

## ANNEX A7

### Cross-country tables

## A7.1. SHORT-TERM FISCAL SUSTAINABILITY RISKS

Table A7.1: **S0 and sub-indices heat map (2023)**

	Overall risk classification	S0	Sub-indices	
			Fiscal	Financial-competitiv.
BE	LOW	0.27	0.57	0.12
BG	LOW	0.21	0.22	0.21
CZ	LOW	0.24	0.22	0.25
DK	LOW	0.27	0.11	0.36
DE	LOW	0.16	0.23	0.12
EE	LOW	0.30	0.18	0.36
IE	LOW	0.13	0.00	0.21
EL	LOW	0.31	0.24	0.35
ES	LOW	0.41	0.57	0.33
FR	LOW	0.38	0.57	0.28
HR	LOW	0.21	0.00	0.33
IT	LOW	0.35	0.69	0.18
CY	LOW	0.32	0.11	0.44
LV	LOW	0.31	0.22	0.37
LT	LOW	0.27	0.12	0.35
LU	LOW	0.19	0.18	0.20
HU	LOW	0.46	0.41	0.48
MT	LOW	0.17	0.22	0.14
NL	LOW	0.12	0.00	0.18
AT	LOW	0.09	0.15	0.06
PL	LOW	0.39	0.28	0.45
PT	LOW	0.32	0.31	0.33
RO	LOW	0.31	0.22	0.37
SI	LOW	0.20	0.29	0.14
SK	LOW	0.38	0.28	0.44
FI	LOW	0.20	0.15	0.23
SE	LOW	0.12	0.00	0.19
Thresholds		0.46	0.36	0.49

The thresholds have been derived using the signalling approach described in Chapter I.1 and Box I.1.1.  
**Source:** Commission services.

Table A7.2: Fiscal variables used in the S0 indicator (2023)

	Headline balance (%GDP)	Primary balance (%GDP)	Cycl. adj. balance (%GDP)	Stabil. primary balance (%GDP)	Gross debt (%GDP)	Change gross debt (%GDP)	Short-term debt (%GDP)	Net debt (%GDP)	Gross financing needs (%GDP)	Interest-rate growth differential	Change in govt. expend. (%GDP)	Change in govt. consump. (%GDP)
BE	-4.9	-3.1	-4.9	-3.3	106.3	1.9	8.7	92.9	18.2	-3.4	1.8	0.5
BG	-3.0	-2.5	-3.3	-1.8	23.5	0.9	0.0	11.4	4.6	-8.7	-0.8	0.2
CZ	-3.8	-2.4	-2.9	-2.4	44.7	0.6	2.5	31.2	8.2	-5.8	1.0	0.2
DK	2.6	3.2	3.0	1.0	30.3	0.5	3.0	3.1	5.3	3.3	2.1	1.4
DE	-2.2	-1.4	-1.7	-2.9	64.8	-1.3	7.2	46.5	16.3	-4.6	-1.3	-0.5
EE	-2.9	-2.4	-0.7	-0.6	19.2	0.7	1.3	8.0	3.0	-3.4	3.0	2.0
IE	0.9	1.6	-0.2	-1.1	43.0	-1.4	5.3	35.5	2.7	-2.6	0.8	0.2
EL	-2.3	1.1	-2.5	-8.9	160.9	-11.7	11.5	:	14.5	-5.6	-2.4	-0.1
ES	-4.1	-1.6	-4.5	-5.6	107.5	-4.1	5.7	93.9	19.6	-5.4	-0.5	-0.3
FR	-4.8	-3.1	-4.8	-5.3	109.6	-2.2	9.3	99.6	21.3	-5.1	-1.8	-0.6
HR	-0.1	1.0	-1.1	-6.2	60.8	-7.4	3.0	49.8	9.0	-10.3	0.6	0.3
IT	-5.3	-1.4	-6.0	-3.7	139.8	-1.8	18.6	132.6	25.2	-2.8	-3.0	-0.6
CY	2.3	3.7	1.3	-5.1	78.4	-7.1	1.1	43.1	4.9	-6.4	1.3	0.9
LV	-3.2	-2.5	-2.7	-2.1	41.7	0.7	0.6	32.3	7.1	-5.5	0.4	0.3
LT	-1.6	-1.1	-0.6	-2.5	37.3	-0.8	0.0	32.4	4.5	-7.2	1.7	0.7
LU	-1.9	-1.7	-0.8	-0.8	26.8	2.0	0.5	-3.6	6.2	-3.3	2.6	0.9
HU	-5.8	-1.4	-4.7	-4.7	69.9	-4.0	7.4	61.8	12.0	-7.3	-0.8	-0.3
MT	-5.1	-4.0	-4.5	-3.3	53.3	1.0	7.6	49.2	11.7	-6.8	0.0	-0.3
NL	-0.5	0.2	-0.5	-2.9	47.1	-3.0	5.5	40.6	8.0	-6.3	-0.3	0.1
AT	-2.6	-1.3	-2.3	-3.9	76.3	-2.1	5.6	56.2	15.9	-5.3	-1.7	-0.4
PL	-5.8	-3.8	-5.2	-2.9	50.9	1.6	0.8	39.1	10.4	-6.4	3.4	0.3
PT	0.8	2.8	0.0	-7.4	103.4	-9.0	19.6	102.9	7.6	-7.2	-1.6	-0.3
RO	-6.3	-4.6	-5.6	-4.0	47.9	0.7	2.9	40.1	12.2	-9.5	-0.2	-0.3
SI	-3.7	-2.5	-4.5	-5.4	69.3	-3.0	2.4	52.9	6.9	-8.2	0.7	-0.1
SK	-5.7	-4.7	-5.6	-5.0	56.7	-1.1	0.4	48.8	9.7	-9.7	5.6	0.0
FI	-2.4	-1.6	-1.5	-2.6	74.3	1.0	8.8	34.1	13.5	-3.8	1.2	0.5
SE	-0.2	0.4	0.3	-1.3	30.4	-2.5	9.3	7.1	4.3	-4.2	1.3	0.5

Note: The upper thresholds used for each variable have been derived using a signalling approach (see Chapter I.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 (2023)

	Yield curve	Real GDP growth (t-1)	GDP per capita (PPP, USD, t-1)	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	1.8	1.4	84.0	57.7	3.1	161.4	5.7	27.4	1.3	5.3	-0.7	-1.5	10.1
BG	:	2.0	44.0	-12.9	:	74.6	5.9	10.8	1.3	3.7	-0.8	11.4	23.6
CZ	-3.3	-0.4	62.1	-19.7	6.2	76.1	4.5	13.5	0.7	5.6	-2.3	-0.2	14.8
DK	1.2	1.2	95.9	58.2	3.2	188.0	13.1	40.9	4.2	5.3	10.0	4.8	7.2
DE	1.1	-0.3	79.9	70.2	6.4	118.4	6.7	18.2	1.4	5.7	6.3	-4.6	7.2
EE	2.6	-2.6	57.0	-20.2	-2.3	94.3	9.2	8.1	0.7	6.7	-1.7	1.7	19.0
IE	1.8	-0.9	157.3	-116.8	:	147.1	2.0	17.0	0.5	2.2	5.4	-15.8	-10.6
EL	4.0	2.4	48.0	-144.2	:	100.8	1.1	8.9	2.8	1.9	-7.7	9.9	3.5
ES	2.3	2.4	60.1	-60.2	1.7	123.5	0.3	7.3	2.6	5.4	0.7	-0.7	10.8
FR	1.7	1.0	70.4	-23.8	6.7	163.9	8.7	29.8	1.3	5.5	-1.2	0.9	11.1
HR	3.0	2.6	52.5	-25.4	0.6	79.3	6.0	4.4	2.1	5.5	-0.2	-8.3	11.0
IT	3.5	0.7	67.6	4.7	1.1	105.5	2.9	12.6	2.5	5.4	1.9	-5.5	4.9
CY	3.5	2.2	65.4	-96.2	0.2	213.4	-3.9	11.4	2.7	5.4	-8.7	-15.3	-1.2
LV	2.6	-0.2	50.1	-26.5	:	52.5	3.0	4.9	0.9	5.0	-2.7	3.1	16.7
LT	0.0	-0.4	60.6	-7.0	0.7	51.4	6.8	5.3	0.4	6.9	1.1	-4.9	27.7
LU	2.0	-0.6	174.7	47.0	:	325.5	-19.5	87.5	1.5	5.7	4.2	-5.0	13.2
HU	-4.3	-0.7	52.9	-50.8	4.6	78.8	9.2	12.6	1.6	6.3	-4.4	-6.5	23.1
MT	2.6	4.0	72.5	78.8	:	121.8	6.4	9.9	2.5	4.4	-0.8	-11.1	8.6
NL	1.4	0.6	89.8	75.2	6.2	210.1	6.9	33.5	1.3	4.7	5.6	2.1	9.8
AT	1.8	-0.5	85.5	17.6	5.2	121.9	5.0	11.0	1.8	7.3	1.3	-4.6	10.7
PL	-0.7	0.4	53.8	-33.4	-1.6	63.5	1.9	7.1	1.7	6.5	-0.7	0.8	16.9
PT	2.3	2.2	55.0	-83.6	-2.9	141.1	2.9	12.9	1.8	4.4	-1.0	-1.4	10.7
RO	1.1	2.2	54.3	-40.6	:	43.3	3.3	8.5	0.6	7.0	-7.2	0.8	10.4
SI	2.0	1.3	62.0	-1.5	:	66.0	5.2	8.3	1.7	6.8	3.6	-1.9	14.3
SK	2.3	1.3	47.5	-61.0	-1.5	92.7	9.3	11.6	1.2	6.7	-3.4	-2.3	13.3
FI	1.8	0.1	75.4	-1.7	-0.4	144.7	2.3	15.3	4.0	7.0	-0.9	2.0	8.6
SE	0.6	-0.5	82.0	34.8	6.7	207.3	10.6	41.7	14.2	6.6	5.6	-10.2	5.8

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 1.1). (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 (2022)

	1. Short-term public debt (original maturity)	2. Public debt in foreign currency	3. Public debt held by non-residents
Shares of total debt (%):			
BE	8.3	0.0	55.4
BG	0.0	71.6	47.7
CZ	5.7	11.3	31.6
DK	10.1	2.5	25.0
DE	10.2	1.6	20.3
EE	7.0	0.0	73.6
IE	6.8	0.0	53.1
EL	6.6	0.0	78.2
ES	5.1	0.0	40.8
FR	8.3	0.0	47.3
HR	4.4	73.6	32.4
IT	13.1	0.1	26.8
CY	1.3	0.0	93.2
LV	1.3	0.0	64.0
LT	0.0	0.0	61.4
LU	2.1	0.0	52.1
HU	9.9	28.5	34.1
MT	10.3	0.0	22.0
NL	11.0	0.0	39.7
AT	7.1	0.3	61.4
PL	1.8	24.2	35.7
PT	17.5	0.0	44.7
RO	6.1	53.8	49.6
SI	3.4	0.1	54.8
SK	0.7	0.0	48.0
FI	12.1	3.9	49.4
SE	27.8	11.1	14.9

(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	5.7	100.5	1.1	-0.2	47.4	5.6
BG	5.9	73.9	2.1	-1.4	64.8	13.8
CZ	4.5	81.2	1.1	-0.1	53.3	16.9
DK	13.1	302.5	1.3	-0.2	28.9	-0.5
DE	6.7	122.9	1.1	0.1	33.0	5.3
EE	9.2	100.8	0.6	-0.1	31.3	22.2
IE	2.0	70.5	1.8	-0.6	30.7	12.3
EL	1.1	59.6	4.6	-0.6	43.0	11.1
ES	0.3	101.8	2.8	0.0	42.8	7.4
FR	8.7	107.8	1.9	0.1	45.6	6.3
HR	6.0	64.5	2.1	-0.8	67.8	14.9
IT	2.9	92.8	2.4	-0.2	54.1	3.8
CY	-3.9	49.5	2.8	-0.7	34.2	2.7
LV	3.0	71.9	0.5	-0.1	36.8	13.8
LT	6.8	45.2	0.6	-0.4	40.4	19.0
LU	-19.5	147.4	1.4	0.1	40.6	9.6
HU	9.2	80.7	3.1	-0.6	57.7	22.3
MT	6.4	56.4	2.3	-0.3	31.3	6.7
NL	6.9	111.2	1.3	0.0	25.9	13.4
AT	5.0	98.8	1.8	0.0	47.8	11.4
PL	2.0	72.4	4.4	0.1	63.5	11.8
PT	2.9	73.3	3.0	-0.3	59.1	12.6
RO	3.3	61.3	2.5	-0.5	67.4	7.2
SI	5.2	66.4	1.6	-0.6	56.2	14.8
SK	9.3	112.7	1.6	0.1	56.8	13.7
FI	2.3	173.3	1.0	0.0	28.7	1.2
SE	10.3	176.0	0.2	0.0	34.8	3.6

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 A2 and Chapter I.4).  
**Source:** Eurostat (2022– for private sector credit flows and change in house price nominal index), EBA (June 2023 – for other variables reported).

Table A7.6: 10-y sovereign yield spreads vs. German bund (bps., Dec. 2023)

BE	60
BG	191
CZ	187
DK	18
DE	0
EE	111
IE	36
EL	118
ES	102
FR	55
HR	129
IT	172
CY	113
LV	139
LT	78
LU	43
HU	407
MT	121
NL	32
AT	58
PL	311
PT	76
RO	409
SI	116
SK	121
FI	58
SE	11

(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 RISKS**



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
<b>Baseline (no-fiscal-policy-change scenario)</b>		HIGH	LOW	MEDIUM	LOW	LOW	LOW	LOW	HIGH	HIGH	HIGH	MEDIUM	HIGH	LOW	LOW	MEDIUM	LOW	MEDIUM	LOW	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	MEDIUM	HIGH	HIGH	LOW
	Debt level (2034)	122.8	45.4	47.2	7.7	64.0	22.8	30.8	116.4	118.4	130.1	61.1	164.4	38.1	55.2	52.8	36.6	62.2	59.3	53.4	80.7	77.1	83.0	92.3	74.4	115.2	94.6	13.2
	Debt peak year	2034	2034	2034	2023	2023	2030	2023	2023	2034	2034	2034	2034	2023	2034	2034	2034	2024	2034	2034	2034	2034	2023	2034	2034	2034	2034	2023
	Fiscal consolidation space (percentile rank of avg SPB 2024-2034)	100%	96%	26%	66%	79%	55%	57%	23%	75%	94%	51%	69%	20%	76%	43%	100%	47%	73%	94%	96%	77%	20%	78%	52%	96%	100%	65%
<b>Stochastic projections</b>		HIGH	MEDIUM	LOW	LOW	LOW	LOW	MEDIUM	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	LOW	LOW	LOW	MEDIUM	MEDIUM	LOW	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	LOW	HIGH	LOW	
	Probability of debt in 2028 > debt in 2023	64%	69%	47%	6%	33%	65%	30%	14%	51%	81%	39%	68%	9%	65%	65%	71%	40%	62%	48%	45%	95%	23%	85%	45%	99%	85%	5%
	Difference between the 10th and 90th percentile in 2028 (p.p. of GDP)	28.5	50.6	25.4	16.8	16.2	28.7	36.4	58.0	31.1	19.5	28.9	33.3	44.6	37.3	30.2	22.4	40.3	38.2	16.4	29.3	19.5	46.7	42.3	29.4	27.4	23.5	10.0
<b>'Historical SPB' scenario</b>		HIGH	LOW	MEDIUM	LOW	LOW	LOW	LOW	HIGH	HIGH	HIGH	LOW	HIGH	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	MEDIUM	HIGH	MEDIUM	MEDIUM	HIGH	MEDIUM	LOW
	Debt level (2034)	107.6	27.2	53.7	11.6	53.8	28.1	49.8	102.7	121.1	126.4	56.0	147.8	53.3	54.8	57.8	19.9	71.6	42.1	50.8	76.2	78.8	96.2	89.9	77.4	90.6	87.1	17.3
	Debt peak year	2034	2029	2034	2023	2023	2034	2034	2023	2034	2034	2023	2034	2023	2034	2034	2026	2024	2025	2034	2023	2034	2023	2034	2034	2034	2034	2023
	Fiscal consolidation space (percentile rank of avg SPB 2024-2034)	86%	84%	29%	72%	53%	64%	76%	21%	78%	91%	44%	52%	29%	74%	60%	81%	52%	56%	88%	91%	79%	43%	77%	63%	55%	96%	69%
<b>'Adverse r-g' scenario</b>		HIGH	LOW	MEDIUM	LOW	MEDIUM	LOW	LOW	HIGH	HIGH	HIGH	MEDIUM	HIGH	LOW	LOW	MEDIUM	LOW	MEDIUM	MEDIUM	LOW	MEDIUM	MEDIUM	HIGH	HIGH	MEDIUM	HIGH	HIGH	LOW
	Debt level (2034)	131.7	48.3	51.1	9.2	69.4	24.5	33.3	126.0	128.0	140.4	66.1	178.8	42.0	59.4	56.4	39.3	67.8	63.6	57.4	87.1	82.8	90.3	98.6	79.4	122.3	101.2	14.7
	Debt peak year	2034	2034	2034	2023	2034	2031	2023	2023	2034	2034	2034	2034	2023	2034	2034	2034	2024	2034	2034	2034	2034	2023	2034	2034	2034	2034	2023
	Fiscal consolidation space (percentile rank of avg SPB 2024-2034)	100%	96%	26%	66%	79%	55%	57%	23%	75%	94%	51%	69%	20%	76%	43%	100%	47%	73%	94%	96%	77%	20%	78%	52%	96%	100%	65%
<b>'Financial stress' scenario</b>		HIGH	LOW	MEDIUM	LOW	LOW	LOW	LOW	HIGH	HIGH	HIGH	MEDIUM	HIGH	LOW	LOW	MEDIUM	LOW	MEDIUM	LOW	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	MEDIUM	HIGH	HIGH	LOW
	Debt level (2034)	124.4	45.7	47.7	7.9	64.5	23.0	31.0	119.9	120.1	132.0	61.5	169.7	38.3	55.6	53.1	36.9	62.7	59.7	53.7	81.3	77.6	84.0	92.8	74.8	115.7	95.1	13.3
	Debt peak year	2034	2034	2034	2023	2023	2030	2023	2023	2034	2034	2034	2034	2023	2034	2034	2034	2024	2034	2034	2034	2034	2023	2034	2034	2034	2034	2023
	Fiscal consolidation space (percentile rank of avg SPB 2024-2034)	100%	96%	26%	66%	79%	55%	57%	23%	75%	94%	51%	69%	20%	76%	43%	100%	47%	73%	94%	96%	77%	20%	78%	52%	96%	100%	65%
<b>'Lower SPB' scenario</b>		HIGH	LOW	MEDIUM	LOW	MEDIUM	LOW	LOW	HIGH	HIGH	HIGH	MEDIUM	HIGH	LOW	LOW	MEDIUM	LOW	LOW	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	MEDIUM	HIGH	HIGH	LOW
	Debt level (2034)	124.8	46.0	55.0	13.7	67.3	23.9	32.2	120.8	124.0	133.1	67.6	171.8	42.1	56.7	55.2	36.7	69.5	62.8	56.9	82.9	84.5	83.8	98.1	81.3	118.0	96.2	16.2
	Debt peak year	2034	2034	2034	2023	2034	2031	2023	2023	2034	2034	2034	2034	2023	2034	2034	2034	2024	2034	2034	2034	2034	2023	2034	2034	2034	2034	2023
	Fiscal consolidation space (percentile rank of avg SPB 2024-2034)	100%	97%	29%	74%	87%	56%	59%	24%	84%	95%	54%	73%	22%	78%	46%	100%	50%	76%	100%	97%	90%	21%	84%	73%	100%	100%	67%
<b>Overall MEDIUM-TERM risk category</b>		HIGH	MEDIUM	MEDIUM	LOW	MEDIUM	LOW	LOW	HIGH	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	LOW	MEDIUM	LOW	MEDIUM	MEDIUM	LOW	MEDIUM	MEDIUM	HIGH	HIGH	MEDIUM	HIGH	HIGH	LOW

(1) All the thresholds and decision trees used to derive the DSA risk assessment are presented in Annex A1.

Source: Commission services.

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

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>83.1</b>	<b>82.7</b>	<b>82.6</b>	<b>82.5</b>	<b>82.8</b>	<b>83.3</b>	<b>84.0</b>	<b>84.9</b>	<b>86.0</b>	<b>87.3</b>	<b>88.8</b>	<b>90.4</b>
<i>of which</i>												
<i>Outstanding (non maturing) debt</i>	65.0	65.1	64.8	65.0	65.0	65.3	65.7	66.3	67.0	67.8	68.8	70.0
<i>Rolled-over short-term debt</i>	8.0	8.0	7.9	7.9	7.8	7.8	7.8	7.8	7.9	7.9	8.0	8.2
<i>Rolled-over long-term debt</i>	6.5	6.5	6.5	6.6	6.6	6.7	6.7	6.8	6.9	7.0	7.2	7.3
<i>New short-term debt</i>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5
<i>New long-term debt</i>	3.2	2.9	3.1	2.8	3.1	3.3	3.4	3.6	3.9	4.1	4.3	4.5
<b>Change in the debt ratio (-1+2+3)</b>	<b>-1.8</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>
<b>of which (1) Overall primary balance (1.1+1.2+1.3)</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.4</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.6</b>
(1.1.1) Structural primary balance (before CoA)	-1.4	-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			0.1	0.1	0.3	0.4	0.4	0.5	0.6	0.8	0.9	1.0
(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
<b>(1.2) Cyclical component</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (interest-growth rate differential) (2.1+2.2+2.3)</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-1.6</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.2</b>
(2.1) Interest expenditure	1.6	1.8	1.9	2.0	2.2	2.3	2.4	2.6	2.7	2.8	2.9	3.1
(2.2) Growth effect (real)	-0.5	-1.0	-1.4	-1.0	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9
(2.3) Inflation effect	-4.9	-2.6	-2.0	-2.1	-2.1	-2.1	-2.2	-2.2	-2.3	-2.4	-2.4	-2.4
<b>(3) Stock-flow adjustment</b>	<b>0.5</b>	<b>0.4</b>	<b>0.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
<b>PM : Structural balance</b>	<b>-3.1</b>	<b>-2.6</b>	<b>-2.8</b>	<b>-3.0</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-3.7</b>	<b>-3.9</b>	<b>-4.2</b>	<b>-4.4</b>	<b>-4.7</b>	<b>-4.9</b>
<b>Key macroeconomic assumptions</b>												
Actual GDP growth (real)	0.6	1.3	1.8	1.3	1.1	1.1	1.0	1.0	1.0	0.9	0.9	1.0
Potential GDP growth (real)	1.5	1.5	1.4	1.2	1.1	1.1	1.0	1.0	1.0	0.9	0.9	1.0
Inflation (GDP deflator)	6.2	3.2	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.9	2.8
Implicit interest rate (nominal)	2.1	2.2	2.4	2.6	2.7	2.9	3.0	3.2	3.3	3.4	3.5	3.6

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)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>90.4</b>	<b>89.7</b>	<b>89.5</b>	<b>89.5</b>	<b>89.9</b>	<b>90.5</b>	<b>91.3</b>	<b>92.2</b>	<b>93.4</b>	<b>94.9</b>	<b>96.5</b>	<b>98.2</b>
<i>of which</i>												
<i>Outstanding (non maturing) debt</i>	70.6	70.5	70.1	70.2	70.3	70.5	71.0	71.6	72.3	73.2	74.3	75.6
<i>Rolled-over short-term debt</i>	9.0	9.0	8.9	8.9	8.9	9.0	9.0	9.1	9.2	9.3	9.4	9.6
<i>Rolled-over long-term debt</i>	7.3	7.2	7.2	7.3	7.2	7.3	7.4	7.4	7.6	7.7	7.8	7.9
<i>New short-term debt</i>	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5
<i>New long-term debt</i>	3.2	2.7	3.0	2.8	3.1	3.3	3.5	3.7	3.9	4.2	4.4	4.6
<b>Change in the debt ratio (-1+2+3)</b>	<b>-2.1</b>	<b>-0.7</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>
<b>of which (1) Overall primary balance (1.1+1.2+1.3)</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.8</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.5</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.8</b>
(1.1.1) Structural primary balance (before CoA)	-1.5	-0.9	-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			0.1	0.1	0.3	0.3	0.4	0.5	0.7	0.8	0.9	1.0
(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
<b>(1.2) Cyclical component</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (interest-growth rate differential) (2.1+2.2+2.3)</b>	<b>-4.1</b>	<b>-2.0</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>
(2.1) Interest expenditure	1.6	1.7	1.8	2.0	2.1	2.3	2.4	2.6	2.7	2.8	3.0	3.1
(2.2) Growth effect (real)	-0.5	-1.0	-1.4	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-0.8
(2.3) Inflation effect	-5.1	-2.6	-2.1	-2.2	-2.2	-2.2	-2.3	-2.4	-2.4	-2.5	-2.6	-2.6
<b>(3) Stock-flow adjustment</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>PM : Structural balance</b>	<b>-3.2</b>	<b>-2.8</b>	<b>-2.9</b>	<b>-3.2</b>	<b>-3.4</b>	<b>-3.6</b>	<b>-3.8</b>	<b>-4.1</b>	<b>-4.3</b>	<b>-4.6</b>	<b>-4.9</b>	<b>-5.1</b>
<b>Key macroeconomic assumptions</b>												
Actual GDP growth (real)	0.6	1.2	1.6	1.1	0.9	0.9	0.9	0.9	0.8	0.8	0.7	0.9
Potential GDP growth (real)	1.4	1.4	1.3	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.9
Inflation (GDP deflator)	5.9	3.0	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.8	2.8
Implicit interest rate (nominal)	1.8	2.0	2.1	2.3	2.5	2.6	2.8	2.9	3.0	3.2	3.3	3.4

Note: Given that the drivers of the change in the government debt ratio for the euro area 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 assumptions (% of GDP) under the baseline**

	Baseline				
	Debt			SPB	
	2024	2034	Peak year	Avg. 2024-34	Perc. rank
BE	106.4	122.8	2034	-2.4	100%
BG	24.3	45.4	2034	-2.7	96%
CZ	45.5	47.2	2034	-0.1	26%
DK	28.4	7.7	2023	2.9	66%
DE	63.6	64.0	2023	-0.2	79%
EE	20.5	22.8	2030	0.0	55%
IE	41.4	30.8	2023	0.8	57%
EL	151.9	116.4	2023	2.0	23%
ES	106.5	118.4	2034	-1.0	75%
FR	109.5	130.1	2034	-2.4	94%
HR	58.8	61.1	2034	-1.2	51%
IT	140.6	164.4	2034	-0.9	69%
CY	71.5	38.1	2023	3.4	20%
LV	42.3	55.2	2034	-1.7	76%
LT	38.3	52.8	2034	-0.5	43%
LU	28.7	36.6	2034	-0.6	100%
HU	71.7	62.2	2024	1.0	47%
MT	55.8	59.3	2034	-2.7	73%
NL	46.6	53.4	2034	-0.5	94%
AT	75.6	80.7	2034	-0.7	96%
PL	54.4	77.1	2034	-1.8	77%
PT	100.3	83.0	2023	2.1	20%
RO	48.9	92.3	2034	-3.0	78%
SI	68.4	74.4	2034	-1.1	52%
SK	59.9	115.2	2034	-5.1	96%
FI	76.9	94.6	2034	-1.0	100%
SE	30.1	13.2	2023	1.5	65%
EU	82.7	90.4	2034	-0.8	86%
EA	89.7	98.2	2034	-0.9	83%

Source: Commission services.

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

	Historical SPB scenario						
	Debt			SPB			
	2024	2034	Peak year	Avg. 2024-34	Perc. rank	Diff. with baseline	Avg. 2008-22
BE	106.4	107.6	2034	-0.9	86%	1.5	-0.4
BG	24.3	27.2	2029	-1.0	84%	1.7	-0.5
CZ	45.5	53.7	2034	-0.7	29%	-0.6	-0.9
DK	28.4	11.6	2023	2.5	72%	-0.3	2.4
DE	63.6	53.8	2023	0.8	53%	1.0	1.1
EE	20.5	28.1	2034	-0.4	64%	-0.4	-0.5
IE	41.4	49.8	2034	-1.2	76%	-2.0	-1.8
EL	151.9	102.7	2023	3.3	21%	1.2	3.6
ES	106.5	121.1	2034	-1.3	78%	-0.3	-1.3
FR	109.5	126.4	2034	-2.1	91%	0.3	-2.0
HR	58.8	56.0	2023	-0.7	44%	0.5	-0.6
IT	140.6	147.8	2034	0.6	52%	1.5	1.0
CY	71.5	53.3	2023	1.9	29%	-1.5	1.4
LV	42.3	54.8	2034	-1.7	74%	0.0	-1.6
LT	38.3	57.8	2034	-1.0	60%	-0.4	-1.1
LU	28.7	19.9	2026	1.2	81%	1.8	1.7
HU	71.7	71.6	2024	0.1	52%	-0.9	-0.1
MT	55.8	42.1	2025	-0.8	56%	1.9	-0.3
NL	46.6	50.8	2034	-0.2	88%	0.3	-0.1
AT	75.6	76.2	2023	-0.2	91%	0.5	-0.1
PL	54.4	78.8	2034	-1.9	79%	-0.2	-2.0
PT	100.3	96.2	2023	0.8	43%	-1.3	0.4
RO	48.9	89.9	2034	-2.8	77%	0.2	-2.7
SI	68.4	77.4	2034	-1.4	63%	-0.3	-1.5
SK	59.9	90.6	2034	-2.7	55%	2.4	-2.0
FI	76.9	87.1	2034	-0.2	96%	0.8	0.1
SE	30.1	17.3	2023	1.2	69%	-0.3	1.1
EU	82.7	85.7	2034	-0.3	81%	0.5	-0.2
EA	89.7	92.1	2034	-0.3	75%	0.6	-0.1

Source: Commission services.

Table A7.12: **Gross government debt projections and underlying fiscal assumptions (% of GDP) under the 'lower SPB' scenario**

	Lower SPB scenario					
	Debt			SPB		
	2024	2034	Peak year	Avg. 2024-34	Perc. rank	Diff. with baseline in 2025
BE	106.4	124.8	2034	-2.6	100%	-0.2
BG	24.3	46.0	2034	-2.7	97%	-0.1
CZ	45.5	55.0	2034	-0.9	29%	-0.7
DK	28.4	13.7	2023	2.3	74%	-0.6
DE	63.6	67.3	2034	-0.6	87%	-0.3
EE	20.5	23.9	2031	-0.1	56%	-0.1
IE	41.4	32.2	2023	0.6	59%	-0.2
EL	151.9	120.8	2023	1.6	24%	-0.4
ES	106.5	124.0	2034	-1.5	84%	-0.5
FR	109.5	133.1	2034	-2.7	95%	-0.3
HR	58.8	67.6	2034	-1.8	54%	-0.6
IT	140.6	171.8	2034	-1.6	73%	-0.7
CY	71.5	42.1	2023	3.0	22%	-0.4
LV	42.3	56.7	2034	-1.8	78%	-0.1
LT	38.3	55.2	2034	-0.8	46%	-0.2
LU	28.7	36.7	2034	-0.6	100%	0.0
HU	71.7	69.5	2024	0.3	50%	-0.7
MT	55.8	62.8	2034	-3.1	76%	-0.4
NL	46.6	56.9	2034	-0.9	100%	-0.3
AT	75.6	82.9	2034	-0.9	97%	-0.2
PL	54.4	84.5	2034	-2.5	90%	-0.7
PT	100.3	83.8	2023	2.1	21%	-0.1
RO	48.9	98.1	2034	-3.5	84%	-0.5
SI	68.4	81.3	2034	-1.8	73%	-0.7
SK	59.9	118.0	2034	-5.4	100%	-0.3
FI	76.9	96.2	2034	-1.1	100%	-0.1
SE	30.1	16.2	2023	1.2	67%	-0.3
EU	82.7	94.6	2034	-1.2	92%	-0.4
EA	89.7	102.1	2034	-1.3	92%	-0.4

Source: Commission services.

Table A7.13: **Gross government debt projections (% of GDP) and underlying macro-financial assumptions under the 'adverse interest-growth rate differential (r-g)' scenario**

	Adverse 'r-g' scenario				
	Debt			r-g in 2034	
	2024	2034	Peak year	Baseline	Adverse 'r-g' scenario
BE	106.4	131.7	2034	-0.6	0.2
BG	24.3	48.3	2034	-0.2	0.7
CZ	45.5	51.1	2034	0.2	1.1
DK	28.4	9.2	2023	-1.7	-0.9
DE	63.6	69.4	2034	-0.9	0.1
EE	20.5	24.5	2031	-0.7	0.1
IE	41.4	33.3	2023	-1.7	-0.9
EL	151.9	126.0	2023	0.4	1.1
ES	106.5	128.0	2034	0.1	1.0
FR	109.5	140.4	2034	-0.1	0.8
HR	58.8	66.1	2034	-0.5	0.4
IT	140.6	178.8	2034	1.3	2.3
CY	71.5	42.0	2023	-1.1	-0.3
LV	42.3	59.4	2034	-0.6	0.3
LT	38.3	56.4	2034	-0.4	0.5
LU	28.7	39.3	2034	-1.5	-0.5
HU	71.7	67.8	2024	0.8	1.7
MT	55.8	63.6	2034	-2.5	-1.6
NL	46.6	57.4	2034	-1.0	-0.1
AT	75.6	87.1	2034	-0.7	0.2
PL	54.4	82.8	2034	0.3	1.2
PT	100.3	90.3	2023	-0.2	0.7
RO	48.9	98.6	2034	0.9	1.9
SI	68.4	79.4	2034	-1.3	-0.5
SK	59.9	122.3	2034	-0.5	0.4
FI	76.9	101.2	2034	-1.0	-0.2
SE	30.1	14.7	2023	-1.8	-1.3
EU	82.7	97.8	2034	-0.3	0.6
EA	89.7	106.3	2034	-0.3	0.6

Source: Commission services.

Table A7.14: **Gross government debt projections (% of GDP) and underlying financial assumptions under the 'financial stress' scenario**

	Financial stress scenario			Market interest rates: diff. with baseline in 2024
	Debt		Peak year	
	2024	2034		
BE	106.4	124.4	2034	2.0
BG	24.3	45.7	2034	1.0
CZ	45.5	47.7	2034	1.0
DK	28.4	7.9	2023	1.0
DE	63.6	64.5	2023	1.0
EE	20.5	23.0	2030	1.0
IE	41.4	31.0	2023	1.0
EL	151.9	119.9	2023	5.3
ES	106.5	120.1	2034	2.1
FR	109.5	132.0	2034	2.2
HR	58.8	61.5	2034	1.0
IT	140.6	169.7	2034	4.0
CY	71.5	38.3	2023	1.0
LV	42.3	55.6	2034	1.0
LT	38.3	53.1	2034	1.0
LU	28.7	36.9	2034	1.0
HU	71.7	62.7	2024	1.0
MT	55.8	59.7	2034	1.0
NL	46.6	53.7	2034	1.0
AT	75.6	81.3	2034	1.0
PL	54.4	77.6	2034	1.0
PT	100.3	84.0	2023	1.8
RO	48.9	92.8	2034	1.0
SI	68.4	74.8	2034	1.0
SK	59.9	115.7	2034	1.0
FI	76.9	95.1	2034	1.0
SE	30.1	13.3	2023	1.0
EU	82.7	91.8	2034	1.7
EA	89.7	99.9	2034	1.9

**Source:** Commission services.

### A7.3. LONG-TERM FISCAL SUSTAINABILITY RISKS

Table A7.15: **S2 baseline and alternative scenarios (by country in pps. of GDP)**

	Baseline	Non-demographic risk*	Lower productivity*	Historical SPB	Adverse 'r-g'
BE	6.7	9.0	7.3	4.8	6.7
BG	2.4	4.9	2.6	0.2	2.5
CZ	4.8	6.9	4.9	5.7	4.6
DK	-1.7	-0.6	-1.5	-1.3	-1.6
DE	2.0	3.6	2.1	0.7	2.3
EE	-0.4	5.0	-0.2	0.1	-0.1
IE	4.0	5.3	3.9	6.7	3.6
EL	-1.7	1.6	-0.8	0.0	-0.3
ES	5.9	8.6	6.6	6.4	6.2
FR	3.1	5.5	3.8	2.7	3.9
HR	0.7	2.7	1.0	0.2	1.2
IT	0.9	2.3	1.8	-1.0	2.7
CY	0.7	4.5	1.1	2.8	0.8
LV	1.3	4.0	1.6	1.3	1.8
LT	4.4	10.5	4.6	5.2	4.4
LU	8.6	10.1	8.5	6.4	7.2
HU	4.3	7.5	4.6	5.6	4.1
MT	9.4	12.5	9.2	7.2	8.0
NL	4.5	6.6	4.3	4.1	4.4
AT	3.3	5.3	3.5	2.8	3.6
PL	3.8	7.1	4.1	4.2	4.1
PT	-1.4	5.9	-0.4	0.3	-0.1
RO	3.7	6.8	4.3	3.6	4.6
SI	6.2	9.1	6.3	6.7	6.1
SK	9.9	13.6	10.2	7.0	9.9
FI	3.3	5.6	3.6	2.3	3.4
SE	-0.6	1.9	-0.7	-0.2	-0.6

(1) The lower and upper thresholds for S2 are 2 and 6 (see Chapter I.3).

**Source:** Commission services.



Table A7.16: **S1 indicator, baseline and alternative scenarios, by country (pps. of GDP)**

	Baseline	Non-demographic risk*	Lower productivity*	Historical SPB	Adverse 'r-g'
BE	5.3	6.5	5.7	3.7	5.8
BG	1.6	3.0	1.8	-0.5	2.0
CZ	3.0	4.2	3.2	4.1	3.2
DK	-2.7	-2.0	-2.6	-2.5	-2.3
DE	1.2	2.2	1.4	0.0	1.7
EE	-0.9	1.5	-0.7	-0.4	-0.5
IE	1.7	2.6	1.8	4.5	1.9
EL	0.3	1.5	0.8	-1.4	1.2
ES	5.4	6.8	5.8	6.3	5.9
FR	3.5	4.8	3.9	3.4	4.2
HR	0.5	1.7	0.7	-0.1	1.0
IT	3.4	4.2	3.9	1.8	4.5
CY	-0.4	1.0	-0.2	1.6	-0.1
LV	1.3	2.8	1.5	1.3	1.7
LT	3.3	6.2	3.4	4.2	3.5
LU	3.5	4.3	3.7	1.4	3.5
HU	2.5	4.0	2.7	3.9	2.8
MT	4.4	5.8	4.6	2.3	4.5
NL	2.8	4.0	2.8	2.6	3.1
AT	2.5	3.7	2.7	2.1	3.0
PL	3.2	4.9	3.5	3.9	3.7
PT	0.6	3.6	1.1	2.4	1.3
RO	4.7	6.3	5.0	5.0	5.2
SI	4.7	6.5	4.8	5.5	4.9
SK	8.7	10.6	8.9	6.3	8.9
FI	2.0	3.3	2.3	1.1	2.5
SE	-2.2	-1.0	-2.2	-1.9	-1.9

(1) The lower and upper thresholds for S1 are 2 and 6 pps. of GDP (see Chapter I.3).

**Source:** Commission services.



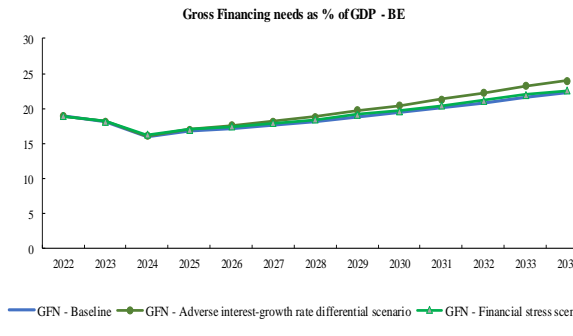
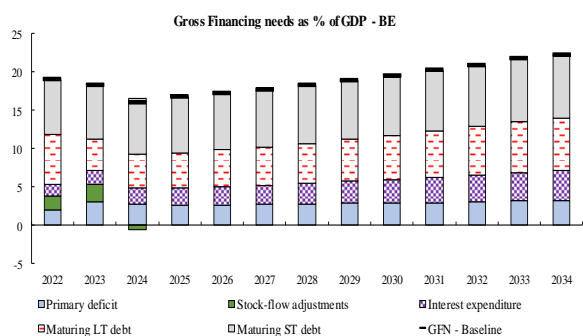
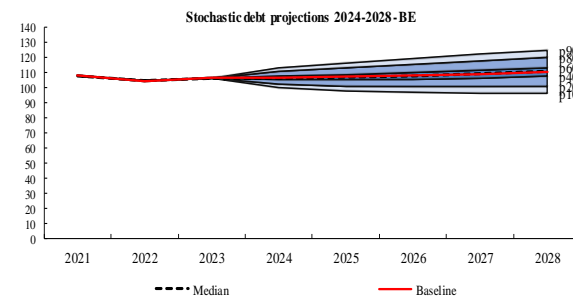
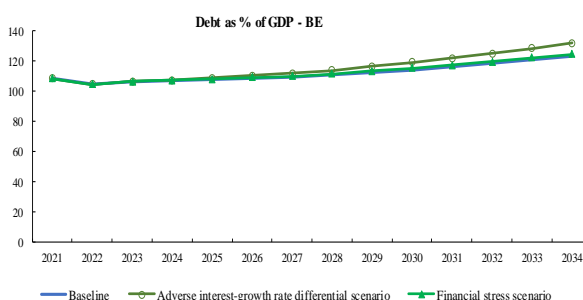
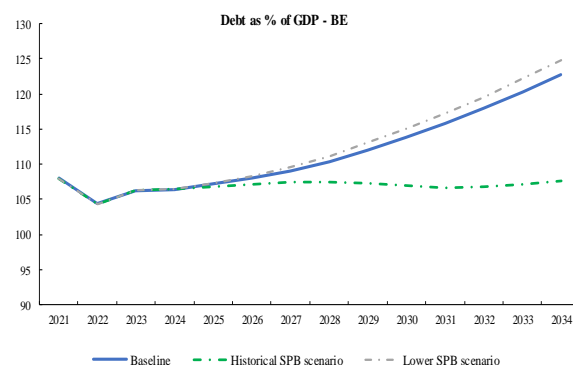
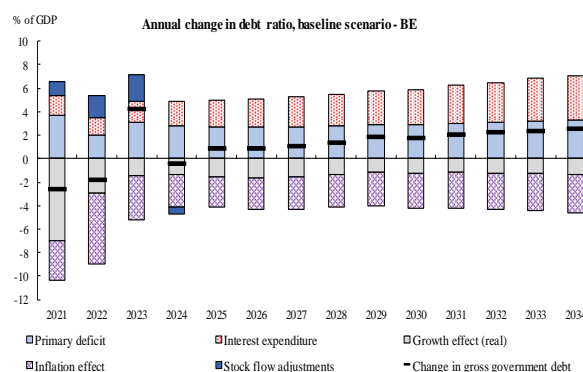
# ANNEX A8

## Country fiches tables and graphs

### Belgium

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

Belgium - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>108.0</b>	<b>104.3</b>	<b>106.3</b>	<b>106.4</b>	<b>107.2</b>	<b>108.0</b>	<b>109.0</b>	<b>110.3</b>	<b>112.1</b>	<b>113.8</b>	<b>115.8</b>	<b>118.0</b>	<b>120.3</b>	<b>122.8</b>
Changes in the ratio (-1+2+3) of which	-2.7	-1.8	4.2	-0.4	0.8	0.8	1.0	1.3	1.8	1.7	2.0	2.2	2.3	2.5
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-3.7</b>	<b>-2.0</b>	<b>-3.1</b>	<b>-2.8</b>	<b>-2.7</b>	<b>-2.7</b>	<b>-2.7</b>	<b>-2.8</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-3.0</b>	<b>-3.1</b>	<b>-3.2</b>	<b>-3.2</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-3.1</b>	<b>-2.3</b>	<b>-2.8</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.7</b>	<b>-2.8</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-3.0</b>	<b>-3.1</b>	<b>-3.2</b>	<b>-3.2</b>
(1.1.1) Structural primary balance (bef. CoA)	-3.1	-2.3	-2.8	-2.4	-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					-0.1	0.1	0.3	0.4	0.6	0.5	0.7	0.8	0.9	0.9
(1.1.3) Others (taxes and property incomes)					0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>(1.2) Cyclical component</b>	<b>-0.4</b>	<b>0.3</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-8.7</b>	<b>-7.4</b>	<b>-3.3</b>	<b>-2.1</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.5</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.8</b>
(2.1) Interest expenditure	1.7	1.5	1.9	2.1	2.2	2.4	2.5	2.7	2.9	3.0	3.2	3.4	3.6	3.8
(2.2) Growth effect	-6.9	-3.0	-1.4	-1.4	-1.6	-1.6	-1.6	-1.4	-1.2	-1.2	-1.2	-1.2	-1.2	-1.3
(2.3) Inflation effect	-3.4	-6.0	-3.8	-2.8	-2.6	-2.7	-2.7	-2.8	-2.9	-2.9	-3.0	-3.1	-3.2	-3.3
(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
<b>(3) Stock-flow adjustments</b>	<b>1.2</b>	<b>1.8</b>	<b>2.2</b>	<b>-0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.2	1.8	2.2	-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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-4.8	-3.8	-4.7	-4.5	-4.6	-4.9	-5.2	-5.5	-5.8	-5.9	-6.2	-6.5	-6.8	-7.1
Gross financing needs	18.5	18.9	18.2	15.9	16.7	17.1	17.6	18.2	18.9	19.4	20.1	20.8	21.6	22.2



## 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 (S1+S2)
				Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall		HIGH	HIGH	HIGH	HIGH	HIGH				
		Debt level (2034), % GDP		122.8	107.6	124.8	131.7	124.4				
		Debt peak year		2034	2034	2034	2034	2034				
		Fiscal consolidation space		100%	86%	100%	100%	100%				
		Probability of debt ratio exceeding in 2028 its 2023 level							64%			
		Difference between 90th and 10th percentiles (pps. GDP)						28.5				

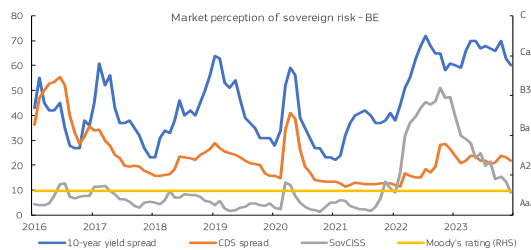
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.48	0.27
Fiscal sub-index	0.36	0.88	0.57
Financial competitiveness sub-index	0.49	0.27	0.12

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	6.7	6.7	7.3	9.0
of which				
Initial budgetary position	3.0	3.1	3.2	3.1
Ageing costs	3.7	3.6	4.1	5.9
of which				
Pensions	1.6	2.2	2.8	2.2
Health care	0.5	0.5	0.5	1.1
Long-term care	1.9	1.5	1.4	3.2
Others	-0.2	-0.7	-0.7	-0.7
Required structural primary balance related to S2	4.0	4.3	4.9	6.6

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	5.9	5.3	5.7	6.5
of which				
Initial budgetary position	2.1	2.2	2.4	2.2
Debt requirement	1.1	1.0	0.9	1.0
Ageing costs	2.7	2.1	2.4	3.4
of which				
Pensions	1.4	1.3	1.7	1.3
Health care	0.4	0.4	0.3	0.8
Long-term care	1.1	1.0	0.9	1.8
Others	-0.2	-0.6	-0.5	-0.6
Required structural primary balance related to S1	3.2	2.9	3.3	4.1

### 3. Financial information



Financial market information BE - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	60.0

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

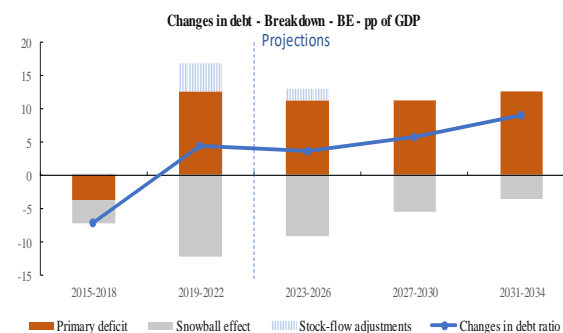
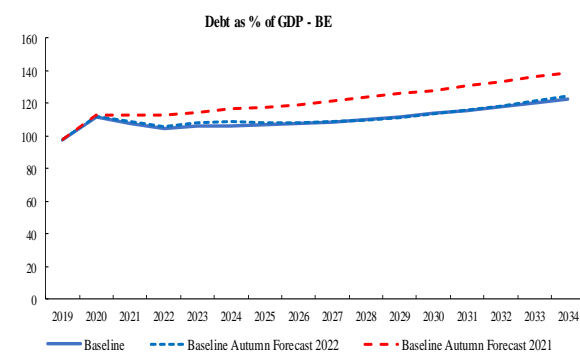
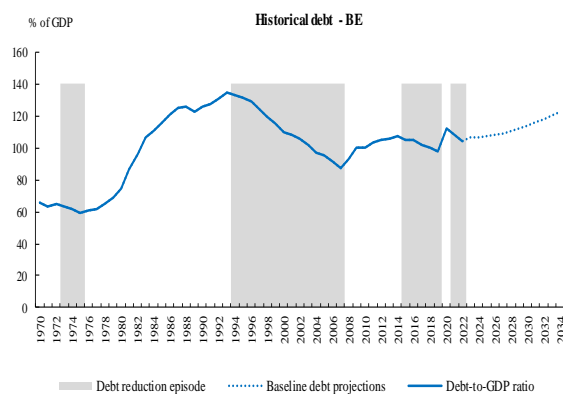
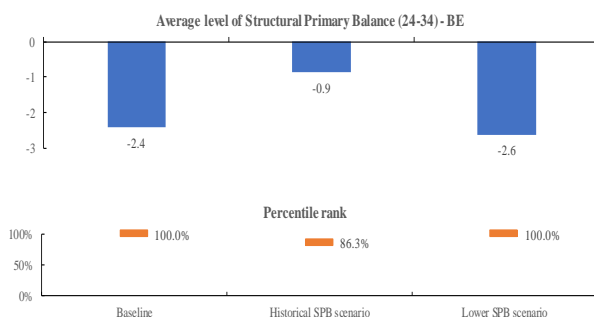
<b>Public debt structure - BE (2022)</b>	<b>Share of short-term government debt (%):</b> 8.3	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 55.4	<b>Net International Investment Position (IIP) - BE (2022)</b>	<b>Net IIP (% GDP):</b> 57.7
------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	---------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		BE							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		10.5	9.7	9.2	8.3	9.5	8.5	5.5	7.1
of which	One-off guarantees	10.1	9.3	8.8	7.9	9.0	7.9	5.1	5.6
	Standardised guarantees	0.4	0.4	0.4	0.4	0.5	0.6	0.5	1.5
Public-private partnerships (PPPs) (% GDP)		0.3	0.3	0.3	0.4	0.4	0.4	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	8.5	7.8	7.3	6.5	6.2	4.9	3.5	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	8.5	7.8	7.3	6.5	6.2	4.9	3.5	0.9

<b>Government's contingent liability risks from banking sector - BE (2022)</b>	<b>Private sector credit flow (% GDP):</b> 5.7	<b>Change in nominal house price index (p.p.):</b> 5.6	<b>Bank loans-to-deposits ratio (%):</b> 100.5	<b>Share of non-performing loans (%):</b> 1.1	<b>Change in share of non-performing loans (p.p.):</b> -0.2	<b>NPL coverage ratio (%):</b> 47.4	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b> Stress: 0.02% Severe Stress: 0.35%
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#### 6. Realism of baseline assumptions



