021) | Net IIP (% GDP): -71.5 |
|--|--|---|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | ES | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 7.8 | 6.5 | 2.5 | 2.1 | 10.7 | 11.6 | 7.5 |
| of which | One-off guarantees | 7.8 | 6.5 | 5.6 | 2.1 | 10.7 | 3.0 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.6 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 3.7 | 3.4 | 3.0 | 2.8 | 0.0 | 0.0 | 0.0 |
| | Total | 3.8 | 3.4 | 3.0 | 2.8 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|---|---|--|--|--|--|
| Government's contingent liability risks from banking sector - ES (2022) | Private sector credit flow (% GDP): 2.5 | Change in nominal house price index (p.p.): 3.7 | Bank loans-to-deposits ratio (%): 102.0 | Share of non-performing loans (%): 2.8 | Change in share of non-performing loans (p.p.): -0.4 | NPL coverage ratio (%): 41.8 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.15% Stressed 1.28% |
|--|---|---|---|--|--|--|--|

6. Realism of baseline assumptions



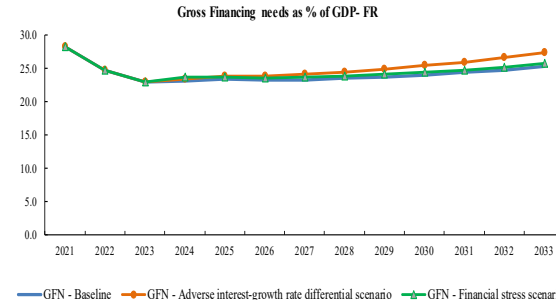
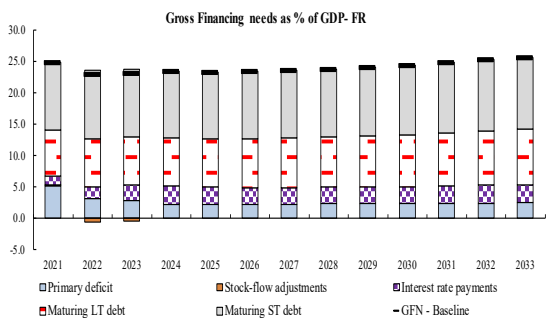
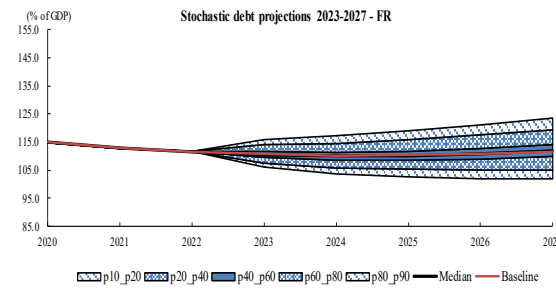
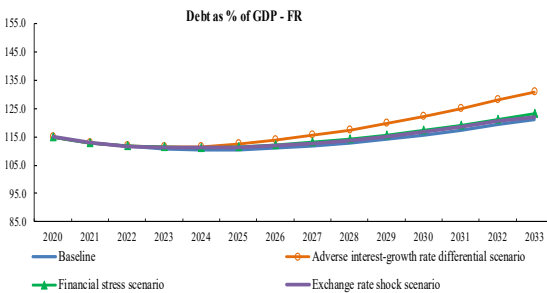
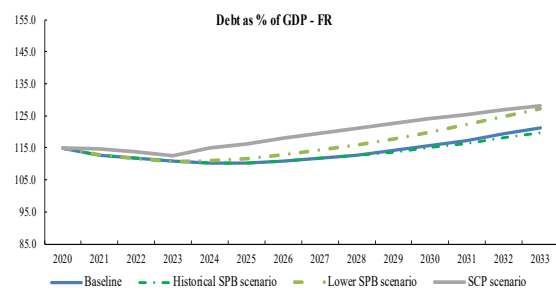
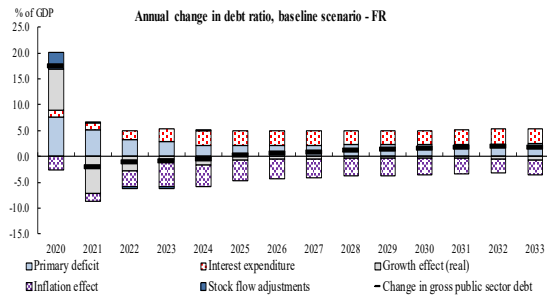
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Spain | Levels | | | | | | Averages | | |
|--|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 114.0 | 112.5 | 112.1 | 111.1 | 111.6 | 112.4 | 112.8 | 111.6 | 111.9 |
| Primary balance | -2.4 | -2.0 | -1.4 | -0.8 | -0.8 | -0.9 | -2.0 | -0.9 | -1.2 |
| Structural primary balance (before CoA) | -1.5 | -1.3 | -1.1 | -1.1 | -1.1 | -1.1 | -1.3 | -1.1 | -1.2 |
| Real GDP growth | 4.5 | 1.0 | 2.0 | 0.6 | 0.3 | 0.7 | 2.5 | 0.7 | 1.1 |
| Potential GDP growth | 1.0 | 0.8 | 1.1 | 0.6 | 0.3 | 0.7 | 1.0 | 0.6 | 0.7 |
| Inflation rate | 3.5 | 4.3 | 2.4 | 2.4 | 2.4 | 2.4 | 3.4 | 2.4 | 2.7 |
| Implicit interest rate (nominal) | 2.0 | 2.1 | 2.1 | 2.3 | 2.4 | 2.6 | 2.1 | 2.3 | 2.2 |
| Gross financing needs | 21.0 | 20.5 | 20.6 | 19.8 | 20.2 | 20.6 | 20.7 | 20.0 | 20.2 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 118.2 | 117.0 | 120.1 | 119.1 | 118.7 | 117.5 | 118.4 | 119.3 | 119.1 |
| Primary balance | -3.1 | -1.9 | -2.0 | -1.0 | -1.1 | -1.2 | -2.3 | -1.2 | -1.8 |
| Structural primary balance (before CoA) | -2.0 | -2.0 | -1.6 | -1.6 | -1.6 | -1.6 | -1.9 | -1.6 | -1.7 |
| Real GDP growth | 5.5 | 4.0 | -0.3 | 0.8 | 0.5 | 1.3 | 3.1 | 0.9 | 1.8 |
| Gross financing needs | 22.6 | 21.4 | 21.5 | 20.2 | 20.2 | 20.2 | 21.8 | 20.4 | 21.1 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 114.0 | 112.5 | 112.1 | 111.3 | 111.6 | 112.5 | 112.8 | 111.7 | 112.0 |
| Primary balance | -2.4 | -2.0 | -1.4 | -0.8 | -0.8 | -0.9 | -2.0 | -0.9 | -1.2 |
| Structural primary balance (before CoA) | -1.5 | -1.3 | -1.1 | -1.1 | -1.1 | -1.1 | -1.3 | -1.1 | -1.2 |
| Real GDP growth | 4.5 | 1.0 | 2.0 | 0.6 | 0.4 | 0.7 | 2.5 | 0.7 | 1.1 |
| Gross financing needs | 21.0 | 20.5 | 20.6 | 19.8 | 20.2 | 20.6 | 20.7 | 20.0 | 20.2 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 114.0 | 113.0 | 112.8 | 112.7 | 113.4 | 114.4 | 113.3 | 113.1 | 113.2 |
| Implicit interest rate (nominal) | 2.0 | 2.6 | 2.3 | 2.4 | 2.5 | 2.7 | 2.3 | 2.4 | 2.4 |
| Gross financing needs | 21.0 | 21.0 | 20.9 | 20.2 | 20.6 | 21.1 | 21.0 | 20.4 | 20.5 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 114.0 | 112.5 | 112.9 | 112.6 | 113.4 | 114.6 | 113.1 | 113.1 | 113.1 |
| Primary balance | -2.4 | -2.1 | -1.8 | -0.9 | -1.0 | -1.1 | -2.1 | -1.1 | -1.3 |
| Structural primary balance (before CoA) | -1.5 | -1.4 | -1.3 | -1.3 | -1.3 | -1.3 | -1.4 | -1.3 | -1.3 |
| Real GDP growth | 4.5 | 1.1 | 1.6 | 0.6 | 0.3 | 0.7 | 2.4 | 0.7 | 1.1 |
| Gross financing needs | 21.0 | 20.6 | 21.0 | 20.2 | 20.6 | 21.2 | 20.9 | 20.4 | 20.6 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 114.0 | 112.5 | 112.1 | 111.1 | 111.6 | 112.4 | 112.9 | 111.6 | 111.9 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 21.0 | 20.5 | 20.6 | 19.8 | 20.2 | 20.6 | 20.7 | 20.0 | 20.2 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 114.0 | 113.2 | 113.4 | 116.5 | 118.9 | 121.7 | 113.5 | 117.1 | 116.2 |
| Implicit interest rate (nominal) | 2.0 | 2.2 | 2.2 | 2.6 | 2.8 | 3.0 | 2.1 | 2.6 | 2.5 |
| Real GDP growth | 4.5 | 0.5 | 1.5 | 0.1 | -0.2 | 0.2 | 2.2 | 0.2 | 0.7 |
| Gross financing needs | 21.0 | 20.7 | 20.9 | 21.0 | 21.8 | 22.7 | 20.9 | 21.3 | 21.2 |

France

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| FR - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross debt ratio | 115.0 | 112.8 | 111.7 | 110.8 | 110.2 | 110.4 | 110.9 | 111.7 | 112.8 | 114.1 | 115.6 | 117.4 | 119.4 | 121.1 |
| Changes in the ratio (-1+2+3) of which | 17.5 | -2.1 | -1.2 | -0.9 | -0.6 | 0.2 | 0.5 | 0.8 | 1.1 | 1.3 | 1.5 | 1.8 | 2.0 | 1.7 |
| (1) Primary balance (1.1+1.2+1.3) | -7.7 | -5.1 | -3.2 | -2.8 | -2.1 | -2.1 | -2.2 | -2.2 | -2.3 | -2.3 | -2.3 | -2.4 | -2.4 | -2.4 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.5 | -4.3 | -3.2 | -2.4 | -2.0 | -2.1 | -2.1 | -2.2 | -2.3 | -2.3 | -2.3 | -2.4 | -2.4 | -2.4 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.5 | -4.3 | -3.2 | -2.4 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| (1.2) Cyclical component | -4.1 | -0.8 | 0.1 | -0.3 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 6.6 | -7.4 | -4.0 | -3.3 | -2.9 | -2.0 | -1.6 | -1.4 | -1.2 | -1.0 | -0.8 | -0.6 | -0.4 | -0.7 |
| (2.1) Interest expenditure | 1.3 | 1.4 | 1.8 | 2.5 | 2.9 | 2.8 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.9 | 2.9 |
| (2.2) Growth effect | 8.0 | -7.2 | -2.8 | -0.5 | -1.6 | -0.8 | -0.6 | -0.5 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.8 |
| (2.3) Inflation effect | -2.6 | -1.5 | -3.0 | -5.3 | -4.2 | -4.0 | -3.8 | -3.6 | -3.4 | -3.3 | -3.1 | -3.0 | -2.8 | -2.8 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 3.2 | 0.1 | -0.3 | -0.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 3.2 | 0.2 | -0.7 | -0.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | -0.1 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -4.8 | -5.7 | -5.0 | -4.9 | -4.9 | -4.9 | -4.9 | -4.9 | -5.0 | -5.0 | -5.0 | -5.1 | -5.3 | -5.3 |
| Gross financing needs | 28.3 | 24.8 | 22.9 | 23.2 | 23.4 | 23.3 | 23.3 | 23.5 | 23.8 | 24.0 | 24.4 | 24.8 | 25.3 | 25.6 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|--|--|----------------------------|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | HIGH | HIGH | HIGH | HIGH | HIGH | LOW | MEDIUM | MEDIUM | |
| | | Debt level (2033), % GDP | 121.1 | 119.8 | 127.1 | 130.7 | 123.0 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 92% | 91% | 97% | 92% | 92% | | | | |
| Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 51% | | | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 21.7 | | | | | |

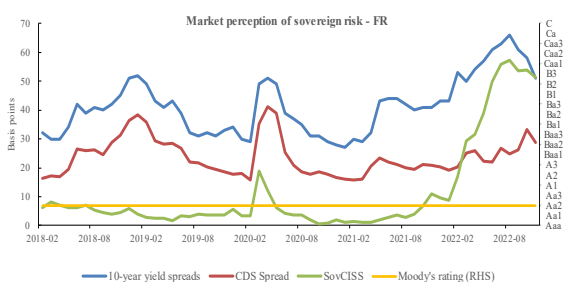
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.4 | 0.3 | 0.5 |
| Fiscal sub-index | 1.0 | 0.6 | 0.4 |
| Financial competitiveness sub-index | 0.1 | 0.2 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 1.8 | 0.9 | 2.0 | 4.0 |
| of which Initial Budgetary position | 3.1 | 2.2 | 2.5 | 2.2 |
| Ageing costs | -1.3 | -1.3 | -0.5 | 1.8 |
| of which Pensions | -2.1 | -2.2 | -1.3 | -2.2 |
| Health care | 0.6 | 0.6 | 0.6 | 1.5 |
| Long-term care | 0.7 | 0.7 | 0.7 | 2.9 |
| Others | -0.5 | -0.4 | -0.4 | -0.4 |
| Required structural primary balance related to S2 | -1.1 | -1.1 | 0.0 | 2.0 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.4 | 3.0 | 4.0 |
| of which Initial budgetary position | | 1.5 | 1.7 | 1.5 |
| Debt requirement | | 1.1 | 1.1 | 1.1 |
| Ageing costs | | -0.3 | 0.1 | 1.4 |
| Required structural primary balance related to S1 | | 0.4 | 1.0 | 2.0 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 51.0 |
|---|---------|------|
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

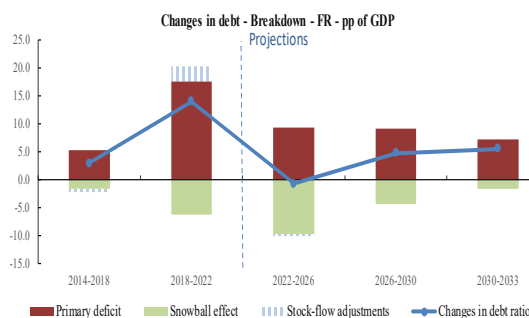
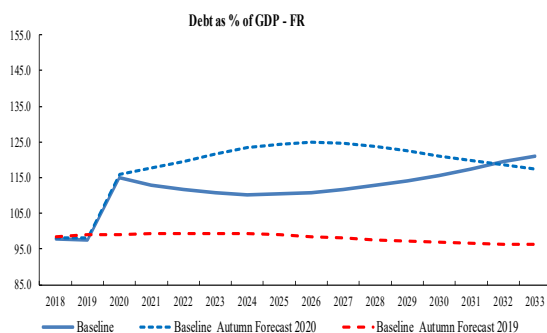
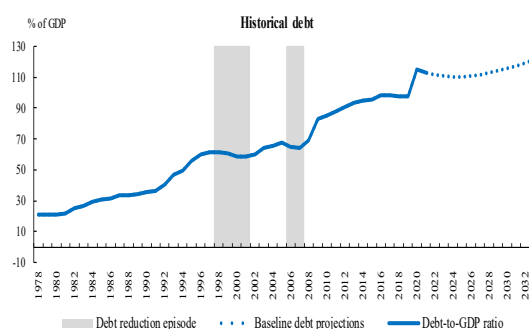
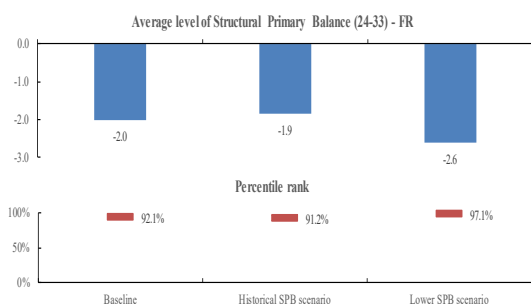
| | | | | | |
|-----------------------------------|--|--|--|---|---------------------------|
| Public debt structure - FR (2021) | Share of short-term government debt (%): 10.2 | Share of government debt in foreign currency (%): 3.2 | Share of government debt by non-residents (%): 46.2 | Net International Investment Position (IIP) - FR (2021) | Net IIP (% GDP): -32.1 |
|-----------------------------------|--|--|--|---|---------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | FR | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 12.0 | 12.0 | 12.0 | 11.6 | 17.0 | 15.3 | 7.5 |
| of which | One-off guarantees | 9.7 | 9.7 | 9.6 | 9.3 | 14.4 | 12.9 | 6.4 |
| | Standardised guarantees | 2.2 | 2.3 | 2.4 | 2.3 | 2.6 | 2.4 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | Liabilities and assets outside gen. gov. under guarantee | 2.0 | 1.6 | 1.5 | 1.3 | 1.3 | 1.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 2.0 | 1.6 | 1.5 | 1.3 | 1.3 | 1.0 | 0.9 |

| | | | | | | | |
|---|--|--|--|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - FR (2022) | Private sector credit flow (% GDP): 6.5 | Change in nominal house price index (p.p.): 6.3 | Bank loans-to-deposits ratio (%): 108.5 | Share of non-performing loans (%): 1.8 | Change in share of non-performing loans (p.p.): -0.2 | NPL coverage ratio (%): 48.6 | Probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.06% Stressed: 0.65% |
|---|--|--|--|---|---|---------------------------------|--|

6. Realism of baseline assumptions



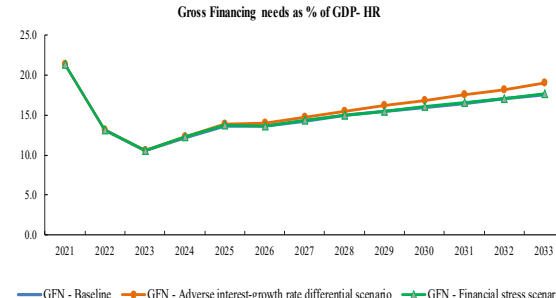
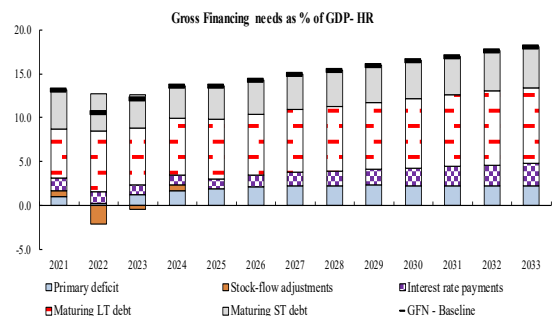
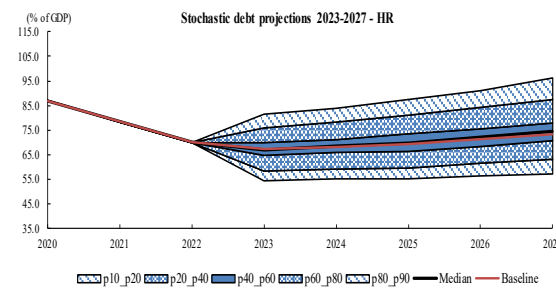
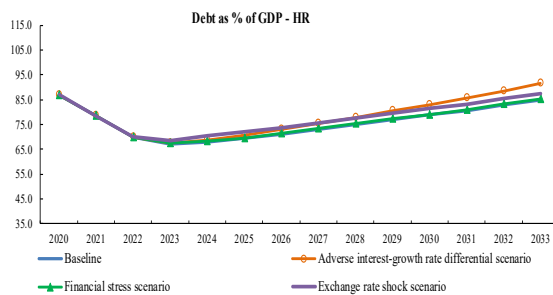
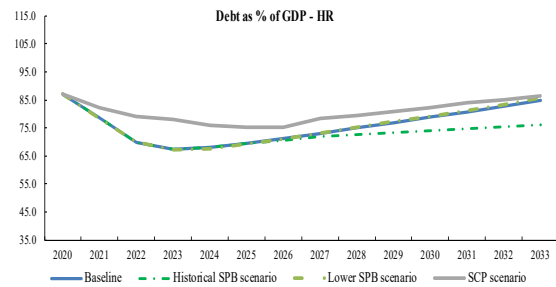
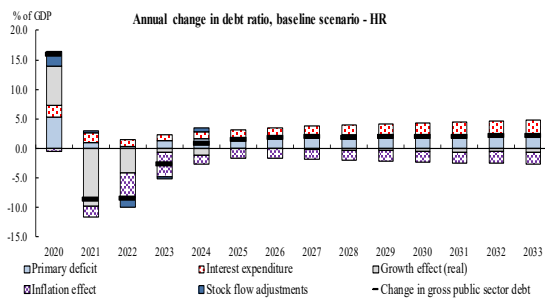
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, France | Levels | | | | | | Averages | | |
|--|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 111.7 | 110.8 | 110.2 | 114.1 | 117.4 | 121.1 | 110.9 | 114.8 | 113.9 |
| Primary balance | -3.2 | -2.8 | -2.1 | -2.3 | -2.4 | -2.4 | -2.7 | -2.3 | -2.4 |
| Structural primary balance (before CoA) | -3.2 | -2.4 | -2.0 | -2.0 | -2.0 | -2.0 | -2.5 | -2.0 | -2.1 |
| Real GDP growth | 2.6 | 0.4 | 1.5 | 0.4 | 0.4 | 0.7 | 1.5 | 0.5 | 0.7 |
| Potential GDP growth | 1.2 | 1.1 | 1.1 | 0.4 | 0.4 | 0.7 | 1.1 | 0.5 | 0.6 |
| Inflation rate | 2.7 | 5.0 | 3.9 | 3.0 | 2.6 | 2.4 | 3.9 | 3.0 | 3.2 |
| Implicit interest rate (nominal) | 1.7 | 2.3 | 2.8 | 2.4 | 2.4 | 2.5 | 2.3 | 2.5 | 2.4 |
| Gross financing needs | 22.9 | 23.2 | 23.4 | 24.0 | 24.8 | 25.6 | 23.1 | 24.2 | 24.0 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 113.7 | 112.6 | 115.0 | 122.7 | 125.6 | 128.1 | 113.8 | 121.1 | 119.2 |
| Primary balance | -4.2 | -3.0 | -3.1 | -3.8 | -3.8 | -3.9 | -3.4 | -3.6 | -3.9 |
| Structural primary balance (before CoA) | -4.1 | -3.8 | -3.4 | -3.4 | -3.4 | -3.4 | -3.8 | -3.4 | -3.7 |
| Real GDP growth | 3.8 | 3.0 | 0.0 | 0.9 | 0.9 | 1.1 | 2.3 | 0.8 | 1.7 |
| Gross financing needs | 20.6 | 19.8 | 20.5 | 22.9 | 23.7 | 24.3 | 20.3 | 22.3 | 22.0 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 111.7 | 110.8 | 110.2 | 113.7 | 116.5 | 119.8 | 110.9 | 114.3 | 113.5 |
| Primary balance | -3.2 | -2.8 | -2.1 | -2.2 | -2.2 | -2.2 | -2.7 | -2.2 | -2.3 |
| Structural primary balance (before CoA) | -3.2 | -2.4 | -2.0 | -1.8 | -1.8 | -1.8 | -2.5 | -1.8 | -2.0 |
| Real GDP growth | 2.6 | 0.4 | 1.5 | 0.4 | 0.4 | 0.7 | 1.5 | 0.5 | 0.7 |
| Gross financing needs | 22.9 | 23.2 | 23.4 | 23.8 | 24.4 | 25.2 | 23.1 | 24.0 | 23.8 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 111.7 | 111.4 | 111.0 | 115.6 | 119.1 | 123.0 | 111.3 | 116.3 | 115.0 |
| Implicit interest rate (nominal) | 1.7 | 2.8 | 3.0 | 2.5 | 2.5 | 2.6 | 2.5 | 2.6 | 2.6 |
| Gross financing needs | 22.9 | 23.7 | 23.7 | 24.4 | 25.2 | 26.1 | 23.4 | 24.6 | 24.3 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 111.7 | 110.7 | 110.9 | 117.8 | 122.2 | 127.1 | 111.1 | 118.5 | 116.6 |
| Primary balance | -3.2 | -3.1 | -2.7 | -2.9 | -3.0 | -3.0 | -3.0 | -2.9 | -2.9 |
| Structural primary balance (before CoA) | -3.2 | -2.9 | -2.6 | -2.6 | -2.6 | -2.6 | -2.9 | -2.6 | -2.7 |
| Real GDP growth | 2.6 | 0.8 | 1.2 | 0.4 | 0.4 | 0.7 | 1.6 | 0.5 | 0.7 |
| Gross financing needs | 22.9 | 23.6 | 24.0 | 25.2 | 26.2 | 27.3 | 23.5 | 25.4 | 24.9 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 111.7 | 111.4 | 111.2 | 115.1 | 118.3 | 122.1 | 111.4 | 115.8 | 114.7 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 22.9 | 23.3 | 23.6 | 24.2 | 25.0 | 25.8 | 23.2 | 24.4 | 24.1 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 111.7 | 111.5 | 111.6 | 119.6 | 124.8 | 130.7 | 111.6 | 120.5 | 118.2 |
| Implicit interest rate (nominal) | 1.7 | 2.4 | 2.9 | 2.8 | 2.8 | 2.9 | 2.4 | 2.8 | 2.7 |
| Real GDP growth | 2.6 | -0.1 | 1.0 | -0.1 | -0.1 | 0.2 | 1.2 | 0.0 | 0.3 |
| Gross financing needs | 22.9 | 23.4 | 23.8 | 25.4 | 26.6 | 27.9 | 23.4 | 25.6 | 25.0 |

Croatia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| HR - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 87.0 | 78.4 | 70.0 | 67.2 | 68.0 | 69.4 | 71.1 | 73.1 | 75.0 | 76.9 | 78.8 | 80.7 | 82.8 | 84.9 |
| Changes in the ratio (-1+2+3) of which | 15.9 | -8.6 | -8.4 | -2.7 | 0.8 | 1.4 | 1.7 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 2.1 | 2.1 |
| (1) Primary balance (1.1+1.2+1.3) | -5.3 | -1.0 | -0.3 | -1.2 | -1.6 | -1.9 | -2.1 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.8 | -1.5 | -1.8 | -2.0 | -2.0 | -2.1 | -2.2 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.3 | -2.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.8 | -1.5 | -1.8 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -3.5 | 0.4 | 1.6 | 0.8 | 0.4 | 0.3 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 8.1 | -10.1 | -7.0 | -3.7 | -1.6 | -0.5 | -0.3 | -0.3 | -0.4 | -0.4 | -0.4 | -0.3 | -0.2 | -0.2 |
| (2.1) Interest expenditure | 2.0 | 1.5 | 1.3 | 1.1 | 1.1 | 1.2 | 1.4 | 1.5 | 1.6 | 1.8 | 2.0 | 2.1 | 2.4 | 2.5 |
| (2.2) Growth effect | 6.6 | -9.9 | -4.2 | -0.7 | -1.1 | -0.1 | -0.1 | -0.1 | -0.3 | -0.4 | -0.5 | -0.6 | -0.6 | -0.7 |
| (2.3) Inflation effect | -0.5 | -1.7 | -4.1 | -4.1 | -1.6 | -1.6 | -1.6 | -1.7 | -1.7 | -1.8 | -1.8 | -1.9 | -1.9 | -2.0 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 2.5 | 0.4 | -1.7 | -0.3 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.6 | 0.6 | -2.1 | -0.4 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.9 | -0.2 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -3.8 | -3.0 | -3.1 | -3.1 | -3.1 | -3.3 | -3.6 | -3.8 | -3.9 | -4.1 | -4.3 | -4.4 | -4.6 | -4.8 |
| Gross financing needs | 21.4 | 13.2 | 10.6 | 12.2 | 13.6 | 13.6 | 14.3 | 14.9 | 15.4 | 16.0 | 16.5 | 17.0 | 17.6 | 18.1 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 84.9 | 76.2 | 85.6 | 91.5 | 85.3 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 58% | 53% | 59% | 58% | 58% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 62% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 39.0 | | | | | |

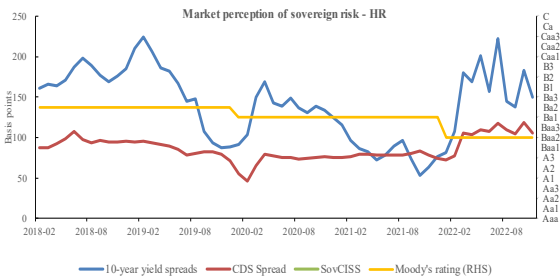
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.8 | 0.3 | 0.5 |
| Fiscal sub-index | 0.6 | 0.3 | 0.4 |
| Financial competitiveness sub-index | 0.9 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 1.3 | 2.0 | 2.4 | 4.5 |
| of which Initial Budgetary position | 1.8 | 2.6 | 2.7 | 2.6 |
| Ageing costs | -0.5 | -0.6 | -0.4 | 1.9 |
| of which Pensions | -1.1 | -1.1 | -0.9 | -1.1 |
| Health care | 0.6 | 0.5 | 0.5 | 1.4 |
| Long-term care | 0.2 | 0.1 | 0.1 | 1.8 |
| Others | -0.1 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | -0.1 | 0.0 | 0.4 | 2.5 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.1 | 2.3 | 3.4 |
| of which Initial budgetary position | | 2.2 | 2.4 | 2.2 |
| Debt requirement | | 0.2 | 0.1 | 0.2 |
| Ageing costs | | -0.3 | -0.2 | 1.0 |
| Required structural primary balance related to S1 | | 0.1 | 0.3 | 1.3 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 150.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

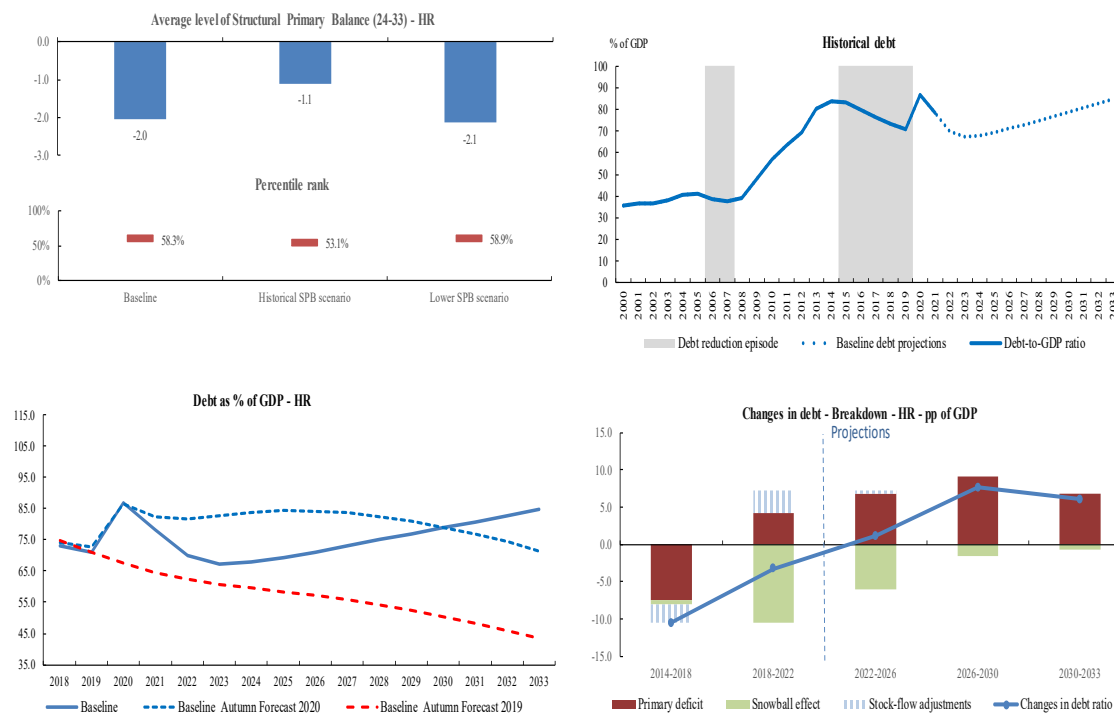
| | | | | | |
|-----------------------------------|---|---|--|---|---------------------------|
| Public debt structure - HR (2021) | Share of short-term government debt (%): 5.7 | Share of government debt in foreign currency (%): 70.7 | Share of government debt by non-residents (%): 34.0 | Net International Investment Position (IIP) - HR (2021) | Net IIP (% GDP): -35.1 |
|-----------------------------------|---|---|--|---|---------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | HR | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 2.6 | 2.6 | 1.4 | 1.1 | 1.7 | 1.9 | 7.5 |
| of which | One-off guarantees | 2.6 | 2.6 | 1.4 | 1.1 | 1.7 | 1.8 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|---|--|--|---|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - HR (2022) | Private sector credit flow (% GDP): 3.0 | Change in nominal house price index (p.p.): 7.3 | Bank loans-to-deposits ratio (%): 62.5 | Share of non-performing loans (%): 2.9 | Change in share of non-performing loans (p.p.): -1.0 | NPL coverage ratio (%): 62.6 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.00% Stressed 0.09% |
|---|--|--|---|---|---|---------------------------------|--|

6. Realism of baseline assumptions



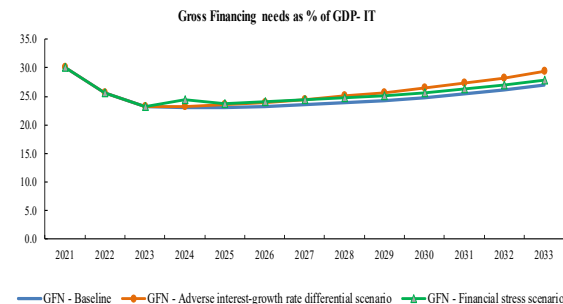
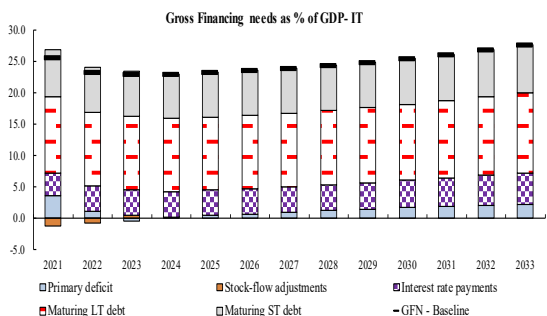
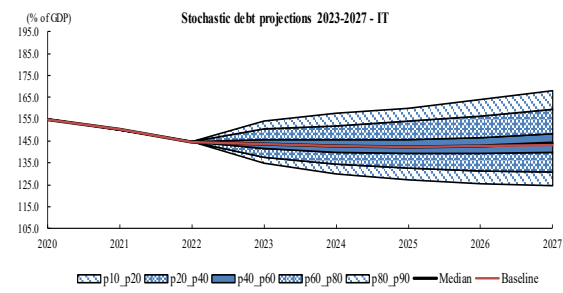
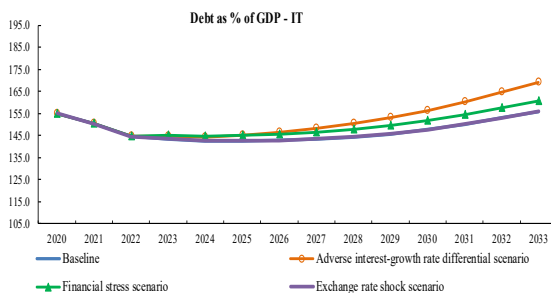
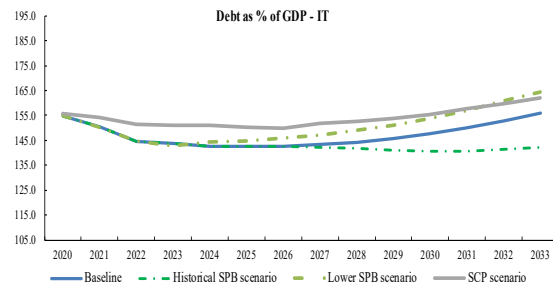
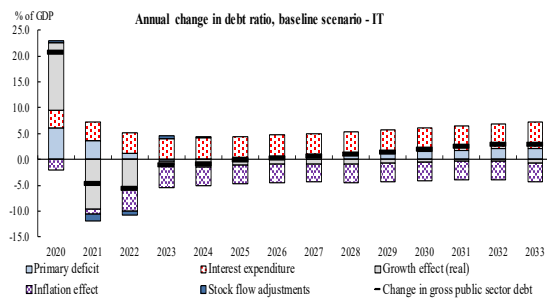
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Croatia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 70.0 | 67.2 | 68.0 | 76.9 | 80.7 | 84.9 | 68.4 | 77.0 | 74.8 |
| Primary balance | -0.3 | -1.2 | -1.6 | -2.3 | -2.3 | -2.2 | -1.0 | -2.2 | -1.9 |
| Structural primary balance (before CoA) | -1.8 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 | -2.0 |
| Real GDP growth | 6.0 | 1.0 | 1.7 | 0.6 | 0.8 | 0.9 | 2.9 | 0.5 | 1.1 |
| Potential GDP growth | 3.3 | 2.8 | 2.6 | 0.6 | 0.8 | 0.9 | 2.9 | 0.6 | 1.2 |
| Inflation rate | 5.5 | 6.3 | 2.4 | 2.4 | 2.4 | 2.4 | 4.7 | 2.4 | 3.0 |
| Implicit interest rate (nominal) | 1.8 | 1.7 | 1.7 | 2.5 | 2.8 | 3.2 | 1.7 | 2.5 | 2.3 |
| Gross financing needs | 10.6 | 12.2 | 13.6 | 16.0 | 17.0 | 18.1 | 12.1 | 15.9 | 15.0 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 79.2 | 78.0 | 75.9 | 80.8 | 83.8 | 86.3 | 77.7 | 79.6 | 79.7 |
| Primary balance | -1.4 | -1.2 | -0.8 | -2.7 | -2.7 | -2.6 | -1.1 | -2.1 | -2.0 |
| Structural primary balance (before CoA) | -1.9 | -2.0 | -2.4 | -2.4 | -2.4 | -2.4 | -2.1 | -2.4 | -2.3 |
| Real GDP growth | 5.6 | 3.9 | 3.7 | 1.1 | 0.7 | 1.0 | 4.4 | 1.2 | 2.3 |
| Gross financing needs | 12.2 | 12.6 | 11.7 | 15.2 | 16.2 | 16.6 | 12.2 | 14.3 | 13.9 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 70.0 | 67.2 | 68.0 | 73.3 | 74.6 | 76.2 | 68.4 | 73.1 | 71.9 |
| Primary balance | -0.3 | -1.2 | -1.6 | -1.2 | -1.0 | -1.0 | -1.0 | -1.3 | -1.2 |
| Structural primary balance (before CoA) | -1.8 | -2.0 | -2.0 | -0.8 | -0.8 | -0.8 | -2.0 | -1.0 | -1.2 |
| Real GDP growth | 6.0 | 1.0 | 1.7 | 0.7 | 0.9 | 0.9 | 2.9 | 0.5 | 1.1 |
| Gross financing needs | 10.6 | 12.2 | 13.6 | 14.4 | 14.8 | 15.4 | 12.1 | 14.4 | 13.8 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 70.0 | 67.3 | 68.2 | 77.2 | 81.1 | 85.3 | 68.5 | 77.3 | 75.1 |
| Implicit interest rate (nominal) | 1.8 | 1.9 | 1.7 | 2.5 | 2.8 | 3.2 | 1.8 | 2.5 | 2.4 |
| Gross financing needs | 10.6 | 12.3 | 13.7 | 16.0 | 17.1 | 18.1 | 12.2 | 16.0 | 15.1 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 70.0 | 67.2 | 67.7 | 77.2 | 81.3 | 85.6 | 68.3 | 77.3 | 75.0 |
| Primary balance | -0.3 | -1.2 | -1.6 | -2.4 | -2.4 | -2.3 | -1.0 | -2.3 | -2.0 |
| Structural primary balance (before CoA) | -1.8 | -2.0 | -2.1 | -2.1 | -2.1 | -2.1 | -2.0 | -2.1 | -2.1 |
| Real GDP growth | 6.0 | 1.0 | 2.1 | 0.6 | 0.8 | 0.9 | 3.0 | 0.5 | 1.1 |
| Gross financing needs | 10.6 | 12.2 | 13.5 | 16.1 | 17.2 | 18.3 | 12.1 | 16.0 | 15.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 70.0 | 68.6 | 70.6 | 79.4 | 83.3 | 87.4 | 69.7 | 79.5 | 77.1 |
| Exchange rate depreciation | 0.0% | 1.6% | 1.6% | 0.0% | 0.0% | 0.0% | 1.1% | 0.0% | 0.3% |
| Gross financing needs | 10.6 | 12.4 | 14.1 | 16.4 | 17.5 | 18.5 | 12.4 | 16.4 | 15.4 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 70.0 | 67.6 | 68.8 | 80.5 | 85.7 | 91.5 | 68.8 | 80.7 | 77.7 |
| Implicit interest rate (nominal) | 1.8 | 1.8 | 1.8 | 2.8 | 3.2 | 3.6 | 1.8 | 2.8 | 2.6 |
| Real GDP growth | 6.0 | 0.5 | 1.2 | 0.1 | 0.3 | 0.4 | 2.6 | 0.0 | 0.7 |
| Gross financing needs | 10.6 | 12.3 | 13.9 | 16.8 | 18.2 | 19.6 | 12.2 | 16.8 | 15.7 |

