

# The December 2025 monetary policy decision of the ECB

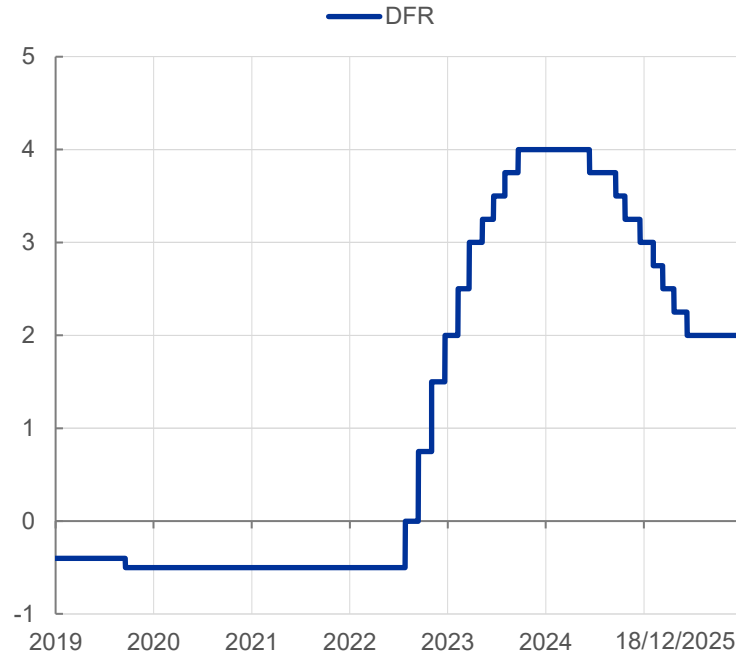
CBI Economics Winter Workshop

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Member of the Executive Board  
19 December 2025



# Monetary policy in the euro area

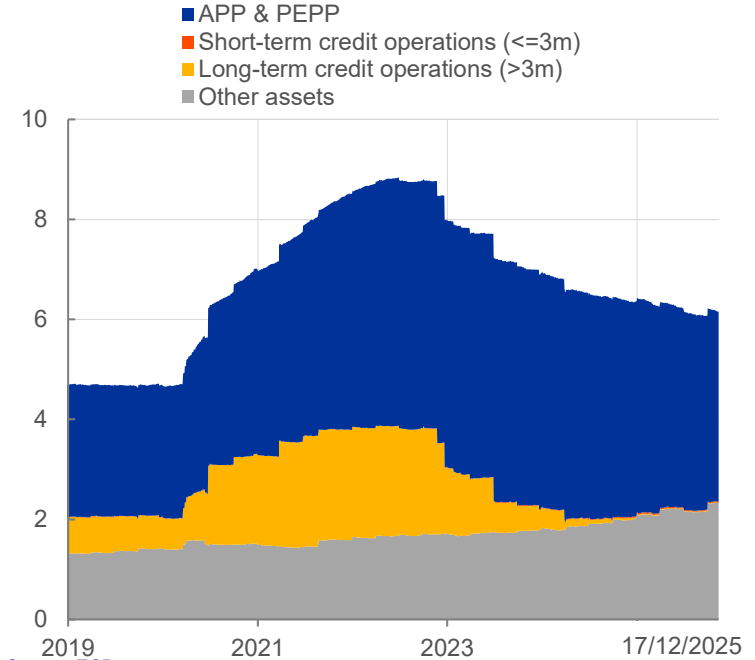
## Deposit facility rate (percentages per annum)



Source: ECB.

Note: The latest observations are for 18 December 2025.

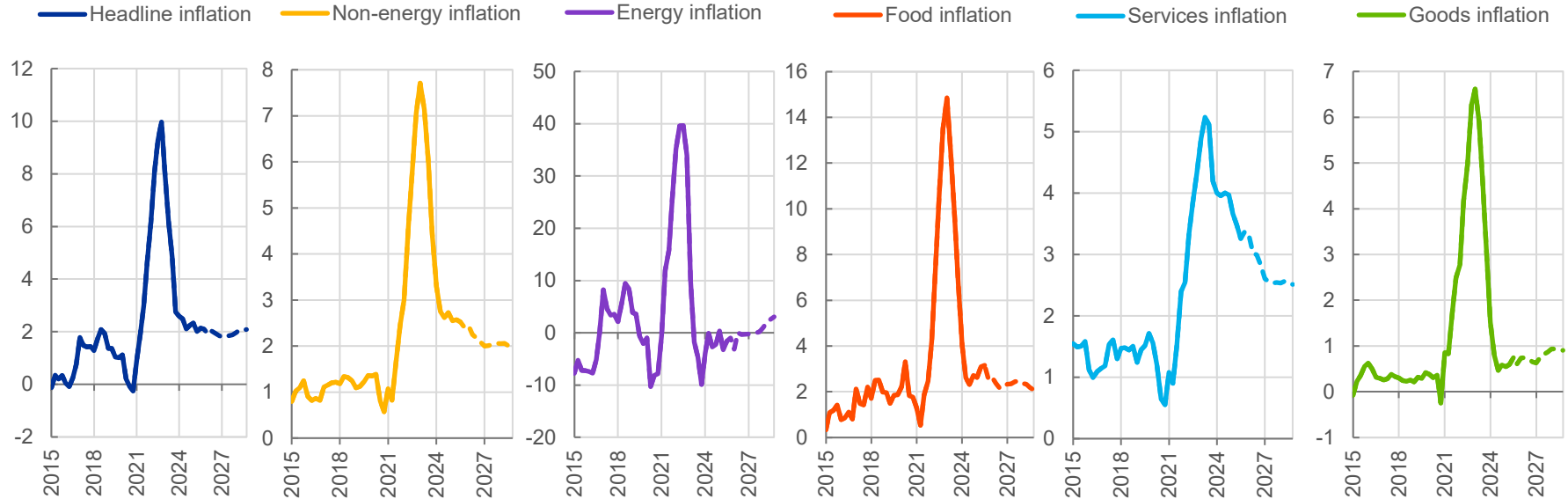
## Asset side of the Eurosysteem balance sheet (EUR trillion)



Source: ECB.

Notes: Short-term credit operations refer to three-month longer-term refinancing operations (LTROs) and main refinancing operations (MROs); long-term credit operations refer to LTROs with a maturity longer than three months, targeted longer-term refinancing operations (TLTROs) and other lending operations. APP stands for asset purchase programme and PEPP for pandemic emergency purchase programme. Other assets include all other, non-monetary policy components. The latest observations are for 17 December 2025.

## Components of inflation and December 2025 projections (annual percentage points)



Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections for the euro area and ECB calculations.

Notes: Quarterly data. The latest observations are for the third quarter of 2025.

# December 2025 staff projections: assumptions

## December 2025 Eurosystem staff macroeconomic projections for the euro area: technical assumptions

	December 2025 projections					Revisions vs September 2025 projections		
	2024	2025	2026	2027	2028	2025	2026	2027
<b>Oil price</b> (level in USD)	81.2	69.2	62.5	62.6	64.0	-0.7	-4.1	-3.8
<b>Oil price</b> (level in euro)	75.1	61.6	54.0	54.1	55.3	-0.6	-3.6	-3.3
<b>Natural gas price</b> (EUR/MWh)	34.4	36.5	29.6	27.5	25.0	-2.1	-9.9	-7.4
<b>Wholesale electricity price</b> (EUR/MWh)	77.7	83.9	75.0	73.7	71.4	-0.8	-3.6	0.7
<b>EU ETS1 allowances</b> (EUR/tonne)	65.2	73.7	82.8	85.1	87.7	4.3	15.2	15.4
<b>EU ETS2 allowances</b> (EUR/tonne)	-	-	-	-	46.0	-	-	-*
<b>Effective exchange rate</b> (index, 1999Q1=100)	124.1	127.7	129.8	129.8	129.8	0.0	-0.1	-0.1
<b>USD per EUR</b> (level)	1.08	1.13	1.16	1.16	1.16	0.0	-0.5	-0.5
<b>Three-month interest rate</b> (% p.a.)	3.57	2.18	1.99	2.09	2.30	0.02	0.07	-0.06
<b>Ten-year bond yield</b> (% p.a.)	2.89	3.07	3.22	3.44	3.64	-0.04	-0.16	-0.17

Notes: Revisions are expressed as percentages for levels and percentage points for interest rates and bond yields. ETS stands for Emission Trading Systems. In the September 2025 projections, an ETS2 allowance price of €59 per tonne of CO<sub>2</sub> was assumed for 2027, while in the current exercise the scheme has been assumed to start only in 2028 with a lower price of €46 per tonne of CO<sub>2</sub>. See Box 2 of the December 2025 Eurosystem staff macroeconomic projections for the euro area for further details.

