

FIBI Annual Luncheon

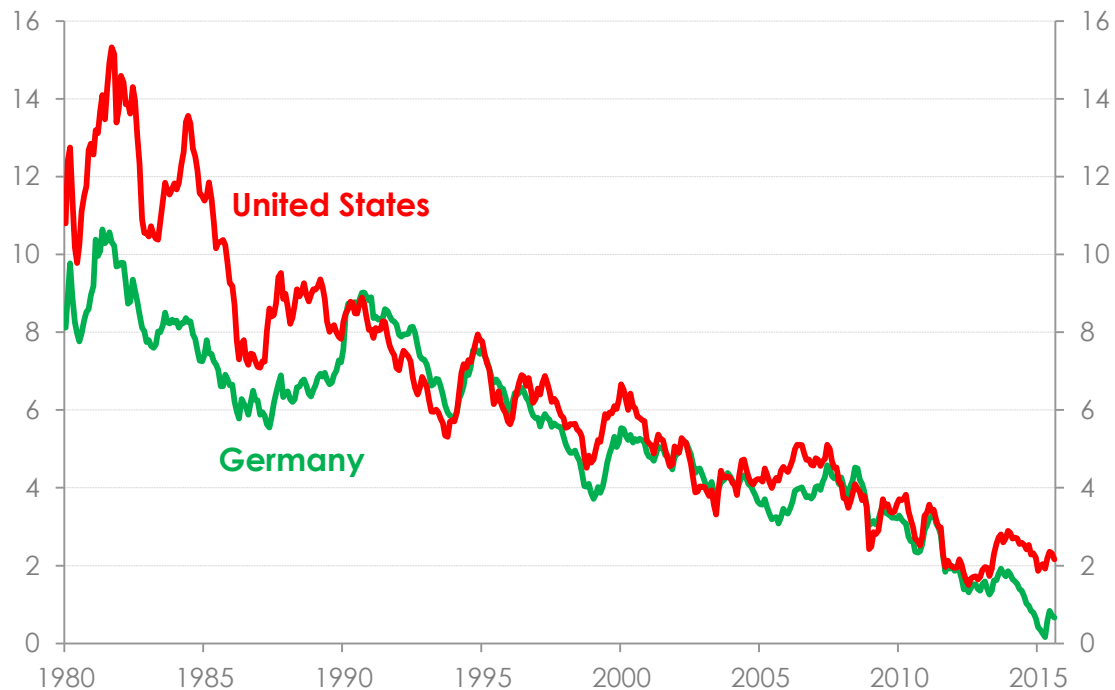
Peter Praet

Member of the Executive Board

Dublin, 23 September 2015

Long-term government bond yields

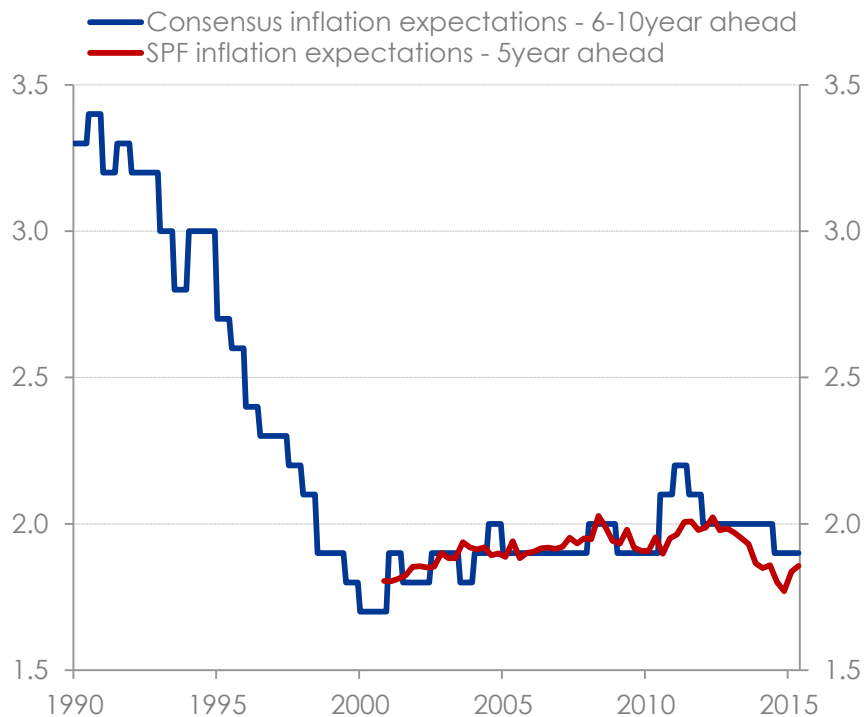
10-year yields; % p.a.