Italy

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| IT - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross debt ratio | 154.9 | 150.3 | 144.6 | 143.6 | 142.6 | 142.4 | 142.7 | 143.4 | 144.3 | 145.7 | 147.6 | 150.1 | 153.0 | 155.9 |
| Changes in the ratio (-1+2+3) | 20.8 | -4.6 | -5.7 | -1.0 | -1.0 | -0.2 | 0.3 | 0.7 | 0.9 | 1.4 | 1.9 | 2.5 | 2.9 | 2.9 |
| of which | | | | | | | | | | | | | | |
| (1) Primary balance (1.1+1.2+1.3) | -6.0 | -3.7 | -1.1 | 0.4 | -0.1 | -0.4 | -0.7 | -0.9 | -1.2 | -1.4 | -1.6 | -1.8 | -2.0 | -2.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.6 | -3.0 | -2.0 | -0.1 | -0.5 | -0.6 | -0.8 | -0.9 | -1.2 | -1.4 | -1.6 | -1.8 | -2.0 | -2.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.6 | -3.0 | -2.0 | -0.1 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.1 | 0.3 | 0.5 | 0.8 | 1.1 | 1.4 | 1.6 | 1.9 | 2.0 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| (1.2) Cyclical component | -4.5 | -1.0 | 0.5 | 0.3 | 0.3 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.1 | 0.4 | 0.4 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 14.4 | -7.0 | -6.0 | -1.1 | -1.1 | -0.6 | -0.4 | -0.3 | -0.3 | 0.0 | 0.3 | 0.6 | 0.9 | 0.7 |
| (2.1) Interest expenditure | 3.5 | 3.6 | 4.0 | 4.0 | 4.1 | 4.1 | 4.1 | 4.1 | 4.2 | 4.3 | 4.4 | 4.6 | 4.8 | 5.0 |
| (2.2) Growth effect | 13.1 | -9.7 | -5.4 | -0.4 | -1.6 | -1.1 | -0.9 | -0.9 | -1.0 | -0.8 | -0.6 | -0.4 | -0.4 | -0.7 |
| (2.3) Inflation effect | -2.1 | -0.8 | -4.6 | -4.7 | -3.6 | -3.5 | -3.5 | -3.5 | -3.5 | -3.5 | -3.5 | -3.6 | -3.6 | -3.6 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 0.3 | -1.3 | -0.8 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 0.3 | -1.3 | -0.8 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -5.1 | -6.6 | -6.0 | -4.1 | -4.6 | -4.7 | -4.8 | -5.0 | -5.4 | -5.7 | -6.1 | -6.4 | -6.9 | -7.2 |
| Gross financing needs | 30.0 | 25.5 | 23.2 | 23.0 | 23.0 | 23.2 | 23.5 | 23.9 | 24.3 | 24.8 | 25.4 | 26.1 | 26.9 | 27.5 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | HIGH | HIGH | HIGH | HIGH | HIGH | HIGH | LOW | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 155.9 | 142.2 | 164.4 | 169.1 | 160.6 | | | | |
| | | Debt peak year | 2033 | 2022 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 66% | 46% | 71% | 66% | 66% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | | | | 50% |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | | | | 43.7 |

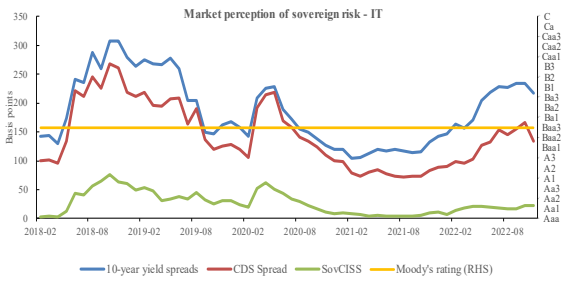
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.6 | 0.3 | 0.5 |
| Fiscal sub-index | 1.0 | 0.7 | 0.4 |
| Financial competitiveness sub-index | 0.4 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 2.1 | 0.7 | 1.7 | 2.2 |
| of which Initial Budgetary position | 2.6 | 1.1 | 1.4 | 1.1 |
| Ageing costs | -0.5 | -0.4 | 0.3 | 1.2 |
| of which Pensions | -1.9 | -1.7 | -1.0 | -1.7 |
| Health care | 0.8 | 0.8 | 0.7 | 1.4 |
| Long-term care | 0.9 | 0.8 | 0.8 | 1.7 |
| Others | -0.3 | -0.3 | -0.3 | -0.3 |
| Required structural primary balance related to S2 | 0.0 | 0.2 | 1.2 | 1.7 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 3.5 | 4.0 | 4.3 |
| of which Initial budgetary position | | 0.7 | 1.1 | 0.7 |
| Debt requirement | | 1.7 | 1.6 | 1.7 |
| Ageing costs | | 1.0 | 1.4 | 1.8 |
| Required structural primary balance related to S1 | | 3.0 | 3.6 | 3.8 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 217.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

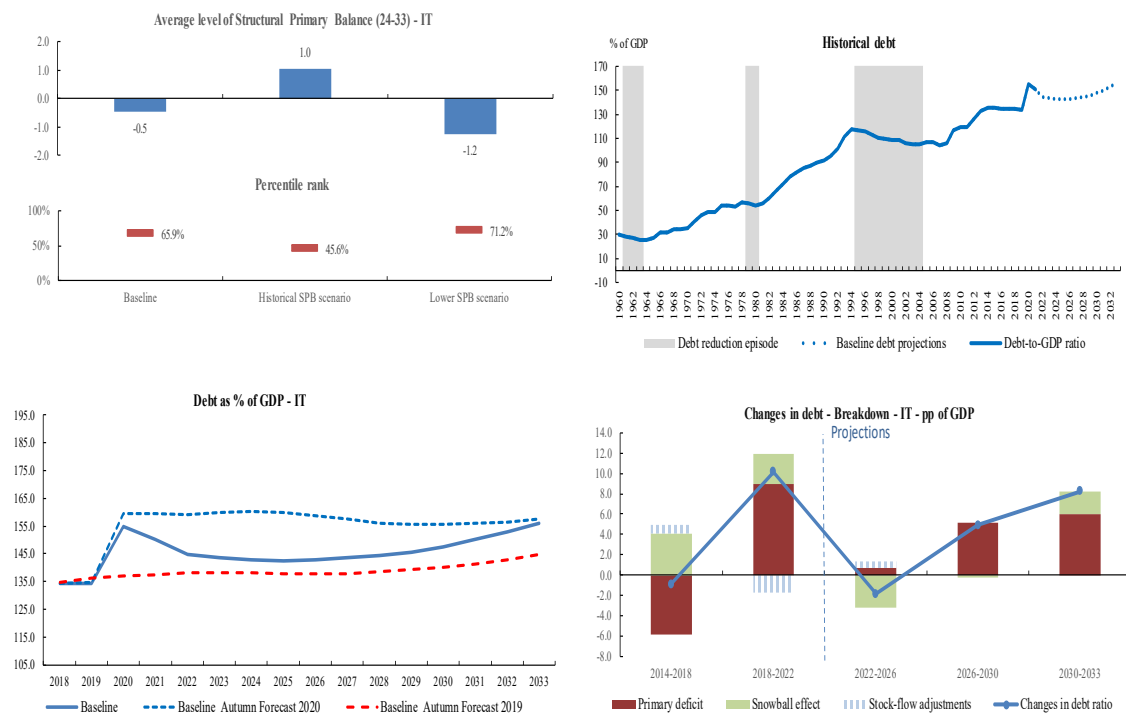
| | | | | | |
|-----------------------------------|--|--|--|---|-------------------------|
| Public debt structure - IT (2021) | Share of short-term government debt (%): 13.1 | Share of government debt in foreign currency (%): 0.1 | Share of government debt by non-residents (%): 29.1 | Net International Investment Position (IIP) - IT (2021) | Net IIP (% GDP): 8.1 |
|-----------------------------------|--|--|--|---|-------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | IT | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 2.4 | 3.9 | 4.3 | 4.8 | 13.1 | 16.0 | 7.5 |
| of which | One-off guarantees | 1.2 | 2.5 | 2.6 | 2.9 | 5.5 | 6.0 | 6.4 |
| | Standardised guarantees | 1.2 | 1.4 | 1.7 | 1.9 | 7.6 | 10.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.4 | 1.3 | 0.9 | 1.2 | 0.6 | 0.7 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.4 | 1.3 | 0.9 | 1.2 | 0.6 | 0.7 | 0.9 |

| | | | | | | | |
|---|--|--|---|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - IT (2022) | Private sector credit flow (% GDP): 3.3 | Change in nominal house price index (p.p.): 2.6 | Bank loans-to-deposits ratio (%): 92.3 | Share of non-performing loans (%): 2.6 | Change in share of non-performing loans (p.p.): -1.1 | NPL coverage ratio (%): 52.7 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.06% Stressed 0.79% |
|---|--|--|---|---|---|---------------------------------|--|

6. Realism of baseline assumptions



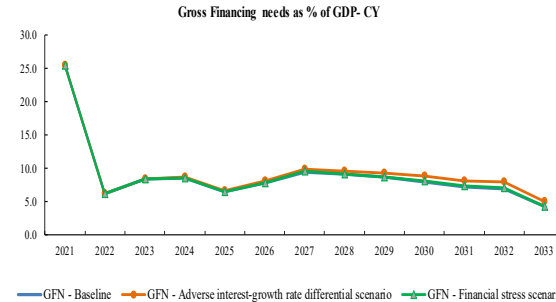
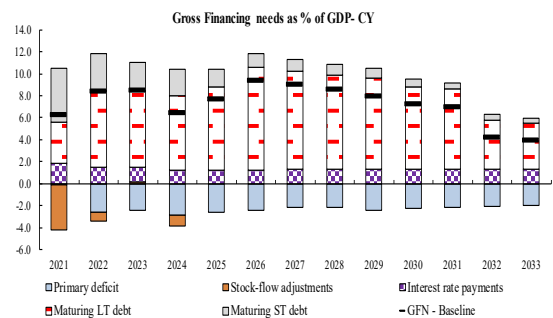
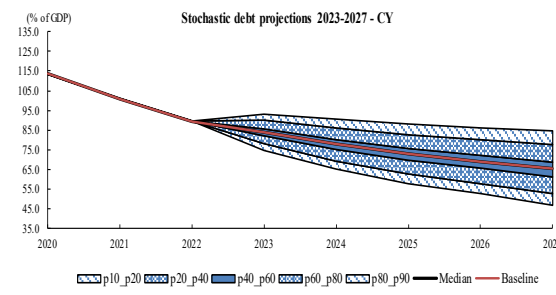
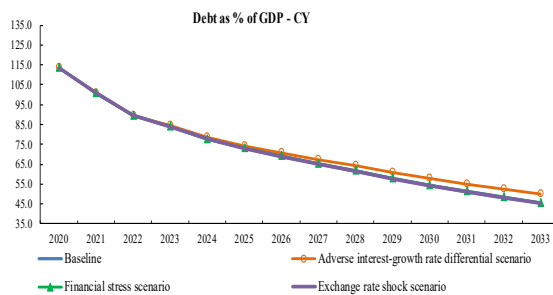
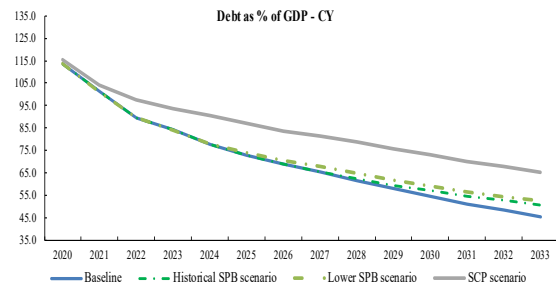
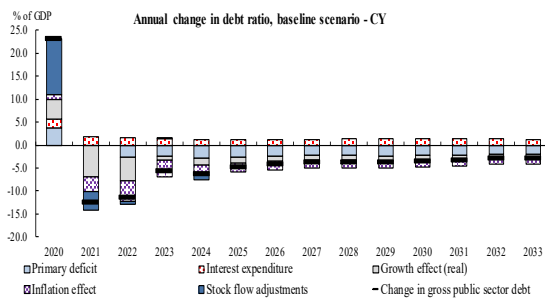
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Italy | Levels | | | | | | Averages | | |
|--|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 144.6 | 143.6 | 142.6 | 145.7 | 150.1 | 155.9 | 143.6 | 147.2 | 146.3 |
| Primary balance | -1.1 | 0.4 | -0.1 | -1.4 | -1.8 | -2.2 | -0.3 | -1.4 | -1.1 |
| Structural primary balance (before CoA) | -2.0 | -0.1 | -0.5 | -0.5 | -0.5 | -0.5 | -0.9 | -0.5 | -0.6 |
| Real GDP growth | 3.8 | 0.3 | 1.1 | 0.6 | 0.3 | 0.5 | 1.8 | 0.5 | 0.8 |
| Potential GDP growth | 1.0 | 0.6 | 1.1 | 0.6 | 0.3 | 0.5 | 0.9 | 0.6 | 0.7 |
| Inflation rate | 3.1 | 3.3 | 2.6 | 2.5 | 2.5 | 2.4 | 3.0 | 2.5 | 2.6 |
| Implicit interest rate (nominal) | 2.8 | 2.9 | 2.9 | 3.1 | 3.2 | 3.4 | 2.9 | 3.1 | 3.0 |
| Gross financing needs | 23.2 | 23.0 | 23.0 | 24.8 | 26.1 | 27.5 | 23.1 | 25.1 | 24.6 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 151.4 | 150.9 | 150.9 | 153.8 | 157.6 | 162.2 | 151.0 | 153.6 | 153.3 |
| Primary balance | -2.9 | -1.5 | -1.3 | -2.7 | -3.2 | -3.5 | -1.9 | -2.4 | -2.6 |
| Structural primary balance (before CoA) | -3.1 | -2.3 | -1.9 | -1.9 | -1.9 | -1.9 | -2.4 | -1.9 | -2.2 |
| Real GDP growth | 4.3 | 2.5 | 1.3 | 1.0 | 0.5 | 0.7 | 2.7 | 0.9 | 1.8 |
| Gross financing needs | 26.2 | 25.9 | 25.0 | 26.6 | 27.8 | 29.0 | 25.7 | 26.3 | 26.6 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 144.6 | 143.6 | 142.6 | 140.9 | 140.6 | 142.2 | 143.6 | 141.6 | 142.1 |
| Primary balance | -1.1 | 0.4 | -0.1 | 0.4 | 0.2 | -0.2 | -0.3 | 0.1 | 0.0 |
| Structural primary balance (before CoA) | -2.0 | -0.1 | -0.5 | 1.5 | 1.5 | 1.5 | -0.9 | 1.2 | 0.7 |
| Real GDP growth | 3.8 | 0.3 | 1.1 | 0.8 | 0.5 | 0.5 | 1.8 | 0.5 | 0.8 |
| Gross financing needs | 23.2 | 23.0 | 23.0 | 22.6 | 22.8 | 23.6 | 23.1 | 22.9 | 22.9 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 144.6 | 145.1 | 144.7 | 149.6 | 154.4 | 160.6 | 144.8 | 151.0 | 149.5 |
| Implicit interest rate (nominal) | 2.8 | 3.9 | 3.3 | 3.3 | 3.3 | 3.5 | 3.4 | 3.3 | 3.3 |
| Gross financing needs | 23.2 | 24.5 | 23.8 | 25.6 | 27.0 | 28.5 | 23.8 | 25.9 | 25.4 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 144.6 | 142.9 | 144.3 | 151.1 | 157.0 | 164.4 | 143.9 | 152.7 | 150.5 |
| Primary balance | -1.1 | -0.5 | -0.9 | -2.1 | -2.6 | -2.9 | -0.8 | -2.1 | -1.8 |
| Structural primary balance (before CoA) | -2.0 | -1.6 | -1.2 | -1.2 | -1.2 | -1.2 | -1.6 | -1.2 | -1.3 |
| Real GDP growth | 3.8 | 1.4 | 0.0 | 0.6 | 0.3 | 0.5 | 1.8 | 0.5 | 0.8 |
| Gross financing needs | 23.2 | 24.2 | 23.9 | 26.3 | 27.8 | 29.6 | 23.8 | 26.6 | 25.9 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 144.6 | 143.6 | 142.7 | 145.7 | 150.1 | 155.9 | 143.7 | 147.3 | 146.4 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 23.2 | 23.0 | 23.0 | 24.8 | 26.1 | 27.5 | 23.1 | 25.1 | 24.6 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 144.6 | 144.5 | 144.5 | 153.1 | 160.3 | 169.1 | 144.5 | 154.9 | 152.3 |
| Implicit interest rate (nominal) | 2.8 | 3.0 | 3.1 | 3.4 | 3.6 | 3.8 | 3.0 | 3.4 | 3.3 |
| Real GDP growth | 3.8 | -0.2 | 0.6 | 0.1 | -0.2 | 0.0 | 1.4 | 0.0 | 0.4 |
| Gross financing needs | 23.2 | 23.3 | 23.5 | 26.4 | 28.2 | 30.3 | 23.3 | 26.7 | 25.9 |

Cyprus

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| CY - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 113.5 | 101.0 | 89.6 | 84.0 | 77.7 | 73.0 | 68.9 | 65.2 | 61.6 | 57.8 | 54.4 | 51.2 | 48.2 | 45.4 |
| Changes in the ratio (-1+2+3) of which | 23.1 | -12.5 | -11.5 | -5.6 | -6.3 | -4.7 | -4.1 | -3.7 | -3.7 | -3.8 | -3.4 | -3.2 | -2.9 | -2.8 |
| (1) Primary balance (1.1+1.2+1.3) | -3.7 | 0.1 | 2.6 | 2.5 | 2.9 | 2.6 | 2.4 | 2.2 | 2.2 | 2.5 | 2.3 | 2.2 | 2.1 | 2.0 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -2.4 | -0.4 | 0.8 | 1.6 | 2.4 | 2.3 | 2.2 | 2.2 | 2.2 | 2.5 | 2.3 | 2.2 | 2.1 | 2.0 |
| (1.1.1) Structural primary balance (bef. CoA) | -2.4 | -0.4 | 0.8 | 1.6 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | -0.2 | 0.0 | 0.1 | 0.2 | 0.3 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 |
| (1.2) Cyclical component | -1.3 | 0.4 | 1.8 | 0.9 | 0.5 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 7.4 | -8.2 | -8.1 | -3.2 | -2.4 | -2.1 | -1.7 | -1.5 | -1.3 | -1.1 | -1.1 | -1.0 | -0.9 | -0.8 |
| (2.1) Interest expenditure | 2.1 | 1.8 | 1.5 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| (2.2) Growth effect | 4.2 | -6.9 | -5.1 | -0.9 | -1.5 | -1.4 | -1.1 | -1.0 | -1.2 | -1.1 | -1.1 | -1.0 | -0.9 | -0.9 |
| (2.3) Inflation effect | 1.1 | -3.2 | -4.5 | -3.7 | -2.1 | -2.0 | -1.8 | -1.7 | -1.6 | -1.5 | -1.4 | -1.3 | -1.2 | -1.1 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 12.0 | -4.1 | -0.8 | 0.1 | -1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 12.0 | -4.1 | -0.8 | 0.1 | -1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -4.5 | -2.2 | -0.7 | 0.2 | 1.1 | 1.1 | 1.0 | 0.9 | 0.9 | 1.1 | 1.0 | 0.9 | 0.8 | 0.7 |
| Gross financing needs | 25.5 | 6.3 | 8.4 | 8.5 | 6.5 | 7.8 | 9.5 | 9.1 | 8.6 | 8.0 | 7.2 | 7.0 | 4.2 | 4.0 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | LOW | LOW | LOW | LOW | LOW | MEDIUM | LOW | LOW | LOW |
| | | Debt level (2033), % GDP | 45.4 | 50.6 | 52.3 | 50.2 | 45.7 | | | | |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 28% | 30% | 30% | 28% | 28% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 6% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 38.1 | | | | |

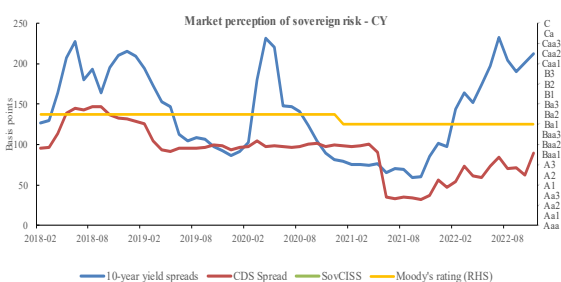
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.3 | 0.5 |
| Fiscal sub-index | 0.6 | 0.1 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.4 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 1.9 | -0.8 | -0.5 | 1.8 |
| of which Initial Budgetary position | 0.7 | -1.9 | -1.8 | -1.8 |
| Ageing costs | 1.1 | 1.0 | 1.2 | 3.6 |
| of which Pensions | 1.0 | 0.9 | 1.1 | 0.9 |
| Health care | 0.3 | 0.3 | 0.2 | 0.6 |
| Long-term care | 0.2 | 0.2 | 0.2 | 2.4 |
| Others | -0.4 | -0.4 | -0.4 | -0.4 |
| Required structural primary balance related to S2 | 1.7 | 1.5 | 1.8 | 4.1 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | -1.7 | -1.6 | -0.7 |
| of which Initial budgetary position | | -2.7 | -2.5 | -2.7 |
| Debt requirement | | 0.4 | 0.4 | 0.4 |
| Ageing costs | | 0.5 | 0.7 | 1.6 |
| Required structural primary balance related to S1 | | 0.6 | 0.9 | 1.6 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 212.0 |
|---|---------|-------|
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

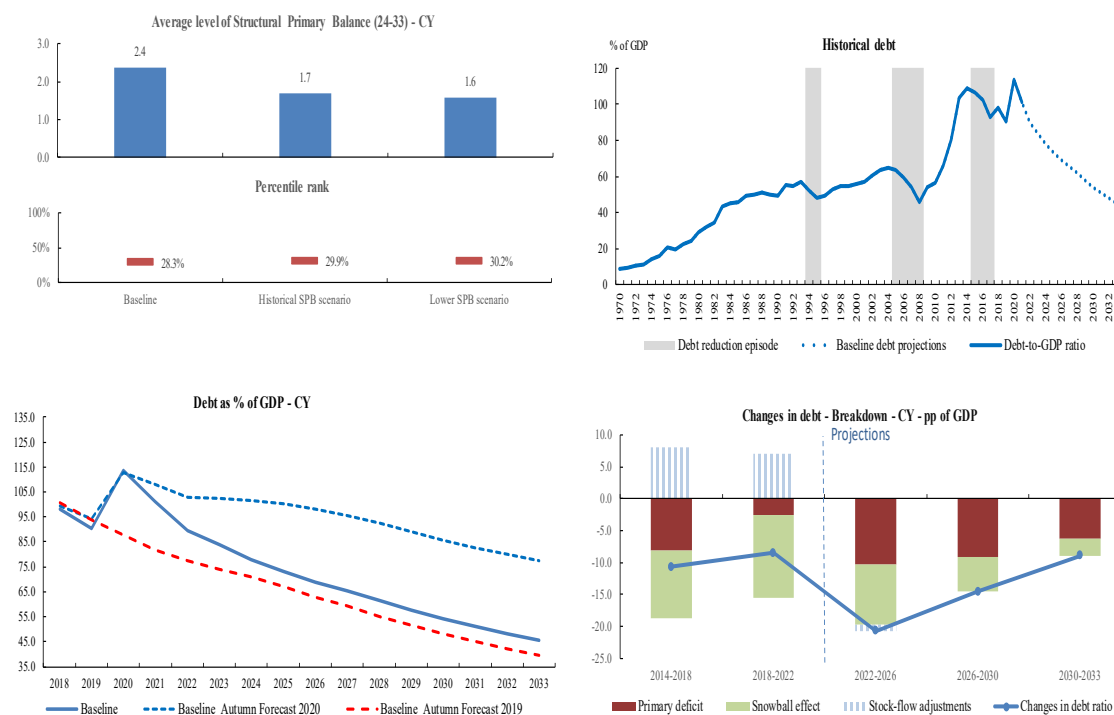
| | | | | | |
|--|--|---|---|--|-----------------------------------|
| Public debt structure - CY (2021) | Share of short-term government debt (%): 1.9 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 89.4 | Net International Investment Position (IIP) - CY (2021) | Net IIP (% GDP): -117.8 |
|--|--|---|---|--|-----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | CY | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 8.0 | 7.8 | 7.2 | 6.7 | 6.9 | 6.0 | 7.5 |
| of which | One-off guarantees | 8.7 | 8.1 | 7.8 | 6.7 | 6.9 | 6.0 | 6.4 |
| | Standardised guarantees | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 10.2 | 8.9 | 7.7 | 6.6 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 10.2 | 8.9 | 7.7 | 6.6 | 0.9 |

| | | | | | | | |
|--|---|--|--|--|--|--|--|
| Government's contingent liability risks from banking sector - CY (2022) | Private sector credit flow (% GDP): 4.3 | Change in nominal house price index (p.p.): -3.4 | Bank loans-to-deposits ratio (%): 51.9 | Share of non-performing loans (%): 3.6 | Change in share of non-performing loans (p.p.): -5.5 | NPL coverage ratio (%): 28.5 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.15% Stressed 2.50% |
|--|---|--|--|--|--|--|--|

6. Realism of baseline assumptions



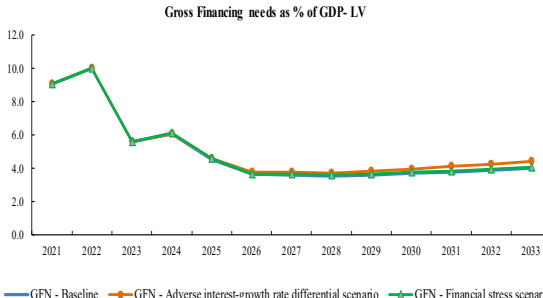
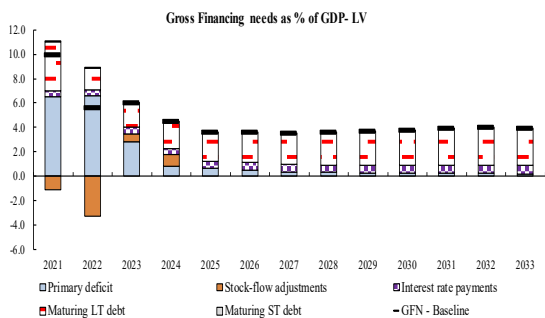
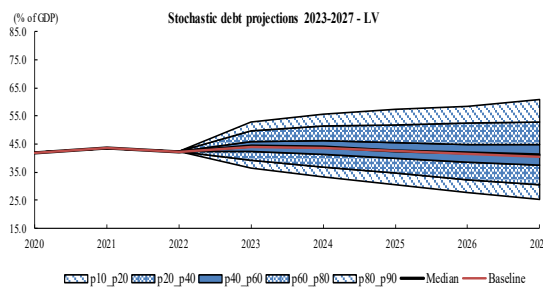
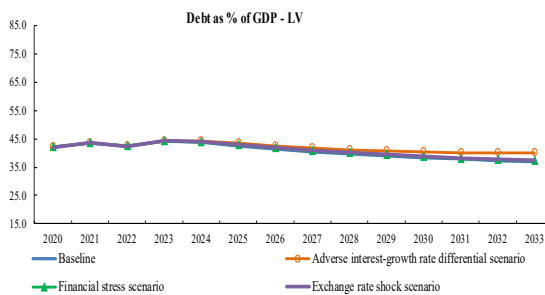
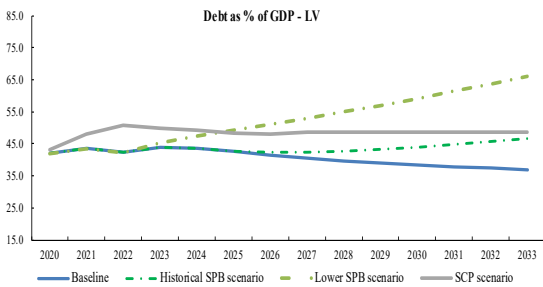
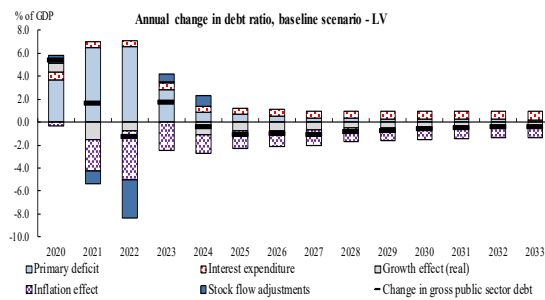
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Cyprus | | | | | | | | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | Levels | | | | | | Averages | | |
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.0 | 77.7 | 57.8 | 51.2 | 45.4 | 83.8 | 58.4 | 64.7 |
| Primary balance | 2.6 | 2.5 | 2.9 | 2.5 | 2.2 | 2.0 | 2.6 | 2.3 | 2.4 |
| Structural primary balance (before CoA) | 0.8 | 1.6 | 2.4 | 2.4 | 2.4 | 2.4 | 1.6 | 2.4 | 2.2 |
| Real GDP growth | 5.6 | 1.0 | 1.9 | 1.9 | 1.9 | 2.0 | 2.8 | 1.8 | 2.1 |
| Potential GDP growth | 2.8 | 2.8 | 2.6 | 1.9 | 1.9 | 2.0 | 2.7 | 1.9 | 2.1 |
| Inflation rate | 4.6 | 4.3 | 2.6 | 2.5 | 2.5 | 2.4 | 3.8 | 2.5 | 2.8 |
| Implicit interest rate (nominal) | 1.7 | 1.6 | 1.5 | 2.2 | 2.5 | 2.7 | 1.6 | 2.2 | 2.1 |
| Gross financing needs | 8.4 | 8.5 | 6.5 | 8.0 | 7.0 | 4.0 | 7.8 | 7.3 | 7.4 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 97.6 | 93.4 | 90.5 | 75.7 | 70.2 | 65.2 | 93.8 | 78.7 | 83.6 |
| Primary balance | 0.2 | 0.6 | 1.4 | 1.1 | 0.9 | 0.7 | 0.7 | 1.1 | 0.6 |
| Structural primary balance (before CoA) | -0.2 | 0.0 | 1.1 | 1.1 | 1.1 | 1.1 | 0.3 | 1.1 | 0.6 |
| Real GDP growth | 4.2 | 3.3 | 1.8 | 1.9 | 1.8 | 1.9 | 3.1 | 1.9 | 2.5 |
| Gross financing needs | 5.1 | 5.7 | 5.9 | 9.6 | 6.6 | 6.3 | 5.5 | 8.2 | 7.4 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.0 | 77.7 | 59.5 | 54.7 | 50.6 | 83.8 | 60.5 | 66.3 |
| Primary balance | 2.6 | 2.5 | 2.9 | 1.8 | 1.3 | 1.1 | 2.6 | 1.7 | 1.9 |
| Structural primary balance (before CoA) | 0.8 | 1.6 | 2.4 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 |
| Real GDP growth | 5.6 | 1.0 | 1.9 | 1.7 | 1.7 | 2.0 | 2.8 | 1.8 | 2.1 |
| Gross financing needs | 8.4 | 8.5 | 6.5 | 8.9 | 8.4 | 5.6 | 7.8 | 8.2 | 8.1 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.1 | 77.9 | 58.1 | 51.4 | 45.7 | 83.9 | 58.7 | 65.0 |
| Implicit interest rate (nominal) | 1.7 | 1.7 | 1.6 | 2.3 | 2.5 | 2.8 | 1.6 | 2.3 | 2.1 |
| Gross financing needs | 8.4 | 8.6 | 6.6 | 8.1 | 7.1 | 4.0 | 7.9 | 7.4 | 7.5 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.0 | 77.9 | 61.8 | 56.6 | 52.3 | 83.8 | 62.4 | 67.7 |
| Primary balance | 2.6 | 2.2 | 2.4 | 1.7 | 1.4 | 1.2 | 2.4 | 1.5 | 1.7 |
| Structural primary balance (before CoA) | 0.8 | 1.2 | 1.6 | 1.6 | 1.6 | 1.6 | 1.2 | 1.6 | 1.5 |
| Real GDP growth | 5.6 | 1.3 | 2.2 | 1.9 | 1.9 | 2.0 | 3.1 | 1.8 | 2.1 |
| Gross financing needs | 8.4 | 8.9 | 6.9 | 9.6 | 8.9 | 5.9 | 8.1 | 8.7 | 8.6 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.0 | 77.7 | 57.8 | 51.2 | 45.4 | 83.8 | 58.4 | 64.7 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 8.4 | 8.5 | 6.5 | 8.0 | 7.0 | 4.0 | 7.8 | 7.3 | 7.4 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 89.6 | 84.5 | 78.7 | 60.9 | 55.1 | 50.2 | 84.3 | 61.5 | 67.2 |
| Implicit interest rate (nominal) | 1.7 | 1.6 | 1.6 | 2.5 | 2.9 | 3.1 | 1.6 | 2.5 | 2.3 |
| Real GDP growth | 5.6 | 0.5 | 1.4 | 1.4 | 1.4 | 1.5 | 2.5 | 1.3 | 1.6 |
| Gross financing needs | 8.4 | 8.6 | 6.7 | 8.8 | 7.9 | 4.8 | 7.9 | 7.9 | 7.9 |

Latvia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| LV - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 42.0 | 43.6 | 42.4 | 44.0 | 43.6 | 42.6 | 41.5 | 40.4 | 39.6 | 38.9 | 38.3 | 37.8 | 37.3 | 36.9 |
| Changes in the ratio (-1+2+3) of which | 5.4 | 1.6 | -1.2 | 1.7 | -0.4 | -1.1 | -1.0 | -1.1 | -0.8 | -0.7 | -0.6 | -0.5 | -0.5 | -0.4 |
| (1) Primary balance (1.1+1.2+1.3) | -3.7 | -6.5 | -6.6 | -2.8 | -0.8 | -0.7 | -0.5 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -2.9 | -6.3 | -6.4 | -1.9 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -2.9 | -6.3 | -6.4 | -1.9 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -0.9 | -0.3 | -0.2 | -0.9 | -0.6 | -0.4 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.1 | -3.8 | -4.5 | -1.8 | -2.2 | -1.7 | -1.6 | -1.4 | -1.1 | -1.0 | -0.9 | -0.8 | -0.7 | -0.6 |
| (2.1) Interest expenditure | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| (2.2) Growth effect | 0.8 | -1.5 | -0.7 | 0.1 | -1.1 | -0.8 | -0.7 | -0.7 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 |
| (2.3) Inflation effect | -0.4 | -2.7 | -4.3 | -2.5 | -1.6 | -1.5 | -1.4 | -1.3 | -1.2 | -1.1 | -1.1 | -1.0 | -0.9 | -0.9 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 0.6 | -1.1 | -3.3 | 0.6 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 0.6 | -1.1 | -3.3 | 0.6 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -3.6 | -6.8 | -6.9 | -2.5 | -0.8 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 |
| Gross financing needs | 9.1 | 10.0 | 5.6 | 6.0 | 4.5 | 3.6 | 3.6 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.0 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|----|----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| | | Overall | LOW | LOW | MEDIUM | LOW | LOW | LOW | | | |
| | | Debt level (2033), % GDP | 36.9 | 46.6 | 66.0 | 39.9 | 37.2 | | | | |
| | | Debt peak year | 2023 | 2033 | 2033 | 2023 | 2023 | | | | |
| | | Fiscal consolidation space | 42% | 73% | 93% | 42% | 42% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 47% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 35.8 | | | |