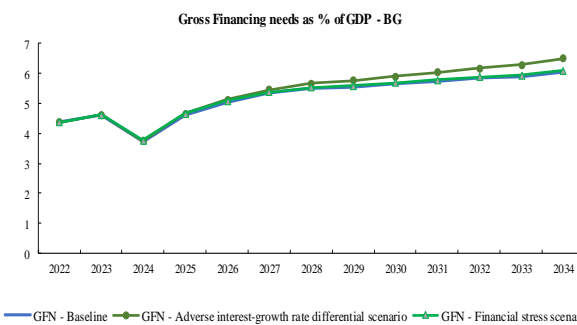
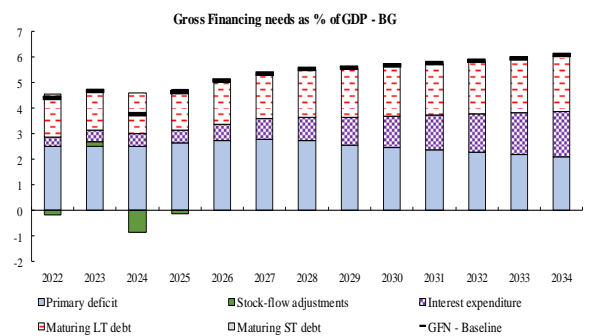
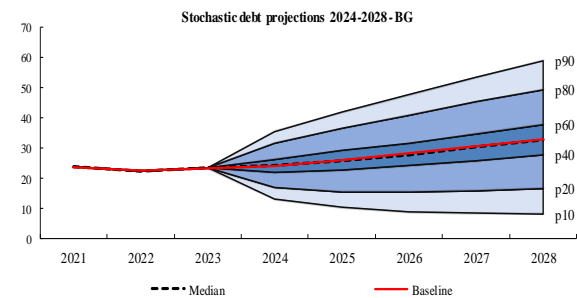
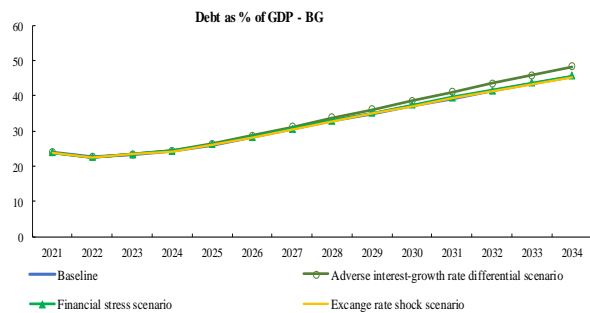
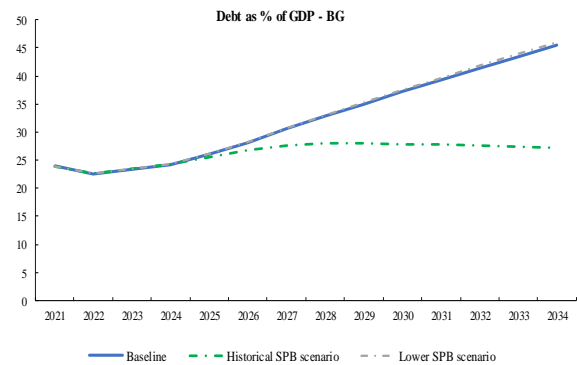
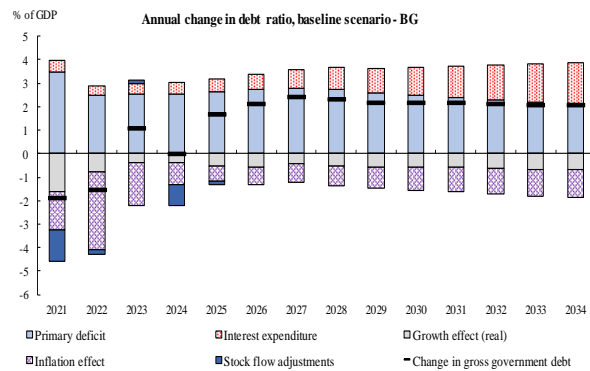
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Belgium	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	106.3	106.4	107.2	113.8	118.0	122.8	106.6	114.5	112.5
Primary balance	-3.1	-2.8	-2.7	-2.9	-3.1	-3.2	-2.9	-2.9	-2.9
Structural primary balance (before CoA)	-2.8	-2.4	-2.4	-2.4	-2.4	-2.4	-2.5	-2.4	-2.4
Real GDP growth	1.4	1.4	1.5	1.1	1.1	1.2	1.4	1.2	1.3
Potential GDP growth	1.9	1.7	1.6	1.1	1.1	1.2	1.8	1.2	1.3
Inflation rate	3.8	2.7	2.5	2.7	2.8	2.8	3.0	2.7	2.8
Implicit interest rate (nominal)	1.9	2.0	2.2	2.8	3.1	3.3	2.0	2.8	2.6
Gross financing needs	18.2	15.9	16.7	19.4	20.8	22.2	16.9	19.5	18.9
<b>2. Historical SPB scenario</b>									
Gross public debt	106.3	106.4	106.7	106.9	106.8	107.6	106.5	107.2	107.0
Primary balance	-3.1	-2.8	-2.2	-1.1	-1.1	-1.3	-2.7	-1.3	-1.7
Structural primary balance (before CoA)	-2.8	-2.4	-1.9	-0.4	-0.4	-0.4	-2.4	-0.6	-1.0
Real GDP growth	1.4	1.4	1.5	1.5	1.1	1.2	1.4	1.2	1.3
Gross financing needs	18.2	15.9	16.2	16.8	17.4	18.0	16.8	17.0	16.9
<b>3. Financial stress scenario</b>									
Gross public debt	106.3	106.8	107.7	115.1	119.4	124.4	106.9	115.7	113.5
Implicit interest rate (nominal)	1.9	2.4	2.4	2.9	3.2	3.4	2.2	2.9	2.8
Gross financing needs	18.2	16.2	17.0	19.7	21.2	22.5	17.1	19.8	19.2
<b>4. Lower SPB scenario</b>									
Gross public debt	106.3	106.4	107.4	115.0	119.6	124.8	106.7	115.7	113.4
Primary balance	-3.1	-2.9	-2.8	-3.1	-3.3	-3.5	-2.9	-3.1	-3.1
Structural primary balance (before CoA)	-2.8	-2.6	-2.6	-2.6	-2.6	-2.6	-2.7	-2.6	-2.6
Real GDP growth	1.4	1.5	1.5	1.1	1.1	1.2	1.5	1.2	1.3
Gross financing needs	18.2	16.0	16.9	19.7	21.3	22.7	17.0	19.9	19.2
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	106.3	107.0	108.5	118.8	124.8	131.7	107.3	119.6	116.5
Implicit interest rate (nominal)	1.9	2.1	2.3	3.1	3.4	3.7	2.1	3.1	2.8
Real GDP growth	1.4	0.9	1.0	0.6	0.6	0.7	1.1	0.7	0.8
Gross financing needs	18.2	16.0	17.0	20.4	22.2	24.0	17.1	20.6	19.7
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	106.3	106.4	107.2	113.8	118.0	122.8	106.6	114.5	112.5
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	18.2	15.9	16.7	19.4	20.8	22.2	16.9	19.5	18.9

# Bulgaria

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

Bulgaria - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>23.9</b>	<b>22.6</b>	<b>23.5</b>	<b>24.3</b>	<b>26.1</b>	<b>28.2</b>	<b>30.5</b>	<b>32.9</b>	<b>35.0</b>	<b>37.1</b>	<b>39.3</b>	<b>41.3</b>	<b>43.4</b>	<b>45.4</b>
Changes in the ratio (-1+2+3) of which	-1.9	-1.6	1.1	-0.1	1.7	2.1	2.4	2.3	2.2	2.1	2.1	2.1	2.0	2.0
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-3.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.6</b>	<b>-2.7</b>	<b>-2.8</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-2.1</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-3.5</b>	<b>-2.9</b>	<b>-2.8</b>	<b>-2.7</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-2.1</b>
(1.1.1) Structural primary balance (bef. CoA)	-3.5	-2.9	-2.8	-2.7	-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					0.2	0.2	0.2	0.1	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6
(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
<b>(1.2) Cyclical component</b>	<b>0.0</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-2.8</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.1</b>
(2.1) Interest expenditure	0.5	0.4	0.5	0.5	0.5	0.6	0.8	0.9	1.1	1.2	1.3	1.5	1.6	1.8
(2.2) Growth effect	-1.6	-0.8	-0.4	-0.4	-0.5	-0.6	-0.4	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7
(2.3) Inflation effect	-1.6	-3.3	-1.8	-0.9	-0.7	-0.7	-0.8	-0.8	-0.9	-1.0	-1.0	-1.1	-1.1	-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
<b>(3) Stock-flow adjustments</b>	<b>-1.3</b>	<b>-0.2</b>	<b>0.2</b>	<b>-0.9</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-1.3	-0.2	0.2	-0.9	-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
<b>Pro memoria</b>														
Structural balance	-4.0	-3.3	-3.2	-3.2	-3.4	-3.6	-3.6	-3.7	-3.6	-3.7	-3.7	-3.8	-3.8	-3.9
Gross financing needs	3.2	4.4	4.6	3.7	4.6	5.0	5.3	5.5	5.6	5.7	5.8	5.8	5.9	6.1







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

<b>Public debt structure - BG (2022)</b>	<b>Share of short-term government debt (%):</b> 0.0	<b>Share of government debt in foreign currency (%):</b> 71.6	<b>Share of government debt by non-residents (%):</b> 47.7
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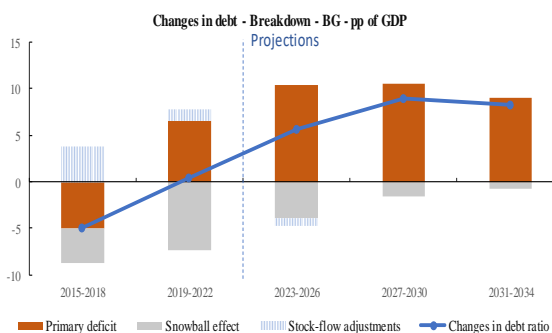
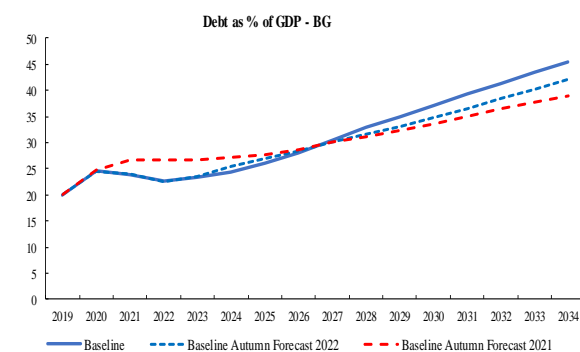
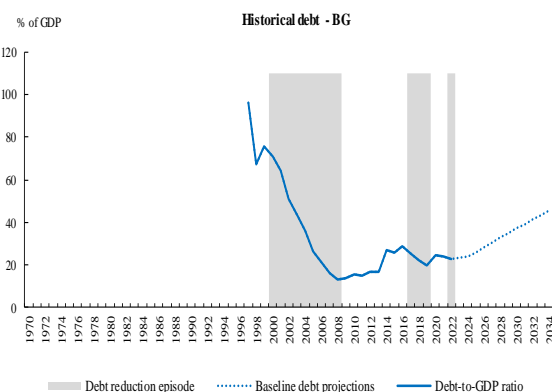
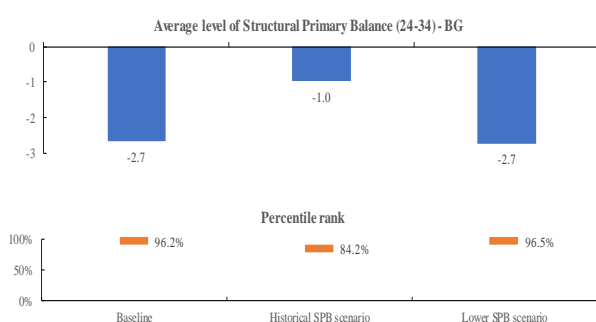
<b>Net International Investment Position (IIP) - BG (2022)</b>	<b>Net IIP (% GDP):</b> -12.9
----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		BG							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		0.4	0.3	0.2	0.1	0.2	0.4	0.4	7.1
<i>of which One-off guarantees</i>		0.3	0.2	0.1	0.1	0.2	0.4	0.3	5.6
<i>Standardised guarantees</i>		0.1	0.1	0.1	0.1	0.1	0.1	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - BG (2022)</b>	<b>Private sector credit flow (% GDP):</b> 5.9	<b>Change in nominal house price index (p.p.):</b> 13.8	<b>Bank loans-to-deposits ratio (%):</b> 73.9	<b>Share of non-performing loans (%):</b> 2.1	<b>Change in share of non-performing loans (p.p.):</b> -1.4	<b>NPL coverage ratio (%):</b> 64.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>
							Stress: 0.00% Severe Stress: 0.04%

#### 6. Realism of baseline assumptions



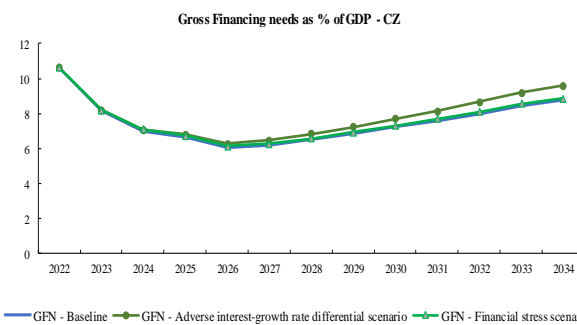
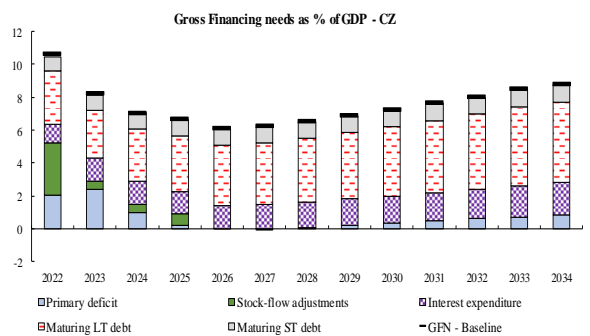
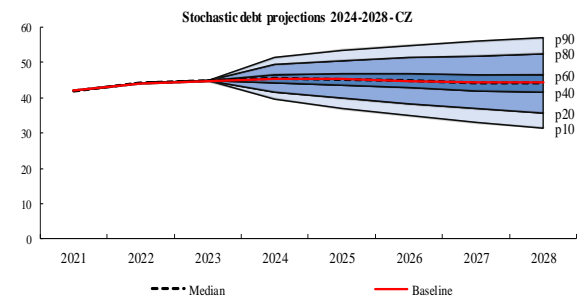
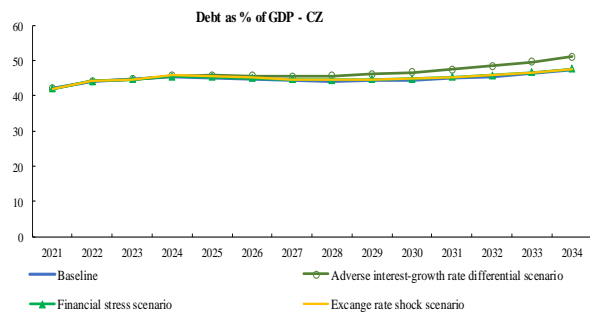
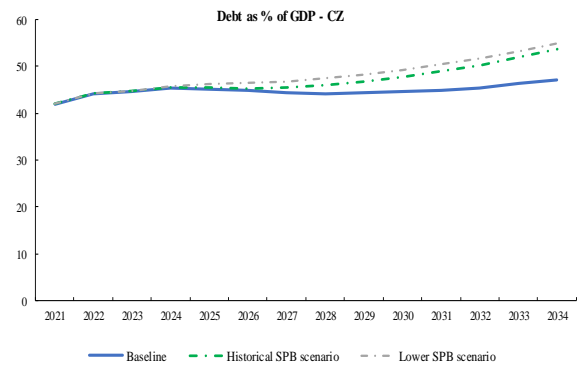
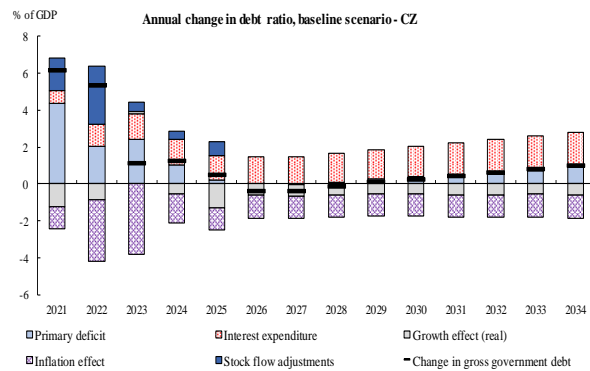
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Bulgaria	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	23.5	24.3	26.1	37.1	41.3	45.4	24.6	37.0	33.9
Primary balance	-2.5	-2.5	-2.6	-2.5	-2.3	-2.1	-2.6	-2.5	-2.5
Structural primary balance (before CoA)	-2.8	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7
Real GDP growth	2.0	1.8	2.3	1.8	1.7	1.6	2.0	1.8	1.8
Potential GDP growth	2.4	2.1	1.9	1.8	1.7	1.6	2.1	1.9	1.9
Inflation rate	8.8	4.1	2.8	2.8	2.8	2.8	5.3	2.8	3.4
Implicit interest rate (nominal)	2.2	2.2	2.2	3.6	4.0	4.2	2.2	3.5	3.2
Gross financing needs	4.6	3.7	4.6	5.7	5.8	6.1	4.3	5.6	5.3
<b>2. Historical SPB scenario</b>									
Gross public debt	23.5	24.3	25.5	27.9	27.6	27.2	24.4	27.6	26.8
Primary balance	-2.5	-2.5	-2.1	-0.3	-0.1	0.1	-2.4	-0.5	-1.0
Structural primary balance (before CoA)	-2.8	-2.7	-2.1	-0.5	-0.5	-0.5	-2.5	-0.7	-1.1
Real GDP growth	2.0	1.8	2.3	2.0	1.7	1.6	2.0	1.8	1.8
Gross financing needs	4.6	3.7	4.1	2.8	2.5	2.3	4.1	2.9	3.2
<b>3. Financial stress scenario</b>									
Gross public debt	23.5	24.3	26.2	37.4	41.6	45.7	24.7	37.2	34.1
Implicit interest rate (nominal)	2.2	2.4	2.4	3.7	4.0	4.3	2.4	3.6	3.3
Gross financing needs	4.6	3.8	4.7	5.7	5.9	6.1	4.3	5.7	5.3
<b>4. Lower SPB scenario</b>									
Gross public debt	23.5	24.3	26.2	37.5	41.8	46.0	24.7	37.3	34.2
Primary balance	-2.5	-2.6	-2.7	-2.5	-2.4	-2.2	-2.6	-2.5	-2.5
Structural primary balance (before CoA)	-2.8	-2.7	-2.7	-2.7	-2.7	-2.7	-2.8	-2.7	-2.7
Real GDP growth	2.0	1.8	2.3	1.8	1.7	1.6	2.0	1.8	1.8
Gross financing needs	4.6	3.8	4.7	5.7	5.9	6.2	4.4	5.7	5.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	23.5	24.4	26.4	38.6	43.5	48.3	24.8	38.6	35.1
Implicit interest rate (nominal)	2.2	2.3	2.4	4.0	4.4	4.7	2.3	3.9	3.5
Real GDP growth	2.0	1.3	1.8	1.3	1.2	1.1	1.7	1.3	1.4
Gross financing needs	4.6	3.8	4.7	5.9	6.2	6.5	4.4	5.9	5.5
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	23.5	24.3	26.1	37.2	41.4	45.4	24.6	37.0	33.9
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	4.6	3.7	4.6	5.7	5.8	6.1	4.3	5.6	5.3

# Czechia

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

Czechia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>42.0</b>	<b>44.2</b>	<b>44.7</b>	<b>45.5</b>	<b>45.2</b>	<b>44.8</b>	<b>44.4</b>	<b>44.2</b>	<b>44.3</b>	<b>44.5</b>	<b>44.9</b>	<b>45.5</b>	<b>46.3</b>	<b>47.2</b>
Changes in the ratio (-1+2+3) of which	6.1	5.3	1.1	1.2	0.4	-0.4	-0.4	-0.2	0.1	0.2	0.4	0.6	0.8	1.0
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.3</b>	<b>-2.1</b>	<b>-2.4</b>	<b>-1.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.9</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.0</b>	<b>-1.9</b>	<b>-1.6</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.9</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.0	-1.9	-1.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
(1.1.2) Cost of ageing					-0.2	-0.4	-0.3	-0.1	0.0	0.2	0.3	0.4	0.5	0.6
(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
<b>(1.2) Cyclical component</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-1.7</b>	<b>-3.0</b>	<b>-2.4</b>	<b>-0.8</b>	<b>-1.2</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
(2.1) Interest expenditure	0.8	1.1	1.3	1.4	1.3	1.4	1.5	1.5	1.6	1.6	1.7	1.8	1.9	1.9
(2.2) Growth effect	-1.3	-0.9	0.1	-0.6	-1.3	-0.6	-0.7	-0.6	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6
(2.3) Inflation effect	-1.2	-3.3	-3.8	-1.6	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.3
(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
<b>(3) Stock-flow adjustments</b>	<b>1.7</b>	<b>3.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.8	3.3	0.6	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	-0.1	-0.2	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-4.8	-3.1	-2.9	-1.5	-1.2	-1.2	-1.4	-1.6	-1.8	-2.0	-2.2	-2.4	-2.6	-2.8
Gross financing needs	10.9	10.6	8.2	7.0	6.7	6.1	6.2	6.5	6.9	7.2	7.6	8.0	8.5	8.8



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM	LOW			
		Debt level (2034), % GDP	47.2	53.7	55.0	51.1	47.7				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	26%	29%	29%	26%	26%				
		Probability of debt ratio exceeding in 2028 its 2023 level						47%			
		Difference between 90th and 10th percentiles (pps. GDP)						25.4			

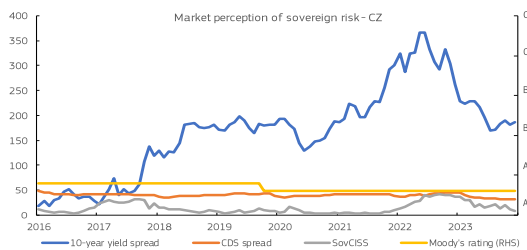
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.34	0.24
Fiscal sub-index	0.36	0.42	0.22
Financial competitiveness sub-index	0.49	0.31	0.25

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	5.5	4.8	4.9	6.9
<i>of which</i>				
Initial budgetary position	1.1	0.8	0.9	0.8
Ageing costs	4.4	4.0	4.0	6.1
<i>of which</i>				
Pensions	1.9	2.0	2.2	2.0
Health care	0.7	0.6	0.6	1.5
Long-term care	1.3	1.2	1.1	2.4
Others	0.4	0.1	0.1	0.1
Required structural primary balance related to S2	4.6	4.6	4.8	6.8

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.9	3.0	3.2	4.2
<i>of which</i>				
Initial budgetary position	0.9	0.4	0.5	0.4
Debt requirement	-0.3	-0.3	-0.3	-0.3
Ageing costs	3.3	2.9	3.0	4.1
<i>of which</i>				
Pensions	1.6	1.6	1.7	1.6
Health care	0.6	0.5	0.5	1.2
Long-term care	0.8	0.7	0.7	1.3
Others	0.3	0.1	0.1	0.1
Required structural primary balance related to S1	3.0	2.9	3.0	4.1

### 3. Financial information



Financial market information CZ - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	187.0

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

<b>Public debt structure - CZ (2022)</b>	<b>Share of short-term government debt (%):</b> 5.7	<b>Share of government debt in foreign currency (%):</b> 11.3	<b>Share of government debt by non-residents (%):</b> 31.6
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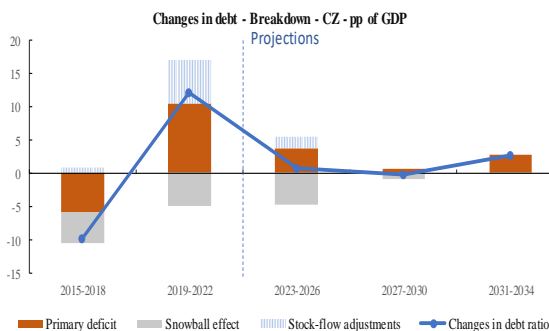
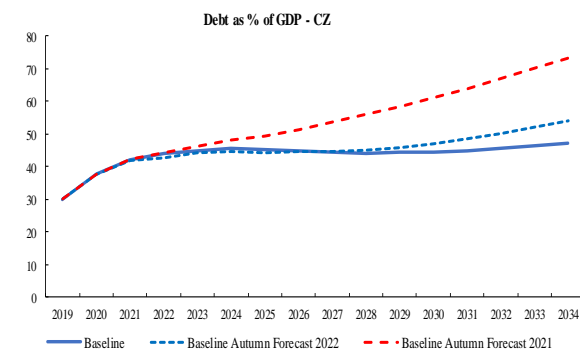
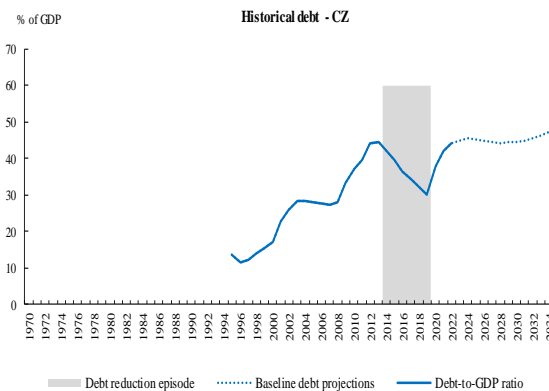
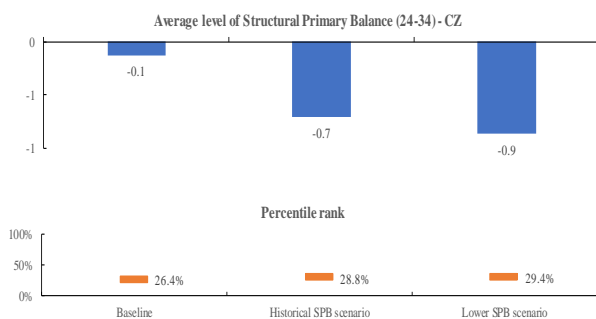
<b>Net International Investment Position (IIP) - CZ (2022)</b>	<b>Net IIP (% GDP):</b> -19.7
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		CZ							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		0.3	0.2	0.2	0.2	0.7	0.9	0.8	7.1
of which	One-off guarantees	0.3	0.2	0.2	0.2	0.7	0.9	0.8	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - CZ (2022)</b>	<b>Private sector credit flow (% GDP):</b> 4.5	<b>Change in nominal house price index (p.p.):</b> 16.9	<b>Bank loans-to-deposits ratio (%):</b> 81.2	<b>Share of non-performing loans (%):</b> 1.1	<b>Change in share of non-performing loans (p.p.):</b> -0.1	<b>NPL coverage ratio (%):</b> 53.3	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.01%	0.12%

#### 6. Realism of baseline assumptions

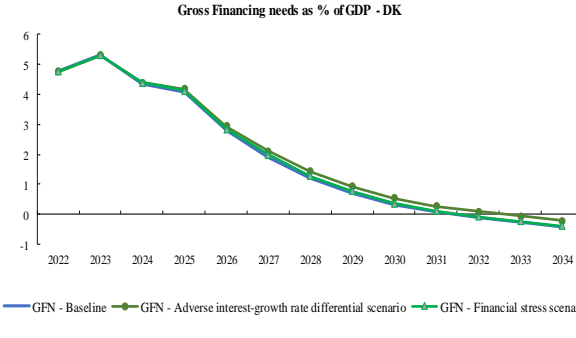
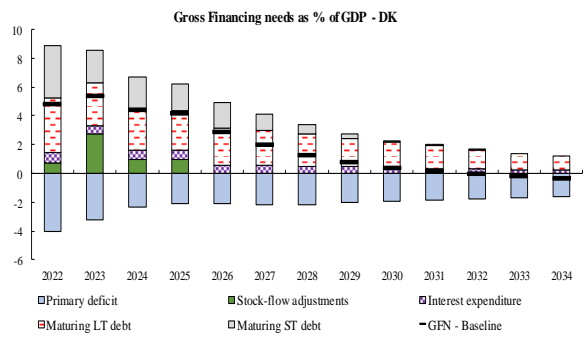
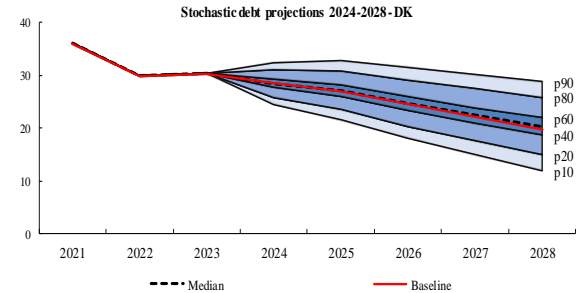
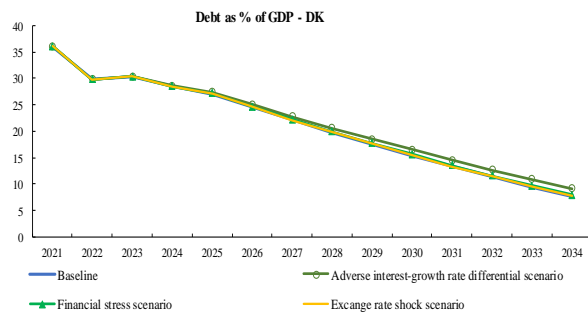
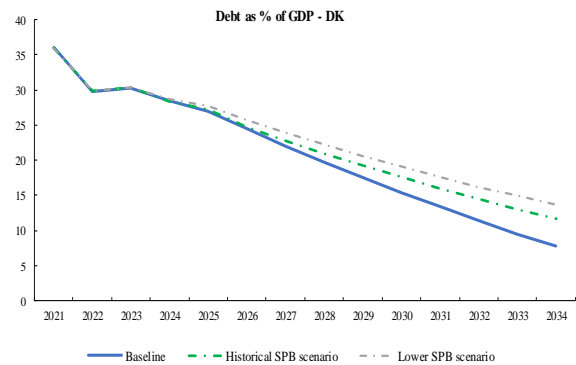
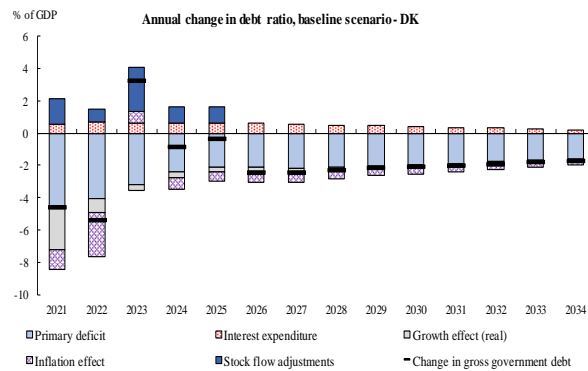


## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Czechia	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	44.7	45.5	45.2	44.5	45.5	47.2	45.2	45.1	45.2
Primary balance	-2.4	-1.0	-0.2	-0.4	-0.6	-0.9	-1.2	-0.4	-0.6
Structural primary balance (before CoA)	-1.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6	-0.1	-0.3
Real GDP growth	-0.4	1.4	3.0	1.3	1.3	1.4	1.3	1.4	1.4
Potential GDP growth	1.5	1.5	1.6	1.3	1.3	1.4	1.5	1.3	1.4
Inflation rate	9.5	3.6	2.7	2.8	2.8	2.8	5.3	2.8	3.4
Implicit interest rate (nominal)	3.3	3.2	3.1	3.9	4.1	4.3	3.2	3.8	3.7
Gross financing needs	8.2	7.0	6.7	7.2	8.0	8.8	7.3	7.3	7.3
<b>2. Historical SPB scenario</b>									
Gross public debt	44.7	45.5	45.4	47.8	50.4	53.7	45.2	48.5	47.7
Primary balance	-2.4	-1.0	-0.4	-1.1	-1.4	-1.6	-1.3	-1.1	-1.1
Structural primary balance (before CoA)	-1.6	-0.1	-0.3	-0.9	-0.9	-0.9	-0.7	-0.8	-0.8
Real GDP growth	-0.4	1.4	3.0	1.3	1.3	1.4	1.3	1.4	1.4
Gross financing needs	8.2	7.0	6.9	8.4	9.5	10.5	7.4	8.4	8.2
<b>3. Financial stress scenario</b>									
Gross public debt	44.7	45.6	45.4	44.9	45.9	47.7	45.2	45.5	45.4
Implicit interest rate (nominal)	3.3	3.4	3.2	3.9	4.2	4.4	3.3	3.9	3.8
Gross financing needs	8.2	7.1	6.7	7.3	8.1	8.9	7.3	7.4	7.4
<b>4. Lower SPB scenario</b>									
Gross public debt	44.7	45.8	46.2	49.2	51.7	55.0	45.6	49.8	48.8
Primary balance	-2.4	-1.5	-0.8	-1.1	-1.3	-1.6	-1.6	-1.1	-1.2
Structural primary balance (before CoA)	-1.6	-0.9	-0.9	-0.9	-0.9	-0.9	-1.1	-0.9	-0.9
Real GDP growth	-0.4	1.9	2.8	1.3	1.3	1.4	1.5	1.4	1.4
Gross financing needs	8.2	7.5	7.3	8.6	9.7	10.7	7.7	8.7	8.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	44.7	45.7	45.8	46.7	48.5	51.1	45.4	47.4	46.9
Implicit interest rate (nominal)	3.3	3.3	3.2	4.2	4.5	4.8	3.3	4.2	3.9
Real GDP growth	-0.4	0.9	2.5	0.8	0.8	0.9	1.0	0.9	0.9
Gross financing needs	8.2	7.1	6.8	7.7	8.6	9.6	7.4	7.8	7.7
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	44.7	45.8	45.6	44.9	45.9	47.6	45.4	45.5	45.5
Exchange rate depreciation	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.5%
Gross financing needs	8.2	7.0	6.7	7.3	8.1	8.8	7.3	7.3	7.3

# Denmark

1. General Government Debt and financing needs projections under baseline and alternative scenarios and stress tests														
Denmark - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>36.0</b>	<b>29.8</b>	<b>30.3</b>	<b>28.4</b>	<b>27.0</b>	<b>24.5</b>	<b>22.1</b>	<b>19.7</b>	<b>17.5</b>	<b>15.4</b>	<b>13.3</b>	<b>11.4</b>	<b>9.5</b>	<b>7.7</b>
Changes in the ratio (-1+2+3) of which	-4.6	-5.5	3.2	-0.9	-0.4	-2.5	-2.5	-2.3	-2.2	-2.1	-2.1	-2.0	-1.9	-1.8
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>4.6</b>	<b>4.1</b>	<b>3.2</b>	<b>2.4</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>4.9</b>	<b>4.1</b>	<b>4.1</b>	<b>2.9</b>	<b>2.8</b>	<b>2.6</b>	<b>2.3</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>
(1.1.1) Structural primary balance (bef. CoA)	4.9	4.1	4.1	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
(1.1.2) Cost of ageing					0.1	0.4	0.7	1.0	1.2	1.3	1.4	1.5	1.6	1.7
(1.1.3) Others (taxes and property incomes)					0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4
<b>(1.2) Cyclical component</b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.3</b>	<b>-2.9</b>	<b>1.0</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>
(2.1) Interest expenditure	0.6	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.2
(2.2) Growth effect	-2.6	-0.9	-0.3	-0.4	-0.3	-0.3	-0.3	-0.2	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1
(2.3) Inflation effect	-1.2	-2.7	0.8	-0.7	-0.6	-0.6	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	-0.3	-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
<b>(3) Stock-flow adjustments</b>	<b>1.6</b>	<b>0.7</b>	<b>2.7</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.6	0.7	2.7	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	4.4	3.4	3.5	2.3	2.2	2.0	1.8	1.6	1.6	1.6	1.5	1.5	1.4	1.4
Gross financing needs	7.7	4.8	5.3	4.3	4.1	2.8	1.9	1.2	0.7	0.3	0.1	-0.1	-0.3	-0.4



## 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	Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress	Stochastic projections	S2	S1	Overall (S1+S2)
LOW	LOW	Overall	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW
		Debt level (2034), % GDP	7.7	11.6	13.7	9.2	7.9				
		Debt peak year	2023	2023	2023	2023	2023				
		Fiscal consolidation space	66%	72%	74%	66%	66%				
		Probability of debt ratio exceeding in 2028 its 2023 level						6%			
Difference between 90th and 10th percentiles (pps. GDP)						16.8					

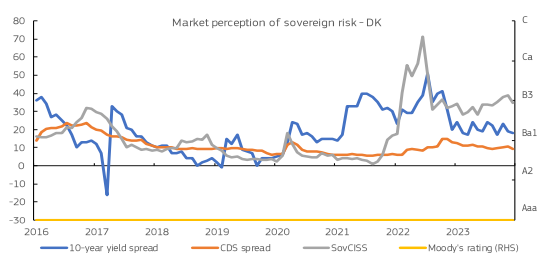
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.42	0.27
Fiscal sub-index	0.36	0.28	0.11
Financial competitiveness sub-index	0.49	0.50	0.36

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-0.1	-1.7	-1.5	-0.6
of which				
Initial budgetary position	-1.7	-2.5	-2.5	-2.5
Ageing costs	1.6	0.8	1.0	1.9
of which				
Pensions	-1.5	-2.1	-1.7	-2.0
Health care	0.6	0.7	0.6	1.4
Long-term care	2.8	2.8	2.7	3.1
Others	-0.3	-0.6	-0.6	-0.6
Required structural primary balance related to S2	1.6	1.2	1.4	2.3

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-1.7	-2.7	-2.6	-2.0
of which				
Initial budgetary position	-2.3	-2.9	-2.8	-2.9
Debt requirement	-0.7	-0.7	-0.6	-0.7
Ageing costs	1.2	0.8	0.9	1.5
of which				
Pensions	-1.1	-1.2	-1.0	-1.2
Health care	0.5	0.4	0.4	1.0
Long-term care	2.0	1.9	1.9	2.1
Others	-0.2	-0.4	-0.4	-0.4
Required structural primary balance related to S1	0.0	0.2	0.3	0.9

### 3. Financial information



Financial market information DK - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	18.0



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

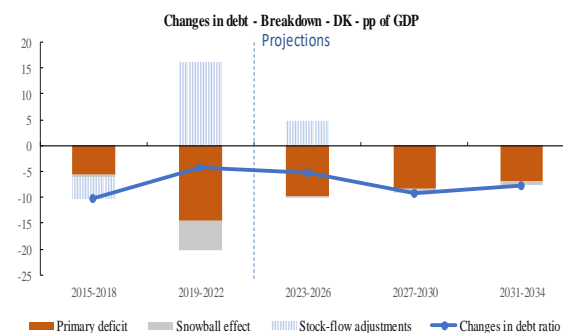
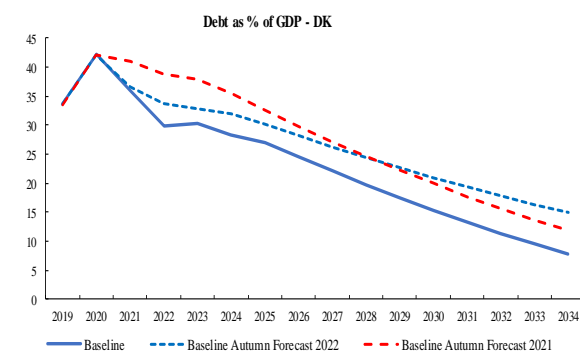
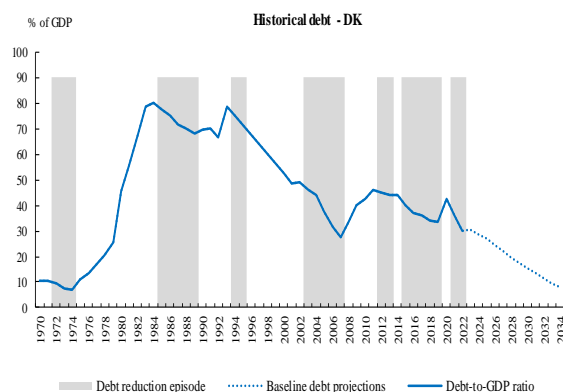
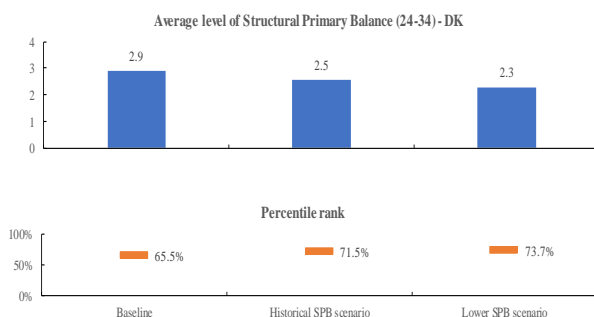
<b>Public debt structure - DK (2022)</b>	<b>Share of short-term government debt (%):</b> 10.1	<b>Share of government debt in foreign currency (%):</b> 2.5	<b>Share of government debt by non-residents (%):</b> 25.0	<b>Net International Investment Position (IIP) - DK (2022)</b>	<b>Net IIP (% GDP):</b> 58.2
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		DK							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		12.2	11.6	11.8	11.4	11.6	11.0	10.5	7.1
<i>of which One-off guarantees</i>		12.2	11.6	11.8	11.4	11.5	10.9	10.4	5.6
<i>Standardised guarantees</i>		0.0	0.0	0.0	0.0	0.1	0.1	0.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - DK (2022)</b>	<b>Private sector credit flow (% GDP):</b> 13.1	<b>Change in nominal house price index (p.p.):</b> -0.5	<b>Bank loans-to-deposits ratio (%):</b> 302.5	<b>Share of non-performing loans (%):</b> 1.3	<b>Change in share of non-performing loans (p.p.):</b> -0.2	<b>NPL coverage ratio (%):</b> 28.9	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>
							Stress: 0.08% Severe Stress: 0.25%

#### 6. Realism of baseline assumptions



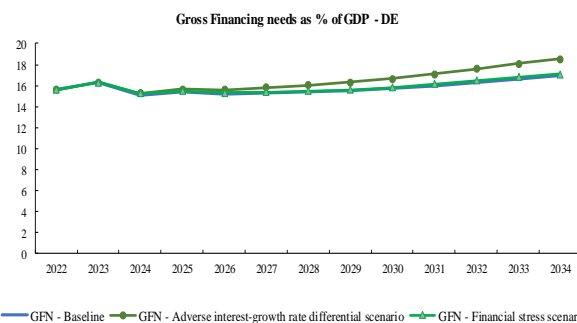
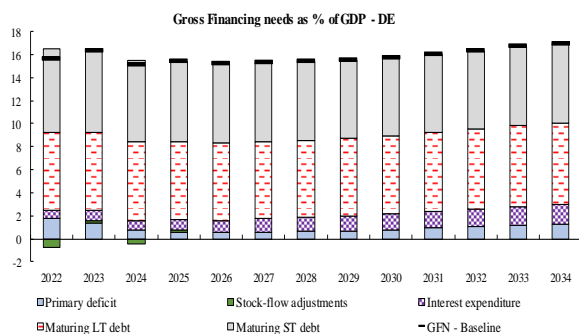
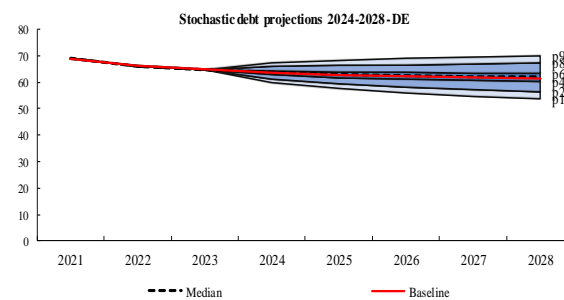
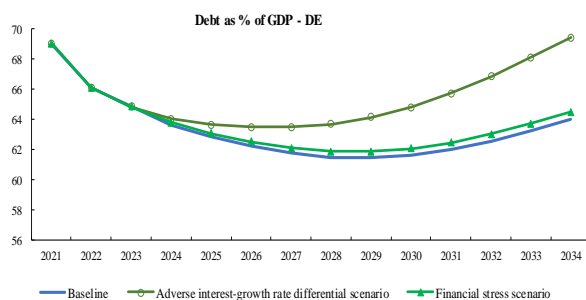
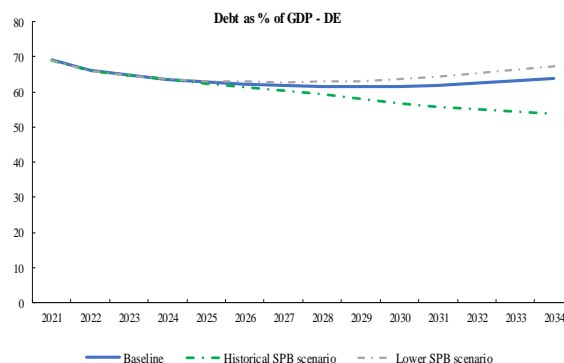
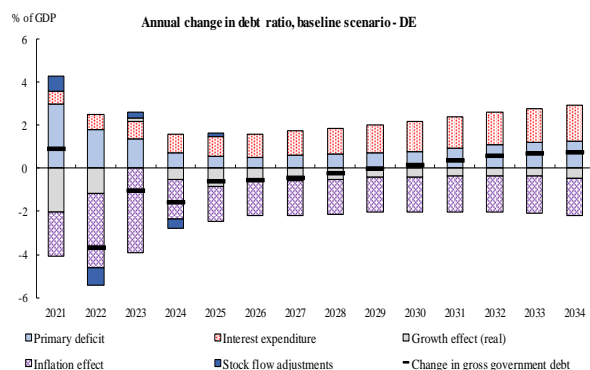
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Denmark		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	30.3	28.4	27.0	15.4	11.4	7.7	28.6	15.7	18.9
Primary balance	3.2	2.4	2.1	2.0	1.8	1.6	2.6	1.9	2.1
Structural primary balance (before CoA)	4.1	2.9	2.9	2.9	2.9	2.9	3.3	2.9	3.0
Real GDP growth	1.2	1.4	1.1	0.8	1.2	1.3	1.2	1.1	1.1
Potential GDP growth	1.8	1.6	1.4	0.8	1.2	1.3	1.6	0.9	1.1
Inflation rate	-2.5	2.3	2.2	2.6	2.7	2.8	0.7	2.6	2.1
Implicit interest rate (nominal)	2.0	2.1	2.2	2.4	2.4	2.4	2.1	2.3	2.3
Gross financing needs	5.3	4.3	4.1	0.3	-0.1	-0.4	4.6	0.7	1.7
<b>2. Historical SPB scenario</b>									
Gross public debt	30.3	28.4	27.1	17.6	14.4	11.6	28.6	17.8	20.5
Primary balance	3.2	2.4	2.0	1.5	1.3	1.2	2.5	1.5	1.8
Structural primary balance (before CoA)	4.1	2.9	2.8	2.4	2.4	2.4	3.3	2.5	2.7
Real GDP growth	1.2	1.4	1.1	0.9	1.2	1.3	1.2	1.1	1.1
Gross financing needs	5.3	4.3	4.2	1.2	0.7	0.5	4.6	1.4	2.2
<b>3. Financial stress scenario</b>									
Gross public debt	30.3	28.5	27.1	15.6	11.5	7.9	28.6	15.8	19.0
Implicit interest rate (nominal)	2.0	2.3	2.3	2.4	2.5	2.5	2.2	2.4	2.4
Gross financing needs	5.3	4.4	4.1	0.4	-0.1	-0.4	4.6	0.7	1.7
<b>4. Lower SPB scenario</b>									
Gross public debt	30.3	28.7	27.7	19.1	16.2	13.7	28.9	19.3	21.7
Primary balance	3.2	2.0	1.7	1.4	1.2	1.0	2.3	1.3	1.6
Structural primary balance (before CoA)	4.1	2.3	2.3	2.3	2.3	2.3	2.9	2.3	2.4
Real GDP growth	1.2	1.8	0.9	0.8	1.2	1.3	1.3	1.0	1.1
Gross financing needs	5.3	4.6	4.6	1.8	1.3	1.0	4.9	2.0	2.7
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	30.3	28.6	27.4	16.5	12.7	9.2	28.8	16.7	19.7
Implicit interest rate (nominal)	2.0	2.2	2.3	2.6	2.6	2.6	2.1	2.6	2.5
Real GDP growth	1.2	0.9	0.6	0.3	0.7	0.8	0.9	0.6	0.6
Gross financing needs	5.3	4.4	4.2	0.5	0.1	-0.2	4.6	0.9	1.8
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	30.3	28.5	27.1	15.4	11.4	7.8	28.6	15.7	18.9
Exchange rate depreciation	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Gross financing needs	5.3	4.4	4.1	0.3	-0.1	-0.4	4.6	0.7	1.7

# Germany

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

Germany - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>69.0</b>	<b>66.1</b>	<b>64.8</b>	<b>63.6</b>	<b>62.8</b>	<b>62.2</b>	<b>61.7</b>	<b>61.5</b>	<b>61.4</b>	<b>61.6</b>	<b>62.0</b>	<b>62.5</b>	<b>63.2</b>	<b>64.0</b>
Changes in the ratio (-1+2+3) of which	0.9	-3.7	-1.0	-1.6	-0.6	-0.6	-0.5	-0.3	0.0	0.2	0.4	0.6	0.7	0.7
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-3.0</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-2.4</b>	<b>-1.7</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>
(1.1.1) Structural primary balance (bef. CoA)	-2.4	-1.7	-0.9	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
(1.1.2) Cost of ageing					0.2	0.2	0.4	0.6	0.6	0.8	0.9	1.1	1.2	1.3
(1.1.3) Others (taxes and property incomes)					0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
<b>(1.2) Cyclical component</b>	<b>-0.5</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.5</b>	<b>-3.9</b>	<b>-2.9</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>
(2.1) Interest expenditure	0.6	0.7	0.8	0.9	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.5	1.6	1.7
(2.2) Growth effect	-2.0	-1.2	0.2	-0.5	-0.8	-0.6	-0.6	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5
(2.3) Inflation effect	-2.0	-3.5	-3.9	-1.9	-1.6	-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
<b>(3) Stock-flow adjustments</b>	<b>0.7</b>	<b>-0.8</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	0.8	-0.9	0.3	-0.4	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	-0.1	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
<b>Pro memoria</b>														
Structural balance	-3.0	-2.4	-1.7	-1.1	-1.2	-1.4	-1.7	-1.9	-2.0	-2.2	-2.4	-2.6	-2.8	-2.9
Gross financing needs	18.5	15.6	16.3	15.1	15.4	15.2	15.3	15.3	15.5	15.7	16.0	16.3	16.7	16.9



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	LOW	LOW	MEDIUM	MEDIUM	LOW	LOW			
		Debt level (2034), % GDP	64.0	53.8	67.3	69.4	64.5				
		Debt peak year	2023	2023	2034	2034	2023				
		Fiscal consolidation space	79%	53%	87%	79%	79%				
		Probability of debt ratio exceeding in 2028 its 2023 level						33%			
							16.2				

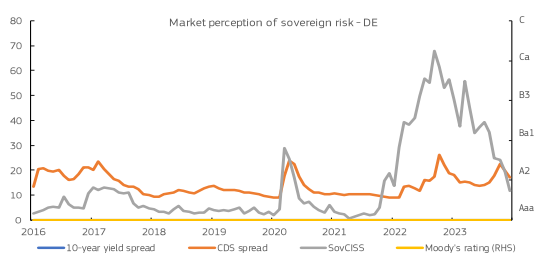
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.19	0.16
Fiscal sub-index	0.36	0.35	0.23
Financial competitiveness sub-index	0.49	0.10	0.12

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.6	2.0	2.1	3.6
of which				
Initial budgetary position	1.5	0.5	0.6	0.5
Ageing costs	2.1	1.5	1.6	3.0
of which				
Pensions	1.0	0.5	0.5	0.5
Health care	0.4	0.5	0.4	1.2
Long-term care	0.1	0.4	0.5	1.2
Others	0.5	0.2	0.2	0.2
Required structural primary balance related to S2	2.1	1.8	1.9	3.3

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.7	1.2	1.4	2.2
of which				
Initial budgetary position	0.8	0.0	0.1	0.0
Debt requirement	0.1	0.1	0.1	0.1
Ageing costs	1.7	1.2	1.2	2.1
of which				
Pensions	0.9	0.3	0.4	0.3
Health care	0.3	0.3	0.3	0.8
Long-term care	0.2	0.4	0.4	0.9
Others	0.4	0.1	0.1	0.1
Required structural primary balance related to S1	1.2	1.0	1.2	2.0

### 3. Financial information



Financial market information DE - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	0.0

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

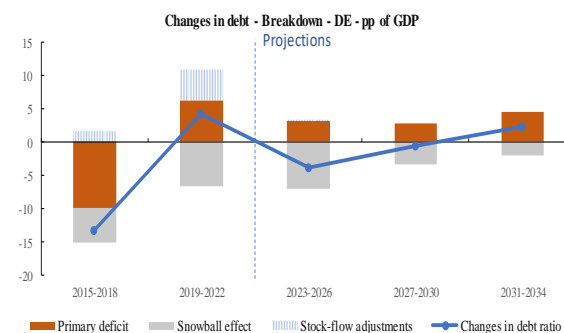
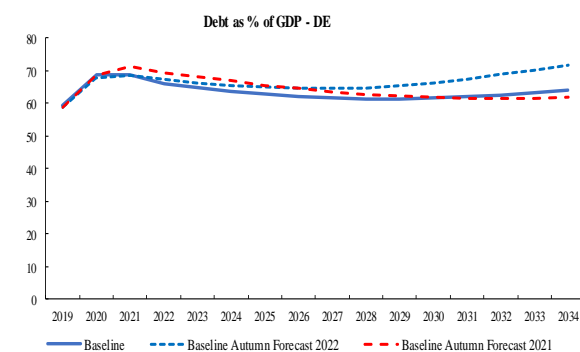
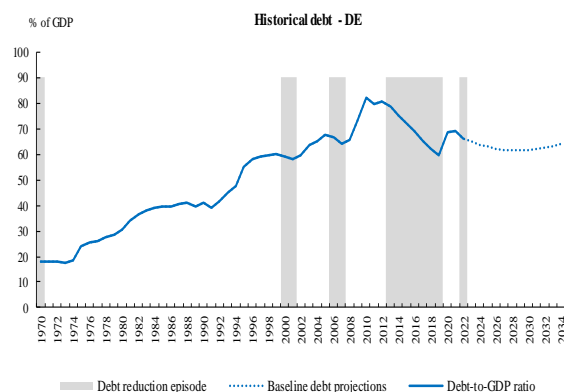
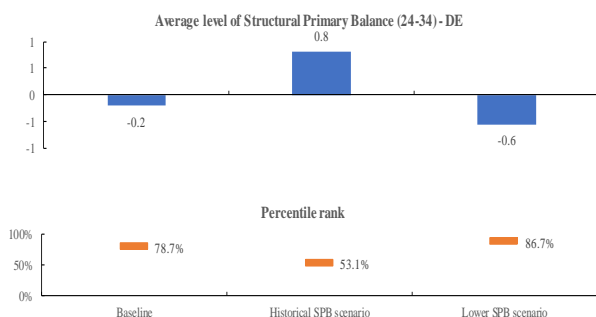
<b>Public debt structure - DE (2022)</b>	<b>Share of short-term government debt (%):</b> 10.2	<b>Share of government debt in foreign currency (%):</b> 1.6	<b>Share of government debt by non-residents (%):</b> 20.3	<b>Net International Investment Position (IIP) - DE (2022)</b>	<b>Net IIP (% GDP):</b> 70.2
------------------------------------------	---------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	---------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		DE							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		14.3	13.4	12.8	13.1	18.4	17.5	15.5	7.1
<i>of which One-off guarantees</i>		14.3	13.4	12.8	13.1	18.4	17.5	15.5	5.6
<i>Standardised guarantees</i>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)									
	Liabilities and assets outside gen. gov. under guarantee	0.2	0.2	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	0.0
	Special purpose entity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Total</b>	<b>0.5</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>

<b>Government's contingent liability risks from banking sector - DE (2022)</b>	<b>Private sector credit flow (% GDP):</b> 6.7	<b>Change in nominal house price index (p.p.):</b> 5.3	<b>Bank loans-to-deposits ratio (%):</b> 122.9	<b>Share of non-performing loans (%):</b> 1.1	<b>Change in share of non-performing loans (p.p.):</b> 0.1	<b>NPL coverage ratio (%):</b> 33.0	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.00%	Severe Stress 0.09%