Source: ECB.

Long-term inflation expectations

% p.a.



Sources: Consensus Economics and Survey of Professional Forecasters.

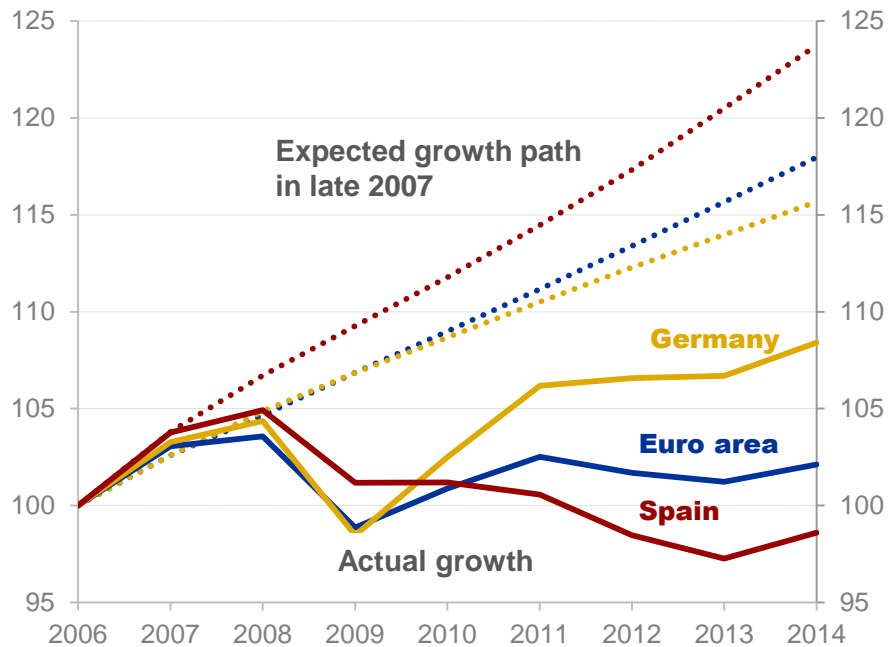
5 years ahead growth expectations for the euro area

% p.a.



Source: Consensus.