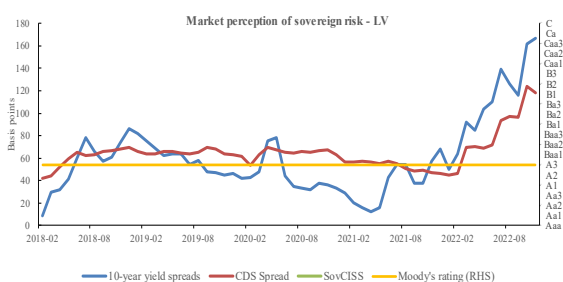
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.2 | 0.5 |
| Fiscal sub-index | 0.5 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.2 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 0.7 | -0.4 | -0.2 | 3.5 |
| of which Initial Budgetary position | 1.7 | 0.5 | 0.6 | 0.5 |
| Ageing costs | -1.0 | -0.9 | -0.7 | 3.0 |
| of which Pensions | -1.3 | -1.1 | -0.9 | -1.1 |
| Health care | 0.2 | 0.2 | 0.2 | 1.2 |
| Long-term care | 0.1 | 0.1 | 0.1 | 3.0 |
| Others | -0.1 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | -0.8 | -0.7 | -0.4 | 3.2 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | -0.6 | -0.4 | 1.3 |
| of which Initial budgetary position | | 0.2 | 0.2 | 0.1 |
| Debt requirement | | -0.3 | -0.3 | -0.3 |
| Ageing costs | | -0.5 | -0.4 | 1.5 |
| Required structural primary balance related to S1 | | -0.9 | -0.7 | 1.0 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 167.0 |
|---|---------|-------|
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

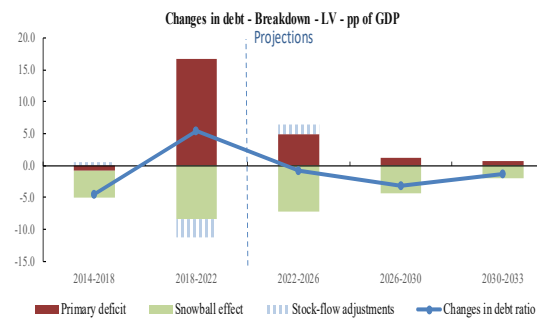
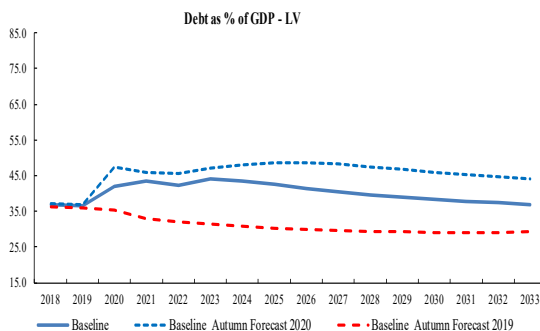
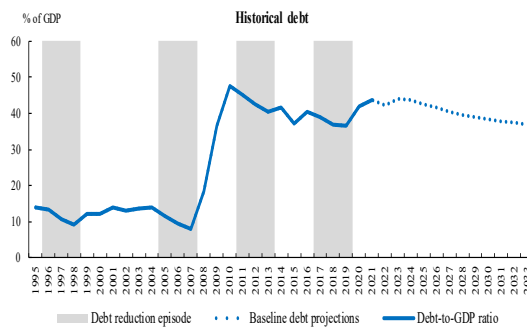
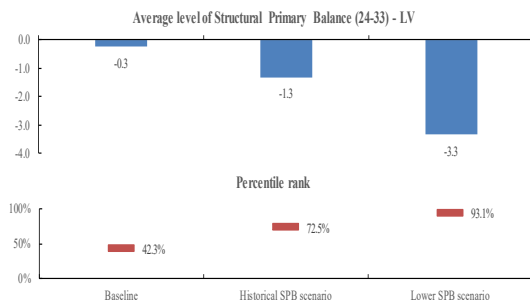
| | | | | | |
|--|--|---|---|--|----------------------------------|
| Public debt structure - LV (2021) | Share of short-term government debt (%): 3.1 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 63.9 | Net International Investment Position (IIP) - LV (2021) | Net IIP (% GDP): -27.4 |
|--|--|---|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | LV | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 1.4 | 1.3 | 1.4 | 1.4 | 1.9 | 1.9 | 7.5 |
| of which | One-off guarantees | 0.4 | 0.3 | 0.3 | 0.3 | 0.5 | 0.5 | 6.4 |
| | Standardised guarantees | 1.0 | 1.0 | 1.1 | 1.2 | 1.4 | 1.4 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|--|--|--|--|--|--|
| Government's contingent liability risks from banking sector - LV (2022) | Private sector credit flow (% GDP): 0.9 | Change in nominal house price index (p.p.): 10.9 | Bank loans-to-deposits ratio (%): 70.3 | Share of non-performing loans (%): 0.6 | Change in share of non-performing loans (p.p.): -1.1 | NPL coverage ratio (%): 36.4 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.00% Stressed: 0.02% |
|--|---|--|--|--|--|--|--|

6. Realism of baseline assumptions



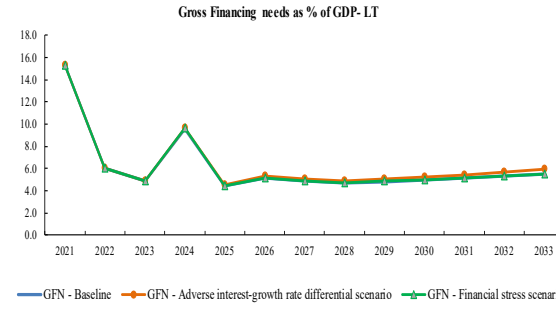
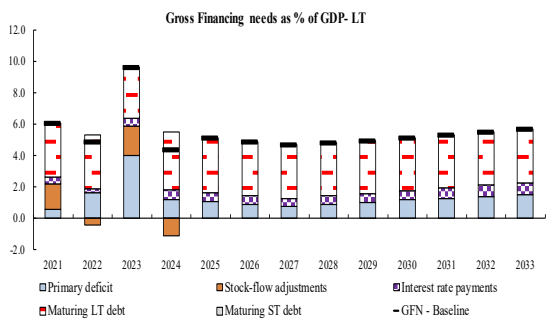
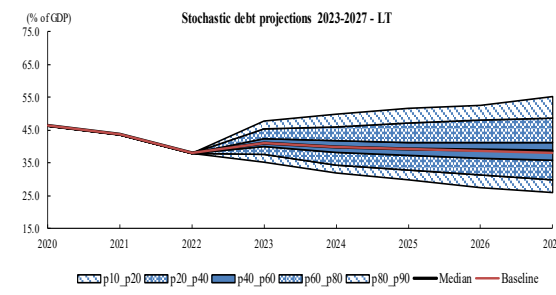
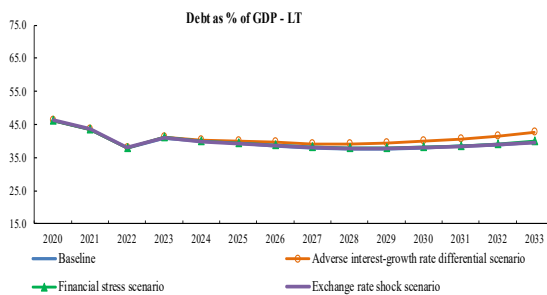
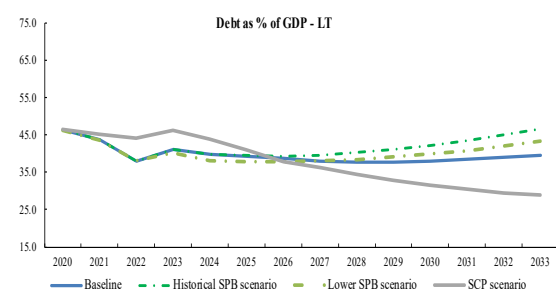
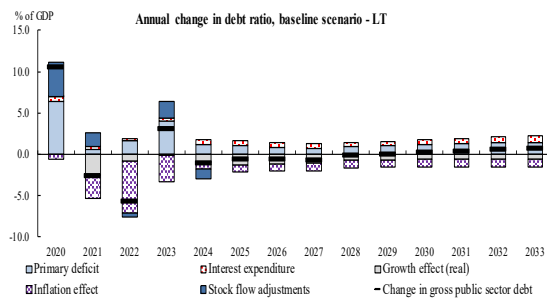
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Latvia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 42.4 | 44.0 | 43.6 | 38.9 | 37.8 | 36.9 | 43.3 | 39.3 | 40.3 |
| Primary balance | -6.6 | -2.8 | -0.8 | -0.3 | -0.3 | -0.2 | -3.4 | -0.3 | -1.1 |
| Structural primary balance (before CoA) | -6.4 | -1.9 | -0.3 | -0.3 | -0.3 | -0.3 | -2.9 | -0.3 | -0.9 |
| Real GDP growth | 1.9 | -0.3 | 2.6 | 1.3 | 1.2 | 1.3 | 1.4 | 1.5 | 1.5 |
| Potential GDP growth | 1.4 | 1.6 | 1.8 | 1.3 | 1.2 | 1.3 | 1.6 | 1.3 | 1.4 |
| Inflation rate | 11.0 | 6.2 | 3.8 | 2.9 | 2.6 | 2.4 | 7.0 | 3.0 | 4.0 |
| Implicit interest rate (nominal) | 1.4 | 1.5 | 1.3 | 1.7 | 1.8 | 2.0 | 1.4 | 1.7 | 1.6 |
| Gross financing needs | 5.6 | 6.0 | 4.5 | 3.7 | 3.9 | 4.0 | 5.4 | 3.8 | 4.2 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 50.7 | 50.0 | 49.3 | 48.7 | 48.6 | 48.6 | 50.0 | 48.6 | 48.9 |
| Primary balance | -3.6 | -1.9 | -0.8 | -1.4 | -1.4 | -1.3 | -2.1 | -1.2 | -2.1 |
| Structural primary balance (before CoA) | -3.4 | -2.3 | -1.5 | -1.5 | -1.5 | -1.5 | -2.4 | -1.5 | -2.2 |
| Real GDP growth | 5.0 | 4.6 | 2.3 | 1.8 | 1.7 | 1.5 | 4.0 | 1.7 | 2.5 |
| Gross financing needs | 11.1 | 7.6 | 6.4 | 6.0 | 5.7 | 5.7 | 8.3 | 6.0 | 7.1 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 42.4 | 44.0 | 43.6 | 43.2 | 44.8 | 46.6 | 43.3 | 43.8 | 43.7 |
| Primary balance | -6.6 | -2.8 | -0.8 | -1.6 | -1.7 | -1.6 | -3.4 | -1.5 | -2.0 |
| Structural primary balance (before CoA) | -6.4 | -1.9 | -0.3 | -1.7 | -1.7 | -1.7 | -2.9 | -1.4 | -1.8 |
| Real GDP growth | 1.9 | -0.3 | 2.6 | 1.2 | 1.1 | 1.3 | 1.4 | 1.5 | 1.5 |
| Gross financing needs | 5.6 | 6.0 | 4.5 | 5.3 | 5.9 | 6.3 | 5.4 | 5.2 | 5.3 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 42.4 | 44.1 | 43.7 | 39.2 | 38.1 | 37.2 | 43.4 | 39.5 | 40.5 |
| Implicit interest rate (nominal) | 1.4 | 1.7 | 1.4 | 1.7 | 1.9 | 2.1 | 1.5 | 1.7 | 1.7 |
| Gross financing needs | 5.6 | 6.1 | 4.6 | 3.7 | 4.0 | 4.0 | 5.4 | 3.8 | 4.2 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 42.4 | 45.3 | 47.6 | 57.0 | 61.4 | 66.0 | 45.1 | 57.3 | 54.3 |
| Primary balance | -6.6 | -4.9 | -3.3 | -3.4 | -3.3 | -3.3 | -4.9 | -3.4 | -3.8 |
| Structural primary balance (before CoA) | -6.4 | -4.9 | -3.3 | -3.3 | -3.3 | -3.3 | -4.9 | -3.3 | -3.7 |
| Real GDP growth | 1.9 | 1.9 | 1.9 | 1.3 | 1.2 | 1.3 | 1.9 | 1.3 | 1.5 |
| Gross financing needs | 5.6 | 8.9 | 7.1 | 8.2 | 9.1 | 9.8 | 7.2 | 8.2 | 8.0 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 42.4 | 44.3 | 44.1 | 39.3 | 38.2 | 37.3 | 43.6 | 39.7 | 40.7 |
| Exchange rate depreciation | 0.0% | 0.6% | 0.6% | 0.0% | 0.0% | 0.0% | 0.4% | 0.0% | 0.1% |
| Gross financing needs | 5.6 | 6.1 | 4.6 | 3.7 | 3.9 | 4.0 | 5.4 | 3.8 | 4.2 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 42.4 | 44.3 | 44.1 | 40.7 | 40.2 | 39.9 | 43.6 | 41.1 | 41.7 |
| Implicit interest rate (nominal) | 1.4 | 1.6 | 1.4 | 1.9 | 2.2 | 2.4 | 1.4 | 1.9 | 1.8 |
| Real GDP growth | 1.9 | -0.8 | 2.1 | 0.8 | 0.7 | 0.8 | 1.1 | 1.0 | 1.0 |
| Gross financing needs | 5.6 | 6.1 | 4.6 | 4.0 | 4.3 | 4.4 | 5.4 | 4.0 | 4.4 |

Lithuania

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| LT - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 46.3 | 43.7 | 38.0 | 41.0 | 39.9 | 39.3 | 38.7 | 37.9 | 37.8 | 37.8 | 38.0 | 38.4 | 38.9 | 39.6 |
| Changes in the ratio (-1+2+3) of which | 10.5 | -2.7 | -5.7 | 3.1 | -1.1 | -0.6 | -0.6 | -0.7 | -0.2 | 0.0 | 0.2 | 0.4 | 0.5 | 0.8 |
| (1) Primary balance (1.1+1.2+1.3) | -6.4 | -0.5 | -1.6 | -4.0 | -1.2 | -1.0 | -0.8 | -0.7 | -0.9 | -1.0 | -1.2 | -1.3 | -1.4 | -1.5 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -6.2 | -0.9 | -1.5 | -3.0 | -0.3 | -0.4 | -0.5 | -0.7 | -0.9 | -1.0 | -1.2 | -1.3 | -1.4 | -1.5 |
| (1.1.1) Structural primary balance (bef. CoA) | -6.2 | -0.9 | -1.5 | -3.0 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.2 | 0.4 | 0.6 | 0.7 | 0.8 | 1.0 | 1.1 | 1.2 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -0.2 | 0.4 | 0.0 | -0.9 | -0.9 | -0.6 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.1 | -4.8 | -6.8 | -2.8 | -1.2 | -1.6 | -1.5 | -1.4 | -1.1 | -1.0 | -0.9 | -0.9 | -0.8 | -0.7 |
| (2.1) Interest expenditure | 0.7 | 0.4 | 0.3 | 0.4 | 0.6 | 0.6 | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 |
| (2.2) Growth effect | 0.0 | -2.5 | -0.9 | -0.2 | -0.9 | -1.3 | -1.2 | -1.1 | -0.7 | -0.7 | -0.7 | -0.6 | -0.6 | -0.6 |
| (2.3) Inflation effect | -0.6 | -2.8 | -6.2 | -3.1 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 4.1 | 1.6 | -0.5 | 1.9 | -1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 4.1 | 1.6 | -0.5 | 1.9 | -1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -6.9 | -1.4 | -1.8 | -3.5 | -0.9 | -1.0 | -1.1 | -1.3 | -1.4 | -1.6 | -1.8 | -1.9 | -2.1 | -2.3 |
| Gross financing needs | 15.3 | 6.0 | 4.8 | 9.6 | 4.4 | 5.1 | 4.9 | 4.7 | 4.8 | 4.9 | 5.1 | 5.3 | 5.5 | 5.7 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | MEDIUM | LOW | LOW | LOW | LOW | LOW |
| | | Debt level (2033), % GDP | 39.6 | 46.7 | 43.2 | 42.6 | 39.9 | | | | |
| | | Debt peak year | 2023 | 2033 | 2033 | 2033 | 2023 | | | | |
| | | Fiscal consolidation space | 41% | 61% | 55% | 41% | 41% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 52% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 29.3 | | | | |

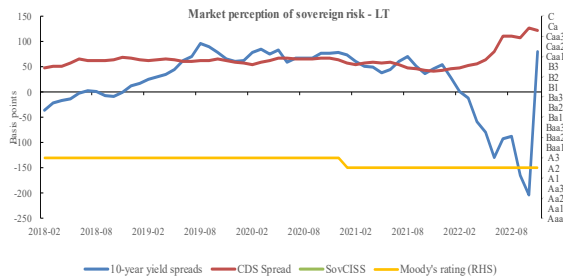
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.6 | 0.3 | 0.5 |
| Fiscal sub-index | 0.6 | 0.1 | 0.4 |
| Financial competitiveness sub-index | 0.6 | 0.4 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 1.7 | 1.8 | 1.9 | 6.3 |
| of which Initial Budgetary position | 0.6 | 0.5 | 0.6 | 0.5 |
| Ageing costs | 1.2 | 1.3 | 1.3 | 5.7 |
| of which Pensions | 0.0 | 0.2 | 0.3 | 0.2 |
| Health care | 0.5 | 0.5 | 0.4 | 1.3 |
| Long-term care | 0.7 | 0.6 | 0.6 | 4.2 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 |
| Required structural primary balance related to S2 | 1.4 | 1.5 | 1.6 | 6.0 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 1.3 | 1.4 | 3.5 |
| of which Initial budgetary position | | 0.2 | 0.3 | 0.1 |
| Debt requirement | | -0.4 | -0.4 | -0.4 |
| Ageing costs | | 1.5 | 1.4 | 3.8 |
| Required structural primary balance related to S1 | | 1.0 | 1.1 | 3.2 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 81.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

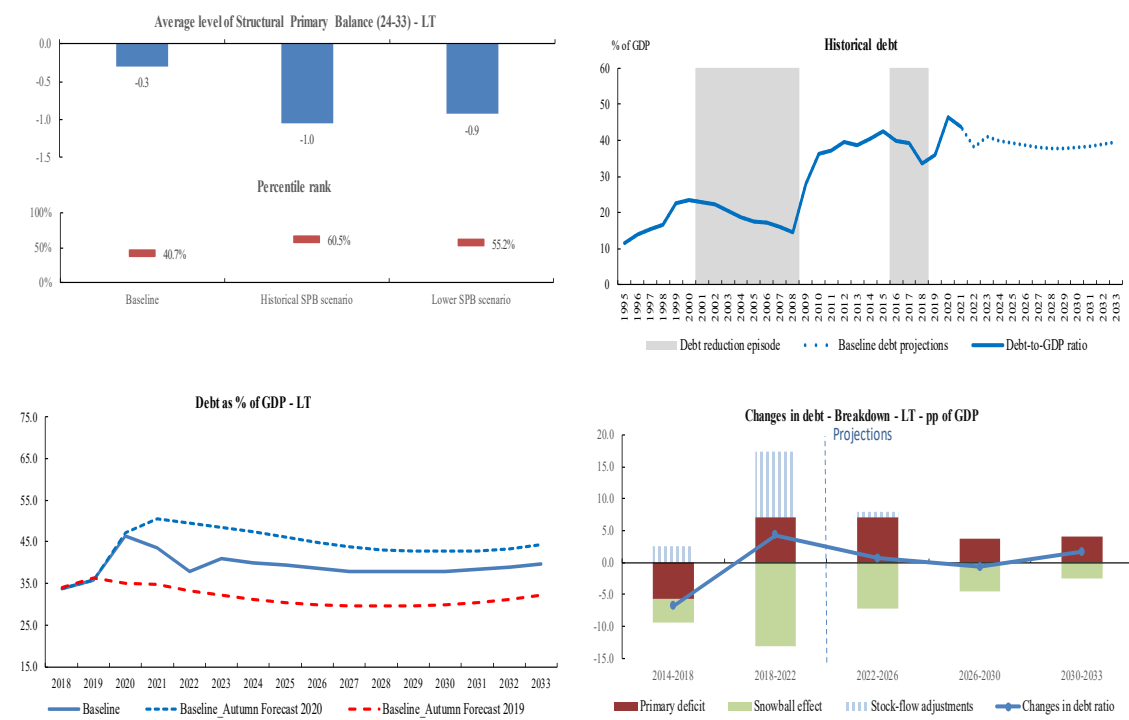
| | | | | | |
|-----------------------------------|---|--|--|---|--------------------------|
| Public debt structure - LT (2021) | Share of short-term government debt (%): 0.0 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 64.7 | Net International Investment Position (IIP) - LT (2021) | Net IIP (% GDP): -7.4 |
|-----------------------------------|---|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | LT | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 1.0 | 1.0 | 0.9 | 0.8 | 1.2 | 1.2 | 7.5 |
| of which | One-off guarantees | 0.2 | 0.3 | 0.2 | 0.3 | 0.5 | 0.5 | 6.4 |
| | Standardised guarantees | 0.8 | 0.8 | 0.7 | 0.6 | 0.7 | 0.7 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|---|--|---|---|---|--|---------------------------------|---|
| Government's contingent liability risks from banking sector - LT (2022) | Private sector credit flow (% GDP): 5.9 | Change in nominal house price index (p.p.): 16.1 | Bank loans-to-deposits ratio (%): 68.5 | Share of non-performing loans (%): 0.9 | Change in share of non-performing loans (p.p.): 0.0 | NPL coverage ratio (%): 38.5 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.01% |
| | | | | | | | Stressed 0.03% |

6. Realism of baseline assumptions



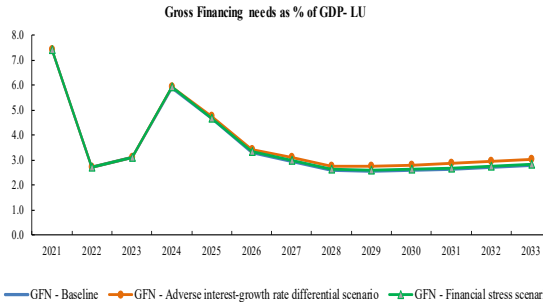
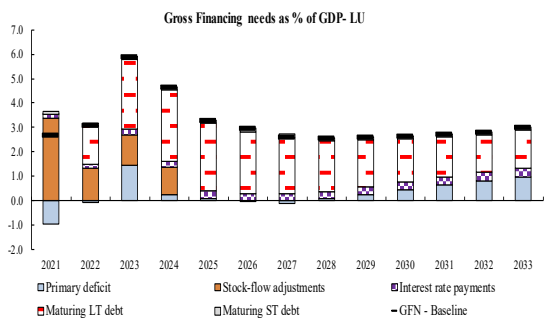
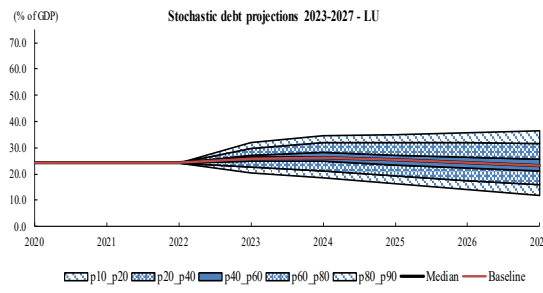
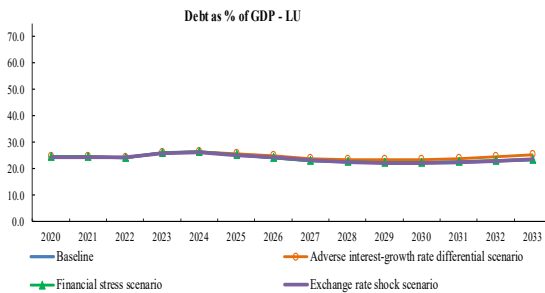
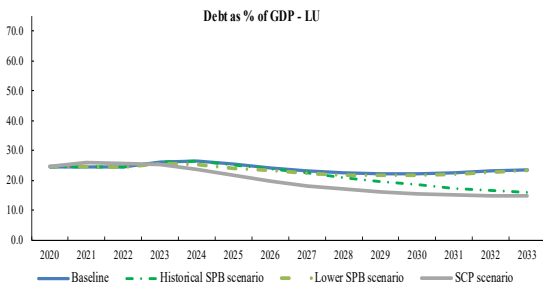
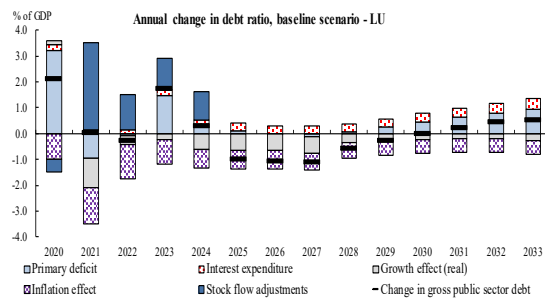
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Lithuania | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 38.0 | 41.0 | 39.9 | 37.8 | 38.4 | 39.6 | 39.6 | 38.5 | 38.8 |
| Primary balance | -1.6 | -4.0 | -1.2 | -1.0 | -1.3 | -1.5 | -2.3 | -1.1 | -1.4 |
| Structural primary balance (before CoA) | -1.5 | -3.0 | -0.3 | -0.3 | -0.3 | -0.3 | -1.6 | -0.3 | -0.6 |
| Real GDP growth | 2.5 | 0.5 | 2.4 | 1.9 | 1.7 | 1.6 | 1.8 | 2.3 | 2.1 |
| Potential GDP growth | 3.5 | 2.8 | 2.3 | 1.9 | 1.7 | 1.6 | 2.9 | 2.0 | 2.2 |
| Inflation rate | 16.5 | 8.9 | 2.3 | 2.4 | 2.4 | 2.4 | 9.3 | 2.4 | 4.1 |
| Implicit interest rate (nominal) | 0.7 | 1.3 | 1.6 | 1.6 | 1.8 | 2.1 | 1.2 | 1.7 | 1.6 |
| Gross financing needs | 4.8 | 9.6 | 4.4 | 4.9 | 5.3 | 5.7 | 6.3 | 5.1 | 5.4 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 44.1 | 46.1 | 43.9 | 32.8 | 30.4 | 28.8 | 44.7 | 35.3 | 37.8 |
| Primary balance | -2.9 | -1.1 | 0.6 | 0.4 | 0.1 | -0.1 | -1.1 | 0.5 | -0.2 |
| Structural primary balance (before CoA) | -2.5 | -0.7 | 1.0 | 1.0 | 1.0 | 1.0 | -0.8 | 1.0 | 0.2 |
| Real GDP growth | 3.6 | 3.6 | 2.2 | 2.1 | 2.0 | 1.5 | 3.2 | 2.3 | 2.7 |
| Gross financing needs | 5.2 | 8.0 | 3.6 | 3.0 | 3.0 | 3.1 | 5.6 | 3.0 | 3.9 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 38.0 | 41.0 | 39.9 | 41.1 | 43.6 | 46.7 | 39.6 | 41.9 | 41.3 |
| Primary balance | -1.6 | -4.0 | -1.2 | -2.0 | -2.3 | -2.5 | -2.3 | -1.9 | -2.0 |
| Structural primary balance (before CoA) | -1.5 | -3.0 | -0.3 | -1.3 | -1.3 | -1.3 | -1.6 | -1.1 | -1.3 |
| Real GDP growth | 2.5 | 0.5 | 2.4 | 1.9 | 1.7 | 1.6 | 1.8 | 2.3 | 2.1 |
| Gross financing needs | 4.8 | 9.6 | 4.4 | 6.2 | 6.7 | 7.4 | 6.3 | 6.2 | 6.2 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 38.0 | 41.1 | 40.0 | 37.9 | 38.6 | 39.9 | 39.7 | 38.7 | 38.9 |
| Implicit interest rate (nominal) | 0.7 | 1.4 | 1.7 | 1.6 | 1.8 | 2.1 | 1.3 | 1.7 | 1.6 |
| Gross financing needs | 4.8 | 9.6 | 4.4 | 5.0 | 5.3 | 5.7 | 6.3 | 5.1 | 5.4 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 38.0 | 40.2 | 38.0 | 39.0 | 40.8 | 43.2 | 38.7 | 39.7 | 39.4 |
| Primary balance | -1.6 | -2.7 | -1.2 | -1.6 | -1.9 | -2.1 | -1.8 | -1.6 | -1.7 |
| Structural primary balance (before CoA) | -1.5 | -1.2 | -0.9 | -0.9 | -0.9 | -0.9 | -1.2 | -0.9 | -1.0 |
| Real GDP growth | 2.5 | -0.9 | 5.4 | 1.9 | 1.7 | 1.6 | 2.3 | 2.1 | 2.1 |
| Gross financing needs | 4.8 | 7.8 | 4.2 | 5.6 | 6.1 | 6.7 | 5.6 | 5.7 | 5.7 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 38.0 | 41.0 | 39.9 | 37.8 | 38.4 | 39.6 | 39.6 | 38.5 | 38.8 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 4.8 | 9.6 | 4.4 | 4.9 | 5.3 | 5.7 | 6.3 | 5.1 | 5.4 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 38.0 | 41.2 | 40.4 | 39.5 | 40.7 | 42.6 | 39.9 | 40.3 | 40.2 |
| Implicit interest rate (nominal) | 0.7 | 1.3 | 1.8 | 1.9 | 2.2 | 2.5 | 1.3 | 2.0 | 1.8 |
| Real GDP growth | 2.5 | 0.0 | 1.9 | 1.4 | 1.2 | 1.1 | 1.4 | 1.8 | 1.7 |
| Gross financing needs | 4.8 | 9.6 | 4.5 | 5.2 | 5.7 | 6.2 | 6.3 | 5.4 | 5.6 |

Luxembourg

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| LU - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 24.5 | 24.5 | 24.3 | 26.0 | 26.3 | 25.3 | 24.2 | 23.1 | 22.6 | 22.3 | 22.3 | 22.5 | 23.0 | 23.5 |
| Changes in the ratio (-1+2+3) of which | 2.1 | 0.0 | -0.3 | 1.7 | 0.3 | -1.0 | -1.1 | -1.1 | -0.6 | -0.3 | 0.0 | 0.2 | 0.4 | 0.5 |
| (1) Primary balance (1.1+1.2+1.3) | -3.2 | 1.0 | 0.1 | -1.5 | -0.3 | -0.1 | 0.0 | 0.1 | -0.1 | -0.3 | -0.5 | -0.6 | -0.8 | -1.0 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -1.9 | 0.9 | 0.4 | -0.6 | 0.6 | 0.5 | 0.3 | 0.1 | -0.1 | -0.3 | -0.5 | -0.6 | -0.8 | -1.0 |
| (1.1.1) Structural primary balance (bef. CoA) | -1.9 | 0.9 | 0.4 | -0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.2 | 0.4 | 0.6 | 0.8 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 |
| (1.2) Cyclical component | -1.3 | 0.0 | -0.3 | -0.9 | -0.8 | -0.6 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | -0.6 | -2.4 | -1.5 | -0.9 | -1.1 | -1.1 | -1.0 | -1.0 | -0.7 | -0.5 | -0.5 | -0.4 | -0.4 | -0.4 |
| (2.1) Interest expenditure | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| (2.2) Growth effect | 0.2 | -1.1 | -0.3 | -0.2 | -0.6 | -0.7 | -0.7 | -0.6 | -0.4 | -0.3 | -0.2 | -0.2 | -0.2 | -0.3 |
| (2.3) Inflation effect | -1.0 | -1.4 | -1.3 | -1.0 | -0.7 | -0.7 | -0.7 | -0.6 | -0.6 | -0.6 | -0.6 | -0.5 | -0.5 | -0.5 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | -0.5 | 3.4 | 1.3 | 1.2 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | -0.5 | 3.4 | 1.3 | 1.2 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -2.1 | 0.8 | 0.2 | -0.8 | 0.3 | 0.2 | 0.0 | -0.2 | -0.4 | -0.6 | -0.8 | -1.0 | -1.2 | -1.3 |
| Gross financing needs | 7.4 | 2.7 | 3.1 | 5.9 | 4.7 | 3.3 | 3.0 | 2.6 | 2.6 | 2.6 | 2.7 | 2.7 | 2.8 | 3.0 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | LOW | LOW | 45% | HIGH | MEDIUM | HIGH |
| | | Debt level (2033), % GDP | 23.5 | 15.9 | 23.3 | 25.3 | 23.6 | | | | |
| | | Debt peak year | 2024 | 2024 | 2023 | 2024 | 2024 | | | | |
| | | Fiscal consolidation space | 85% | 79% | 85% | 85% | 85% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 24.3 | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | | | | |

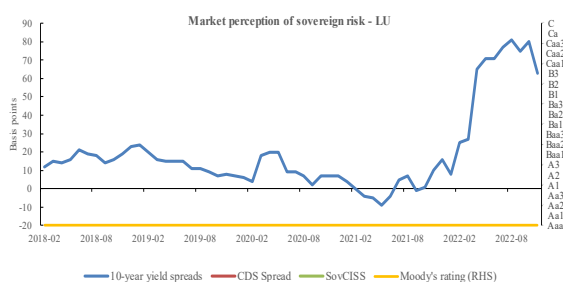
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.2 | 0.2 | 0.5 |
| Fiscal sub-index | 0.3 | 0.1 | 0.4 |
| Financial competitiveness sub-index | 0.2 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 7.1 | 7.2 | 7.3 | 9.5 |
| of which Initial Budgetary position | -0.7 | -0.4 | -0.4 | -0.4 |
| Ageing costs | 7.7 | 7.7 | 7.8 | 9.9 |
| of which Pensions | 6.1 | 6.0 | 6.2 | 6.0 |
| Health care | 0.9 | 0.9 | 0.8 | 1.4 |
| Long-term care | 1.3 | 1.2 | 1.2 | 3.0 |
| Others | -0.5 | -0.4 | -0.4 | -0.4 |
| Required structural primary balance related to S2 | 7.9 | 7.8 | 7.9 | 10.1 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 3.0 | 3.3 | 4.2 |
| of which Initial budgetary position | | -0.8 | -0.8 | -0.8 |
| Debt requirement | | -0.7 | -0.7 | -0.7 |
| Ageing costs | | 4.6 | 4.8 | 5.7 |
| Required structural primary balance related to S1 | | 3.6 | 3.9 | 4.7 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 63.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

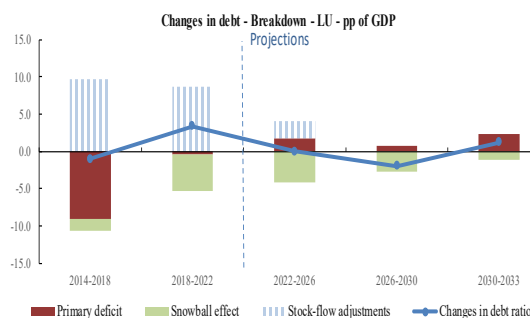
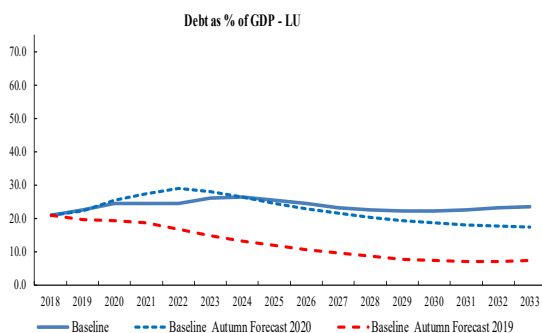
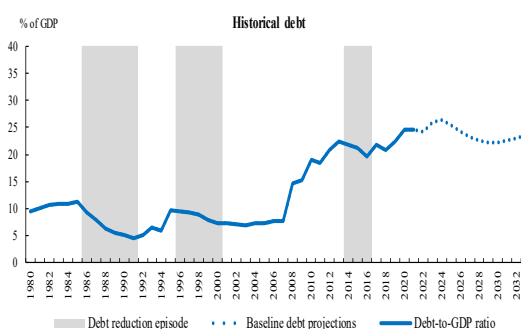
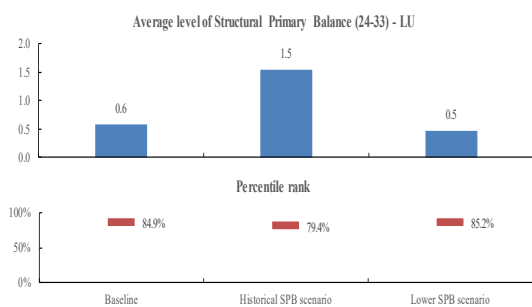
| | | | | | |
|-----------------------------------|---|--|--|---|--------------------------|
| Public debt structure - LU (2021) | Share of short-term government debt (%): 2.2 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 49.7 | Net International Investment Position (IIP) - LU (2021) | Net IIP (% GDP): 30.6 |
|-----------------------------------|---|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | LU | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 12.2 | 11.6 | 11.1 | 10.6 | 11.0 | 8.7 | 7.5 |
| of which | One-off guarantees | 11.3 | 10.7 | 10.2 | 9.7 | 9.6 | 7.5 | 6.4 |
| | Standardised guarantees | 0.8 | 0.8 | 0.9 | 0.9 | 1.4 | 1.2 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 3.8 | 3.5 | 3.3 | 2.9 | 2.6 | 2.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 3.8 | 3.5 | 3.3 | 2.9 | 2.6 | 2.0 | 0.9 |

| | | | | | | | |
|---|---|---|--|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - LU (2022) | Private sector credit flow (% GDP): 53.9 | Change in nominal house price index (p.p.): 13.9 | Bank loans-to-deposits ratio (%): 143.5 | Share of non-performing loans (%): 1.3 | Change in share of non-performing loans (p.p.): -0.1 | NPL coverage ratio (%): 29.9 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 1.45% Stressed: 5.62% |
|---|---|---|--|---|---|---------------------------------|--|