#### 6. Realism of baseline assumptions



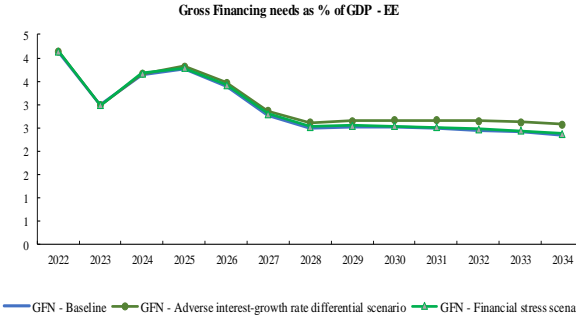
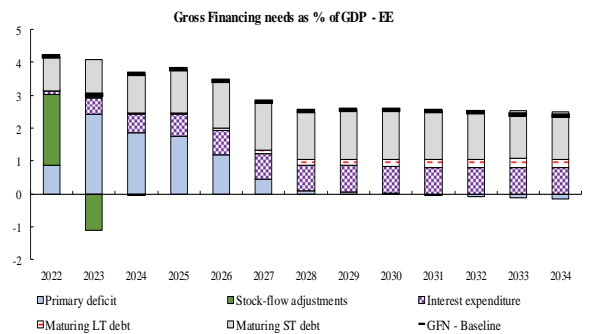
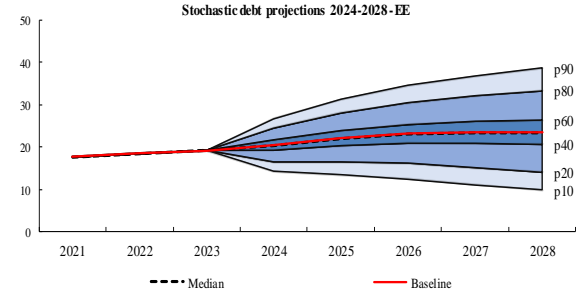
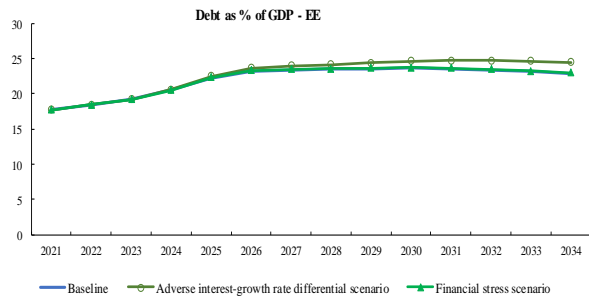
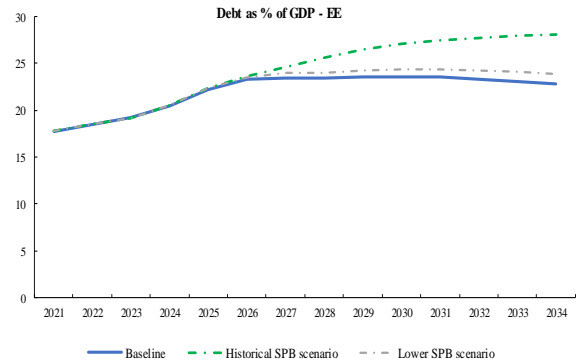
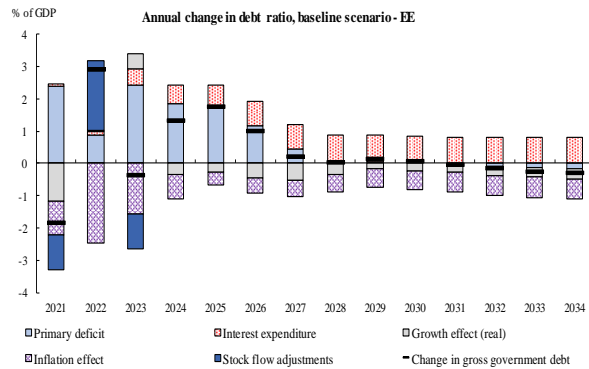
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Germany		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	64.8	63.6	62.8	61.6	62.5	64.0	63.7	62.2	62.6
Primary balance	-1.4	-0.7	-0.5	-0.8	-1.1	-1.3	-0.9	-0.9	-0.9
Structural primary balance (before CoA)	-0.9	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-0.2	-0.3
Real GDP growth	-0.3	0.8	1.3	0.7	0.6	0.8	0.6	0.8	0.7
Potential GDP growth	0.8	0.8	0.8	0.7	0.6	0.8	0.8	0.7	0.7
Inflation rate	6.3	3.0	2.6	2.7	2.8	2.8	4.0	2.7	3.0
Implicit interest rate (nominal)	1.3	1.4	1.5	2.3	2.6	2.7	1.4	2.3	2.1
Gross financing needs	16.3	15.1	15.4	15.7	16.3	16.9	15.6	15.9	15.8
<b>2. Historical SPB scenario</b>									
Gross public debt	64.8	63.6	62.5	56.8	55.0	53.8	63.6	57.2	58.8
Primary balance	-1.4	-0.7	-0.2	0.4	0.3	0.1	-0.8	0.2	0.0
Structural primary balance (before CoA)	-0.9	-0.2	0.1	1.1	1.1	1.1	-0.3	1.0	0.7
Real GDP growth	-0.3	0.8	1.3	0.9	0.6	0.8	0.6	0.8	0.7
Gross financing needs	16.3	15.1	15.0	13.6	13.4	13.4	15.5	13.8	14.2
<b>3. Financial stress scenario</b>									
Gross public debt	64.8	63.8	63.0	62.0	63.0	64.5	63.9	62.7	63.0
Implicit interest rate (nominal)	1.3	1.7	1.7	2.4	2.6	2.7	1.6	2.3	2.2
Gross financing needs	16.3	15.3	15.5	15.8	16.5	17.1	15.7	16.0	15.9
<b>4. Lower SPB scenario</b>									
Gross public debt	64.8	63.7	63.2	63.7	65.3	67.3	63.9	64.3	64.2
Primary balance	-1.4	-0.9	-0.8	-1.1	-1.4	-1.6	-1.0	-1.2	-1.2
Structural primary balance (before CoA)	-0.9	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6
Real GDP growth	-0.3	1.1	1.3	0.7	0.6	0.8	0.7	0.7	0.7
Gross financing needs	16.3	15.3	15.6	16.5	17.3	18.1	15.7	16.6	16.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	64.8	64.0	63.6	64.8	66.8	69.4	64.1	65.5	65.2
Implicit interest rate (nominal)	1.3	1.6	1.7	2.7	3.0	3.2	1.5	2.6	2.4
Real GDP growth	-0.3	0.3	0.8	0.2	0.1	0.3	0.3	0.3	0.3
Gross financing needs	16.3	15.2	15.6	16.7	17.6	18.5	15.7	16.8	16.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	64.8	63.8	63.0	61.8	62.7	64.1	63.9	62.4	62.8
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	16.3	15.1	15.4	15.7	16.4	17.0	15.6	15.9	15.8

# Estonia

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

Estonia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>17.8</b>	<b>18.5</b>	<b>19.2</b>	<b>20.5</b>	<b>22.3</b>	<b>23.3</b>	<b>23.5</b>	<b>23.5</b>	<b>23.6</b>	<b>23.6</b>	<b>23.6</b>	<b>23.4</b>	<b>23.1</b>	<b>22.8</b>
Changes in the ratio (-1+2+3) of which	-1.9	2.9	-0.4	1.3	1.7	1.0	0.2	0.0	0.1	0.0	-0.1	-0.2	-0.3	-0.3
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-2.4</b>	<b>-0.9</b>	<b>-2.4</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.2</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.3</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.3	-0.5	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(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	0.0	-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	0.0	0.0	0.0	0.0
<b>(1.2) Cyclical component</b>	<b>0.9</b>	<b>-0.5</b>	<b>-2.2</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>1.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-2.2</b>	<b>-2.3</b>	<b>-0.6</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>
(2.1) Interest expenditure	0.1	0.1	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
(2.2) Growth effect	-1.2	0.1	0.5	-0.3	-0.3	-0.5	-0.5	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3
(2.3) Inflation effect	-1.0	-2.5	-1.6	-0.8	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-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
<b>(3) Stock-flow adjustments</b>	<b>-1.1</b>	<b>2.2</b>	<b>-1.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-1.1	2.2	-1.1	0.0	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
<b>Pro memoria</b>														
Structural balance	-4.3	-0.6	-0.7	-0.6	-0.7	-0.8	-0.8	-0.9	-0.9	-0.8	-0.8	-0.7	-0.7	-0.6
Gross financing needs	2.7	4.1	3.0	3.6	3.8	3.4	2.8	2.5	2.5	2.5	2.5	2.5	2.4	2.3



## 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
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress			
	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW
		Overall	22.8	28.1	23.9	24.5	23.0			
		Debt level (2034), % GDP	2030	2034	2031	2031	2030			
		Debt peak year	55%	64%	56%	55%	55%			
		Fiscal consolidation space						65%		
		Probability of debt ratio exceeding in 2028 its 2023 level						28.7		
		Difference between 90th and 10th percentiles (pps. GDP)								

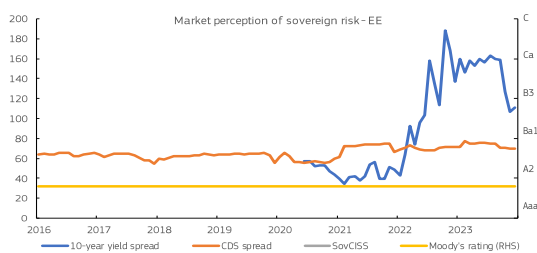
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.48	0.30
Fiscal sub-index	0.36	0.27	0.18
Financial competitiveness sub-index	0.49	0.57	0.36

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.9	-0.4	-0.2	5.0
of which				
Initial budgetary position	2.0	0.1	0.1	0.1
Ageing costs	-1.1	-0.5	-0.3	4.9
of which				
Pensions	-1.7	-1.1	-0.8	-1.0
Health care	0.6	0.5	0.5	1.4
Long-term care	0.3	0.5	0.5	5.0
Others	-0.3	-0.5	-0.5	-0.5
Required structural primary balance related to S2	-1.0	-0.4	-0.2	5.0

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.4	-0.9	-0.7	1.5
of which				
Initial budgetary position	1.8	0.0	0.1	0.0
Debt requirement	-0.9	-0.8	-0.8	-0.9
Ageing costs	-0.5	-0.1	0.0	2.3
of which				
Pensions	-1.0	-0.4	-0.3	-0.4
Health care	0.5	0.4	0.4	1.0
Long-term care	0.2	0.3	0.3	2.1
Others	-0.2	-0.4	-0.4	-0.4
Required structural primary balance related to S1	-1.6	-0.9	-0.7	1.5

### 3. Financial information



Financial market information EE - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	111.0



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

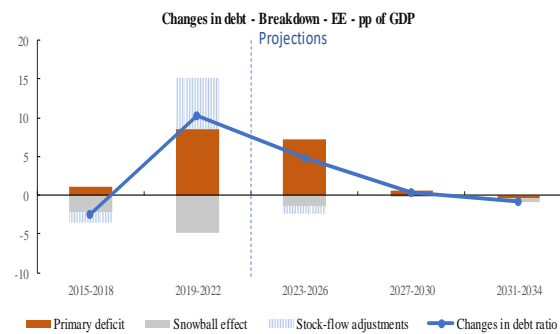
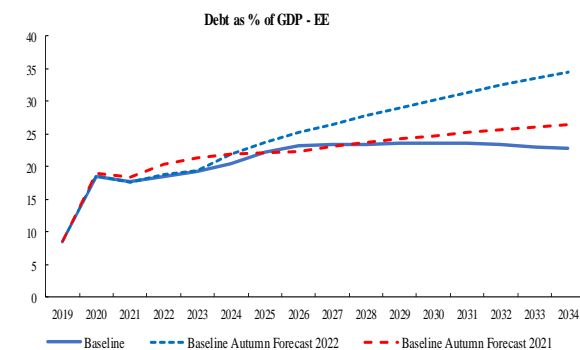
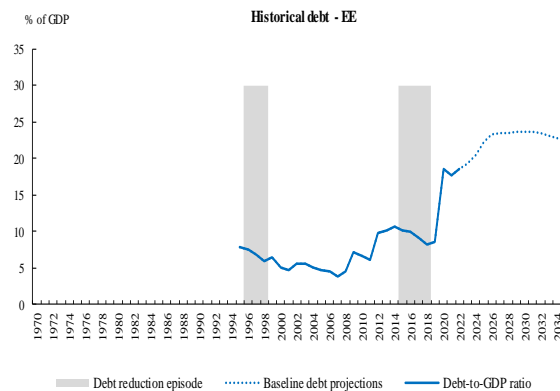
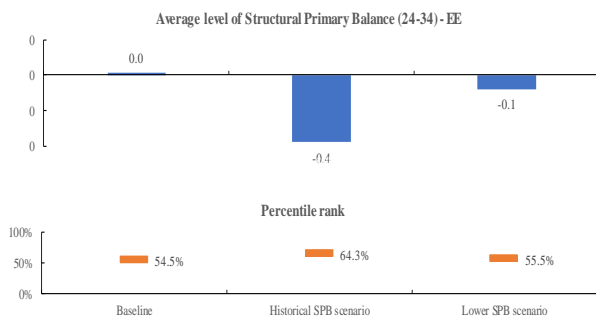
<b>Public debt structure - EE (2022)</b>	<b>Share of short-term government debt (%):</b> 7.0	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 73.6	<b>Net International Investment Position (IIP) - EE (2022)</b>	<b>Net IIP (% GDP):</b> -20.2
------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		EE							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		1.8	1.7	1.6	1.4	2.0	1.7	1.4	7.1
of which One-off guarantees		0.0	0.0	0.0	0.0	0.2	0.2	0.2	5.6
Standardised guarantees		1.8	1.7	1.5	1.4	1.8	1.6	1.2	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)		2016	2017	2018	2019	2020	2021	2022	2022
	Liabilities and assets outside gen. gov. under guarantee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9
	Securities issued under liquidity schemes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Special purpose entity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Total	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9

<b>Government's contingent liability risks from banking sector - EE (2022)</b>	<b>Private sector credit flow (% GDP):</b> 9.2	<b>Change in nominal house price index (p.p.):</b> 22.2	<b>Bank loans-to-deposits ratio (%):</b> 100.8	<b>Share of non-performing loans (%):</b> 0.6	<b>Change in share of non-performing loans (p.p.):</b> -0.1	<b>NPL coverage ratio (%):</b> 31.3	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.01%	0.21%

#### 6. Realism of baseline assumptions



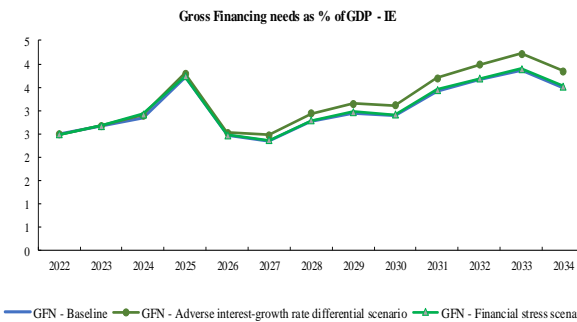
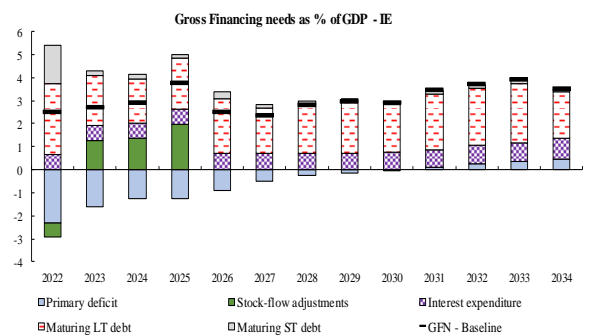
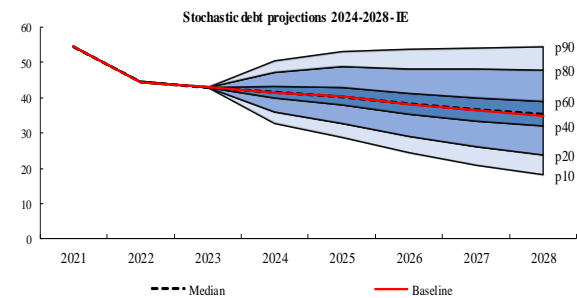
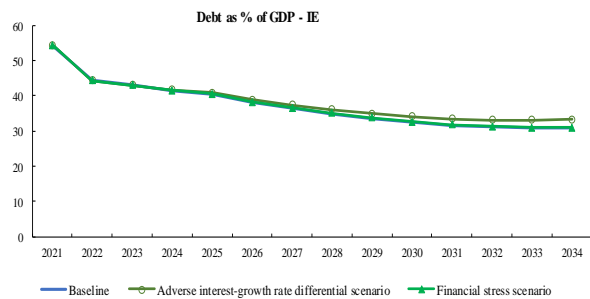
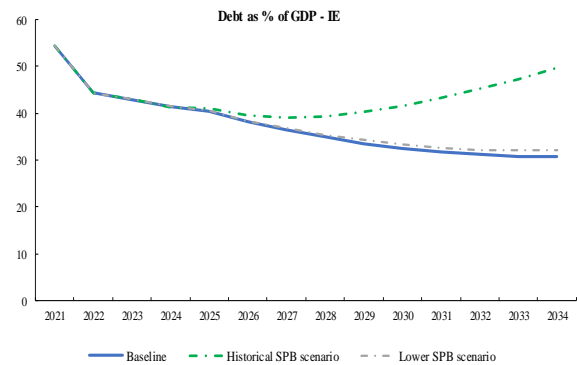
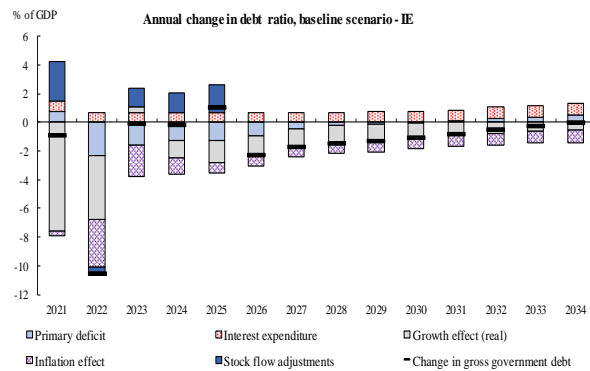
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Estonia		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	19.2	20.5	22.3	23.6	23.4	22.8	20.7	23.4	22.7
Primary balance	-2.4	-1.9	-1.7	0.0	0.1	0.2	-2.0	-0.2	-0.6
Structural primary balance (before CoA)	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real GDP growth	-2.6	1.9	1.3	1.0	1.3	1.5	0.2	1.4	1.1
Potential GDP growth	1.0	1.1	1.0	1.0	1.3	1.5	1.0	1.0	1.0
Inflation rate	9.2	4.1	2.1	2.5	2.7	2.8	5.1	2.5	3.2
Implicit interest rate (nominal)	3.0	3.1	3.4	3.6	3.6	3.6	3.2	3.6	3.5
Gross financing needs	3.0	3.6	3.8	2.5	2.5	2.3	3.5	2.6	2.8
<b>2. Historical SPB scenario</b>									
Gross public debt	19.2	20.5	22.4	27.1	27.7	28.1	20.7	26.5	25.1
Primary balance	-2.4	-1.9	-1.9	-0.7	-0.4	-0.3	-2.0	-0.7	-1.1
Structural primary balance (before CoA)	-0.2	0.0	-0.1	-0.5	-0.5	-0.5	-0.1	-0.4	-0.4
Real GDP growth	-2.6	1.9	1.3	1.3	1.3	1.5	0.2	1.4	1.1
Gross financing needs	3.0	3.6	3.9	3.5	3.4	3.4	3.5	3.5	3.5
<b>3. Financial stress scenario</b>									
Gross public debt	19.2	20.6	22.3	23.7	23.5	23.0	20.7	23.5	22.8
Implicit interest rate (nominal)	3.0	3.3	3.4	3.6	3.6	3.7	3.2	3.6	3.5
Gross financing needs	3.0	3.7	3.8	2.5	2.5	2.4	3.5	2.6	2.8
<b>4. Lower SPB scenario</b>									
Gross public debt	19.2	20.6	22.4	24.4	24.3	23.9	20.7	24.1	23.3
Primary balance	-2.4	-1.9	-1.8	-0.1	0.0	0.1	-2.0	-0.3	-0.7
Structural primary balance (before CoA)	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Real GDP growth	-2.6	2.0	1.3	1.0	1.3	1.5	0.2	1.4	1.1
Gross financing needs	3.0	3.7	3.8	2.7	2.6	2.5	3.5	2.8	3.0
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	19.2	20.6	22.5	24.6	24.7	24.5	20.8	24.4	23.5
Implicit interest rate (nominal)	3.0	3.2	3.5	3.8	3.9	3.9	3.2	3.8	3.7
Real GDP growth	-2.6	1.4	0.8	0.5	0.8	1.0	-0.1	0.9	0.7
Gross financing needs	3.0	3.7	3.8	2.7	2.6	2.6	3.5	2.8	2.9
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	19.2	20.5	22.3	23.6	23.4	22.8	20.7	23.4	22.7
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	3.0	3.6	3.8	2.5	2.5	2.3	3.5	2.6	2.8

# Ireland

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

Ireland - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>54.4</b>	<b>44.4</b>	<b>43.0</b>	<b>41.4</b>	<b>40.5</b>	<b>38.2</b>	<b>36.4</b>	<b>34.9</b>	<b>33.6</b>	<b>32.5</b>	<b>31.7</b>	<b>31.2</b>	<b>30.9</b>	<b>30.8</b>
Changes in the ratio (-1+2+3) of which	-1.0	-10.6	-0.1	-0.2	1.0	-2.3	-1.7	-1.5	-1.3	-1.1	-0.8	-0.5	-0.3	-0.1
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-0.8</b>	<b>2.3</b>	<b>1.6</b>	<b>1.3</b>	<b>1.3</b>	<b>0.9</b>	<b>0.5</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-2.6</b>	<b>-1.7</b>	<b>0.5</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>
(1.1.1) Structural primary balance (bef. CoA)	-2.6	-1.7	0.5	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					0.1	0.2	0.4	0.5	0.6	0.7	0.9	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
<b>(1.2) Cyclical component</b>	<b>1.8</b>	<b>4.0</b>	<b>1.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-7.1</b>	<b>-7.1</b>	<b>-1.1</b>	<b>-1.7</b>	<b>-1.6</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-0.5</b>
(2.1) Interest expenditure	0.8	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9
(2.2) Growth effect	-7.6	-4.4	0.4	-1.2	-1.5	-1.3	-1.2	-1.1	-1.1	-1.0	-0.9	-0.7	-0.6	-0.6
(2.3) Inflation effect	-0.3	-3.4	-2.2	-1.1	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	-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
<b>(3) Stock-flow adjustments</b>	<b>2.7</b>	<b>-0.6</b>	<b>1.3</b>	<b>1.4</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	2.7	-0.6	1.3	1.4	2.0	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
<b>Pro memoria</b>														
Structural balance	-3.3	-2.4	-0.2	0.1	0.1	-0.2	-0.3	-0.5	-0.6	-0.7	-0.8	-1.1	-1.2	-1.3
Gross financing needs	5.7	2.5	2.7	2.9	3.7	2.5	2.3	2.8	2.9	2.9	3.4	3.7	3.9	3.5



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	LOW	Overall	LOW	LOW	LOW	LOW	LOW	30%	MEDIUM	LOW	MEDIUM
		Debt level (2034), % GDP	30.8	49.8	32.2	33.3	31.0				
		Debt peak year	2023	2034	2023	2023	2023				
		Fiscal consolidation space	57%	76%	59%	57%	57%				
		Probability of debt ratio exceeding in 2028 its 2023 level					36.4				
		Difference between 90th and 10th percentiles (pps. GDP)									

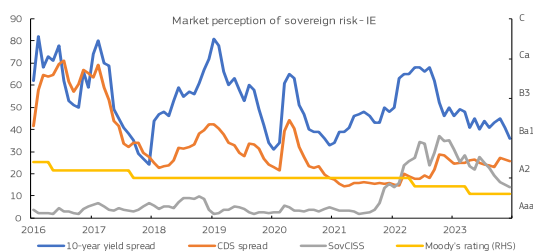
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.74	0.13
Fiscal sub-index	0.36	0.81	0.00
Financial competitiveness sub-index	0.49	0.70	0.21

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	4.0	4.0	3.9	5.3
of which				
Initial budgetary position	-0.9	-0.5	-0.5	-0.5
Ageing costs	4.9	4.5	4.4	5.8
of which				
Pensions	2.3	2.6	2.6	2.6
Health care	1.2	1.3	1.2	2.1
Long-term care	1.6	1.1	1.1	1.6
Others	-0.1	-0.5	-0.5	-0.5
Required structural primary balance related to S2	5.1	4.8	4.7	6.1

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	1.6	1.7	1.8	2.6
of which				
Initial budgetary position	-1.4	-1.1	-1.0	-1.1
Debt requirement	-0.5	-0.4	-0.4	-0.4
Ageing costs	3.5	3.2	3.1	4.1
of which				
Pensions	1.9	2.0	2.0	2.0
Health care	0.8	0.9	0.9	1.6
Long-term care	0.9	0.7	0.7	1.0
Others	-0.1	-0.4	-0.4	-0.4
Required structural primary balance related to S1	2.6	2.5	2.5	3.4

### 3. Financial information



Financial market information IE- December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	36.0

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

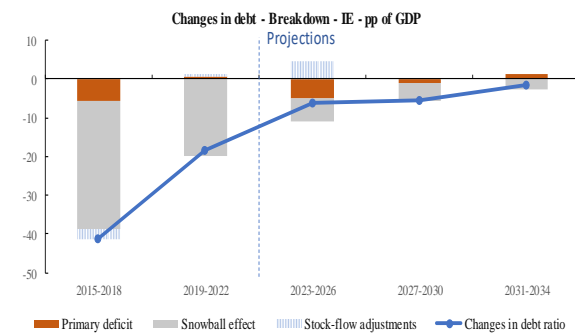
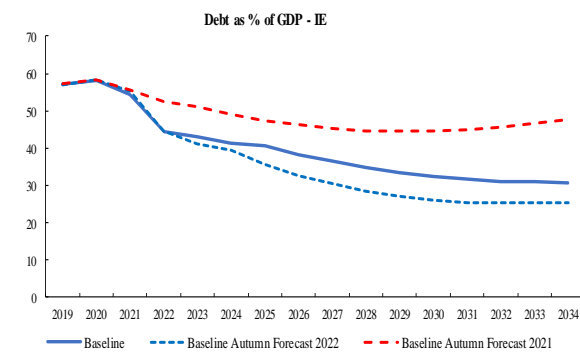
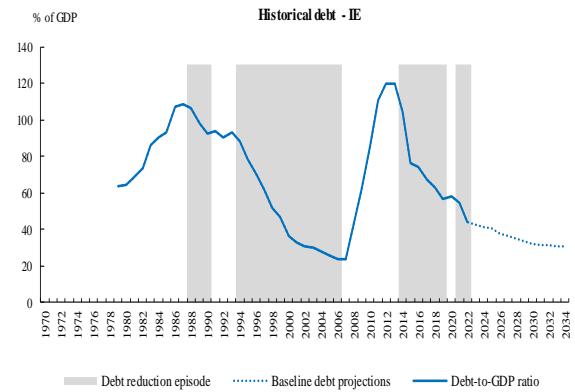
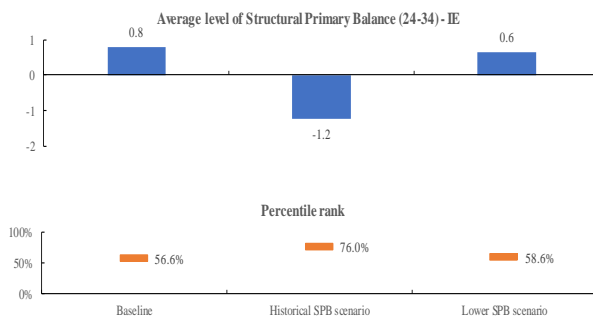
<b>Public debt structure - IE (2022)</b>	<b>Share of short-term government debt (%):</b> 6.8	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 53.1	<b>Net International Investment Position (IIP) - IE (2022)</b>	<b>Net IIP (% GDP):</b> -116.8
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		IE							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		1.5	0.2	0.0	0.0	0.2	0.3	0.2	7.1
<i>of which</i> One-off guarantees		1.5	0.1	0.0	0.0	0.2	0.2	0.1	5.6
Standardised guarantees		0.0	0.1	0.0	0.0	0.0	0.1	0.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.7	0.8	0.7	0.7	0.7	0.6	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)									
	Liabilities and assets outside gen. gov. under guarantee	0.5	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	0.0
	Special purpose entity	1.0	0.0	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	0.0	0.9

<b>Government's contingent liability risks from banking sector - IE (2022)</b>	<b>Private sector credit flow (% GDP):</b> 2.0	<b>Change in nominal house price index (p.p.):</b> 12.3	<b>Bank loans-to-deposits ratio (%):</b> 70.5	<b>Share of non-performing loans (%):</b> 1.8	<b>Change in share of non-performing loans (p.p.):</b> -0.6	<b>NPL coverage ratio (%):</b> 30.7	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b> Stress 0.04%	<b>Severe Stress</b> 0.53%
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#### 6. Realism of baseline assumptions



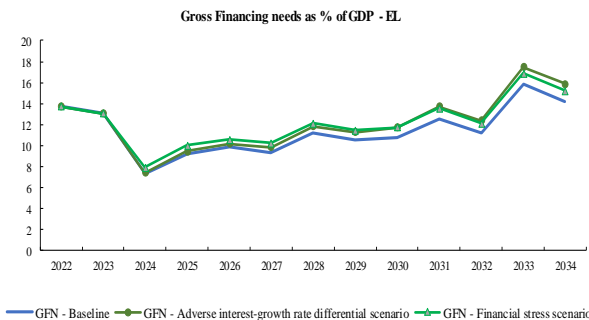
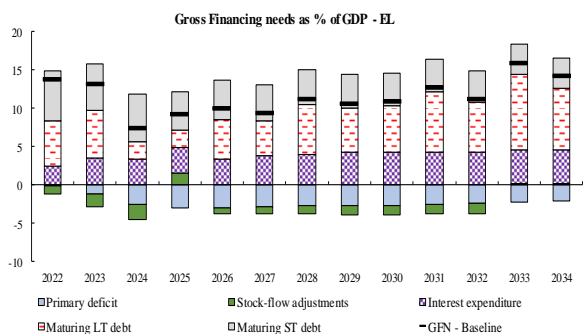
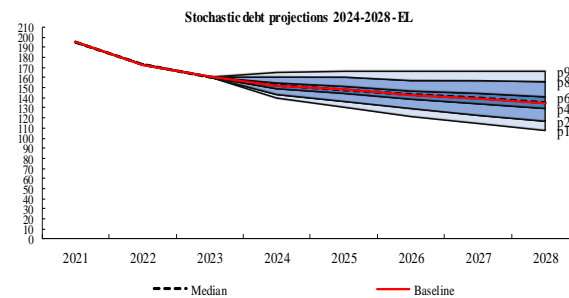
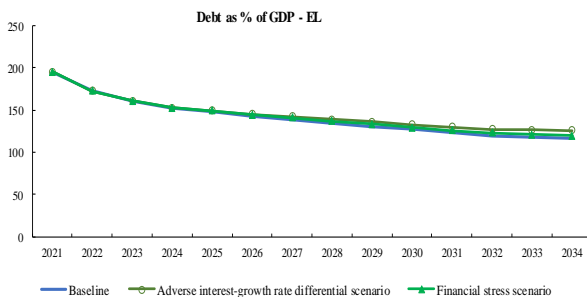
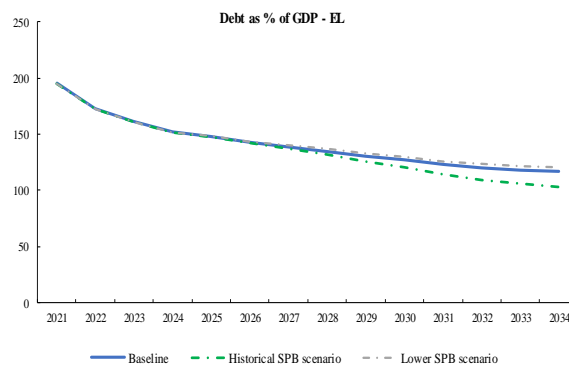
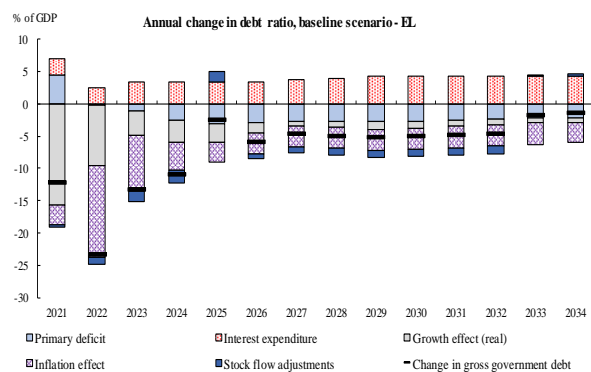
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Ireland	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	43.0	41.4	40.5	32.5	31.2	30.8	41.6	33.4	35.4
Primary balance	1.6	1.3	1.3	0.0	-0.3	-0.5	1.4	0.1	0.4
Structural primary balance (before CoA)	0.5	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8
Real GDP growth	-0.9	3.0	3.9	3.1	2.5	2.0	2.0	2.8	2.6
Potential GDP growth	4.5	4.3	3.8	3.1	2.5	2.0	4.2	3.0	3.3
Inflation rate	5.1	2.6	1.9	2.5	2.7	2.8	3.2	2.5	2.6
Implicit interest rate (nominal)	1.5	1.6	1.7	2.3	2.6	3.0	1.6	2.4	2.2
Gross financing needs	2.7	2.9	3.7	2.9	3.7	3.5	3.1	3.1	3.1
<b>2. Historical SPB scenario</b>									
Gross public debt	43.0	41.4	41.1	41.5	45.2	49.8	41.8	42.8	42.6
Primary balance	1.6	1.3	0.6	-2.3	-2.9	-3.1	1.2	-2.1	-1.3
Structural primary balance (before CoA)	0.5	0.8	0.1	-1.8	-1.8	-1.8	0.5	-1.6	-1.1
Real GDP growth	-0.9	3.0	3.9	2.6	2.5	2.0	2.0	2.8	2.6
Gross financing needs	2.7	2.9	4.4	5.9	7.6	7.8	3.3	6.0	5.3
<b>3. Financial stress scenario</b>									
Gross public debt	43.0	41.5	40.6	32.7	31.3	31.0	41.7	33.5	35.5
Implicit interest rate (nominal)	1.5	1.8	1.7	2.4	2.7	3.0	1.7	2.4	2.2
Gross financing needs	2.7	2.9	3.7	2.9	3.7	3.5	3.1	3.1	3.1
<b>4. Lower SPB scenario</b>									
Gross public debt	43.0	41.5	40.7	33.3	32.2	32.2	41.7	34.2	36.0
Primary balance	1.6	1.2	1.2	-0.1	-0.4	-0.6	1.3	-0.1	0.3
Structural primary balance (before CoA)	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Real GDP growth	-0.9	3.2	3.8	3.1	2.5	2.0	2.0	2.8	2.6
Gross financing needs	2.7	2.9	3.8	3.1	3.9	3.8	3.1	3.3	3.3
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	43.0	41.7	40.9	34.1	33.2	33.3	41.9	34.9	36.7
Implicit interest rate (nominal)	1.5	1.7	1.8	2.6	2.9	3.3	1.7	2.6	2.4
Real GDP growth	-0.9	2.5	3.4	2.6	2.0	1.5	1.7	2.3	2.2
Gross financing needs	2.7	2.9	3.8	3.1	4.0	3.8	3.1	3.3	3.3
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	43.0	41.4	40.5	32.5	31.2	30.8	41.6	33.4	35.4
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	2.7	2.9	3.7	2.9	3.7	3.5	3.1	3.1	3.1

# Greece

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

Greece - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>195.0</b>	<b>172.6</b>	<b>160.9</b>	<b>151.9</b>	<b>147.8</b>	<b>142.7</b>	<b>138.8</b>	<b>134.8</b>	<b>130.7</b>	<b>126.8</b>	<b>123.1</b>	<b>119.6</b>	<b>117.8</b>	<b>116.4</b>
Changes in the ratio (-1+2+3) of which	-12.3	-23.4	-13.4	-11.0	-2.6	-5.9	-4.8	-5.1	-5.3	-5.1	-4.9	-4.7	-1.8	-1.5
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.5</b>	<b>0.1</b>	<b>1.1</b>	<b>2.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>	<b>2.3</b>	<b>2.1</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.9</b>	<b>0.3</b>	<b>1.2</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>	<b>2.3</b>	<b>2.1</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.9	0.3	1.2	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					-0.3	-0.5	-0.7	-0.8	-0.8	-0.7	-0.6	-0.5	-0.3	-0.1
(1.1.3) Others (taxes and property incomes)					0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0
<b>(1.2) Cyclical component</b>	<b>-3.4</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.5</b>	<b>0.8</b>	<b>0.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.8</b>	<b>0.5</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-16.3</b>	<b>-21.2</b>	<b>-8.9</b>	<b>-4.4</b>	<b>-2.7</b>	<b>-1.3</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>
(2.1) Interest expenditure	2.5	2.5	3.5	3.3	3.4	3.4	3.8	4.0	4.2	4.3	4.3	4.3	4.3	4.4
(2.2) Growth effect	-15.8	-9.5	-3.8	-3.5	-2.9	-1.6	-0.7	-1.0	-1.2	-1.1	-0.9	-0.8	-0.7	-0.7
(2.3) Inflation effect	-3.0	-14.2	-8.6	-4.3	-3.1	-3.2	-3.2	-3.2	-3.2	-3.3	-3.3	-3.3	-3.3	-3.2
(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
<b>(3) Stock-flow adjustments</b>	<b>-0.2</b>	<b>-1.0</b>	<b>-1.7</b>	<b>-2.0</b>	<b>1.6</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>0.2</b>	<b>0.2</b>
(3.1) Base	-0.2	-1.0	-1.7	-2.0	1.6	-0.8	-0.9	-1.1	-1.1	-1.2	-1.2	-1.2	0.2	0.2
(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
<b>Pro memoria</b>														
Structural balance	-4.4	-2.2	-2.3	-1.3	-1.1	-1.0	-1.1	-1.2	-1.5	-1.6	-1.7	-1.9	-2.0	-2.3
Gross financing needs	19.4	13.7	13.1	7.3	9.2	9.8	9.3	11.2	10.5	10.8	12.5	11.1	15.8	14.2



**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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall	HIGH	HIGH	HIGH	HIGH	HIGH	MEDIUM	LOW	LOW	LOW
		Debt level (2034), % GDP	116.4	102.7	120.8	126.0	119.9				
		Debt peak year	2023	2023	2023	2023	2023				
		Fiscal consolidation space	23%	21%	24%	23%	23%				
		Probability of debt ratio exceeding in 2028 its 2023 level					14%				
		Difference between 90th and 10th percentiles (pps. GDP)					58.0				

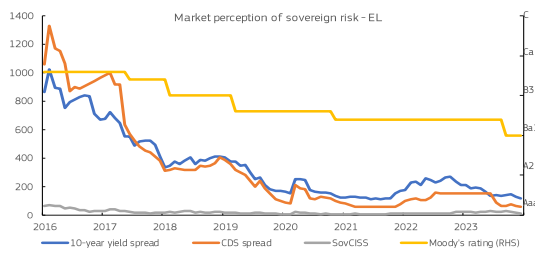
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.76	0.31
Fiscal sub-index	0.36	0.87	0.24
Financial competitiveness sub-index	0.49	0.72	0.35

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-3.6	-1.7	-0.8	1.6
of which				
Initial budgetary position	-1.7	-1.1	-0.7	-1.0
Ageing costs	-1.9	-0.6	0.0	2.7
of which				
Pensions	-2.1	-1.0	-0.4	-1.0
Health care	0.6	0.7	0.7	1.5
Long-term care	0.0	0.0	0.0	2.5
Others	-0.5	-0.3	-0.3	-0.3
Required structural primary balance related to S2	-1.1	0.3	1.3	3.6

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-1.7	0.3	0.8	1.5
of which				
Initial budgetary position	-2.6	-1.7	-1.4	-1.7
Debt requirement	2.1	1.8	1.7	1.8
Ageing costs	-1.1	0.2	0.5	1.4
of which				
Pensions	-1.2	-0.2	0.1	-0.2
Health care	0.5	0.7	0.6	1.2
Long-term care	0.0	0.0	0.0	0.7
Others	-0.4	-0.2	-0.2	-0.2
Required structural primary balance related to S1	0.8	2.3	2.8	3.6

**3. Financial information**



Financial market information EL - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	118.0



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

<b>Public debt structure - EL (2022)</b>	<b>Share of short-term government debt (%):</b> 6.6	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 78.2	<b>Net International Investment Position (IIP) - EL (2022)</b>	<b>Net IIP (% GDP):</b> -143.5
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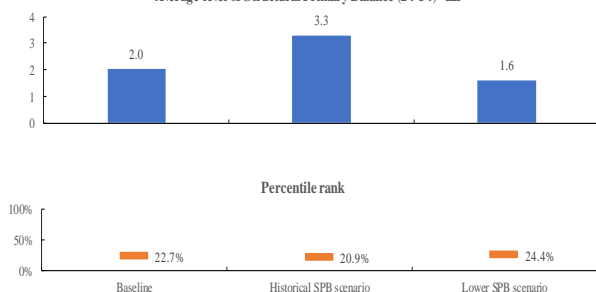
#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		EL							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		6.5	4.4	4.1	4.1	6.4	14.4	12.2	7.1
of which One-off guarantees		6.5	4.3	4.1	4.1	5.4	13.5	11.3	5.6
Standardised guarantees		0.0	0.0	0.0	0.0	1.0	1.0	0.9	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.2	0.2	0.2	0.2	0.0	0.0
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	1.7	10.2	8.7	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	2.2	0.2	0.2	0.2	1.7	10.2	8.7	0.9

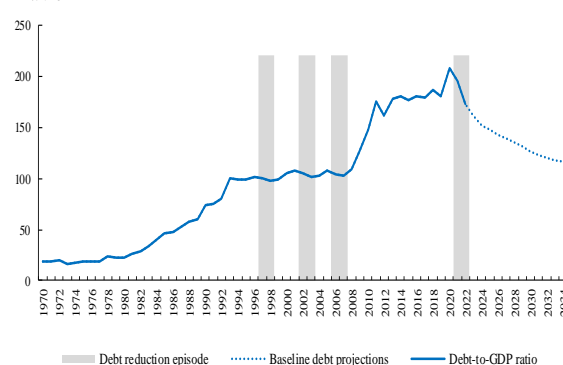
<b>Government's contingent liability risks from banking sector - EL (2022)</b>	<b>Private sector credit flow (% GDP):</b> 1.1	<b>Change in nominal house price index (p.p.):</b> 11.1	<b>Bank loans-to-deposits ratio (%):</b> 59.6	<b>Share of non-performing loans (%):</b> 4.6	<b>Change in share of non-performing loans (p.p.):</b> -0.6	<b>NPL coverage ratio (%):</b> 43.0	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.07%	Severe Stress 0.98%

#### 6. Realism of baseline assumptions

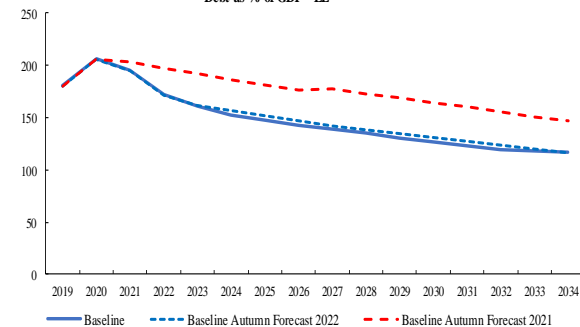
Average level of Structural Primary Balance (24-34) - EL



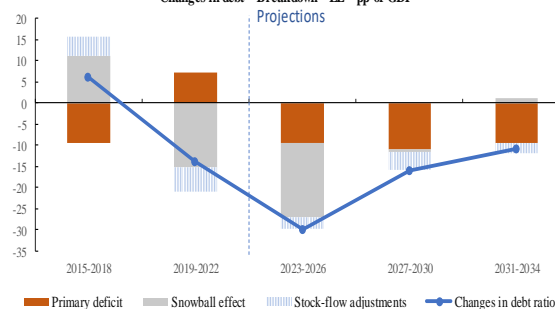
Historical debt - EL



Debt as % of GDP - EL



Changes in debt - Breakdown - EL - pp of GDP



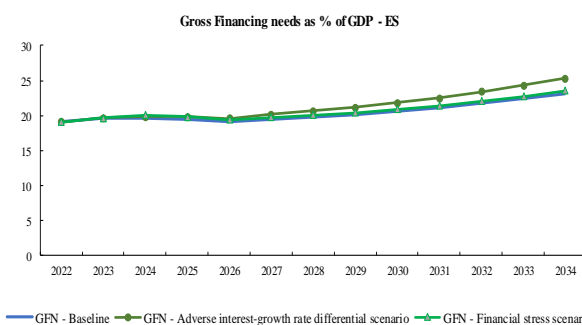
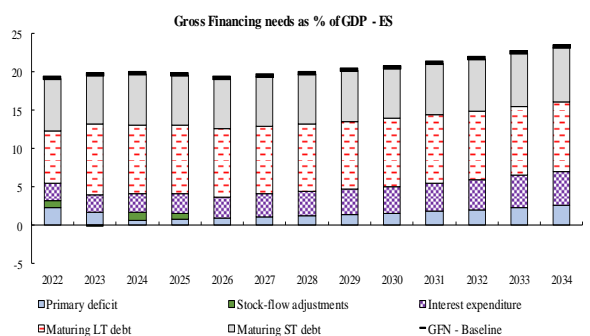
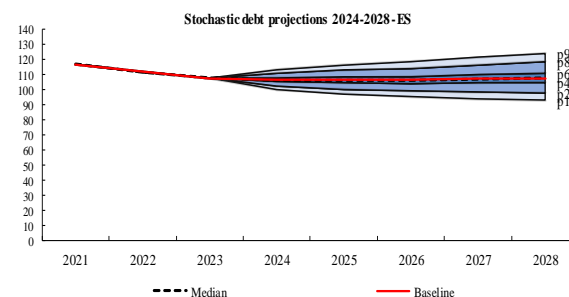
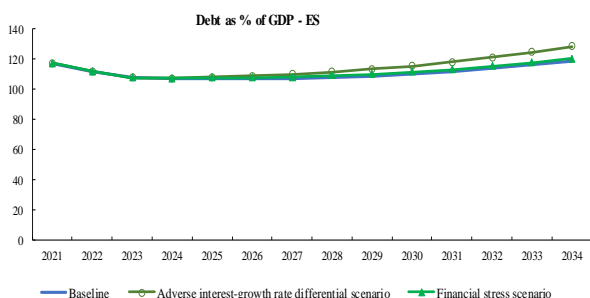
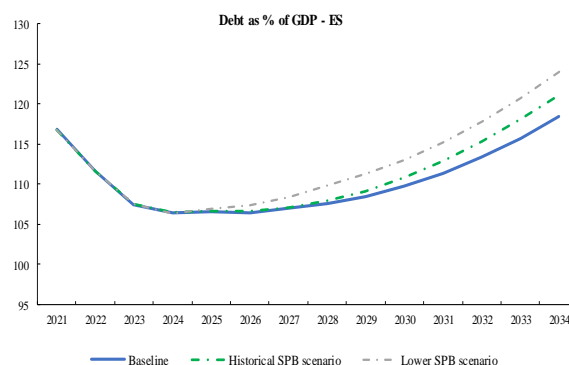
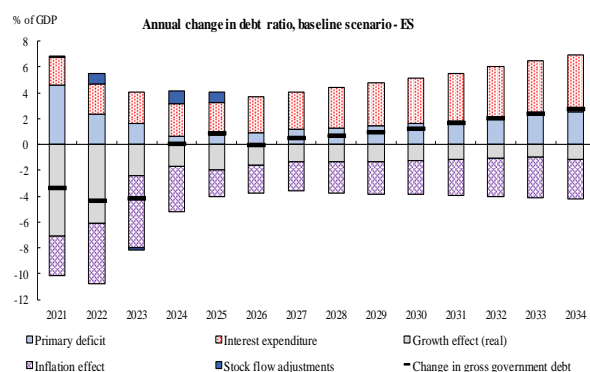
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Greece		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	160.9	151.9	147.8	126.8	119.6	116.4	153.5	127.9	134.3
Primary balance	1.1	2.5	3.0	2.7	2.4	2.1	2.2	2.6	2.5
Structural primary balance (before CoA)	1.2	2.0	2.0	2.0	2.0	2.0	1.7	2.0	2.0
Real GDP growth	2.4	2.3	2.0	0.9	0.7	0.7	2.2	0.8	1.1
Potential GDP growth	0.7	1.5	1.6	0.9	0.7	0.7	1.3	0.9	1.0
Inflation rate	5.3	2.7	2.1	2.6	2.7	2.8	3.4	2.5	2.7
Implicit interest rate (nominal)	2.2	2.2	2.3	3.4	3.6	3.8	2.2	3.3	3.0
Gross financing needs	13.1	7.3	9.2	10.8	11.1	14.2	9.9	11.7	11.2
<b>2. Historical SPB scenario</b>									
Gross public debt	160.9	151.9	147.4	120.0	109.4	102.7	153.4	121.0	129.1
Primary balance	1.1	2.5	3.4	4.3	4.1	3.7	2.3	4.0	3.6
Structural primary balance (before CoA)	1.2	2.0	2.4	3.6	3.6	3.6	1.9	3.5	3.1
Real GDP growth	2.4	2.3	2.0	0.9	0.7	0.7	2.2	0.8	1.1
Gross financing needs	13.1	7.3	8.8	7.5	6.9	9.1	9.7	8.6	8.9
<b>3. Financial stress scenario</b>									
Gross public debt	160.9	152.7	148.9	129.4	122.7	119.9	154.2	130.4	136.4
Implicit interest rate (nominal)	2.2	2.7	2.6	3.6	3.8	4.0	2.5	3.5	3.2
Gross financing needs	13.1	7.9	10.0	11.7	12.1	15.2	10.3	12.6	12.1
<b>4. Lower SPB scenario</b>									
Gross public debt	160.9	151.7	148.0	129.3	123.1	120.8	153.5	130.4	136.2
Primary balance	1.1	2.2	2.7	2.3	2.0	1.7	2.0	2.2	2.1
Structural primary balance (before CoA)	1.2	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6
Real GDP growth	2.4	2.6	1.9	0.9	0.7	0.7	2.3	0.7	1.1
Gross financing needs	13.1	7.5	9.6	11.7	12.2	15.4	10.0	12.6	11.9
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	160.9	152.8	149.4	132.7	127.3	126.0	154.4	133.8	138.9
Implicit interest rate (nominal)	2.2	2.2	2.4	3.5	3.8	4.1	2.3	3.4	3.1
Real GDP growth	2.4	1.8	1.5	0.4	0.2	0.2	1.9	0.3	0.7
Gross financing needs	13.1	7.4	9.4	11.7	12.4	15.9	10.0	12.7	12.0
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	160.9	151.9	147.8	126.8	119.6	116.4	153.5	127.9	134.3
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	13.1	7.3	9.2	10.8	11.1	14.2	9.9	11.7	11.2

# Spain

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

Spain - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>116.8</b>	<b>111.6</b>	<b>107.5</b>	<b>106.5</b>	<b>106.6</b>	<b>106.5</b>	<b>107.0</b>	<b>107.6</b>	<b>108.5</b>	<b>109.7</b>	<b>111.3</b>	<b>113.3</b>	<b>115.7</b>	<b>118.4</b>
Changes in the ratio (-1+2+3) of which	-3.4	-4.4	-4.2	0.0	0.9	-0.1	0.5	0.7	0.9	1.2	1.6	2.0	2.4	2.7
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.6</b>	<b>-2.4</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.9</b>	<b>-2.3</b>	<b>-2.1</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.5</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.9	-2.3	-2.1	-1.0	-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					0.1	0.1	0.3	0.3	0.5	0.7	0.9	1.2	1.4	1.7
(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
<b>(1.2) Cyclical component</b>	<b>-2.6</b>	<b>0.0</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-8.0</b>	<b>-8.4</b>	<b>-5.6</b>	<b>-2.7</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>
(2.1) Interest expenditure	2.1	2.4	2.4	2.5	2.5	2.7	2.9	3.1	3.3	3.5	3.7	3.9	4.2	4.4
(2.2) Growth effect	-7.1	-6.1	-2.5	-1.7	-1.9	-1.6	-1.3	-1.3	-1.3	-1.2	-1.1	-1.0	-1.0	-1.1
(2.3) Inflation effect	-3.1	-4.6	-5.6	-3.5	-2.1	-2.2	-2.3	-2.4	-2.5	-2.7	-2.8	-2.9	-3.1	-3.1
(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
<b>(3) Stock-flow adjustments</b>	<b>0.0</b>	<b>0.8</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	0.0	0.8	-0.1	1.0	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
<b>Pro memoria</b>														
Structural balance	-4.1	-4.7	-4.5	-3.5	-3.6	-3.9	-4.1	-4.4	-4.7	-5.1	-5.5	-6.0	-6.5	-6.9
Gross financing needs	23.9	19.1	19.6	19.6	19.5	19.1	19.4	19.8	20.1	20.5	21.1	21.7	22.4	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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH			
		Debt level (2034), % GDP	118.4	121.1	124.0	128.0	120.1				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	75%	78%	84%	75%	75%				
		Probability of debt ratio exceeding in 2028 its 2023 level						51%			
		Difference between 90th and 10th percentiles (pps. GDP)						31.1			

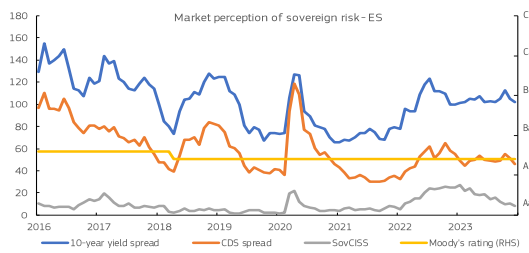
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.79	0.41
Fiscal sub-index	0.36	0.69	0.57
Financial competitiveness sub-index	0.49	0.85	0.33

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	1.0	5.9	6.6	8.6
of which				
Initial budgetary position	1.7	1.9	2.1	1.9
Ageing costs	-0.7	4.0	4.5	6.7
of which				
Pensions	-2.0	2.7	3.3	2.7
Health care	1.1	1.1	1.1	1.7
Long-term care	0.6	0.7	0.7	2.8
Others	-0.4	-0.5	-0.5	-0.5
Required structural primary balance related to S2	-0.2	4.9	5.6	7.6

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.4	5.4	5.8	6.8
of which				
Initial budgetary position	0.9	1.3	1.5	1.2
Debt requirement	1.1	0.9	0.8	0.9
Ageing costs	0.4	3.2	3.5	4.7
of which				
Pensions	-0.5	2.3	2.7	2.4
Health care	0.9	0.9	0.9	1.4
Long-term care	0.4	0.4	0.4	1.5
Others	-0.4	-0.5	-0.5	-0.5
Required structural primary balance related to S1	1.3	4.4	4.9	5.8

**3. Financial information**



Financial market information ES - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	102.0