Real GDP & pre-crisis expected path index, 2006 = 100

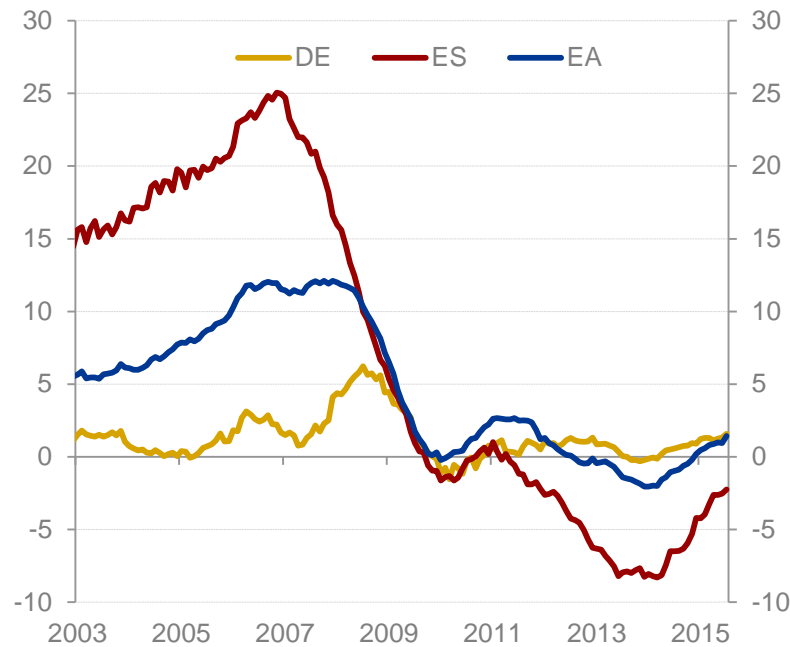


Source: Consensus and ECB calculations.

Note: Expected growth path as in Consensus October 2007.

Latest observation: February 2015.

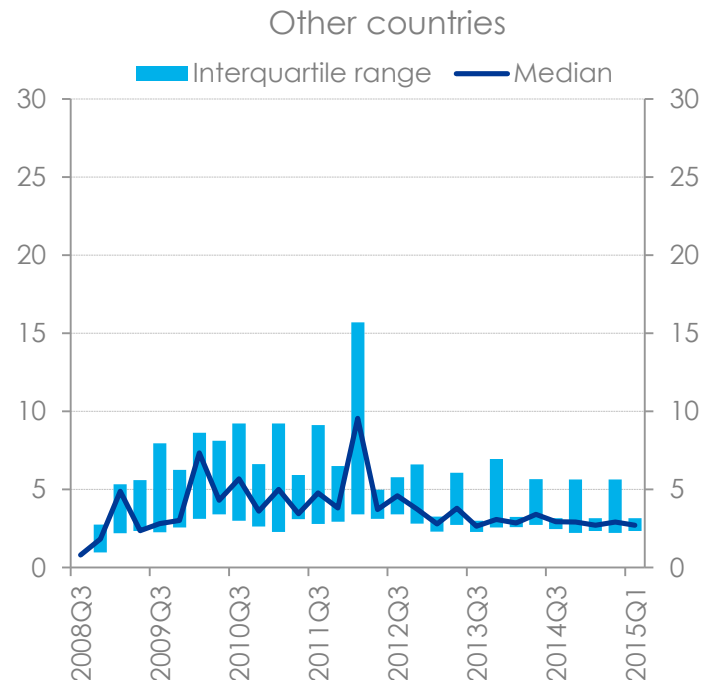
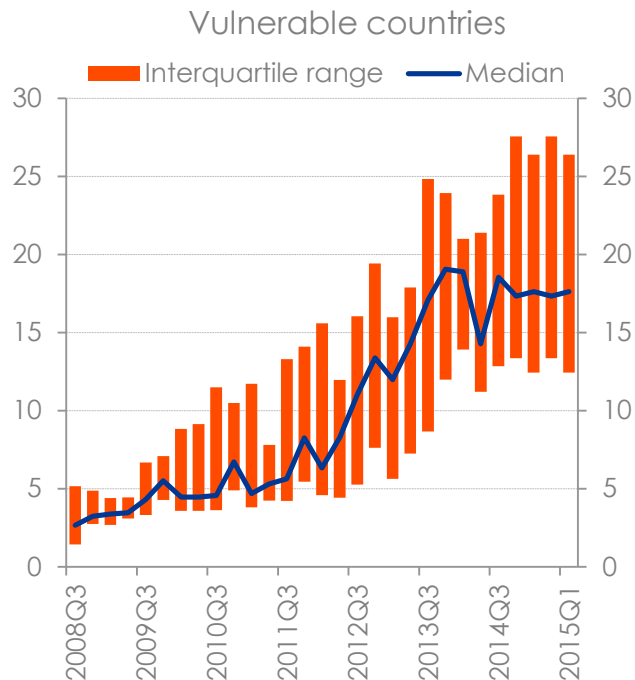
Bank loans to private sector annual percentage changes



Source: ECB.