6. Realism of baseline assumptions



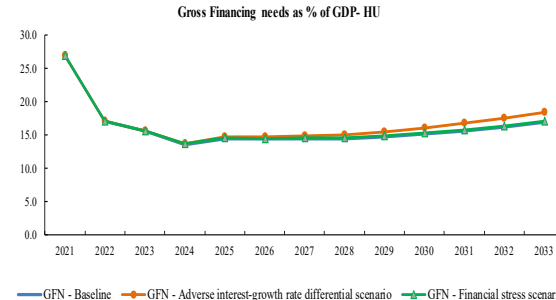
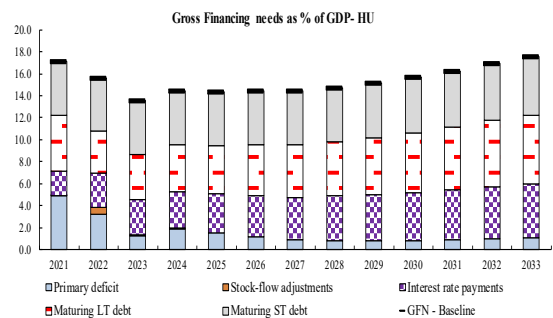
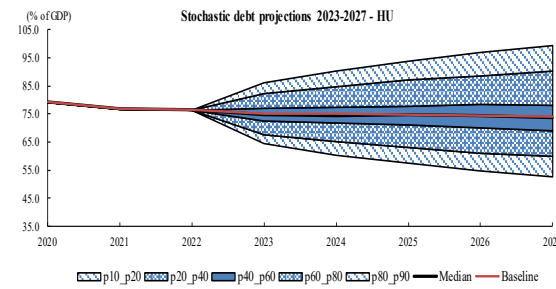
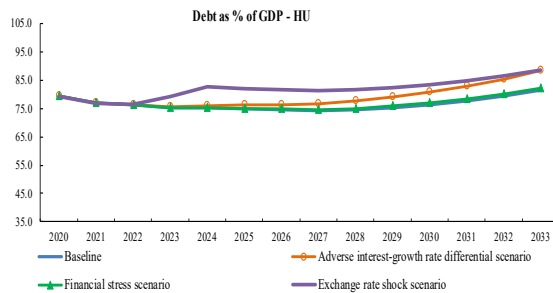
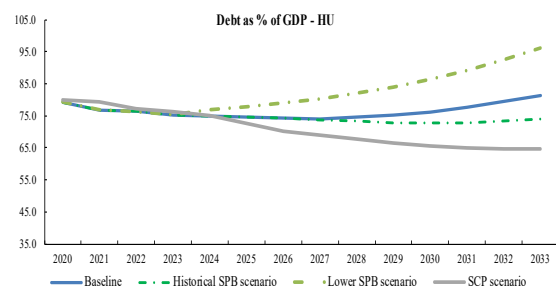
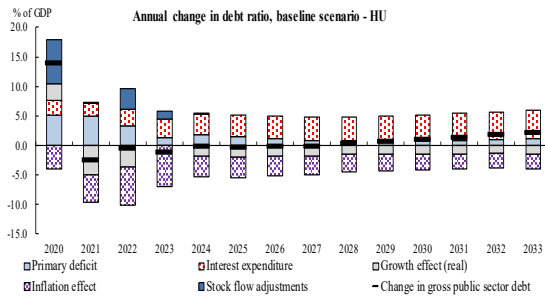
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Luxembourg | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 24.3 | 26.0 | 26.3 | 22.3 | 22.5 | 23.5 | 25.5 | 23.2 | 23.8 |
| Primary balance | 0.1 | -1.5 | -0.3 | -0.3 | -0.6 | -1.0 | -0.5 | -0.4 | -0.4 |
| Structural primary balance (before CoA) | 0.4 | -0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.1 | 0.6 | 0.5 |
| Real GDP growth | 1.5 | 1.0 | 2.4 | 1.3 | 0.9 | 1.2 | 1.6 | 1.7 | 1.7 |
| Potential GDP growth | 2.2 | 2.3 | 2.4 | 1.3 | 0.9 | 1.2 | 2.3 | 1.5 | 1.7 |
| Inflation rate | 5.7 | 4.2 | 2.9 | 2.6 | 2.5 | 2.4 | 4.3 | 2.6 | 3.0 |
| Implicit interest rate (nominal) | 0.7 | 1.1 | 1.1 | 1.4 | 1.6 | 1.7 | 1.0 | 1.5 | 1.3 |
| Gross financing needs | 3.1 | 5.9 | 4.7 | 2.6 | 2.7 | 3.0 | 4.6 | 2.8 | 3.2 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 25.6 | 25.3 | 23.6 | 16.1 | 15.0 | 14.6 | 24.8 | 17.9 | 19.8 |
| Primary balance | 0.3 | 0.6 | 0.6 | 0.3 | 0.0 | -0.4 | 0.5 | 0.4 | 0.4 |
| Structural primary balance (before CoA) | 0.7 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.0 | 1.3 | 1.2 |
| Real GDP growth | 3.7 | 2.5 | 2.5 | 1.8 | 1.7 | 1.9 | 2.9 | 2.2 | 2.7 |
| Gross financing needs | 3.2 | 2.8 | 1.5 | 0.8 | 1.0 | 1.3 | 2.5 | 1.0 | 1.5 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 24.3 | 26.0 | 26.3 | 19.6 | 17.4 | 15.9 | 25.5 | 20.0 | 21.4 |
| Primary balance | 0.1 | -1.5 | -0.3 | 0.7 | 0.6 | 0.3 | -0.5 | 0.5 | 0.3 |
| Structural primary balance (before CoA) | 0.4 | -0.6 | 0.6 | 1.9 | 1.9 | 1.9 | 0.1 | 1.7 | 1.3 |
| Real GDP growth | 1.5 | 1.0 | 2.4 | 1.6 | 1.2 | 1.2 | 1.6 | 1.7 | 1.7 |
| Gross financing needs | 3.1 | 5.9 | 4.7 | 1.5 | 1.1 | 1.1 | 4.6 | 1.7 | 2.4 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 24.3 | 26.0 | 26.3 | 22.4 | 22.6 | 23.6 | 25.5 | 23.3 | 23.9 |
| Implicit interest rate (nominal) | 0.7 | 1.2 | 1.2 | 1.5 | 1.6 | 1.8 | 1.0 | 1.5 | 1.4 |
| Gross financing needs | 3.1 | 5.9 | 4.7 | 2.6 | 2.7 | 3.0 | 4.6 | 2.8 | 3.3 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 24.3 | 25.5 | 25.1 | 21.6 | 22.1 | 23.3 | 25.0 | 22.5 | 23.1 |
| Primary balance | 0.1 | -0.8 | 0.0 | -0.4 | -0.7 | -1.1 | -0.2 | -0.4 | -0.4 |
| Structural primary balance (before CoA) | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.5 | 0.5 |
| Real GDP growth | 1.5 | 0.2 | 4.1 | 1.3 | 0.9 | 1.2 | 1.9 | 1.6 | 1.7 |
| Gross financing needs | 3.1 | 4.9 | 4.3 | 2.6 | 2.8 | 3.1 | 4.1 | 2.8 | 3.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 24.3 | 26.0 | 26.3 | 22.3 | 22.5 | 23.5 | 25.5 | 23.2 | 23.8 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 3.1 | 5.9 | 4.7 | 2.6 | 2.7 | 3.0 | 4.6 | 2.8 | 3.2 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 24.3 | 26.1 | 26.6 | 23.4 | 24.0 | 25.3 | 25.7 | 24.3 | 24.7 |
| Implicit interest rate (nominal) | 0.7 | 1.1 | 1.3 | 1.8 | 2.0 | 2.1 | 1.0 | 1.8 | 1.6 |
| Real GDP growth | 1.5 | 0.5 | 1.9 | 0.8 | 0.4 | 0.7 | 1.3 | 1.2 | 1.2 |
| Gross financing needs | 3.1 | 5.9 | 4.7 | 2.8 | 2.9 | 3.3 | 4.6 | 3.0 | 3.4 |

Hungary

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| HU - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 79.3 | 76.8 | 76.4 | 75.2 | 75.1 | 74.7 | 74.4 | 74.2 | 74.5 | 75.2 | 76.2 | 77.6 | 79.4 | 81.5 |
| Changes in the ratio (-1+2+3) | 14.0 | -2.5 | -0.5 | -1.2 | -0.1 | -0.4 | -0.3 | -0.3 | 0.4 | 0.7 | 1.0 | 1.4 | 1.8 | 2.1 |
| of which | | | | | | | | | | | | | | |
| (1) Primary balance (1.1+1.2+1.3) | -5.2 | -4.9 | -3.2 | -1.3 | -1.9 | -1.5 | -1.2 | -0.9 | -0.8 | -0.8 | -0.8 | -0.9 | -1.0 | -1.1 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.4 | -4.4 | -3.7 | -0.6 | -1.1 | -1.1 | -1.0 | -0.9 | -0.8 | -0.8 | -0.8 | -0.9 | -1.0 | -1.1 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.4 | -4.4 | -3.7 | -0.6 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 | -1.1 |
| (1.1.2) Cost of ageing | 0.0 | -0.1 | -0.2 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.2 | -0.1 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.9 | -0.4 | 0.5 | -0.7 | -0.7 | -0.5 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.4 | -7.4 | -7.1 | -3.8 | -2.1 | -1.9 | -1.5 | -1.1 | -0.5 | -0.1 | 0.2 | 0.5 | 0.9 | 1.0 |
| (2.1) Interest expenditure | 2.3 | 2.3 | 2.9 | 3.1 | 3.4 | 3.6 | 3.7 | 3.9 | 4.0 | 4.2 | 4.4 | 4.5 | 4.7 | 4.9 |
| (2.2) Growth effect | 2.9 | -5.0 | -3.6 | -0.1 | -1.8 | -2.0 | -1.9 | -1.9 | -1.6 | -1.5 | -1.5 | -1.5 | -1.4 | -1.4 |
| (2.3) Inflation effect | -3.9 | -4.7 | -6.5 | -6.9 | -3.6 | -3.4 | -3.3 | -3.1 | -2.9 | -2.8 | -2.7 | -2.6 | -2.4 | -2.5 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 7.4 | 0.0 | 3.3 | 1.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 6.6 | 0.0 | 0.6 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.8 | 0.0 | 2.7 | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -5.8 | -6.6 | -6.8 | -3.7 | -4.5 | -4.6 | -4.7 | -4.8 | -4.9 | -5.0 | -5.2 | -5.4 | -5.7 | -6.0 |
| Gross financing needs | 27.0 | 17.1 | 15.6 | 13.6 | 14.4 | 14.4 | 14.4 | 14.4 | 14.8 | 15.2 | 15.6 | 16.2 | 17.0 | 17.5 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | MEDIUM | LOW | HIGH | MEDIUM | MEDIUM | MEDIUM | HIGH | MEDIUM | HIGH |
| | | Debt level (2033), % GDP | 81.5 | 74.1 | 96.3 | 88.3 | 82.2 | | | | |
| | | Debt peak year | 2033 | 2022 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 67% | 59% | 74% | 67% | 67% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 45% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 46.7 | | | |

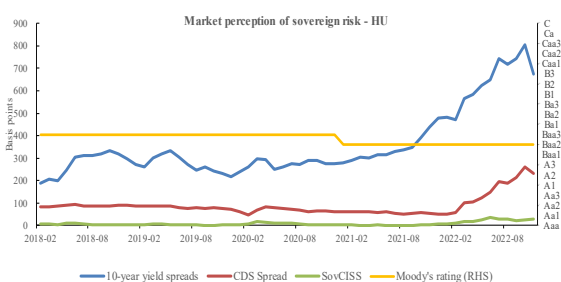
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.4 | 0.5 |
| Fiscal sub-index | 0.6 | 0.4 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.5 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 6.1 | 6.1 | 6.4 | 9.6 |
| of which Initial Budgetary position | 1.6 | 1.6 | 1.8 | 1.6 |
| Ageing costs | 4.5 | 4.4 | 4.6 | 8.0 |
| of which Pensions | 3.3 | 3.2 | 3.4 | 3.2 |
| Health care | 0.7 | 0.6 | 0.6 | 1.6 |
| Long-term care | 0.6 | 0.5 | 0.5 | 3.1 |
| Others | 0.0 | 0.1 | 0.1 | 0.1 |
| Required structural primary balance related to S2 | 4.8 | 4.9 | 5.2 | 8.4 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 4.2 | 4.6 | 5.9 |
| of which Initial budgetary position | | 1.6 | 1.7 | 1.4 |
| Debt requirement | | 0.3 | 0.3 | 0.3 |
| Ageing costs | | 2.4 | 2.6 | 4.2 |
| Required structural primary balance related to S1 | | 3.1 | 3.4 | 4.7 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 674.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

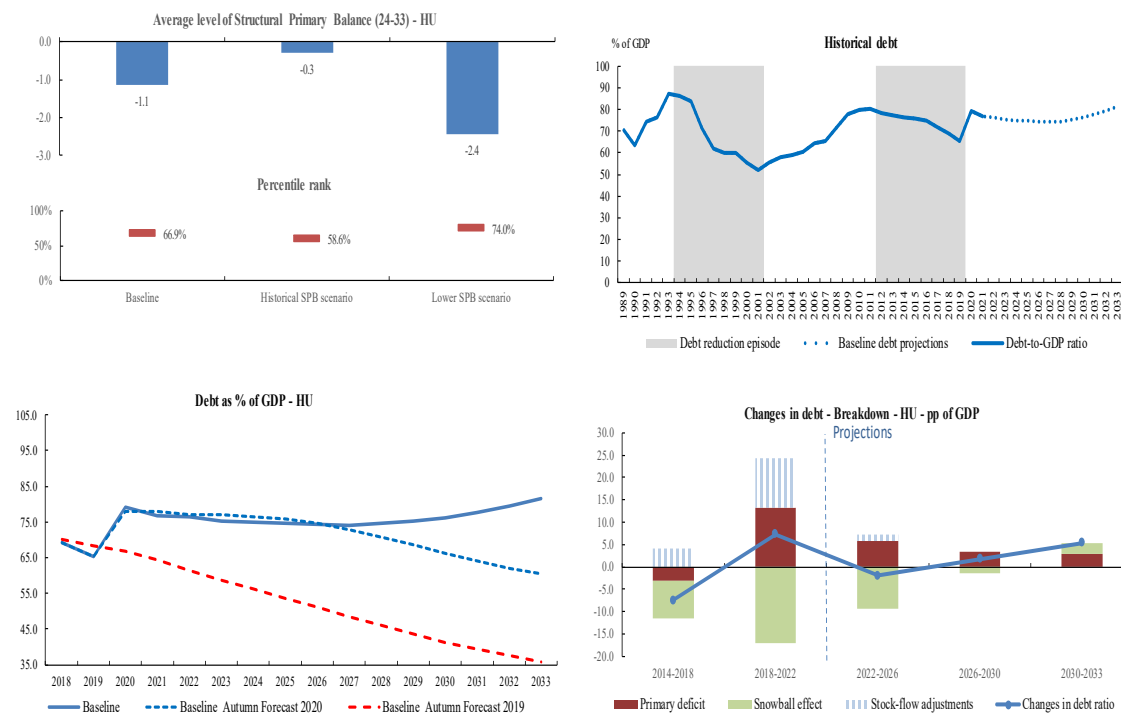
| | | | | | |
|--|--|--|---|--|----------------------------------|
| Public debt structure - HU (2021) | Share of short-term government debt (%): 5.9 | Share of government debt in foreign currency (%): 22.6 | Share of government debt by non-residents (%): 31.7 | Net International Investment Position (IIP) - HU (2021) | Net IIP (% GDP): -53.1 |
|--|--|--|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | HU | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 5.8 | 5.0 | 5.1 | 6.4 | 8.1 | 9.1 | 7.5 |
| of which | One-off guarantees | 5.6 | 4.8 | 5.0 | 5.4 | 5.9 | 6.4 | 6.4 |
| | Standardised guarantees | 0.2 | 0.1 | 0.1 | 1.0 | 2.2 | 2.8 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 1.6 | 1.5 | 1.3 | 1.1 | 1.1 | 0.9 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|--|--|--|--|---|--|--|
| Government's contingent liability risks from banking sector - HU (2022) | Private sector credit flow (% GDP): 12.7 | Change in nominal house price index (p.p.): 16.5 | Bank loans-to-deposits ratio (%): 79.4 | Share of non-performing loans (%): 3.7 | Change in share of non-performing loans (p.p.): 0.1 | NPL coverage ratio (%): 63.9 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.02% Stressed: 0.12% |
|--|--|--|--|--|---|--|--|

6. Realism of baseline assumptions



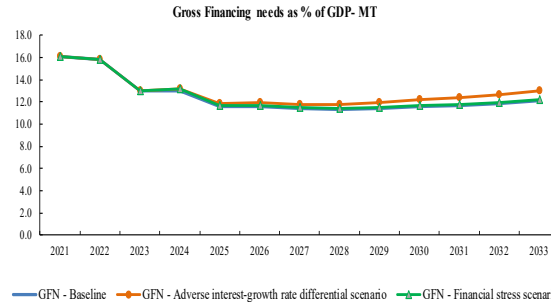
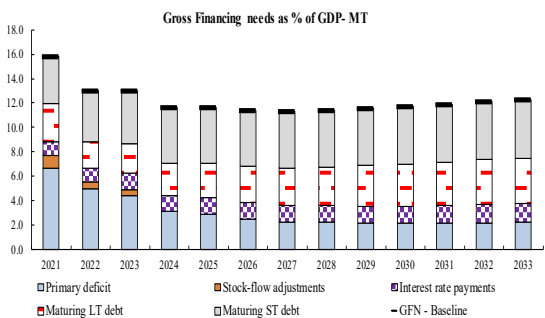
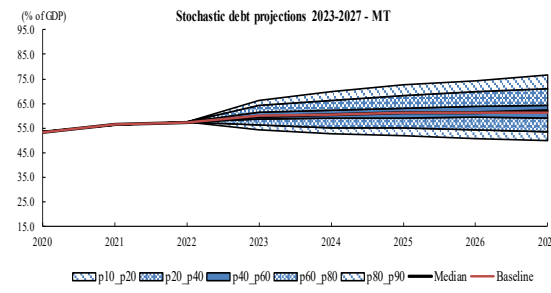
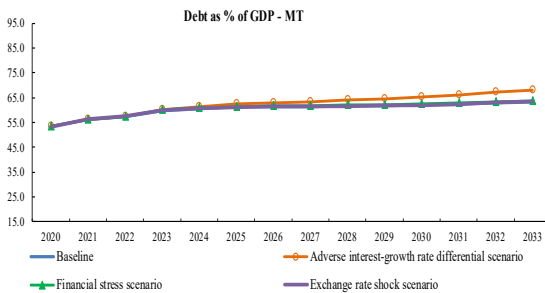
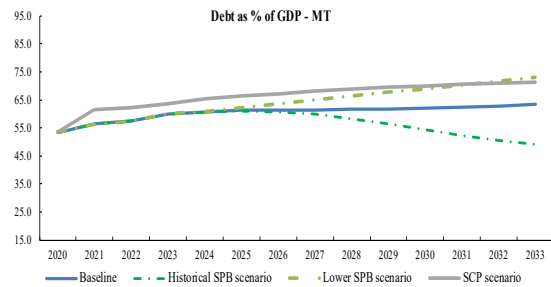
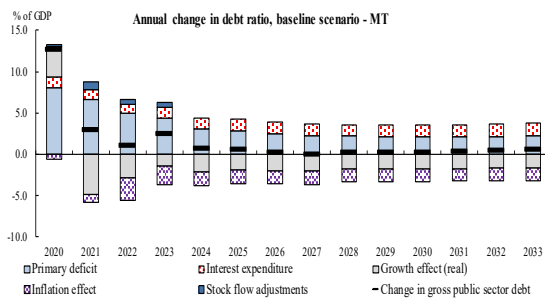
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Hungary | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 76.4 | 75.2 | 75.1 | 75.2 | 77.6 | 81.5 | 75.5 | 76.4 | 76.2 |
| Primary balance | -3.2 | -1.3 | -1.9 | -0.8 | -0.9 | -1.1 | -2.1 | -1.0 | -1.3 |
| Structural primary balance (before CoA) | -3.7 | -0.6 | -1.1 | -1.1 | -1.1 | -1.1 | -1.8 | -1.1 | -1.3 |
| Real GDP growth | 5.5 | 0.1 | 2.6 | 2.2 | 2.0 | 1.9 | 2.7 | 2.3 | 2.4 |
| Potential GDP growth | 3.4 | 2.8 | 2.6 | 2.2 | 2.0 | 1.9 | 2.9 | 2.1 | 2.3 |
| Inflation rate | 9.2 | 10.0 | 5.0 | 3.9 | 3.5 | 3.2 | 8.1 | 3.9 | 5.0 |
| Implicit interest rate (nominal) | 4.4 | 4.5 | 4.8 | 6.0 | 6.3 | 6.5 | 4.6 | 5.9 | 5.6 |
| Gross financing needs | 15.6 | 13.6 | 14.4 | 15.2 | 16.2 | 17.5 | 14.5 | 15.5 | 15.3 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 77.2 | 76.4 | 75.2 | 66.5 | 65.1 | 64.8 | 76.3 | 68.6 | 70.8 |
| Primary balance | -3.3 | -1.7 | -1.2 | -0.5 | -0.6 | -0.8 | -2.1 | -0.6 | -1.3 |
| Structural primary balance (before CoA) | -3.3 | -1.6 | -0.8 | -0.8 | -0.8 | -0.8 | -1.9 | -0.8 | -1.4 |
| Real GDP growth | 5.4 | 3.5 | 2.9 | 2.9 | 2.5 | 2.1 | 3.9 | 3.0 | 3.6 |
| Gross financing needs | 17.6 | 17.0 | 16.1 | 14.5 | 14.5 | 14.7 | 16.9 | 14.8 | 15.7 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 76.4 | 75.2 | 75.1 | 72.9 | 72.7 | 74.1 | 75.5 | 73.5 | 74.0 |
| Primary balance | -3.2 | -1.3 | -1.9 | 0.1 | 0.3 | 0.0 | -2.1 | -0.2 | -0.7 |
| Structural primary balance (before CoA) | -3.7 | -0.6 | -1.1 | 0.0 | 0.0 | 0.0 | -1.8 | -0.2 | -0.6 |
| Real GDP growth | 5.5 | 0.1 | 2.6 | 2.4 | 2.3 | 1.9 | 2.7 | 2.3 | 2.4 |
| Gross financing needs | 15.6 | 13.6 | 14.4 | 14.0 | 14.3 | 15.1 | 14.5 | 14.3 | 14.3 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 76.4 | 75.4 | 75.3 | 75.7 | 78.2 | 82.2 | 75.7 | 76.9 | 76.6 |
| Implicit interest rate (nominal) | 4.4 | 4.7 | 4.9 | 6.0 | 6.3 | 6.5 | 4.7 | 6.0 | 5.6 |
| Gross financing needs | 15.6 | 13.7 | 14.5 | 15.3 | 16.4 | 17.7 | 14.6 | 15.6 | 15.4 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 76.4 | 75.5 | 77.0 | 84.1 | 89.3 | 96.3 | 76.3 | 85.3 | 83.1 |
| Primary balance | -3.2 | -3.0 | -2.8 | -2.1 | -2.2 | -2.4 | -3.0 | -2.3 | -2.4 |
| Structural primary balance (before CoA) | -3.7 | -3.1 | -2.4 | -2.4 | -2.4 | -2.4 | -3.1 | -2.4 | -2.6 |
| Real GDP growth | 5.5 | 2.0 | 1.6 | 2.2 | 2.0 | 1.9 | 3.0 | 2.2 | 2.4 |
| Gross financing needs | 15.6 | 15.9 | 15.5 | 18.0 | 19.7 | 21.7 | 15.7 | 18.3 | 17.7 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 76.4 | 79.1 | 82.5 | 82.1 | 84.6 | 88.6 | 79.3 | 83.5 | 82.4 |
| Exchange rate depreciation | 0.0% | 9.4% | 9.4% | 0.0% | 0.0% | 0.0% | 6.3% | 0.0% | 1.6% |
| Gross financing needs | 15.6 | 14.2 | 15.7 | 16.5 | 17.6 | 19.0 | 15.2 | 16.8 | 16.4 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 76.4 | 75.7 | 76.0 | 78.9 | 82.7 | 88.3 | 76.0 | 80.3 | 79.2 |
| Implicit interest rate (nominal) | 4.4 | 4.6 | 5.0 | 6.3 | 6.7 | 6.9 | 4.6 | 6.2 | 5.8 |
| Real GDP growth | 5.5 | -0.4 | 2.1 | 1.7 | 1.5 | 1.4 | 2.4 | 1.8 | 2.0 |
| Gross financing needs | 15.6 | 13.7 | 14.7 | 16.1 | 17.5 | 19.2 | 14.7 | 16.5 | 16.0 |

Malta

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| MT - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 53.3 | 56.3 | 57.4 | 59.9 | 60.6 | 61.2 | 61.4 | 61.4 | 61.6 | 61.8 | 62.1 | 62.5 | 62.9 | 63.4 |
| Changes in the ratio (-1+2+3) of which | 12.6 | 3.0 | 1.1 | 2.5 | 0.7 | 0.6 | 0.2 | 0.0 | 0.2 | 0.2 | 0.3 | 0.3 | 0.5 | 0.5 |
| (1) Primary balance (1.1+1.2+1.3) | -8.1 | -6.6 | -4.9 | -4.4 | -3.1 | -2.9 | -2.5 | -2.3 | -2.2 | -2.2 | -2.2 | -2.1 | -2.2 | -2.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -4.4 | -6.0 | -4.9 | -3.9 | -2.5 | -2.5 | -2.3 | -2.3 | -2.2 | -2.2 | -2.2 | -2.1 | -2.2 | -2.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -4.4 | -6.0 | -4.9 | -3.9 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.2 | -0.2 | -0.3 | -0.3 | -0.3 | -0.4 | -0.3 | -0.3 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -3.7 | -0.6 | -0.1 | -0.5 | -0.6 | -0.4 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 4.3 | -4.7 | -4.5 | -2.4 | -2.4 | -2.3 | -2.3 | -2.3 | -2.0 | -2.0 | -1.9 | -1.8 | -1.7 | -1.7 |
| (2.1) Interest expenditure | 1.3 | 1.1 | 1.1 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 |
| (2.2) Growth effect | 3.6 | -4.9 | -2.9 | -1.5 | -2.1 | -2.0 | -2.0 | -2.0 | -1.8 | -1.8 | -1.8 | -1.7 | -1.7 | -1.7 |
| (2.3) Inflation effect | -0.6 | -0.9 | -2.7 | -2.2 | -1.7 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.5 | -1.5 | -1.5 | -1.5 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 0.2 | 1.0 | 0.6 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 0.2 | 1.0 | 0.6 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -5.7 | -7.1 | -6.0 | -5.2 | -3.8 | -3.8 | -3.6 | -3.6 | -3.6 | -3.6 | -3.6 | -3.6 | -3.7 | -3.7 |
| Gross financing needs | 16.1 | 15.8 | 13.0 | 13.0 | 11.6 | 11.6 | 11.4 | 11.3 | 11.4 | 11.5 | 11.7 | 11.9 | 12.1 | 12.2 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM | LOW | HIGH | MEDIUM | HIGH |
| | | Debt level (2033), % GDP | 63.4 | 49.0 | 73.2 | 68.1 | 63.9 | | | | |
| | | Debt peak year | 2033 | 2025 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 70% | 52% | 86% | 70% | 70% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 66% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 26.7 | | | |

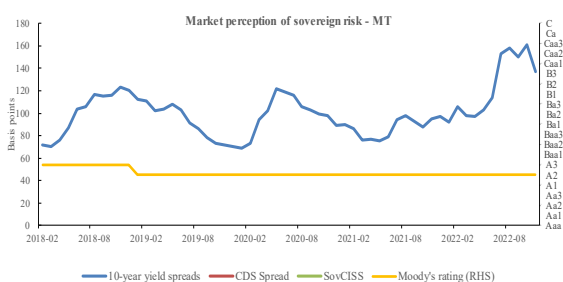
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.4 | 0.2 | 0.5 |
| Fiscal sub-index | 0.2 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.6 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 10.2 | 9.4 | 9.5 | 12.9 |
| of which Initial Budgetary position | 3.5 | 2.7 | 2.8 | 2.7 |
| Ageing costs | 6.7 | 6.7 | 6.6 | 10.1 |
| of which Pensions | 3.1 | 3.1 | 3.4 | 3.1 |
| Health care | 2.3 | 2.2 | 2.0 | 3.4 |
| Long-term care | 1.5 | 1.4 | 1.3 | 3.7 |
| Others | -0.1 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | 6.9 | 6.9 | 7.0 | 10.4 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 4.8 | 5.1 | 6.6 |
| of which Initial budgetary position | | 2.1 | 2.2 | 2.2 |
| Debt requirement | | 0.0 | 0.0 | 0.0 |
| Ageing costs | | 2.7 | 2.8 | 4.4 |
| Required structural primary balance related to S1 | | 2.3 | 2.6 | 4.1 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 137.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

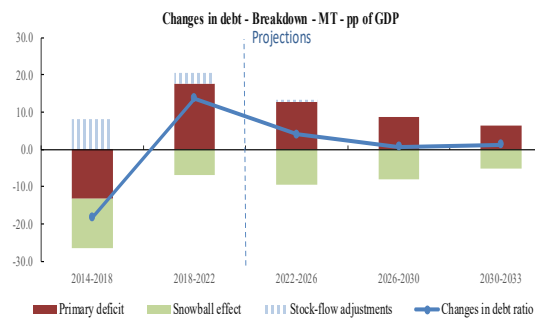
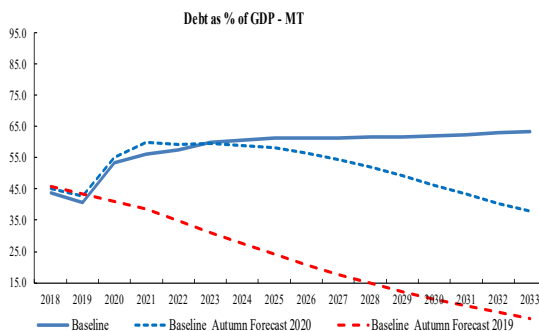
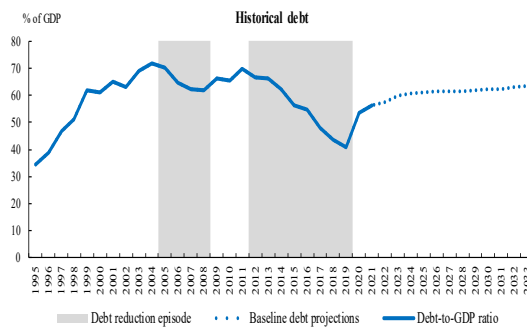
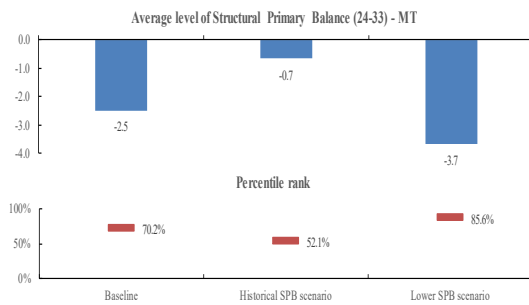
| | | | | | |
|--|--|---|---|--|---------------------------------|
| Public debt structure - MT (2021) | Share of short-term government debt (%): 8.5 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 23.8 | Net International Investment Position (IIP) - MT (2021) | Net IIP (% GDP): 52.8 |
|--|--|---|---|--|---------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | MT | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 13.2 | 8.9 | 8.2 | 7.0 | 8.9 | 8.2 | 7.5 |
| of which | One-off guarantees | 13.1 | 8.8 | 8.1 | 6.9 | 8.9 | 6.8 | 6.4 |
| | Standardised guarantees | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.3 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |
| | Securities issued under liquidity schemes | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Special purpose entity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Total | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|--|
| Government's contingent liability risks from banking sector - MT (2022) | Private sector credit flow (% GDP): 9.4 | Change in nominal house price index (p.p.): 5.1 | Bank loans-to-deposits ratio (%): 52.5 | Share of non-performing loans (%): 2.6 | Change in share of non-performing loans (p.p.): -0.6 | NPL coverage ratio (%): 28.3 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.04% Stressed: 0.46% |
|--|---|---|--|--|--|--|--|

6. Realism of baseline assumptions



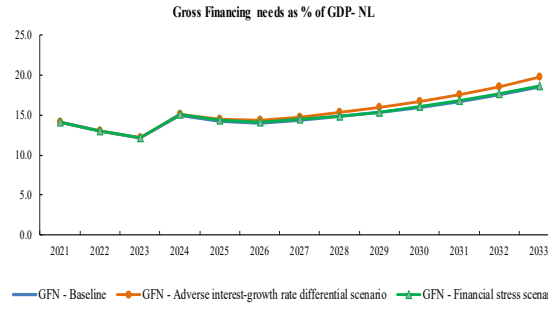
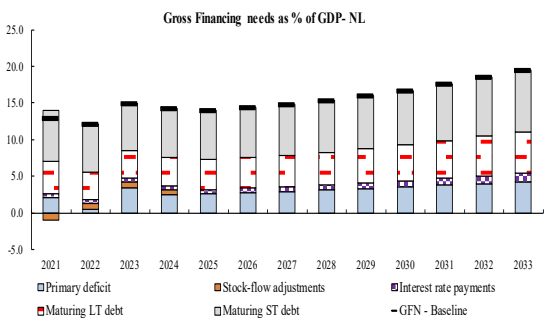
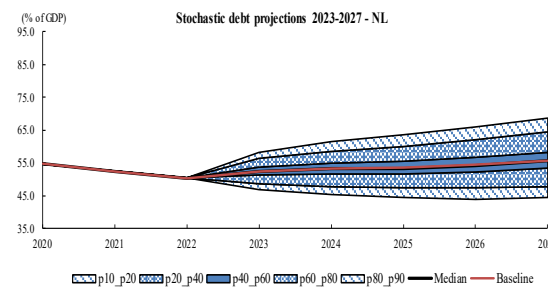
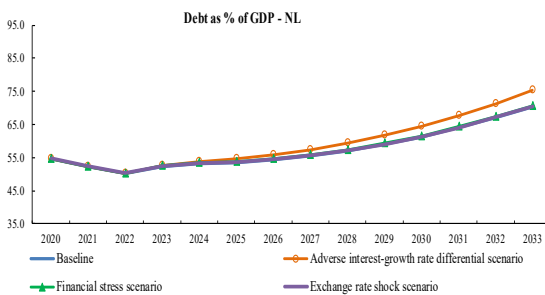
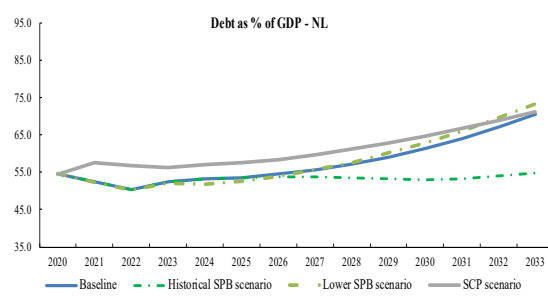
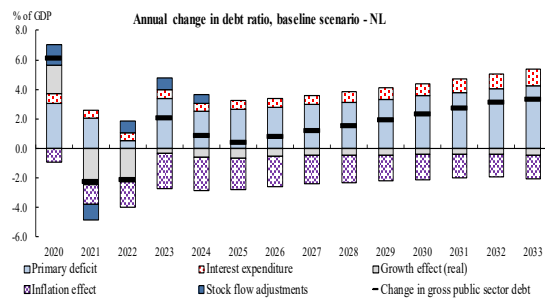
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Malta | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 57.4 | 59.9 | 60.6 | 61.8 | 62.5 | 63.4 | 59.3 | 62.1 | 61.4 |
| Primary balance | -4.9 | -4.4 | -3.1 | -2.2 | -2.1 | -2.2 | -4.2 | -2.3 | -2.8 |
| Structural primary balance (before CoA) | -4.9 | -3.9 | -2.5 | -2.5 | -2.5 | -2.5 | -3.7 | -2.5 | -2.8 |
| Real GDP growth | 5.7 | 2.8 | 3.7 | 3.1 | 2.9 | 2.9 | 4.0 | 3.1 | 3.4 |
| Potential GDP growth | 4.4 | 3.8 | 3.9 | 3.1 | 2.9 | 2.9 | 4.0 | 3.0 | 3.3 |
| Inflation rate | 5.0 | 4.1 | 2.8 | 2.6 | 2.5 | 2.4 | 4.0 | 2.6 | 2.9 |
| Implicit interest rate (nominal) | 2.2 | 2.4 | 2.4 | 2.4 | 2.5 | 2.6 | 2.3 | 2.4 | 2.4 |
| Gross financing needs | 13.0 | 13.0 | 11.6 | 11.5 | 11.9 | 12.2 | 12.5 | 11.7 | 11.9 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 62.4 | 63.6 | 65.3 | 69.6 | 70.6 | 71.4 | 63.8 | 68.6 | 67.1 |
| Primary balance | -4.7 | -3.7 | -3.3 | -2.7 | -2.6 | -2.7 | -3.9 | -2.8 | -3.6 |
| Structural primary balance (before CoA) | -3.9 | -3.4 | -3.0 | -3.0 | -3.0 | -3.0 | -3.4 | -3.0 | -3.5 |
| Real GDP growth | 6.2 | 4.8 | 2.6 | 2.7 | 2.6 | 2.9 | 4.5 | 2.7 | 3.3 |
| Gross financing needs | 13.4 | 13.2 | 12.8 | 12.9 | 13.0 | 13.3 | 13.2 | 12.9 | 13.4 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 57.4 | 59.9 | 60.6 | 56.4 | 52.3 | 49.0 | 59.3 | 55.8 | 56.7 |
| Primary balance | -4.9 | -4.4 | -3.1 | -0.2 | 0.3 | 0.2 | -4.2 | -0.6 | -1.5 |
| Structural primary balance (before CoA) | -4.9 | -3.9 | -2.5 | -0.1 | -0.1 | -0.1 | -3.7 | -0.5 | -1.3 |
| Real GDP growth | 5.7 | 2.8 | 3.7 | 3.5 | 3.4 | 2.9 | 4.0 | 3.1 | 3.4 |
| Gross financing needs | 13.0 | 13.0 | 11.6 | 9.0 | 8.2 | 7.9 | 12.5 | 9.2 | 10.1 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 57.4 | 60.1 | 60.8 | 62.2 | 62.9 | 63.9 | 59.4 | 62.4 | 61.7 |
| Implicit interest rate (nominal) | 2.2 | 2.7 | 2.5 | 2.5 | 2.5 | 2.6 | 2.5 | 2.5 | 2.5 |
| Gross financing needs | 13.0 | 13.2 | 11.7 | 11.6 | 12.0 | 12.3 | 12.6 | 11.8 | 12.0 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 57.4 | 60.0 | 60.7 | 67.7 | 70.3 | 73.2 | 59.4 | 67.7 | 65.6 |
| Primary balance | -4.9 | -4.7 | -3.7 | -3.4 | -3.3 | -3.4 | -4.4 | -3.4 | -3.7 |
| Structural primary balance (before CoA) | -4.9 | -4.3 | -3.7 | -3.7 | -3.7 | -3.7 | -4.3 | -3.7 | -3.8 |
| Real GDP growth | 5.7 | 3.1 | 4.8 | 3.1 | 2.9 | 2.9 | 4.5 | 3.0 | 3.4 |
| Gross financing needs | 13.0 | 13.4 | 12.1 | 13.5 | 14.1 | 14.8 | 12.8 | 13.5 | 13.4 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 57.4 | 59.9 | 60.6 | 61.8 | 62.5 | 63.4 | 59.3 | 62.1 | 61.4 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 13.0 | 13.0 | 11.6 | 11.5 | 11.9 | 12.2 | 12.5 | 11.7 | 11.9 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 57.4 | 60.3 | 61.3 | 64.7 | 66.2 | 68.1 | 59.7 | 64.9 | 63.6 |
| Implicit interest rate (nominal) | 2.2 | 2.6 | 2.6 | 2.7 | 2.8 | 3.0 | 2.4 | 2.8 | 2.7 |
| Real GDP growth | 5.7 | 2.3 | 3.2 | 2.6 | 2.4 | 2.4 | 3.7 | 2.6 | 2.9 |
| Gross financing needs | 13.0 | 13.1 | 11.8 | 12.2 | 12.7 | 13.2 | 12.6 | 12.3 | 12.4 |