## December 2025 Eurosystem staff macroeconomic projections for the euro area: key macroeconomic variables

	December 2025 projections (annual percentage change)					Revisions vs September 2025 projections (percentage points)		
	2024	2025	2026	2027	2028	2025	2026	2027
HICP	2.4	2.1	1.9	1.8	2.0	0.0	0.2	-0.1
HICP excl. energy	2.9	2.5	2.2	2.0	2.0	0.0	0.2	0.1
HICP excl. energy and food	2.8	2.4	2.2	1.9	2.0	0.0	0.3	0.1
Compensation per employee	4.5	4.0	3.2	2.9	3.0	0.6	0.5	0.2
Unit labour costs	4.6	3.3	2.6	2.0	2.1	0.5	0.4	0.1
Real GDP	0.9	1.4	1.2	1.4	1.4	0.2	0.2	0.1
Real GDP with modified domestic demand for Ireland	0.8	1.0	1.1	1.3	1.3	-	-	-
Private consumption	1.2	1.3	1.2	1.3	1.1	0.0	-0.1	0.0
Government consumption	2.2	1.8	1.5	1.1	1.2	0.2	0.4	0.0
Total investment	-2.0	2.4	2.2	2.4	2.2	0.3	0.5	0.6
Exports	0.5	1.9	1.6	2.4	2.6	0.6	0.5	-0.1
Unemployment rate (% of labour force)	6.3	6.3	6.2	6.1	5.9	-0.1	-0.1	0.0
	December 2025 projections (Q4-on-Q4 percentage change)					Revisions vs September 2025 projections (percentage points)		
	Q4 2024	Q4 2025	Q4 2026	Q4 2027	Q4 2028	Q4 2025	Q4 2026	Q4 2027
HICP	2.2	2.1	1.9	1.9	2.1	0.1	0.2	-0.1
HICP excl. energy	2.7	2.4	2.1	2.1	2.0	0.1	0.3	0.1
HICP excluding energy and food	2.7	2.4	2.0	1.9	1.9	0.2	0.2	0.0
Compensation per employee	4.1	3.9	2.9	2.9	3.0	1.0	0.0	0.1
Unit labour costs	3.5	3.4	2.0	2.1	2.2	0.9	-0.2	0.2
Real GDP	1.3	1.2	1.4	1.4	1.3	0.3	0.1	0.1
Real GDP with modified domestic demand for Ireland	1.0	1.0	1.2	1.3	1.3	-	-	-
Private consumption	1.8	1.0	1.3	1.3	1.0	-0.1	0.0	0.1
Government consumption	2.2	1.8	0.9	1.0	1.4	0.7	-0.1	-0.1
Total investment	-2.1	2.3	2.6	2.1	2.3	0.7	0.2	0.6
Exports	0.4	2.3	2.4	2.4	2.6	1.0	0.2	0.0
Unemployment rate (% of labour force)	6.2	6.3	6.2	6.0	5.8	-0.1	-0.1	0.0

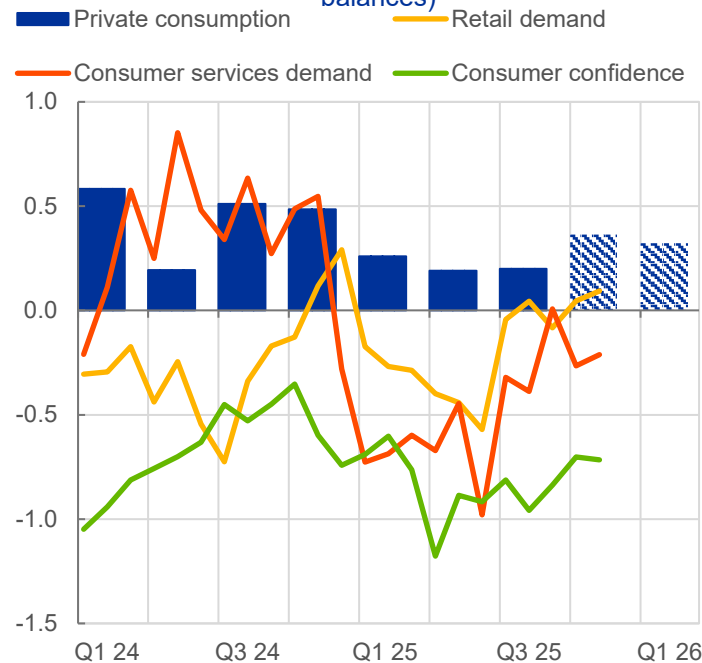
Notes: Revisions are calculated based on rounded figures. Modified domestic demand adds to private and government consumption a modified measure of investment, which abstracts from investment in intellectual property products in Ireland. Irish imports, exports and changes in inventories are excluded from this measure.

Growth	Inflation
<ul style="list-style-type: none"><li>• <b>Volatile global trade environment</b> could disrupt supply chains and dampen exports, consumption and investment</li><li>• <b>Deteriorating financial market sentiment</b> causing tighter financing conditions and greater risk aversion</li><li>• <b>Geopolitical tensions</b> major source of uncertainty</li><li>• Further increase in <b>defence, infrastructure spending and productivity-enhancing reforms</b></li><li>• <b>Improvement in confidence</b> stimulating private spending</li></ul>	<ul style="list-style-type: none"><li>• Higher tariffs lowering demand for euro area exports and <b>inducing countries with overcapacity to increase exports to euro area</b></li><li>• <b>Euro appreciation</b></li><li>• <b>Increase in volatility and risk aversion</b> in financial markets could weigh on demand and inflation</li><li>• <b>Fragmentation of global supply chains</b> pushing up import prices, curtailing supply of critical raw materials, and adding to capacity constraints</li><li>• <b>Slower reduction in wage pressures</b></li><li>• <b>Boost in defence and infrastructure spending</b></li><li>• <b>Extreme weather events</b> and climate and nature crisis driving up food prices</li></ul>

# Private consumption

## Private consumption, confidence and demand

(quarter-on-quarter percentage changes, standardised percent balances)

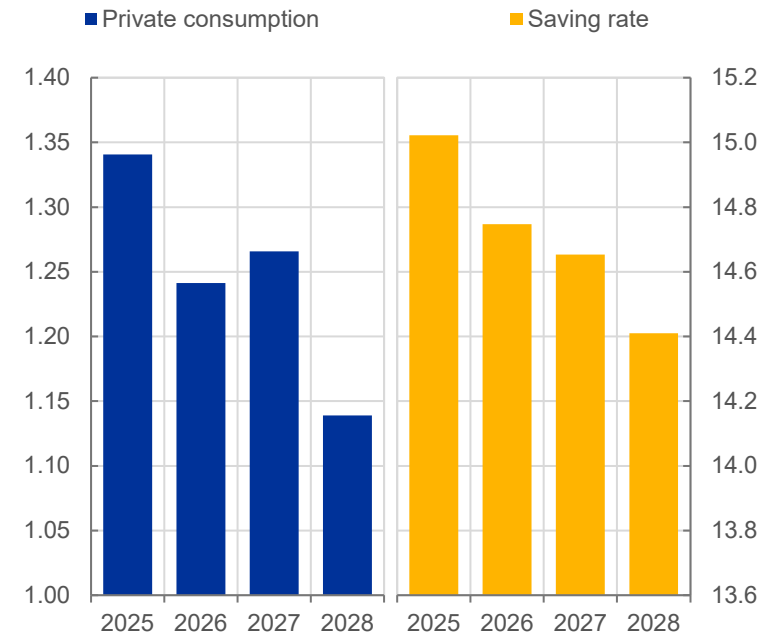


Sources: Eurostat, DG-ECFIN, and December 2025 Eurosystem staff macroeconomic projections for the euro area.

Notes: Standardised survey variables: consumer confidence over 1999-2019, retail trade over 1999-2019 and consumer services demand over 2005-19. The latest observations are for the third quarter of 2025 for private consumption and November 2025 for consumer services demand, retail demand and consumer confidence.