Latest observation: June 2015.

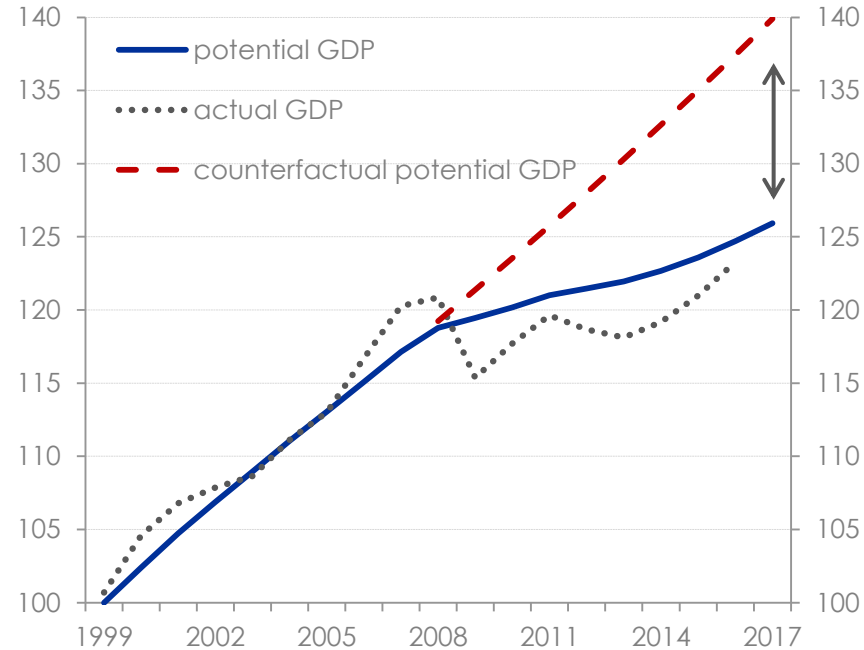
Impaired loans of euro area banks *percentages of gross loans*



Sources: SNL and ECB calculations.

Notes: Based on an unbalanced sample of 32 euro area banks for vulnerable countries and 25 euro area banks for less vulnerable countries. The charts represents ratios of gross impaired customer and bank loans over gross loans.

Potential output reduction due to the crisis - euro area *index, potential GDP in 1999=100*