Netherlands

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| NL - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 54.7 | 52.4 | 50.3 | 52.4 | 53.2 | 53.6 | 54.4 | 55.6 | 57.1 | 59.0 | 61.3 | 64.0 | 67.1 | 70.4 |
| Changes in the ratio (-1+2+3) of which | 6.1 | -2.2 | -2.1 | 2.1 | 0.8 | 0.4 | 0.8 | 1.2 | 1.5 | 1.9 | 2.3 | 2.7 | 3.1 | 3.3 |
| (1) Primary balance (1.1+1.2+1.3) | -3.0 | -2.0 | -0.5 | -3.4 | -2.5 | -2.6 | -2.8 | -2.9 | -3.1 | -3.3 | -3.6 | -3.8 | -4.0 | -4.3 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -0.6 | -1.3 | -1.5 | -3.7 | -2.5 | -2.6 | -2.8 | -2.9 | -3.1 | -3.3 | -3.6 | -3.8 | -4.0 | -4.3 |
| (1.1.1) Structural primary balance (bef. CoA) | -0.6 | -1.3 | -1.5 | -3.7 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 | -2.5 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.3 | 0.6 | 0.8 | 1.1 | 1.4 | 1.7 | 2.0 | 2.3 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | | | | |
| (1.2) Cyclical component | -2.4 | -0.6 | 1.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.7 | -3.3 | -3.4 | -2.1 | -2.3 | -2.2 | -2.0 | -1.8 | -1.6 | -1.5 | -1.3 | -1.1 | -0.9 | -1.0 |
| (2.1) Interest expenditure | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 |
| (2.2) Growth effect | 1.9 | -2.5 | -2.3 | -0.3 | -0.6 | -0.7 | -0.6 | -0.5 | -0.5 | -0.5 | -0.4 | -0.4 | -0.4 | -0.5 |
| (2.3) Inflation effect | -0.9 | -1.3 | -1.7 | -2.4 | -2.2 | -2.1 | -2.0 | -1.9 | -1.8 | -1.8 | -1.7 | -1.6 | -1.5 | -1.6 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 1.4 | -1.0 | 0.8 | 0.8 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.4 | -1.0 | 0.8 | 0.8 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -1.3 | -1.9 | -2.1 | -4.3 | -3.1 | -3.2 | -3.4 | -3.6 | -3.8 | -4.1 | -4.4 | -4.7 | -5.0 | -5.4 |
| Gross financing needs | 14.1 | 13.0 | 12.2 | 15.0 | 14.3 | 14.0 | 14.4 | 14.8 | 15.3 | 16.0 | 16.7 | 17.6 | 18.5 | 19.5 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM | LOW | HIGH | MEDIUM | HIGH |
| | | Debt level (2033), % GDP | 70.4 | 54.8 | 73.4 | 75.2 | 70.7 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 100% | 90% | 100% | 100% | 100% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 71% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 24.4 | | | | | |

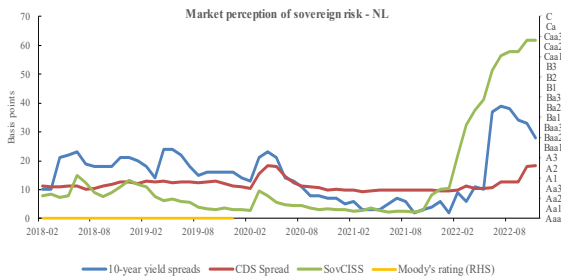
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.4 | 0.2 | 0.5 |
| Fiscal sub-index | 0.6 | 0.1 | 0.4 |
| Financial competitiveness sub-index | 0.3 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 5.3 | 6.5 | 6.3 | 8.2 |
| of which Initial Budgetary position | 1.4 | 2.7 | 2.8 | 2.7 |
| Ageing costs | 3.8 | 3.7 | 3.5 | 5.5 |
| of which Pensions | 1.1 | 1.1 | 1.0 | 1.1 |
| Health care | 0.7 | 0.6 | 0.6 | 1.2 |
| Long-term care | 2.3 | 2.1 | 2.1 | 3.3 |
| Others | -0.2 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | 4.1 | 4.0 | 3.8 | 5.7 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 4.8 | 4.7 | 5.8 |
| of which Initial budgetary position | | 2.0 | 2.1 | 2.0 |
| Debt requirement | | -0.2 | -0.1 | -0.2 |
| Ageing costs | | 2.9 | 2.8 | 3.9 |
| Required structural primary balance related to S1 | | 2.3 | 2.2 | 3.3 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 28.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

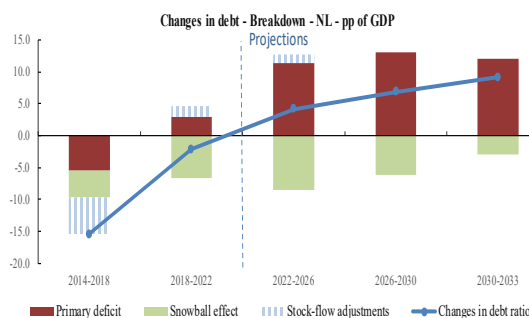
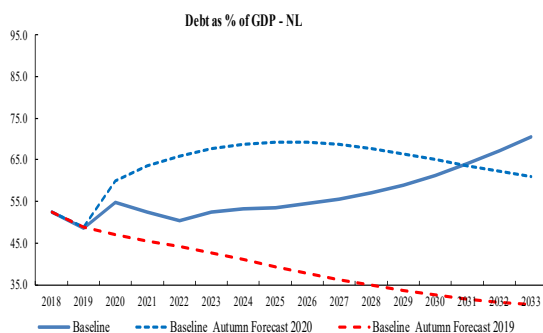
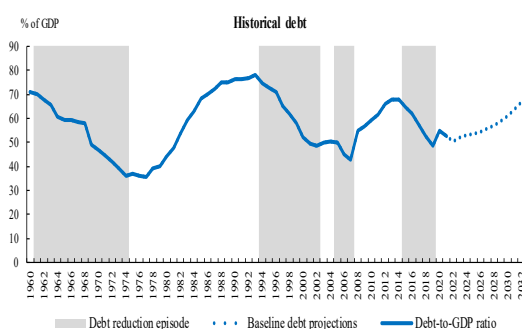
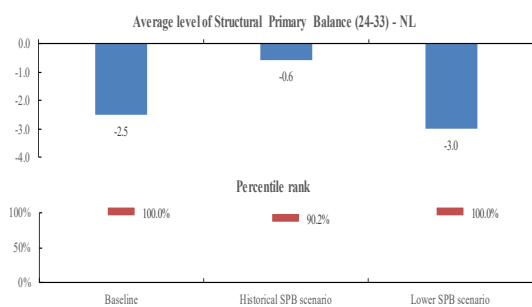
| | | | | | |
|-----------------------------------|--|--|--|---|--------------------------|
| Public debt structure - NL (2021) | Share of short-term government debt (%): 10.2 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 34.7 | Net International Investment Position (IIP) - NL (2021) | Net IIP (% GDP): 93.0 |
|-----------------------------------|--|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | NL | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 3.6 | 3.4 | 3.2 | 3.0 | 5.9 | 4.4 | 7.5 |
| of which | One-off guarantees | 3.6 | 3.4 | 3.2 | 3.0 | 5.9 | 4.4 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | | |
|---|---|---|--|---|---|---------------------------------|--|-------------------|
| Government's contingent liability risks from banking sector - NL (2022) | Private sector credit flow (% GDP): 11.7 | Change in nominal house price index (p.p.): 15.0 | Bank loans-to-deposits ratio (%): 115.8 | Share of non-performing loans (%): 1.3 | Change in share of non-performing loans (p.p.): -0.4 | NPL coverage ratio (%): 25.7 | Probability of govt. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): | |
| | | | | | | | Baseline 0.08% | Stressed 0.59% |

6. Realism of baseline assumptions



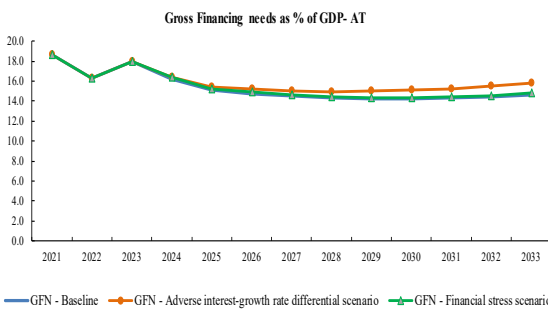
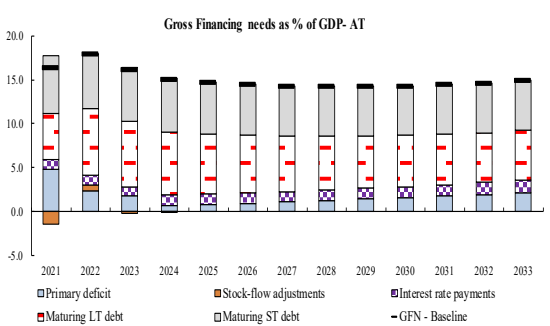
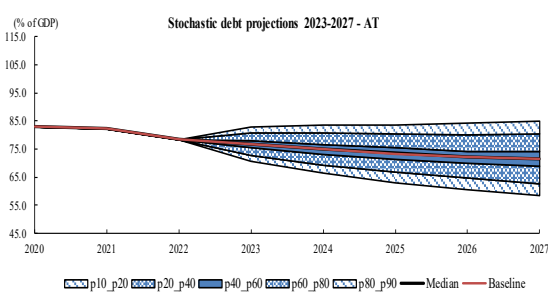
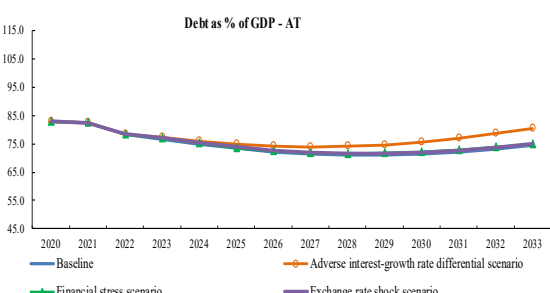
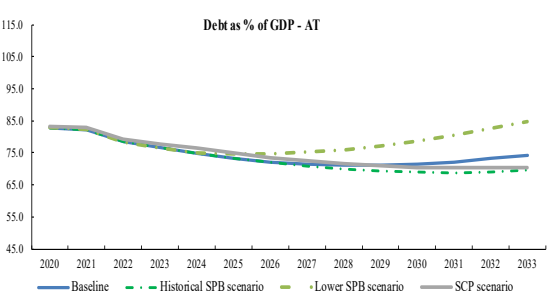
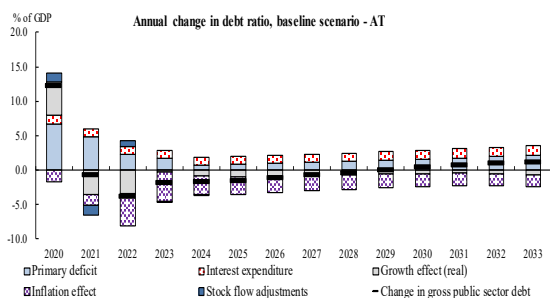
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Netherlands | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.4 | 53.2 | 59.0 | 64.0 | 70.4 | 52.0 | 60.3 | 58.2 |
| Primary balance | -0.5 | -3.4 | -2.5 | -3.3 | -3.8 | -4.3 | -2.1 | -3.4 | -3.1 |
| Structural primary balance (before CoA) | -1.5 | -3.7 | -2.5 | -2.5 | -2.5 | -2.5 | -2.6 | -2.5 | -2.5 |
| Real GDP growth | 4.6 | 0.6 | 1.3 | 0.8 | 0.6 | 0.8 | 2.2 | 0.9 | 1.2 |
| Potential GDP growth | 1.9 | 1.8 | 1.8 | 0.8 | 0.6 | 0.8 | 1.8 | 0.9 | 1.1 |
| Inflation rate | 3.4 | 5.0 | 4.4 | 3.2 | 2.7 | 2.4 | 4.3 | 3.2 | 3.5 |
| Implicit interest rate (nominal) | 1.2 | 1.2 | 1.1 | 1.4 | 1.5 | 1.7 | 1.2 | 1.4 | 1.4 |
| Gross financing needs | 12.2 | 15.0 | 14.3 | 16.0 | 17.6 | 19.5 | 13.8 | 16.3 | 15.7 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 56.8 | 56.2 | 56.9 | 62.8 | 66.7 | 71.1 | 56.7 | 61.9 | 60.6 |
| Primary balance | -1.7 | -1.2 | -1.5 | -2.8 | -3.3 | -3.7 | -1.5 | -2.5 | -2.6 |
| Structural primary balance (before CoA) | -2.0 | -2.1 | -1.9 | -1.9 | -1.9 | -1.9 | -2.0 | -1.9 | -2.1 |
| Real GDP growth | 3.3 | 2.3 | 0.3 | 0.4 | 0.4 | 0.7 | 2.0 | 0.5 | 1.2 |
| Gross financing needs | 12.1 | 11.6 | 12.0 | 14.7 | 16.0 | 17.4 | 11.9 | 14.2 | 14.0 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.4 | 53.2 | 53.2 | 53.2 | 54.8 | 52.0 | 53.6 | 53.2 |
| Primary balance | -0.5 | -3.4 | -2.5 | -1.3 | -1.3 | -1.7 | -2.1 | -1.6 | -1.7 |
| Structural primary balance (before CoA) | -1.5 | -3.7 | -2.5 | 0.0 | 0.0 | 0.0 | -2.6 | -0.4 | -0.9 |
| Real GDP growth | 4.6 | 0.6 | 1.3 | 1.2 | 1.0 | 0.8 | 2.2 | 0.9 | 1.2 |
| Gross financing needs | 12.2 | 15.0 | 14.3 | 13.1 | 13.2 | 14.0 | 13.8 | 13.4 | 13.5 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.5 | 53.4 | 59.3 | 64.3 | 70.7 | 52.0 | 60.5 | 58.4 |
| Implicit interest rate (nominal) | 1.2 | 1.4 | 1.2 | 1.4 | 1.6 | 1.7 | 1.3 | 1.5 | 1.4 |
| Gross financing needs | 12.2 | 15.1 | 14.4 | 16.0 | 17.6 | 19.5 | 13.9 | 16.4 | 15.7 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.1 | 51.8 | 60.1 | 66.0 | 73.4 | 51.4 | 61.3 | 58.8 |
| Primary balance | -0.5 | -2.6 | -2.4 | -3.8 | -4.3 | -4.7 | -1.8 | -3.8 | -3.3 |
| Structural primary balance (before CoA) | -1.5 | -2.3 | -3.0 | -3.0 | -3.0 | -3.0 | -2.3 | -3.0 | -2.8 |
| Real GDP growth | 4.6 | -0.4 | 3.4 | 0.8 | 0.6 | 0.8 | 2.5 | 0.8 | 1.2 |
| Gross financing needs | 12.2 | 13.6 | 13.9 | 16.6 | 18.4 | 20.5 | 13.2 | 16.9 | 15.9 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.4 | 53.2 | 59.0 | 64.0 | 70.4 | 52.0 | 60.3 | 58.2 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 12.2 | 15.0 | 14.3 | 16.0 | 17.6 | 19.5 | 13.8 | 16.3 | 15.7 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 50.3 | 52.7 | 53.8 | 61.6 | 67.6 | 75.2 | 52.3 | 63.0 | 60.3 |
| Implicit interest rate (nominal) | 1.2 | 1.3 | 1.3 | 1.8 | 1.9 | 2.2 | 1.3 | 1.8 | 1.6 |
| Real GDP growth | 4.6 | 0.1 | 0.8 | 0.3 | 0.1 | 0.3 | 1.9 | 0.4 | 0.7 |
| Gross financing needs | 12.2 | 15.1 | 14.5 | 16.7 | 18.6 | 20.8 | 13.9 | 17.1 | 16.3 |

Austria

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| AT - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 82.9 | 82.3 | 78.5 | 76.6 | 74.9 | 73.3 | 72.2 | 71.4 | 71.0 | 71.1 | 71.5 | 72.2 | 73.3 | 74.4 |
| Changes in the ratio (-1+2+3) of which | 12.3 | -0.6 | -3.8 | -1.8 | -1.8 | -1.6 | -1.1 | -0.8 | -0.4 | 0.0 | 0.4 | 0.8 | 1.1 | 1.1 |
| (1) Primary balance (1.1+1.2+1.3) | -6.7 | -4.8 | -2.3 | -1.7 | -0.7 | -0.8 | -0.9 | -1.1 | -1.3 | -1.4 | -1.6 | -1.8 | -1.9 | -2.1 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.7 | -3.5 | -3.0 | -1.8 | -0.6 | -0.7 | -0.9 | -1.1 | -1.3 | -1.4 | -1.6 | -1.8 | -1.9 | -2.1 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.7 | -3.5 | -3.0 | -1.8 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 |
| (1.1.2) Cost of ageing | 0.0 | 0.2 | 0.3 | 0.5 | 0.7 | 0.9 | 1.0 | 1.2 | 1.4 | 1.5 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -3.0 | -1.3 | 0.6 | 0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 4.3 | -4.0 | -7.0 | -3.4 | -2.3 | -2.4 | -2.1 | -1.9 | -1.6 | -1.4 | -1.2 | -1.0 | -0.9 | -1.0 |
| (2.1) Interest expenditure | 1.3 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 |
| (2.2) Growth effect | 4.8 | -3.5 | -3.4 | -0.2 | -0.8 | -1.0 | -0.8 | -0.8 | -0.7 | -0.6 | -0.5 | -0.5 | -0.5 | -0.7 |
| (2.3) Inflation effect | -1.8 | -1.6 | -4.7 | -4.3 | -2.8 | -2.6 | -2.4 | -2.3 | -2.1 | -2.0 | -1.9 | -1.8 | -1.7 | -1.7 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 1.3 | -1.5 | 0.9 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.3 | -1.4 | 0.7 | -0.2 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | -0.1 | -0.1 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -5.0 | -4.6 | -4.1 | -2.9 | -1.8 | -2.0 | -2.1 | -2.3 | -2.5 | -2.7 | -2.9 | -3.1 | -3.3 | -3.5 |
| Gross financing needs | 18.6 | 16.3 | 18.0 | 16.2 | 15.1 | 14.8 | 14.5 | 14.3 | 14.2 | 14.2 | 14.3 | 14.4 | 14.7 | 15.0 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | LOW | LOW | MEDIUM | MEDIUM | LOW | LOW | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 74.4 | 69.5 | 84.8 | 80.3 | 75.0 | | | | |
| | | Debt peak year | 2022 | 2022 | 2033 | 2033 | 2022 | | | | |
| | | Fiscal consolidation space | 94% | 85% | 100% | 94% | 94% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 24% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 26.4 | | | | |

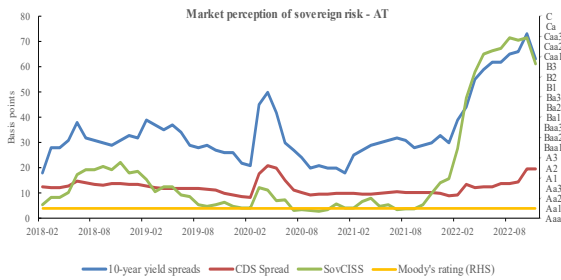
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.3 | 0.2 | 0.5 |
| Fiscal sub-index | 0.6 | 0.4 | 0.4 |
| Financial competitiveness sub-index | 0.2 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 3.5 | 3.2 | 3.6 | 5.0 |
| of which Initial Budgetary position | 0.9 | 0.8 | 0.9 | 0.9 |
| Ageing costs | 2.6 | 2.4 | 2.7 | 4.1 |
| of which Pensions | -0.1 | -0.1 | 0.3 | -0.1 |
| Health care | 1.0 | 1.0 | 0.9 | 1.7 |
| Long-term care | 1.6 | 1.5 | 1.5 | 2.5 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 |
| Required structural primary balance related to S2 | 2.7 | 2.6 | 3.0 | 4.4 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 2.4 | 2.7 | 3.5 |
| of which Initial budgetary position | | 0.1 | 0.2 | 0.1 |
| Debt requirement | | 0.3 | 0.3 | 0.3 |
| Ageing costs | | 2.0 | 2.2 | 3.0 |
| Required structural primary balance related to S1 | | 1.8 | 2.1 | 2.9 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 63.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

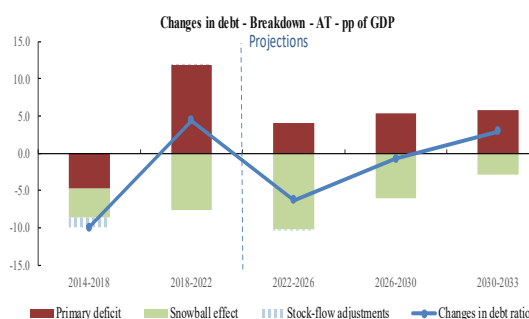
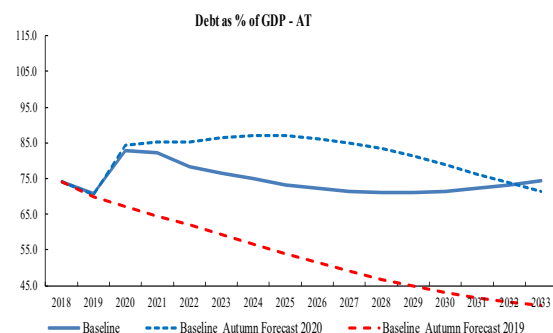
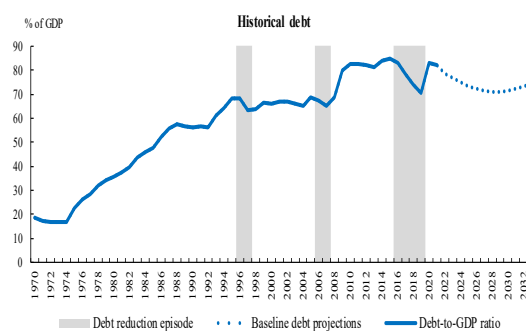
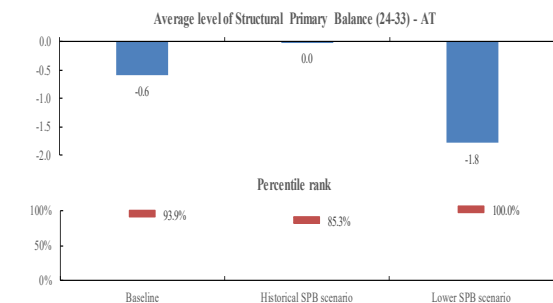
| | | | | | |
|--|--|---|---|--|---------------------------------|
| Public debt structure - AT (2021) | Share of short-term government debt (%): 7.1 | Share of government debt in foreign currency (%): 0.4 | Share of government debt by non-residents (%): 60.6 | Net International Investment Position (IIP) - AT (2021) | Net IIP (% GDP): 14.7 |
|--|--|---|---|--|---------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | AT | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 17.2 | 16.3 | 16.3 | 16.1 | 19.0 | 17.1 | 7.5 |
| of which | One-off guarantees | 17.2 | 16.3 | 16.3 | 16.1 | 19.0 | 17.1 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|--|--|--|--|--|--|
| Government's contingent liability risks from banking sector - AT (2022) | Private sector credit flow (% GDP): 7.4 | Change in nominal house price index (p.p.): 12.4 | Bank loans-to-deposits ratio (%): 96.2 | Share of non-performing loans (%): 1.8 | Change in share of non-performing loans (p.p.): -0.1 | NPL coverage ratio (%): 49.7 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.01% Stressed 0.43% |
|--|---|--|--|--|--|--|--|

6. Realism of baseline assumptions



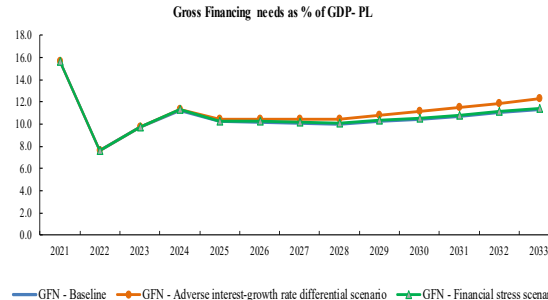
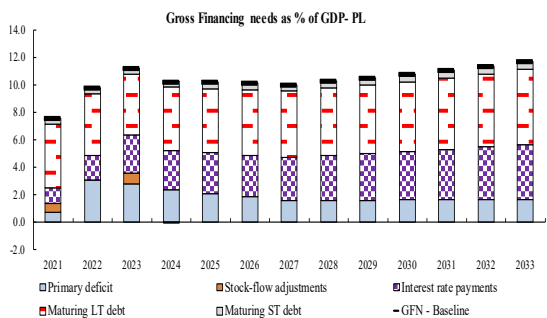
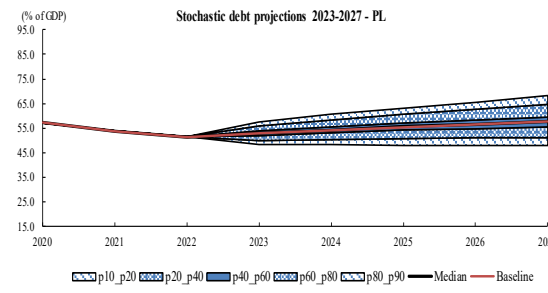
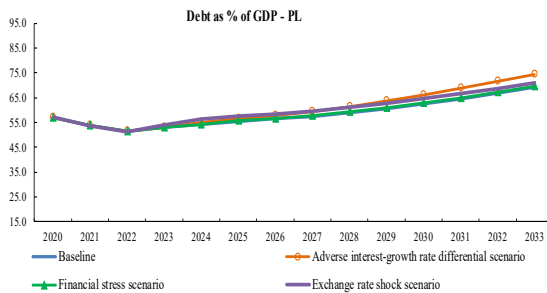
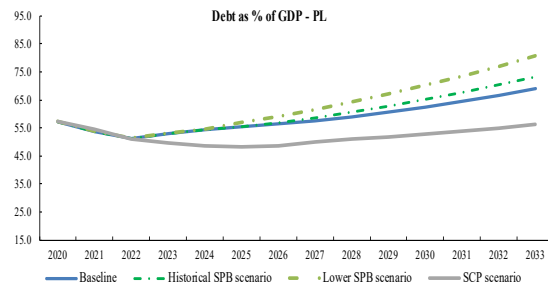
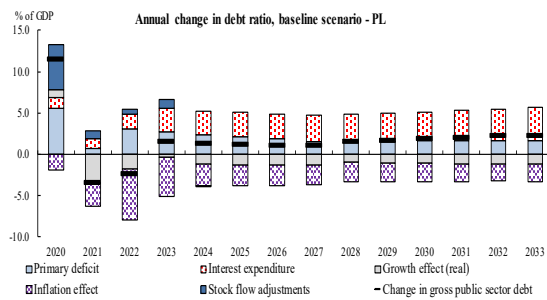
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Austria | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 78.5 | 76.6 | 74.9 | 71.1 | 72.2 | 74.4 | 76.7 | 72.3 | 73.4 |
| Primary balance | -2.3 | -1.7 | -0.7 | -1.4 | -1.8 | -2.1 | -1.6 | -1.4 | -1.5 |
| Structural primary balance (before CoA) | -3.0 | -1.8 | -0.6 | -0.6 | -0.6 | -0.6 | -1.8 | -0.6 | -0.9 |
| Real GDP growth | 4.6 | 0.3 | 1.1 | 0.9 | 0.7 | 1.0 | 2.0 | 1.0 | 1.2 |
| Potential GDP growth | 1.1 | 1.3 | 1.4 | 0.9 | 0.7 | 1.0 | 1.3 | 1.0 | 1.0 |
| Inflation rate | 6.1 | 5.8 | 3.7 | 2.9 | 2.6 | 2.4 | 5.2 | 2.9 | 3.5 |
| Implicit interest rate (nominal) | 1.5 | 1.5 | 1.7 | 1.8 | 1.9 | 2.0 | 1.6 | 1.8 | 1.8 |
| Gross financing needs | 18.0 | 16.2 | 15.1 | 14.2 | 14.4 | 15.0 | 16.4 | 14.5 | 15.0 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 79.4 | 77.6 | 76.5 | 70.9 | 70.4 | 70.4 | 77.9 | 72.4 | 74.3 |
| Primary balance | -1.4 | -0.2 | -0.2 | -1.0 | -1.3 | -1.6 | -0.6 | -0.8 | -1.1 |
| Structural primary balance (before CoA) | -1.5 | -0.4 | 0.0 | 0.0 | 0.0 | 0.0 | -0.6 | 0.0 | -0.4 |
| Real GDP growth | 4.9 | 1.6 | 0.8 | 1.1 | 1.0 | 1.2 | 2.4 | 1.2 | 1.8 |
| Gross financing needs | 10.7 | 9.7 | 9.6 | 9.6 | 9.8 | 10.2 | 10.0 | 9.6 | 10.0 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 78.5 | 76.6 | 74.9 | 69.3 | 68.9 | 69.5 | 76.7 | 70.2 | 71.8 |
| Primary balance | -2.3 | -1.7 | -0.7 | -0.8 | -1.0 | -1.3 | -1.6 | -0.9 | -1.0 |
| Structural primary balance (before CoA) | -3.0 | -1.8 | -0.6 | 0.2 | 0.2 | 0.2 | -1.8 | 0.1 | -0.4 |
| Real GDP growth | 4.6 | 0.3 | 1.1 | 1.0 | 0.8 | 1.0 | 2.0 | 1.0 | 1.2 |
| Gross financing needs | 18.0 | 16.2 | 15.1 | 13.4 | 13.2 | 13.5 | 16.4 | 13.7 | 14.4 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 78.5 | 76.8 | 75.1 | 71.6 | 72.8 | 75.0 | 76.8 | 72.8 | 73.8 |
| Implicit interest rate (nominal) | 1.5 | 1.7 | 1.8 | 1.9 | 1.9 | 2.1 | 1.7 | 1.9 | 1.8 |
| Gross financing needs | 18.0 | 16.4 | 15.2 | 14.4 | 14.6 | 15.1 | 16.5 | 14.6 | 15.1 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 78.5 | 76.6 | 75.1 | 77.1 | 80.5 | 84.8 | 76.8 | 78.3 | 77.9 |
| Primary balance | -2.3 | -2.1 | -1.3 | -2.6 | -3.0 | -3.3 | -1.9 | -2.6 | -2.4 |
| Structural primary balance (before CoA) | -3.0 | -2.4 | -1.8 | -1.8 | -1.8 | -1.8 | -2.4 | -1.8 | -1.9 |
| Real GDP growth | 4.6 | 0.7 | 1.7 | 0.9 | 0.7 | 1.0 | 2.3 | 0.9 | 1.2 |
| Gross financing needs | 18.0 | 16.7 | 15.7 | 16.3 | 16.9 | 17.8 | 16.8 | 16.5 | 16.6 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 78.5 | 77.0 | 75.5 | 71.6 | 72.7 | 74.9 | 77.0 | 72.8 | 73.8 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 18.0 | 16.3 | 15.2 | 14.3 | 14.5 | 15.1 | 16.5 | 14.6 | 15.1 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 78.5 | 77.1 | 75.8 | 74.6 | 76.9 | 80.3 | 77.1 | 75.9 | 76.2 |
| Implicit interest rate (nominal) | 1.5 | 1.6 | 1.9 | 2.1 | 2.3 | 2.4 | 1.6 | 2.2 | 2.0 |
| Real GDP growth | 4.6 | -0.2 | 0.6 | 0.4 | 0.2 | 0.5 | 1.7 | 0.5 | 0.8 |
| Gross financing needs | 18.0 | 16.4 | 15.4 | 15.1 | 15.5 | 16.3 | 16.6 | 15.4 | 15.7 |

Poland

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| PL - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 57.2 | 53.8 | 51.3 | 52.9 | 54.2 | 55.4 | 56.5 | 57.5 | 59.1 | 60.7 | 62.6 | 64.6 | 66.8 | 69.0 |
| Changes in the ratio (-1+2+3) of which | 11.5 | -3.4 | -2.4 | 1.6 | 1.3 | 1.2 | 1.1 | 1.0 | 1.5 | 1.7 | 1.8 | 2.0 | 2.2 | 2.3 |
| (1) Primary balance (1.1+1.2+1.3) | -5.6 | -0.7 | -3.1 | -2.8 | -2.3 | -2.1 | -1.8 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -4.7 | -1.4 | -3.8 | -2.0 | -1.4 | -1.5 | -1.5 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 |
| (1.1.1) Structural primary balance (bef. CoA) | -4.7 | -1.4 | -3.8 | -2.0 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 | -1.4 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| (1.2) Cyclical component | -1.2 | 0.4 | 0.4 | -0.8 | -1.0 | -0.6 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.3 | 0.2 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.4 | -5.1 | -6.2 | -2.3 | -1.0 | -0.9 | -0.7 | -0.5 | 0.0 | 0.1 | 0.2 | 0.4 | 0.6 | 0.7 |
| (2.1) Interest expenditure | 1.3 | 1.1 | 1.7 | 2.8 | 2.9 | 2.9 | 3.0 | 3.1 | 3.2 | 3.4 | 3.5 | 3.7 | 3.9 | 4.0 |
| (2.2) Growth effect | 0.9 | -3.5 | -1.8 | -0.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.0 | -1.0 | -1.1 | -1.2 | -1.2 | -1.2 |
| (2.3) Inflation effect | -1.9 | -2.7 | -6.1 | -4.8 | -2.6 | -2.5 | -2.5 | -2.4 | -2.3 | -2.3 | -2.2 | -2.1 | -2.1 | -2.1 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 5.5 | 1.0 | 0.7 | 1.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 5.1 | 0.6 | 0.0 | 0.8 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.4 | 0.3 | 0.7 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -6.0 | -2.5 | -5.5 | -4.8 | -4.2 | -4.4 | -4.6 | -4.7 | -4.8 | -5.0 | -5.1 | -5.3 | -5.5 | -5.6 |
| Gross financing needs | 15.6 | 7.6 | 9.8 | 11.2 | 10.2 | 10.2 | 10.1 | 10.0 | 10.2 | 10.5 | 10.7 | 11.0 | 11.3 | 11.7 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | LOW | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 69.0 | 73.4 | 80.6 | 74.5 | 69.5 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 78% | 86% | 90% | 78% | 78% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 79% | | | |
| | | | | | | | 20.4 | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | | | | |

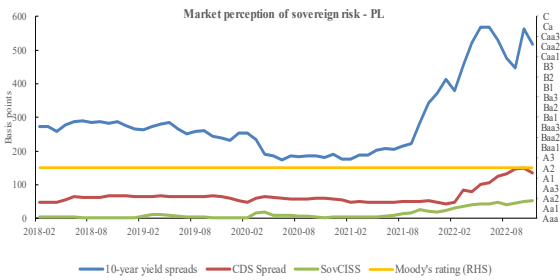
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.6 | 0.3 | 0.5 |
| Fiscal sub-index | 0.2 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.7 | 0.4 | 0.5 |

| | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| S2 indicator | | | | |
| Overall index | 3.5 | 3.7 | 3.9 | 8.0 |
| of which Initial Budgetary position | 1.7 | 2.1 | 2.2 | 1.9 |
| Ageing costs | 1.8 | 1.6 | 1.7 | 6.1 |
| of which Pensions | -0.9 | -0.7 | -0.4 | -0.8 |
| Health care | 1.3 | 1.2 | 1.1 | 2.5 |
| Long-term care | 1.3 | 1.2 | 1.1 | 4.3 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 |
| Required structural primary balance related to S2 | 2.1 | 2.3 | 2.5 | 6.6 |

| | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| S1 indicator | | | | |
| Overall index | | 2.8 | 3.0 | 4.9 |
| of which Initial budgetary position | | 2.0 | 2.0 | 1.9 |
| Debt requirement | | -0.1 | -0.1 | -0.1 |
| Ageing costs | | 0.9 | 1.1 | 3.1 |
| Required structural primary balance related to S1 | | 1.4 | 1.7 | 3.6 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 517.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