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

<b>Public debt structure - ES (2022)</b>	<b>Share of short-term government debt (%):</b> 5.1	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 40.8
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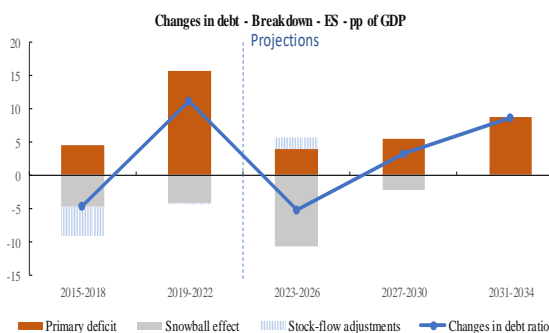
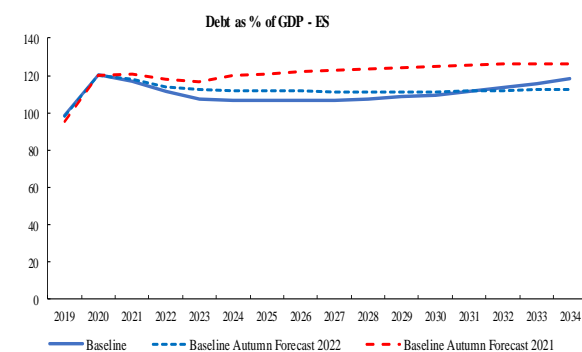
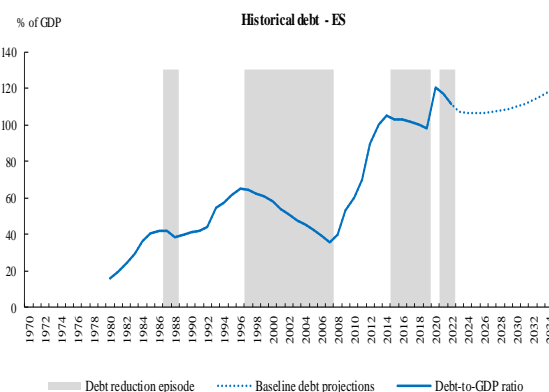
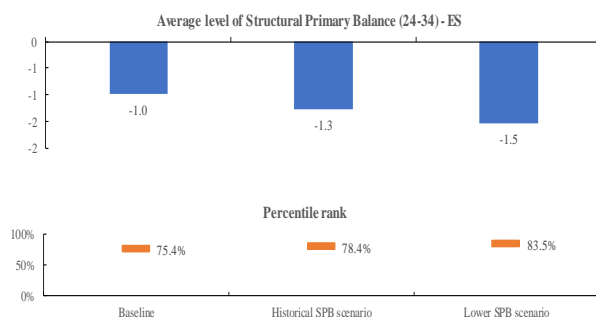
<b>Net International Investment Position (IIP) - ES (2022)</b>	<b>Net IIP (% GDP):</b> -60.2
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		ES							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		7.8	6.5	2.5	2.1	10.7	11.5	10.1	7.1
of which	One-off guarantees	7.8	6.5	2.5	2.1	10.7	2.9	2.0	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.0	8.5	8.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.4	0.3	0.3	0.3	0.3	0.3	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	0.1	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	0.0
	Special purpose entity	3.7	3.4	3.0	2.8	0.0	0.0	0.0	0.0
	Total	3.8	3.4	3.0	2.8	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - ES (2022)</b>	<b>Private sector credit flow (% GDP):</b> 0.3	<b>Change in nominal house price index (p.p.):</b> 7.4	<b>Bank loans-to-deposits ratio (%):</b> 101.8	<b>Share of non-performing loans (%):</b> 2.8	<b>Change in share of non-performing loans (p.p.):</b> 0.0	<b>NPL coverage ratio (%):</b> 42.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b> Stress 0.16%	<b>Severe Stress</b> 1.32%
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#### 6. Realism of baseline assumptions



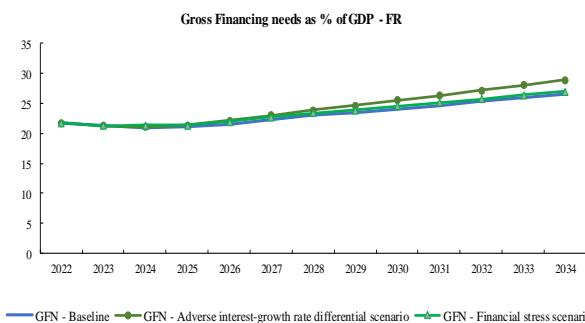
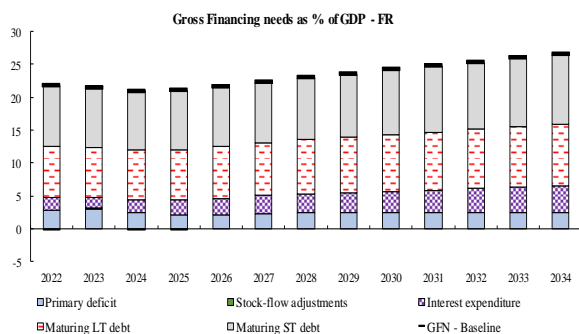
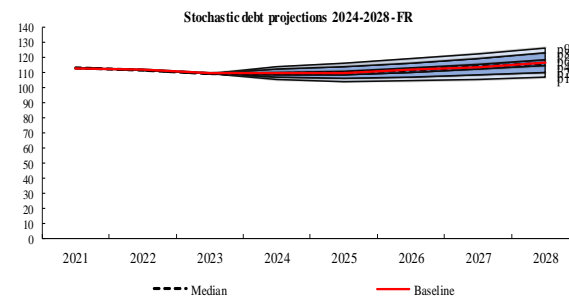
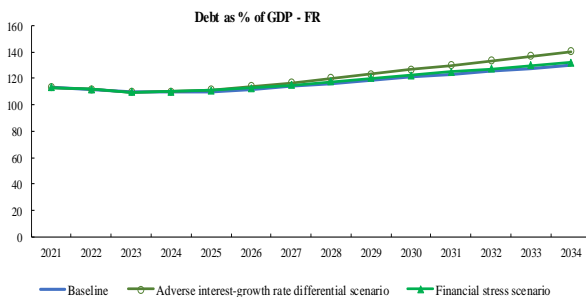
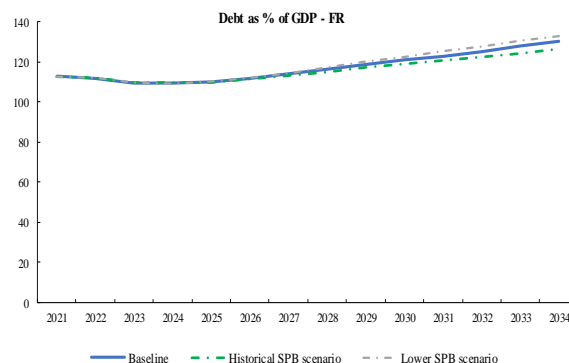
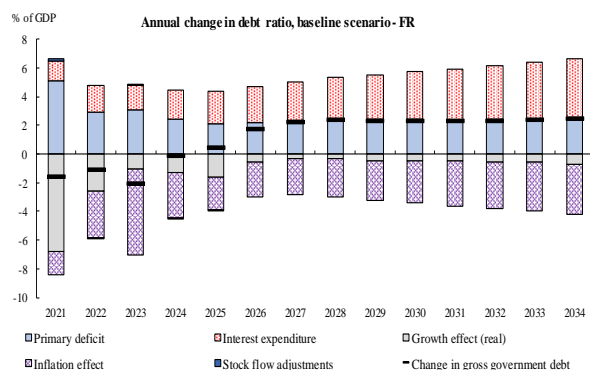
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Spain	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	107.5	106.5	106.6	109.7	113.3	118.4	106.9	110.9	109.9
Primary balance	-1.6	-0.6	-0.8	-1.6	-2.1	-2.5	-1.0	-1.7	-1.5
Structural primary balance (before CoA)	-2.1	-1.0	-1.0	-1.0	-1.0	-1.0	-1.3	-1.0	-1.1
Real GDP growth	2.4	1.7	1.9	1.2	1.0	1.0	2.0	1.2	1.4
Potential GDP growth	1.7	1.8	2.0	1.2	1.0	1.0	1.8	1.2	1.4
Inflation rate	5.3	3.4	2.0	2.5	2.7	2.8	3.5	2.5	2.8
Implicit interest rate (nominal)	2.3	2.5	2.5	3.4	3.7	3.9	2.4	3.3	3.1
Gross financing needs	19.6	19.6	19.5	20.5	21.7	23.2	19.6	20.8	20.5
<b>2. Historical SPB scenario</b>									
Gross public debt	107.5	106.5	106.7	110.8	115.3	121.1	106.9	112.1	110.8
Primary balance	-1.6	-0.6	-0.9	-1.9	-2.4	-2.9	-1.0	-2.0	-1.7
Structural primary balance (before CoA)	-2.1	-1.0	-1.1	-1.3	-1.3	-1.3	-1.4	-1.3	-1.3
Real GDP growth	2.4	1.7	1.9	1.1	1.0	1.0	2.0	1.2	1.4
Gross financing needs	19.6	19.6	19.6	21.0	22.4	24.0	19.6	21.3	20.9
<b>3. Financial stress scenario</b>									
Gross public debt	107.5	106.9	107.2	111.1	114.9	120.1	107.2	112.2	111.0
Implicit interest rate (nominal)	2.3	2.8	2.7	3.5	3.8	4.0	2.6	3.5	3.2
Gross financing needs	19.6	20.0	19.8	20.9	22.1	23.5	19.8	21.1	20.8
<b>4. Lower SPB scenario</b>									
Gross public debt	107.5	106.4	107.0	113.0	117.8	124.0	107.0	114.2	112.4
Primary balance	-1.6	-1.0	-1.1	-2.2	-2.6	-3.1	-1.2	-2.2	-2.0
Structural primary balance (before CoA)	-2.1	-1.5	-1.5	-1.5	-1.5	-1.5	-1.7	-1.5	-1.6
Real GDP growth	2.4	2.1	1.8	1.2	1.0	1.0	2.1	1.1	1.4
Gross financing needs	19.6	19.9	19.9	21.6	22.9	24.6	19.8	21.8	21.3
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	107.5	107.1	107.8	115.1	120.7	128.0	107.5	116.4	114.2
Implicit interest rate (nominal)	2.3	2.5	2.6	3.7	4.0	4.4	2.5	3.7	3.4
Real GDP growth	2.4	1.2	1.4	0.7	0.5	0.5	1.6	0.7	0.9
Gross financing needs	19.6	19.8	19.9	21.8	23.4	25.3	19.8	22.1	21.5
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	107.5	106.5	106.6	109.7	113.3	118.4	106.9	110.9	109.9
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	19.6	19.6	19.5	20.5	21.7	23.2	19.6	20.8	20.5

# France

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

France - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>112.9</b>	<b>111.8</b>	<b>109.6</b>	<b>109.5</b>	<b>109.9</b>	<b>111.6</b>	<b>113.8</b>	<b>116.2</b>	<b>118.4</b>	<b>120.7</b>	<b>123.0</b>	<b>125.3</b>	<b>127.7</b>	<b>130.1</b>
Changes in the ratio (-1+2+3) of which	-1.6	-1.1	-2.1	-0.2	0.4	1.7	2.2	2.4	2.3	2.3	2.3	2.3	2.4	2.4
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-5.1</b>	<b>-2.9</b>	<b>-3.1</b>	<b>-2.4</b>	<b>-2.1</b>	<b>-2.2</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.3</b>	<b>-2.9</b>	<b>-3.0</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.5</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.3	-2.9	-3.0	-2.4	-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					-0.1	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
<b>(1.2) Cyclical component</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-7.1</b>	<b>-3.9</b>	<b>-5.3</b>	<b>-2.4</b>	<b>-1.6</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>
(2.1) Interest expenditure	1.4	1.9	1.7	2.0	2.3	2.5	2.7	2.9	3.1	3.3	3.5	3.7	3.9	4.1
(2.2) Growth effect	-6.8	-2.6	-1.0	-1.3	-1.6	-0.6	-0.3	-0.3	-0.5	-0.5	-0.5	-0.6	-0.5	-0.8
(2.3) Inflation effect	-1.6	-3.2	-6.0	-3.1	-2.3	-2.4	-2.5	-2.7	-2.8	-3.0	-3.1	-3.3	-3.4	-3.5
(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
<b>(3) Stock-flow adjustments</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	0.2	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
(3.2) 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
<b>Pro memoria</b>														
Structural balance	-5.7	-4.9	-4.7	-4.4	-4.6	-4.9	-5.1	-5.3	-5.5	-5.7	-5.9	-6.1	-6.4	-6.6
Gross financing needs	24.7	21.7	21.3	20.9	21.0	21.6	22.3	23.0	23.6	24.1	24.7	25.3	25.9	26.5



**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 (S1+S2)
				Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall		HIGH	HIGH	HIGH	HIGH	HIGH	HIGH			
		Debt level (2034), % GDP		130.1	126.4	133.1	140.4	132.0				
		Debt peak year		2034	2034	2034	2034	2034				
		Fiscal consolidation space		94%	91%	95%	94%	94%				
		Probability of debt ratio exceeding in 2028 its 2023 level							81%			
		Difference between 90th and 10th percentiles (pps. GDP)						19.5				

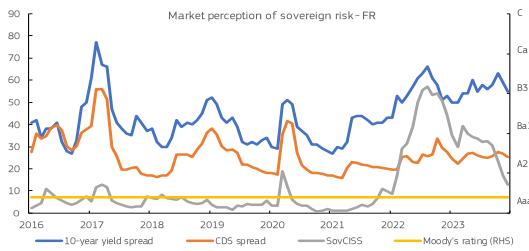
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.39	0.38
Fiscal sub-index	0.36	0.96	0.57
Financial competitiveness sub-index	0.49	0.09	0.28

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.9	3.1	3.8	5.5
of which				
Initial budgetary position	2.2	3.1	3.3	3.2
Ageing costs	-1.3	0.0	0.5	2.4
of which				
Pensions	-2.2	-0.6	0.0	-0.6
Health care	0.6	0.6	0.6	1.3
Long-term care	0.7	0.6	0.6	2.4
Others	-0.4	-0.7	-0.7	-0.7
Required structural primary balance related to S2	-1.1	0.7	1.4	3.1

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.4	3.5	3.9	4.8
of which				
Initial budgetary position	1.5	2.5	2.7	2.5
Debt requirement	1.1	1.0	0.9	1.0
Ageing costs	-0.3	0.0	0.2	1.3
of which				
Pensions	-0.9	-0.4	-0.1	-0.4
Health care	0.5	0.5	0.4	0.9
Long-term care	0.4	0.4	0.4	1.3
Others	-0.3	-0.5	-0.5	-0.5
Required structural primary balance related to S1	0.4	1.1	1.5	2.3

**3. Financial information**



Financial market information FR - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	55.0



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

<b>Public debt structure - FR (2022)</b>	<b>Share of short-term government debt (%):</b> 8.3	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 47.3
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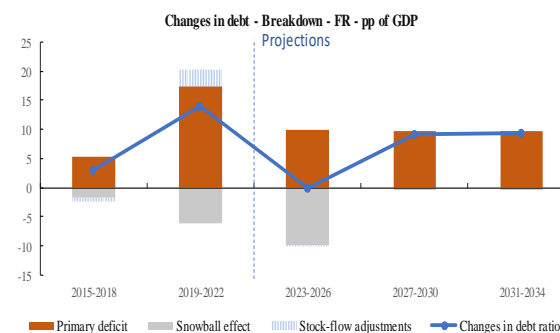
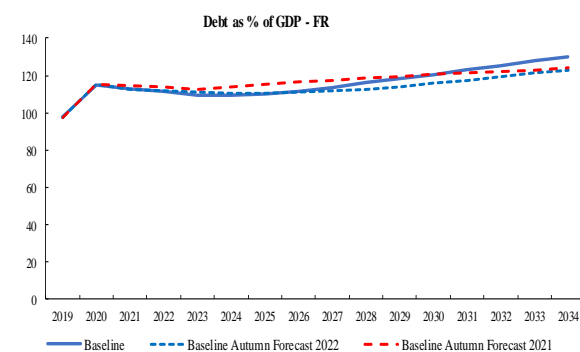
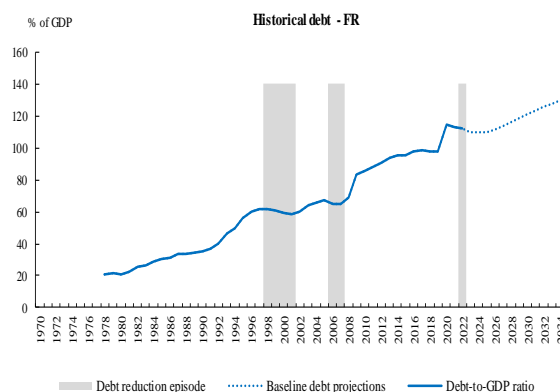
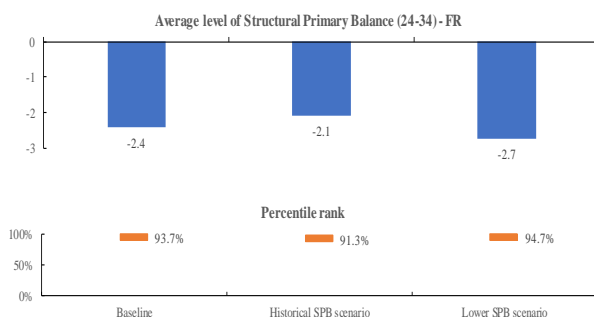
<b>Net International Investment Position (IIP) - FR (2022)</b>	<b>Net IIP (% GDP):</b> -23.8
----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		FR							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		12.0	12.0	12.0	11.6	16.9	15.2	13.5	7.1
of which	One-off guarantees	9.7	9.7	9.6	9.3	14.4	12.9	11.2	5.6
	Standardised guarantees	2.2	2.3	2.4	2.3	2.5	2.4	2.3	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.8	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	2.0	1.6	1.5	1.3	1.3	1.0	0.8	0.9

<b>Government's contingent liability risks from banking sector - FR (2022)</b>	<b>Private sector credit flow (% GDP):</b> 8.7	<b>Change in nominal house price index (p.p.):</b> 6.3	<b>Bank loans-to-deposits ratio (%):</b> 107.8	<b>Share of non-performing loans (%):</b> 1.9	<b>Change in share of non-performing loans (p.p.):</b> 0.1	<b>NPL coverage ratio (%):</b> 45.6	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.03%	Severe Stress 0.56%

#### 6. Realism of baseline assumptions



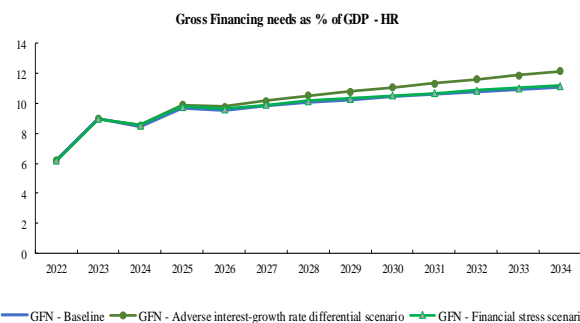
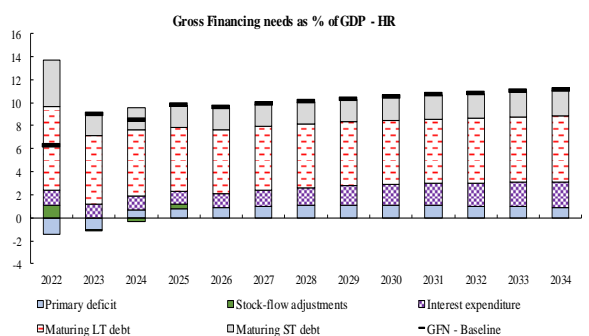
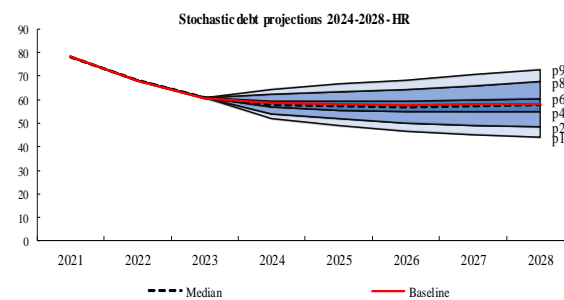
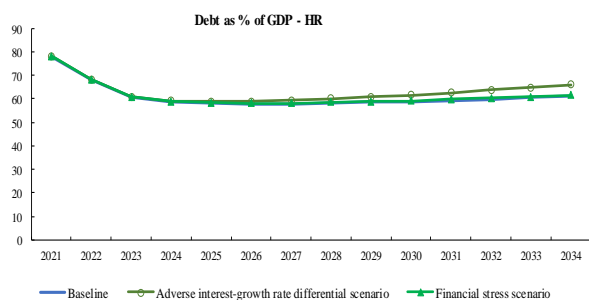
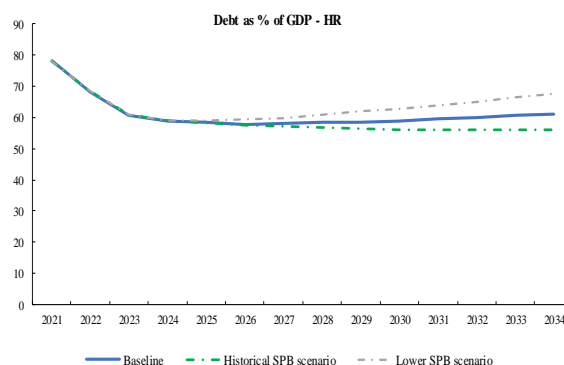
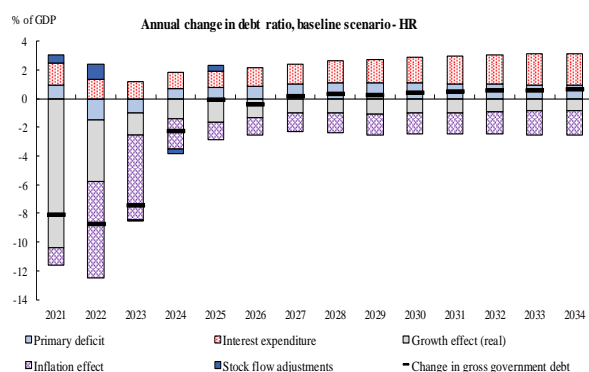
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, France	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	109.6	109.5	109.9	120.7	125.3	130.1	109.7	120.8	118.0
Primary balance	-3.1	-2.4	-2.1	-2.4	-2.4	-2.5	-2.5	-2.4	-2.4
Structural primary balance (before CoA)	-3.0	-2.4	-2.4	-2.4	-2.4	-2.4	-2.6	-2.4	-2.5
Real GDP growth	1.0	1.2	1.5	0.4	0.5	0.6	1.3	0.4	0.6
Potential GDP growth	1.2	1.2	1.1	0.4	0.5	0.6	1.2	0.5	0.7
Inflation rate	5.7	2.9	2.1	2.6	2.7	2.8	3.6	2.5	2.8
Implicit interest rate (nominal)	1.6	1.9	2.2	2.9	3.1	3.3	1.9	2.9	2.6
Gross financing needs	21.3	20.9	21.0	24.1	25.3	26.5	21.1	24.1	23.4
<b>2. Historical SPB scenario</b>									
Gross public debt	109.6	109.5	109.8	118.9	122.5	126.4	109.6	118.9	116.6
Primary balance	-3.1	-2.4	-2.0	-2.0	-2.0	-2.0	-2.5	-2.0	-2.1
Structural primary balance (before CoA)	-3.0	-2.4	-2.3	-2.0	-2.0	-2.0	-2.6	-2.0	-2.2
Real GDP growth	1.0	1.2	1.5	0.4	0.5	0.6	1.3	0.4	0.6
Gross financing needs	21.3	20.9	20.9	23.4	24.4	25.5	21.0	23.4	22.8
<b>3. Financial stress scenario</b>									
Gross public debt	109.6	110.0	110.6	122.3	127.1	132.0	110.0	122.3	119.2
Implicit interest rate (nominal)	1.6	2.3	2.4	3.0	3.2	3.4	2.1	3.0	2.8
Gross financing needs	21.3	21.4	21.3	24.5	25.7	27.0	21.3	24.5	23.7
<b>4. Lower SPB scenario</b>									
Gross public debt	109.6	109.4	110.1	122.5	127.7	133.1	109.7	122.5	119.3
Primary balance	-3.1	-2.6	-2.3	-2.7	-2.7	-2.8	-2.7	-2.7	-2.7
Structural primary balance (before CoA)	-3.0	-2.7	-2.7	-2.7	-2.7	-2.7	-2.8	-2.7	-2.7
Real GDP growth	1.0	1.5	1.5	0.4	0.5	0.6	1.3	0.4	0.6
Gross financing needs	21.3	21.0	21.2	24.7	26.0	27.3	21.2	24.7	23.8
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	109.6	110.1	111.2	126.5	133.2	140.4	110.3	126.7	122.6
Implicit interest rate (nominal)	1.6	2.0	2.3	3.2	3.5	3.7	2.0	3.2	2.9
Real GDP growth	1.0	0.7	1.0	-0.1	0.0	0.1	0.9	-0.1	0.2
Gross financing needs	21.3	21.1	21.4	25.5	27.2	28.9	21.3	25.5	24.5
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	109.6	109.5	109.9	120.7	125.3	130.1	109.7	120.8	118.0
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	21.3	20.9	21.0	24.1	25.3	26.5	21.1	24.1	23.4

# Croatia

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

Croatia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>78.1</b>	<b>68.2</b>	<b>60.8</b>	<b>58.8</b>	<b>58.3</b>	<b>57.9</b>	<b>58.0</b>	<b>58.3</b>	<b>58.5</b>	<b>58.9</b>	<b>59.4</b>	<b>59.9</b>	<b>60.5</b>	<b>61.1</b>
Changes in the ratio (-1+2+3) of which	-8.2	-8.8	-7.5	-2.3	-0.1	-0.4	0.1	0.3	0.3	0.4	0.5	0.5	0.6	0.6
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-1.0</b>	<b>1.5</b>	<b>1.0</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.9</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.4</b>	<b>0.3</b>	<b>0.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.9</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.4	0.3	0.1	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2
(1.1.2) Cost of ageing				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(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
<b>(1.2) Cyclical component</b>	<b>0.4</b>	<b>1.5</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-10.2</b>	<b>-9.5</b>	<b>-6.3</b>	<b>-2.4</b>	<b>-1.7</b>	<b>-1.3</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>
(2.1) Interest expenditure	1.5	1.4	1.2	1.1	1.1	1.3	1.4	1.6	1.7	1.8	1.9	2.0	2.1	2.2
(2.2) Growth effect	-10.4	-4.3	-1.6	-1.4	-1.7	-1.3	-1.0	-1.0	-1.1	-1.0	-1.0	-0.9	-0.9	-0.9
(2.3) Inflation effect	-1.3	-6.8	-5.8	-2.1	-1.2	-1.2	-1.3	-1.3	-1.4	-1.4	-1.5	-1.6	-1.6	-1.6
(2.4) Exchange rate effect linked to the interest rate	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
<b>(3) Stock-flow adjustments</b>	<b>0.5</b>	<b>1.0</b>	<b>-0.1</b>	<b>-0.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	2.5	-5.2	0.9	-1.1	0.4	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	-2.0	6.2	-1.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-2.9	-1.2	-1.0	-2.3	-2.3	-2.4	-2.5	-2.6	-2.8	-2.9	-3.0	-3.0	-3.1	-3.1
Gross financing needs	14.7	6.2	9.0	8.4	9.7	9.5	9.8	10.1	10.3	10.4	10.6	10.8	10.9	11.1



## 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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	MEDIUM	Overall	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	MEDIUM	LOW	LOW	LOW
		Debt level (2034), % GDP	61.1	56.0	67.6	66.1	61.5				
		Debt peak year	2034	2023	2034	2034	2034				
		Fiscal consolidation space	51%	44%	54%	51%	51%				
		Probability of debt ratio exceeding in 2028 its 2023 level						39%			
		Difference between 90th and 10th percentiles (pps. GDP)						28.9			

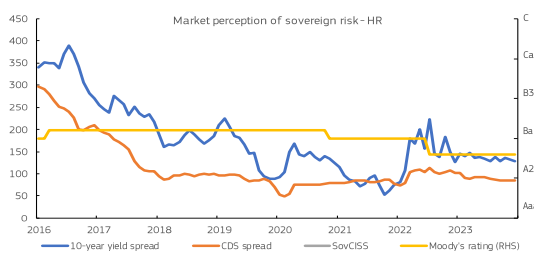
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.84	0.21
Fiscal sub-index	0.36	0.64	0.00
Financial competitiveness sub-index	0.49	0.93	0.33

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.0	0.7	1.0	2.7
of which				
Initial budgetary position	2.6	1.7	1.8	1.7
Ageing costs	-0.6	-1.0	-0.8	1.0
of which				
Pensions	-1.1	-1.3	-1.1	-1.3
Health care	0.5	0.6	0.6	1.7
Long-term care	0.1	0.1	0.1	1.0
Others	-0.1	-0.4	-0.4	-0.4
Required structural primary balance related to S2	0.0	-0.4	-0.2	1.5

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.1	0.5	0.7	1.7
of which				
Initial budgetary position	2.2	1.3	1.4	1.2
Debt requirement	0.2	0.0	0.0	0.0
Ageing costs	-0.3	-0.7	-0.7	0.5
of which				
Pensions	-0.6	-0.9	-0.8	-0.9
Health care	0.4	0.5	0.5	1.3
Long-term care	0.1	0.1	0.1	0.5
Others	-0.2	-0.4	-0.4	-0.4
Required structural primary balance related to S1	0.1	-0.7	-0.5	0.6

### 3. Financial information



Financial market information HR - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	129.0

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

<b>Public debt structure - HR (2022)</b>	<b>Share of short-term government debt (%):</b> 4.4	<b>Share of government debt in foreign currency (%):</b> 73.6	<b>Share of government debt by non-residents (%):</b> 32.4
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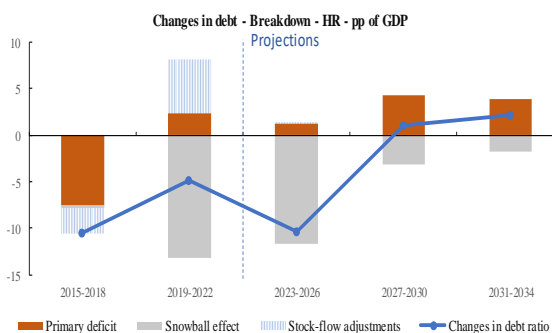
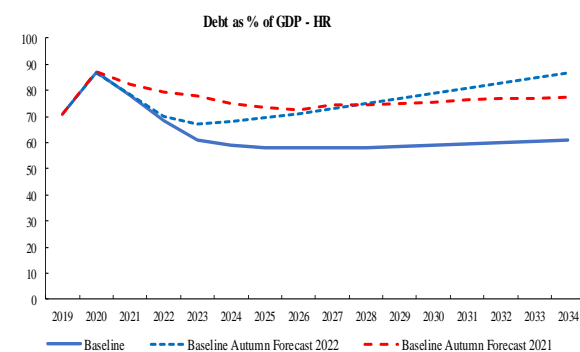
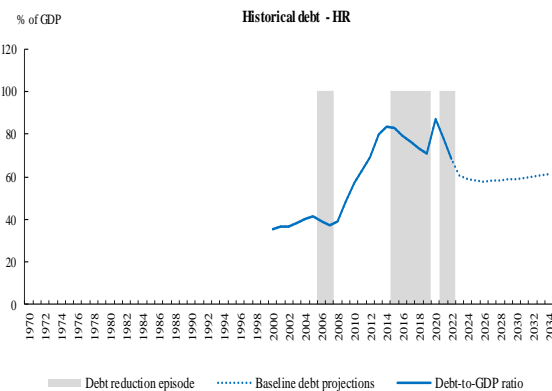
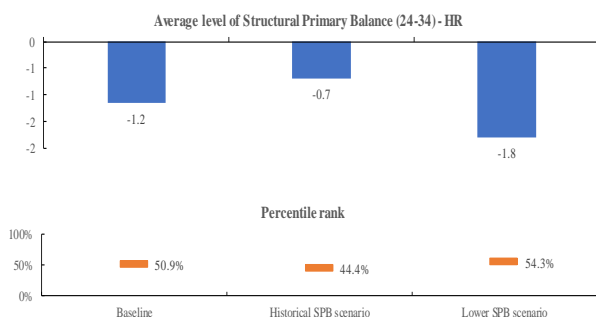
<b>Net International Investment Position (IIP) - HR (2022)</b>	<b>Net IIP (% GDP):</b> -25.4
----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		HR							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		2.6	2.6	1.4	1.1	1.7	1.8	2.3	7.1
<i>of which One-off guarantees</i>		2.6	2.6	1.4	1.1	1.7	1.7	2.2	5.6
<i>Standardised guarantees</i>		0.0	0.0	0.0	0.0	0.0	0.1	0.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - HR (2022)</b>	<b>Private sector credit flow (% GDP):</b> 6.0	<b>Change in nominal house price index (p.p.):</b> 14.9	<b>Bank loans-to-deposits ratio (%):</b> 64.5	<b>Share of non-performing loans (%):</b> 2.1	<b>Change in share of non-performing loans (p.p.):</b> -0.8	<b>NPL coverage ratio (%):</b> 67.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.00%	0.04%

#### 6. Realism of baseline assumptions



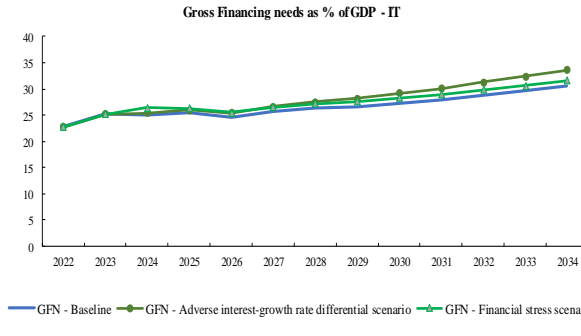
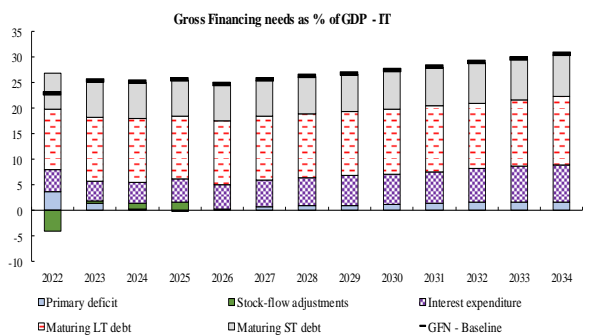
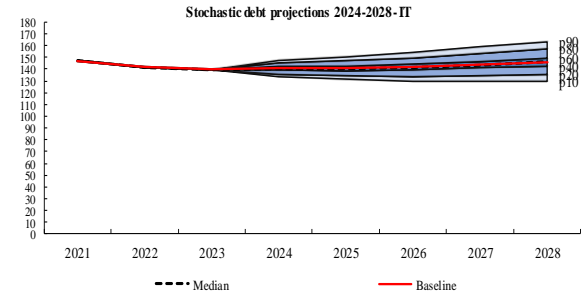
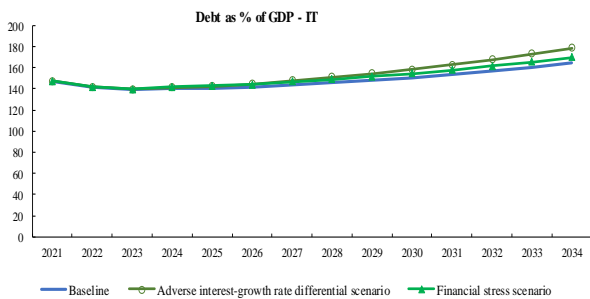
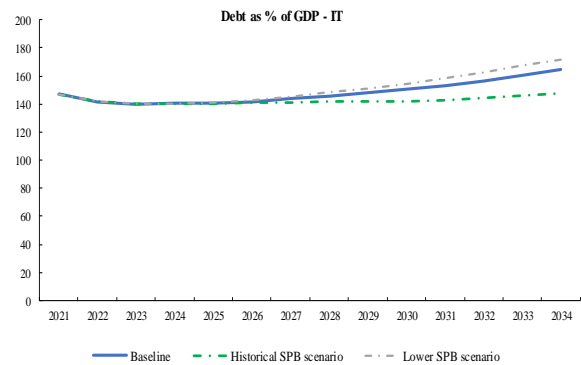
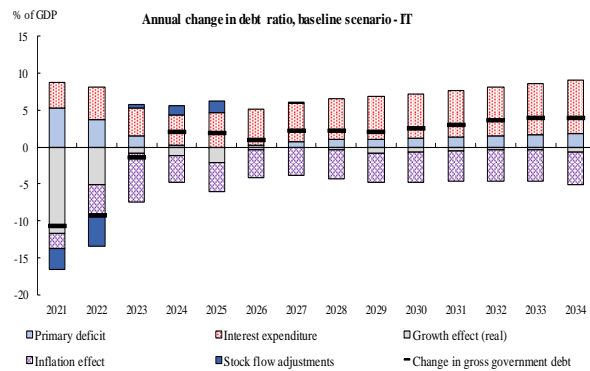
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Croatia	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	60.8	58.8	58.3	58.9	59.9	61.1	59.3	59.2	59.2
Primary balance	1.0	-0.7	-0.8	-1.1	-1.0	-0.9	-0.2	-1.0	-0.8
Structural primary balance (before CoA)	0.1	-1.2	-1.2	-1.2	-1.2	-1.2	-0.7	-1.2	-1.1
Real GDP growth	2.6	2.5	3.0	1.8	1.6	1.5	2.7	1.8	2.0
Potential GDP growth	3.9	3.5	3.1	1.8	1.6	1.5	3.5	1.9	2.3
Inflation rate	9.4	3.6	2.1	2.5	2.7	2.8	5.0	2.5	3.1
Implicit interest rate (nominal)	1.9	2.0	2.0	3.2	3.5	3.8	2.0	3.1	2.8
Gross financing needs	9.0	8.4	9.7	10.4	10.8	11.1	9.0	10.4	10.1
<b>2. Historical SPB scenario</b>									
Gross public debt	60.8	58.8	58.1	56.2	56.0	56.0	59.3	56.5	57.2
Primary balance	1.0	-0.7	-0.6	-0.5	-0.4	-0.3	-0.1	-0.4	-0.4
Structural primary balance (before CoA)	0.1	-1.2	-1.0	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6
Real GDP growth	2.6	2.5	3.0	1.8	1.6	1.5	2.7	1.8	2.0
Gross financing needs	9.0	8.4	9.6	9.4	9.6	9.7	9.0	9.5	9.3
<b>3. Financial stress scenario</b>									
Gross public debt	60.8	58.9	58.4	59.2	60.3	61.5	59.4	59.5	59.5
Implicit interest rate (nominal)	1.9	2.1	2.1	3.3	3.6	3.8	2.0	3.2	2.9
Gross financing needs	9.0	8.5	9.8	10.5	10.9	11.2	9.1	10.5	10.1
<b>4. Lower SPB scenario</b>									
Gross public debt	60.8	59.0	59.0	62.8	65.1	67.6	59.6	63.1	62.2
Primary balance	1.0	-1.1	-1.3	-1.7	-1.7	-1.6	-0.5	-1.6	-1.3
Structural primary balance (before CoA)	0.1	-1.8	-1.8	-1.8	-1.8	-1.8	-1.2	-1.8	-1.6
Real GDP growth	2.6	3.0	2.8	1.8	1.6	1.5	2.8	1.8	2.0
Gross financing needs	9.0	8.8	10.3	11.7	12.2	12.8	9.4	11.6	11.0
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	60.8	59.2	59.0	61.7	63.7	66.1	59.6	62.0	61.4
Implicit interest rate (nominal)	1.9	2.1	2.1	3.5	3.9	4.2	2.0	3.5	3.1
Real GDP growth	2.6	2.0	2.5	1.3	1.1	1.0	2.3	1.3	1.6
Gross financing needs	9.0	8.5	9.9	11.1	11.6	12.2	9.1	11.0	10.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	60.8	68.6	67.7	67.6	68.5	69.6	65.7	68.0	67.4
Exchange rate depreciation	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.1%
Gross financing needs	9.0	9.9	11.1	11.8	12.2	12.5	10.0	11.8	11.4

# Italy

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

Italy - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>147.1</b>	<b>141.7</b>	<b>139.8</b>	<b>140.6</b>	<b>140.7</b>	<b>141.6</b>	<b>143.7</b>	<b>145.8</b>	<b>147.7</b>	<b>150.2</b>	<b>153.1</b>	<b>156.6</b>	<b>160.5</b>	<b>164.4</b>
Changes in the ratio (-1+2+3) of which	-10.8	-9.4	-1.4	1.9	1.7	0.9	2.1	2.1	2.0	2.5	2.9	3.5	3.9	3.9
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-5.3</b>	<b>-3.8</b>	<b>-1.4</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-5.0</b>	<b>-4.9</b>	<b>-2.3</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>
(1.1.1) Structural primary balance (bef. CoA)	-5.0	-4.9	-2.3	-0.9	-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	0.2	0.2	0.2	0.4	0.6	0.8	0.9	1.0
(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
<b>(1.2) Cyclical component</b>	<b>-0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>1.0</b>	<b>0.7</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-10.2</b>	<b>-5.1</b>	<b>-3.7</b>	<b>-0.6</b>	<b>-1.3</b>	<b>0.7</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>	<b>1.6</b>	<b>1.9</b>	<b>2.2</b>	<b>2.2</b>
(2.1) Interest expenditure	3.5	4.3	3.8	4.2	4.6	4.9	5.2	5.4	5.7	6.0	6.3	6.6	6.9	7.2
(2.2) Growth effect	-11.7	-5.1	-0.9	-1.2	-2.0	-0.3	0.0	-0.4	-0.8	-0.7	-0.6	-0.5	-0.4	-0.7
(2.3) Inflation effect	-2.0	-4.3	-6.6	-3.6	-3.9	-3.9	-3.9	-4.0	-4.0	-4.1	-4.1	-4.2	-4.3	-4.3
(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
<b>(3) Stock-flow adjustments</b>	<b>-2.9</b>	<b>-4.0</b>	<b>0.4</b>	<b>1.2</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-2.9	-4.1	0.4	1.2	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-8.5	-9.1	-6.1	-5.1	-5.4	-5.8	-6.2	-6.5	-6.8	-7.2	-7.6	-8.1	-8.6	-9.0
Gross financing needs	25.0	22.8	25.2	25.1	25.4	24.7	25.6	26.3	26.7	27.3	28.0	28.8	29.6	30.5



**2. Risk classification and sustainability indicators summary tables**

**2.1. Risk classification summary table**

Short term	Overall (S0)	Overall	Medium term - Debt sustainability analysis (DSA)						Long term		
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress	Stochastic projections	S2	S1	Overall (S1+S2)
LOW	HIGH	Overall	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	LOW	MEDIUM	MEDIUM
		Debt level (2034), % GDP	164.4	147.8	171.8	178.8	169.7				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	69%	52%	73%	69%	69%				
		Probability of debt ratio exceeding in 2028 its 2023 level						68%			
Difference between 90th and 10th percentiles (pps. GDP)						33.3					

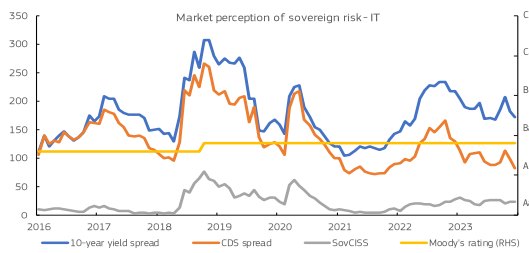
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.58	0.35
Fiscal sub-index	0.36	0.96	0.69
Financial competitiveness sub-index	0.49	0.38	0.18

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.7	0.9	1.8	2.3
of which				
Initial budgetary position	1.1	1.9	2.3	1.9
Ageing costs	-0.4	-1.1	-0.5	0.4
of which				
Pensions	-1.7	-1.5	-0.9	-1.5
Health care	0.8	0.6	0.6	1.2
Long-term care	0.8	0.5	0.5	1.4
Others	-0.3	-0.7	-0.7	-0.7
Required structural primary balance related to S2	0.2	0.0	0.9	1.4

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.5	3.4	3.9	4.2
of which				
Initial budgetary position	0.7	2.0	2.2	1.9
Debt requirement	1.7	1.5	1.4	1.5
Ageing costs	1.0	0.0	0.3	0.8
of which				
Pensions	0.0	-0.4	-0.1	-0.4
Health care	0.7	0.5	0.5	0.8
Long-term care	0.6	0.4	0.4	0.8
Others	-0.2	-0.5	-0.5	-0.5
Required structural primary balance related to S1	3.0	2.5	3.0	3.3

**3. Financial information**



Financial market information IT - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	172.0



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

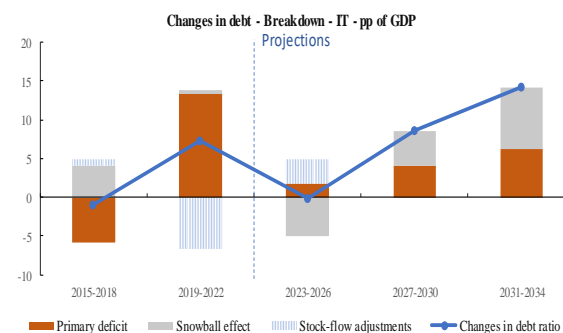
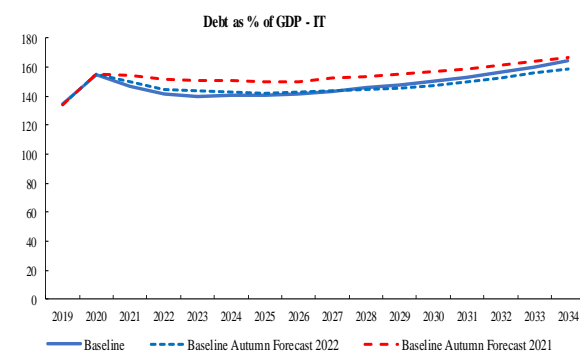
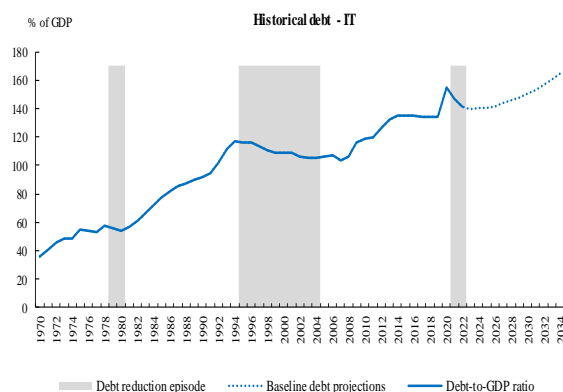
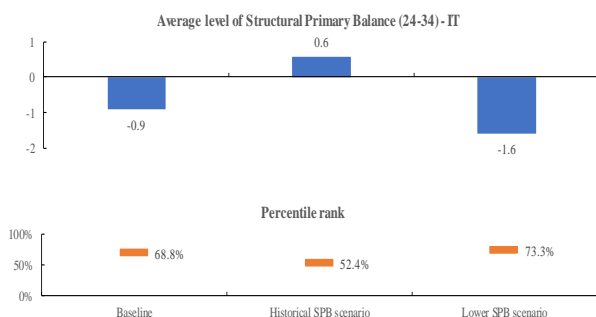
<b>Public debt structure - IT (2022)</b>	<b>Share of short-term government debt (%):</b> 13.1	<b>Share of government debt in foreign currency (%):</b> 0.1	<b>Share of government debt by non-residents (%):</b> 26.8	<b>Net International Investment Position (IIP) - IT (2022)</b>	<b>Net IIP (% GDP):</b> 4.7
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		IT							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		2.4	3.9	4.3	4.8	13.0	16.5	16.3	7.1
<i>of which One-off guarantees</i>		1.2	2.5	2.6	2.9	5.4	6.8	6.8	5.6
<i>Standardised guarantees</i>		1.2	1.4	1.7	1.9	7.6	9.8	9.5	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)									
	Liabilities and assets outside gen. gov. under guarantee	0.4	1.3	0.9	1.2	0.6	0.6	0.6	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	<b>Total</b>	<b>0.4</b>	<b>1.3</b>	<b>0.9</b>	<b>1.2</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.9</b>

<b>Government's contingent liability risks from banking sector - IT (2022)</b>	<b>Private sector credit flow (% GDP):</b> 2.9	<b>Change in nominal house price index (p.p.):</b> 3.8	<b>Bank loans-to-deposits ratio (%):</b> 92.8	<b>Share of non-performing loans (%):</b> 2.4	<b>Change in share of non-performing loans (p.p.):</b> -0.2	<b>NPL coverage ratio (%):</b> 54.1	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.02%	0.33%

#### 6. Realism of baseline assumptions



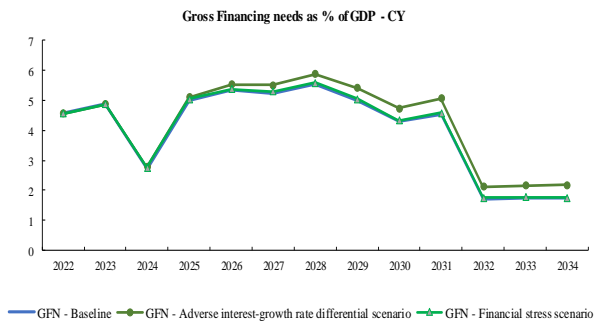
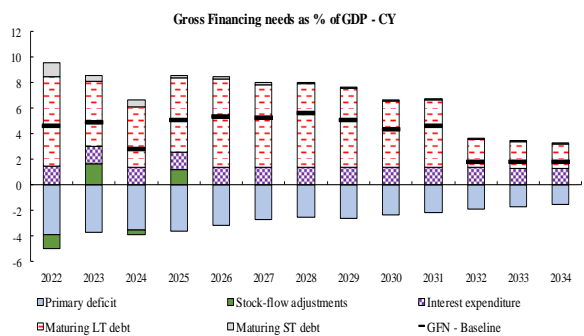
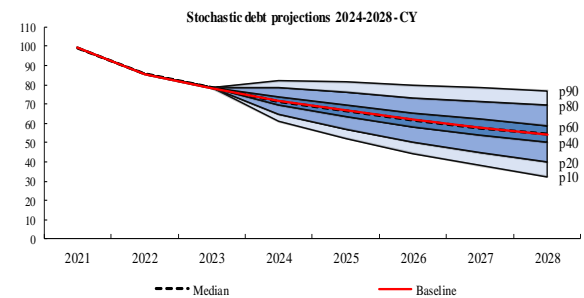
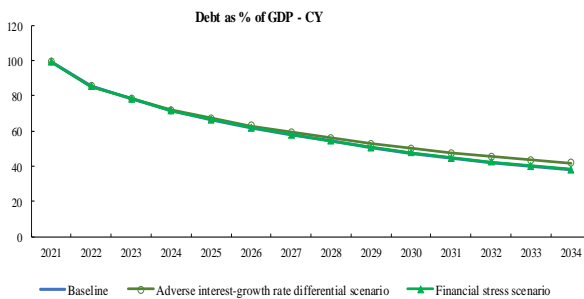
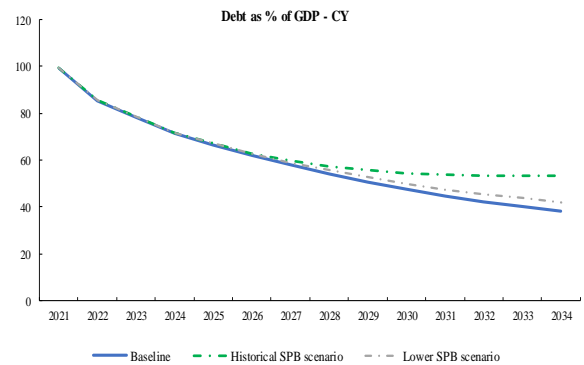
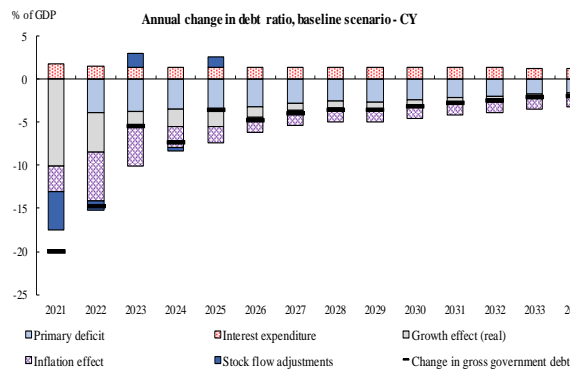
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Italy	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	139.8	140.6	140.7	150.2	156.6	164.4	140.4	151.5	148.7
Primary balance	-1.4	-0.2	0.1	-1.2	-1.5	-1.7	-0.5	-1.2	-1.0
Structural primary balance (before CoA)	-2.3	-0.9	-0.9	-0.9	-0.9	-0.9	-1.4	-0.9	-1.0
Real GDP growth	0.7	0.9	1.5	0.5	0.3	0.5	1.0	0.3	0.5
Potential GDP growth	1.0	0.8	0.9	0.5	0.3	0.5	0.9	0.5	0.6
Inflation rate	4.9	2.7	2.9	2.8	2.8	2.8	3.5	2.8	3.0
Implicit interest rate (nominal)	2.9	3.1	3.4	4.2	4.4	4.7	3.1	4.2	3.9
Gross financing needs	25.2	25.1	25.4	27.3	28.8	30.5	25.2	27.5	26.9
<b>2. Historical SPB scenario</b>									
Gross public debt	139.8	140.6	140.3	142.1	144.3	147.8	140.2	143.2	142.4
Primary balance	-1.4	-0.2	0.6	0.6	0.3	0.1	-0.3	0.5	0.3
Structural primary balance (before CoA)	-2.3	-0.9	-0.4	1.0	1.0	1.0	-1.2	0.8	0.3
Real GDP growth	0.7	0.9	1.5	0.5	0.3	0.5	1.0	0.3	0.5
Gross financing needs	25.2	25.1	25.0	24.3	25.0	26.0	25.1	24.6	24.7
<b>3. Financial stress scenario</b>									
Gross public debt	139.8	141.9	142.7	154.3	161.4	169.7	141.5	155.6	152.0
Implicit interest rate (nominal)	2.9	4.1	3.8	4.4	4.6	4.8	3.6	4.4	4.2
Gross financing needs	25.2	26.5	26.3	28.3	29.8	31.6	26.0	28.5	27.9
<b>4. Lower SPB scenario</b>									
Gross public debt	139.8	140.3	141.2	154.4	162.4	171.8	140.4	155.7	151.9
Primary balance	-1.4	-0.6	-0.4	-1.9	-2.2	-2.4	-0.8	-1.8	-1.6
Structural primary balance (before CoA)	-2.3	-1.6	-1.6	-1.6	-1.6	-1.6	-1.8	-1.6	-1.6
Real GDP growth	0.7	1.4	1.3	0.5	0.3	0.5	1.1	0.3	0.5
Gross financing needs	25.2	25.4	25.9	28.6	30.4	32.4	25.5	28.8	28.0
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	139.8	141.4	142.5	158.0	167.5	178.8	141.3	159.7	155.1
Implicit interest rate (nominal)	2.9	3.2	3.6	4.6	4.9	5.1	3.2	4.5	4.2
Real GDP growth	0.7	0.4	1.0	0.0	-0.2	0.0	0.7	-0.2	0.0
Gross financing needs	25.2	25.4	25.9	29.1	31.3	33.7	25.5	29.4	28.4
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	139.8	140.6	140.8	150.2	156.6	164.4	140.4	151.5	148.7
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	25.2	25.1	25.4	27.3	28.8	30.5	25.3	27.5	26.9