## Private consumption and saving rate outlook

(left panel: annual percentage changes; right panel: percentage of disposable income)

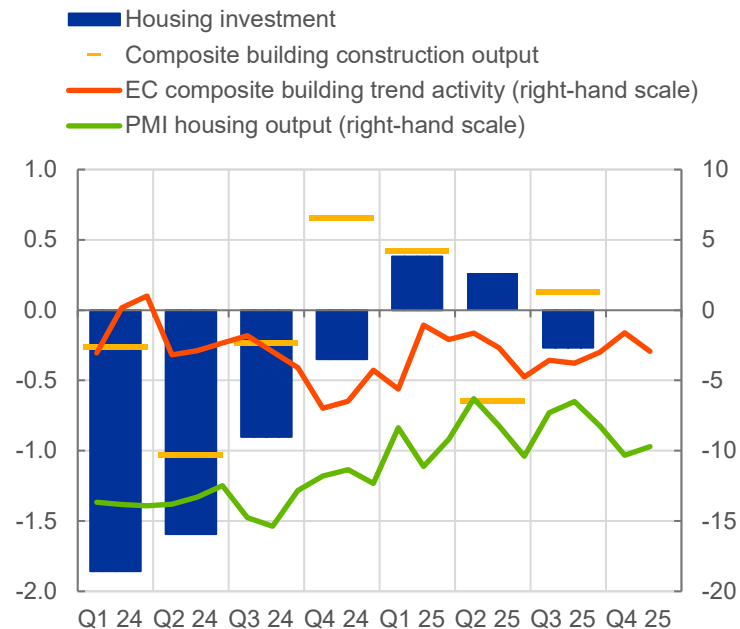


Source: December 2025 Eurosystem staff macroeconomic projections for the euro area.



## Housing investment and short-term indicators

(left-hand scale: quarter-on-quarter percentage changes; right-hand scale: percentage balances, PMI index - 50)

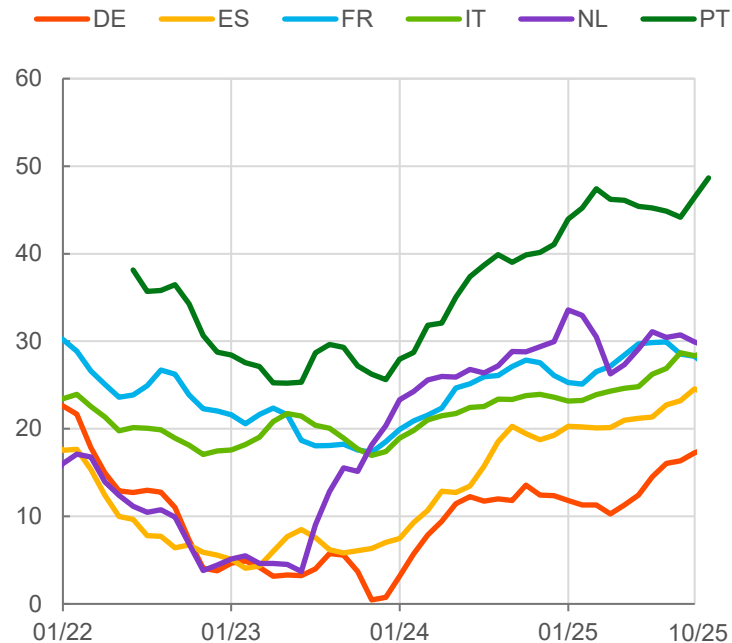


Sources: Eurostat, DG-ECFIN, S&P Global and ECB calculations.

Notes: Composite indicators combine building construction output and specialised construction activities (mainly completion works). The latest observations are for the third quarter of 2025 for housing investment, September 2025 for composite building output, November 2025 for PMI and EC composite building trend activity.

## Perceptions of housing as a good investment (CES)

(net percentage of respondents)



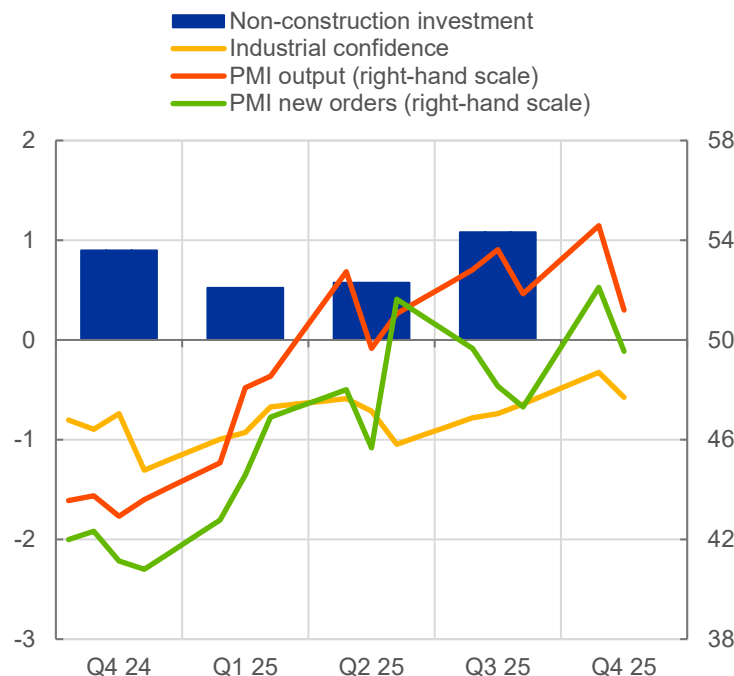
Sources: ECB (CES) and ECB calculations.

Notes: The chart reports the three-month backward-looking moving average of the net percentage of respondents who find housing to be a good investment, broken down by country. The latest observations are for October 2025.



## Business investment and short-term indicators

(standardised surveys)

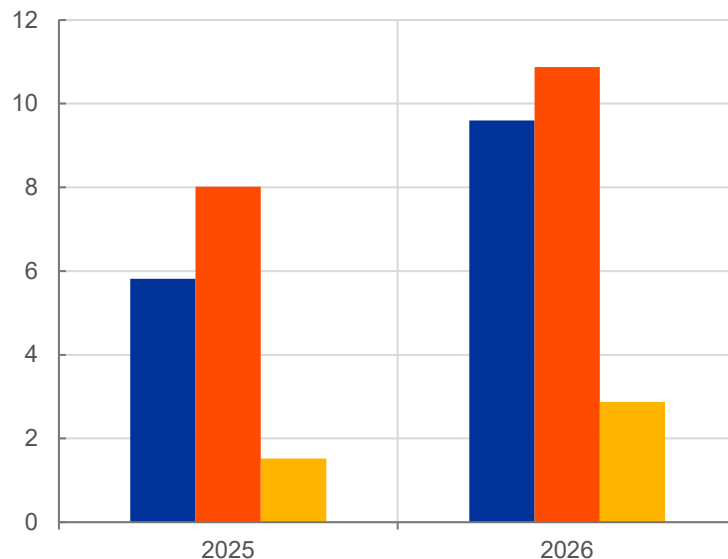


Sources: Eurostat, DG-ECFIN, S&P Global and ECB calculations.

Notes: Business investment proxied by non-construction investment excluding Irish IPP; short-term indicators refer to the capital goods sector; industrial confidence standardised over 1999-2019. The latest observations are for the third quarter of 2025 for investment, November 2025 for PMI and industrial confidence.

## Investment outlook (net percentage balances)

■ EC Investment Survey ■ SAFE ■ Business Outlook Survey (BOS)



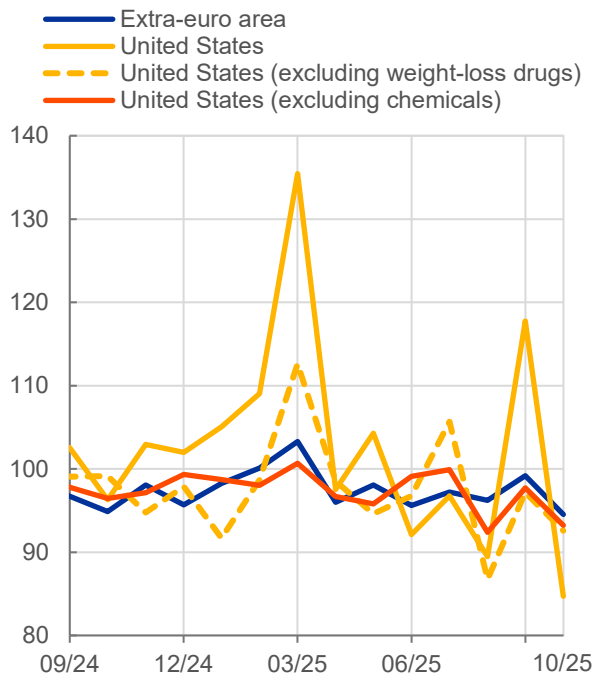
Sources: DG ECFIN, SAFE, S&P Global.

Notes: BOS (SAFE) surveyed in October 2024 and 2025 refers to (six months) a year ahead. The latest observations are for October 2025 for SAFE, and November 2025 for the Business Outlook Survey (BOS) and European Commission (EC) Investment Survey.