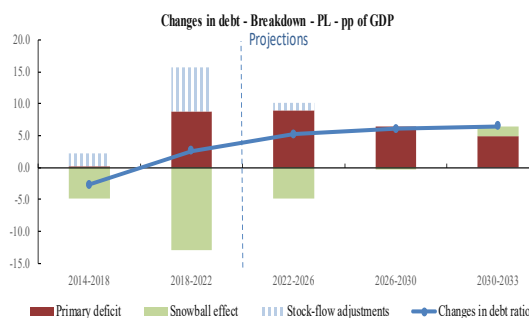
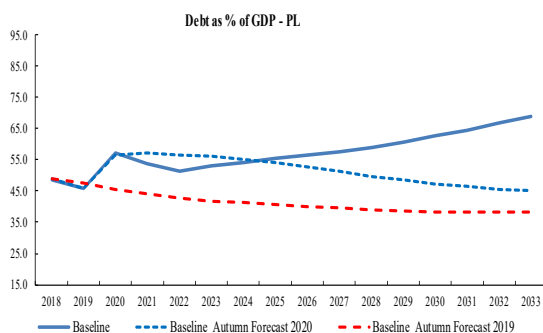
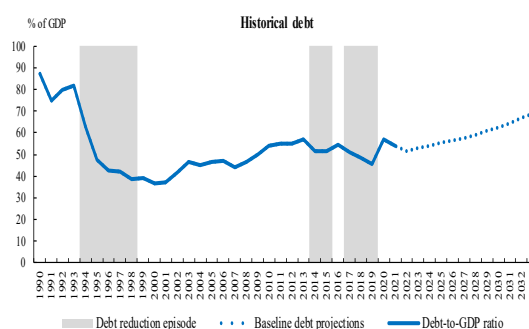
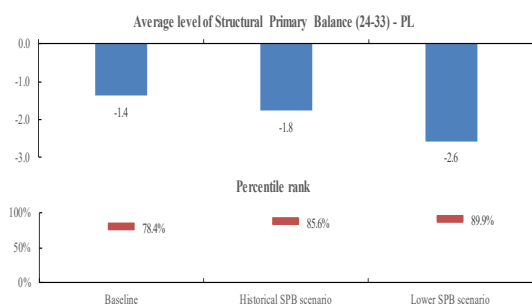
| | | | | | |
|--|--|--|---|--|----------------------------------|
| Public debt structure - PL (2021) | Share of short-term government debt (%): 1.2 | Share of government debt in foreign currency (%): 22.7 | Share of government debt by non-residents (%): 33.1 | Net International Investment Position (IIP) - PL (2021) | Net IIP (% GDP): -39.5 |
|--|--|--|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | PL | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 1.7 | 1.4 | 1.2 | 1.2 | 2.1 | 3.1 | 7.5 |
| of which | One-off guarantees | 1.0 | 0.7 | 0.7 | 0.6 | 1.0 | 1.4 | 6.4 |
| | Standardised guarantees | 0.7 | 0.7 | 0.6 | 0.6 | 1.1 | 1.6 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |
| | Securities issued under liquidity schemes | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Special purpose entity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Total | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|---|
| Government's contingent liability risks from banking sector - PL (2022) | Private sector credit flow (% GDP): 4.0 | Change in nominal house price index (p.p.): 9.2 | Bank loans-to-deposits ratio (%): 83.6 | Share of non-performing loans (%): 4.3 | Change in share of non-performing loans (p.p.): -0.9 | NPL coverage ratio (%): 53.9 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.02% Stressed 0.80% |
|--|---|---|--|--|--|--|---|

6. Realism of baseline assumptions



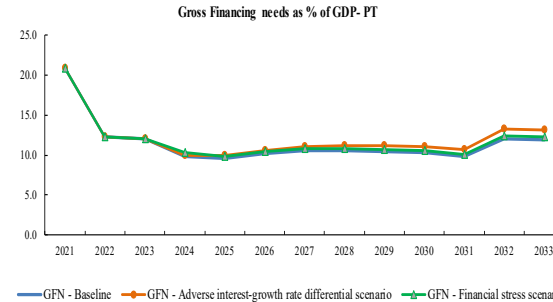
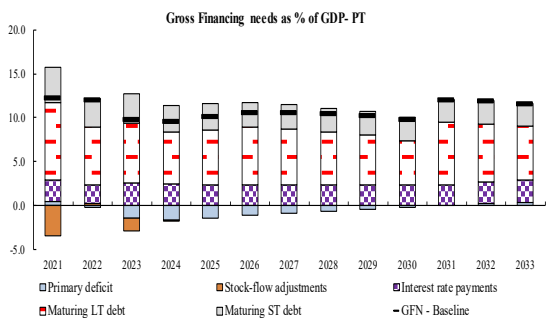
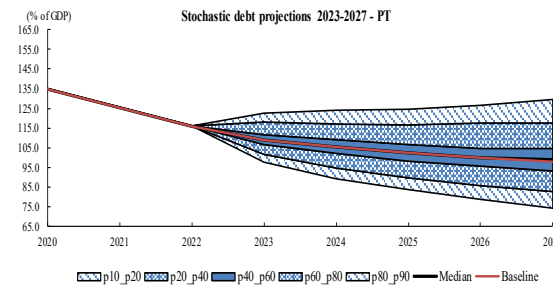
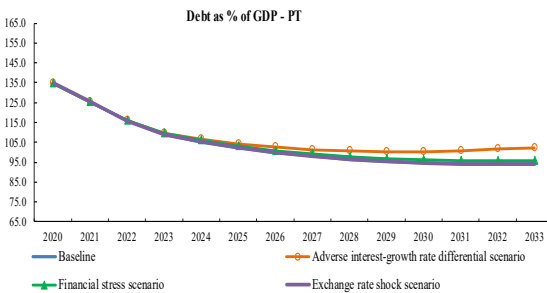
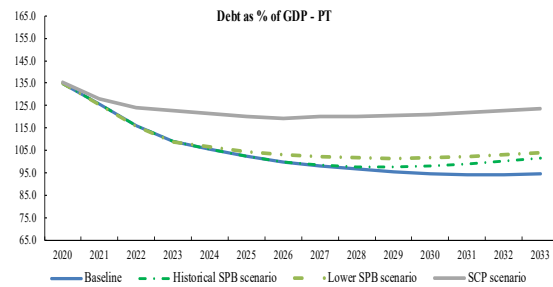
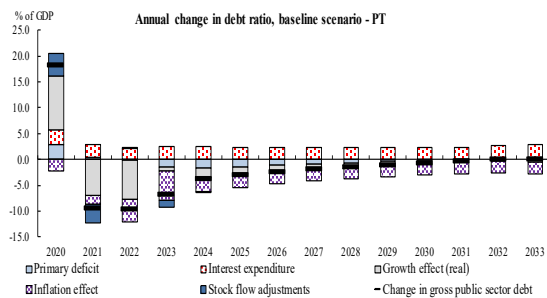
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Poland | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 51.3 | 52.9 | 54.2 | 60.7 | 64.6 | 69.0 | 52.8 | 61.4 | 59.2 |
| Primary balance | -3.1 | -2.8 | -2.3 | -1.6 | -1.6 | -1.6 | -2.7 | -1.7 | -1.9 |
| Structural primary balance (before CoA) | -3.8 | -2.0 | -1.4 | -1.4 | -1.4 | -1.4 | -2.4 | -1.4 | -1.6 |
| Real GDP growth | 4.0 | 0.7 | 2.6 | 1.9 | 2.0 | 1.9 | 2.4 | 2.1 | 2.2 |
| Potential GDP growth | 4.0 | 3.2 | 2.9 | 1.9 | 2.0 | 1.9 | 3.4 | 1.9 | 2.3 |
| Inflation rate | 12.8 | 10.3 | 5.1 | 4.0 | 3.5 | 3.3 | 9.4 | 4.0 | 5.3 |
| Implicit interest rate (nominal) | 3.8 | 5.9 | 5.8 | 6.1 | 6.2 | 6.3 | 5.2 | 6.1 | 5.9 |
| Gross financing needs | 9.8 | 11.2 | 10.2 | 10.5 | 11.0 | 11.7 | 10.4 | 10.6 | 10.6 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 51.0 | 49.6 | 48.7 | 51.8 | 53.7 | 56.2 | 49.8 | 51.1 | 51.3 |
| Primary balance | -0.8 | -1.3 | -1.4 | -2.5 | -2.5 | -2.5 | -1.1 | -2.2 | -2.0 |
| Structural primary balance (before CoA) | -1.0 | -1.7 | -2.2 | -2.2 | -2.2 | -2.2 | -1.7 | -2.2 | -2.1 |
| Real GDP growth | 5.2 | 4.6 | 4.1 | 2.8 | 2.8 | 2.3 | 4.7 | 2.8 | 3.3 |
| Gross financing needs | 6.5 | 6.8 | 6.9 | 8.2 | 8.5 | 8.9 | 6.7 | 7.9 | 7.6 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 51.3 | 52.9 | 54.2 | 62.9 | 67.8 | 73.4 | 52.8 | 63.5 | 60.9 |
| Primary balance | -3.1 | -2.8 | -2.3 | -2.2 | -2.1 | -2.1 | -2.7 | -2.2 | -2.3 |
| Structural primary balance (before CoA) | -3.8 | -2.0 | -1.4 | -1.9 | -1.9 | -1.9 | -2.4 | -1.8 | -2.0 |
| Real GDP growth | 4.0 | 0.7 | 2.6 | 1.9 | 2.0 | 1.9 | 2.4 | 2.1 | 2.2 |
| Gross financing needs | 9.8 | 11.2 | 10.2 | 11.3 | 12.0 | 12.8 | 10.4 | 11.4 | 11.1 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 51.3 | 53.0 | 54.4 | 61.1 | 65.0 | 69.5 | 52.9 | 61.7 | 59.5 |
| Implicit interest rate (nominal) | 3.8 | 6.1 | 6.0 | 6.1 | 6.2 | 6.4 | 5.3 | 6.1 | 5.9 |
| Gross financing needs | 9.8 | 11.3 | 10.3 | 10.5 | 11.1 | 11.8 | 10.4 | 10.7 | 10.7 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 51.3 | 53.2 | 54.7 | 67.2 | 73.5 | 80.6 | 53.1 | 67.8 | 64.2 |
| Primary balance | -3.1 | -3.5 | -2.8 | -2.8 | -2.8 | -2.8 | -3.1 | -2.8 | -2.9 |
| Structural primary balance (before CoA) | -3.8 | -3.2 | -2.6 | -2.6 | -2.6 | -2.6 | -3.2 | -2.6 | -2.7 |
| Real GDP growth | 4.0 | 1.6 | 3.2 | 1.9 | 2.0 | 1.9 | 2.9 | 2.0 | 2.2 |
| Gross financing needs | 9.8 | 12.3 | 10.7 | 12.5 | 13.4 | 14.5 | 10.9 | 12.6 | 12.2 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 51.3 | 53.9 | 56.3 | 62.8 | 66.6 | 71.1 | 53.9 | 63.4 | 61.0 |
| Exchange rate depreciation | 0.0% | 4.3% | 4.3% | 0.0% | 0.0% | 0.0% | 2.9% | 0.0% | 0.7% |
| Gross financing needs | 9.8 | 11.4 | 10.5 | 10.8 | 11.3 | 12.0 | 10.5 | 11.0 | 10.9 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 51.3 | 53.2 | 54.9 | 63.6 | 68.6 | 74.5 | 53.1 | 64.4 | 61.6 |
| Implicit interest rate (nominal) | 3.8 | 6.0 | 6.0 | 6.4 | 6.6 | 6.8 | 5.3 | 6.4 | 6.1 |
| Real GDP growth | 4.0 | 0.2 | 2.1 | 1.4 | 1.5 | 1.4 | 2.1 | 1.6 | 1.7 |
| Gross financing needs | 9.8 | 11.3 | 10.4 | 11.1 | 11.9 | 12.8 | 10.5 | 11.3 | 11.1 |

Portugal

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| PT - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 134.9 | 125.5 | 115.9 | 109.1 | 105.3 | 102.2 | 99.9 | 98.0 | 96.5 | 95.4 | 94.7 | 94.3 | 94.3 | 94.3 |
| Changes in the ratio (-1+2+3) of which | 18.3 | -9.4 | -9.6 | -6.8 | -3.8 | -3.0 | -2.4 | -1.8 | -1.5 | -1.1 | -0.7 | -0.4 | 0.0 | 0.0 |
| (1) Primary balance (1.1+1.2+1.3) | -2.9 | -0.5 | 0.2 | 1.4 | 1.7 | 1.4 | 1.1 | 0.9 | 0.6 | 0.4 | 0.2 | 0.0 | -0.2 | -0.3 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | 1.2 | 0.8 | -0.5 | 1.3 | 1.4 | 1.2 | 1.1 | 0.9 | 0.6 | 0.4 | 0.2 | 0.0 | -0.2 | -0.3 |
| (1.1.1) Structural primary balance (bef. CoA) | 1.2 | 0.8 | -0.5 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| (1.1.2) Cost of ageing | | | | | 0.0 | 0.2 | 0.4 | 0.6 | 0.8 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 |
| (1.1.3) Others (taxes and property incomes) | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| (1.2) Cyclical component | -3.4 | -1.6 | 0.9 | 0.3 | 0.2 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | -0.7 | 0.3 | -0.2 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 10.9 | -6.4 | -9.7 | -4.0 | -2.0 | -1.6 | -1.2 | -1.0 | -0.9 | -0.7 | -0.6 | -0.4 | -0.2 | -0.3 |
| (2.1) Interest expenditure | 2.9 | 2.4 | 2.1 | 2.5 | 2.5 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.3 | 2.4 | 2.5 | 2.5 |
| (2.2) Growth effect | 10.3 | -6.9 | -7.5 | -0.8 | -1.8 | -1.5 | -1.1 | -0.9 | -0.8 | -0.7 | -0.6 | -0.5 | -0.4 | -0.6 |
| (2.3) Inflation effect | -2.3 | -1.9 | -4.3 | -5.7 | -2.7 | -2.6 | -2.5 | -2.4 | -2.4 | -2.3 | -2.3 | -2.3 | -2.3 | -2.2 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 4.4 | -3.5 | 0.2 | -1.5 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 4.4 | -3.5 | 0.2 | -1.5 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -1.7 | -1.6 | -2.6 | -1.2 | -1.0 | -1.2 | -1.3 | -1.5 | -1.7 | -1.9 | -2.2 | -2.4 | -2.7 | -2.9 |
| Gross financing needs | 20.8 | 12.3 | 12.0 | 9.9 | 9.6 | 10.1 | 10.6 | 10.6 | 10.5 | 10.3 | 9.8 | 12.1 | 11.9 | 11.7 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | HIGH | HIGH | HIGH | HIGH | HIGH | MEDIUM | LOW | LOW | LOW |
| | | Debt level (2033), % GDP | 94.3 | 101.3 | 104.0 | 102.4 | 96.0 | | | | |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 34% | 41% | 44% | 34% | 34% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 22% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 55.0 | | | | | |

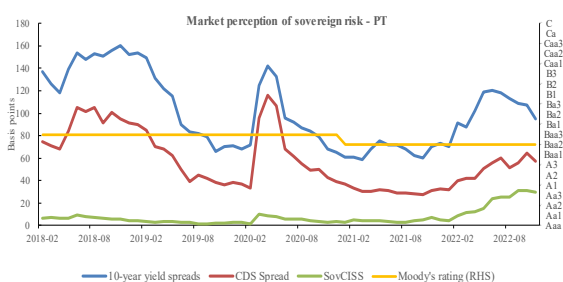
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.8 | 0.4 | 0.5 |
| Fiscal sub-index | 1.0 | 0.5 | 0.4 |
| Financial competitiveness sub-index | 0.7 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 0.0 | -2.1 | -1.1 | 5.1 |
| of which Initial Budgetary position | 1.1 | -1.0 | -0.8 | -0.8 |
| Ageing costs | -1.1 | -1.1 | -0.3 | 5.9 |
| of which Pensions | -3.0 | -2.9 | -2.1 | -2.6 |
| Health care | 1.4 | 1.3 | 1.2 | 2.1 |
| Long-term care | 0.4 | 0.4 | 0.4 | 6.3 |
| Others | 0.1 | 0.2 | 0.2 | 0.2 |
| Required structural primary balance related to S2 | -0.8 | -0.7 | 0.3 | 6.6 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 0.1 | 0.6 | 3.2 |
| of which Initial budgetary position | | -1.6 | -1.4 | -1.6 |
| Debt requirement | | 1.0 | 0.9 | 1.0 |
| Ageing costs | | 0.8 | 1.1 | 3.8 |
| Required structural primary balance related to S1 | | 1.6 | 2.1 | 4.6 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 95.0 |
|---|---------|------|
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

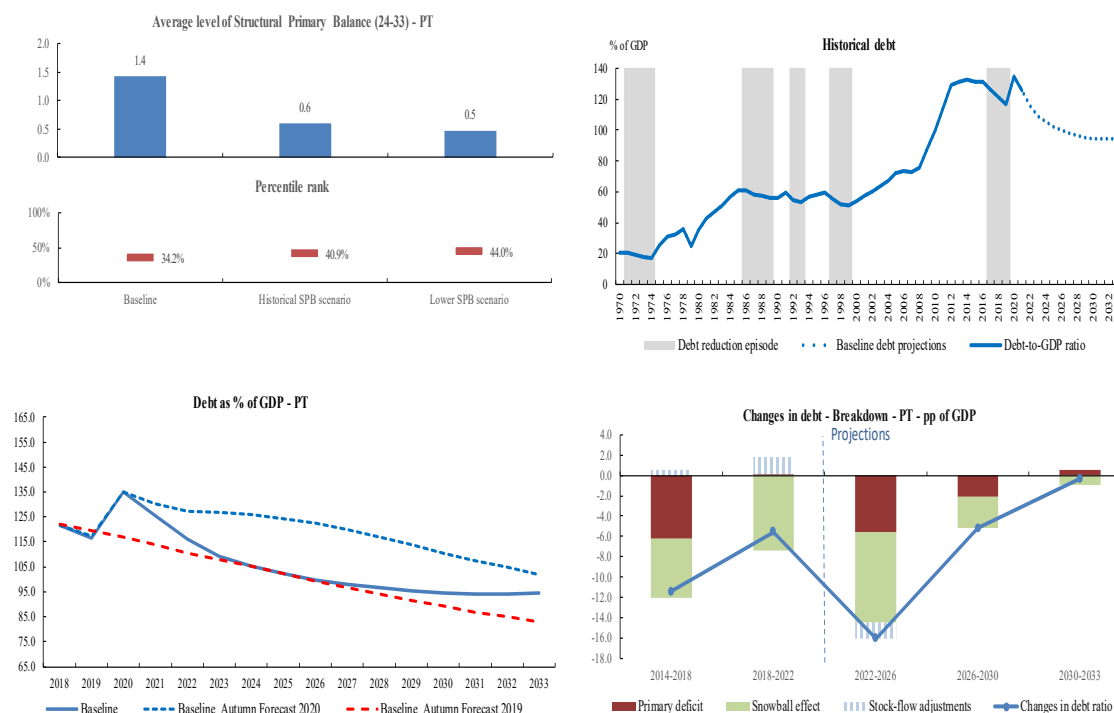
| | | | | | |
|--|---|---|---|--|----------------------------------|
| Public debt structure - PT (2021) | Share of short-term government debt (%): 15.5 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 45.2 | Net International Investment Position (IIP) - PT (2021) | Net IIP (% GDP): -94.7 |
|--|---|---|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | PT | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 5.6 | 6.4 | 5.6 | 4.8 | 6.4 | 6.1 | 7.5 |
| of which | One-off guarantees | 5.6 | 6.4 | 5.6 | 4.8 | 3.2 | 2.8 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 3.2 | 3.3 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 3.0 | 2.7 | 2.5 | 2.2 | 2.3 | 2.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 2.5 | 3.4 | 2.9 | 2.2 | 0.5 | 0.2 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 2.5 | 3.4 | 2.9 | 2.2 | 0.5 | 0.2 | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|--|
| Government's contingent liability risks from banking sector - PT (2022) | Private sector credit flow (% GDP): 4.0 | Change in nominal house price index (p.p.): 9.4 | Bank loans-to-deposits ratio (%): 73.3 | Share of non-performing loans (%): 3.3 | Change in share of non-performing loans (p.p.): -0.9 | NPL coverage ratio (%): 70.0 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.07% Stressed: 1.18% |
|--|---|---|--|--|--|--|--|

6. Realism of baseline assumptions



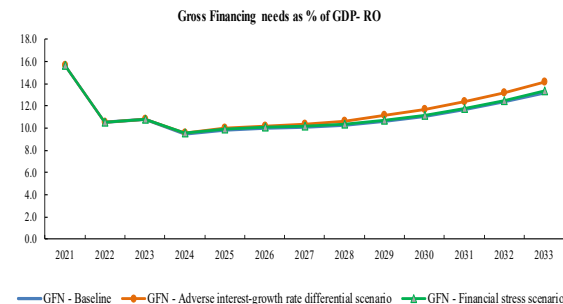
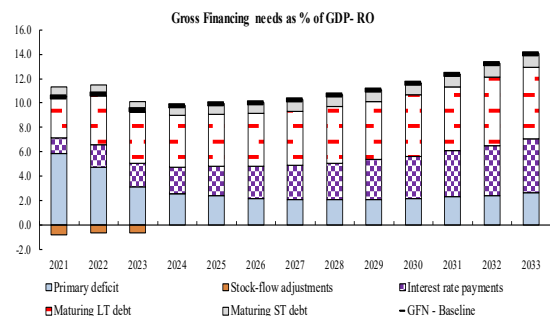
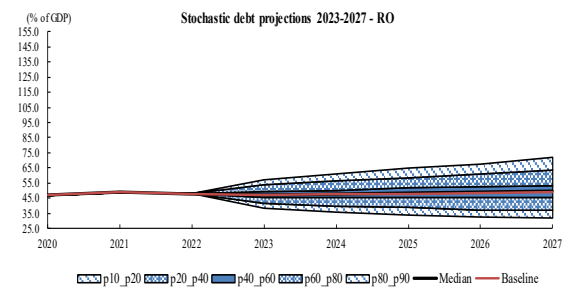
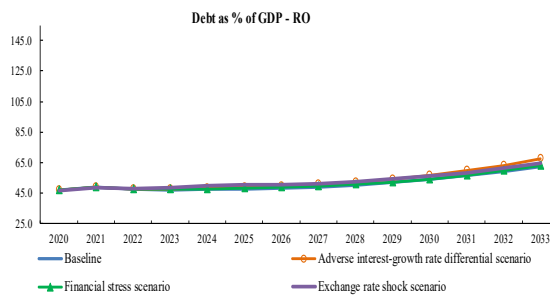
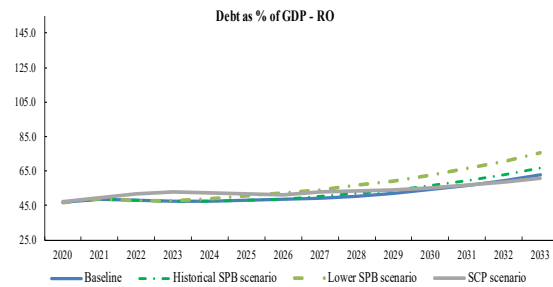
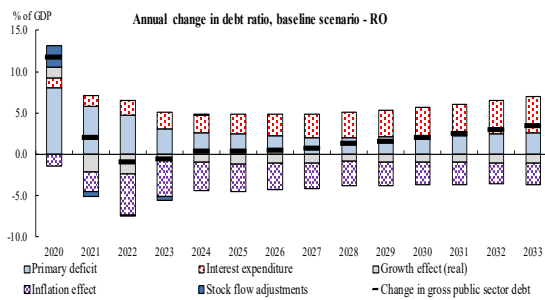
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Portugal | Levels | | | | | | Averages | | |
|--|--------|-------|-------|-------|-------|-------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 115.9 | 109.1 | 105.3 | 95.4 | 94.3 | 94.3 | 110.1 | 96.6 | 100.0 |
| Primary balance | 0.2 | 1.4 | 1.7 | 0.4 | 0.0 | -0.3 | 1.1 | 0.5 | 0.6 |
| Structural primary balance (before CoA) | -0.5 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 0.8 | 1.4 | 1.3 |
| Real GDP growth | 6.6 | 0.7 | 1.7 | 0.7 | 0.6 | 0.6 | 3.0 | 0.8 | 1.4 |
| Potential GDP growth | 1.8 | 1.8 | 1.8 | 0.7 | 0.6 | 0.6 | 1.8 | 0.9 | 1.1 |
| Inflation rate | 3.6 | 5.2 | 2.5 | 2.5 | 2.5 | 2.4 | 3.8 | 2.5 | 2.8 |
| Implicit interest rate (nominal) | 1.9 | 2.3 | 2.4 | 2.5 | 2.6 | 2.8 | 2.2 | 2.5 | 2.4 |
| Gross financing needs | 12.0 | 9.9 | 9.6 | 10.3 | 12.1 | 11.7 | 10.5 | 10.8 | 10.8 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 123.9 | 122.8 | 121.6 | 120.5 | 121.9 | 123.5 | 122.8 | 120.8 | 121.8 |
| Primary balance | -1.1 | -0.3 | -0.1 | -1.5 | -1.9 | -2.2 | -0.5 | -1.1 | -1.1 |
| Structural primary balance (before CoA) | -0.9 | -0.5 | -0.4 | -0.4 | -0.4 | -0.4 | -0.6 | -0.4 | -0.4 |
| Real GDP growth | 5.3 | 2.1 | 1.3 | 0.7 | 0.5 | 0.8 | 2.9 | 0.7 | 1.6 |
| Gross financing needs | 18.2 | 17.2 | 15.4 | 15.1 | 17.5 | 17.0 | 16.9 | 15.9 | 16.2 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 115.9 | 109.1 | 105.3 | 97.7 | 99.1 | 101.3 | 110.1 | 99.4 | 102.1 |
| Primary balance | 0.2 | 1.4 | 1.7 | -0.5 | -1.1 | -1.5 | 1.1 | -0.3 | 0.0 |
| Structural primary balance (before CoA) | -0.5 | 1.3 | 1.4 | 0.3 | 0.3 | 0.3 | 0.8 | 0.5 | 0.6 |
| Real GDP growth | 6.6 | 0.7 | 1.7 | 0.5 | 0.4 | 0.6 | 3.0 | 0.8 | 1.4 |
| Gross financing needs | 12.0 | 9.9 | 9.6 | 11.3 | 13.7 | 13.5 | 10.5 | 11.9 | 11.5 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 115.9 | 109.8 | 106.1 | 96.8 | 95.8 | 96.0 | 110.6 | 98.0 | 101.1 |
| Implicit interest rate (nominal) | 1.9 | 2.9 | 2.5 | 2.6 | 2.7 | 2.8 | 2.4 | 2.6 | 2.6 |
| Gross financing needs | 12.0 | 10.3 | 9.9 | 10.5 | 12.4 | 11.9 | 10.7 | 11.1 | 11.0 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 115.9 | 108.8 | 106.5 | 101.4 | 102.1 | 104.0 | 110.4 | 102.6 | 104.5 |
| Primary balance | 0.2 | 0.6 | 0.9 | -0.5 | -1.0 | -1.3 | 0.6 | -0.5 | -0.2 |
| Structural primary balance (before CoA) | -0.5 | 0.0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.0 | 0.5 | 0.4 |
| Real GDP growth | 6.6 | 1.7 | 1.0 | 0.7 | 0.6 | 0.6 | 3.1 | 0.8 | 1.4 |
| Gross financing needs | 12.0 | 10.9 | 10.5 | 11.8 | 13.9 | 13.7 | 11.1 | 12.4 | 12.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 115.9 | 109.1 | 105.3 | 95.4 | 94.3 | 94.3 | 110.1 | 96.6 | 100.0 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 12.0 | 9.9 | 9.6 | 10.3 | 12.1 | 11.7 | 10.5 | 10.8 | 10.8 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 115.9 | 109.8 | 106.6 | 100.3 | 100.7 | 102.4 | 110.8 | 101.6 | 103.9 |
| Implicit interest rate (nominal) | 1.9 | 2.4 | 2.5 | 2.8 | 2.9 | 3.1 | 2.3 | 2.8 | 2.7 |
| Real GDP growth | 6.6 | 0.2 | 1.2 | 0.2 | 0.1 | 0.1 | 2.7 | 0.3 | 0.9 |
| Gross financing needs | 12.0 | 10.0 | 9.9 | 11.1 | 13.2 | 13.0 | 10.6 | 11.7 | 11.4 |

Romania

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| RO - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 46.9 | 48.9 | 47.9 | 47.3 | 47.6 | 48.0 | 48.5 | 49.2 | 50.5 | 52.0 | 54.0 | 56.5 | 59.4 | 62.8 |
| Changes in the ratio (-1+2+3) of which | 11.7 | 2.0 | -1.0 | -0.6 | 0.3 | 0.3 | 0.5 | 0.7 | 1.3 | 1.6 | 2.0 | 2.4 | 3.0 | 3.4 |
| (1) Primary balance (1.1+1.2+1.3) | -8.0 | -5.8 | -4.7 | -3.1 | -2.6 | -2.4 | -2.2 | -2.1 | -2.1 | -2.1 | -2.2 | -2.3 | -2.4 | -2.6 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -6.3 | -4.7 | -4.5 | -2.7 | -2.2 | -2.1 | -2.1 | -2.1 | -2.1 | -2.1 | -2.2 | -2.3 | -2.4 | -2.6 |
| (1.1.1) Structural primary balance (bef. CoA) | -6.3 | -4.7 | -4.5 | -2.7 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | 0.1 | 0.3 | 0.4 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.7 | -1.1 | -0.2 | -0.4 | -0.4 | -0.3 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.1 | -3.3 | -5.6 | -3.2 | -2.3 | -2.1 | -1.7 | -1.3 | -0.8 | -0.5 | -0.2 | 0.1 | 0.5 | 0.7 |
| (2.1) Interest expenditure | 1.2 | 1.3 | 1.8 | 2.0 | 2.2 | 2.4 | 2.6 | 2.8 | 3.0 | 3.3 | 3.5 | 3.8 | 4.1 | 4.4 |
| (2.2) Growth effect | 1.3 | -2.2 | -2.4 | -0.8 | -1.0 | -1.1 | -1.1 | -1.1 | -0.9 | -0.9 | -1.0 | -1.0 | -1.0 | -1.0 |
| (2.3) Inflation effect | -1.4 | -2.4 | -5.0 | -4.4 | -3.5 | -3.4 | -3.2 | -3.1 | -2.9 | -2.8 | -2.7 | -2.6 | -2.6 | -2.6 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 2.6 | -0.6 | -0.1 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 2.3 | -0.8 | -0.7 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.3 | 0.2 | 0.5 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -7.5 | -6.0 | -6.4 | -4.6 | -4.3 | -4.5 | -4.7 | -4.9 | -5.1 | -5.3 | -5.7 | -6.1 | -6.5 | -7.0 |
| Gross financing needs | 15.7 | 10.6 | 10.8 | 9.5 | 9.8 | 10.0 | 10.1 | 10.2 | 10.6 | 11.1 | 11.7 | 12.4 | 13.2 | 14.1 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | Long term | | | | |
|---|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|--------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM |
| | | Debt level (2033), % GDP | 62.8 | 67.0 | 75.3 | 67.4 | 63.2 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 75% | 82% | 86% | 75% | 75% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 55% | | | |
| Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 39.6 | | | | | |

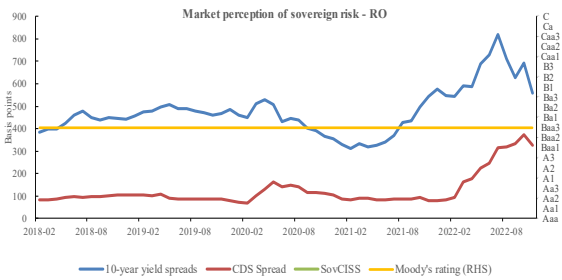
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.7 | 0.3 | 0.5 |
| Fiscal sub-index | 0.5 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.8 | 0.4 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 4.7 | 3.0 | 3.8 | 6.6 |
| of which Initial Budgetary position | 4.7 | 2.7 | 2.8 | 2.7 |
| Ageing costs | 0.0 | 0.3 | 1.0 | 3.9 |
| of which Pensions | -1.0 | -0.7 | 0.1 | -0.7 |
| Health care | 0.8 | 0.7 | 0.7 | 1.8 |
| Long-term care | 0.3 | 0.3 | 0.3 | 2.9 |
| Others | -0.1 | -0.1 | -0.1 | -0.1 |
| Required structural primary balance related to S2 | 0.5 | 0.8 | 1.7 | 4.5 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 3.6 | 4.3 | 5.4 |
| of which Initial budgetary position | | 2.6 | 2.8 | 2.6 |
| Debt requirement | | -0.2 | -0.2 | -0.2 |
| Ageing costs | | 1.2 | 1.7 | 3.0 |
| Required structural primary balance related to S1 | | 1.5 | 2.1 | 3.2 |

3. Financial information



| | | |
|---|---------|-------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 558.0 |
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

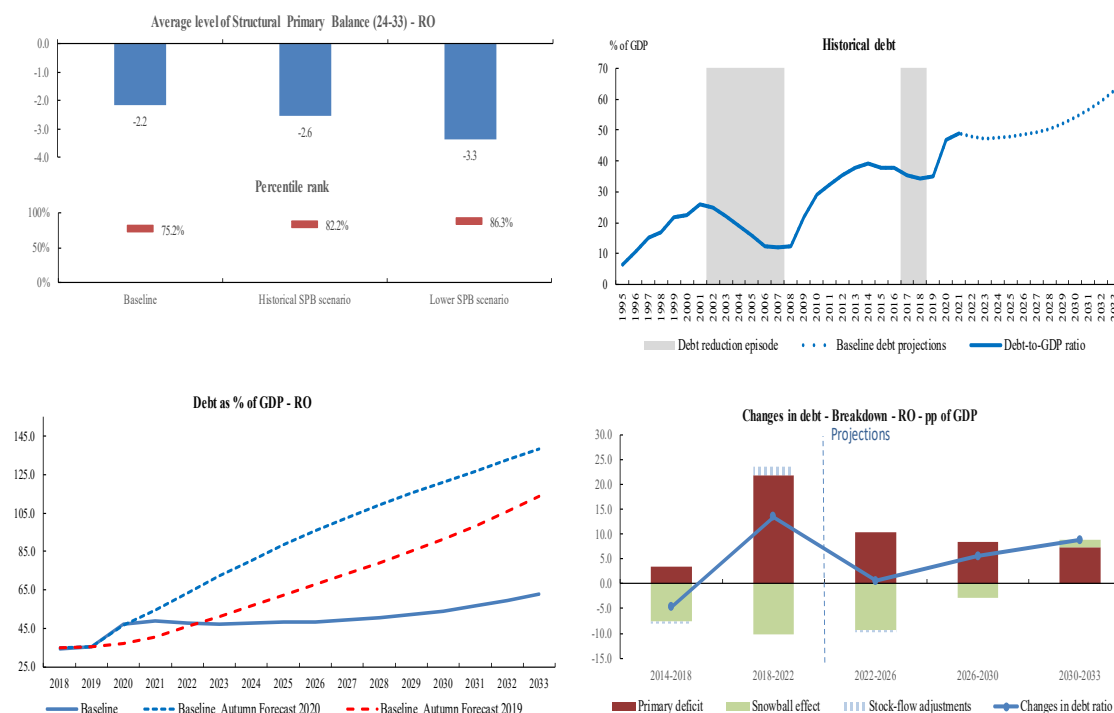
| | | | | | |
|--|--|--|---|--|----------------------------------|
| Public debt structure - RO (2021) | Share of short-term government debt (%): 5.1 | Share of government debt in foreign currency (%): 53.3 | Share of government debt by non-residents (%): 49.2 | Net International Investment Position (IIP) - RO (2021) | Net IIP (% GDP): -47.2 |
|--|--|--|---|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | RO | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 2.4 | 2.3 | 2.1 | 2.0 | 3.4 | 4.1 | 7.5 |
| of which | One-off guarantees | 0.5 | 0.4 | 0.4 | 0.3 | 0.6 | 0.7 | 6.4 |
| | Standardised guarantees | 1.9 | 1.9 | 1.7 | 1.7 | 2.8 | 3.4 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |
| | Securities issued under liquidity schemes | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Special purpose entity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Total | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |

| | | | | | | | |
|--|---|---|--|--|--|--|---|
| Government's contingent liability risks from banking sector - RO (2022) | Private sector credit flow (% GDP): 3.8 | Change in nominal house price index (p.p.): 4.4 | Bank loans-to-deposits ratio (%): 63.2 | Share of non-performing loans (%): 2.9 | Change in share of non-performing loans (p.p.): -0.9 | NPL coverage ratio (%): 40.1 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.00% Stressed: 0.02% |
|--|---|---|--|--|--|--|---|