# Cyprus

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

Cyprus - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>99.3</b>	<b>85.6</b>	<b>78.4</b>	<b>71.5</b>	<b>66.6</b>	<b>61.8</b>	<b>57.9</b>	<b>54.3</b>	<b>50.7</b>	<b>47.5</b>	<b>44.7</b>	<b>42.2</b>	<b>40.1</b>	<b>38.1</b>
Changes in the ratio (-1+2+3) of which	-20.1	-14.8	-5.5	-7.4	-3.7	-4.8	-3.9	-3.6	-3.6	-3.2	-2.8	-2.5	-2.2	-2.0
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-0.1</b>	<b>3.9</b>	<b>3.7</b>	<b>3.5</b>	<b>3.6</b>	<b>3.1</b>	<b>2.7</b>	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>	<b>2.1</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.5</b>	<b>2.0</b>	<b>2.6</b>	<b>3.4</b>	<b>3.1</b>	<b>2.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>	<b>2.1</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.5	2.0	2.6	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
(1.1.2) Cost of ageing					0.3	0.6	0.8	0.9	0.8	1.0	1.3	1.5	1.7	1.8
(1.1.3) Others (taxes and property incomes)					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
<b>(1.2) Cyclical component</b>	<b>1.3</b>	<b>1.9</b>	<b>1.1</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-11.4</b>	<b>-8.7</b>	<b>-5.1</b>	<b>-3.1</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.4</b>
(2.1) Interest expenditure	1.7	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3
(2.2) Growth effect	-10.1	-4.5	-1.8	-1.9	-1.9	-1.3	-0.9	-0.9	-0.9	-0.8	-0.7	-0.7	-0.6	-0.6
(2.3) Inflation effect	-3.0	-5.7	-4.7	-2.5	-1.9	-1.8	-1.7	-1.6	-1.5	-1.4	-1.3	-1.2	-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
<b>(3) Stock-flow adjustments</b>	<b>-4.4</b>	<b>-1.1</b>	<b>1.7</b>	<b>-0.4</b>	<b>1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-4.4	-1.1	1.7	-0.4	1.2	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
<b>Pro memoria</b>														
Structural balance	-3.3	0.6	1.2	2.0	1.7	1.4	1.3	1.1	1.2	1.0	0.8	0.6	0.4	0.3
Gross financing needs	6.1	4.6	4.9	2.7	5.0	5.3	5.2	5.5	5.0	4.3	4.5	1.7	1.7	1.7



**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 (S1 + S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	LOW	LOW	LOW	LOW	LOW	MEDIUM	LOW	LOW	LOW
		Debt level (2034), % GDP	38.1	53.3	42.1	42.0	38.3				
		Debt level (2023)	2023	2023	2023	2023	2023				
		Fiscal consolidation space	20%	29%	22%	20%	20%				
		Probability of debt ratio exceeding in 2028 its 2023 level					9%				
		Difference between 90th and 10th percentiles (pps. GDP)					44.6				

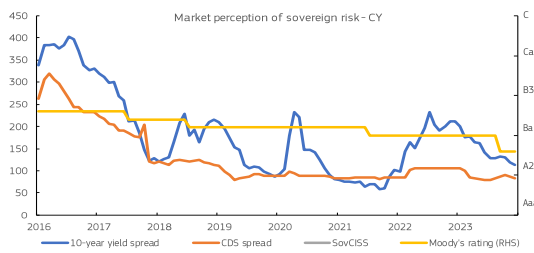
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.71	0.32
Fiscal sub-index	0.36	0.56	0.11
Financial competitiveness sub-index	0.49	0.77	0.44

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-0.8	0.7	1.1	4.5
of which				
Initial budgetary position	-1.9	-3.0	-2.8	-2.9
Ageing costs	1.0	3.7	3.9	7.4
of which				
Pensions	0.9	3.3	3.5	3.2
Health care	0.3	0.7	0.6	1.7
Long-term care	0.2	0.1	0.1	2.9
Others	-0.4	-0.4	-0.4	-0.4
Required structural primary balance related to S2	1.5	4.2	4.5	7.9

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-1.7	-0.4	-0.2	1.0
of which				
Initial budgetary position	-2.7	-3.4	-3.3	-3.6
Debt requirement	0.4	0.2	0.2	0.2
Ageing costs	0.5	2.8	2.9	4.4
of which				
Pensions	0.6	2.6	2.7	2.6
Health care	0.2	0.5	0.4	1.2
Long-term care	0.1	0.1	0.1	0.9
Others	-0.4	-0.3	-0.3	-0.3
Required structural primary balance related to S1	0.6	3.0	3.3	4.4

**3. Financial information**



Financial market information CY - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	113.0

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

<b>Public debt structure - CY (2022)</b>	<b>Share of short-term government debt (%):</b> 1.3	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 93.2	<b>Net International Investment Position (IIP) - CY (2022)</b>	<b>Net IIP (% GDP):</b> -96.2
------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	----------------------------------

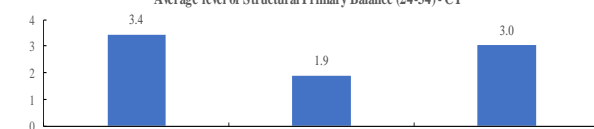
#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		CY							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		8.9	8.3	7.2	4.3	4.5	3.8	3.3	7.1
of which	One-off guarantees	8.7	8.1	7.2	4.3	4.5	3.8	3.3	5.6
	Standardised guarantees	0.3	0.2	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	0.0	0.0	10.2	8.9	7.7	6.3	5.1	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	10.2	8.9	7.7	6.3	5.1	0.9

<b>Government's contingent liability risks from banking sector - CY (2022)</b>	<b>Private sector credit flow (% GDP):</b> -3.9	<b>Change in nominal house price index (p.p.):</b> 2.7	<b>Bank loans-to-deposits ratio (%):</b> 49.5	<b>Share of non-performing loans (%):</b> 2.8	<b>Change in share of non-performing loans (p.p.):</b> -0.7	<b>NPL coverage ratio (%):</b> 34.2	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.04%	0.57%

#### 6. Realism of baseline assumptions

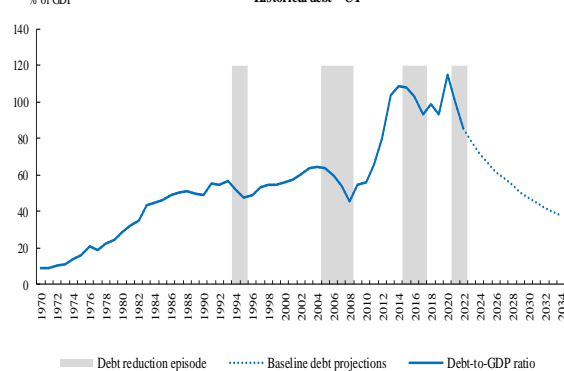
Average level of Structural Primary Balance (24-34) - CY



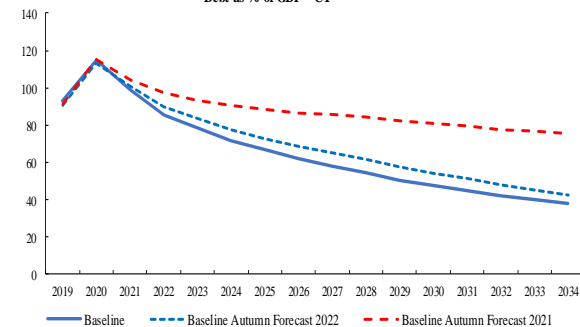
Percentile rank



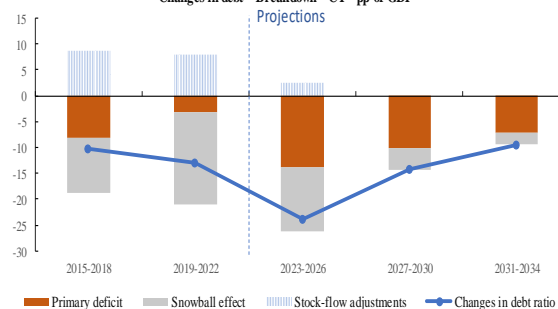
Historical debt - CY



Debt as % of GDP - CY



Changes in debt - Breakdown - CY - pp of GDP



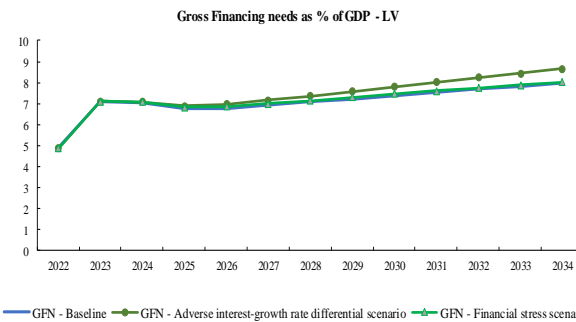
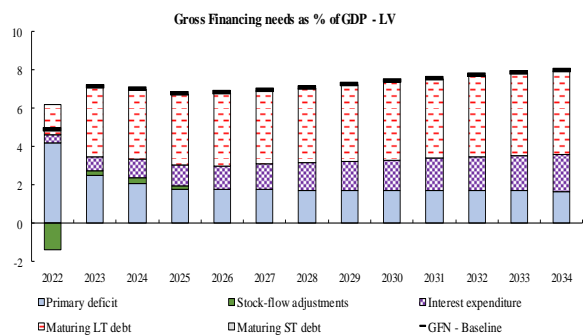
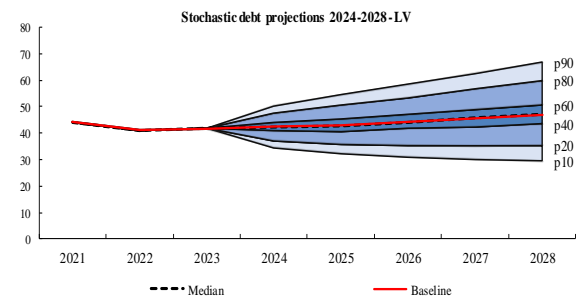
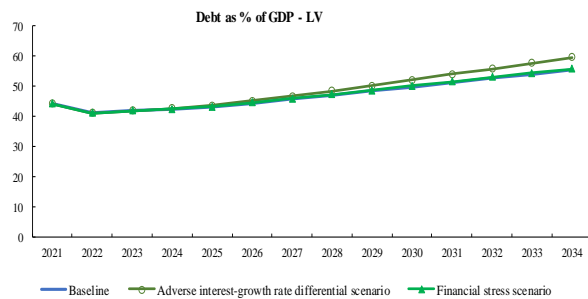
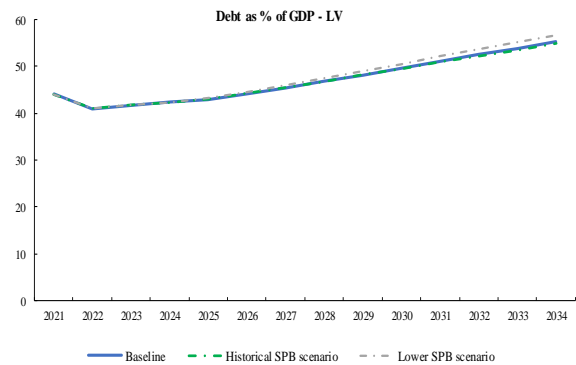
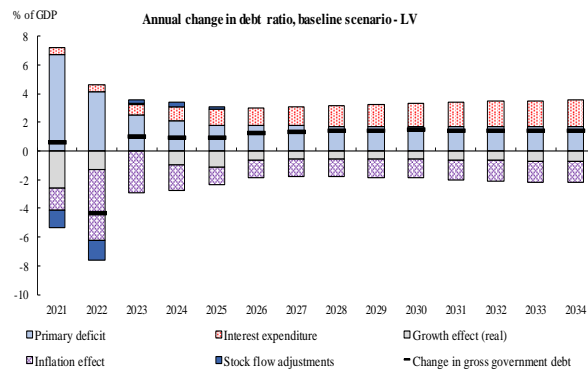
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Cyprus	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	78.4	71.5	66.6	47.5	42.2	38.1	72.2	48.6	54.5
Primary balance	3.7	3.5	3.6	2.4	1.9	1.5	3.6	2.3	2.6
Structural primary balance (before CoA)	2.6	3.4	3.4	3.4	3.4	3.4	3.2	3.4	3.4
Real GDP growth	2.2	2.6	2.9	1.7	1.6	1.6	2.6	1.6	1.9
Potential GDP growth	3.8	3.5	3.2	1.7	1.6	1.6	3.5	1.8	2.2
Inflation rate	5.8	3.3	2.8	2.8	2.8	2.8	4.0	2.8	3.1
Implicit interest rate (nominal)	1.7	1.9	2.1	2.8	3.1	3.3	1.9	2.8	2.6
Gross financing needs	4.9	2.7	5.0	4.3	1.7	1.7	4.2	3.9	4.0
<b>2. Historical SPB scenario</b>									
Gross public debt	78.4	71.5	67.1	54.5	53.4	53.3	72.3	56.0	60.1
Primary balance	3.7	3.5	3.1	0.5	-0.1	-0.5	3.4	0.6	1.3
Structural primary balance (before CoA)	2.6	3.4	2.9	1.4	1.4	1.4	3.0	1.6	1.9
Real GDP growth	2.2	2.6	2.9	1.3	1.6	1.6	2.6	1.6	1.9
Gross financing needs	4.9	2.7	5.5	6.9	4.6	5.1	4.4	6.2	5.8
<b>3. Financial stress scenario</b>									
Gross public debt	78.4	71.5	66.7	47.7	42.5	38.3	72.2	48.8	54.6
Implicit interest rate (nominal)	1.7	2.0	2.1	2.9	3.2	3.3	1.9	2.8	2.6
Gross financing needs	4.9	2.8	5.0	4.3	1.7	1.8	4.2	3.9	4.0
<b>4. Lower SPB scenario</b>									
Gross public debt	78.4	71.5	67.0	49.9	45.5	42.1	72.3	51.0	56.3
Primary balance	3.7	3.2	3.3	2.0	1.5	1.1	3.4	1.9	2.3
Structural primary balance (before CoA)	2.6	3.0	3.0	3.0	3.0	3.0	2.9	3.0	3.0
Real GDP growth	2.2	2.9	2.8	1.7	1.6	1.6	2.6	1.6	1.9
Gross financing needs	4.9	2.9	5.3	5.0	2.4	2.5	4.4	4.6	4.5
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	78.4	71.9	67.4	50.1	45.5	42.0	72.6	51.1	56.5
Implicit interest rate (nominal)	1.7	1.9	2.1	3.1	3.4	3.6	1.9	3.0	2.7
Real GDP growth	2.2	2.1	2.4	1.2	1.1	1.1	2.2	1.1	1.4
Gross financing needs	4.9	2.8	5.1	4.7	2.1	2.2	4.3	4.3	4.3
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	78.4	71.5	66.6	47.5	42.2	38.1	72.2	48.6	54.5
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	4.9	2.7	5.0	4.3	1.7	1.7	4.2	3.9	4.0

# Latvia

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

Latvia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>44.0</b>	<b>41.0</b>	<b>41.7</b>	<b>42.3</b>	<b>43.0</b>	<b>44.2</b>	<b>45.5</b>	<b>46.8</b>	<b>48.3</b>	<b>49.7</b>	<b>51.1</b>	<b>52.5</b>	<b>53.9</b>	<b>55.2</b>
Changes in the ratio (-1+2+3) of which	0.6	-4.4	1.0	0.9	0.9	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-6.7</b>	<b>-4.2</b>	<b>-2.5</b>	<b>-2.1</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-6.7</b>	<b>-4.6</b>	<b>-2.0</b>	<b>-1.7</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>
(1.1.1) Structural primary balance (bef. CoA)	-6.7	-4.6	-2.0	-1.7	-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	0.0	0.0	0.0	-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
<b>(1.2) Cyclical component</b>	<b>-0.1</b>	<b>0.4</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.6</b>	<b>-5.8</b>	<b>-2.1</b>	<b>-1.8</b>	<b>-1.2</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>
(2.1) Interest expenditure	0.5	0.4	0.7	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.9
(2.2) Growth effect	-2.6	-1.3	0.1	-0.9	-1.1	-0.6	-0.6	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7
(2.3) Inflation effect	-1.5	-5.0	-2.9	-1.8	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-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
<b>(3) Stock-flow adjustments</b>	<b>-1.3</b>	<b>-1.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-1.3	-1.4	0.3	0.3	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
<b>Pro memoria</b>														
Structural balance	-7.2	-5.0	-2.7	-2.7	-2.7	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.5	-3.6
Gross financing needs	10.1	4.9	7.1	7.0	6.8	6.8	6.9	7.1	7.2	7.4	7.5	7.7	7.8	8.0



## 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
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW
		55.2	54.8	56.7	59.4	55.6				
		2034	2034	2034	2034	2034				
		76%	74%	78%	76%	76%				
							65%			
							37.3			

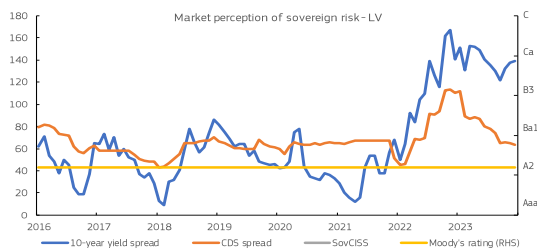
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.65	0.31
Fiscal sub-index	0.36	0.45	0.22
Financial competitiveness sub-index	0.49	0.76	0.37

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-0.4	1.3	1.6	4.0
of which				
Initial budgetary position	0.5	2.1	2.1	2.1
Ageing costs	-0.9	-0.8	-0.6	2.0
of which				
Pensions	-1.1	-1.3	-1.1	-1.3
Health care	0.2	0.5	0.4	1.5
Long-term care	0.1	0.3	0.2	2.0
Others	-0.1	-0.2	-0.2	-0.2
Required structural primary balance related to S2	-0.7	-0.4	-0.2	2.3

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-0.6	1.3	1.5	2.8
of which				
Initial budgetary position	0.2	1.9	1.9	1.8
Debt requirement	-0.3	-0.3	-0.3	-0.3
Ageing costs	-0.5	-0.3	-0.1	1.3
of which				
Pensions	-0.7	-0.7	-0.5	-0.7
Health care	0.3	0.4	0.4	1.2
Long-term care	0.1	0.2	0.2	0.9
Others	-0.1	-0.2	-0.2	-0.2
Required structural primary balance related to S1	-0.9	-0.4	-0.2	1.1

### 3. Financial information



Financial market information LV - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	139.0



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

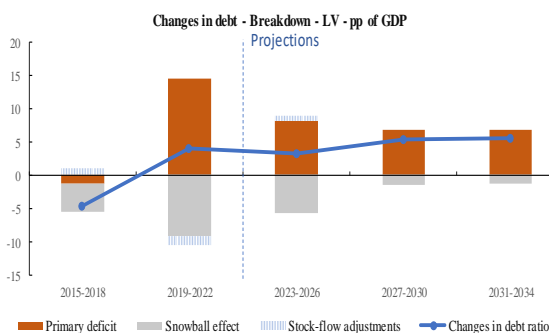
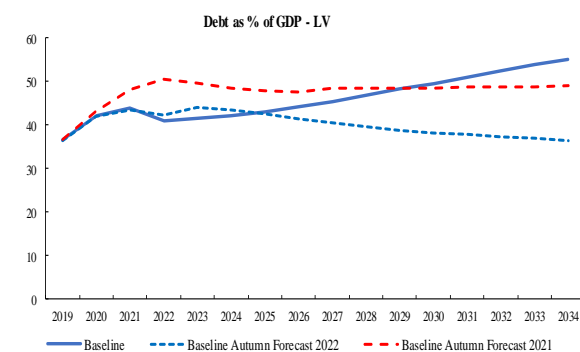
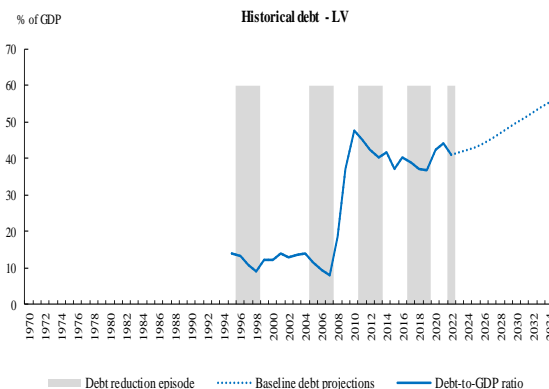
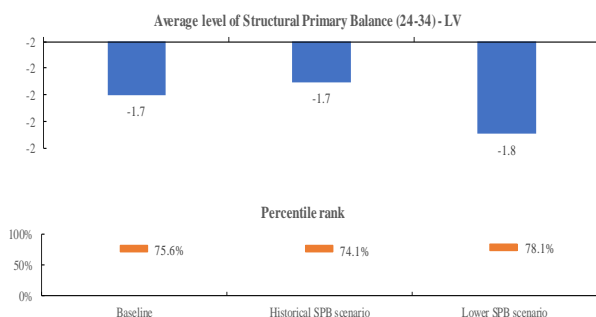
<b>Public debt structure - LV (2022)</b>	<b>Share of short-term government debt (%):</b> 1.3	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 64.0	<b>Net International Investment Position (IIP) - LV (2022)</b>	<b>Net IIP (% GDP):</b> -26.5
------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		LV							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		1.2	1.2	1.2	1.3	1.7	1.6	1.6	7.1
of which	One-off guarantees	0.3	0.2	0.1	0.1	0.3	0.2	0.2	5.6
	Standardised guarantees	1.0	1.0	1.1	1.2	1.4	1.4	1.4	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - LV (2022)</b>	<b>Private sector credit flow (% GDP):</b> 3.0	<b>Change in nominal house price index (p.p.):</b> 13.8	<b>Bank loans-to-deposits ratio (%):</b> 71.9	<b>Share of non-performing loans (%):</b> 0.5	<b>Change in share of non-performing loans (p.p.):</b> -0.1	<b>NPL coverage ratio (%):</b> 36.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.00%	0.01%

#### 6. Realism of baseline assumptions



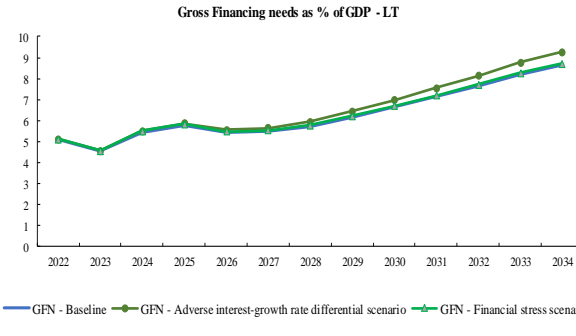
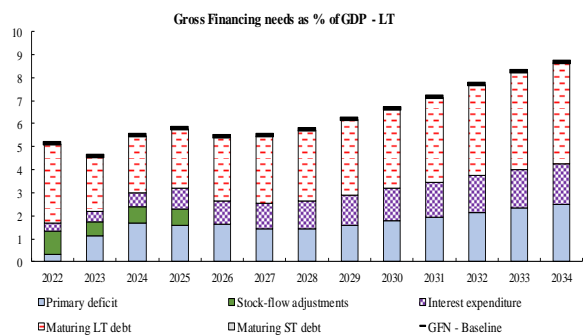
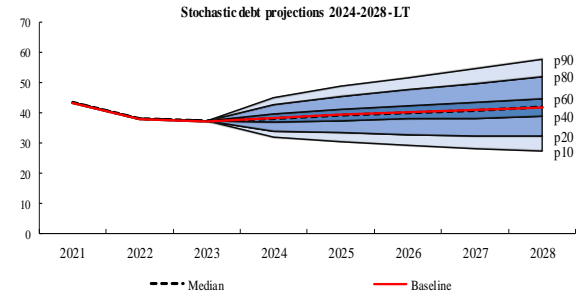
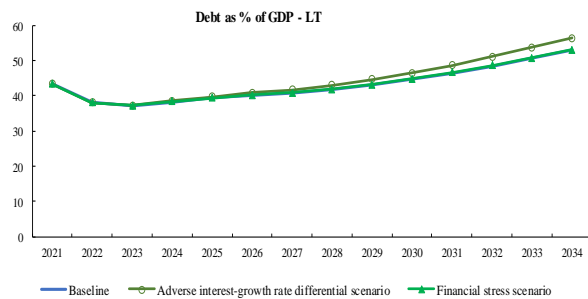
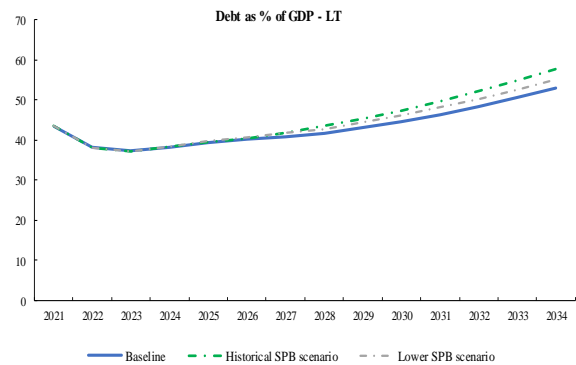
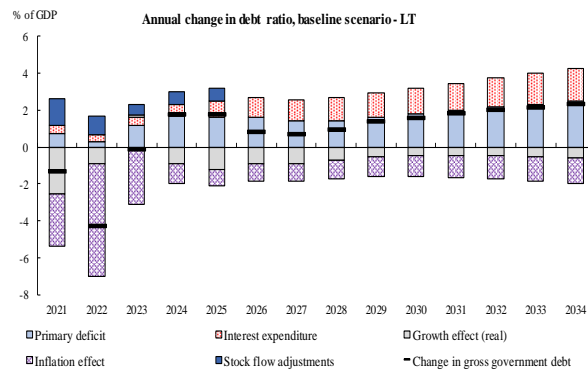
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Latvia	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	41.7	42.3	43.0	49.7	52.5	55.2	42.4	49.7	47.9
Primary balance	-2.5	-2.1	-1.8	-1.7	-1.7	-1.7	-2.1	-1.7	-1.8
Structural primary balance (before CoA)	-2.0	-1.7	-1.7	-1.7	-1.7	-1.7	-1.8	-1.7	-1.7
Real GDP growth	-0.2	2.4	2.9	1.2	1.4	1.4	1.7	1.3	1.4
Potential GDP growth	2.1	2.1	2.2	1.2	1.4	1.4	2.2	1.3	1.5
Inflation rate	7.7	4.5	2.8	2.8	2.8	2.8	5.0	2.8	3.4
Implicit interest rate (nominal)	1.9	2.5	2.8	3.5	3.6	3.7	2.4	3.4	3.1
Gross financing needs	7.1	7.0	6.8	7.4	7.7	8.0	7.0	7.4	7.3
<b>2. Historical SPB scenario</b>									
Gross public debt	41.7	42.3	43.0	49.6	52.2	54.8	42.3	49.5	47.7
Primary balance	-2.5	-2.1	-1.7	-1.7	-1.7	-1.6	-2.1	-1.7	-1.8
Structural primary balance (before CoA)	-2.0	-1.7	-1.7	-1.6	-1.6	-1.6	-1.8	-1.6	-1.7
Real GDP growth	-0.2	2.4	2.9	1.3	1.4	1.4	1.7	1.3	1.4
Gross financing needs	7.1	7.0	6.7	7.3	7.6	7.9	7.0	7.3	7.2
<b>3. Financial stress scenario</b>									
Gross public debt	41.7	42.4	43.2	50.0	52.8	55.6	42.4	50.0	48.1
Implicit interest rate (nominal)	1.9	2.7	2.9	3.5	3.6	3.7	2.5	3.5	3.2
Gross financing needs	7.1	7.1	6.8	7.5	7.7	8.0	7.0	7.4	7.3
<b>4. Lower SPB scenario</b>									
Gross public debt	41.7	42.4	43.2	50.6	53.7	56.7	42.4	50.6	48.6
Primary balance	-2.5	-2.2	-1.9	-1.9	-1.9	-1.8	-2.2	-1.9	-1.9
Structural primary balance (before CoA)	-2.0	-1.8	-1.8	-1.8	-1.8	-1.8	-1.9	-1.8	-1.9
Real GDP growth	-0.2	2.5	2.8	1.2	1.4	1.4	1.7	1.3	1.4
Gross financing needs	7.1	7.1	6.9	7.6	8.0	8.3	7.0	7.6	7.5
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	41.7	42.5	43.5	51.9	55.6	59.4	42.6	52.0	49.7
Implicit interest rate (nominal)	1.9	2.6	3.0	3.8	4.0	4.1	2.5	3.7	3.4
Real GDP growth	-0.2	1.9	2.4	0.7	0.9	0.9	1.3	0.8	1.0
Gross financing needs	7.1	7.1	6.9	7.8	8.2	8.6	7.0	7.8	7.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	41.7	42.4	43.1	49.7	52.6	55.3	42.4	49.8	47.9
Exchange rate depreciation	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Gross financing needs	7.1	7.0	6.8	7.4	7.7	8.0	7.0	7.4	7.3

# Lithuania

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

Lithuania - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>43.4</b>	<b>38.1</b>	<b>37.3</b>	<b>38.3</b>	<b>39.4</b>	<b>40.2</b>	<b>40.8</b>	<b>41.8</b>	<b>43.1</b>	<b>44.7</b>	<b>46.4</b>	<b>48.4</b>	<b>50.6</b>	<b>52.8</b>
Changes in the ratio (-1+2+3) of which	-1.3	-4.3	-0.2	1.7	1.8	0.8	0.7	0.9	1.3	1.6	1.8	2.0	2.1	2.3
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-1.1</b>	<b>-1.7</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.4</b>	<b>-0.8</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.5</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.4	-0.8	-0.1	-0.5	-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					0.3	0.6	0.7	0.9	1.1	1.3	1.4	1.6	1.8	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
<b>(1.2) Cyclical component</b>	<b>0.7</b>	<b>0.5</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-5.0</b>	<b>-6.7</b>	<b>-2.5</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>
(2.1) Interest expenditure	0.4	0.4	0.5	0.6	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8
(2.2) Growth effect	-2.6	-0.9	0.1	-0.9	-1.2	-0.9	-0.9	-0.7	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6
(2.3) Inflation effect	-2.8	-6.2	-3.1	-1.1	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.3	-1.4
(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
<b>(3) Stock-flow adjustments</b>	<b>1.5</b>	<b>1.0</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.5	1.0	0.6	0.7	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
<b>Pro memoria</b>														
Structural balance	-1.9	-1.1	-0.6	-1.2	-1.8	-2.2	-2.4	-2.7	-2.9	-3.2	-3.5	-3.7	-4.0	-4.3
Gross financing needs	6.0	5.1	4.5	5.4	5.8	5.4	5.5	5.7	6.2	6.6	7.1	7.7	8.2	8.7



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	LOW			
		Debt level (2034), % GDP	52.8	57.8	55.2	56.4	53.1				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	43%	60%	46%	43%	43%				
		Probability of debt ratio exceeding in 2028 its 2023 level						65%			
						30.2					

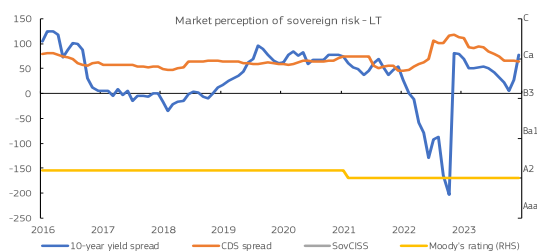
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.58	0.27
Fiscal sub-index	0.36	0.58	0.12
Financial competitiveness sub-index	0.49	0.57	0.35

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	1.8	4.4	4.6	10.5
of which				
Initial budgetary position	0.5	0.8	0.9	0.9
Ageing costs	1.3	3.6	3.7	9.6
of which				
Pensions	0.2	2.5	2.7	2.5
Health care	0.5	0.7	0.6	1.6
Long-term care	0.6	0.7	0.7	5.8
Others	0.0	-0.3	-0.3	-0.3
Required structural primary balance related to S2	1.5	3.9	4.1	9.9

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	1.3	3.3	3.4	6.2
of which				
Initial budgetary position	0.2	0.6	0.7	0.7
Debt requirement	-0.4	-0.4	-0.4	-0.4
Ageing costs	1.5	3.0	3.0	5.9
of which				
Pensions	0.6	2.3	2.4	2.3
Health care	0.4	0.5	0.5	1.2
Long-term care	0.4	0.5	0.5	2.7
Others	0.0	-0.3	-0.3	-0.3
Required structural primary balance related to S1	1.0	2.7	2.8	5.7

### 3. Financial information



Financial market information LT - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	78.0

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

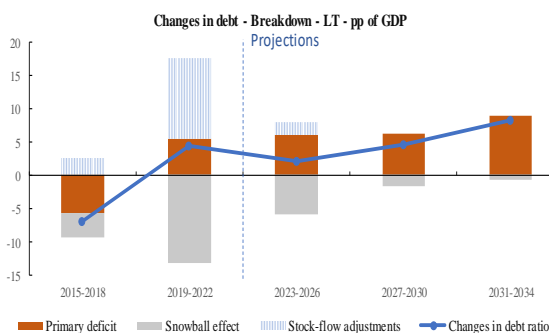
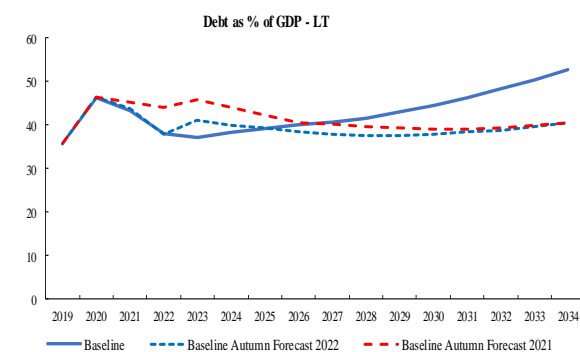
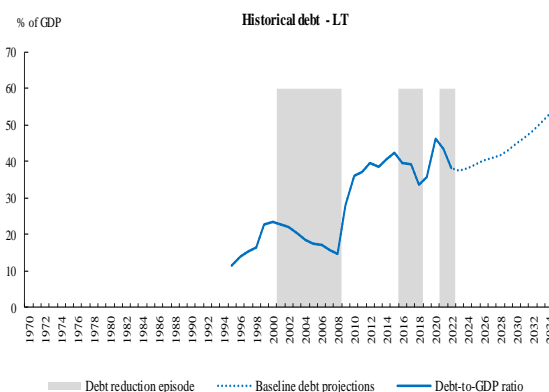
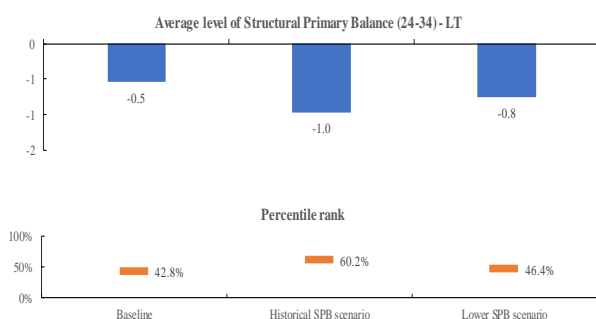
<b>Public debt structure - LT (2022)</b>	Share of short-term government debt (%): 0.0	Share of government debt in foreign currency (%): 0.0	Share of government debt by non-residents (%): 61.4	<b>Net International Investment Position (IIP) - LT (2022)</b>	Net IIP (% GDP): -7.0
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		LT							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		1.0	1.0	0.9	0.8	1.3	1.3	1.2	7.1
of which	One-off guarantees	0.2	0.3	0.2	0.3	0.6	0.6	0.5	5.6
	Standardised guarantees	0.8	0.8	0.7	0.5	0.7	0.7	0.7	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - LT (2022)</b>	Private sector credit flow (% GDP): 6.8	Change in nominal house price index (p.p.): 19.0	Bank loans-to-deposits ratio (%): 45.2	Share of non-performing loans (%): 0.6	Change in share of non-performing loans (p.p.): -0.4	NPL coverage ratio (%): 40.4	Theoretical probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL):	
							Stress 0.00%	Severe Stress 0.02%

#### 6. Realism of baseline assumptions



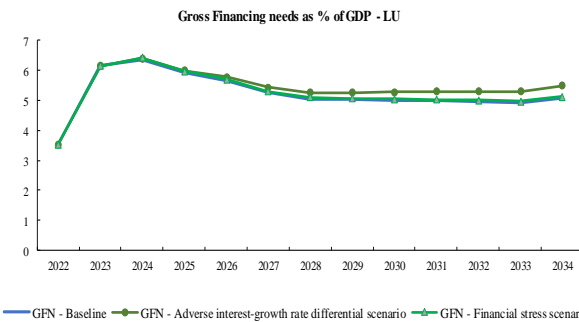
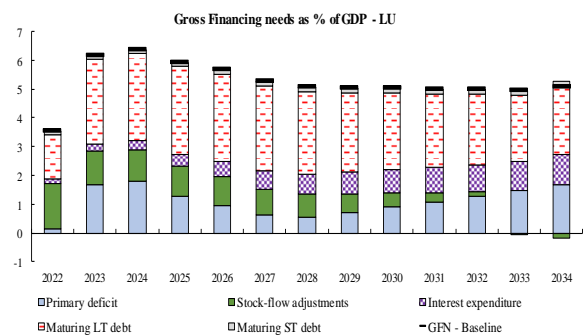
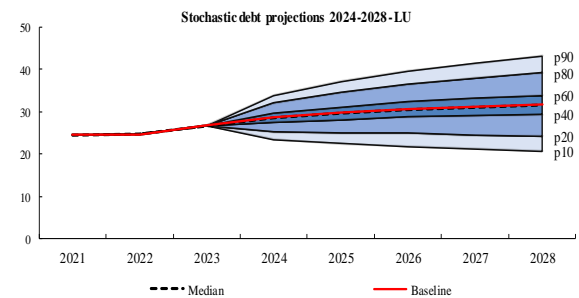
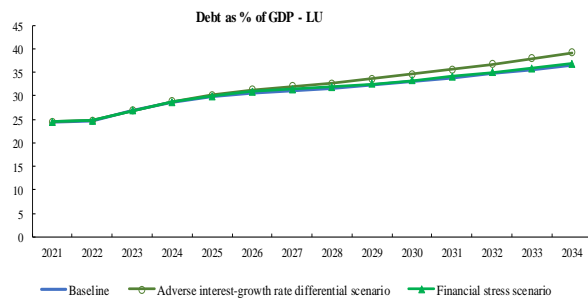
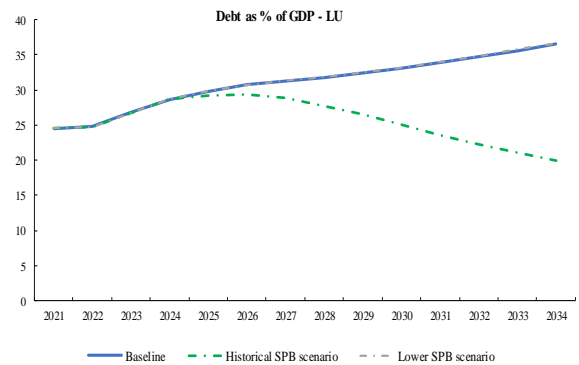
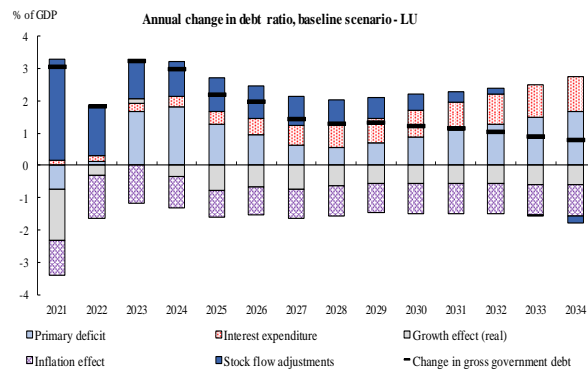
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Lithuania		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	37.3	38.3	39.4	44.7	48.4	52.8	38.3	45.4	43.6
Primary balance	-1.1	-1.7	-1.6	-1.8	-2.1	-2.5	-1.5	-1.9	-1.8
Structural primary balance (before CoA)	-0.1	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.5	-0.5
Real GDP growth	-0.4	2.5	3.4	1.2	1.1	1.2	1.8	1.5	1.6
Potential GDP growth	3.5	2.8	2.3	1.2	1.1	1.2	2.9	1.3	1.7
Inflation rate	8.9	3.1	2.3	2.6	2.8	2.8	4.8	2.6	3.2
Implicit interest rate (nominal)	1.3	1.8	2.5	3.4	3.5	3.6	1.9	3.3	2.9
Gross financing needs	4.5	5.4	5.8	6.6	7.7	8.7	5.3	6.8	6.4
<b>2. Historical SPB scenario</b>									
Gross public debt	37.3	38.3	39.5	47.5	52.3	57.8	38.4	48.2	45.7
Primary balance	-1.1	-1.7	-1.7	-2.4	-2.7	-3.0	-1.5	-2.4	-2.2
Structural primary balance (before CoA)	-0.1	-0.5	-0.7	-1.1	-1.1	-1.1	-0.4	-1.0	-0.9
Real GDP growth	-0.4	2.5	3.4	1.3	1.1	1.2	1.8	1.5	1.6
Gross financing needs	4.5	5.4	5.9	7.5	8.6	9.8	5.3	7.6	7.0
<b>3. Financial stress scenario</b>									
Gross public debt	37.3	38.4	39.5	44.9	48.7	53.1	38.4	45.6	43.8
Implicit interest rate (nominal)	1.3	1.9	2.6	3.4	3.6	3.7	1.9	3.4	3.0
Gross financing needs	4.5	5.5	5.8	6.7	7.7	8.7	5.3	6.8	6.4
<b>4. Lower SPB scenario</b>									
Gross public debt	37.3	38.4	39.7	46.1	50.3	55.2	38.5	46.9	44.8
Primary balance	-1.1	-1.8	-1.8	-2.0	-2.4	-2.7	-1.6	-2.1	-2.0
Structural primary balance (before CoA)	-0.1	-0.8	-0.8	-0.8	-0.8	-0.8	-0.5	-0.8	-0.7
Real GDP growth	-0.4	2.7	3.4	1.2	1.1	1.2	1.9	1.5	1.6
Gross financing needs	4.5	5.6	6.0	7.0	8.1	9.1	5.4	7.2	6.7
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	37.3	38.5	39.8	46.6	51.1	56.4	38.5	47.4	45.2
Implicit interest rate (nominal)	1.3	1.9	2.6	3.7	3.9	4.1	1.9	3.6	3.2
Real GDP growth	-0.4	2.0	2.9	0.7	0.6	0.7	1.5	1.0	1.2
Gross financing needs	4.5	5.5	5.9	7.0	8.1	9.3	5.3	7.1	6.7
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	37.3	38.3	39.4	44.7	48.4	52.8	38.3	45.4	43.6
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	4.5	5.4	5.8	6.6	7.7	8.7	5.3	6.8	6.4

# Luxembourg

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

Luxembourg - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>24.5</b>	<b>24.7</b>	<b>26.8</b>	<b>28.7</b>	<b>29.8</b>	<b>30.7</b>	<b>31.2</b>	<b>31.7</b>	<b>32.4</b>	<b>33.1</b>	<b>33.9</b>	<b>34.7</b>	<b>35.6</b>	<b>36.6</b>
Changes in the ratio (-1+2+3) of which	3.0	1.8	3.2	3.0	2.2	1.9	1.4	1.3	1.3	1.2	1.1	1.0	0.9	0.8
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>0.7</b>	<b>-0.1</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.3</b>	<b>-1.0</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.7</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>0.4</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.7</b>
(1.1.1) Structural primary balance (bef. CoA)	0.4	-0.2	-0.6	-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					-0.1	-0.2	-0.2	-0.1	0.1	0.3	0.6	0.8	1.0	1.2
(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
<b>(1.2) Cyclical component</b>	<b>0.4</b>	<b>0.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-2.5</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-1.2</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>
(2.1) Interest expenditure	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.8	0.9	0.9	1.0	1.1
(2.2) Growth effect	-1.6	-0.3	0.1	-0.3	-0.8	-0.7	-0.7	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
(2.3) Inflation effect	-1.1	-1.3	-1.2	-1.0	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0
(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
<b>(3) Stock-flow adjustments</b>	<b>3.1</b>	<b>1.6</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>-0.2</b>
(3.1) Base	3.1	1.6	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.5	0.3	0.2	0.0	-0.2
(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
<b>Pro memoria</b>														
Structural balance	0.2	-0.3	-0.9	-0.9	-0.9	-1.0	-1.1	-1.2	-1.5	-1.7	-2.0	-2.2	-2.5	-2.7
Gross financing needs	2.7	3.5	6.2	6.4	5.9	5.7	5.3	5.1	5.0	5.0	5.0	5.0	4.9	5.1



## 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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	LOW	Overall	LOW	LOW	LOW	LOW	LOW	HIGH	MEDIUM	HIGH	
		Debt level (2034), % GDP	36.6	19.9	36.7	39.3	36.9				
		Debt peak year	2034	2026	2034	2034	2034				
		Fiscal consolidation space	100%	81%	100%	100%	100%				
Probability of debt ratio exceeding in 2028 its 2023 level						71%					
		Difference between 90th and 10th percentiles (pps. GDP)					22.4				

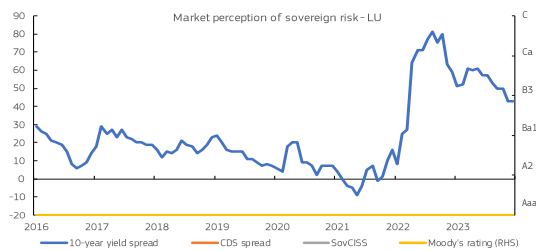
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.23	0.19
Fiscal sub-index	0.36	0.26	0.18
Financial competitiveness sub-index	0.49	0.22	0.20

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	7.2	8.6	8.5	10.1
of which				
Initial budgetary position	-0.4	1.0	1.0	1.0
Ageing costs	7.7	7.7	7.7	9.2
of which				
Pensions	6.0	5.7	5.8	5.7
Health care	0.9	0.9	0.8	1.3
Long-term care	1.2	1.3	1.3	2.5
Others	-0.4	-0.2	-0.2	-0.2
Required structural primary balance related to S2	7.8	8.0	7.9	9.5

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.0	3.5	3.7	4.3
of which				
Initial budgetary position	-0.8	0.3	0.3	0.3
Debt requirement	-0.7	-0.7	-0.6	-0.7
Ageing costs	4.6	3.9	4.0	4.6
of which				
Pensions	3.7	2.9	3.0	2.8
Health care	0.6	0.5	0.5	0.8
Long-term care	0.7	0.7	0.7	1.2
Others	-0.4	-0.2	-0.2	-0.2
Required structural primary balance related to S1	3.6	2.9	3.1	3.7

### 3. Financial information



Financial market information LU - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	43.0



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

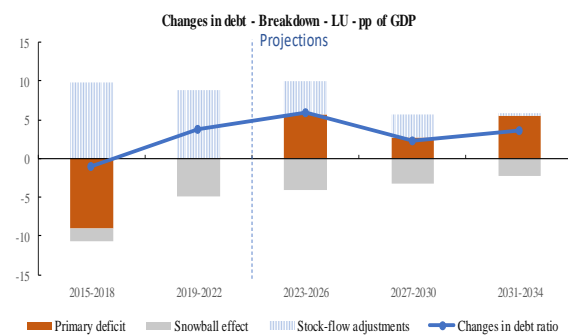
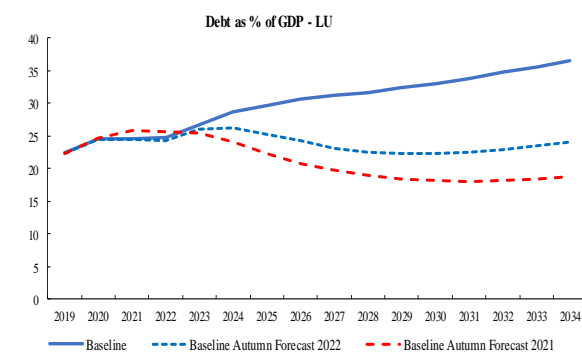
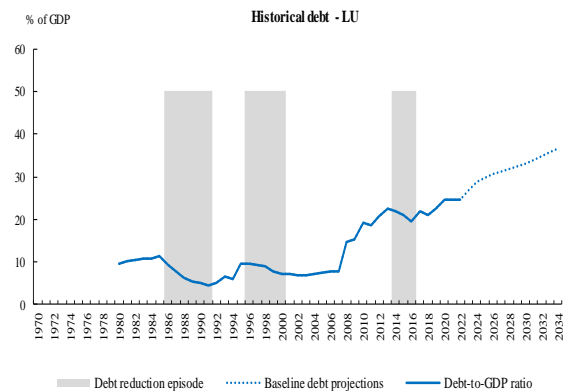
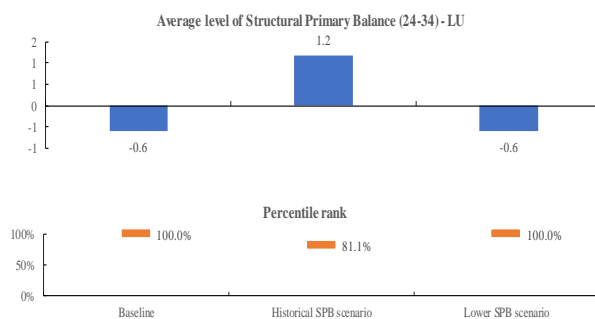
<b>Public debt structure - LU (2022)</b>	<b>Share of short-term government debt (%):</b> 2.1	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 52.1	<b>Net International Investment Position (IIP) - LU (2022)</b>	<b>Net IIP (% GDP):</b> 47.0
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		LU							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		12.2	11.6	11.1	10.6	11.1	8.8	8.4	7.1
<i>of which One-off guarantees</i>		11.3	10.7	10.3	9.7	9.7	7.5	7.0	5.6
<i>Standardised guarantees</i>		0.8	0.8	0.9	0.9	1.4	1.2	1.5	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	3.8	3.5	3.3	2.9	2.6	2.0	1.2	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	<b>Total</b>	<b>3.8</b>	<b>3.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.6</b>	<b>2.0</b>	<b>1.2</b>	<b>0.9</b>

<b>Government's contingent liability risks from banking sector - LU (2022)</b>	<b>Private sector credit flow (% GDP):</b> -19.5	<b>Change in nominal house price index (p.p.):</b> 9.6	<b>Bank loans-to-deposits ratio (%):</b> 147.4	<b>Share of non-performing loans (%):</b> 1.4	<b>Change in share of non-performing loans (p.p.):</b> 0.1	<b>NPL coverage ratio (%):</b> 40.6	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							<b>Stress</b> 3.72%	<b>Severe Stress</b> 11.88%

#### 6. Realism of baseline assumptions



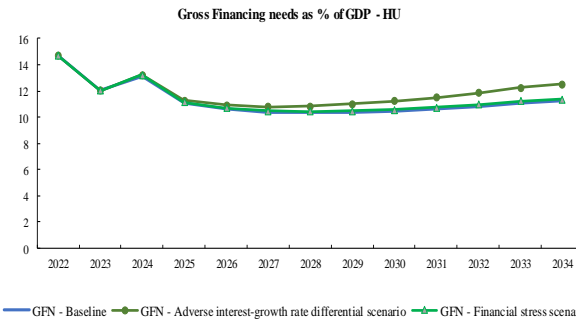
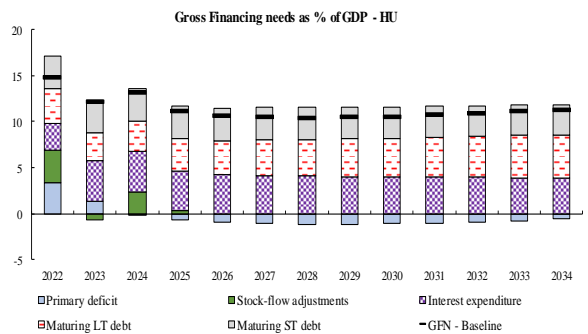
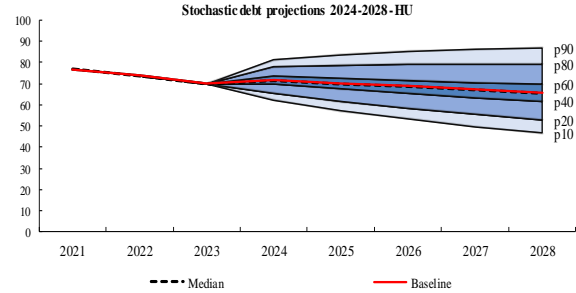
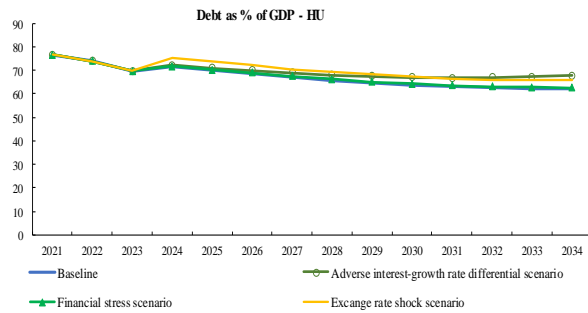
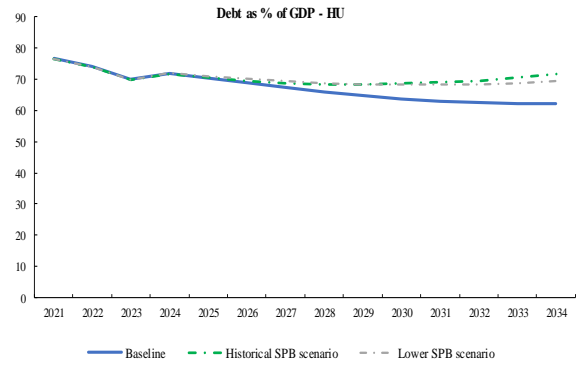
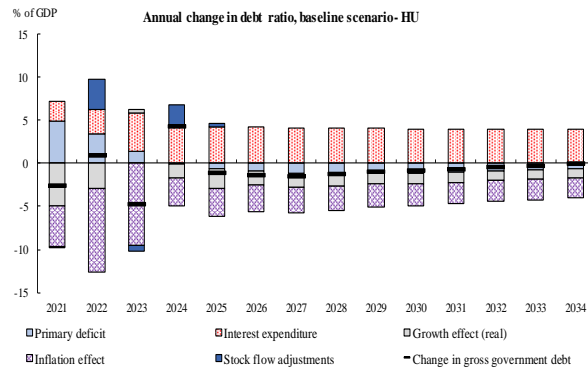
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Luxembourg		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	26.8	28.7	29.8	33.1	34.7	36.6	28.4	33.3	32.1
Primary balance	-1.7	-1.8	-1.3	-0.9	-1.3	-1.7	-1.6	-1.0	-1.2
Structural primary balance (before CoA)	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Real GDP growth	-0.6	1.4	2.8	1.9	1.8	1.8	1.2	2.0	1.8
Potential GDP growth	1.9	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.8
Inflation rate	5.0	3.8	3.1	2.9	2.9	2.8	4.0	2.9	3.2
Implicit interest rate (nominal)	1.1	1.3	1.4	2.7	2.9	3.1	1.3	2.6	2.3
Gross financing needs	6.2	6.4	5.9	5.0	5.0	5.1	6.1	5.1	5.4
<b>2. Historical SPB scenario</b>									
Gross public debt	26.8	28.7	29.2	25.1	22.3	19.9	28.2	24.9	25.7
Primary balance	-1.7	-1.8	-0.7	1.2	1.0	0.6	-1.4	0.8	0.3
Structural primary balance (before CoA)	-0.6	-0.6	0.0	1.7	1.7	1.7	-0.4	1.5	1.0
Real GDP growth	-0.6	1.4	2.8	2.3	1.8	1.8	1.2	2.0	1.8
Gross financing needs	6.2	6.4	5.3	2.2	1.6	1.3	6.0	2.5	3.4
<b>3. Financial stress scenario</b>									
Gross public debt	26.8	28.7	29.9	33.3	35.0	36.9	28.5	33.5	32.3
Implicit interest rate (nominal)	1.1	1.6	1.6	2.7	3.0	3.1	1.4	2.7	2.4
Gross financing needs	6.2	6.4	6.0	5.1	5.0	5.1	6.2	5.2	5.4
<b>4. Lower SPB scenario</b>									
Gross public debt	26.8	28.7	29.8	33.2	34.8	36.7	28.4	33.4	32.2
Primary balance	-1.7	-1.8	-1.3	-0.9	-1.3	-1.7	-1.6	-1.0	-1.2
Structural primary balance (before CoA)	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Real GDP growth	-0.6	1.4	2.8	1.9	1.8	1.8	1.2	2.0	1.8
Gross financing needs	6.2	6.4	5.9	5.0	5.0	5.1	6.1	5.1	5.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	26.8	28.8	30.1	34.6	36.8	39.3	28.6	34.9	33.3
Implicit interest rate (nominal)	1.1	1.4	1.7	3.0	3.3	3.5	1.4	3.0	2.6
Real GDP growth	-0.6	0.9	2.3	1.4	1.3	1.3	0.9	1.5	1.3
Gross financing needs	6.2	6.4	6.0	5.3	5.3	5.5	6.2	5.4	5.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	26.8	28.7	29.8	33.1	34.7	36.6	28.4	33.3	32.1
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	6.2	6.4	5.9	5.0	5.0	5.1	6.1	5.1	5.4