# Outlook for exports

## Euro area goods export volumes

(index, January 2024 = 100)

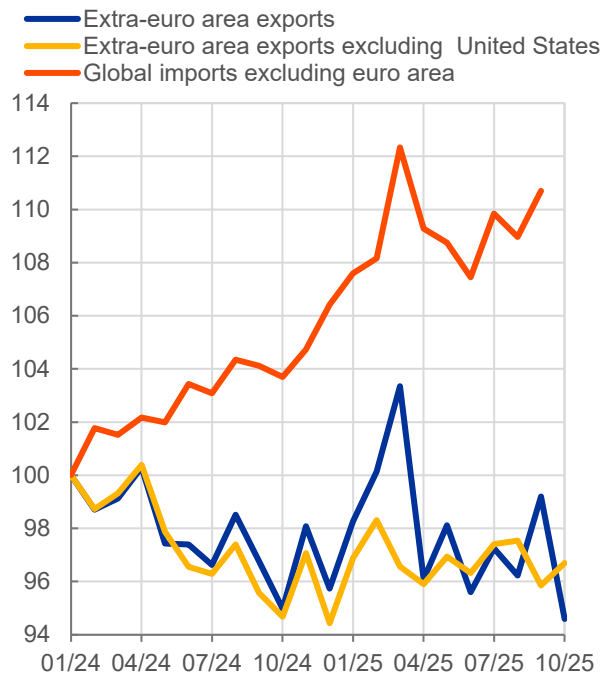


Sources: Eurostat and ECB staff calculations.

Notes: The latest data point for the extra-euro area is approximated by deflating October values with producer export prices. "United States (excluding weight-loss drugs)" excludes the HS6 code 293719. The latest observations are for October 2025.

## Extra-euro area goods exports and global imports

(index, January 2024 = 100)

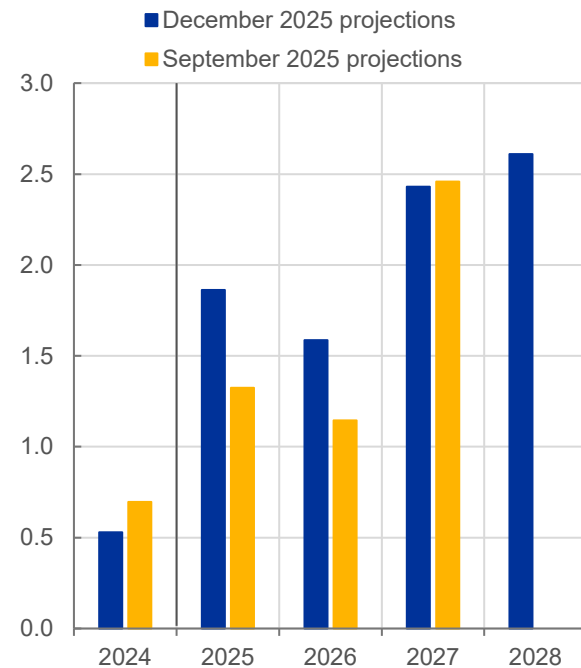


Sources: Eurostat and CPB.

Notes: The latest data point for the extra-euro area is approximated by deflating October values with producer export prices. The latest observations are for September 2025 for global imports and for October 2025 for the rest.

## Euro area countries' exports of goods and services

(year-on-year percentage changes)

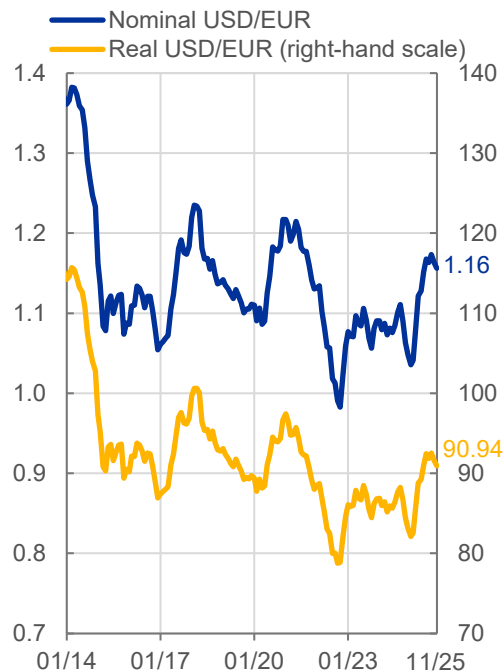


Sources: December Eurosystem staff macroeconomic projections for the euro area and September ECB staff macroeconomic projections.

Notes: Euro area figures based on sum of intra-euro area and extra-euro area exports. The latest observations are for the second quarter of 2025.

# Exchange rate developments

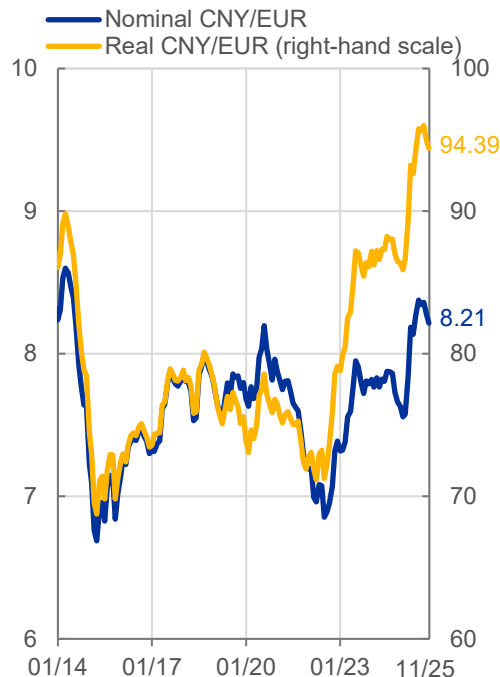
## Nominal and real USD/EUR (USD per EUR)



Sources: ECB and ECB staff calculations.

Notes: The real USD/EUR refers to the consumer price index (CPI)-deflated bilateral exchange rate (right-hand scale). An increase denotes an appreciation of the euro. The latest observations are for November 2025

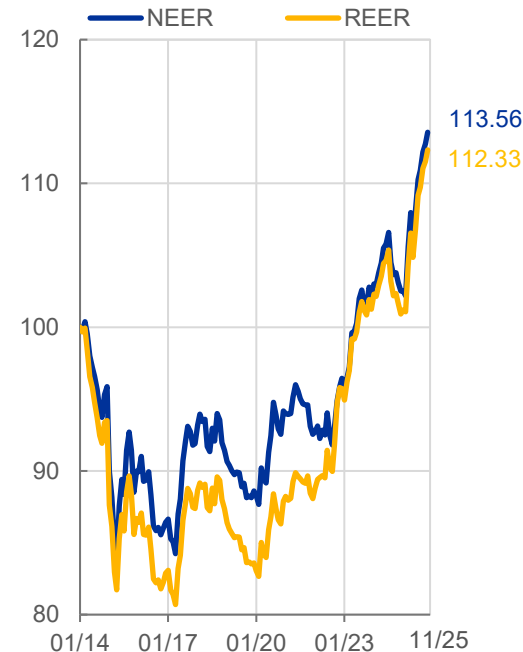
## Nominal and real CNY/EUR (CNY per EUR)



Sources: ECB and ECB staff calculations.

Notes: The real CNY/EUR refers to the consumer price index (CPI)-deflated bilateral exchange rate (right-hand scale). An increase denotes an appreciation of the euro. The latest observations are for November 2025.

## Effective exchange rates for the euro vs selected Asian currencies (index: 31/01/2014 = 100)



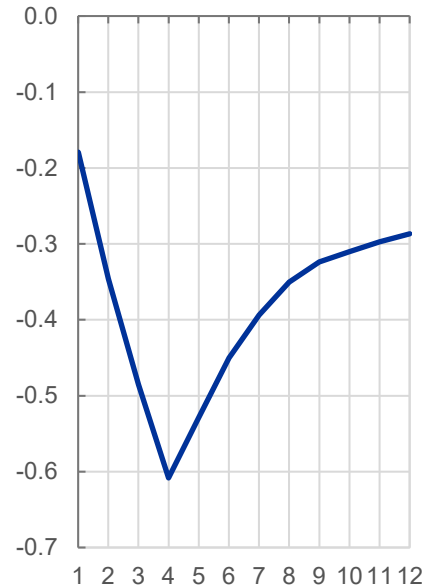
Sources: ECB and ECB staff calculations.

Notes: Nominal effective exchange rate (NEER) and real (CPI-deflated) effective exchange rate (REER), denominated in euro, for selected Asian trading partners (Japan, South Korea, Indonesia, India, Malaysia, Philippines, Taiwan and Thailand). Corresponding trade weights are normalised to one. The latest observations are for November 2025.