6. Realism of baseline assumptions



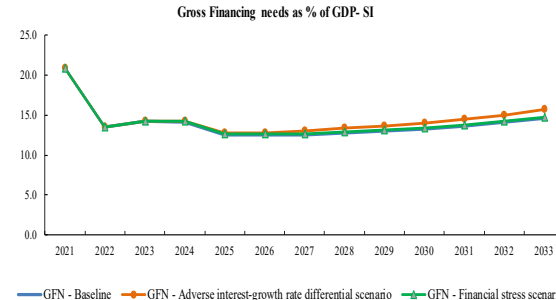
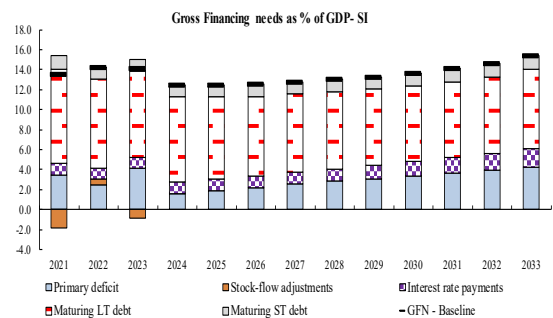
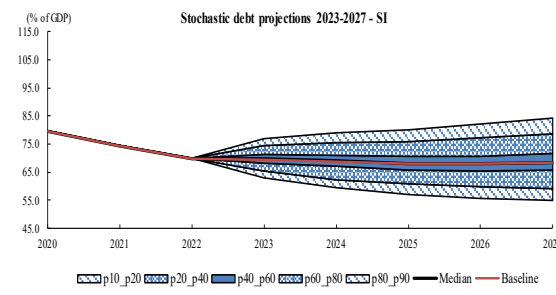
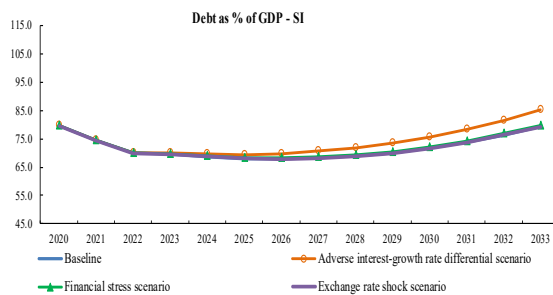
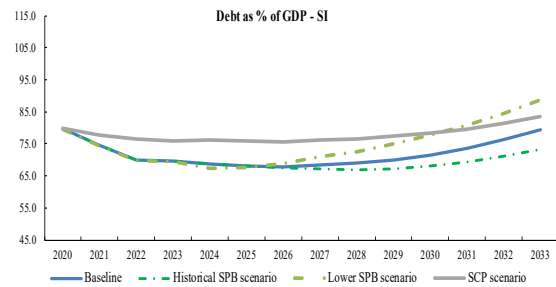
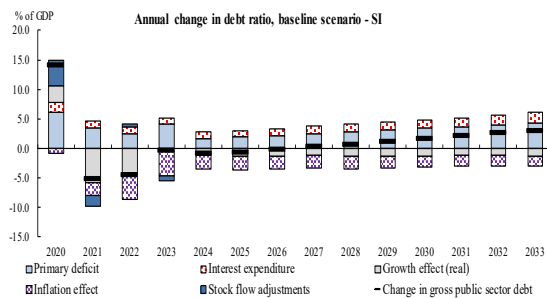
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Romania | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 47.9 | 47.3 | 47.6 | 52.0 | 56.5 | 62.8 | 47.6 | 53.4 | 52.0 |
| Primary balance | -4.7 | -3.1 | -2.6 | -2.1 | -2.3 | -2.6 | -3.5 | -2.3 | -2.6 |
| Structural primary balance (before CoA) | -4.5 | -2.7 | -2.2 | -2.2 | -2.2 | -2.2 | -3.1 | -2.2 | -2.4 |
| Real GDP growth | 5.8 | 1.8 | 2.2 | 2.0 | 2.0 | 1.9 | 3.3 | 2.1 | 2.4 |
| Potential GDP growth | 2.8 | 2.5 | 2.3 | 2.0 | 2.0 | 1.9 | 2.5 | 2.0 | 2.1 |
| Inflation rate | 11.4 | 10.0 | 8.0 | 6.0 | 5.1 | 4.6 | 9.8 | 6.0 | 6.9 |
| Implicit interest rate (nominal) | 4.3 | 4.6 | 5.0 | 7.0 | 7.5 | 7.9 | 4.6 | 6.9 | 6.3 |
| Gross financing needs | 10.8 | 9.5 | 9.8 | 11.1 | 12.4 | 14.1 | 10.0 | 11.5 | 11.1 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 51.8 | 52.7 | 52.5 | 54.2 | 56.8 | 60.8 | 52.3 | 54.1 | 53.4 |
| Primary balance | -5.1 | -3.7 | -1.9 | -1.8 | -2.0 | -2.3 | -3.6 | -1.7 | -2.6 |
| Structural primary balance (before CoA) | -4.6 | -3.2 | -2.1 | -2.1 | -2.1 | -2.1 | -3.3 | -2.1 | -2.7 |
| Real GDP growth | 5.1 | 4.4 | 4.3 | 2.8 | 2.6 | 2.1 | 4.6 | 3.0 | 3.6 |
| Gross financing needs | 10.8 | 9.5 | 8.5 | 9.3 | 10.2 | 11.2 | 9.6 | 9.1 | 9.4 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 47.9 | 47.3 | 47.6 | 54.0 | 59.5 | 67.0 | 47.6 | 55.4 | 53.5 |
| Primary balance | -4.7 | -3.1 | -2.6 | -2.6 | -2.8 | -3.2 | -3.5 | -2.7 | -2.9 |
| Structural primary balance (before CoA) | -4.5 | -2.7 | -2.2 | -2.7 | -2.7 | -2.7 | -3.1 | -2.6 | -2.7 |
| Real GDP growth | 5.8 | 1.8 | 2.2 | 2.0 | 2.0 | 1.9 | 3.3 | 2.1 | 2.4 |
| Gross financing needs | 10.8 | 9.5 | 9.8 | 11.9 | 13.4 | 15.3 | 10.0 | 12.2 | 11.7 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 47.9 | 47.4 | 47.8 | 52.4 | 56.9 | 63.2 | 47.7 | 53.8 | 52.3 |
| Implicit interest rate (nominal) | 4.3 | 4.8 | 5.2 | 7.0 | 7.5 | 7.9 | 4.8 | 6.9 | 6.4 |
| Gross financing needs | 10.8 | 9.6 | 9.9 | 11.2 | 12.5 | 14.2 | 10.1 | 11.6 | 11.2 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 47.9 | 47.9 | 49.0 | 59.4 | 66.3 | 75.3 | 48.3 | 60.8 | 57.7 |
| Primary balance | -4.7 | -4.1 | -3.5 | -3.3 | -3.5 | -3.8 | -4.1 | -3.4 | -3.6 |
| Structural primary balance (before CoA) | -4.5 | -3.9 | -3.3 | -3.3 | -3.3 | -3.3 | -3.9 | -3.3 | -3.5 |
| Real GDP growth | 5.8 | 2.7 | 2.3 | 2.0 | 2.0 | 1.9 | 3.6 | 2.0 | 2.4 |
| Gross financing needs | 10.8 | 10.7 | 10.8 | 13.4 | 15.2 | 17.5 | 10.7 | 13.8 | 13.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 47.9 | 48.6 | 50.1 | 54.2 | 58.6 | 64.9 | 48.9 | 55.6 | 53.9 |
| Exchange rate depreciation | 0.0% | 2.0% | 2.0% | 0.0% | 0.0% | 0.0% | 1.3% | 0.0% | 0.3% |
| Gross financing needs | 10.8 | 9.7 | 10.2 | 11.5 | 12.8 | 14.5 | 10.2 | 11.9 | 11.5 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 47.9 | 47.6 | 48.2 | 54.5 | 59.9 | 67.4 | 47.9 | 56.0 | 54.0 |
| Implicit interest rate (nominal) | 4.3 | 4.7 | 5.2 | 7.4 | 7.9 | 8.4 | 4.8 | 7.3 | 6.6 |
| Real GDP growth | 5.8 | 1.3 | 1.7 | 1.5 | 1.5 | 1.4 | 2.9 | 1.6 | 2.0 |
| Gross financing needs | 10.8 | 9.5 | 10.0 | 11.7 | 13.2 | 15.2 | 10.1 | 12.1 | 11.6 |

Slovenia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| SI - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 79.6 | 74.5 | 69.9 | 69.6 | 68.8 | 68.1 | 67.9 | 68.3 | 68.9 | 70.0 | 71.6 | 73.7 | 76.3 | 79.3 |
| Changes in the ratio (-1+2+3) of which | 14.2 | -5.1 | -4.5 | -0.4 | -0.8 | -0.7 | -0.2 | 0.4 | 0.6 | 1.1 | 1.6 | 2.1 | 2.6 | 3.0 |
| (1) Primary balance (1.1+1.2+1.3) | -6.1 | -3.4 | -2.5 | -4.1 | -1.6 | -1.9 | -2.2 | -2.5 | -2.8 | -3.1 | -3.4 | -3.7 | -4.0 | -4.3 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -4.4 | -4.3 | -4.7 | -5.4 | -2.2 | -2.3 | -2.4 | -2.5 | -2.8 | -3.1 | -3.4 | -3.7 | -4.0 | -4.3 |
| (1.1.1) Structural primary balance (bef. CoA) | -4.4 | -4.3 | -4.7 | -5.4 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 | -2.2 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.2 | 0.3 | 0.6 | 0.9 | 1.2 | 1.4 | 1.7 | 2.0 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -1.6 | 0.8 | 2.2 | 1.2 | 0.6 | 0.4 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 3.7 | -6.7 | -7.6 | -3.6 | -2.4 | -2.6 | -2.4 | -2.2 | -2.2 | -2.0 | -1.8 | -1.6 | -1.4 | -1.3 |
| (2.1) Interest expenditure | 1.6 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.5 | 1.7 | 1.8 |
| (2.2) Growth effect | 2.9 | -5.9 | -4.1 | -0.5 | -1.1 | -1.4 | -1.3 | -1.2 | -1.4 | -1.4 | -1.3 | -1.2 | -1.2 | -1.3 |
| (2.3) Inflation effect | -0.8 | -2.0 | -4.6 | -4.1 | -2.5 | -2.3 | -2.2 | -2.1 | -2.0 | -1.9 | -1.9 | -1.8 | -1.8 | -1.8 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 4.3 | -1.9 | 0.6 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 4.3 | -1.9 | 0.6 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -6.0 | -5.5 | -5.8 | -6.4 | -3.4 | -3.4 | -3.5 | -3.7 | -4.1 | -4.4 | -4.8 | -5.2 | -5.6 | -6.1 |
| Gross financing needs | 20.8 | 13.5 | 14.2 | 14.1 | 12.5 | 12.5 | 12.6 | 12.8 | 13.0 | 13.3 | 13.7 | 14.1 | 14.6 | 15.4 |



4. Risks related to the structure of public debt financing and net International Investment Position

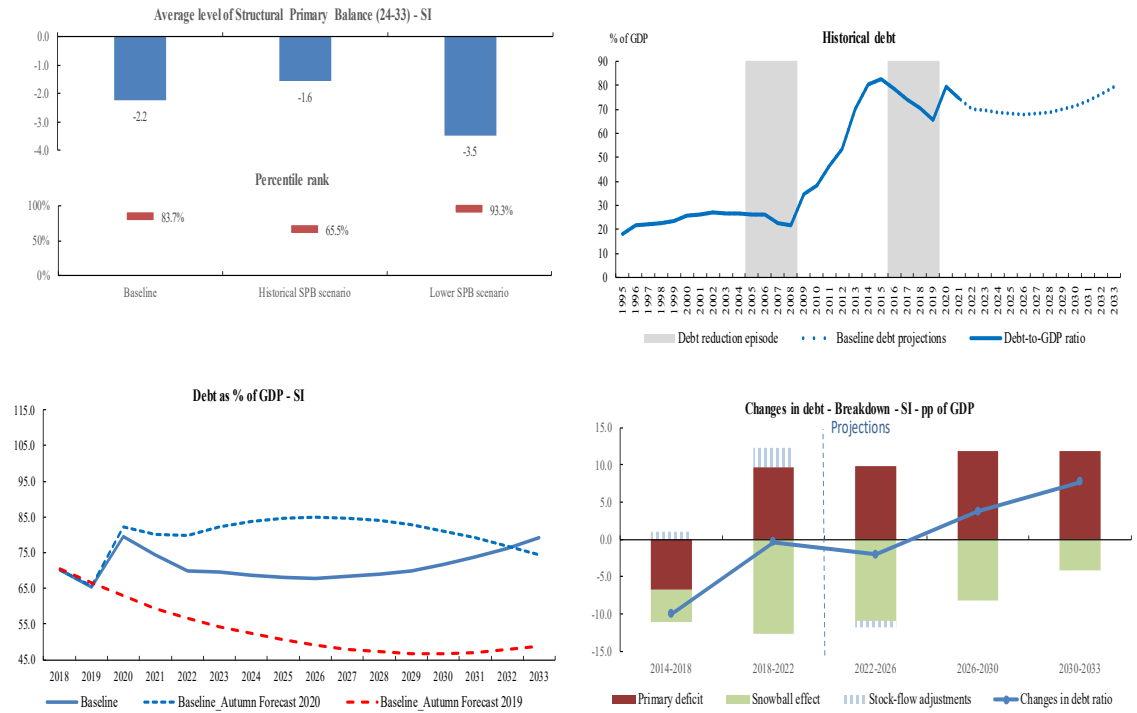
| | | | | | |
|--|---|--|--|--|---------------------------------|
| Public debt structure - SI (2021) | Share of short-term government debt (%): 2.1 | Share of government debt in foreign currency (%): 0.1 | Share of government debt by non-residents (%): 55.2 | Net International Investment Position (IIP) - SI (2021) | Net IIP (% GDP): -6.8 |
|--|---|--|--|--|---------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | SI | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 9.6 | 8.6 | 7.5 | 6.4 | 6.4 | 5.5 | 7.5 |
| of which | One-off guarantees | 9.6 | 8.6 | 7.5 | 6.4 | 6.2 | 5.4 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | | | | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | | | | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|--|---|---|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - SI (2022) | Private sector credit flow (% GDP): 3.5 | Change in nominal house price index (p.p.): 11.5 | Bank loans-to-deposits ratio (%): 69.4 | Share of non-performing loans (%): 2.2 | Change in share of non-performing loans (p.p.): -0.5 | NPL coverage ratio (%): 66.2 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.00% Stressed: 0.21% |
|--|--|---|---|---|---|---------------------------------|--|

6. Realism of baseline assumptions



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | HIGH | HIGH | HIGH |
| | | Debt level (2033), % GDP | 79.3 | 73.3 | 88.7 | 85.1 | 79.8 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 84% | 66% | 93% | 84% | 84% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 45% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 29.2 | | | | |

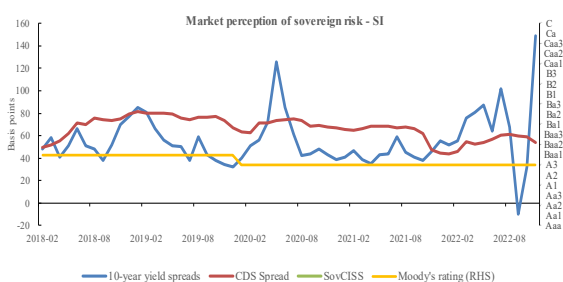
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.6 | 0.2 | 0.5 |
| Fiscal sub-index | 0.6 | 0.3 | 0.4 |
| Financial competitiveness sub-index | 0.7 | 0.1 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 12.1 | 10.0 | 10.0 | 13.8 |
| of which Initial Budgetary position | 4.7 | 2.6 | 2.7 | 2.6 |
| Ageing costs | 7.4 | 7.4 | 7.2 | 11.2 |
| of which Pensions | 5.3 | 5.4 | 5.3 | 5.4 |
| Health care | 1.0 | 1.0 | 0.9 | 2.1 |
| Long-term care | 1.0 | 1.0 | 0.9 | 3.7 |
| Others | 0.1 | 0.1 | 0.0 | 0.1 |
| Required structural primary balance related to S2 | 7.8 | 7.8 | 7.7 | 11.6 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 7.7 | 7.8 | 9.9 |
| of which Initial budgetary position | | 2.0 | 2.1 | 2.1 |
| Debt requirement | | 0.2 | 0.2 | 0.2 |
| Ageing costs | | 5.6 | 5.6 | 7.7 |
| Required structural primary balance related to S1 | | 5.5 | 5.6 | 7.7 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 149.0 |
|---|---------|-------|
|---|---------|-------|

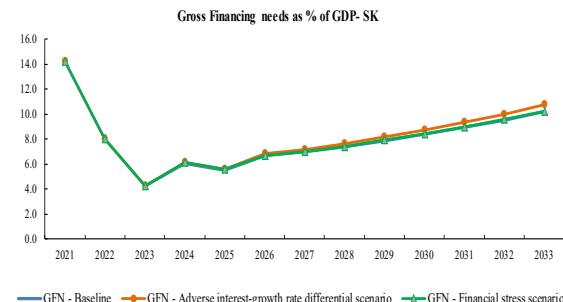
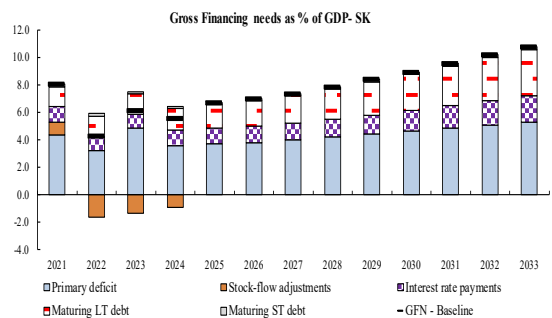
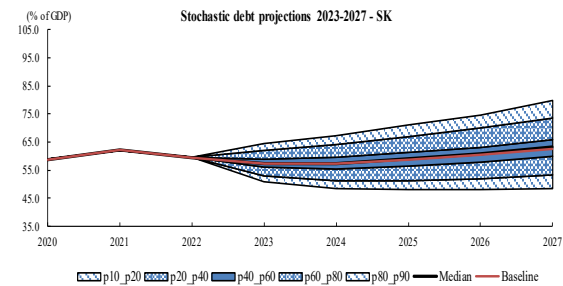
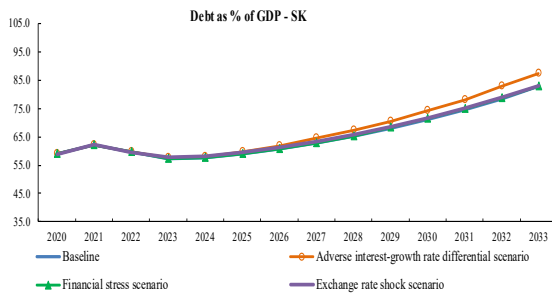
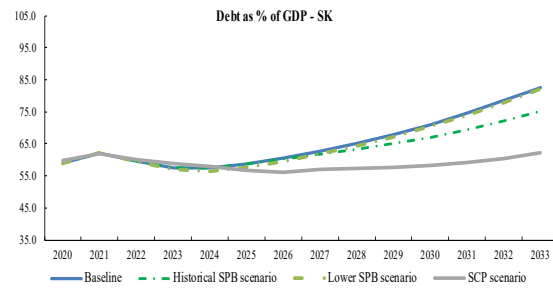
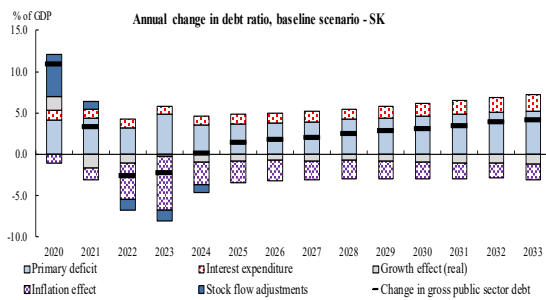
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Slovenia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 69.9 | 69.6 | 68.8 | 70.0 | 73.7 | 79.3 | 69.4 | 71.6 | 71.0 |
| Primary balance | -2.5 | -4.1 | -1.6 | -3.1 | -3.7 | -4.3 | -2.7 | -3.1 | -3.0 |
| Structural primary balance (before CoA) | -4.7 | -5.4 | -2.2 | -2.2 | -2.2 | -2.2 | -4.1 | -2.2 | -2.7 |
| Real GDP growth | 6.2 | 0.8 | 1.7 | 2.1 | 1.8 | 1.7 | 2.9 | 1.9 | 2.2 |
| Potential GDP growth | 3.2 | 2.9 | 3.0 | 2.1 | 1.8 | 1.7 | 3.0 | 2.1 | 2.3 |
| Inflation rate | 6.6 | 6.2 | 3.7 | 2.9 | 2.6 | 2.4 | 5.5 | 2.9 | 3.6 |
| Implicit interest rate (nominal) | 1.7 | 1.7 | 1.7 | 2.0 | 2.2 | 2.4 | 1.7 | 2.0 | 1.9 |
| Gross financing needs | 14.2 | 14.1 | 12.5 | 13.3 | 14.1 | 15.4 | 13.6 | 13.5 | 13.6 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 76.4 | 76.0 | 76.2 | 77.3 | 79.7 | 83.7 | 76.2 | 77.5 | 77.3 |
| Primary balance | -3.9 | -2.7 | -2.1 | -3.4 | -3.9 | -4.5 | -2.9 | -3.1 | -3.3 |
| Structural primary balance (before CoA) | -4.9 | -3.5 | -2.5 | -2.5 | -2.5 | -2.5 | -3.6 | -2.5 | -3.1 |
| Real GDP growth | 4.2 | 2.9 | 2.3 | 2.7 | 2.5 | 2.1 | 3.1 | 2.6 | 3.1 |
| Gross financing needs | 14.3 | 13.9 | 14.0 | 14.1 | 14.6 | 15.8 | 14.1 | 14.2 | 14.2 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 69.9 | 69.6 | 68.8 | 67.3 | 69.3 | 73.3 | 69.4 | 68.7 | 68.9 |
| Primary balance | -2.5 | -4.1 | -1.6 | -2.3 | -2.8 | -3.4 | -2.7 | -2.4 | -2.5 |
| Structural primary balance (before CoA) | -4.7 | -5.4 | -2.2 | -1.3 | -1.3 | -1.3 | -4.1 | -1.5 | -2.1 |
| Real GDP growth | 6.2 | 0.8 | 1.7 | 2.1 | 1.9 | 1.7 | 2.9 | 1.9 | 2.2 |
| Gross financing needs | 14.2 | 14.1 | 12.5 | 12.1 | 12.7 | 13.8 | 13.6 | 12.5 | 12.8 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 69.9 | 69.7 | 69.0 | 70.5 | 74.2 | 79.8 | 69.6 | 72.0 | 71.4 |
| Implicit interest rate (nominal) | 1.7 | 1.9 | 1.9 | 2.1 | 2.2 | 2.5 | 1.8 | 2.1 | 2.0 |
| Gross financing needs | 14.2 | 14.3 | 12.6 | 13.4 | 14.2 | 15.5 | 13.7 | 13.7 | 13.7 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 69.9 | 69.4 | 67.3 | 74.9 | 80.9 | 88.7 | 68.9 | 76.3 | 74.5 |
| Primary balance | -2.5 | -3.3 | -2.1 | -4.3 | -4.9 | -5.5 | -2.6 | -4.2 | -3.8 |
| Structural primary balance (before CoA) | -4.7 | -4.1 | -3.5 | -3.5 | -3.5 | -3.5 | -4.1 | -3.5 | -3.6 |
| Real GDP growth | 6.2 | -0.1 | 4.4 | 2.1 | 1.8 | 1.7 | 3.5 | 1.8 | 2.2 |
| Gross financing needs | 14.2 | 13.0 | 12.7 | 15.1 | 16.2 | 17.9 | 13.3 | 15.2 | 14.8 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 69.9 | 69.6 | 68.8 | 70.0 | 73.7 | 79.3 | 69.4 | 71.6 | 71.0 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 14.2 | 14.1 | 12.5 | 13.3 | 14.1 | 15.4 | 13.6 | 13.5 | 13.6 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 69.9 | 70.0 | 69.6 | 73.3 | 78.2 | 85.1 | 69.9 | 75.0 | 73.7 |
| Implicit interest rate (nominal) | 1.7 | 1.8 | 1.9 | 2.4 | 2.6 | 2.9 | 1.8 | 2.4 | 2.2 |
| Real GDP growth | 6.2 | 0.3 | 1.2 | 1.6 | 1.3 | 1.2 | 2.6 | 1.4 | 1.7 |
| Gross financing needs | 14.2 | 14.3 | 12.8 | 14.0 | 15.0 | 16.6 | 13.8 | 14.3 | 14.2 |

Slovakia

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| SK - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 58.9 | 62.2 | 59.6 | 57.4 | 57.4 | 58.8 | 60.6 | 62.7 | 65.2 | 68.0 | 71.1 | 74.5 | 78.5 | 82.6 |
| Changes in the ratio (-1+2+3) | 10.9 | 3.3 | -2.6 | -2.2 | 0.1 | 1.4 | 1.8 | 2.1 | 2.5 | 2.8 | 3.1 | 3.5 | 3.9 | 4.2 |
| of which | | | | | | | | | | | | | | |
| (1) Primary balance (1.1+1.2+1.3) | -4.2 | -4.4 | -3.2 | -4.8 | -3.6 | -3.7 | -3.8 | -4.0 | -4.2 | -4.4 | -4.6 | -4.8 | -5.0 | -5.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.3 | -4.3 | -3.2 | -4.5 | -3.3 | -3.5 | -3.7 | -4.0 | -4.2 | -4.4 | -4.6 | -4.8 | -5.0 | -5.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.3 | -4.3 | -3.2 | -4.5 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 | -3.3 |
| (1.1.2) Cost of ageing | 0.0 | 0.2 | 0.4 | 0.6 | 0.9 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 | | | | |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.2) Cyclical component | -0.9 | -0.1 | 0.1 | -0.3 | -0.2 | -0.2 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.7 | -2.0 | -4.4 | -5.8 | -2.6 | -2.3 | -2.0 | -1.9 | -1.7 | -1.6 | -1.5 | -1.4 | -1.1 | -1.1 |
| (2.1) Interest expenditure | 1.2 | 1.1 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.8 | 2.0 |
| (2.2) Growth effect | 1.6 | -1.7 | -1.1 | -0.3 | -1.0 | -0.9 | -0.8 | -0.8 | -0.8 | -0.9 | -1.0 | -1.1 | -1.1 | -1.2 |
| (2.3) Inflation effect | -1.1 | -1.4 | -4.3 | -6.5 | -2.7 | -2.5 | -2.4 | -2.3 | -2.2 | -2.1 | -2.0 | -1.9 | -1.8 | -1.9 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 5.0 | 0.9 | -1.4 | -1.3 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 5.1 | 0.9 | -1.6 | -1.4 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | -0.1 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -4.5 | -5.3 | -4.3 | -5.5 | -4.4 | -4.7 | -4.9 | -5.2 | -5.5 | -5.8 | -6.1 | -6.5 | -6.8 | -7.2 |
| Gross financing needs | 14.2 | 8.0 | 4.3 | 6.1 | 5.5 | 6.7 | 7.0 | 7.4 | 7.9 | 8.4 | 8.9 | 9.5 | 10.2 | 10.7 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|------|------|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | HIGH | Overall | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | HIGH | HIGH | HIGH | HIGH |
| | | Debt level (2033), % GDP | 82.6 | 75.2 | 82.1 | 87.4 | 82.9 | | | | |
| | | Debt peak year | 2033 | 2033 | 2033 | 2033 | 2033 | | | | |
| | | Fiscal consolidation space | 61% | 55% | 61% | 61% | 61% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 61% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 31.3 | | | | |

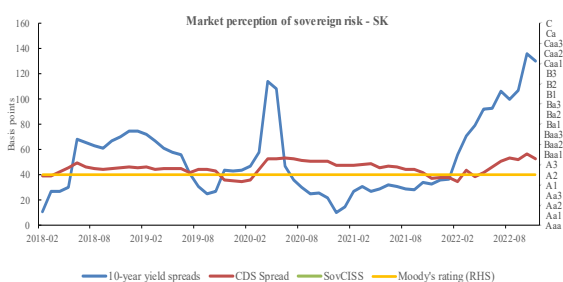
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.5 | 0.3 | 0.5 |
| Fiscal sub-index | 0.5 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.5 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 10.6 | 11.3 | 11.2 | 15.1 |
| of which Initial Budgetary position | 2.8 | 3.7 | 3.8 | 3.7 |
| Ageing costs | 7.8 | 7.6 | 7.4 | 11.4 |
| of which Pensions | 4.1 | 4.1 | 4.1 | 4.1 |
| Health care | 1.6 | 1.6 | 1.5 | 2.6 |
| Long-term care | 1.7 | 1.6 | 1.5 | 4.3 |
| Others | 0.4 | 0.4 | 0.3 | 0.4 |
| Required structural primary balance related to S2 | 8.1 | 8.0 | 7.9 | 11.8 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 8.5 | 8.6 | 10.4 |
| of which Initial budgetary position | | 3.2 | 3.3 | 3.3 |
| Debt requirement | | -0.1 | 0.0 | -0.1 |
| Ageing costs | | 5.3 | 5.3 | 7.2 |
| Required structural primary balance related to S1 | | 5.2 | 5.3 | 7.1 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 130.0 |
|---|---------|-------|
|---|---------|-------|

4. Risks related to the structure of public debt financing and net International Investment Position

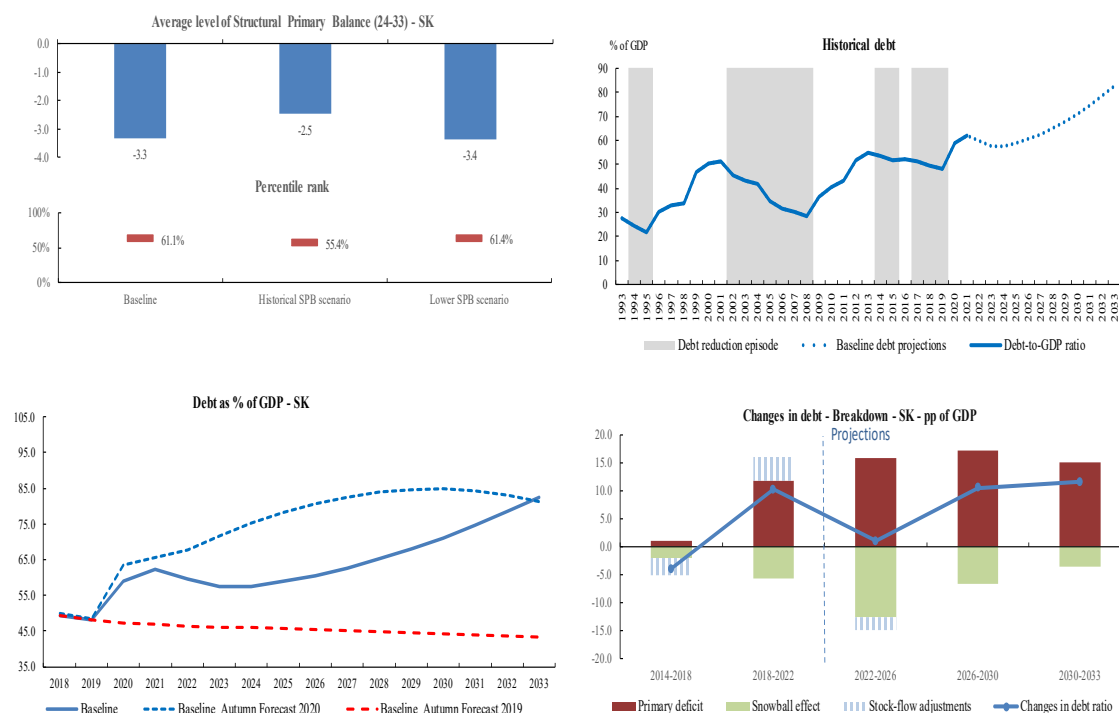
| | | | | | |
|--|---|--|--|--|----------------------------------|
| Public debt structure - SK (2021) | Share of short-term government debt (%): 3.6 | Share of government debt in foreign currency (%): 0.0 | Share of government debt by non-residents (%): 49.6 | Net International Investment Position (IIP) - SK (2021) | Net IIP (% GDP): -61.0 |
|--|---|--|--|--|----------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | SK | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 1.0 | 7.5 |
| of which | One-off guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.9 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 3.2 | 2.9 | 2.7 | 1.7 | 1.7 | 1.5 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |
| | Securities issued under liquidity schemes | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Special purpose entity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0 |
| | Total | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.9 |

| | | | | | | | |
|--|--|--|--|---|---|---------------------------------|---|
| Government's contingent liability risks from banking sector - SK (2022) | Private sector credit flow (% GDP): 5.5 | Change in nominal house price index (p.p.): 6.4 | Bank loans-to-deposits ratio (%): 111.5 | Share of non-performing loans (%): 1.5 | Change in share of non-performing loans (p.p.): -0.3 | NPL coverage ratio (%): 43.8 | Probability of govt cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline 0.04% Stressed 0.71% |
|--|--|--|--|---|---|---------------------------------|---|

6. Realism of baseline assumptions



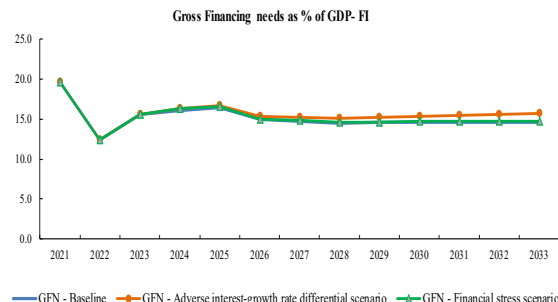
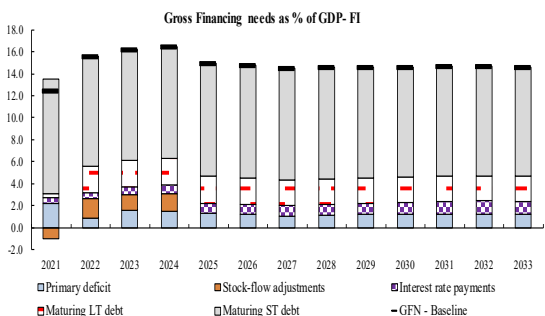
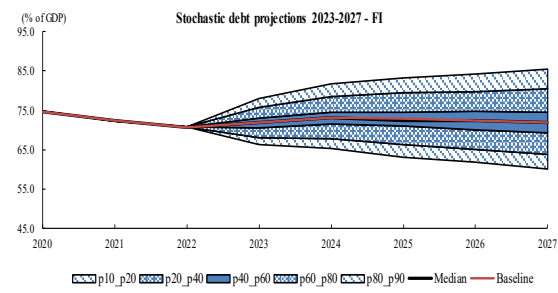
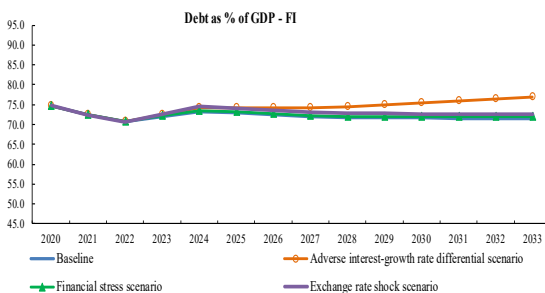
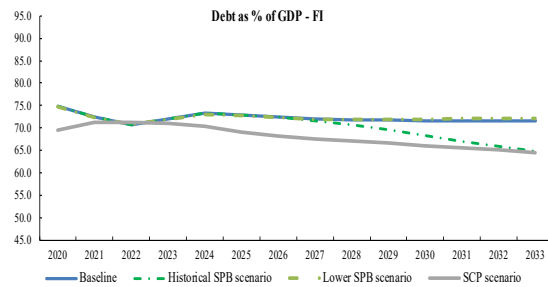
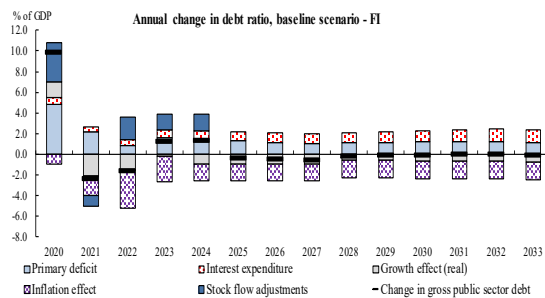
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Slovakia | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.4 | 57.4 | 68.0 | 74.5 | 82.6 | 58.1 | 69.1 | 66.4 |
| Primary balance | -3.2 | -4.8 | -3.6 | -4.4 | -4.8 | -5.2 | -3.9 | -4.4 | -4.3 |
| Structural primary balance (before CoA) | -3.2 | -4.5 | -3.3 | -3.3 | -3.3 | -3.3 | -3.7 | -3.3 | -3.4 |
| Real GDP growth | 1.9 | 0.5 | 1.9 | 1.4 | 1.6 | 1.6 | 1.4 | 1.5 | 1.5 |
| Potential GDP growth | 1.4 | 1.6 | 1.6 | 1.4 | 1.6 | 1.6 | 1.5 | 1.4 | 1.4 |
| Inflation rate | 7.5 | 12.2 | 4.9 | 3.4 | 2.8 | 2.4 | 8.2 | 3.4 | 4.6 |
| Implicit interest rate (nominal) | 1.8 | 1.9 | 2.1 | 2.2 | 2.4 | 2.6 | 1.9 | 2.3 | 2.2 |
| Gross financing needs | 4.3 | 6.1 | 5.5 | 8.4 | 9.5 | 10.7 | 5.3 | 8.5 | 7.7 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 60.0 | 59.0 | 58.0 | 57.7 | 59.3 | 62.2 | 59.0 | 57.9 | 58.5 |
| Primary balance | -3.1 | -1.9 | -0.9 | -2.2 | -2.7 | -3.1 | -2.0 | -1.9 | -2.3 |
| Structural primary balance (before CoA) | -3.2 | -2.2 | -1.0 | -1.0 | -1.0 | -1.0 | -2.1 | -1.0 | -1.6 |
| Real GDP growth | 5.3 | 4.0 | 2.9 | 2.8 | 2.6 | 2.0 | 4.1 | 2.6 | 3.0 |
| Gross financing needs | 6.1 | 4.8 | 4.3 | 6.1 | 6.8 | 7.5 | 5.1 | 5.7 | 5.7 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.4 | 57.4 | 65.1 | 69.3 | 75.2 | 58.1 | 65.9 | 63.9 |
| Primary balance | -3.2 | -4.8 | -3.6 | -3.4 | -3.7 | -4.1 | -3.9 | -3.6 | -3.6 |
| Structural primary balance (before CoA) | -3.2 | -4.5 | -3.3 | -2.2 | -2.2 | -2.2 | -3.7 | -2.4 | -2.7 |
| Real GDP growth | 1.9 | 0.5 | 1.9 | 1.6 | 1.8 | 1.6 | 1.4 | 1.5 | 1.5 |
| Gross financing needs | 4.3 | 6.1 | 5.5 | 7.3 | 8.1 | 9.1 | 5.3 | 7.5 | 6.9 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.4 | 57.5 | 68.2 | 74.8 | 82.9 | 58.2 | 69.3 | 66.5 |
| Implicit interest rate (nominal) | 1.8 | 2.0 | 2.1 | 2.3 | 2.4 | 2.6 | 2.0 | 2.3 | 2.2 |
| Gross financing needs | 4.3 | 6.1 | 5.6 | 8.4 | 9.6 | 10.8 | 5.3 | 8.6 | 7.7 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.0 | 56.3 | 67.2 | 73.9 | 82.1 | 57.6 | 68.3 | 65.7 |
| Primary balance | -3.2 | -4.0 | -3.5 | -4.4 | -4.9 | -5.3 | -3.5 | -4.4 | -4.2 |
| Structural primary balance (before CoA) | -3.2 | -3.3 | -3.4 | -3.4 | -3.4 | -3.4 | -3.3 | -3.4 | -3.4 |
| Real GDP growth | 1.9 | -0.4 | 3.1 | 1.4 | 1.6 | 1.6 | 1.6 | 1.4 | 1.5 |
| Gross financing needs | 4.3 | 4.9 | 5.4 | 8.4 | 9.5 | 10.7 | 4.9 | 8.5 | 7.6 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.7 | 58.0 | 68.5 | 75.0 | 83.1 | 58.4 | 69.6 | 66.8 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 4.3 | 6.1 | 5.6 | 8.4 | 9.6 | 10.8 | 5.3 | 8.6 | 7.7 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 59.6 | 57.7 | 58.0 | 70.5 | 78.1 | 87.4 | 58.4 | 71.8 | 68.4 |
| Implicit interest rate (nominal) | 1.8 | 1.9 | 2.2 | 2.5 | 2.7 | 3.0 | 2.0 | 2.5 | 2.4 |
| Real GDP growth | 1.9 | 0.0 | 1.4 | 0.9 | 1.1 | 1.1 | 1.1 | 1.0 | 1.0 |
| Gross financing needs | 4.3 | 6.1 | 5.6 | 8.7 | 10.0 | 11.4 | 5.3 | 8.9 | 8.0 |