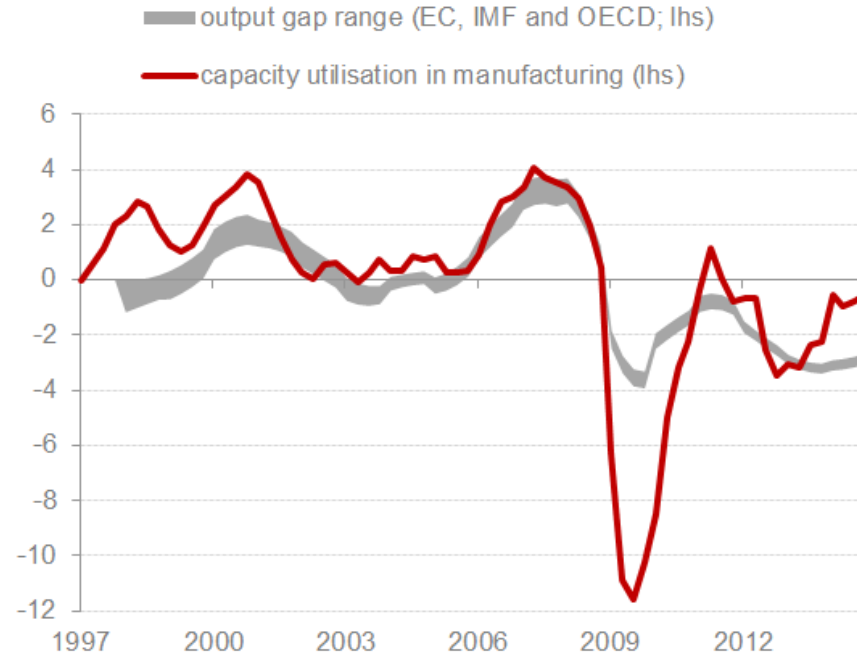


Source: European Commission Spring 2015 forecast and Output Gap Working Group.

Note: Counterfactual potential GDP assumes that potential GDP continued to grow at its 2007 growth rate, i.e. it reflects the observation that potential growth has already slowed down before the crisis.

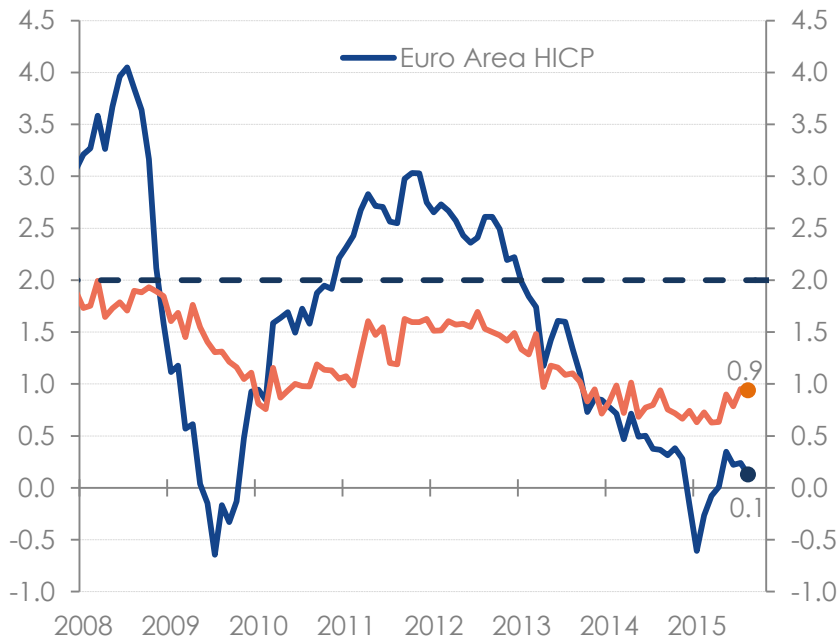
Output gap and capacity utilisation

Output gap: *in percent of potential output; survey indicators: deviation of balances from their historical mean*



Sources: *European Commission, IMF and OECD.*

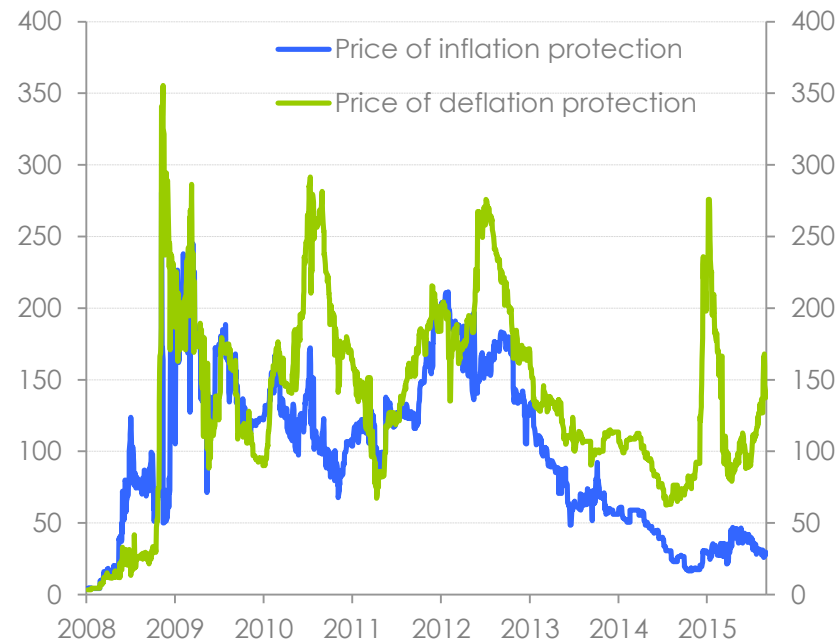
Euro area inflation % p.a.