# Impulse responses to a 10 per cent euro appreciation in the ECB Multi-Country Model

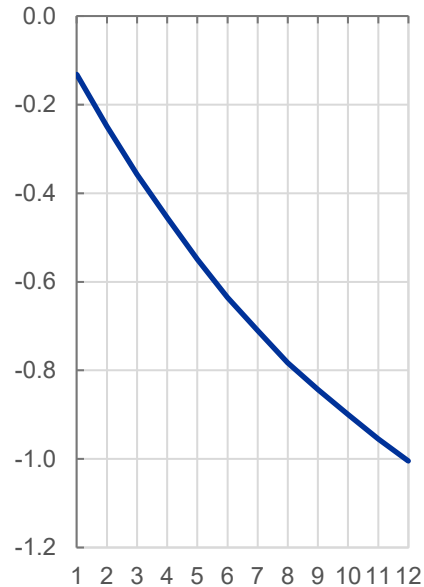
## HICP inflation

(percentage point deviation from steady-state year-on-year growth rate)



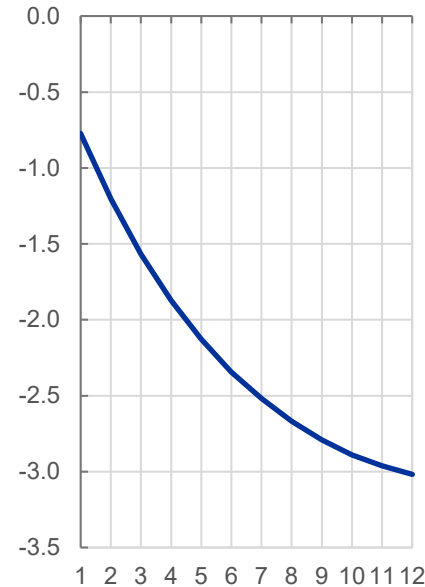
## Real GDP

(percentage deviation from steady state)



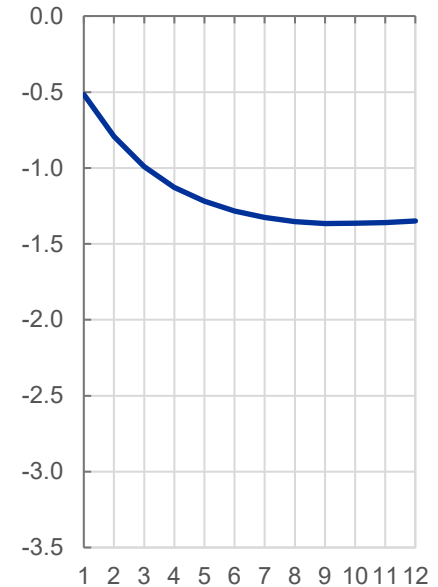
## Real exports

(percentage deviation from steady state)



## Real imports

(percentage deviation from steady state)



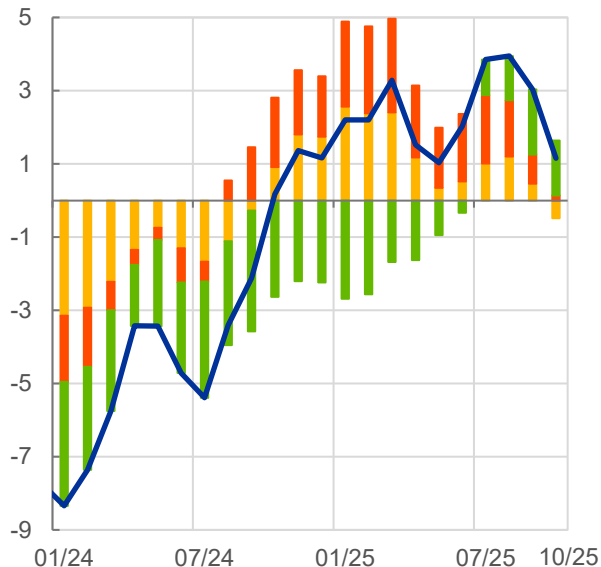
Source: ECB staff calculations based on ECB-MC model simulations, see Angelini, E. et al. (2025), "The ECB-Multi Country Model: A semi-structural model for forecasting and policy analysis for the largest euro area countries", Working Paper Series, No 3119, ECB, Frankfurt am Main.

# Role of China for euro area import volumes and prices

## Imports decomposition by origin

(three-month moving average, year-on-year percentage changes, percentage point contributions)

Rest of World  
China  
Asia excluding China  
Extra-euro area



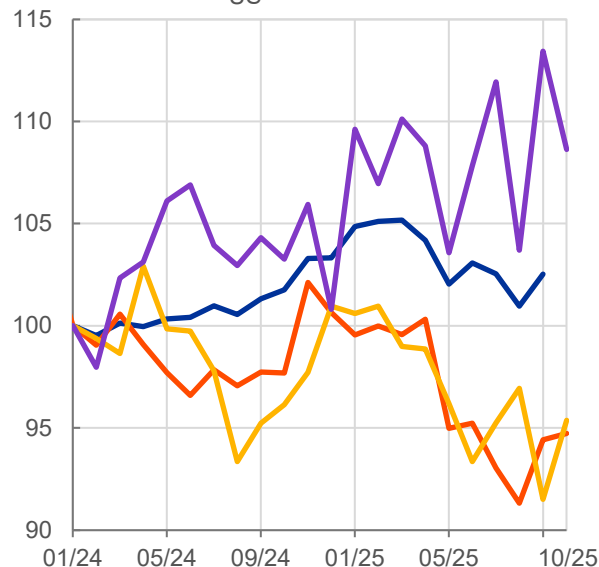
Sources: Eurostat and ECB calculations.

Notes: The chart shows import volume index in goods. The latest data point for the extra-euro area is approximated by deflating October values with industrial import prices. The latest observations are for October 2025.

## Euro area import prices excluding energy

(index, January 2024 = 100)

Extra-euro area  
China  
Asia excluding China  
US



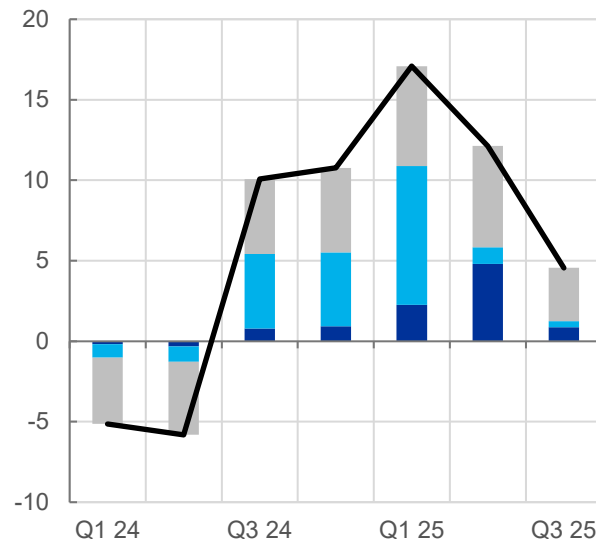
Source: Eurostat.

Note: The latest observations are for September 2025 for the extra-euro area and for October 2025 for the rest.

## Euro area imports from China

(volumes, year-on-year percentage changes, percentage point contributions)