Finland

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| FI - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 74.8 | 72.4 | 70.7 | 72.0 | 73.3 | 72.9 | 72.5 | 71.9 | 71.8 | 71.7 | 71.6 | 71.6 | 71.6 | 71.5 |
| Changes in the ratio (-1+2+3) of which | 9.9 | -2.4 | -1.6 | 1.2 | 1.3 | -0.4 | -0.4 | -0.6 | -0.2 | -0.1 | -0.1 | 0.0 | 0.0 | -0.1 |
| (1) Primary balance (1.1+1.2+1.3) | -4.8 | -2.2 | -0.8 | -1.6 | -1.4 | -1.3 | -1.2 | -1.0 | -1.1 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -3.2 | -1.5 | -0.6 | -0.8 | -0.8 | -0.9 | -1.0 | -1.0 | -1.1 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 |
| (1.1.1) Structural primary balance (bef. CoA) | -3.2 | -1.5 | -0.6 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 |
| (1.1.2) Cost of ageing | 0.0 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| (1.2) Cyclical component | -1.6 | -0.6 | -0.3 | -0.8 | -0.7 | -0.5 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 1.2 | -3.4 | -4.6 | -1.9 | -1.7 | -1.7 | -1.6 | -1.6 | -1.3 | -1.2 | -1.3 | -1.3 | -1.2 | -1.3 |
| (2.1) Interest expenditure | 0.7 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 |
| (2.2) Growth effect | 1.4 | -2.1 | -1.6 | -0.2 | -1.0 | -1.0 | -0.9 | -0.9 | -0.6 | -0.6 | -0.7 | -0.7 | -0.7 | -0.8 |
| (2.3) Inflation effect | -0.9 | -1.9 | -3.7 | -2.5 | -1.5 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.7 | -1.7 | -1.7 | -1.7 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 3.8 | -1.1 | 2.2 | 1.5 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 3.9 | -1.0 | 1.8 | 1.4 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | 0.0 | -0.1 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -3.9 | -2.1 | -1.1 | -1.5 | -1.6 | -1.7 | -1.9 | -2.0 | -2.1 | -2.2 | -2.3 | -2.3 | -2.4 | -2.4 |
| Gross financing needs | 19.7 | 12.4 | 15.5 | 16.1 | 16.5 | 15.0 | 14.8 | 14.5 | 14.6 | 14.6 | 14.6 | 14.6 | 14.7 | 14.6 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|--------|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | MEDIUM | Overall | LOW | LOW | LOW | MEDIUM | LOW | MEDIUM | MEDIUM | LOW | MEDIUM |
| | | Debt level (2033), % GDP | 71.5 | 64.7 | 72.1 | 76.9 | 71.9 | | | | |
| | | Debt peak year | 2024 | 2024 | 2024 | 2033 | 2024 | | | | |
| | | Fiscal consolidation space | 97% | 86% | 97% | 97% | 97% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | | 55% | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | | 25.4 | | | |

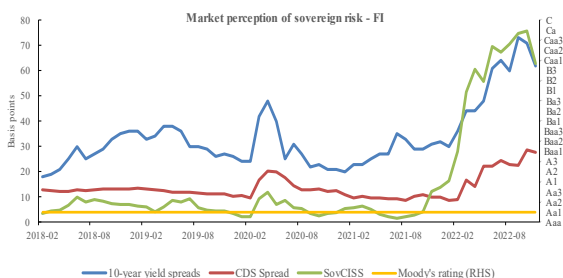
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.3 | 0.2 | 0.5 |
| Fiscal sub-index | 0.4 | 0.2 | 0.4 |
| Financial competitiveness sub-index | 0.3 | 0.2 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 3.0 | 3.0 | 3.3 | 5.4 |
| of which Initial Budgetary position | 1.0 | 1.1 | 1.1 | 1.1 |
| Ageing costs | 2.0 | 1.9 | 2.1 | 4.3 |
| of which Pensions | 0.4 | 0.5 | 0.8 | 0.5 |
| Health care | 0.7 | 0.6 | 0.6 | 1.4 |
| Long-term care | 1.7 | 1.6 | 1.6 | 3.2 |
| Others | -0.8 | -0.8 | -0.8 | -0.8 |
| Required structural primary balance related to S2 | 2.3 | 2.2 | 2.5 | 4.6 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | 1.1 | 1.4 | 2.4 |
| of which Initial budgetary position | | 0.0 | 0.1 | 0.0 |
| Debt requirement | | 0.3 | 0.3 | 0.3 |
| Ageing costs | | 0.7 | 1.0 | 2.1 |
| Required structural primary balance related to S1 | | 0.3 | 0.6 | 1.7 |

3. Financial information



| | | |
|---|---------|------|
| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | 62.0 |
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

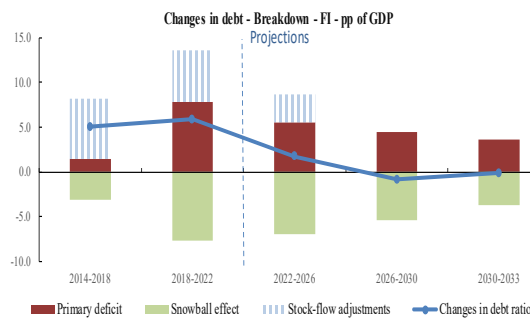
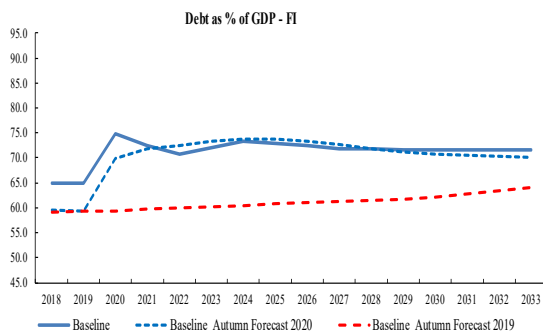
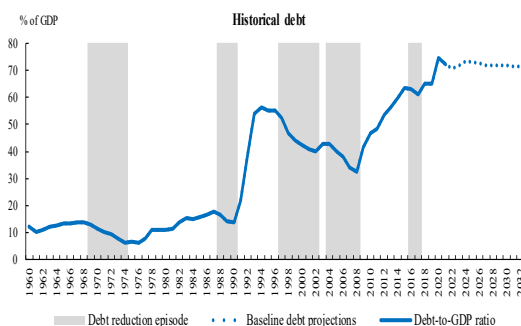
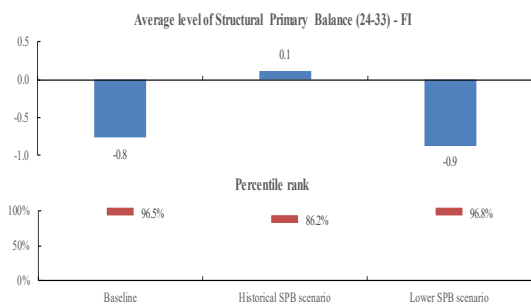
| | | | | | |
|--|---|---|---|--|---------------------------------|
| Public debt structure - FI (2021) | Share of short-term government debt (%): 10.7 | Share of government debt in foreign currency (%): 2.5 | Share of government debt by non-residents (%): 51.8 | Net International Investment Position (IIP) - FI (2021) | Net IIP (% GDP): -1.4 |
|--|---|---|---|--|---------------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | FI | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 27.8 | 23.7 | 15.3 | 15.5 | 16.7 | 17.0 | 7.5 |
| of which | One-off guarantees | 26.7 | 22.4 | 22.8 | 13.8 | 14.8 | 15.0 | 6.4 |
| | Standardised guarantees | 1.1 | 1.2 | 1.5 | 1.7 | 1.9 | 2.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|--|---|---|---|--|--|--|--|
| Government's contingent liability risks from banking sector - FI (2022) | Private sector credit flow (% GDP): 6.1 | Change in nominal house price index (p.p.): 4.6 | Bank loans-to-deposits ratio (%): 162.5 | Share of non-performing loans (%): 1.1 | Change in share of non-performing loans (p.p.): -0.3 | NPL coverage ratio (%): 30.2 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): Baseline: 0.03% Stressed: 0.29% |
|--|---|---|---|--|--|--|--|

6. Realism of baseline assumptions



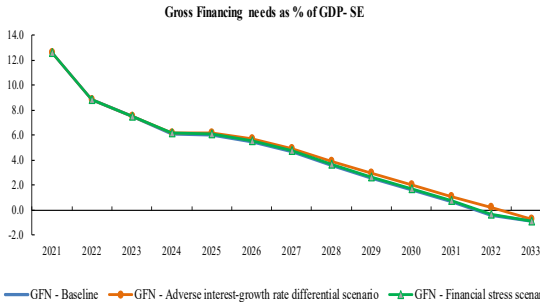
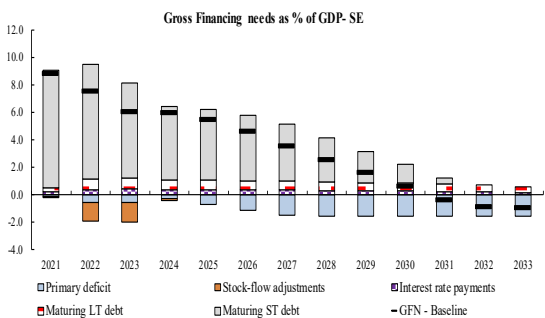
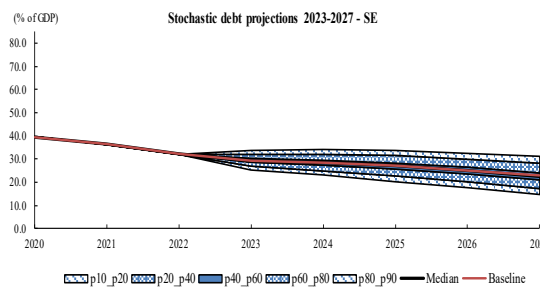
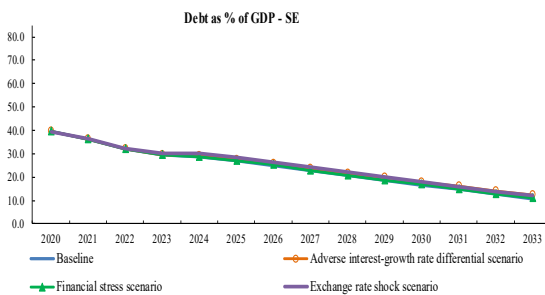
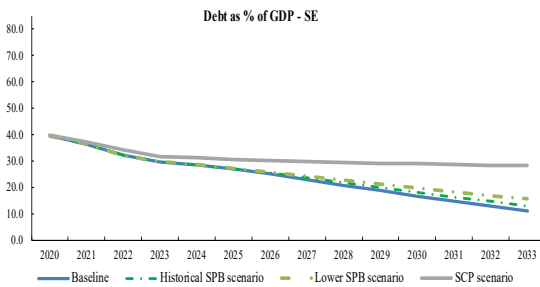
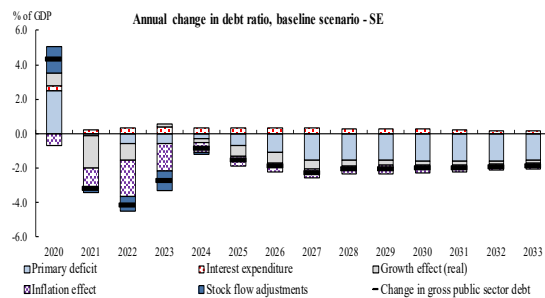
7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Finland | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.0 | 73.3 | 71.7 | 71.6 | 71.5 | 72.0 | 71.9 | 71.9 |
| Primary balance | -0.8 | -1.6 | -1.4 | -1.2 | -1.2 | -1.2 | -1.3 | -1.2 | -1.2 |
| Structural primary balance (before CoA) | -0.6 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.7 | -0.8 | -0.7 |
| Real GDP growth | 2.3 | 0.2 | 1.4 | 0.9 | 1.0 | 1.2 | 1.3 | 1.1 | 1.2 |
| Potential GDP growth | 1.7 | 1.2 | 1.2 | 0.9 | 1.0 | 1.2 | 1.4 | 1.0 | 1.1 |
| Inflation rate | 5.3 | 3.7 | 2.2 | 2.4 | 2.4 | 2.4 | 3.7 | 2.3 | 2.7 |
| Implicit interest rate (nominal) | 0.9 | 1.1 | 1.2 | 1.5 | 1.6 | 1.8 | 1.0 | 1.5 | 1.4 |
| Gross financing needs | 15.5 | 16.1 | 16.5 | 14.6 | 14.6 | 14.6 | 16.0 | 14.7 | 15.0 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 71.2 | 71.0 | 70.3 | 66.6 | 65.5 | 64.5 | 70.8 | 67.3 | 68.2 |
| Primary balance | -2.0 | -1.0 | -1.0 | -1.3 | -1.3 | -1.3 | -1.3 | -1.2 | -1.4 |
| Structural primary balance (before CoA) | -1.7 | -1.2 | -0.9 | -0.9 | -0.9 | -0.9 | -1.2 | -0.9 | -1.1 |
| Real GDP growth | 2.8 | 2.3 | 0.7 | 1.1 | 1.4 | 1.4 | 2.0 | 1.2 | 1.6 |
| Gross financing needs | 10.0 | 9.9 | 8.6 | 9.4 | 9.7 | 9.6 | 9.5 | 9.2 | 9.5 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.0 | 73.3 | 69.6 | 67.0 | 64.7 | 72.0 | 69.2 | 69.9 |
| Primary balance | -0.8 | -1.6 | -1.4 | -0.3 | 0.0 | 0.0 | -1.3 | -0.4 | -0.6 |
| Structural primary balance (before CoA) | -0.6 | -0.8 | -0.8 | 0.4 | 0.4 | 0.4 | -0.7 | 0.2 | 0.0 |
| Real GDP growth | 2.3 | 0.2 | 1.4 | 1.1 | 1.3 | 1.2 | 1.3 | 1.1 | 1.2 |
| Gross financing needs | 15.5 | 16.1 | 16.5 | 13.5 | 12.8 | 12.4 | 16.0 | 13.5 | 14.2 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.1 | 73.5 | 72.0 | 72.0 | 71.9 | 72.1 | 72.2 | 72.2 |
| Implicit interest rate (nominal) | 0.9 | 1.3 | 1.2 | 1.5 | 1.7 | 1.8 | 1.1 | 1.5 | 1.4 |
| Gross financing needs | 15.5 | 16.3 | 16.5 | 14.7 | 14.7 | 14.7 | 16.1 | 14.8 | 15.1 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.0 | 73.0 | 71.9 | 72.0 | 72.1 | 71.9 | 72.1 | 72.1 |
| Primary balance | -0.8 | -1.6 | -1.4 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 |
| Structural primary balance (before CoA) | -0.6 | -0.7 | -0.9 | -0.9 | -0.9 | -0.9 | -0.7 | -0.9 | -0.8 |
| Real GDP growth | 2.3 | 0.2 | 1.8 | 0.9 | 1.0 | 1.2 | 1.4 | 1.1 | 1.2 |
| Gross financing needs | 15.5 | 16.1 | 16.3 | 14.7 | 14.8 | 14.8 | 16.0 | 14.8 | 15.1 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.6 | 74.5 | 72.7 | 72.6 | 72.5 | 72.6 | 73.0 | 72.9 |
| Exchange rate depreciation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Gross financing needs | 15.5 | 16.3 | 16.7 | 14.8 | 14.8 | 14.8 | 16.2 | 14.9 | 15.2 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 70.7 | 72.4 | 74.2 | 75.0 | 75.9 | 76.9 | 72.4 | 75.2 | 74.5 |
| Implicit interest rate (nominal) | 0.9 | 1.2 | 1.3 | 1.7 | 1.9 | 2.1 | 1.1 | 1.8 | 1.6 |
| Real GDP growth | 2.3 | -0.3 | 0.9 | 0.4 | 0.5 | 0.7 | 1.0 | 0.6 | 0.7 |
| Gross financing needs | 15.5 | 16.3 | 16.7 | 15.4 | 15.6 | 15.8 | 16.2 | 15.4 | 15.6 |

Sweden

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests

| SE - Debt projections baseline scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross debt ratio | 39.5 | 36.3 | 32.1 | 29.4 | 28.5 | 27.0 | 25.1 | 22.8 | 20.7 | 18.7 | 16.7 | 14.7 | 12.7 | 10.9 |
| Changes in the ratio (-1+2+3) of which | 4.3 | -3.2 | -4.2 | -2.7 | -0.9 | -1.6 | -1.9 | -2.3 | -2.1 | -2.0 | -2.0 | -2.0 | -1.9 | -1.9 |
| (1) Primary balance (1.1+1.2+1.3) | -2.5 | 0.1 | 0.6 | 0.6 | 0.3 | 0.7 | 1.1 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.5 |
| (1.1) Structural primary balance (1.1.1-1.1.2+1.1.3) | -0.5 | 0.5 | 0.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.5 |
| (1.1.1) Structural primary balance (bef. CoA) | -0.5 | 0.5 | 0.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| (1.1.2) Cost of ageing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 | -0.3 | -0.3 | -0.3 |
| (1.1.3) Others (taxes and property incomes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 | -0.2 |
| (1.2) Cyclical component | -2.0 | -0.4 | 0.3 | -0.8 | -1.2 | -0.8 | -0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1.3) One-off and other temporary measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2) Snowball effect (2.1+2.2+2.3+2.4) | 0.4 | -2.8 | -2.8 | -1.0 | -0.5 | -0.9 | -0.8 | -0.7 | -0.5 | -0.5 | -0.4 | -0.4 | -0.4 | -0.3 |
| (2.1) Interest expenditure | 0.3 | 0.2 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| (2.2) Growth effect | 0.8 | -1.9 | -1.0 | 0.2 | -0.2 | -0.6 | -0.6 | -0.5 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 | -0.2 |
| (2.3) Inflation effect | -0.7 | -1.1 | -2.2 | -1.6 | -0.6 | -0.6 | -0.5 | -0.5 | -0.5 | -0.5 | -0.4 | -0.4 | -0.4 | -0.3 |
| (2.4) Exchange rate effect linked to the interest rate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3) Stock-flow adjustments | 1.5 | -0.3 | -0.9 | -1.2 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.1) Base | 1.6 | 0.0 | -1.4 | -1.5 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (3.2) Adjustment due to the exchange rate effect | -0.1 | -0.2 | 0.5 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pro memoria | | | | | | | | | | | | | | |
| Structural balance | -0.7 | 0.3 | -0.1 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| Gross financing needs | 12.6 | 8.9 | 7.5 | 6.1 | 6.0 | 5.5 | 4.7 | 3.6 | 2.6 | 1.6 | 0.7 | -0.4 | -0.9 | -1.0 |



2. Risk classification and sustainability indicators summary tables

2.1. Risk classification summary table

| Short term | Medium term - Debt sustainability analysis (DSA) | | | | | | | Long term | | | |
|------------|--|--|-------------------------|----------------|-----------|---------------|------------------|------------------------|-----|-----|---------|
| | Overall (S0) | Overall | Deterministic scenarios | | | | | Stochastic projections | S2 | S1 | Overall |
| | | | Baseline | Historical SPB | Lower SPB | Adverse 'r-g' | Financial stress | | | | |
| LOW | LOW | Overall | LOW | LOW | LOW | LOW | LOW | LOW | LOW | LOW | |
| | | Debt level (2033), % GDP | 10.9 | 12.7 | 15.5 | 12.3 | 11.0 | | | | |
| | | Debt peak year | 2022 | 2022 | 2022 | 2022 | 2022 | | | | |
| | | Fiscal consolidation space | 61% | 61% | 72% | 61% | 61% | | | | |
| | | Probability of debt ratio exceeding in 2027 its 2022 level | | | | | 8% | | | | |
| | | Difference between 90th and 10th percentiles (pps. GDP) | | | | | 16.6 | | | | |

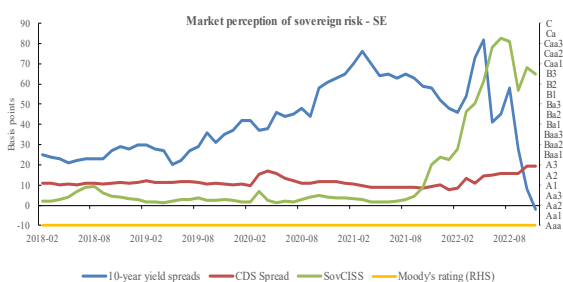
2.2. Sustainability indicators

| S0 indicator | 2009 | 2022 | Critical threshold |
|-------------------------------------|------|------|--------------------|
| Overall index | 0.3 | 0.2 | 0.5 |
| Fiscal sub-index | 0.2 | 0.0 | 0.4 |
| Financial competitiveness sub-index | 0.4 | 0.3 | 0.5 |

| S2 indicator | 2021 FSR | 2022 DSM | | |
|---|----------|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | 0.8 | 0.8 | 0.5 | 5.2 |
| of which Initial Budgetary position | -1.3 | -1.3 | -1.3 | -1.3 |
| Ageing costs | 2.1 | 2.1 | 1.8 | 6.5 |
| of which Pensions | -0.1 | 0.0 | -0.1 | 0.0 |
| Health care | 0.7 | 0.6 | 0.6 | 1.6 |
| Long-term care | 1.9 | 1.8 | 1.7 | 5.3 |
| Others | -0.4 | -0.4 | -0.4 | -0.4 |
| Required structural primary balance related to S2 | 2.3 | 2.3 | 2.0 | 6.6 |

| S1 indicator | | 2022 DSM | | |
|---|--|----------|------------------|-------------------|
| | | Baseline | Lower TFP growth | AWG risk scenario |
| Overall index | | -1.8 | -1.8 | 0.6 |
| of which Initial budgetary position | | -1.8 | -1.8 | -1.8 |
| Debt requirement | | -0.8 | -0.8 | -0.8 |
| Ageing costs | | 0.9 | 0.8 | 3.2 |
| Required structural primary balance related to S1 | | -0.3 | -0.3 | 2.1 |

3. Financial information



| Sovereign yield spreads (bp)* - as of November 2022 | 10-year | -2.0 |
|---|---------|------|
|---|---------|------|

4. Risks related to the structure of public debt financing and net International Investment Position

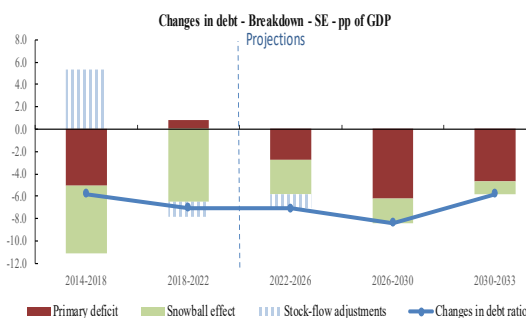
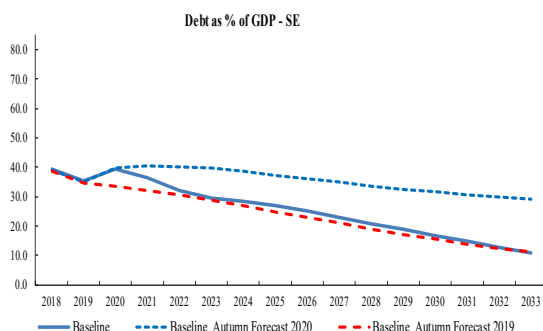
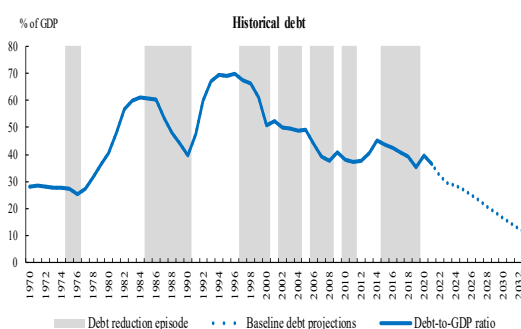
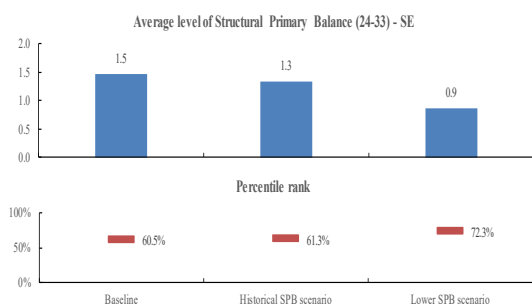
| | | | | | |
|-----------------------------------|--|--|--|---|--------------------------|
| Public debt structure - SE (2021) | Share of short-term government debt (%): 24.9 | Share of government debt in foreign currency (%): 3.4 | Share of government debt by non-residents (%): 19.1 | Net International Investment Position (IIP) - SE (2021) | Net IIP (% GDP): 21.2 |
|-----------------------------------|--|--|--|---|--------------------------|

5. Risks related to government's contingent liabilities

| General government contingent liabilities | | SE | | | | | | EU |
|--|--|------|------|------|------|------|------|------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| State guarantees (% GDP) | | 11.9 | 10.6 | 11.2 | 11.1 | 12.1 | 11.8 | 7.5 |
| of which | One-off guarantees | 10.5 | 9.8 | 10.0 | 11.1 | 12.1 | 11.8 | 6.4 |
| | Standardised guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Public-private partnerships (PPPs) (% GDP) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Contingent liabilities of gen. gov. related to support to financial institutions (% GDP) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| | Liabilities and assets outside gen. gov. under guarantee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| | Securities issued under liquidity schemes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Special purpose entity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |

| | | | | | | | |
|---|---|---|--|---|---|---------------------------------|--|
| Government's contingent liability risks from banking sector - SE (2022) | Private sector credit flow (% GDP): 16.6 | Change in nominal house price index (p.p.): 10.1 | Bank loans-to-deposits ratio (%): 166.8 | Share of non-performing loans (%): 0.3 | Change in share of non-performing loans (p.p.): -0.1 | NPL coverage ratio (%): 51.3 | Probability of govt. cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL): |
| | | | | | | | Baseline 0.03% |
| | | | | | | | Stressed 0.07% |

6. Realism of baseline assumptions



7. Underlying macro-fiscal assumptions

| Macro-fiscal assumptions, Sweden | Levels | | | | | | Averages | | |
|--|--------|------|------|------|------|------|----------|---------|---------|
| | 2022 | 2023 | 2024 | 2029 | 2031 | 2033 | 2022-24 | 2025-33 | 2022-33 |
| 1. Baseline scenario | | | | | | | | | |
| Gross public debt | 32.1 | 29.4 | 28.5 | 18.7 | 14.7 | 10.9 | 30.0 | 18.8 | 21.6 |
| Primary balance | 0.6 | 0.6 | 0.3 | 1.6 | 1.6 | 1.5 | 0.5 | 1.4 | 1.2 |
| Structural primary balance (before CoA) | 0.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.0 | 1.5 | 1.4 |
| Real GDP growth | 2.9 | -0.6 | 0.8 | 1.5 | 1.4 | 1.6 | 1.1 | 1.7 | 1.6 |
| Potential GDP growth | 1.6 | 1.5 | 1.5 | 1.5 | 1.4 | 1.6 | 1.5 | 1.5 | 1.5 |
| Inflation rate | 6.3 | 5.2 | 2.0 | 2.3 | 2.4 | 2.4 | 4.5 | 2.3 | 2.8 |
| Implicit interest rate (nominal) | 1.0 | 1.3 | 1.2 | 1.4 | 1.4 | 1.3 | 1.2 | 1.3 | 1.3 |
| Gross financing needs | 7.5 | 6.1 | 6.0 | 1.6 | -0.4 | -1.0 | 6.5 | 1.8 | 3.0 |
| 2. SCP scenario | | | | | | | | | |
| Gross public debt | 34.2 | 31.7 | 31.1 | 29.2 | 28.6 | 28.1 | 32.3 | 29.5 | 30.7 |
| Primary balance | 0.5 | 0.1 | -0.3 | -0.5 | -0.5 | -0.5 | 0.1 | -0.4 | -0.4 |
| Structural primary balance (before CoA) | 0.8 | -0.1 | -0.6 | -0.6 | -0.6 | -0.6 | 0.0 | -0.6 | -0.4 |
| Real GDP growth | 3.5 | 3.0 | 2.0 | 1.7 | 1.5 | 1.8 | 2.8 | 1.7 | 2.1 |
| Gross financing needs | 5.3 | 4.3 | 4.7 | 5.2 | 5.4 | 5.4 | 4.8 | 5.1 | 5.2 |
| 3. Historical SPB scenario | | | | | | | | | |
| Gross public debt | 32.1 | 29.4 | 28.5 | 20.0 | 16.3 | 12.7 | 30.0 | 19.9 | 22.5 |
| Primary balance | 0.6 | 0.6 | 0.3 | 1.3 | 1.4 | 1.4 | 0.5 | 1.2 | 1.0 |
| Structural primary balance (before CoA) | 0.3 | 1.4 | 1.5 | 1.3 | 1.3 | 1.3 | 1.0 | 1.3 | 1.3 |
| Real GDP growth | 2.9 | -0.6 | 0.8 | 1.6 | 1.6 | 1.6 | 1.1 | 1.7 | 1.6 |
| Gross financing needs | 7.5 | 6.1 | 6.0 | 2.5 | 0.8 | -0.7 | 6.5 | 2.5 | 3.5 |
| 4. Financial stress scenario | | | | | | | | | |
| Gross public debt | 32.1 | 29.5 | 28.6 | 18.8 | 14.8 | 11.0 | 30.1 | 18.9 | 21.7 |
| Implicit interest rate (nominal) | 1.0 | 1.6 | 1.2 | 1.4 | 1.4 | 1.3 | 1.3 | 1.4 | 1.3 |
| Gross financing needs | 7.5 | 6.2 | 6.1 | 1.7 | -0.3 | -0.9 | 6.6 | 1.9 | 3.0 |
| 5. Lower SPB scenario | | | | | | | | | |
| Gross public debt | 32.1 | 29.7 | 28.5 | 21.1 | 18.2 | 15.5 | 30.1 | 21.2 | 23.4 |
| Primary balance | 0.6 | 0.1 | 0.4 | 1.0 | 1.0 | 0.9 | 0.4 | 0.9 | 0.8 |
| Structural primary balance (before CoA) | 0.3 | 0.6 | 0.9 | 0.9 | 0.9 | 0.9 | 0.6 | 0.9 | 0.8 |
| Real GDP growth | 2.9 | 0.1 | 1.6 | 1.5 | 1.4 | 1.6 | 1.5 | 1.6 | 1.6 |
| Gross financing needs | 7.5 | 6.8 | 6.1 | 3.3 | 2.2 | 1.1 | 6.8 | 3.4 | 4.2 |
| 6. Exchange rate depreciation scenario | | | | | | | | | |
| Gross public debt | 32.1 | 30.2 | 30.0 | 19.9 | 15.9 | 12.0 | 30.8 | 20.1 | 22.7 |
| Exchange rate depreciation | 0.0% | 6.5% | 6.5% | 0.0% | 0.0% | 0.0% | 4.3% | 0.0% | 1.1% |
| Gross financing needs | 7.5 | 6.3 | 6.3 | 1.9 | 0.1 | -0.9 | 6.7 | 2.1 | 3.3 |
| 7. Adverse interest-growth rate differential scenario | | | | | | | | | |
| Gross public debt | 32.1 | 29.6 | 28.9 | 19.8 | 16.0 | 12.3 | 30.2 | 19.9 | 22.5 |
| Implicit interest rate (nominal) | 1.0 | 1.4 | 1.3 | 1.5 | 1.5 | 1.4 | 1.3 | 1.5 | 1.4 |
| Real GDP growth | 2.9 | -1.1 | 0.3 | 1.0 | 0.9 | 1.1 | 0.7 | 1.2 | 1.1 |
| Gross financing needs | 7.5 | 6.2 | 6.1 | 2.0 | 0.2 | -0.9 | 6.6 | 2.1 | 3.2 |

ANNEX A9

Data sources and information

COUNTRY FICHES – DATA SOURCES AND INFORMATION

The projections presented in this report are based on the Commission 2022 autumn forecast and on the EPC-Commission Ageing Report 2021. The cut-off date for the preparation of the report was 31 October 2022, in line with the Commission 2022 autumn forecast. However, for some additional indicators, more recent information has been used.

Projections and fiscal sustainability indicators

Overall approach

See Annex A1 for a general presentation of the Commission's multi-dimensional approach, indicators, decision trees and thresholds underpinning the risk classification.

Short term

S0 indicator – Early-detection indicator of fiscal stress based on 25 fiscal and financial-competitiveness variables, including government gross financing needs. See Chapter 1, Box 1.1 and Annex A2.

Medium term

Debt sustainability analysis (DSA) – A set of *deterministic projections* including a baseline and alternative scenarios and stress tests (see Section 2.1 and Box 1 in the Introduction) and *stochastic projections* (see Section 2.2 and Annex A4).

Long term

S2 indicator – Long-term sustainability gap indicator measuring the permanent adjustment in the structural primary balance, compared to the baseline, required to stabilise public debt over the long term (see Section 3.1 and Annex A5).

S1 indicator – Long-term sustainability gap indicator measuring the permanent adjustment in the structural primary balance, compared to the baseline, required to reach a debt-to-GDP ratio of 60% by 2070 (see Section 3.2 and Annex A5).

Financial information

Market perception of sovereign risk

10-year bond yield spreads to the German Bund – ECB, Interest rate statistics database, Long-term interest rate for convergence purposes, 10 years maturity, Denominated in Euro, Basis points, Monthly average.

5-year Credit Default Swap (CDS) spread – Capital IQ database, provided by S&P Global, Daily close, Basis points, Extracted on January 2021.

SovCISS – Composite Indicator of Sovereign Stress – ECB, Pure number, Monthly, Available for 11 euro area countries (AT, BE, DE, ES, FI, FR, EL, IE, IT, NL, PT).

Moody's sovereign credit rating – Local currency long-term sovereign credit rating, Moody's, downloaded in December 2022.

Additional mitigating and aggravating factors

Risks related to the structure of government debt, the net international investment position and contingent liabilities (see Sections 4 and 5 below). The qualification of factors is based either on thresholds derived from a signalling approach or on a comparison with other Member States or the EU average.

Risks related to the structure of government debt financing and net International Investment Position

Government debt structure

Share of short-term government debt – Eurostat, 2022 data, General government consolidated gross debt, Original maturity of less than 1 year, as % of total, available for all countries except NL.

Share of short-term government debt (for the NL) – Eurostat, 2022 data, General government, % of GDP, Government consolidated gross debt at face value (Currency and Deposits, Short-term debt securities, Short-term loans) as share of total government consolidated gross debt.

Share of government debt in foreign currency – Eurostat, 2022 data, Debt by currency of issue, General Government, Foreign Currency, % of total, Available for all countries except DK, EL, FI, and SE.

Share of government debt in foreign currency (for DK, FI, EL, and SE) – ECB, 2022 data, Government Finance Statistics (GFS) database, Maastricht debt, General Government, Consolidated, All original maturities, Denominated in national currency; Denominated in currencies other than national currency and euro; Denominated in euro.

Share of government debt held by non-residents – Eurostat, 2022 data, General government consolidated gross debt, Rest of the world, Total-all maturities, % of total, Available for all countries except EL.

Net International Investment Position (IIP) – Eurostat, 2022 data, % of GDP.

Risks related to government's contingent liabilities

Risks related to government's contingent liabilities

Guarantees (State guarantees, one-off guarantees, and standardised guarantees) – Eurostat, 2022 data, % of GDP.

Public-private partnerships (PPPs) – Eurostat, 2022 data, % of GDP.

Contingent liabilities of general government related to support to financial institutions – Eurostat, 2022 data, % of GDP.

Government's contingent liability risks from the banking sector

Private sector credit flow – Eurostat (MIP scoreboard), 2022 data, % of GDP.

Change in nominal house price index – European Commission, DG ECFIN, Unit B1 House Price Database, 2022 data, y-o-y % change (2015=100).

Bank loan-to-deposit ratio – European Banking Authority (EBA), Risk indicator, Loan-to-deposit

ratio for households and non-financial corporations, June 2022 data.

Share of non-performing loans – European Banking Authority (EBA), Risk indicator, Ratio of non-performing loans and advances (NPL ratio), June 2022 data.

Non-Performing Loans (NPL) coverage ratio – European Banking Authority (EBA), Risk indicator, Coverage ratio of non-performing loans and advances, June 2022 data.

SYMBOL model – Model estimating the potential impact of simulated bank losses on public finances (see Annex A6).

Realism of baseline projections

Percentile rank – Position of the average structural primary balance assumed in the projections in the country's past distribution of structural primary balances. The historical distributions start at the earliest in 1980, depending on data availability. The calculations use 3-year moving averages and exclude major crisis years, namely the Global Financial Crisis (2008-09) and the COVID-19 pandemic (2020-21).

Underlying macro-fiscal assumptions

See Box 1 in the Introduction.