Source: Eurostat.

Latest observation: August 2015

Price of inflation and deflation protection basis points per annum

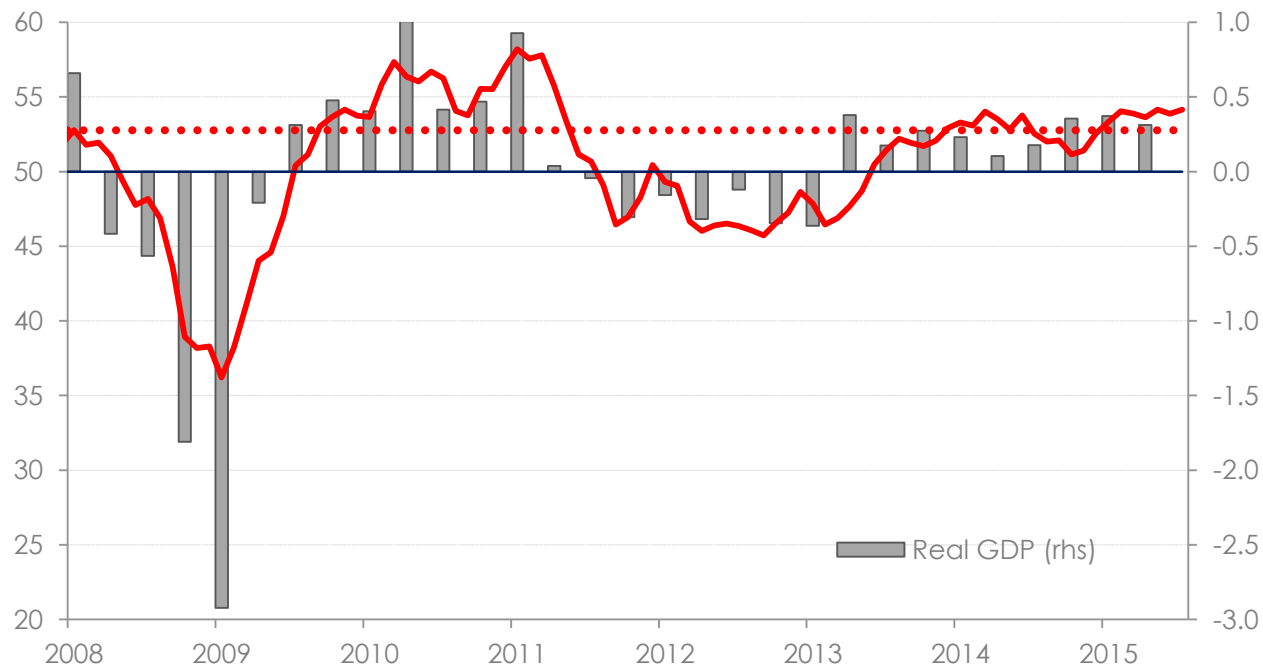


Source: Bloomberg.

Note: Price of 0% floor and 4% cap options (year-on-year) on euro area HICP inflation – 5Y maturity. Developments should be interpreted with caution due to limited market liquidity. Latest observation: 2 September 2015.

Real GDP growth and PMI Composite output

quarter-on-quarter percentage growth; diffusion index



Sources: Eurostat, Markit and ECB staff calculations.

Latest observation: 2015Q2 for GDP growth, August 2015 for PMI.