# Hungary

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

Hungary - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>76.7</b>	<b>73.9</b>	<b>69.9</b>	<b>71.7</b>	<b>70.2</b>	<b>68.8</b>	<b>67.2</b>	<b>65.8</b>	<b>64.8</b>	<b>63.8</b>	<b>63.1</b>	<b>62.5</b>	<b>62.3</b>	<b>62.2</b>
Changes in the ratio (-1+2+3) of which	-2.6	0.9	-4.8	4.2	-1.2	-1.4	-1.6	-1.3	-1.1	-0.9	-0.8	-0.5	-0.3	-0.1
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.9</b>	<b>-3.4</b>	<b>-1.4</b>	<b>0.1</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.5</b>	<b>-3.7</b>	<b>-0.4</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.5	-3.7	-0.4	1.0	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					-0.1	-0.2	-0.3	-0.3	-0.2	-0.2	-0.1	0.0	0.1	0.3
(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	-0.2
<b>(1.2) Cyclical component</b>	<b>-0.3</b>	<b>0.3</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-7.5</b>	<b>-9.7</b>	<b>-4.7</b>	<b>-0.3</b>	<b>-1.3</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
(2.1) Interest expenditure	2.3	2.8	4.4	4.4	4.2	4.2	4.1	4.1	4.0	4.0	4.0	3.9	3.9	3.9
(2.2) Growth effect	-4.9	-2.9	0.4	-1.6	-2.2	-1.6	-1.6	-1.4	-1.3	-1.2	-1.2	-1.1	-1.1	-1.1
(2.3) Inflation effect	-4.8	-9.7	-9.6	-3.2	-3.2	-3.1	-3.0	-2.8	-2.7	-2.6	-2.5	-2.4	-2.4	-2.3
(2.4) Exchange rate effect linked to the interest rate	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
<b>(3) Stock-flow adjustments</b>	<b>0.0</b>	<b>3.5</b>	<b>-0.7</b>	<b>2.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-0.1	1.0	-0.2	1.9	0.4	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	2.5	-0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-6.8	-6.7	-4.8	-3.5	-3.1	-3.0	-3.0	-2.9	-2.9	-2.9	-3.0	-3.1	-3.2	-3.3
Gross financing needs	17.1	14.7	12.0	13.1	11.1	10.6	10.4	10.3	10.4	10.5	10.6	10.8	11.1	11.2



## 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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	MEDIUM	Overall	MEDIUM	LOW	LOW	MEDIUM	MEDIUM	MEDIUM			
		Debt level (2034), % GDP	62.2	71.6	69.5	67.8	62.7				
		Debt peak year	2024	2024	2024	2024	2024				
		Fiscal consolidation space	47%	52%	50%	47%	47%				
		Probability of debt ratio exceeding in 2028 its 2023 level						40%			
		Difference between 90th and 10th percentiles (pps. GDP)					40.3				

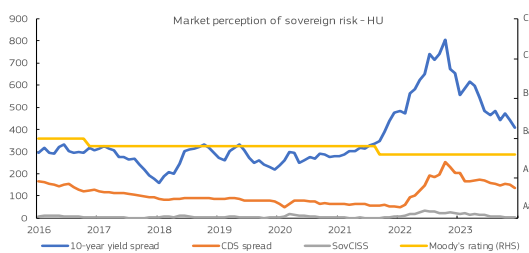
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.74	0.46
Fiscal sub-index	0.36	0.56	0.41
Financial competitiveness sub-index	0.49	0.84	0.48

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	6.1	4.3	4.6	7.5
<i>of which</i>				
Initial budgetary position	1.6	-0.1	0.1	-0.1
Ageing costs	4.4	4.4	4.5	7.6
<i>of which</i>				
Pensions	3.2	3.5	3.7	3.5
Health care	0.6	0.4	0.4	1.3
Long-term care	0.5	0.3	0.3	2.7
Others	0.1	0.1	0.1	0.1
Required structural primary balance related to S2	4.9	5.3	5.6	8.5

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	4.2	2.5	2.7	4.0
<i>of which</i>				
Initial budgetary position	1.6	-0.3	-0.1	-0.2
Debt requirement	0.3	0.2	0.2	0.2
Ageing costs	2.4	2.5	2.6	4.0
<i>of which</i>				
Pensions	1.7	1.9	2.1	1.9
Health care	0.5	0.3	0.3	1.0
Long-term care	0.3	0.2	0.2	1.1
Others	0.0	0.1	0.0	0.1
Required structural primary balance related to S1	3.1	3.4	3.7	5.0

### 3. Financial information



Financial market information HU - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	407.0

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

<b>Public debt structure - HU (2022)</b>	<b>Share of short-term government debt (%):</b> 9.9	<b>Share of government debt in foreign currency (%):</b> 28.5	<b>Share of government debt by non-residents (%):</b> 34.1	<b>Net International Investment Position (IIP) - HU (2022)</b>	<b>Net IIP (% GDP):</b> -50.8
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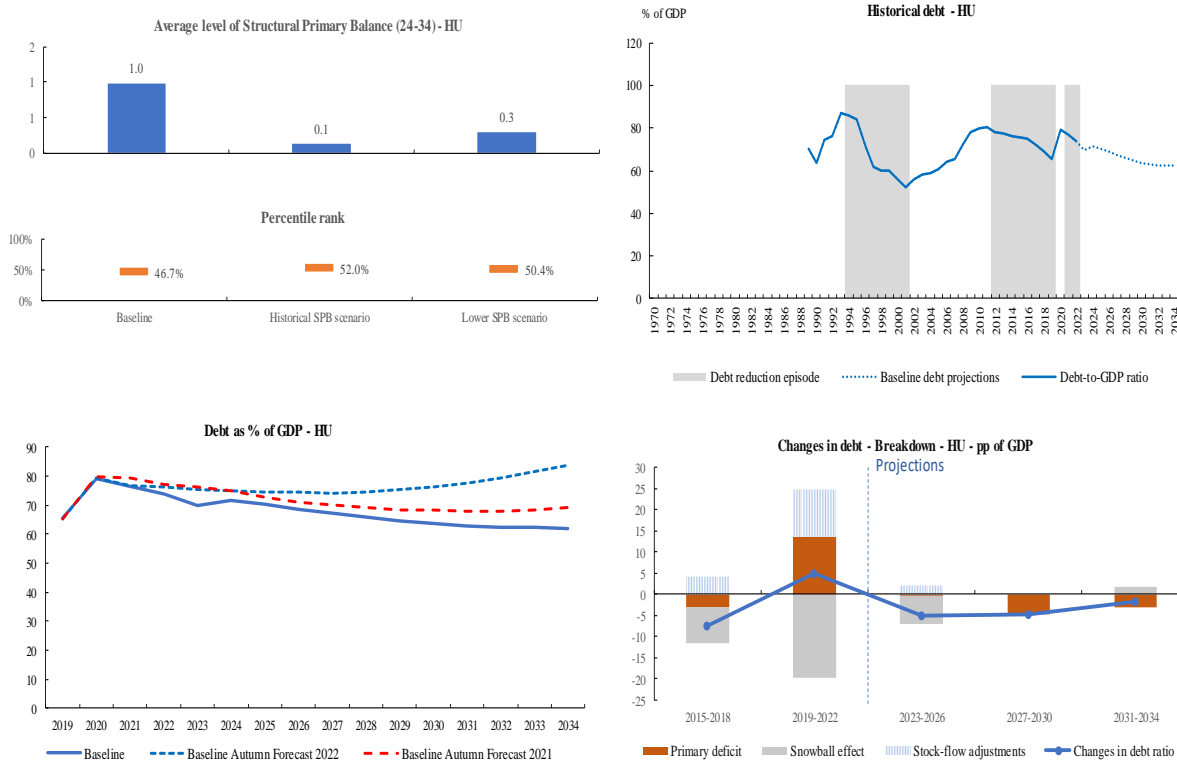
#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		HU							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		5.8	5.0	5.1	6.4	9.1	11.3	12.4	7.1
of which	One-off guarantees	5.6	4.8	5.0	5.4	6.9	8.5	9.5	5.6
	Standardised guarantees	0.2	0.1	0.1	1.0	2.2	2.7	2.9	1.5
Public-private partnerships (PPPs) (% GDP)		1.6	1.5	1.3	1.1	1.1	0.9	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - HU (2022)</b>	<b>Private sector credit flow (% GDP):</b> 9.2	<b>Change in nominal house price index (p.p.):</b> 22.3	<b>Bank loans-to-deposits ratio (%):</b> 80.7	<b>Share of non-performing loans (%):</b> 3.1	<b>Change in share of non-performing loans (p.p.):</b> -0.6	<b>NPL coverage ratio (%):</b> 57.7	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.03%	0.19%

#### 6. Realism of baseline assumptions



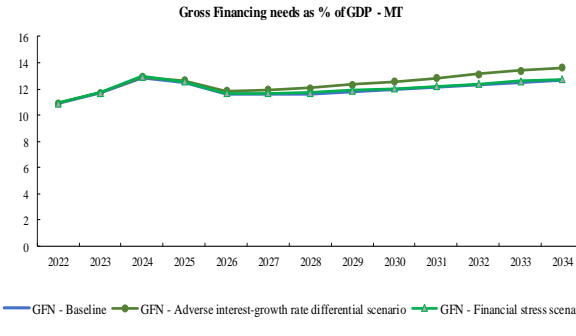
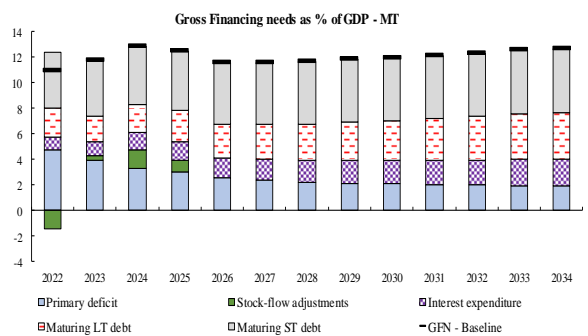
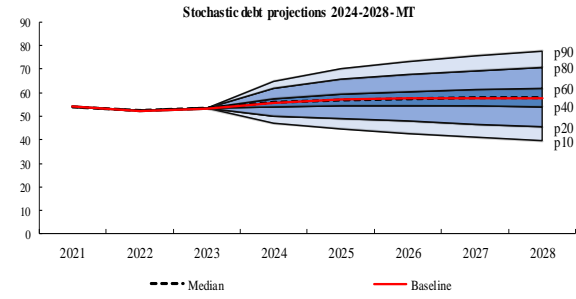
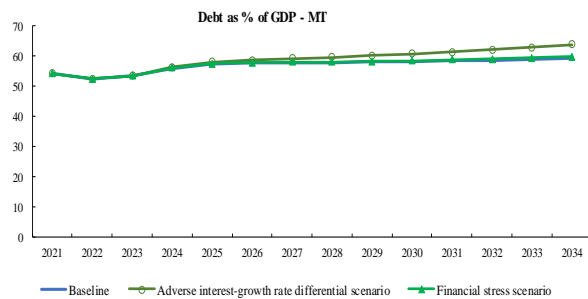
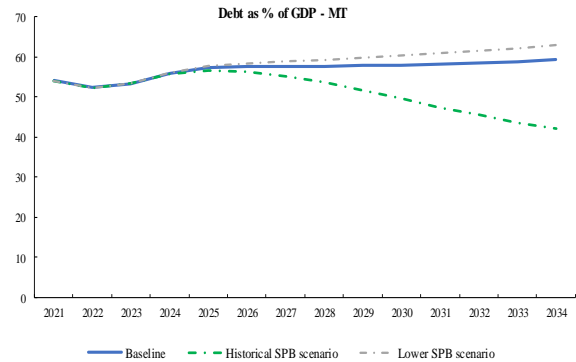
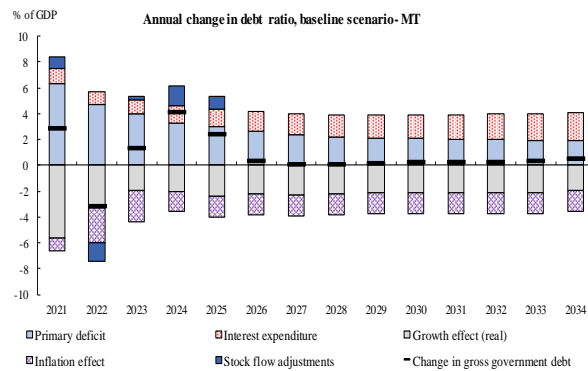
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Hungary		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	69.9	71.7	70.2	63.8	62.5	62.2	70.6	64.5	66.0
Primary balance	-1.4	0.1	0.7	1.1	0.9	0.6	-0.2	1.0	0.7
Structural primary balance (before CoA)	-0.4	1.0	1.0	1.0	1.0	1.0	0.5	1.0	0.9
Real GDP growth	-0.7	2.4	3.4	2.0	1.9	1.8	1.7	2.1	2.0
Potential GDP growth	2.2	2.2	2.3	2.0	1.9	1.8	2.2	2.0	2.1
Inflation rate	14.9	4.8	4.7	4.2	4.0	3.9	8.1	4.2	5.2
Implicit interest rate (nominal)	6.8	6.8	6.4	6.6	6.6	6.6	6.7	6.6	6.6
Gross financing needs	12.0	13.1	11.1	10.5	10.8	11.2	12.1	10.7	11.0
<b>2. Historical SPB scenario</b>									
Gross public debt	69.9	71.7	70.4	68.5	69.6	71.6	70.7	69.3	69.6
Primary balance	-1.4	0.1	0.4	0.0	-0.2	-0.5	-0.3	0.0	-0.1
Structural primary balance (before CoA)	-0.4	1.0	0.7	-0.1	-0.1	-0.1	0.4	0.0	0.1
Real GDP growth	-0.7	2.4	3.4	2.0	1.9	1.8	1.7	2.1	2.0
Gross financing needs	12.0	13.1	11.3	12.2	13.1	13.9	12.2	12.4	12.3
<b>3. Financial stress scenario</b>									
Gross public debt	69.9	71.8	70.3	64.2	63.0	62.7	70.7	64.9	66.3
Implicit interest rate (nominal)	6.8	7.0	6.5	6.6	6.7	6.7	6.8	6.6	6.7
Gross financing needs	12.0	13.2	11.1	10.6	10.9	11.3	12.1	10.8	11.1
<b>4. Lower SPB scenario</b>									
Gross public debt	69.9	71.8	70.9	68.2	68.4	69.5	70.9	68.9	69.4
Primary balance	-1.4	-0.3	0.1	0.4	0.2	-0.1	-0.5	0.3	0.1
Structural primary balance (before CoA)	-0.4	0.3	0.3	0.3	0.3	0.3	0.1	0.3	0.2
Real GDP growth	-0.7	3.0	3.2	2.0	1.9	1.8	1.8	2.1	2.0
Gross financing needs	12.0	13.5	11.6	11.9	12.5	13.2	12.4	12.0	12.1
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	69.9	72.1	71.0	67.1	67.0	67.8	71.0	67.8	68.6
Implicit interest rate (nominal)	6.8	6.9	6.5	6.9	7.0	7.0	6.8	6.9	6.8
Real GDP growth	-0.7	1.9	2.9	1.5	1.4	1.3	1.4	1.6	1.5
Gross financing needs	12.0	13.2	11.3	11.2	11.8	12.5	12.2	11.4	11.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	69.9	75.2	73.6	67.2	66.0	65.7	72.9	67.9	69.2
Exchange rate depreciation	0.0%	9.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.8%
Gross financing needs	12.0	13.7	11.6	11.1	11.5	11.9	12.4	11.3	11.6

# Malta

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

Malta - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>54.0</b>	<b>52.3</b>	<b>53.3</b>	<b>55.8</b>	<b>57.2</b>	<b>57.5</b>	<b>57.6</b>	<b>57.7</b>	<b>57.9</b>	<b>58.0</b>	<b>58.2</b>	<b>58.5</b>	<b>58.8</b>	<b>59.3</b>
Changes in the ratio (-1+2+3) of which	2.8	-3.2	1.3	4.1	2.4	0.3	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.5
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-6.4</b>	<b>-4.8</b>	<b>-4.0</b>	<b>-3.3</b>	<b>-3.0</b>	<b>-2.6</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-2.1</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-5.7</b>	<b>-4.5</b>	<b>-3.5</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-2.4</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-2.1</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>
(1.1.1) Structural primary balance (bef. CoA)	-5.7	-4.5	-3.5	-2.7	-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					-0.1	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8
(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
<b>(1.2) Cyclical component</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-5.5</b>	<b>-5.1</b>	<b>-3.3</b>	<b>-2.2</b>	<b>-2.6</b>	<b>-2.3</b>	<b>-2.3</b>	<b>-2.1</b>	<b>-2.0</b>	<b>-1.9</b>	<b>-1.8</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.5</b>
(2.1) Interest expenditure	1.1	1.0	1.1	1.3	1.4	1.6	1.6	1.7	1.8	1.8	1.9	2.0	2.0	2.1
(2.2) Growth effect	-5.6	-3.3	-1.9	-2.0	-2.4	-2.2	-2.3	-2.2	-2.1	-2.1	-2.1	-2.1	-2.1	-2.0
(2.3) Inflation effect	-1.0	-2.7	-2.5	-1.6	-1.6	-1.7	-1.7	-1.6	-1.6	-1.6	-1.6	-1.6	-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
<b>(3) Stock-flow adjustments</b>	<b>1.0</b>	<b>-1.4</b>	<b>0.3</b>	<b>1.5</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.0	-1.4	0.3	1.5	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
<b>Pro memoria</b>														
Structural balance	-6.8	-5.5	-4.6	-4.0	-4.1	-3.9	-3.9	-3.9	-3.9	-3.9	-3.9	-4.0	-4.0	-4.1
Gross financing needs	15.3	10.9	11.7	12.8	12.5	11.6	11.6	11.6	11.8	12.0	12.1	12.3	12.5	12.6



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	LOW	LOW	MEDIUM	MEDIUM	LOW	MEDIUM	HIGH	MEDIUM	HIGH
		Debt level (2034), % GDP	59.3	42.1	62.8	63.6	59.7				
		Debt peak year	2034	2025	2034	2034	2034				
		Fiscal consolidation space	73%	56%	76%	73%	73%				
		Probability of debt ratio exceeding in 2028 its 2023 level					62%				
		Difference between 90th and 10th percentiles (pps. GDP)					38.2				

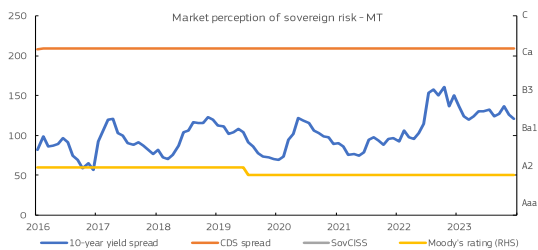
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.45	0.17
Fiscal sub-index	0.36	0.20	0.22
Financial competitiveness sub-index	0.49	0.58	0.14

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	9.4	9.4	9.2	12.5
<i>of which</i>				
Initial budgetary position	2.7	3.1	3.2	3.1
Ageing costs	6.7	6.3	6.1	9.4
<i>of which</i>				
Pensions	3.1	3.1	3.1	3.1
Health care	2.2	1.6	1.5	2.5
Long-term care	1.4	1.7	1.6	3.9
Others	-0.1	-0.1	-0.1	-0.1
Required structural primary balance related to S2	6.9	6.7	6.5	9.8

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	4.8	4.4	4.6	5.8
<i>of which</i>				
Initial budgetary position	2.1	2.4	2.6	2.5
Debt requirement	0.0	-0.1	-0.1	-0.1
Ageing costs	2.7	2.1	2.1	3.4
<i>of which</i>				
Pensions	1.1	0.8	0.9	0.8
Health care	1.2	0.8	0.7	1.4
Long-term care	0.7	0.8	0.8	1.5
Others	-0.3	-0.3	-0.3	-0.3
Required structural primary balance related to S1	2.3	1.7	1.9	3.1

### 3. Financial information



Financial market information MT - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	121.0



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

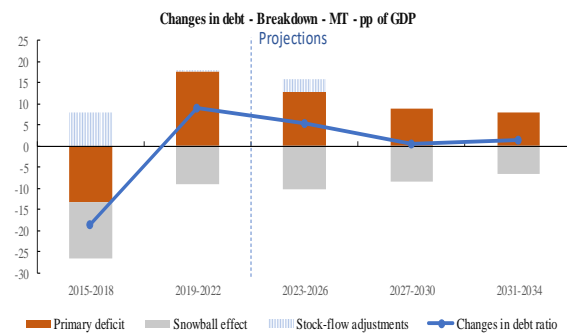
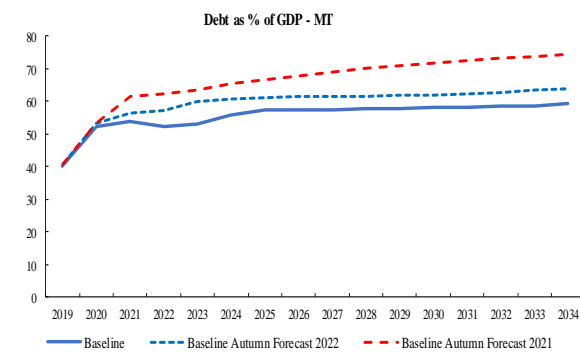
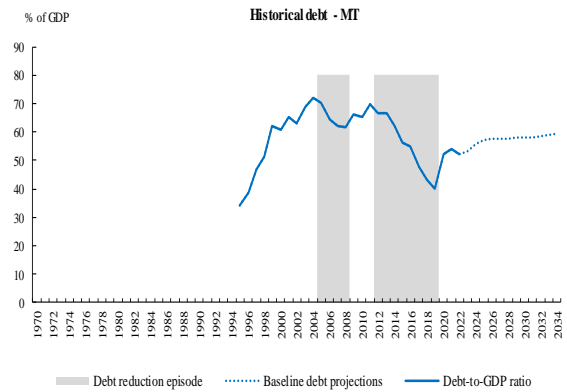
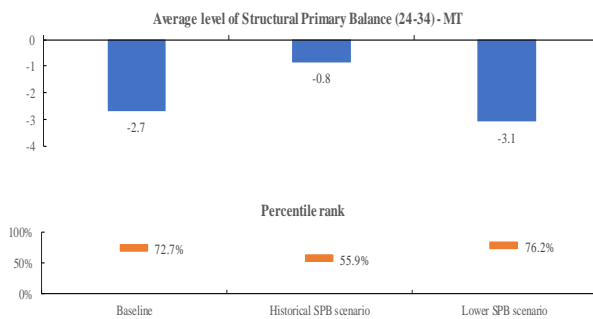
<b>Public debt structure - MT (2022)</b>	<b>Share of short-term government debt (%):</b> 10.3	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 22.0	<b>Net International Investment Position (IIP) - MT (2022)</b>	<b>Net IIP (% GDP):</b> 80.6
------------------------------------------	---------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	---------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		MT							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		13.2	8.9	8.2	6.9	8.9	7.9	6.7	7.1
of which	One-off guarantees	13.1	8.8	8.1	6.8	8.8	6.6	5.8	5.6
	Standardised guarantees	0.1	0.1	0.1	0.1	0.1	1.3	1.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9
	Securities issued under liquidity schemes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Special purpose entity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Total	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9

<b>Government's contingent liability risks from banking sector - MT (2022)</b>	<b>Private sector credit flow (% GDP):</b> 6.4	<b>Change in nominal house price index (p.p.):</b> 6.7	<b>Bank loans-to-deposits ratio (%):</b> 56.4	<b>Share of non-performing loans (%):</b> 2.3	<b>Change in share of non-performing loans (p.p.):</b> -0.3	<b>NPL coverage ratio (%):</b> 31.3	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.02%	0.23%

#### 6. Realism of baseline assumptions



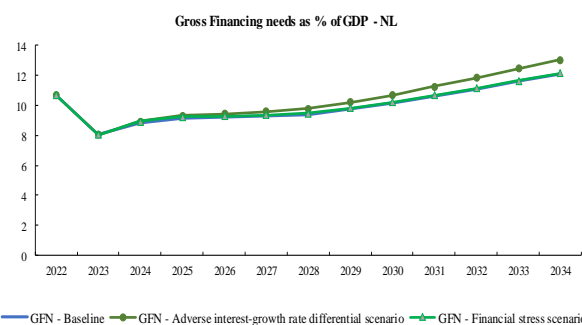
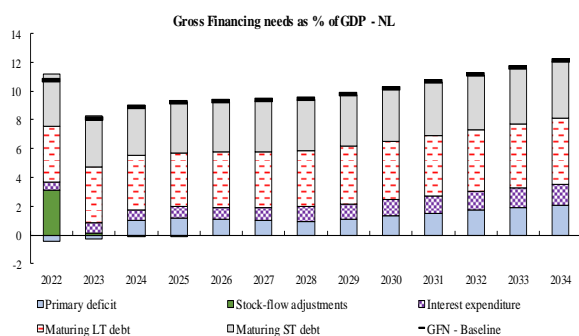
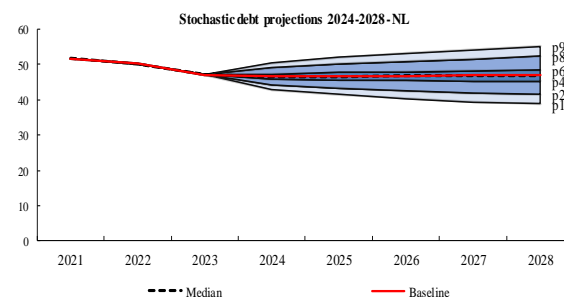
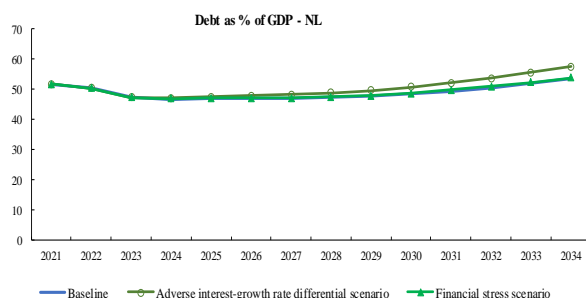
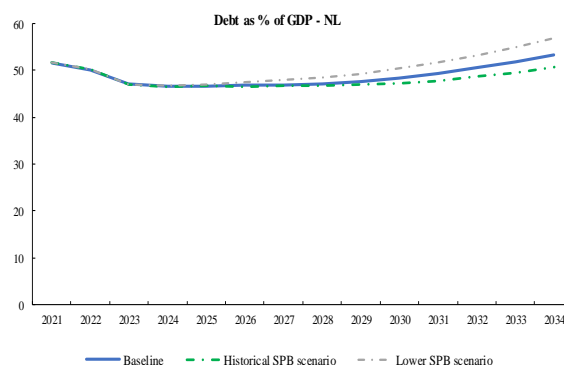
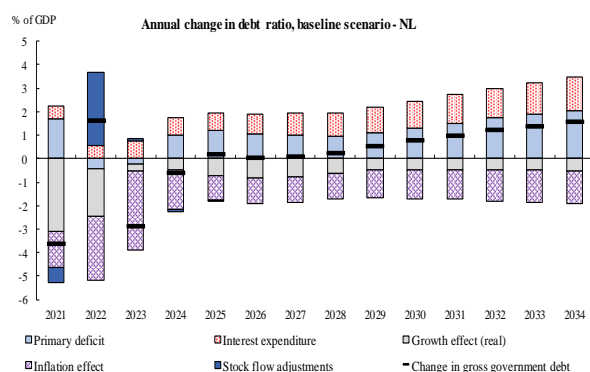
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Malta	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	53.3	55.8	57.2	58.0	58.5	59.3	55.5	58.2	57.5
Primary balance	-4.0	-3.3	-3.0	-2.1	-2.0	-2.0	-3.4	-2.1	-2.5
Structural primary balance (before CoA)	-3.5	-2.7	-2.7	-2.7	-2.7	-2.7	-3.0	-2.7	-2.8
Real GDP growth	4.0	4.0	4.5	3.9	3.9	3.6	4.2	3.9	4.0
Potential GDP growth	4.6	4.2	4.0	3.9	3.9	3.6	4.3	3.9	4.0
Inflation rate	5.0	3.1	3.0	2.9	2.8	2.8	3.7	2.9	3.1
Implicit interest rate (nominal)	2.3	2.7	2.7	3.4	3.6	3.8	2.6	3.4	3.2
Gross financing needs	11.7	12.8	12.5	12.0	12.3	12.6	12.3	12.0	12.1
<b>2. Historical SPB scenario</b>									
Gross public debt	53.3	55.8	56.6	49.5	45.5	42.1	55.3	49.4	50.9
Primary balance	-4.0	-3.3	-2.4	0.1	0.4	0.4	-3.2	-0.1	-0.9
Structural primary balance (before CoA)	-3.5	-2.7	-2.1	-0.3	-0.3	-0.3	-2.8	-0.5	-1.1
Real GDP growth	4.0	4.0	4.5	4.3	3.9	3.6	4.2	3.9	4.0
Gross financing needs	11.7	12.8	11.9	8.6	7.9	7.4	12.1	8.7	9.6
<b>3. Financial stress scenario</b>									
Gross public debt	53.3	56.0	57.4	58.4	58.8	59.7	55.6	58.5	57.8
Implicit interest rate (nominal)	2.3	3.0	2.8	3.5	3.7	3.8	2.7	3.4	3.3
Gross financing needs	11.7	12.9	12.6	12.0	12.4	12.7	12.4	12.1	12.2
<b>4. Lower SPB scenario</b>									
Gross public debt	53.3	55.9	57.7	60.3	61.4	62.8	55.6	60.4	59.2
Primary balance	-4.0	-3.5	-3.3	-2.5	-2.4	-2.3	-3.6	-2.5	-2.8
Structural primary balance (before CoA)	-3.5	-3.1	-3.1	-3.1	-3.1	-3.1	-3.2	-3.1	-3.1
Real GDP growth	4.0	4.3	4.4	3.9	3.9	3.6	4.2	3.9	4.0
Gross financing needs	11.7	13.0	12.8	12.7	13.2	13.6	12.5	12.7	12.7
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	53.3	56.2	57.9	60.6	61.9	63.6	55.8	60.8	59.5
Implicit interest rate (nominal)	2.3	2.8	2.9	3.8	4.0	4.2	2.7	3.7	3.5
Real GDP growth	4.0	3.5	4.0	3.4	3.4	3.1	3.8	3.4	3.5
Gross financing needs	11.7	12.9	12.7	12.6	13.1	13.6	12.4	12.6	12.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	53.3	55.8	57.2	58.0	58.5	59.3	55.5	58.2	57.5
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	11.7	12.8	12.5	12.0	12.3	12.6	12.3	12.0	12.1

# Netherlands

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

Netherlands - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>51.7</b>	<b>50.1</b>	<b>47.1</b>	<b>46.6</b>	<b>46.8</b>	<b>46.8</b>	<b>46.9</b>	<b>47.1</b>	<b>47.6</b>	<b>48.3</b>	<b>49.3</b>	<b>50.5</b>	<b>51.9</b>	<b>53.4</b>
Changes in the ratio (-1+2+3) of which	-3.6	1.6	-2.9	-0.6	0.2	0.0	0.1	0.2	0.5	0.7	1.0	1.2	1.4	1.6
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-1.7</b>	<b>0.4</b>	<b>0.2</b>	<b>-1.0</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-1.9</b>	<b>-2.1</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.4</b>	<b>-0.6</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-1.9</b>	<b>-2.1</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.4	-0.6	0.2	-0.5	-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	0.4	0.5	0.7	0.9	1.0	1.1	1.2	1.3	1.4	1.4	1.4
(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
<b>(1.2) Cyclical component</b>	<b>-0.2</b>	<b>1.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-4.1</b>	<b>-4.2</b>	<b>-2.9</b>	<b>-1.4</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>
(2.1) Interest expenditure	0.5	0.5	0.7	0.7	0.8	0.9	0.9	1.0	1.1	1.1	1.2	1.3	1.3	1.4
(2.2) Growth effect	-3.1	-2.0	-0.3	-0.5	-0.7	-0.8	-0.8	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
(2.3) Inflation effect	-1.6	-2.7	-3.4	-1.7	-1.0	-1.1	-1.1	-1.1	-1.2	-1.2	-1.3	-1.3	-1.4	-1.4
(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
<b>(3) Stock-flow adjustments</b>	<b>-0.6</b>	<b>3.1</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-0.6	3.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(3.2) 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
<b>Pro memoria</b>														
Structural balance	-1.9	-1.1	-0.5	-1.3	-1.3	-1.5	-1.8	-1.9	-2.2	-2.4	-2.7	-3.0	-3.2	-3.5
Gross financing needs	11.3	10.7	8.0	8.9	9.2	9.2	9.3	9.4	9.8	10.1	10.6	11.1	11.6	12.1



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	LOW	Overall	LOW	LOW	LOW	LOW	LOW	48% 16.4	MEDIUM	MEDIUM	MEDIUM
		Debt level (2034), % GDP	53.4	50.8	56.9	57.4	53.7				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	94%	88%	100%	94%	94%				
		Probability of debt ratio exceeding in 2028 its 2023 level									
		Difference between 90th and 10th percentiles (pps. GDP)									

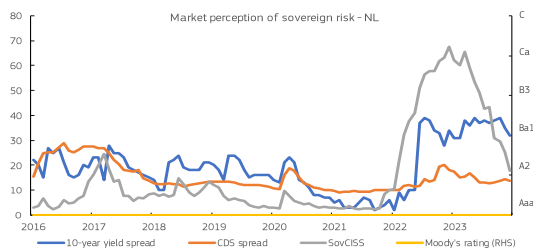
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.41	0.12
Fiscal sub-index	0.36	0.57	0.00
Financial competitiveness sub-index	0.49	0.33	0.18

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	6.5	4.5	4.3	6.6
of which				
Initial budgetary position	2.7	1.7	1.7	1.7
Ageing costs	3.7	2.8	2.6	4.8
of which				
Pensions	1.1	1.2	1.1	1.2
Health care	0.6	0.6	0.6	1.1
Long-term care	2.1	1.6	1.6	3.2
Others	-0.1	-0.7	-0.6	-0.7
Required structural primary balance related to S2	4.0	4.0	3.8	6.1

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	4.8	2.8	2.8	4.0
of which				
Initial budgetary position	2.0	1.1	1.1	1.0
Debt requirement	-0.2	-0.3	-0.3	-0.3
Ageing costs	2.9	2.0	2.0	3.2
of which				
Pensions	0.9	0.9	0.9	0.9
Health care	0.5	0.4	0.4	0.8
Long-term care	1.6	1.2	1.2	2.0
Others	-0.1	-0.5	-0.5	-0.5
Required structural primary balance related to S1	2.3	2.3	2.3	3.5

### 3. Financial information



Financial market information NL - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	32.0

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

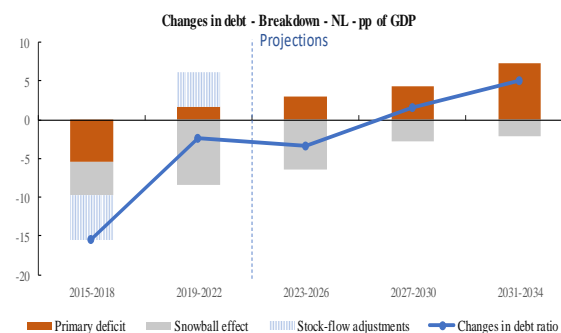
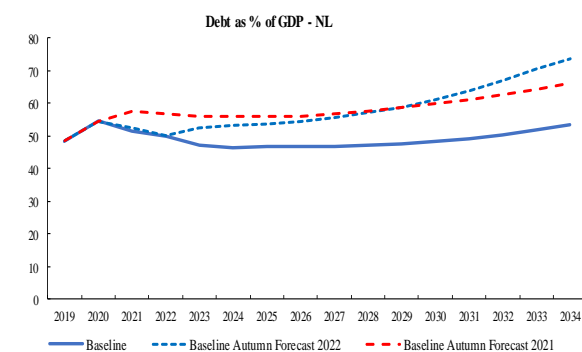
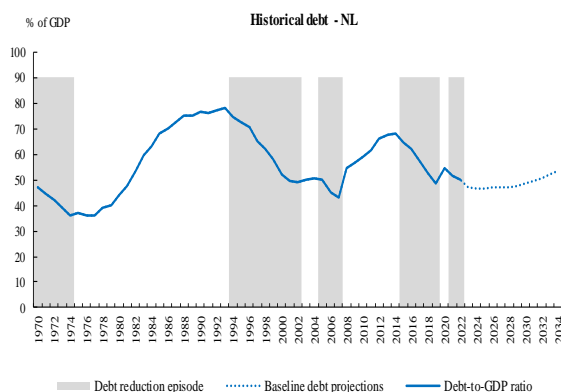
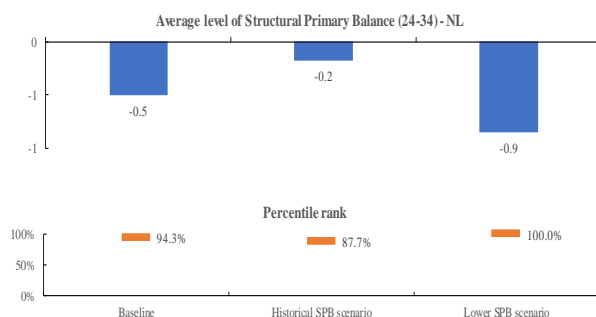
<b>Public debt structure - NL (2022)</b>	<b>Share of short-term government debt (%):</b> 11.0	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 39.7	<b>Net International Investment Position (IIP) - NL (2022)</b>	<b>Net IIP (% GDP):</b> 75.2
------------------------------------------	---------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------	----------------------------------------------------------------	---------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		NL							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		3.6	3.4	3.2	3.0	5.9	4.4	3.5	7.1
of which	One-off guarantees	3.6	3.4	3.2	3.0	5.9	4.4	3.5	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - NL (2022)</b>	<b>Private sector credit flow (% GDP):</b> 6.9	<b>Change in nominal house price index (p.p.):</b> 13.4	<b>Bank loans-to-deposits ratio (%):</b> 111.2	<b>Share of non-performing loans (%):</b> 1.3	<b>Change in share of non-performing loans (p.p.):</b> 0.0	<b>NPL coverage ratio (%):</b> 25.9	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.05%	0.46%

#### 6. Realism of baseline assumptions



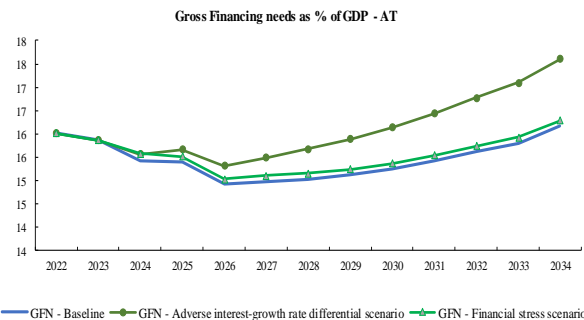
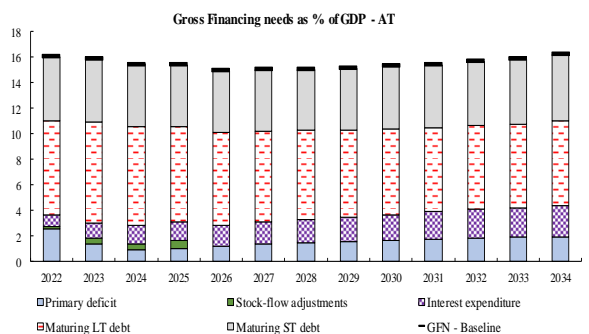
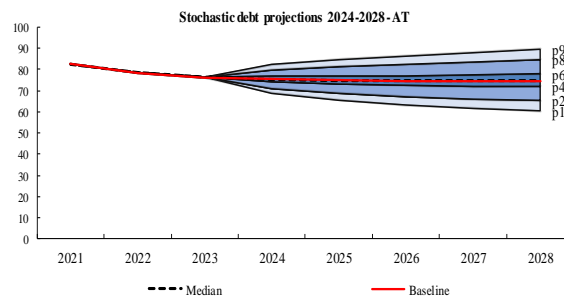
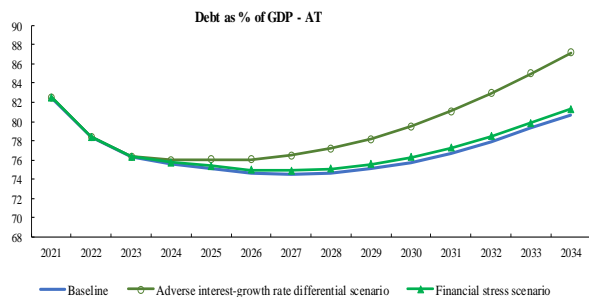
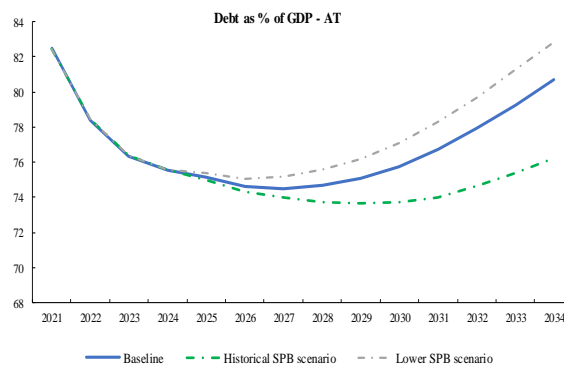
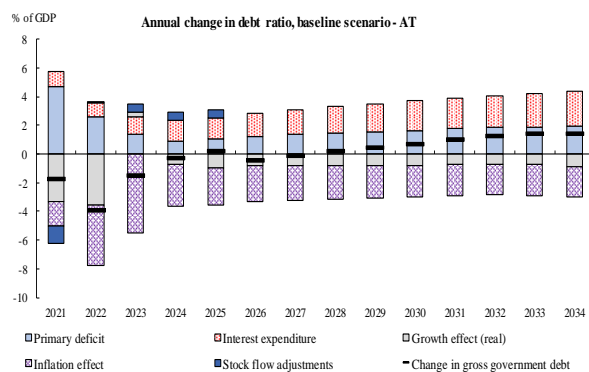
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Netherlands		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	47.1	46.6	46.8	48.3	50.5	53.4	46.8	49.1	48.5
Primary balance	0.2	-1.0	-1.2	-1.3	-1.7	-2.1	-0.7	-1.4	-1.2
Structural primary balance (before CoA)	0.2	-0.5	-0.5	-0.5	-0.5	-0.5	-0.3	-0.5	-0.4
Real GDP growth	0.6	1.1	1.6	1.1	1.0	1.0	1.1	1.2	1.2
Potential GDP growth	2.2	2.0	1.9	1.1	1.0	1.0	2.1	1.1	1.3
Inflation rate	7.3	3.7	2.3	2.6	2.8	2.8	4.4	2.6	3.0
Implicit interest rate (nominal)	1.6	1.7	1.7	2.5	2.7	2.8	1.7	2.4	2.2
Gross financing needs	8.0	8.9	9.2	10.1	11.1	12.1	8.7	10.4	9.9
<b>2. Historical SPB scenario</b>									
Gross public debt	47.1	46.6	46.7	47.4	48.6	50.8	46.8	47.9	47.6
Primary balance	0.2	-1.0	-1.1	-1.0	-1.3	-1.6	-0.6	-1.1	-1.0
Structural primary balance (before CoA)	0.2	-0.5	-0.4	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1
Real GDP growth	0.6	1.1	1.6	1.2	1.0	1.0	1.1	1.2	1.2
Gross financing needs	8.0	8.9	9.1	9.7	10.4	11.2	8.7	9.9	9.6
<b>3. Financial stress scenario</b>									
Gross public debt	47.1	46.7	46.9	48.5	50.8	53.7	46.9	49.3	48.7
Implicit interest rate (nominal)	1.6	1.8	1.8	2.5	2.7	2.9	1.7	2.5	2.3
Gross financing needs	8.0	8.9	9.2	10.2	11.2	12.1	8.7	10.4	10.0
<b>4. Lower SPB scenario</b>									
Gross public debt	47.1	46.7	47.1	50.4	53.3	56.9	47.0	51.2	50.1
Primary balance	0.2	-1.2	-1.4	-1.7	-2.1	-2.4	-0.8	-1.8	-1.5
Structural primary balance (before CoA)	0.2	-0.9	-0.9	-0.9	-0.9	-0.9	-0.5	-0.9	-0.8
Real GDP growth	0.6	1.4	1.5	1.1	1.0	1.0	1.2	1.2	1.2
Gross financing needs	8.0	9.0	9.5	10.8	11.9	13.1	8.8	11.1	10.5
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	47.1	46.9	47.3	50.6	53.6	57.4	47.1	51.4	50.3
Implicit interest rate (nominal)	1.6	1.8	1.8	2.8	3.1	3.3	1.7	2.7	2.5
Real GDP growth	0.6	0.6	1.1	0.6	0.5	0.5	0.8	0.7	0.7
Gross financing needs	8.0	8.9	9.3	10.7	11.9	13.0	8.8	10.9	10.4
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	47.1	46.6	46.8	48.3	50.5	53.4	46.8	49.1	48.5
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	8.0	8.9	9.2	10.1	11.1	12.1	8.7	10.4	9.9

# Austria

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

Austria - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>82.5</b>	<b>78.4</b>	<b>76.3</b>	<b>75.6</b>	<b>75.1</b>	<b>74.6</b>	<b>74.5</b>	<b>74.7</b>	<b>75.1</b>	<b>75.8</b>	<b>76.7</b>	<b>77.9</b>	<b>79.3</b>	<b>80.7</b>
Changes in the ratio (-1+2+3) of which	-1.7	-3.9	-1.6	-0.3	0.2	-0.5	-0.1	0.2	0.4	0.7	1.0	1.2	1.3	1.4
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.7</b>	<b>-2.6</b>	<b>-1.3</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-2.0</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-3.4</b>	<b>-3.3</b>	<b>-1.1</b>	<b>-0.7</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-2.0</b>
(1.1.1) Structural primary balance (bef. CoA)	-3.4	-3.3	-1.1	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
(1.1.2) Cost of ageing					0.3	0.5	0.8	0.9	1.0	1.1	1.2	1.2	1.3	1.4
(1.1.3) Others (taxes and property incomes)					0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
<b>(1.2) Cyclical component</b>	<b>-1.3</b>	<b>0.7</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.9</b>	<b>-6.8</b>	<b>-3.9</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>
(2.1) Interest expenditure	1.1	0.9	1.2	1.4	1.4	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4
(2.2) Growth effect	-3.3	-3.6	0.4	-0.7	-1.0	-0.8	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.8	-0.9
(2.3) Inflation effect	-1.7	-4.1	-5.5	-2.9	-2.6	-2.5	-2.4	-2.3	-2.3	-2.2	-2.2	-2.2	-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
<b>(3) Stock-flow adjustments</b>	<b>-1.3</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-1.3	0.1	0.5	0.5	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
<b>Pro memoria</b>														
Structural balance	-4.5	-4.2	-2.3	-2.1	-2.4	-2.7	-3.1	-3.3	-3.5	-3.7	-3.9	-4.1	-4.2	-4.4
Gross financing needs	16.0	16.0	15.9	15.4	15.4	14.9	15.0	15.0	15.1	15.2	15.4	15.6	15.8	16.2



## 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 (S1+S2)
			Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	MEDIUM	Overall	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	MEDIUM			
		Debt level (2034), % GDP	80.7	76.2	82.9	87.1	81.3				
		Debt peak year	2034	2023	2034	2034	2034				
		Fiscal consolidation space	96%	91%	97%	96%	96%				
		Probability of debt ratio exceeding in 2028 its 2023 level						45%			
		Difference between 90th and 10th percentiles (pps. GDP)						29.3			

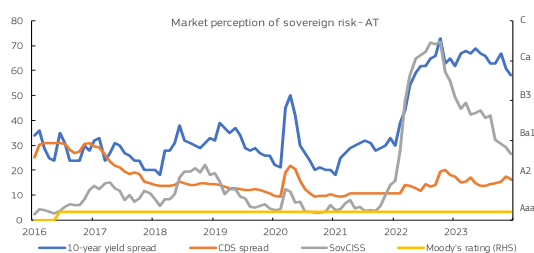
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.31	0.09
Fiscal sub-index	0.36	0.64	0.15
Financial competitiveness sub-index	0.49	0.16	0.06

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.2	3.3	3.5	5.3
of which				
Initial budgetary position	0.8	1.1	1.2	1.1
Ageing costs	2.4	2.2	2.2	4.2
of which				
Pensions	-0.1	0.1	0.3	0.1
Health care	1.0	1.1	1.0	1.9
Long-term care	1.5	1.3	1.2	2.4
Others	0.0	-0.3	-0.3	-0.3
Required structural primary balance related to S2	2.6	2.7	2.8	4.7

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.4	2.5	2.7	3.7
of which				
Initial budgetary position	0.1	0.5	0.7	0.5
Debt requirement	0.3	0.3	0.3	0.3
Ageing costs	2.0	1.6	1.7	2.8
of which				
Pensions	0.3	0.3	0.4	0.3
Health care	0.7	0.8	0.8	1.4
Long-term care	1.0	0.8	0.8	1.4
Others	0.0	-0.3	-0.3	-0.3
Required structural primary balance related to S1	1.8	1.8	2.0	3.0

### 3. Financial information



Financial market information AT - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	58.0



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

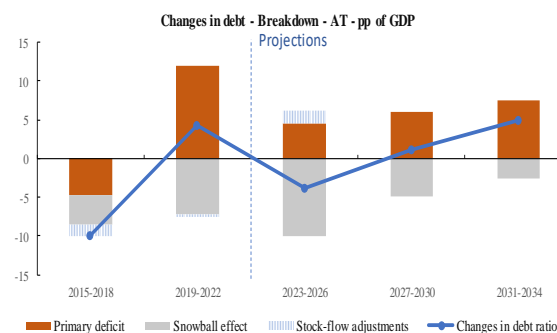
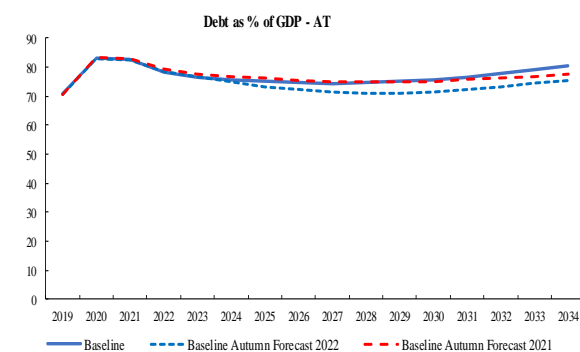
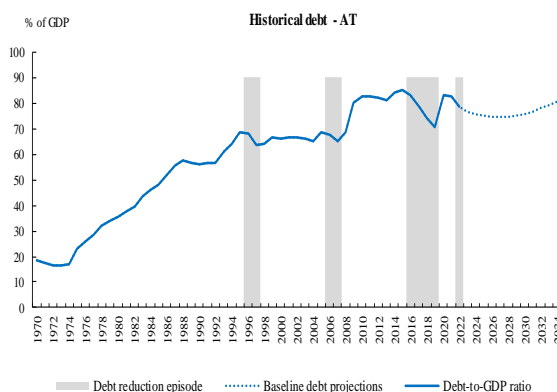
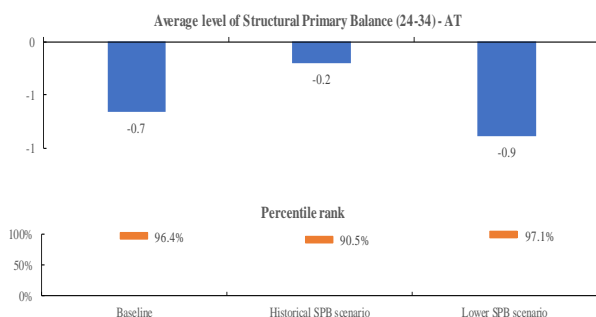
Public debt structure - AT (2022)	Share of short-term government debt (%):	Share of government debt in foreign currency (%):	Share of government debt by non-residents (%):	Net International Investment Position (IIP) - AT (2022)	Net IIP (% GDP):
	7.1	0.3	61.4		

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		AT							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		17.2	16.3	16.3	16.1	19.0	17.1	15.2	7.1
of which	One-off guarantees	17.2	16.3	16.3	16.1	19.0	17.1	15.2	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	0.5	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	0.0
	Special purpose entity	0.0	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	0.0	0.9

Government's contingent liability risks from banking sector - AT (2022)	Private sector credit flow (% GDP):	Change in nominal house price index (p.p.):	Bank loans-to-deposits ratio (%):	Share of non-performing loans (%):	Change in share of non-performing loans (p.p.):	NPL coverage ratio (%):	Theoretical probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL):	
	5.0	11.4	98.8	1.8	0.0	47.8	Stress	Severe Stress
							0.01%	0.15%