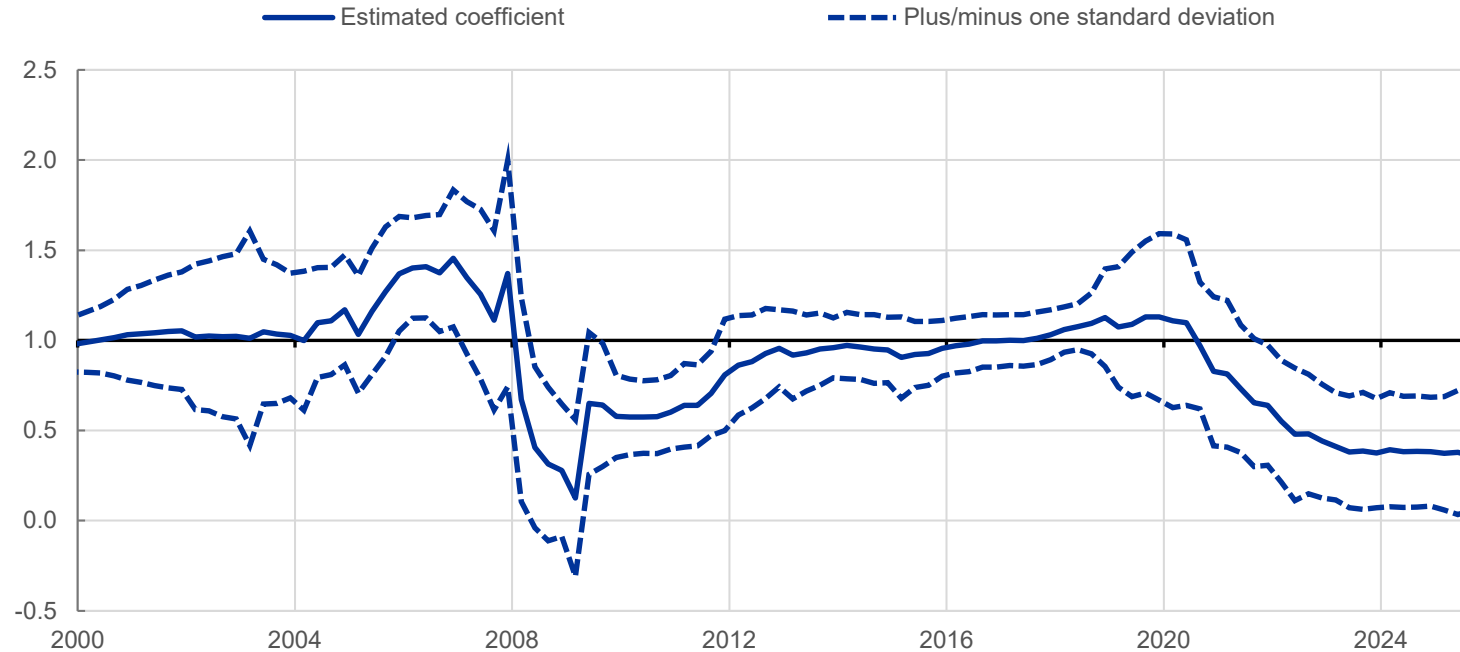
Total  
Strong growth and possible trade diversion  
Strong growth  
Other



Sources: TDM and ECB staff calculations.

Notes: Cleaned for outliers as in Amiti (2019). Strong growth represents euro area import values from China increasing by at least 10%. Possible trade diversion represent the case where US import values from China also dropped by at least 10%. The latest observations are for August 2025.

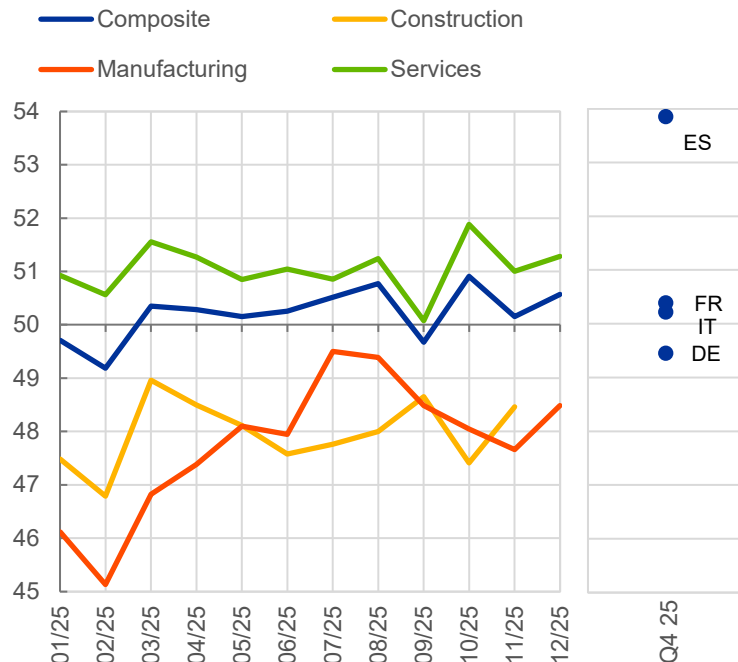
## Long-run elasticity of imports to GDP – rolling window estimate over 40 quarters (coefficient estimates)



Sources: Haver Analytics and ECB staff calculations.

Notes: Estimates, based on a rolling window over 40 quarters, of the long-run coefficient of an error correction model containing an index of domestic demand. The point estimate reported at date  $t$  corresponds to an estimation over the period from  $t-40$  to  $t$ . The latest observations are for the third quarter of 2025.

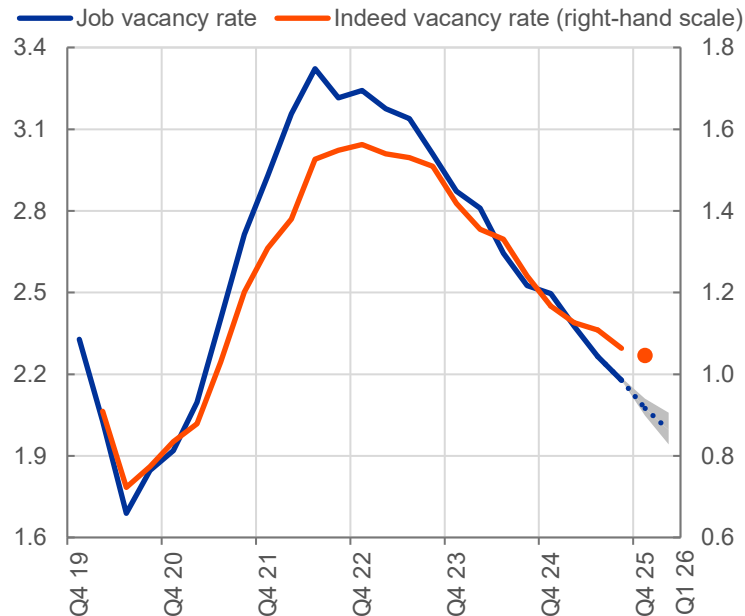
## PMI employment (diffusion index)



Source: S&P Global.

Notes: The latest observations for PMI employment by sector are for December 2025, except for construction (November 2025). The average values for the fourth quarter of 2025 are based on October, November and December 2025 releases for France and Germany, and October and November 2025 releases for Italy and Spain.

## Euro area job vacancy rate (vacancies per unemployed workers, percentage)



Sources: Eurostat, Indeed and NL Analytics.

Notes: The job vacancy rate (JVR) is projected for the fourth quarter of 2025 and the first quarter of 2026 (dashed line) using earnings calls data; the grey area is the 90% confidence interval of the forecasts. The red dot is based on October 2025 Indeed data and unemployment. The latest observations are for the third quarter of 2025 for the job vacancy rate and October 2025 for Indeed.



# Fiscal projections and impact of new defence and infrastructure spending

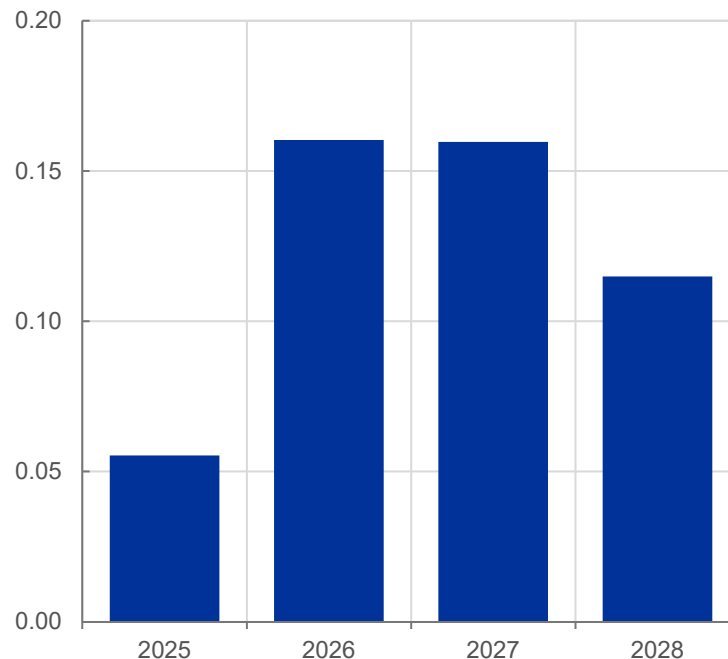
## December 2025 euro area fiscal projections

	December 2025 projections				Revisions since September 2025 projections		
	(percentage of GDP)				(percentage points)		
	2025	2026	2027	2028	2025	2026	2027
<b>Budget balance</b>	<b>-3.0</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-3.4</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
Interest expenditure	1.9	2.0	2.2	2.3	0.0	0.0	0.0
Primary balance	-1.1	-1.3	-1.3	-1.1	-0.1	-0.1	-0.1
<b>Gross debt</b>	<b>87.3</b>	<b>88.1</b>	<b>88.6</b>	<b>89.2</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.8</b>
Interest rate-growth differential	-1.3	-0.9	-0.9	-0.6	-0.2	-0.3	-0.2
Deficit-debt adjustment	0.8	0.3	0.1	0.1	0.2	-0.2	-0.1
<b>Fiscal stance (adjusted for NGEU)</b>	<b>0.1</b>	<b>-0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>
Discretionary fiscal policy measures	0.2	-0.2	0.0	0.1	0.0	0.0	-0.2

Source: December 2025 Eurosystem staff macroeconomic projections.

Note: While the December 2025 projections refer to the 21 euro area countries including Bulgaria, revisions are shown for consistency only for the 20 euro area countries (excluding Bulgaria).

## New defence and infrastructure spending: impact on real GDP growth (percentage points)

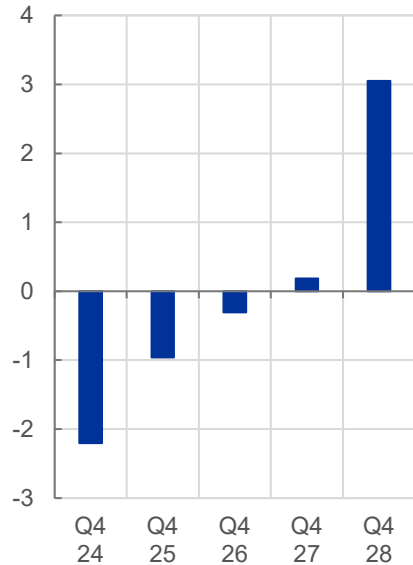


Source: December 2025 Eurosystem staff macroeconomic projections.

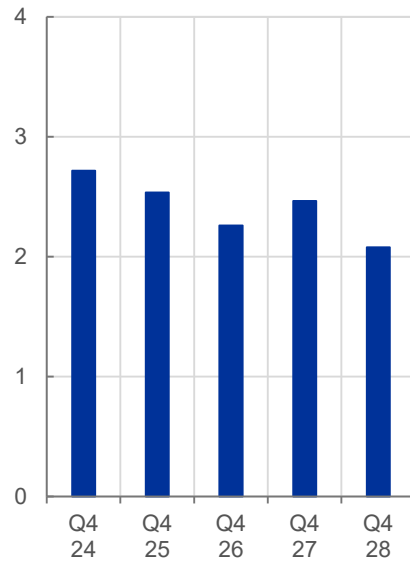
Notes: The "new" spending denotes national defence and infrastructure spending announced since mid-February 2025 (Munich Security Conference or March 2025 ECB staff macroeconomic projections for the euro area) and incorporated in the December 2025 baseline. The new infrastructure spending programmes refer mainly to Germany and Ireland.

# Inflation projections for main components

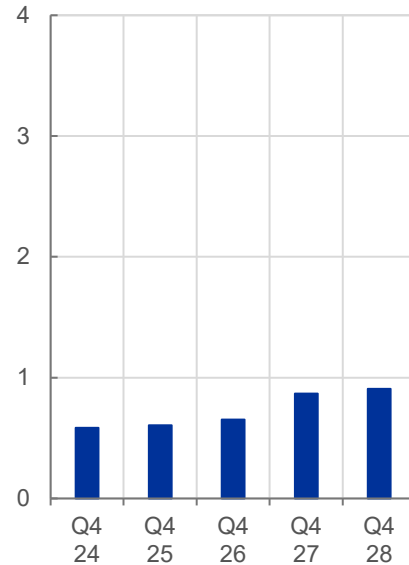
**Energy inflation**  
(annual percentage changes)



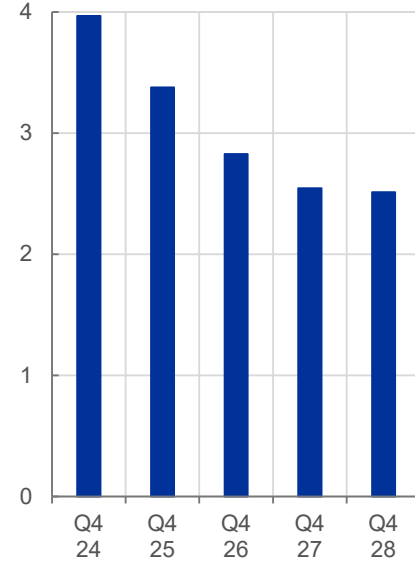
**Food inflation**  
(annual percentage changes)



**NEIG inflation**  
(annual percentage changes)



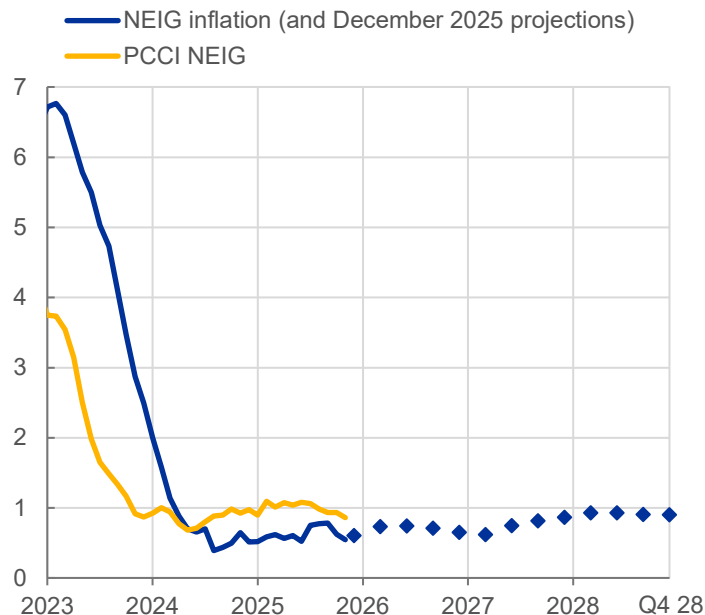
**Services inflation**  
(annual percentage changes)



Source: December 2025 Eurosystem staff macroeconomic projections.

Note: The latest observations are for the fourth quarter of 2024.

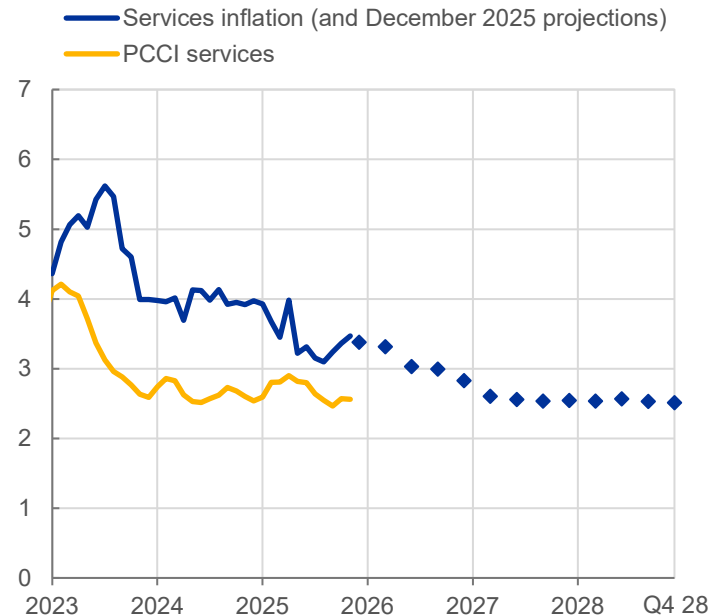
## Non-energy industrial goods inflation (annual percentage changes)



Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Notes: Series for realised values of non-energy industrial goods (NEIG) inflation and persistent and common component of inflation (PCCI) are monthly, while the diamonds represent the quarterly projections. The first diamond corresponds to the projection for the entire fourth quarter of 2025. The latest observations are for November 2025.

## Services inflation (annual percentage changes)



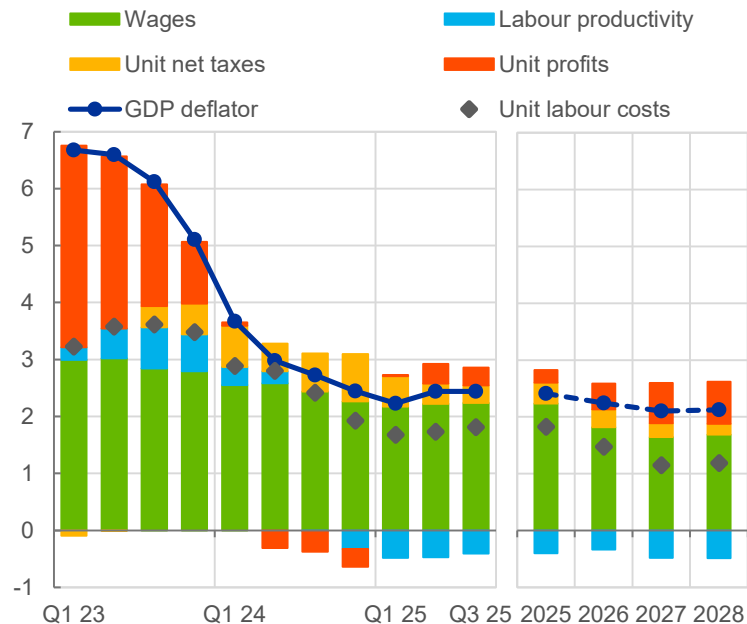
Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Notes: Series for realised values of services inflation and persistent and common component of inflation (PCCI) are monthly, while the diamonds represent the quarterly projections. The first diamond corresponds to the projection for the entire fourth quarter of 2025. The latest observations are for November 2025.