#### 6. Realism of baseline assumptions



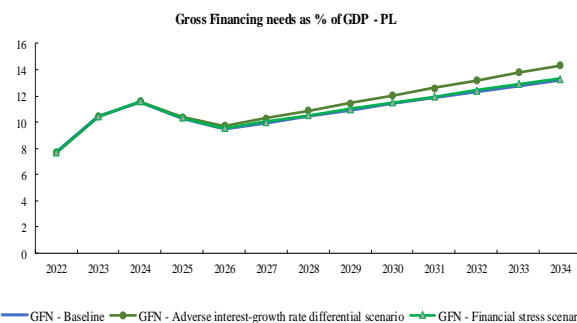
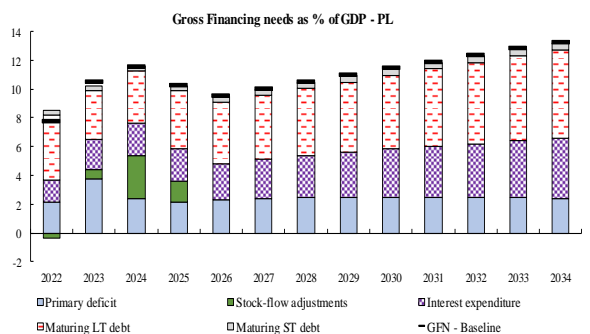
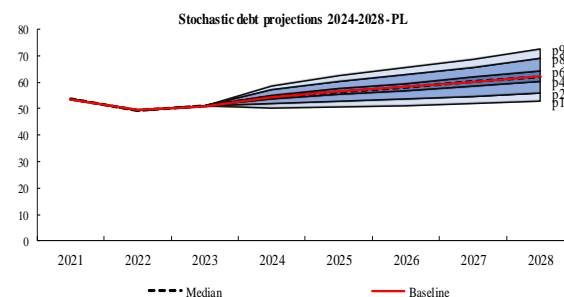
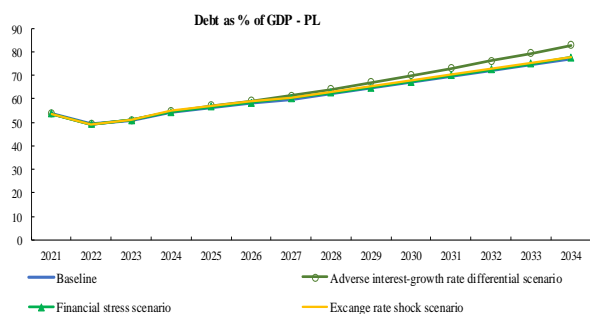
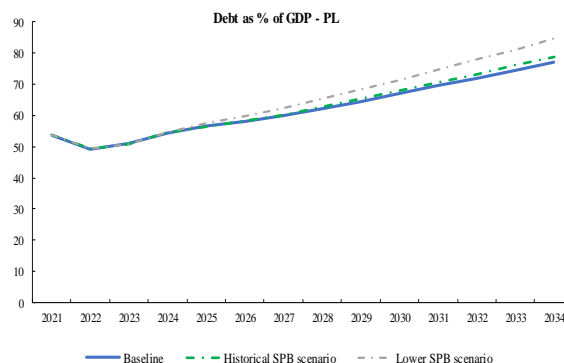
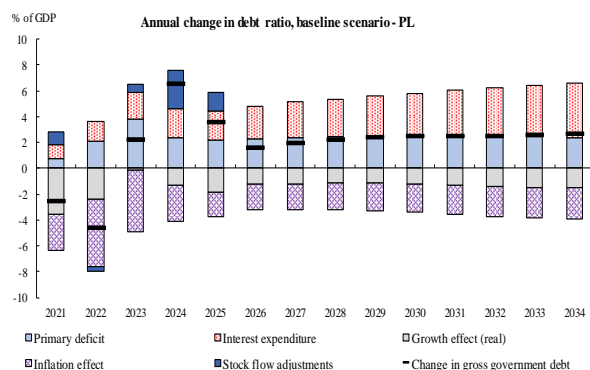
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Austria		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	76.3	75.6	75.1	75.8	77.9	80.7	75.7	76.6	76.4
Primary balance	-1.3	-0.9	-1.1	-1.7	-1.8	-2.0	-1.1	-1.6	-1.5
Structural primary balance (before CoA)	-1.1	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-0.7	-0.7
Real GDP growth	-0.5	1.0	1.3	1.1	0.9	1.1	0.6	1.1	1.0
Potential GDP growth	1.1	1.1	1.1	1.1	0.9	1.1	1.1	1.1	1.1
Inflation rate	7.6	4.0	3.5	3.1	2.9	2.8	5.0	3.1	3.6
Implicit interest rate (nominal)	1.6	2.0	2.0	2.8	3.0	3.2	1.9	2.8	2.6
Gross financing needs	15.9	15.4	15.4	15.2	15.6	16.2	15.6	15.4	15.4
<b>2. Historical SPB scenario</b>									
Gross public debt	76.3	75.6	75.0	73.7	74.6	76.2	75.6	74.4	74.7
Primary balance	-1.3	-0.9	-0.9	-1.1	-1.3	-1.4	-1.1	-1.2	-1.1
Structural primary balance (before CoA)	-1.1	-0.7	-0.5	-0.1	-0.1	-0.1	-0.8	-0.1	-0.3
Real GDP growth	-0.5	1.0	1.3	1.2	0.9	1.1	0.6	1.1	1.0
Gross financing needs	15.9	15.4	15.2	14.4	14.5	14.9	15.5	14.6	14.8
<b>3. Financial stress scenario</b>									
Gross public debt	76.3	75.7	75.4	76.3	78.5	81.3	75.8	77.1	76.7
Implicit interest rate (nominal)	1.6	2.2	2.1	2.9	3.1	3.2	2.0	2.8	2.6
Gross financing needs	15.9	15.6	15.5	15.4	15.7	16.3	15.6	15.5	15.5
<b>4. Lower SPB scenario</b>									
Gross public debt	76.3	75.6	75.4	77.1	79.7	82.9	75.8	77.9	77.4
Primary balance	-1.3	-1.1	-1.2	-1.9	-2.1	-2.2	-1.2	-1.9	-1.7
Structural primary balance (before CoA)	-1.1	-0.9	-0.9	-0.9	-0.9	-0.9	-1.0	-0.9	-0.9
Real GDP growth	-0.5	1.2	1.3	1.1	0.9	1.1	0.6	1.1	1.0
Gross financing needs	15.9	15.5	15.6	15.7	16.1	16.7	15.6	15.8	15.8
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	76.3	76.0	76.1	79.5	83.0	87.1	76.1	80.4	79.3
Implicit interest rate (nominal)	1.6	2.1	2.2	3.2	3.4	3.6	2.0	3.1	2.8
Real GDP growth	-0.5	0.5	0.8	0.6	0.4	0.6	0.3	0.6	0.5
Gross financing needs	15.9	15.6	15.7	16.1	16.8	17.6	15.7	16.3	16.1
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	76.3	75.6	75.2	75.8	78.0	80.7	75.7	76.6	76.4
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	15.9	15.4	15.4	15.2	15.6	16.2	15.6	15.4	15.4

# Poland

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

Poland - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>53.6</b>	<b>49.3</b>	<b>50.9</b>	<b>54.4</b>	<b>56.5</b>	<b>58.1</b>	<b>60.0</b>	<b>62.2</b>	<b>64.5</b>	<b>67.0</b>	<b>69.4</b>	<b>71.9</b>	<b>74.4</b>	<b>77.1</b>
Changes in the ratio (-1+2+3) of which	-2.6	-4.7	2.2	6.5	3.6	1.6	1.9	2.2	2.4	2.4	2.5	2.5	2.5	2.6
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-0.7</b>	<b>-2.1</b>	<b>-3.8</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.4</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.3</b>	<b>-3.1</b>	<b>-3.2</b>	<b>-1.8</b>	<b>-2.0</b>	<b>-2.2</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.4</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.3	-3.1	-3.2	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
(1.1.2) Cost of ageing					0.2	0.4	0.6	0.7	0.7	0.7	0.6	0.6	0.5	0.5
(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
<b>(1.2) Cyclical component</b>	<b>0.4</b>	<b>0.7</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.2</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-5.3</b>	<b>-6.1</b>	<b>-2.9</b>	<b>-1.8</b>	<b>-1.5</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
(2.1) Interest expenditure	1.1	1.5	2.1	2.2	2.3	2.5	2.7	2.9	3.1	3.3	3.5	3.7	4.0	4.2
(2.2) Growth effect	-3.5	-2.4	-0.2	-1.3	-1.8	-1.2	-1.2	-1.1	-1.1	-1.2	-1.3	-1.4	-1.5	-1.5
(2.3) Inflation effect	-2.9	-5.2	-4.7	-2.8	-2.0	-2.0	-2.0	-2.1	-2.2	-2.2	-2.3	-2.3	-2.4	-2.4
(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
<b>(3) Stock-flow adjustments</b>	<b>1.0</b>	<b>-0.4</b>	<b>0.7</b>	<b>3.0</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	0.7	-0.8	0.9	2.9	1.5	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	0.3	0.4	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-2.4	-4.7	-5.3	-4.0	-4.3	-4.7	-5.1	-5.4	-5.6	-5.8	-6.0	-6.2	-6.4	-6.6
Gross financing needs	7.6	7.7	10.4	11.5	10.2	9.5	10.0	10.4	10.9	11.4	11.9	12.3	12.8	13.2



## 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 (S1+S2)
				Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	MEDIUM	Overall	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM	
		Debt level (2034), % GDP	77.1	78.8	84.5	82.8	77.6					
		Debt peak year	2034	2034	2034	2034	2034					
		Fiscal consolidation space	77%	79%	90%	77%	77%					
		Probability of debt ratio exceeding in 2028 its 2023 level					95%					
		Difference between 90th and 10th percentiles (pps. GDP)					19.5					

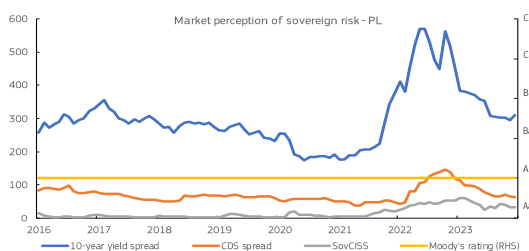
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.55	0.39
Fiscal sub-index	0.36	0.22	0.28
Financial competitiveness sub-index	0.49	0.73	0.45

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.7	3.8	4.1	7.1
<i>of which</i>				
Initial budgetary position	2.1	2.7	2.8	2.6
Ageing costs	1.6	1.1	1.2	4.4
<i>of which</i>				
Pensions	-0.7	-0.6	-0.3	-0.6
Health care	1.2	0.9	0.8	1.9
Long-term care	1.2	0.7	0.6	3.1
Others	0.0	0.1	0.1	0.1
Required structural primary balance related to S2	2.3	2.0	2.3	5.3

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	2.8	3.2	3.5	4.9
<i>of which</i>				
Initial budgetary position	2.0	2.5	2.6	2.5
Debt requirement	-0.1	-0.1	-0.1	-0.1
Ageing costs	0.9	0.8	1.0	2.6
<i>of which</i>				
Pensions	-0.6	-0.2	-0.1	-0.2
Health care	0.8	0.7	0.6	1.4
Long-term care	0.7	0.4	0.4	1.4
Others	-0.1	0.0	0.0	0.0
Required structural primary balance related to S1	1.4	1.5	1.7	3.1

### 3. Financial information



Financial market information PL - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	311.0

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

<b>Public debt structure - PL (2022)</b>	Share of short-term government debt (%): 1.8	Share of government debt in foreign currency (%): 24.2	Share of government debt by non-residents (%): 35.7
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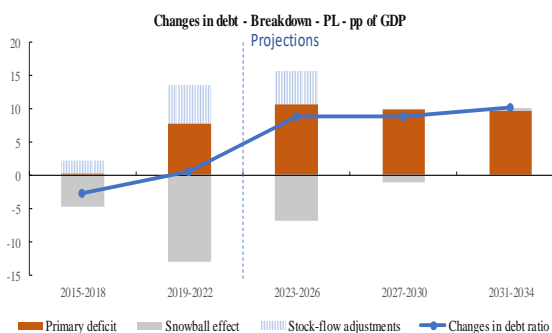
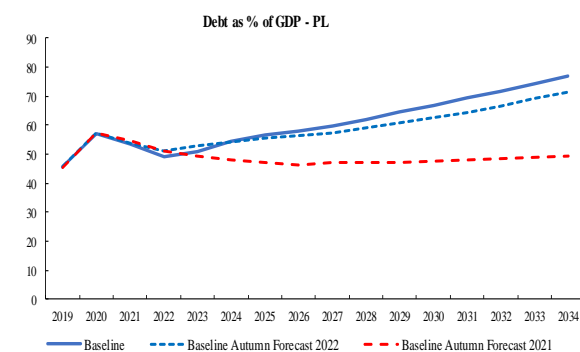
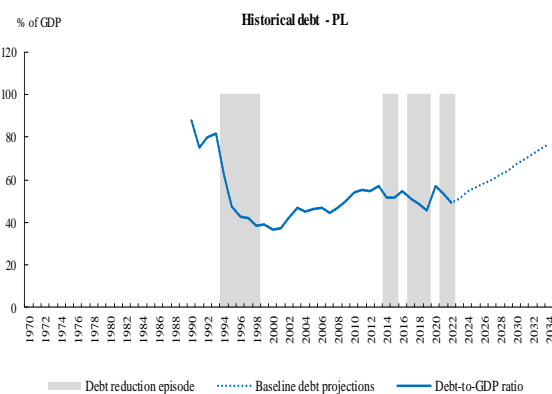
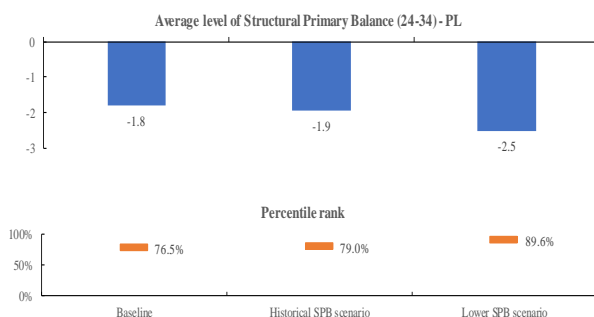
<b>Net International Investment Position (IIP) - PL (2022)</b>	<b>Net IIP (% GDP):</b> -33.4
----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		PL							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		1.7	1.4	1.2	1.2	2.5	3.9	5.2	7.1
of which	One-off guarantees	1.0	0.7	0.6	0.6	1.4	2.3	3.7	5.6
	Standardised guarantees	0.7	0.7	0.6	0.6	1.1	1.6	1.5	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.2	0.9
	Securities issued under liquidity schemes	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0
	Special purpose entity	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0
	Total	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.2	0.9

<b>Government's contingent liability risks from banking sector - PL (2022)</b>	Private sector credit flow (% GDP): 2.0	Change in nominal house price index (p.p.): 11.8	Bank loans-to-deposits ratio (%): 72.4	Share of non-performing loans (%): 4.4	Change in share of non-performing loans (p.p.): 0.1	NPL coverage ratio (%): 63.5	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.00%	Severe Stress 0.11%

#### 6. Realism of baseline assumptions



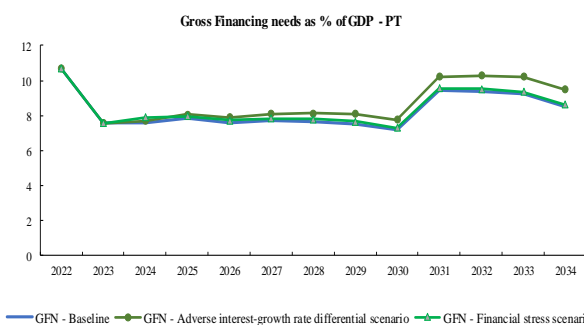
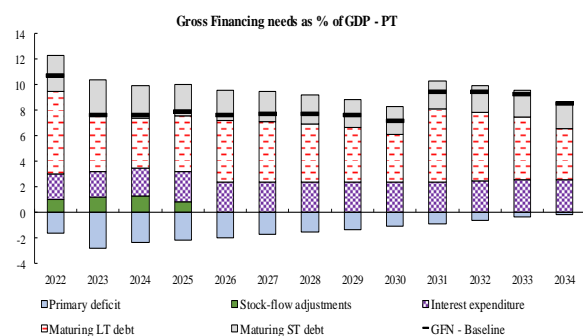
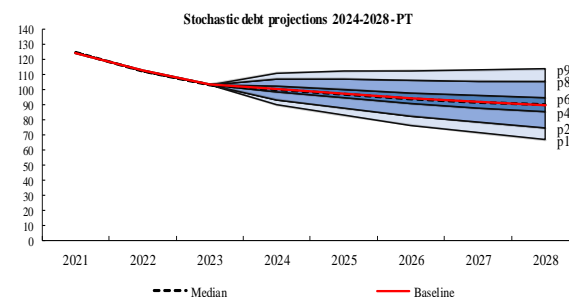
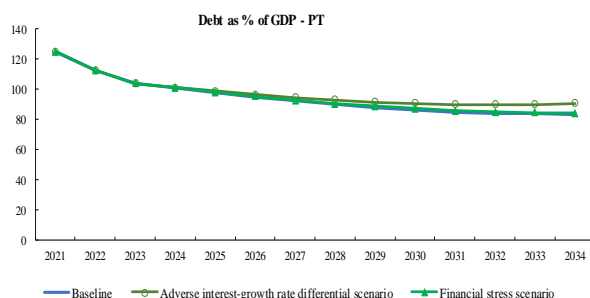
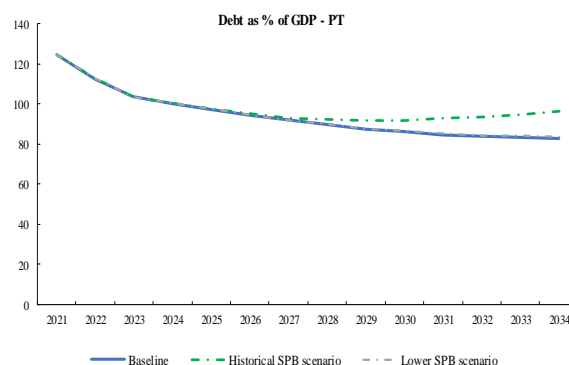
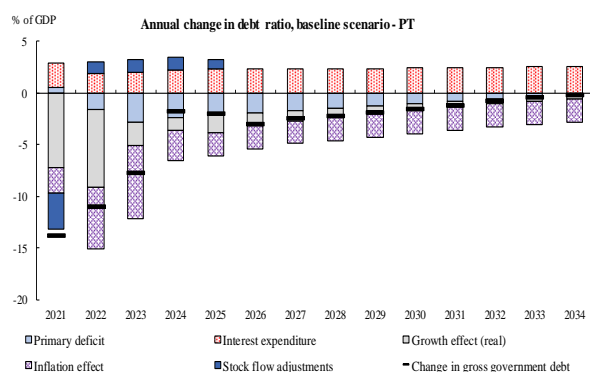
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Poland		Levels					Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	50.9	54.4	56.5	67.0	71.9	77.1	53.9	67.2	63.9
Primary balance	-3.8	-2.4	-2.2	-2.5	-2.5	-2.4	-2.8	-2.4	-2.5
Structural primary balance (before CoA)	-3.2	-1.8	-1.8	-1.8	-1.8	-1.8	-2.3	-1.8	-1.9
Real GDP growth	0.4	2.7	3.6	1.9	2.1	2.1	2.2	2.1	2.1
Potential GDP growth	3.0	2.9	2.6	1.9	2.1	2.1	2.8	2.0	2.2
Inflation rate	10.7	5.8	3.7	3.6	3.5	3.4	6.7	3.5	4.3
Implicit interest rate (nominal)	4.7	4.8	4.5	5.4	5.7	5.9	4.7	5.4	5.2
Gross financing needs	10.4	11.5	10.2	11.4	12.3	13.2	10.7	11.4	11.2
<b>2. Historical SPB scenario</b>									
Gross public debt	50.9	54.4	56.6	67.9	73.2	78.8	53.9	68.1	64.6
Primary balance	-3.8	-2.4	-2.2	-2.7	-2.7	-2.6	-2.8	-2.6	-2.7
Structural primary balance (before CoA)	-3.2	-1.8	-1.8	-2.0	-2.0	-2.0	-2.3	-2.0	-2.0
Real GDP growth	0.4	2.7	3.6	1.9	2.1	2.1	2.2	2.1	2.1
Gross financing needs	10.4	11.5	10.3	11.7	12.7	13.7	10.7	11.7	11.4
<b>3. Financial stress scenario</b>									
Gross public debt	50.9	54.5	56.7	67.4	72.4	77.6	54.0	67.6	64.2
Implicit interest rate (nominal)	4.7	5.0	4.7	5.5	5.8	5.9	4.8	5.5	5.3
Gross financing needs	10.4	11.6	10.3	11.5	12.4	13.3	10.8	11.5	11.3
<b>4. Lower SPB scenario</b>									
Gross public debt	50.9	54.6	57.3	71.4	77.9	84.5	54.3	71.7	67.3
Primary balance	-3.8	-2.9	-2.7	-3.2	-3.2	-3.1	-3.1	-3.1	-3.1
Structural primary balance (before CoA)	-3.2	-2.5	-2.5	-2.5	-2.5	-2.5	-2.7	-2.5	-2.6
Real GDP growth	0.4	3.3	3.4	1.9	2.1	2.1	2.4	2.0	2.1
Gross financing needs	10.4	11.9	10.8	12.7	13.8	14.9	11.1	12.6	12.2
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	50.9	54.7	57.1	70.0	76.2	82.8	54.2	70.3	66.3
Implicit interest rate (nominal)	4.7	4.9	4.7	5.8	6.1	6.4	4.7	5.8	5.5
Real GDP growth	0.4	2.2	3.1	1.4	1.6	1.6	1.9	1.6	1.7
Gross financing needs	10.4	11.6	10.4	12.0	13.2	14.3	10.8	12.0	11.7
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	50.9	55.2	57.3	67.7	72.6	77.8	54.4	67.9	64.5
Exchange rate depreciation	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.4%
Gross financing needs	10.4	11.6	10.3	11.5	12.4	13.3	10.8	11.5	11.3

# Portugal

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

Portugal - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>124.5</b>	<b>112.4</b>	<b>103.4</b>	<b>100.3</b>	<b>97.4</b>	<b>94.3</b>	<b>91.8</b>	<b>89.6</b>	<b>87.6</b>	<b>86.0</b>	<b>84.7</b>	<b>83.9</b>	<b>83.3</b>	<b>83.0</b>
Changes in the ratio (-1+2+3) of which	-13.9	-11.1	-7.8	-1.8	-2.1	-3.1	-2.5	-2.2	-2.0	-1.6	-1.3	-0.9	-0.5	-0.3
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-0.5</b>	<b>1.6</b>	<b>2.8</b>	<b>2.4</b>	<b>2.2</b>	<b>2.0</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>	<b>0.4</b>	<b>0.1</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.1</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>	<b>0.4</b>	<b>0.1</b>
(1.1.1) Structural primary balance (bef. CoA)	1.0	1.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
(1.1.2) Cost of ageing					0.2	0.3	0.5	0.6	0.8	1.1	1.4	1.6	1.9	2.1
(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
<b>(1.2) Cyclical component</b>	<b>-1.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.3</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-7.3</b>	<b>-11.6</b>	<b>-7.4</b>	<b>-2.0</b>	<b>-1.6</b>	<b>-1.1</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>
(2.1) Interest expenditure	2.4	1.9	2.0	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.6
(2.2) Growth effect	-7.2	-7.6	-2.3	-1.3	-1.7	-1.3	-0.9	-0.9	-0.8	-0.7	-0.6	-0.5	-0.4	-0.5
(2.3) Inflation effect	-2.5	-5.9	-7.1	-2.9	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.3	-2.3	-2.3
(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
<b>(3) Stock-flow adjustments</b>	<b>-3.5</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-3.5	1.1	1.2	1.3	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
<b>Pro memoria</b>														
Structural balance	-1.4	-0.9	0.0	-0.1	-0.4	-0.5	-0.7	-0.8	-1.0	-1.3	-1.6	-1.9	-2.2	-2.5
Gross financing needs	12.1	10.7	7.6	7.5	7.8	7.6	7.7	7.6	7.5	7.2	9.4	9.4	9.2	8.5



**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 (S1+S2)
				Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall		MEDIUM	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM	LOW	LOW	LOW
		Debt level (2034), % GDP		83.0	96.2	83.8	90.3	84.0				
		Debt peak year		2023	2023	2023	2023	2023				
		Fiscal consolidation space		20%	43%	21%	20%	20%				
		Probability of debt ratio exceeding in 2028 its 2023 level						23%				
		Difference between 90th and 10th percentiles (pps. GDP)						46.7				

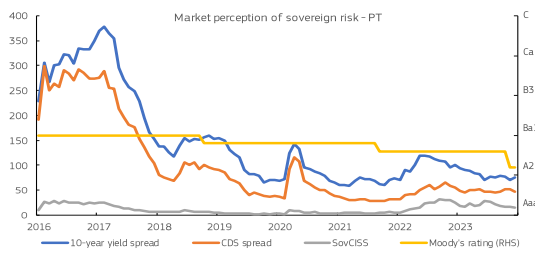
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.82	0.32
Fiscal sub-index	0.36	1.00	0.31
Financial competitiveness sub-index	0.49	0.72	0.33

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-2.1	-1.4	-0.4	5.9
of which				
Initial budgetary position	-1.0	-1.6	-1.4	-1.5
Ageing costs	-1.1	0.2	1.0	7.4
of which				
Pensions	-2.9	-1.5	-0.6	-1.2
Health care	1.3	1.2	1.2	2.0
Long-term care	0.4	0.4	0.4	6.6
Others	0.2	0.1	0.1	0.1
Required structural primary balance related to S2	-0.7	0.7	1.8	8.1

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.1	0.6	1.1	3.6
of which				
Initial budgetary position	-1.6	-2.1	-2.0	-2.2
Debt requirement	1.0	0.8	0.8	0.8
Ageing costs	0.8	1.9	2.3	5.0
of which				
Pensions	-0.7	0.6	1.0	0.6
Health care	1.1	1.0	0.9	1.5
Long-term care	0.3	0.3	0.3	2.9
Others	0.1	0.0	0.0	0.0
Required structural primary balance related to S1	1.6	2.7	3.2	5.8

**3. Financial information**



Financial market information PT - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	76.0



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

<b>Public debt structure - PT (2022)</b>	<b>Share of short-term government debt (%):</b> 17.5	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 44.7
------------------------------------------	---------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------

<b>Net International Investment Position (IIP) - PT (2022)</b>	<b>Net IIP (% GDP):</b> -83.6
----------------------------------------------------------------	----------------------------------

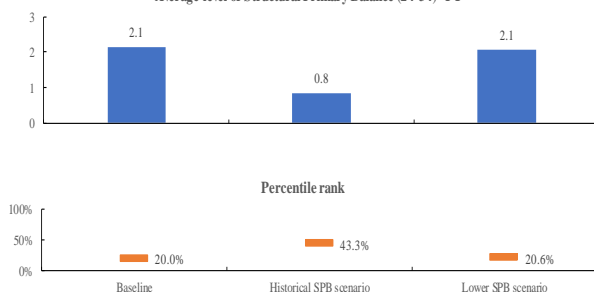
#### 5. Risks related to government's contingent liabilities

General government contingent liabilities	PT								EU
	2016	2017	2018	2019	2020	2021	2022	2022	
State guarantees (% GDP)	5.6	6.4	5.6	4.8	6.4	6.0	4.5	7.1	
<i>of which One-off guarantees</i>	5.6	6.4	5.6	4.8	3.2	2.8	2.2	5.6	
<i>Standardised guarantees</i>	0.0	0.0	0.0	0.0	3.2	3.2	2.2	1.5	
Public-private partnerships (PPPs) (% GDP)	3.0	2.7	2.5	2.2	2.3	2.0	0.0	0.0	
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)	Liabilities and assets outside gen. gov. under guarantee	2.5	3.4	2.9	2.2	0.5	0.2	0.2	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	2.5	3.4	2.9	2.2	0.5	0.2	0.2	0.9

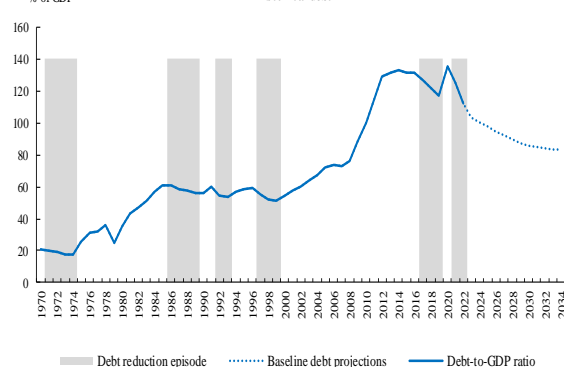
<b>Government's contingent liability risks from banking sector - PT (2022)</b>	<b>Private sector credit flow (% GDP):</b> 2.9	<b>Change in nominal house price index (p.p.):</b> 12.6	<b>Bank loans-to-deposits ratio (%):</b> 73.3	<b>Share of non-performing loans (%):</b> 3.0	<b>Change in share of non-performing loans (p.p.):</b> -0.3	<b>NPL coverage ratio (%):</b> 59.1	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.02%	Severe Stress 0.37%

#### 6. Realism of baseline assumptions

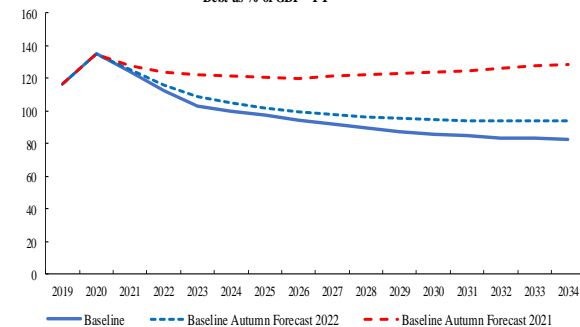
Average level of Structural Primary Balance (24-34) - PT



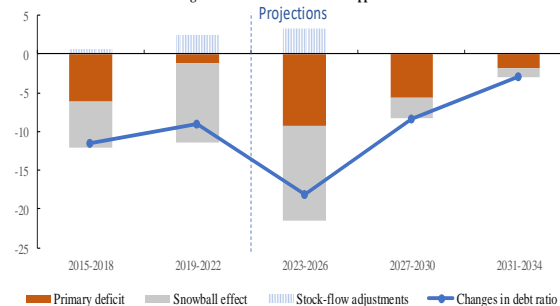
Historical debt - PT



Debt as % of GDP - PT



Changes in debt - Breakdown - PT - pp of GDP



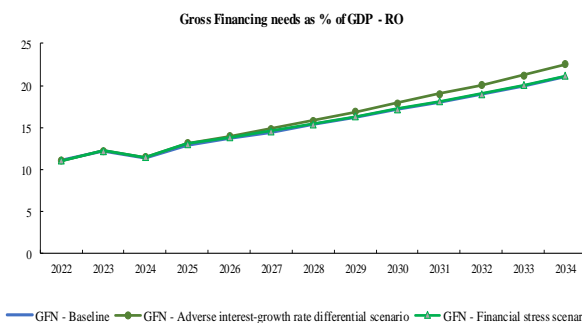
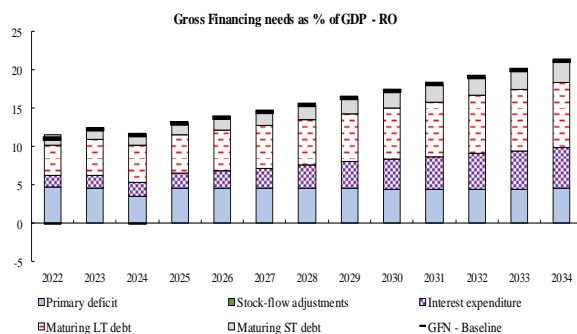
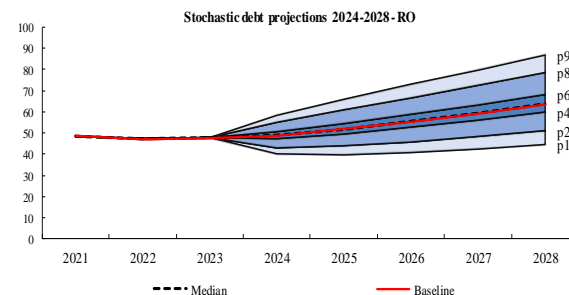
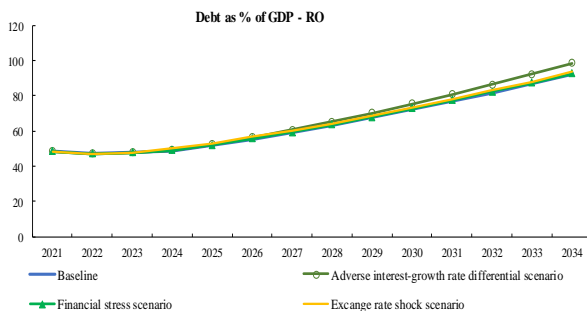
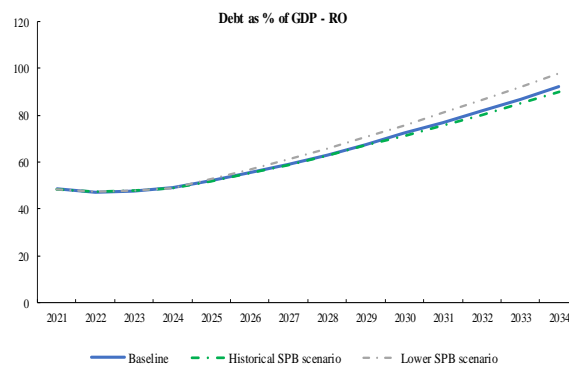
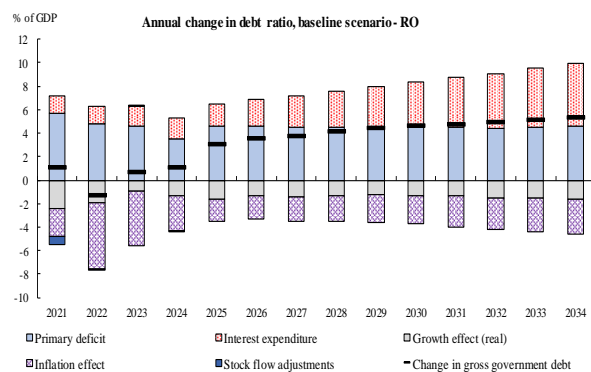
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Portugal	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	103.4	100.3	97.4	86.0	83.9	83.0	100.4	87.1	90.4
Primary balance	2.8	2.4	2.2	1.1	0.6	0.1	2.5	1.1	1.4
Structural primary balance (before CoA)	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Real GDP growth	2.2	1.3	1.8	0.8	0.6	0.6	1.8	0.8	1.1
Potential GDP growth	2.0	2.1	2.0	0.8	0.6	0.6	2.1	0.9	1.2
Inflation rate	6.8	2.9	2.3	2.6	2.7	2.8	4.0	2.6	2.9
Implicit interest rate (nominal)	2.0	2.2	2.4	2.8	3.0	3.2	2.2	2.8	2.7
Gross financing needs	7.6	7.5	7.8	7.2	9.4	8.5	7.6	8.2	8.1
<b>2. Historical SPB scenario</b>									
Gross public debt	103.4	100.3	97.8	92.0	93.5	96.2	100.5	93.5	95.2
Primary balance	2.8	2.4	1.8	-0.4	-1.1	-1.5	2.3	-0.3	0.3
Structural primary balance (before CoA)	2.0	2.1	1.7	0.4	0.4	0.4	1.9	0.6	0.9
Real GDP growth	2.2	1.3	1.8	0.5	0.6	0.6	1.8	0.8	1.1
Gross financing needs	7.6	7.5	8.2	9.1	12.0	11.4	7.8	10.2	9.6
<b>3. Financial stress scenario</b>									
Gross public debt	103.4	100.7	97.9	86.8	84.8	84.0	100.7	87.9	91.1
Implicit interest rate (nominal)	2.0	2.6	2.5	2.9	3.1	3.3	2.4	2.9	2.8
Gross financing needs	7.6	7.9	7.9	7.3	9.5	8.6	7.8	8.4	8.2
<b>4. Lower SPB scenario</b>									
Gross public debt	103.4	100.3	97.5	86.4	84.4	83.8	100.4	87.5	90.8
Primary balance	2.8	2.3	2.1	1.0	0.5	0.1	2.4	1.0	1.4
Structural primary balance (before CoA)	2.0	2.1	2.1	2.1	2.1	2.1	2.0	2.1	2.0
Real GDP growth	2.2	1.4	1.7	0.8	0.6	0.6	1.8	0.8	1.1
Gross financing needs	7.6	7.6	7.9	7.3	9.5	8.6	7.7	8.3	8.2
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	103.4	100.9	98.6	90.4	89.6	90.3	101.0	91.6	93.9
Implicit interest rate (nominal)	2.0	2.3	2.6	3.1	3.3	3.6	2.3	3.1	2.9
Real GDP growth	2.2	0.8	1.3	0.3	0.1	0.1	1.4	0.3	0.6
Gross financing needs	7.6	7.7	8.1	7.8	10.3	9.5	7.8	8.9	8.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	103.4	100.3	97.4	86.0	83.9	83.0	100.4	87.1	90.4
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	7.6	7.5	7.8	7.2	9.4	8.5	7.6	8.2	8.1

# Romania

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

Romania - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>48.5</b>	<b>47.2</b>	<b>47.9</b>	<b>48.9</b>	<b>51.9</b>	<b>55.5</b>	<b>59.2</b>	<b>63.3</b>	<b>67.7</b>	<b>72.3</b>	<b>77.0</b>	<b>81.9</b>	<b>87.0</b>	<b>92.3</b>
Changes in the ratio (-1+2+3) of which	1.1	-1.3	0.7	1.0	3.0	3.6	3.7	4.1	4.4	4.6	4.7	4.9	5.1	5.3
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-5.7</b>	<b>-4.8</b>	<b>-4.6</b>	<b>-3.5</b>	<b>-4.6</b>	<b>-4.6</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.4</b>	<b>-4.5</b>	<b>-4.6</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.7</b>	<b>-4.4</b>	<b>-4.1</b>	<b>-3.0</b>	<b>-4.3</b>	<b>-4.4</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.4</b>	<b>-4.5</b>	<b>-4.6</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.7	-4.4	-4.1	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0
(1.1.2) Cost of ageing					1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.5	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
<b>(1.2) Cyclical component</b>	<b>-0.9</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.3</b>	<b>-6.1</b>	<b>-4.0</b>	<b>-2.5</b>	<b>-1.6</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>
(2.1) Interest expenditure	1.5	1.5	1.6	1.8	1.9	2.3	2.7	3.1	3.5	3.9	4.2	4.6	5.0	5.4
(2.2) Growth effect	-2.4	-1.9	-0.9	-1.3	-1.6	-1.3	-1.4	-1.3	-1.3	-1.3	-1.4	-1.5	-1.6	-1.6
(2.3) Inflation effect	-2.4	-5.7	-4.7	-2.9	-1.9	-2.0	-2.1	-2.2	-2.3	-2.5	-2.6	-2.7	-2.9	-3.0
(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
<b>(3) Stock-flow adjustments</b>	<b>-0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-0.9	-0.5	0.0	-0.2	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	0.5	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-6.2	-5.9	-5.7	-4.8	-6.2	-6.7	-7.2	-7.6	-8.0	-8.4	-8.7	-9.1	-9.5	-10.0
Gross financing needs	10.5	11.0	12.2	11.3	12.9	13.7	14.5	15.3	16.2	17.1	18.0	18.9	19.9	21.0



## 2. Risk classification and sustainability indicators summary tables

### 2.1. Risk classification summary table

Short term	Overall (S0)	Overall	Medium term - Debt sustainability analysis (DSA)						Long term		
			Baseline	Deterministic scenarios				Stochastic projections	S2	S1	Overall (S1+S2)
				Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall	HIGH	MEDIUM	HIGH	HIGH	HIGH	MEDIUM			
		Debt level (2034), % GDP	92.3	89.9	98.1	98.6	92.8				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	78%	77%	84%	78%	78%				
		Probability of debt ratio exceeding in 2028 its 2023 level						85%			
		Difference between 90th and 10th percentiles (pps. GDP)					42.3				

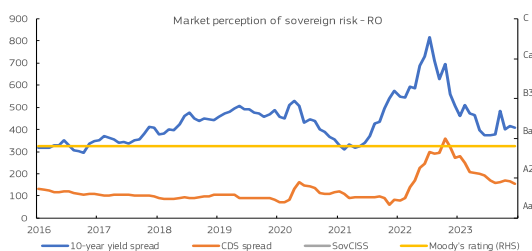
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.70	0.31
Fiscal sub-index	0.36	0.46	0.22
Financial competitiveness sub-index	0.49	0.81	0.37

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.0	3.7	4.3	6.8
<i>of which</i>				
Initial budgetary position	2.7	3.5	3.6	3.5
Ageing costs	0.3	0.2	0.7	3.3
<i>of which</i>				
Pensions	-0.7	-0.8	-0.3	-0.8
Health care	0.7	0.6	0.6	1.7
Long-term care	0.3	0.3	0.3	2.4
Others	-0.1	0.0	0.0	0.0
Required structural primary balance related to S2	0.8	0.7	1.3	3.8

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.6	4.7	5.0	6.3
<i>of which</i>				
Initial budgetary position	2.6	3.4	3.5	3.4
Debt requirement	-0.2	-0.2	-0.2	-0.2
Ageing costs	1.2	1.5	1.7	3.1
<i>of which</i>				
Pensions	0.5	0.8	1.0	0.8
Health care	0.6	0.5	0.5	1.3
Long-term care	0.2	0.2	0.2	1.0
Others	-0.1	0.1	0.1	0.1
Required structural primary balance related to S1	1.5	1.7	2.0	3.3

### 3. Financial information



Financial market information RO - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	409.0

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

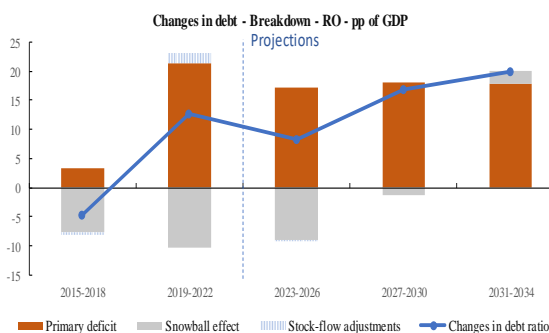
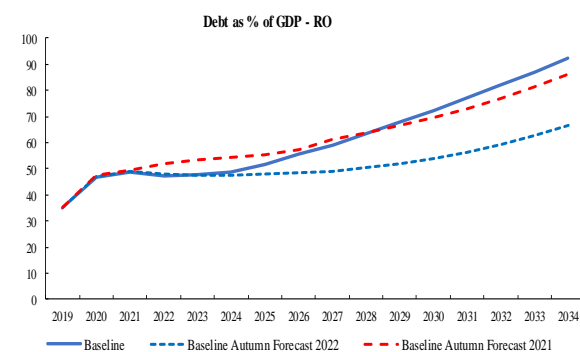
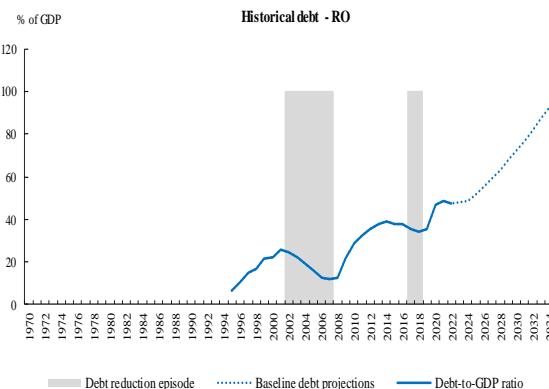
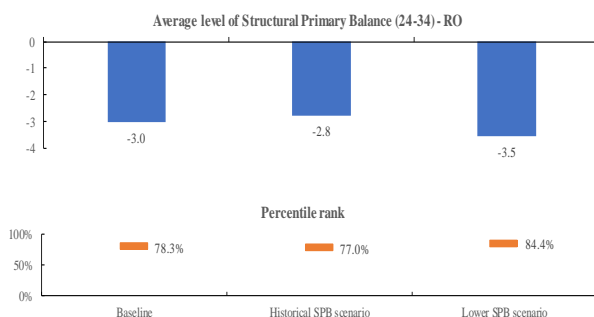
<b>Public debt structure - RO (2022)</b>	<b>Share of short-term government debt (%):</b> 6.1	<b>Share of government debt in foreign currency (%):</b> 53.8	<b>Share of government debt by non-residents (%):</b> 49.6	<b>Net International Investment Position (IIP) - RO (2022)</b>	<b>Net IIP (% GDP):</b> -40.6
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		RO							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		2.4	2.3	2.1	2.0	3.4	4.1	4.4	7.1
of which	One-off guarantees	0.5	0.4	0.4	0.3	0.6	0.7	0.7	5.6
	Standardised guarantees	1.9	1.9	1.7	1.7	2.8	3.4	3.7	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)		2016	2017	2018	2019	2020	2021	2022	2022
	Liabilities and assets outside gen. gov. under guarantee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9
	Securities issued under liquidity schemes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Special purpose entity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Total	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9

<b>Government's contingent liability risks from banking sector - RO (2022)</b>	<b>Private sector credit flow (% GDP):</b> 3.3	<b>Change in nominal house price index (p.p.):</b> 7.2	<b>Bank loans-to-deposits ratio (%):</b> 61.3	<b>Share of non-performing loans (%):</b> 2.5	<b>Change in share of non-performing loans (p.p.):</b> -0.5	<b>NPL coverage ratio (%):</b> 67.4	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.00%	0.00%

#### 6. Realism of baseline assumptions



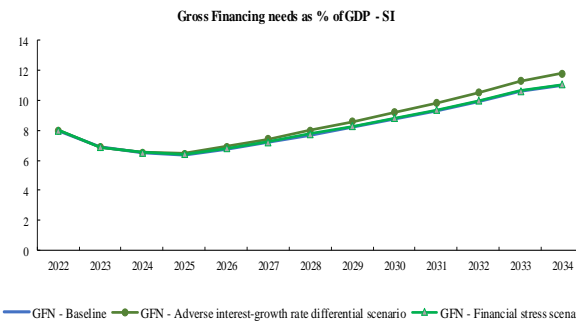
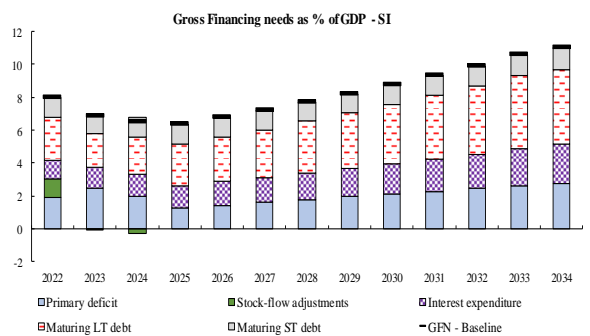
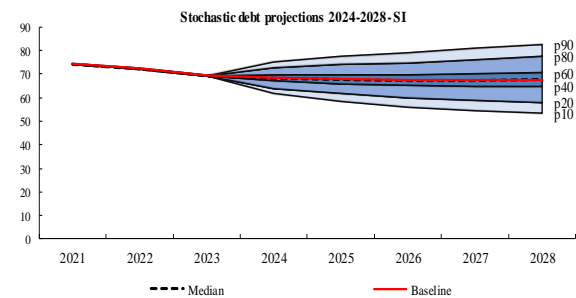
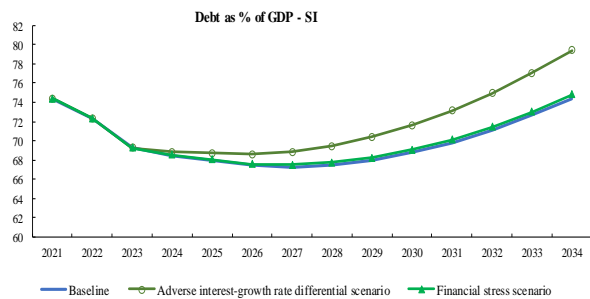
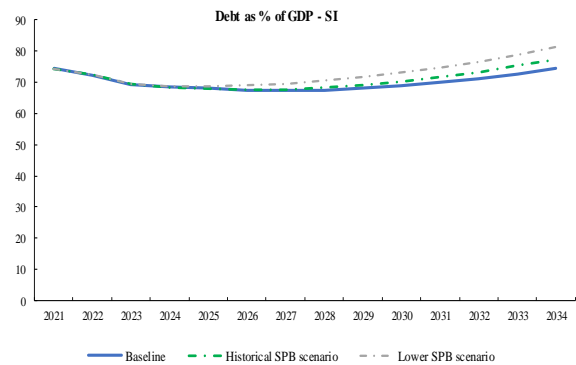
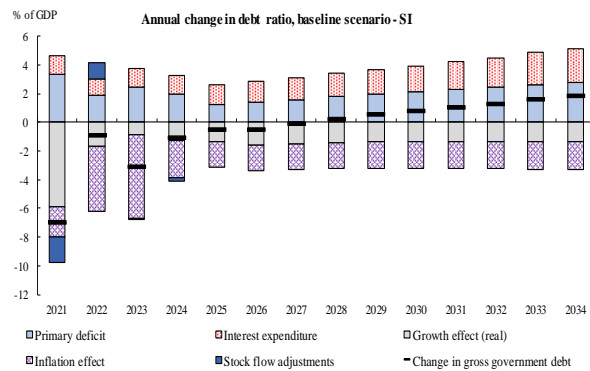
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Romania	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	47.9	48.9	51.9	72.3	81.9	92.3	49.6	72.9	67.1
Primary balance	-4.6	-3.5	-4.6	-4.5	-4.4	-4.6	-4.2	-4.5	-4.4
Structural primary balance (before CoA)	-4.1	-3.0	-3.0	-3.0	-3.0	-3.0	-3.4	-3.0	-3.1
Real GDP growth	2.2	3.1	3.5	2.0	2.1	2.0	2.9	2.2	2.4
Potential GDP growth	2.9	2.9	2.9	2.0	2.1	2.0	2.9	2.1	2.3
Inflation rate	11.0	6.5	4.0	3.8	3.7	3.6	7.2	3.8	4.6
Implicit interest rate (nominal)	4.0	4.1	4.2	6.0	6.4	6.6	4.1	5.9	5.4
Gross financing needs	12.2	11.3	12.9	17.1	18.9	21.0	12.2	17.2	15.9
<b>2. Historical SPB scenario</b>									
Gross public debt	47.9	48.9	51.8	71.3	80.2	89.9	49.5	71.8	66.2
Primary balance	-4.6	-3.5	-4.5	-4.2	-4.1	-4.2	-4.2	-4.3	-4.3
Structural primary balance (before CoA)	-4.1	-3.0	-2.9	-2.7	-2.7	-2.7	-3.3	-2.7	-2.9
Real GDP growth	2.2	3.1	3.5	2.2	2.1	2.0	2.9	2.2	2.4
Gross financing needs	12.2	11.3	12.8	16.7	18.3	20.3	12.1	16.8	15.6
<b>3. Financial stress scenario</b>									
Gross public debt	47.9	49.0	52.1	72.7	82.4	92.8	49.7	73.3	67.4
Implicit interest rate (nominal)	4.0	4.4	4.4	6.1	6.4	6.6	4.2	5.9	5.5
Gross financing needs	12.2	11.5	13.0	17.2	19.0	21.1	12.2	17.3	16.0
<b>4. Lower SPB scenario</b>									
Gross public debt	47.9	49.1	52.6	75.8	86.5	98.1	49.9	76.4	69.8
Primary balance	-4.6	-3.9	-5.1	-5.0	-5.0	-5.1	-4.5	-5.0	-4.9
Structural primary balance (before CoA)	-4.1	-3.5	-3.5	-3.5	-3.5	-3.5	-3.7	-3.5	-3.6
Real GDP growth	2.2	3.5	3.4	2.0	2.1	2.0	3.0	2.2	2.4
Gross financing needs	12.2	11.7	13.4	18.2	20.2	22.5	12.4	18.3	16.8
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	47.9	49.2	52.5	75.4	86.5	98.6	49.9	76.2	69.6
Implicit interest rate (nominal)	4.0	4.3	4.4	6.5	6.8	7.0	4.2	6.3	5.8
Real GDP growth	2.2	2.6	3.0	1.5	1.6	1.5	2.6	1.7	1.9
Gross financing needs	12.2	11.4	13.1	17.9	20.1	22.5	12.3	18.0	16.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	47.9	50.2	53.2	73.5	83.1	93.5	50.4	74.1	68.2
Exchange rate depreciation	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.2%
Gross financing needs	12.2	11.6	13.1	17.3	19.1	21.2	12.3	17.4	16.1

# Slovenia

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

Slovenia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>74.4</b>	<b>72.3</b>	<b>69.3</b>	<b>68.4</b>	<b>67.9</b>	<b>67.4</b>	<b>67.3</b>	<b>67.5</b>	<b>68.0</b>	<b>68.8</b>	<b>69.8</b>	<b>71.1</b>	<b>72.6</b>	<b>74.4</b>
Changes in the ratio (-1+2+3) of which	-7.0	-0.9	-3.1	-1.1	-0.5	-0.5	-0.2	0.2	0.5	0.8	1.0	1.3	1.5	1.8
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-3.4</b>	<b>-1.9</b>	<b>-2.5</b>	<b>-2.0</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.6</b>	<b>-2.8</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.8</b>	<b>-3.3</b>	<b>-2.5</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.6</b>	<b>-2.8</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.8	-3.3	-2.5	-1.1	-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					0.2	0.3	0.5	0.7	0.9	1.0	1.2	1.4	1.5	1.7
(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	1.5	0.7	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	0.0	-0.7	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-6.7</b>	<b>-5.1</b>	<b>-5.4</b>	<b>-2.5</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.6</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.0</b>
(2.1) Interest expenditure	1.2	1.1	1.3	1.3	1.4	1.4	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.4
(2.2) Growth effect	-5.9	-1.7	-0.9	-1.3	-1.4	-1.6	-1.5	-1.4	-1.4	-1.4	-1.3	-1.3	-1.4	-1.4
(2.3) Inflation effect	-2.1	-4.5	-5.8	-2.5	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.9	-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
<b>(3) Stock-flow adjustments</b>	<b>-1.8</b>	<b>1.1</b>	<b>-0.1</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	-1.8	1.1	-0.1	-0.3	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
<b>Pro memoria</b>														
Structural balance	-6.1	-4.5	-3.7	-2.4	-2.6	-2.9	-3.1	-3.4	-3.7	-4.0	-4.2	-4.5	-4.9	-5.1
Gross financing needs	10.4	8.0	6.9	6.5	6.3	6.8	7.2	7.7	8.2	8.8	9.3	9.9	10.6	11.0



## 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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	MEDIUM	Overall	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM				
		Debt level (2034), % GDP	74.4	77.4	81.3	79.4	74.8				
		Debt peak year	2034	2034	2034	2034	2034				
		Fiscal consolidation space	52%	63%	73%	52%	52%				
							45%				
							29.4				

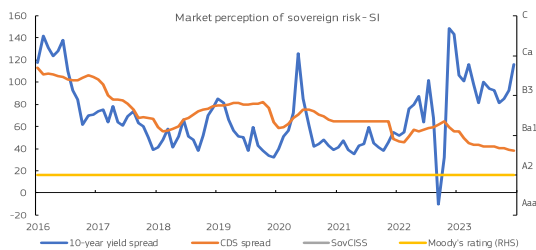
### 2.2. Sustainability indicators

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.64	0.20
Fiscal sub-index	0.36	0.56	0.29
Financial competitiveness sub-index	0.49	0.68	0.14

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	10.0	6.2	6.3	9.1
of which				
Initial budgetary position	2.6	1.5	1.6	1.6
Ageing costs	7.4	4.7	4.7	7.6
of which				
Pensions	5.4	3.1	3.3	3.1
Health care	1.0	0.9	0.8	2.0
Long-term care	1.0	0.9	0.8	2.6
Others	0.1	-0.2	-0.2	-0.2
Required structural primary balance related to S2	7.8	5.1	5.3	8.1

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	7.7	4.7	4.8	6.5
of which				
Initial budgetary position	2.0	0.8	0.9	0.8
Debt requirement	0.2	0.2	0.2	0.2
Ageing costs	5.6	3.7	3.8	5.5
of which				
Pensions	4.1	2.5	2.6	2.5
Health care	0.8	0.7	0.7	1.7
Long-term care	0.6	0.6	0.6	1.5
Others	0.0	-0.2	-0.2	-0.2
Required structural primary balance related to S1	5.5	3.6	3.8	5.4

### 3. Financial information



Financial market information SI - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	116.0



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

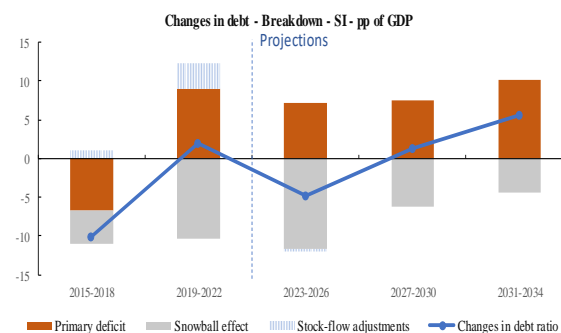
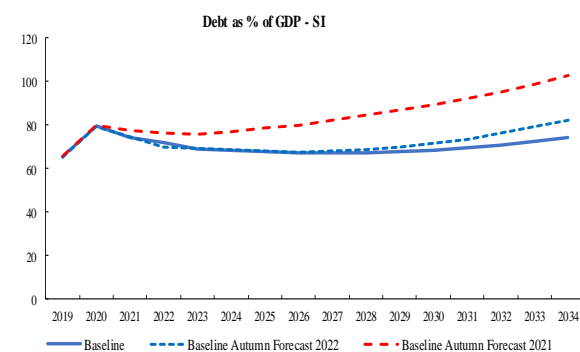
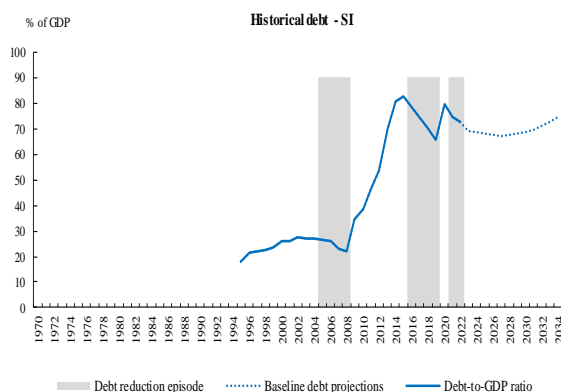
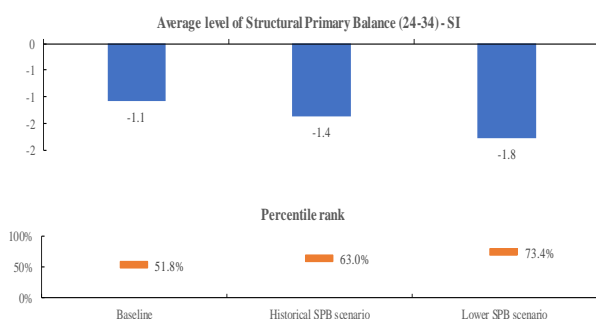
<b>Public debt structure - SI (2022)</b>	Share of short-term government debt (%): 3.4	Share of government debt in foreign currency (%): 0.1	Share of government debt by non-residents (%): 54.8	<b>Net International Investment Position (IIP) - SI (2022)</b>	Net IIP (% GDP): -1.5
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#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		SI							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		9.6	8.6	7.5	6.4	6.4	5.5	5.1	7.1
of which	One-off guarantees	9.6	8.6	7.5	6.4	6.2	5.4	5.0	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.2	0.1	0.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	0.0	0.0				0.0	0.0
	Special purpose entity	0.0	0.0	0.0				0.0	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

<b>Government's contingent liability risks from banking sector - SI (2022)</b>	Private sector credit flow (% GDP): 5.2	Change in nominal house price index (p.p.): 14.8	Bank loans-to-deposits ratio (%): 66.4	Share of non-performing loans (%): 1.6	Change in share of non-performing loans (p.p.): -0.6	NPL coverage ratio (%): 56.2	Theoretical probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL):	
							Stress	Severe Stress
							0.00%	0.08%

#### 6. Realism of baseline assumptions



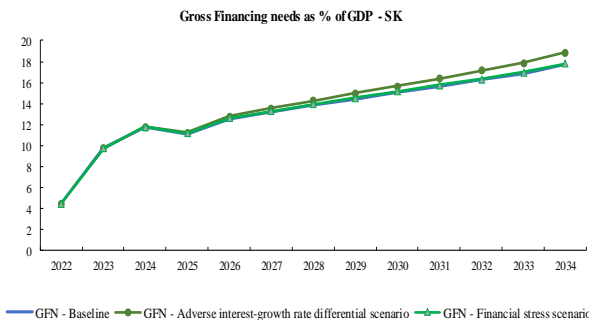
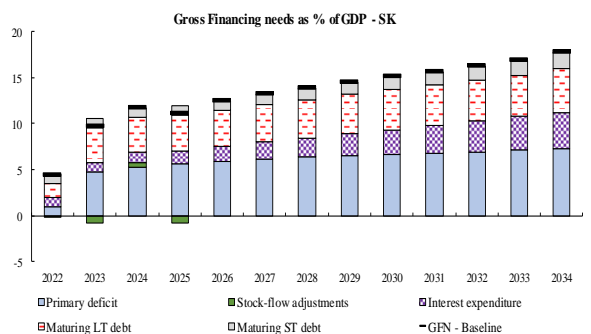
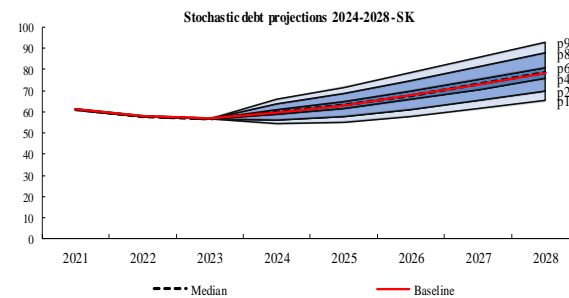
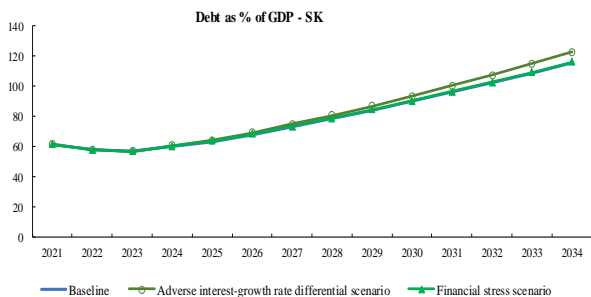
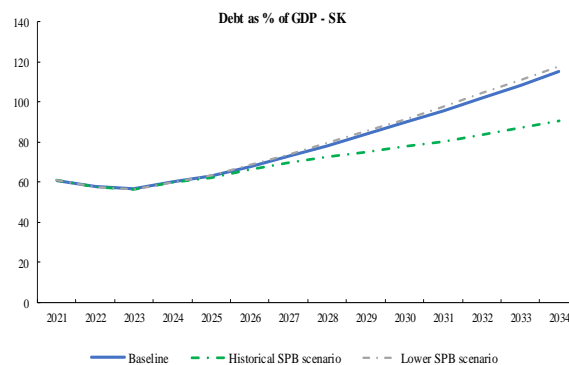
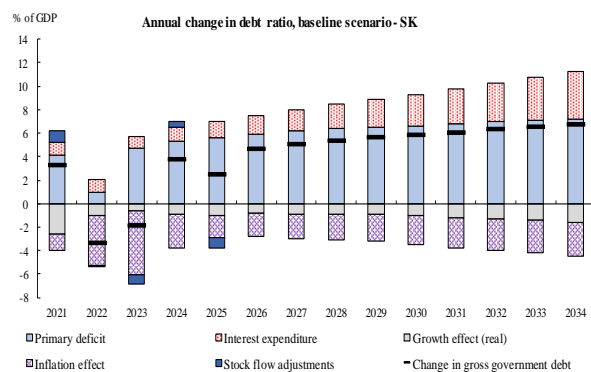
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Slovenia	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	69.3	68.4	67.9	68.8	71.1	74.4	68.5	69.6	69.4
Primary balance	-2.5	-2.0	-1.3	-2.1	-2.4	-2.8	-1.9	-2.1	-2.1
Structural primary balance (before CoA)	-2.5	-1.1	-1.1	-1.1	-1.1	-1.1	-1.5	-1.1	-1.2
Real GDP growth	1.3	2.0	2.1	2.1	2.0	2.0	1.8	2.1	2.1
Potential GDP growth	2.9	2.9	2.8	2.1	2.0	2.0	2.9	2.1	2.3
Inflation rate	8.7	3.8	2.6	2.8	2.8	2.8	5.1	2.7	3.3
Implicit interest rate (nominal)	1.9	2.0	2.1	2.8	3.1	3.4	2.0	2.8	2.6
Gross financing needs	6.9	6.5	6.3	8.8	9.9	11.0	6.6	8.8	8.3
<b>2. Historical SPB scenario</b>									
Gross public debt	69.3	68.4	68.0	70.2	73.3	77.4	68.6	71.1	70.5
Primary balance	-2.5	-2.0	-1.4	-2.5	-2.8	-3.1	-1.9	-2.4	-2.3
Structural primary balance (before CoA)	-2.5	-1.1	-1.2	-1.5	-1.5	-1.5	-1.6	-1.4	-1.5
Real GDP growth	1.3	2.0	2.1	2.1	2.0	2.0	1.8	2.1	2.1
Gross financing needs	6.9	6.5	6.4	9.2	10.5	11.7	6.6	9.3	8.6
<b>3. Financial stress scenario</b>									
Gross public debt	69.3	68.5	68.1	69.0	71.4	74.8	68.6	69.9	69.6
Implicit interest rate (nominal)	1.9	2.1	2.2	2.9	3.2	3.4	2.1	2.9	2.7
Gross financing needs	6.9	6.5	6.4	8.8	10.0	11.1	6.6	8.9	8.3
<b>4. Lower SPB scenario</b>									
Gross public debt	69.3	68.6	68.7	73.0	76.6	81.3	68.8	73.9	72.6
Primary balance	-2.5	-2.4	-1.8	-2.8	-3.1	-3.5	-2.2	-2.8	-2.7
Structural primary balance (before CoA)	-2.5	-1.8	-1.8	-1.8	-1.8	-1.8	-2.0	-1.8	-1.8
Real GDP growth	1.3	2.5	2.0	2.1	2.0	2.0	1.9	2.1	2.1
Gross financing needs	6.9	6.9	6.9	9.8	11.2	12.5	6.9	9.9	9.2
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	69.3	68.8	68.7	71.6	74.9	79.4	68.9	72.6	71.7
Implicit interest rate (nominal)	1.9	2.1	2.2	3.1	3.4	3.8	2.1	3.1	2.8
Real GDP growth	1.3	1.5	1.6	1.6	1.5	1.5	1.5	1.6	1.6
Gross financing needs	6.9	6.5	6.5	9.2	10.5	11.8	6.6	9.3	8.6
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	69.3	68.4	67.9	68.8	71.1	74.4	68.5	69.6	69.4
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	6.9	6.5	6.3	8.8	9.9	11.0	6.6	8.8	8.3

# Slovakia

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

Slovakia - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>61.1</b>	<b>57.8</b>	<b>56.7</b>	<b>59.9</b>	<b>63.2</b>	<b>67.8</b>	<b>72.8</b>	<b>78.2</b>	<b>83.8</b>	<b>89.6</b>	<b>95.7</b>	<b>101.9</b>	<b>108.5</b>	<b>115.2</b>
Changes in the ratio (-1+2+3) of which	3.3	-3.3	-1.9	3.7	2.4	4.7	5.0	5.4	5.6	5.8	6.0	6.3	6.5	6.7
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-4.1</b>	<b>-1.0</b>	<b>-4.7</b>	<b>-5.3</b>	<b>-5.6</b>	<b>-5.9</b>	<b>-6.2</b>	<b>-6.4</b>	<b>-6.5</b>	<b>-6.6</b>	<b>-6.8</b>	<b>-7.0</b>	<b>-7.1</b>	<b>-7.2</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-4.2</b>	<b>-1.2</b>	<b>-4.6</b>	<b>-5.1</b>	<b>-5.4</b>	<b>-5.8</b>	<b>-6.1</b>	<b>-6.4</b>	<b>-6.5</b>	<b>-6.6</b>	<b>-6.8</b>	<b>-7.0</b>	<b>-7.1</b>	<b>-7.2</b>
(1.1.1) Structural primary balance (bef. CoA)	-4.2	-1.2	-4.6	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1
(1.1.2) Cost of ageing					0.3	0.7	1.0	1.2	1.4	1.5	1.7	1.8	2.0	2.1
(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
<b>(1.2) Cyclical component</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-2.9</b>	<b>-4.2</b>	<b>-5.0</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>
(2.1) Interest expenditure	1.1	1.0	1.0	1.2	1.3	1.6	1.8	2.1	2.4	2.7	3.0	3.3	3.7	4.0
(2.2) Growth effect	-2.6	-1.0	-0.7	-0.9	-1.0	-0.8	-0.9	-0.9	-0.9	-1.1	-1.2	-1.3	-1.4	-1.6
(2.3) Inflation effect	-1.4	-4.3	-5.4	-2.8	-1.9	-2.0	-2.1	-2.2	-2.3	-2.4	-2.6	-2.7	-2.8	-2.9
(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
<b>(3) Stock-flow adjustments</b>	<b>1.0</b>	<b>-0.1</b>	<b>-0.8</b>	<b>0.5</b>	<b>-0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	1.0	-0.1	-0.8	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
<b>Pro memoria</b>														
Structural balance	-5.3	-2.2	-5.6	-6.3	-6.8	-7.3	-7.9	-8.4	-8.9	-9.3	-9.8	-10.3	-10.8	-11.2
Gross financing needs	7.9	4.4	9.7	11.7	11.1	12.5	13.2	13.8	14.5	15.0	15.7	16.3	16.9	17.7



**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 (S1+S2)
		Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress					
LOW	HIGH	Overall	HIGH	HIGH	HIGH	HIGH	HIGH	LOW			
		Debt level (2034), % GDP	115.2	90.6	118.0	122.3	115.7				
		Debt peak year	2034	2034	2034	2034	2034		HIGH	HIGH	HIGH
		Fiscal consolidation space	96%	55%	100%	96%	96%				
							99%				
							27.4				

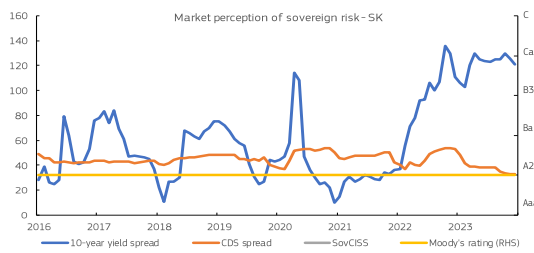
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.50	0.38
Fiscal sub-index	0.36	0.47	0.28
Financial competitiveness sub-index	0.49	0.52	0.44

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	11.3	9.9	10.2	13.6
of which				
Initial budgetary position	3.7	5.5	5.6	5.5
Ageing costs	7.6	4.5	4.6	8.0
of which				
Pensions	4.1	1.9	2.2	1.9
Health care	1.6	1.1	1.0	2.2
Long-term care	1.6	1.2	1.1	3.7
Others	0.4	0.2	0.2	0.2
Required structural primary balance related to S2	8.0	4.8	5.1	8.5

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	8.5	8.7	8.9	10.6
of which				
Initial budgetary position	3.2	5.0	5.0	5.0
Debt requirement	-0.1	0.0	0.0	0.0
Ageing costs	5.3	3.7	3.8	5.6
of which				
Pensions	2.9	1.9	2.0	1.9
Health care	1.2	0.9	0.9	1.7
Long-term care	0.9	0.7	0.7	1.8
Others	0.3	0.2	0.2	0.2
Required structural primary balance related to S1	5.2	3.6	3.8	5.5

**3. Financial information**



Financial market information SK - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	121.0

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

<b>Public debt structure - SK (2022)</b>	<b>Share of short-term government debt (%):</b> 0.7	<b>Share of government debt in foreign currency (%):</b> 0.0	<b>Share of government debt by non-residents (%):</b> 48.0
------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------------

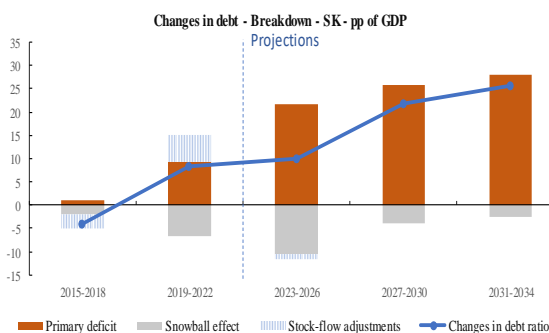
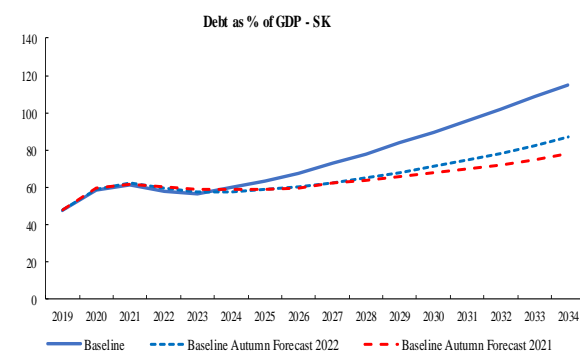
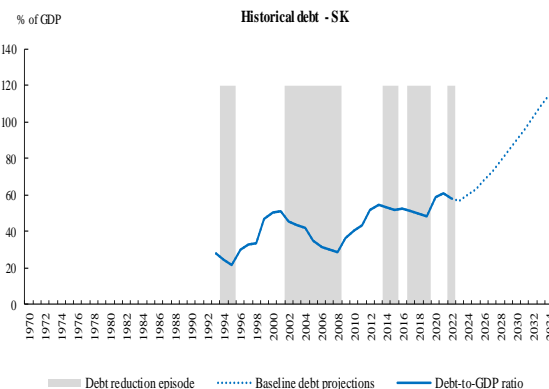
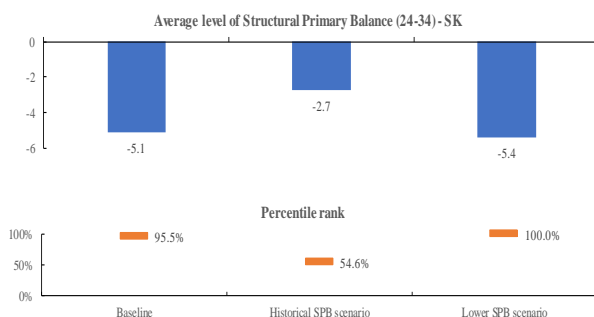
<b>Net International Investment Position (IIP) - SK (2022)</b>	<b>Net IIP (% GDP):</b> -61.0
----------------------------------------------------------------	----------------------------------

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		SK							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		0.0	0.0	0.1	0.0	0.7	0.9	0.9	7.1
<i>of which</i> One-off guarantees		0.0	0.0	0.1	0.0	0.1	0.1	0.1	5.6
Standardised guarantees		0.0	0.0	0.0	0.0	0.6	0.9	0.9	1.5
Public-private partnerships (PPPs) (% GDP)		3.2	2.9	2.7	1.7	1.7	1.5	0.0	0.0
Contingent liabilities of gen. gov. related to support to financial institutions (% GDP)									
	Liabilities and assets outside gen. gov. under guarantee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9
	Securities issued under liquidity schemes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Special purpose entity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0
	Total	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.9

<b>Government's contingent liability risks from banking sector - SK (2022)</b>	<b>Private sector credit flow (% GDP):</b> 9.3	<b>Change in nominal house price index (p.p.):</b> 13.7	<b>Bank loans-to-deposits ratio (%):</b> 112.7	<b>Share of non-performing loans (%):</b> 1.6	<b>Change in share of non-performing loans (p.p.):</b> 0.1	<b>NPL coverage ratio (%):</b> 56.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress 0.01%	Severe Stress 0.30%

#### 6. Realism of baseline assumptions



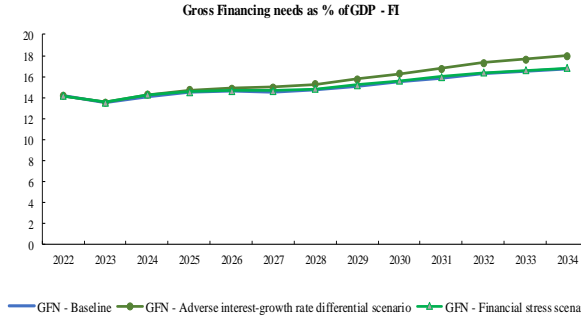
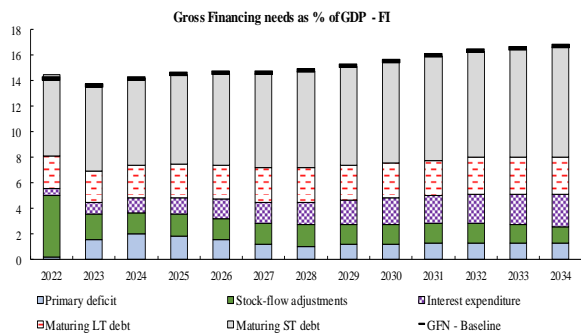
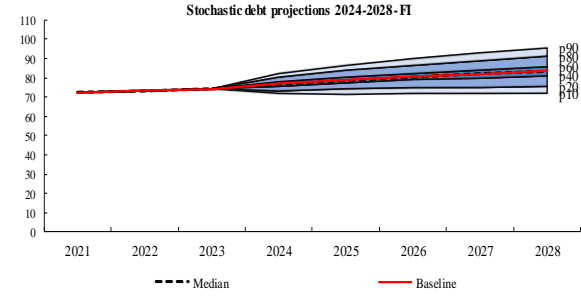
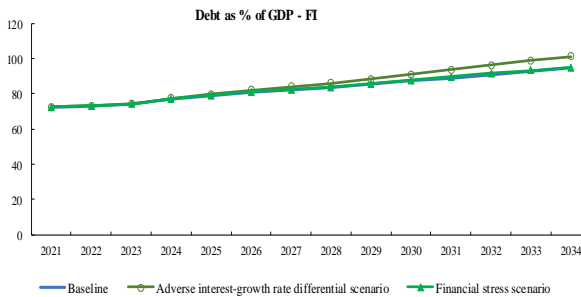
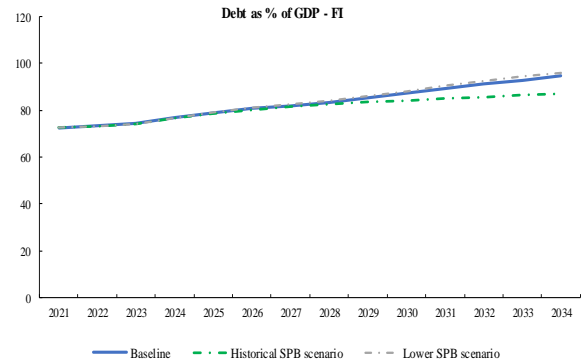
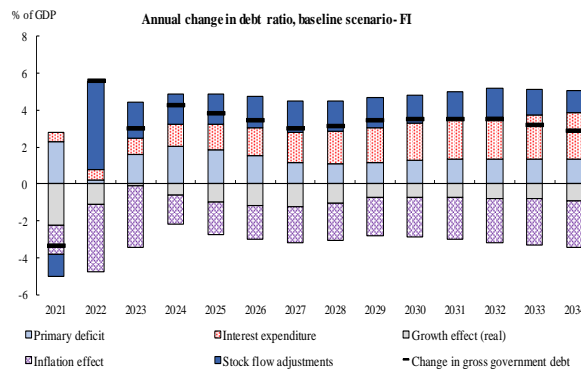
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Slovakia	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	56.7	59.9	63.2	89.6	101.9	115.2	59.9	90.4	82.8
Primary balance	-4.7	-5.3	-5.6	-6.6	-7.0	-7.2	-5.2	-6.6	-6.3
Structural primary balance (before CoA)	-4.6	-5.1	-5.1	-5.1	-5.1	-5.1	-4.9	-5.1	-5.1
Real GDP growth	1.3	1.7	1.8	1.3	1.4	1.5	1.6	1.4	1.4
Potential GDP growth	2.2	1.8	1.8	1.3	1.4	1.5	1.9	1.3	1.5
Inflation rate	10.2	5.3	3.3	3.0	2.9	2.8	6.3	3.0	3.8
Implicit interest rate (nominal)	2.0	2.2	2.4	3.3	3.6	3.8	2.2	3.3	3.0
Gross financing needs	9.7	11.7	11.1	15.0	16.3	17.7	10.8	15.1	14.0
<b>2. Historical SPB scenario</b>									
Gross public debt	56.7	59.9	62.4	77.7	83.5	90.6	59.7	78.1	73.5
Primary balance	-4.7	-5.3	-4.9	-3.7	-3.9	-4.1	-5.0	-4.0	-4.2
Structural primary balance (before CoA)	-4.6	-5.1	-4.3	-2.0	-2.0	-2.0	-4.7	-2.3	-2.9
Real GDP growth	1.3	1.7	1.8	1.8	1.4	1.5	1.6	1.4	1.4
Gross financing needs	9.7	11.7	10.3	11.2	11.6	12.5	10.6	11.4	11.2
<b>3. Financial stress scenario</b>									
Gross public debt	56.7	60.0	63.3	90.1	102.4	115.7	60.0	90.8	83.1
Implicit interest rate (nominal)	2.0	2.4	2.5	3.4	3.6	3.9	2.3	3.3	3.1
Gross financing needs	9.7	11.8	11.2	15.1	16.3	17.8	10.9	15.1	14.1
<b>4. Lower SPB scenario</b>									
Gross public debt	56.7	60.0	63.5	91.4	104.2	118.0	60.1	92.1	84.1
Primary balance	-4.7	-5.5	-5.9	-6.9	-7.2	-7.5	-5.4	-6.9	-6.5
Structural primary balance (before CoA)	-4.6	-5.4	-5.4	-5.4	-5.4	-5.4	-5.1	-5.4	-5.3
Real GDP growth	1.3	1.9	1.7	1.3	1.4	1.5	1.6	1.4	1.4
Gross financing needs	9.7	11.9	11.3	15.5	16.7	18.3	11.0	15.5	14.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	56.7	60.3	63.9	93.2	107.1	122.3	60.3	94.2	85.7
Implicit interest rate (nominal)	2.0	2.3	2.5	3.7	4.0	4.3	2.3	3.6	3.3
Real GDP growth	1.3	1.2	1.3	0.8	0.9	1.0	1.3	0.9	1.0
Gross financing needs	9.7	11.8	11.2	15.7	17.1	18.9	10.9	15.7	14.5
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	56.7	59.9	63.2	89.6	101.9	115.2	59.9	90.4	82.8
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	9.7	11.7	11.1	15.0	16.3	17.7	10.8	15.1	14.0

# Finland

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

Finland - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>72.5</b>	<b>73.3</b>	<b>74.3</b>	<b>76.9</b>	<b>79.0</b>	<b>80.8</b>	<b>82.1</b>	<b>83.5</b>	<b>85.3</b>	<b>87.2</b>	<b>89.2</b>	<b>91.1</b>	<b>92.9</b>	<b>94.6</b>
Changes in the ratio (-1+2+3) of which	-3.4	5.6	3.0	4.3	3.8	3.4	3.0	3.1	3.4	3.4	3.5	3.5	3.2	2.8
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>-2.3</b>	<b>-0.2</b>	<b>-1.6</b>	<b>-2.0</b>	<b>-1.9</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>-1.8</b>	<b>0.2</b>	<b>-0.7</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.3</b>
(1.1.1) Structural primary balance (bef. CoA)	-1.8	0.2	-0.7	-1.0	-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					-0.1	-0.1	0.0	0.1	0.2	0.3	0.3	0.4	0.4	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
<b>(1.2) Cyclical component</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.6</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.3</b>	<b>-4.2</b>	<b>-2.6</b>	<b>-1.0</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.3</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>
(2.1) Interest expenditure	0.5	0.6	0.8	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.4	2.5
(2.2) Growth effect	-2.2	-1.1	-0.1	-0.6	-1.0	-1.2	-1.3	-1.0	-0.7	-0.7	-0.7	-0.8	-0.8	-1.0
(2.3) Inflation effect	-1.6	-3.7	-3.4	-1.6	-1.8	-1.8	-1.9	-2.0	-2.1	-2.2	-2.3	-2.4	-2.5	-2.5
(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
<b>(3) Stock-flow adjustments</b>	<b>-1.2</b>	<b>4.8</b>	<b>2.0</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.2</b>
(3.1) Base	-1.1	4.4	2.1	1.5	1.7	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.4	1.2
(3.2) Adjustment due to the exchange rate effect	-0.1	0.3	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	-2.4	-0.4	-1.5	-2.2	-2.3	-2.4	-2.6	-2.8	-3.1	-3.3	-3.5	-3.6	-3.8	-3.9
Gross financing needs	11.7	14.1	13.5	14.1	14.5	14.6	14.6	14.7	15.1	15.5	15.9	16.3	16.5	16.7



**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 (S1+S2)
				Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress				
LOW	HIGH	Overall		HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH			
		Debt level (2034), % GDP		94.6	87.1	96.2	101.2	95.1				
		Debt peak year		2034	2034	2034	2034	2034				
		Fiscal consolidation space		100%	96%	100%	100%	100%				
		Probability of debt ratio exceeding in 2028 its 2023 level							85%			
		Difference between 90th and 10th percentiles (pps. GDP)							23.5			

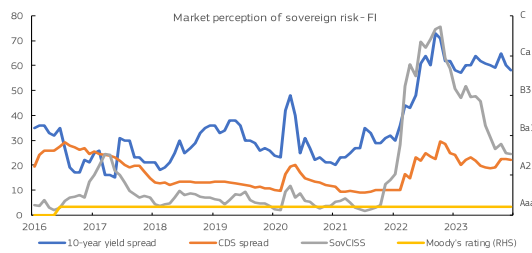
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.33	0.20
Fiscal sub-index	0.36	0.35	0.15
Financial competitiveness sub-index	0.49	0.31	0.23

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	3.0	3.3	3.6	5.6
of which				
Initial budgetary position	1.1	1.6	1.7	1.6
Ageing costs	1.9	1.6	1.8	3.8
of which				
Pensions	0.5	0.4	0.7	0.4
Health care	0.6	0.6	0.5	1.3
Long-term care	1.6	1.5	1.5	3.1
Others	-0.8	-0.9	-0.9	-0.9
Required structural primary balance related to S2	2.2	2.3	2.7	4.6

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	1.1	2.0	2.3	3.3
of which				
Initial budgetary position	0.0	1.2	1.3	1.1
Debt requirement	0.3	0.4	0.3	0.4
Ageing costs	0.7	0.5	0.7	1.8
of which				
Pensions	-0.1	-0.2	0.0	-0.2
Health care	0.4	0.4	0.4	0.9
Long-term care	1.1	1.0	1.0	1.7
Others	-0.7	-0.7	-0.7	-0.7
Required structural primary balance related to S1	0.3	1.1	1.4	2.3

**3. Financial information**



Financial market information FI - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	58.0



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

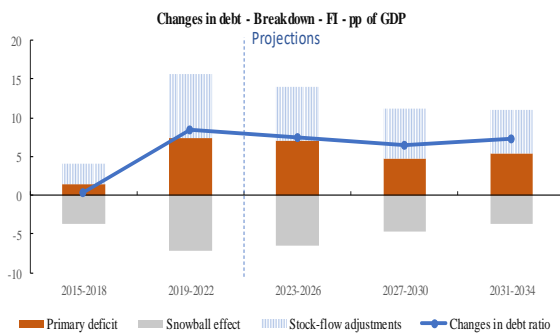
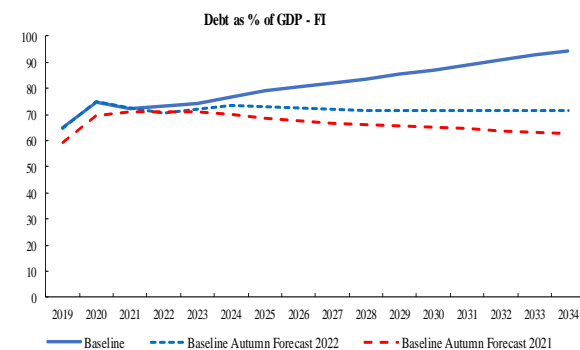
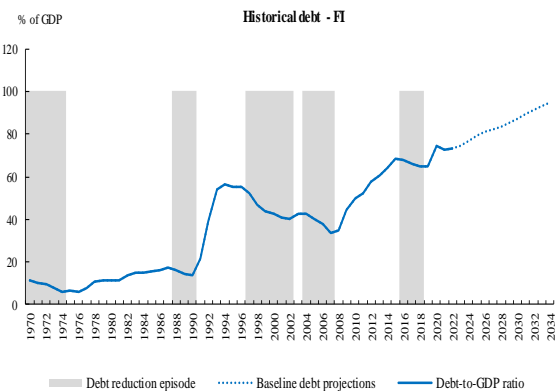
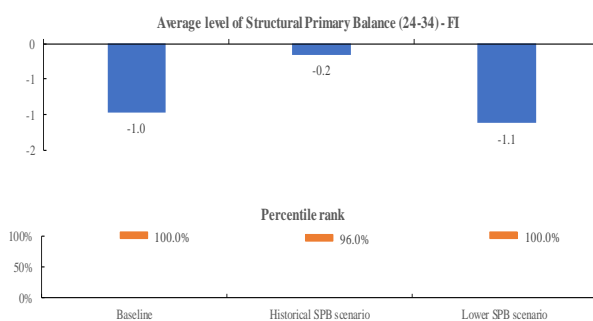
Public debt structure - FI (2022)	Share of short-term government debt (%):	Share of government debt in foreign currency (%):	Share of government debt by non-residents (%):	Net International Investment Position (IIP) - FI (2022)	Net IIP (% GDP):
	12.1	3.9	49.4		

#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		FI							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		27.8	23.7	15.3	17.1	18.6	19.0	19.1	7.1
of which	One-off guarantees	26.7	22.4	13.9	15.5	16.7	17.0	17.0	5.6
	Standardised guarantees	1.1	1.2	1.5	1.7	1.9	2.0	2.1	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	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):	Change in nominal house price index (p.p.):	Bank loans-to-deposits ratio (%):	Share of non-performing loans (%):	Change in share of non-performing loans (p.p.):	NPL coverage ratio (%):	Theoretical probability of gov't cont. liabilities (>3% of GDP) linked to banking losses and recap needs (SYMBOL):	
	2.3	1.2	173.3	1.0	0.0	28.7	Stress	Severe Stress
							0.01%	0.16%

#### 6. Realism of baseline assumptions



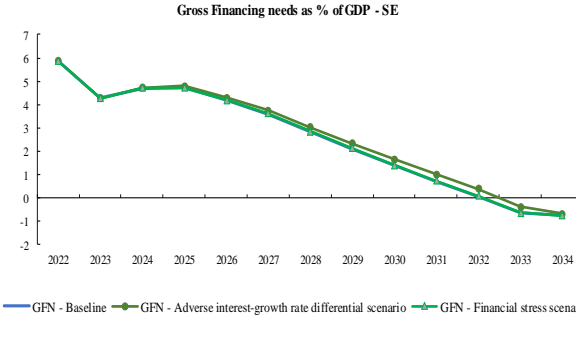
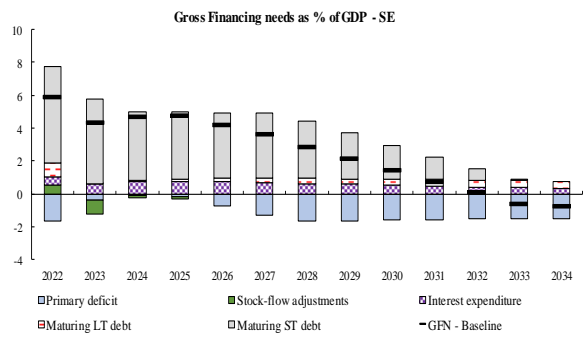
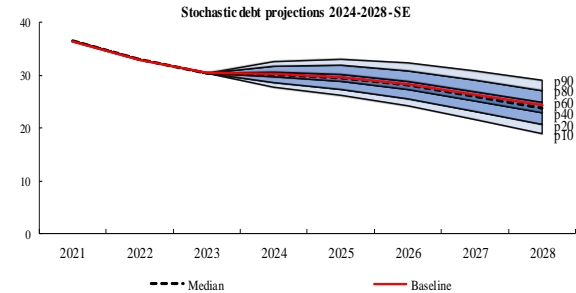
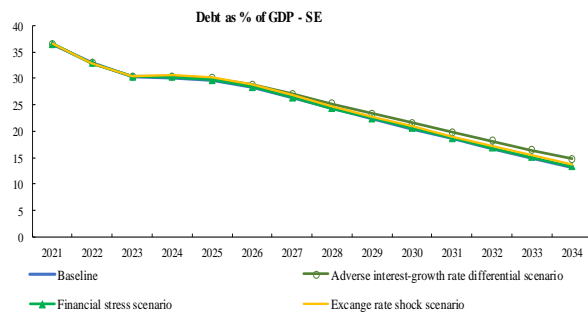
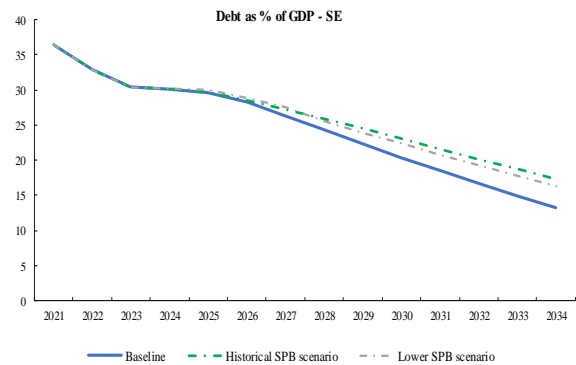
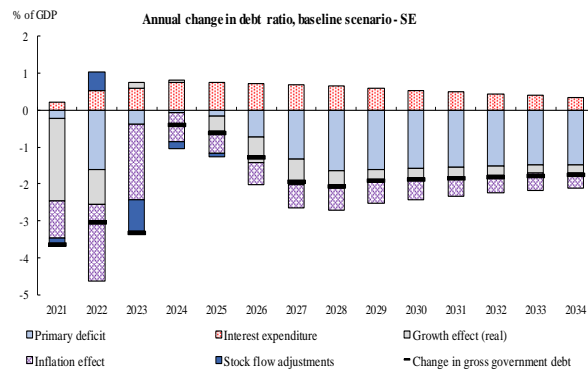
## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Finland	Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34
<b>1. Baseline</b>									
Gross public debt	74.3	76.9	79.0	87.2	91.1	94.6	76.7	87.4	84.7
Primary balance	-1.6	-2.0	-1.9	-1.3	-1.3	-1.3	-1.8	-1.3	-1.4
Structural primary balance (before CoA)	-0.7	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-1.0	-0.9
Real GDP growth	0.1	0.8	1.3	0.9	0.9	1.1	0.8	1.1	1.0
Potential GDP growth	1.0	1.0	1.1	0.9	0.9	1.1	1.1	0.9	1.0
Inflation rate	4.8	2.2	2.3	2.6	2.8	2.8	3.1	2.6	2.7
Implicit interest rate (nominal)	1.2	1.7	1.8	2.5	2.7	2.8	1.6	2.4	2.2
Gross financing needs	13.5	14.1	14.5	15.5	16.3	16.7	14.0	15.5	15.2
<b>2. Historical SPB scenario</b>									
Gross public debt	74.3	76.9	78.8	84.2	85.8	87.1	76.7	84.0	82.2
Primary balance	-1.6	-2.0	-1.6	-0.4	-0.3	-0.3	-1.8	-0.5	-0.8
Structural primary balance (before CoA)	-0.7	-1.0	-0.7	0.1	0.1	0.1	-0.8	0.0	-0.2
Real GDP growth	0.1	0.8	1.3	1.2	0.9	1.1	0.8	1.1	1.0
Gross financing needs	13.5	14.1	14.2	14.3	14.5	14.6	13.9	14.3	14.2
<b>3. Financial stress scenario</b>									
Gross public debt	74.3	77.0	79.2	87.7	91.6	95.1	76.8	87.8	85.1
Implicit interest rate (nominal)	1.2	1.9	1.9	2.5	2.7	2.9	1.6	2.5	2.3
Gross financing needs	13.5	14.3	14.5	15.6	16.4	16.8	14.1	15.6	15.3
<b>4. Lower SPB scenario</b>									
Gross public debt	74.3	76.9	79.2	88.2	92.4	96.2	76.8	88.4	85.5
Primary balance	-1.6	-2.1	-2.0	-1.4	-1.5	-1.5	-1.9	-1.4	-1.6
Structural primary balance (before CoA)	-0.7	-1.1	-1.1	-1.1	-1.1	-1.1	-1.0	-1.1	-1.1
Real GDP growth	0.1	0.9	1.3	0.9	0.9	1.1	0.8	1.1	1.0
Gross financing needs	13.5	14.2	14.6	15.8	16.6	17.1	14.1	15.8	15.4
<b>5. Adverse interest-growth rate differential</b>									
Gross public debt	74.3	77.3	79.9	91.0	96.3	101.2	77.2	91.3	87.7
Implicit interest rate (nominal)	1.2	1.8	1.9	2.7	3.0	3.2	1.6	2.7	2.4
Real GDP growth	0.1	0.3	0.8	0.4	0.4	0.6	0.4	0.6	0.6
Gross financing needs	13.5	14.2	14.7	16.3	17.3	18.0	14.1	16.3	15.8
<b>6. Exchange rate depreciation scenario</b>									
Gross public debt	74.3	77.5	79.6	87.7	91.6	95.1	77.1	87.9	85.2
Exchange rate depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross financing needs	13.5	14.2	14.5	15.6	16.4	16.8	14.1	15.6	15.2

# Sweden

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

Sweden - Debt projections baseline scenario	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross debt ratio</b>	<b>36.5</b>	<b>32.9</b>	<b>30.4</b>	<b>30.1</b>	<b>29.6</b>	<b>28.3</b>	<b>26.3</b>	<b>24.3</b>	<b>22.3</b>	<b>20.4</b>	<b>18.6</b>	<b>16.7</b>	<b>15.0</b>	<b>13.2</b>
Changes in the ratio (-1+2+3) of which	-3.7	-3.1	-3.3	-0.4	-0.6	-1.3	-1.9	-2.1	-1.9	-1.9	-1.9	-1.8	-1.8	-1.8
<b>(1) Primary balance (1.1+1.2+1.3)</b>	<b>0.2</b>	<b>1.6</b>	<b>0.4</b>	<b>0.1</b>	<b>0.2</b>	<b>0.7</b>	<b>1.3</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
<b>(1.1) Structural primary balance (1.1.1-1.1.2+1.1.3)</b>	<b>0.2</b>	<b>1.0</b>	<b>0.9</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
(1.1.1) Structural primary balance (bef. CoA)	0.2	1.0	0.9	1.5	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					-0.1	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.1	-0.2
(1.1.3) Others (taxes and property incomes)					0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
<b>(1.2) Cyclical component</b>	<b>0.0</b>	<b>0.6</b>	<b>-0.5</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-0.9</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(1.3) One-off and other temporary measures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2) Snowball effect (2.1+2.2+2.3+2.4)</b>	<b>-3.1</b>	<b>-2.5</b>	<b>-1.3</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>
(2.1) Interest expenditure	0.2	0.5	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.3
(2.2) Growth effect	-2.3	-0.9	0.2	0.1	-0.4	-0.7	-0.7	-0.5	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2
(2.3) Inflation effect	-1.0	-2.1	-2.1	-0.8	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.5	-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
<b>(3) Stock-flow adjustments</b>	<b>-0.2</b>	<b>0.5</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(3.1) Base	0.1	0.2	-1.1	-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	-0.2	0.3	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pro memoria</b>														
Structural balance	0.0	0.5	0.3	0.7	0.8	1.0	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Gross financing needs	8.5	5.9	4.3	4.7	4.7	4.2	3.6	2.8	2.1	1.4	0.7	0.0	-0.7	-0.8



**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	Baseline	Historical SPB	Lower SPB	Adverse 'r-g'	Financial stress	Stochastic projections	S2	S1	Overall (S1+S2)
LOW	LOW	Overall	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW	LOW
		Debt level (2034), % GDP	13.2	17.3	16.2	14.7	13.3				
		Debt peak year	2023	2023	2023	2023	2023				
		Fiscal consolidation space	65%	69%	67%	65%	65%				
		Probability of debt ratio exceeding in 2028 its 2023 level						5%			
		Difference between 90th and 10th percentiles (pps. GDP)						10.0			

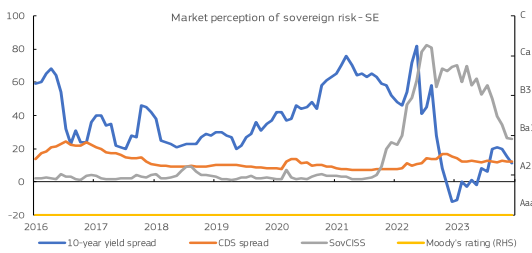
**2.2. Sustainability indicators**

S0 indicator	Critical threshold	2009	2023
Overall index	0.46	0.31	0.12
Fiscal sub-index	0.36	0.15	0.00
Financial competitiveness sub-index	0.49	0.40	0.19

S2 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	0.8	-0.6	-0.7	1.9
of which				
Initial budgetary position	-1.3	-1.2	-1.2	-1.2
Ageing costs	2.1	0.7	0.5	3.1
of which				
Pensions	0.0	-0.5	-0.6	-0.5
Health care	0.6	0.6	0.6	1.5
Long-term care	1.8	1.1	1.1	2.8
Others	-0.4	-0.6	-0.6	-0.6
Required structural primary balance related to S2	2.3	0.9	0.8	3.4

S1 indicator	DSM 2022	DSM 2023		
		Baseline	Lower productivity scenario	Non-demographic risk scenario
Overall index (pps. of GDP)	-1.8	-2.2	-2.2	-1.0
of which				
Initial budgetary position	-1.8	-1.6	-1.6	-1.6
Debt requirement	-0.8	-0.7	-0.7	-0.7
Ageing costs	0.9	0.1	0.1	1.4
of which				
Pensions	-0.2	-0.5	-0.5	-0.5
Health care	0.4	0.4	0.4	1.0
Long-term care	1.1	0.7	0.7	1.3
Others	-0.4	-0.4	-0.4	-0.4
Required structural primary balance related to S1	-0.3	-0.7	-0.7	0.5

**3. Financial information**



Financial market information SE - December 2023		
Sovereign yield spreads (bp) - December 2023	10-year	11.0

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

<b>Public debt structure - SE (2022)</b>	<b>Share of short-term government debt (%):</b> 27.8	<b>Share of government debt in foreign currency (%):</b> 11.1	<b>Share of government debt by non-residents (%):</b> 14.9	<b>Net International Investment Position (IIP) - SE (2022)</b>	<b>Net IIP (% GDP):</b> 30.9
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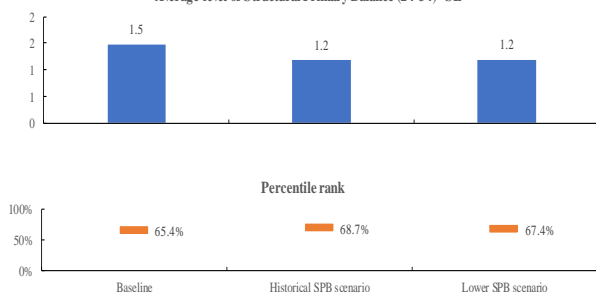
#### 5. Risks related to government's contingent liabilities

General government contingent liabilities		SE							EU
		2016	2017	2018	2019	2020	2021	2022	2022
State guarantees (% GDP)		11.9	10.6	11.2	10.9	12.5	12.1	11.6	7.1
of which	One-off guarantees	11.9	10.6	11.2	10.9	12.5	12.1	11.6	5.6
	Standardised guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Public-private partnerships (PPPs) (% GDP)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2016	2017	2018	2019	2020	2021	2022	2022
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	0.0	0.9
	Securities issued under liquidity schemes	0.0	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	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9

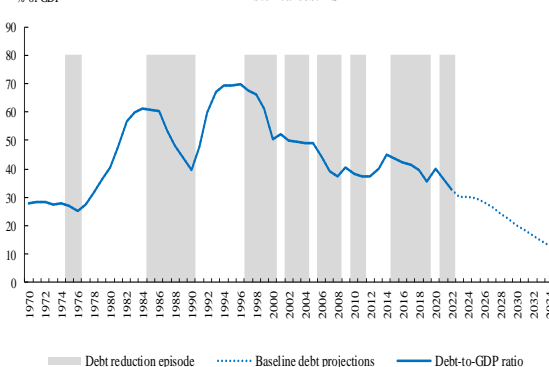
<b>Government's contingent liability risks from banking sector - SE (2022)</b>	<b>Private sector credit flow (% GDP):</b> 10.3	<b>Change in nominal house price index (p.p.):</b> 3.6	<b>Bank loans-to-deposits ratio (%):</b> 176.0	<b>Share of non-performing loans (%):</b> 0.2	<b>Change in share of non-performing loans (p.p.):</b> 0.0	<b>NPL coverage ratio (%):</b> 34.8	<b>Theoretical probability of gov't cont. liabilities (&gt;3% of GDP) linked to banking losses and recap needs (SYMBOL):</b>	
							Stress	Severe Stress
							0.01%	0.04%

#### 6. Realism of baseline assumptions

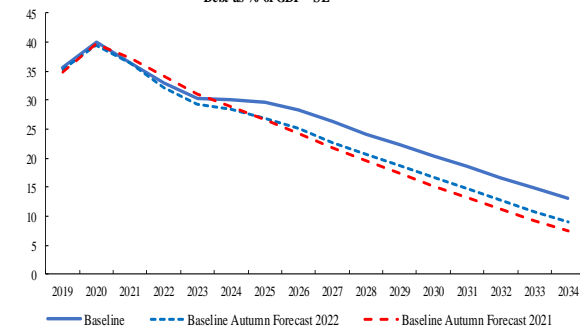
Average level of Structural Primary Balance (24-34) - SE



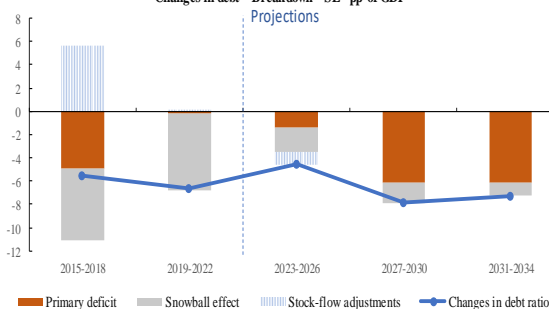
Historical debt - SE



Debt as % of GDP - SE



Changes in debt - Breakdown - SE - pp of GDP



## 7. Underlying macro-fiscal assumptions

Macro-fiscal assumptions, Sweden		Levels						Averages		
	2023	2024	2025	2030	2032	2034	2023-25	2025-34	2023-34	
<b>1. Baseline</b>										
Gross public debt	30.4	30.1	29.6	20.4	16.7	13.2	30.0	20.6	22.9	
Primary balance	0.4	0.1	0.2	1.6	1.5	1.5	0.2	1.4	1.1	
Structural primary balance (before CoA)	0.9	1.5	1.5	1.5	1.5	1.5	1.3	1.5	1.4	
Real GDP growth	-0.5	-0.2	1.4	1.4	1.3	1.5	0.2	1.7	1.3	
Potential GDP growth	1.5	1.4	1.4	1.4	1.3	1.5	1.4	1.4	1.4	
Inflation rate	6.7	2.7	2.0	2.5	2.7	2.8	3.8	2.5	2.8	
Implicit interest rate (nominal)	1.9	2.5	2.6	2.5	2.4	2.4	2.3	2.5	2.5	
Gross financing needs	4.3	4.7	4.7	1.4	0.0	-0.8	4.5	1.5	2.2	
<b>2. Historical SPB scenario</b>										
Gross public debt	30.4	30.1	29.7	23.1	20.1	17.3	30.1	23.0	24.8	
Primary balance	0.4	0.1	0.1	1.1	1.1	1.1	0.2	1.0	0.8	
Structural primary balance (before CoA)	0.9	1.5	1.4	1.1	1.1	1.1	1.3	1.1	1.2	
Real GDP growth	-0.5	-0.2	1.4	1.6	1.3	1.5	0.2	1.7	1.3	
Gross financing needs	4.3	4.7	4.8	3.0	2.1	1.2	4.6	2.9	3.3	
<b>3. Financial stress scenario</b>										
Gross public debt	30.4	30.2	29.7	20.5	16.9	13.3	30.1	20.7	23.0	
Implicit interest rate (nominal)	1.9	2.7	2.6	2.5	2.5	2.5	2.4	2.5	2.5	
Gross financing needs	4.3	4.7	4.7	1.4	0.1	-0.8	4.6	1.5	2.3	
<b>4. Lower SPB scenario</b>										
Gross public debt	30.4	30.2	29.9	22.4	19.3	16.2	30.2	22.5	24.4	
Primary balance	0.4	-0.1	0.0	1.3	1.2	1.2	0.1	1.1	0.9	
Structural primary balance (before CoA)	0.9	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2	
Real GDP growth	-0.5	0.0	1.3	1.4	1.3	1.5	0.3	1.7	1.3	
Gross financing needs	4.3	4.8	5.0	2.4	1.4	0.5	4.7	2.5	3.0	
<b>5. Adverse interest-growth rate differential</b>										
Gross public debt	30.4	30.3	30.0	21.6	18.1	14.7	30.2	21.7	23.8	
Implicit interest rate (nominal)	1.9	2.6	2.7	2.6	2.6	2.5	2.4	2.6	2.6	
Real GDP growth	-0.5	-0.7	0.9	0.9	0.8	1.0	-0.1	1.2	0.9	
Gross financing needs	4.3	4.7	4.8	1.7	0.4	-0.7	4.6	1.7	2.4	
<b>6. Exchange rate depreciation scenario</b>										
Gross public debt	30.4	30.6	30.1	20.9	17.2	13.6	30.4	21.0	23.4	
Exchange rate depreciation	0.0%	8.5%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.7%	
Gross financing needs	4.3	4.7	4.8	1.5	0.1	-0.7	4.6	1.6	2.3	