# Domestic cost pressures

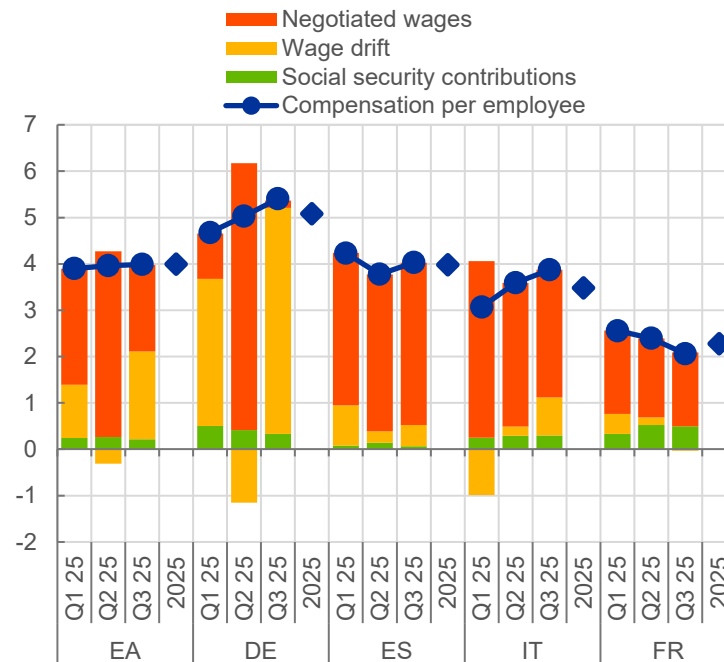
## GDP deflator and its forecast

(annual percentage changes; percentage point contributions)



## Compensation per employee and its main components in 2025

(annual percentage changes; percentage point contributions)



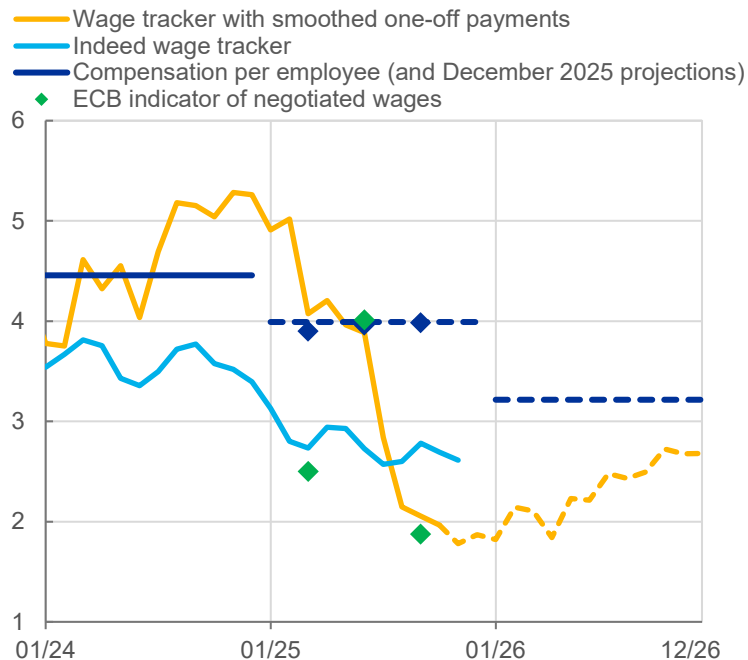
Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections for the euro area and ECB staff calculations.

Note: The latest observations are for the third quarter of 2025.

Sources: Eurostat, ECB indicator of negotiated wages, December 2025 Eurosystem staff macroeconomic projections for the euro area and ECB staff calculations.

Notes: The diamonds represent annual projections of compensation per employee growth for 2025. The latest observations are for the third quarter of 2025.

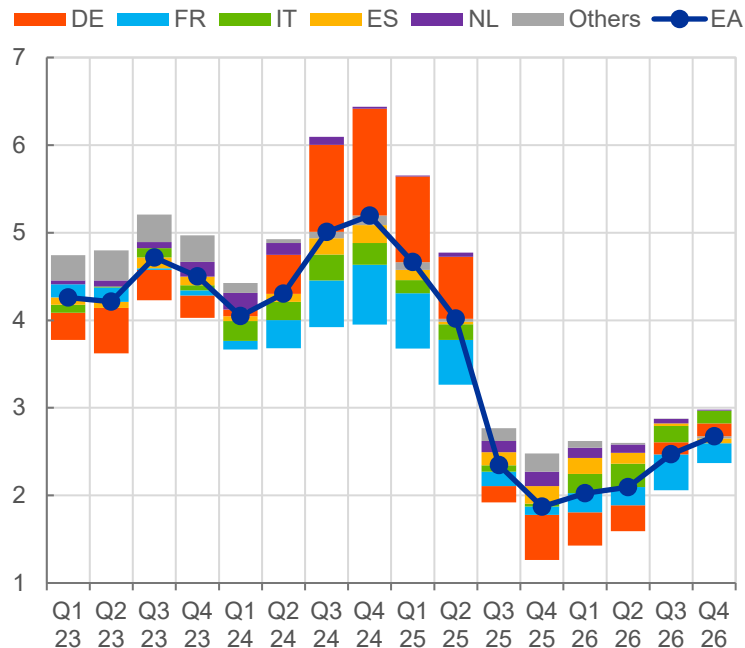
## Wage trackers and CPE growth (annual percentage changes)



Sources: ECB wage tracker, Eurostat, December 2025 Eurosystem staff macroeconomic projections for the euro area, Indeed.

Notes: Diamonds represent the quarterly series of negotiated wages and compensation per employee growth. Dashed lines represent annual projections for compensation per employee growth. The latest observations are for the third quarter of 2025 for negotiated wages and compensation per employee, November 2025 for Indeed and December 2026 for the ECB wage tracker.

## ECB wage tracker – country deviations (annual percentage changes; percentage point contributions)



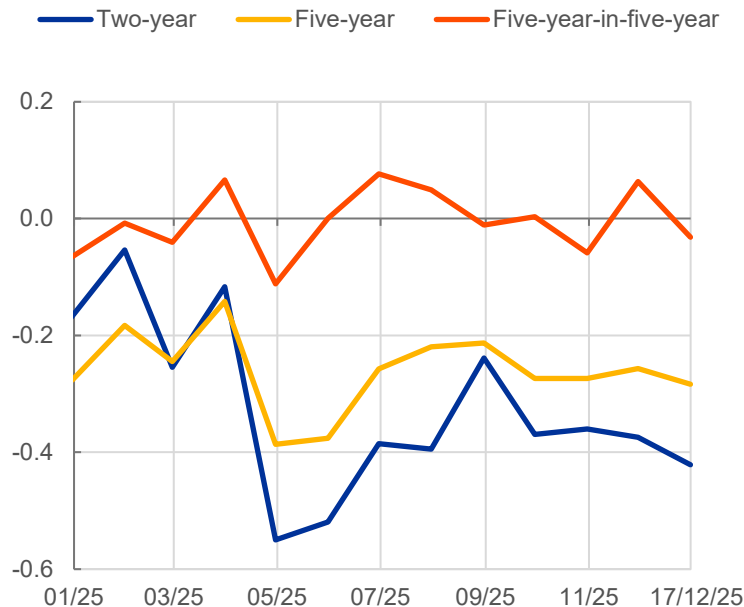
Sources: ECB wage tracker and December 2025 Eurosystem staff macroeconomic projections for the euro area.

Notes: Country deviations are calculated as the difference between each country's contribution to negotiated wage growth as measured in the wage tracker, and a counterfactual in which all countries would have the same wage tracker dynamics as in the euro area aggregate. The latest observations are for the fourth quarter of 2026.

# Measures of inflation expectations

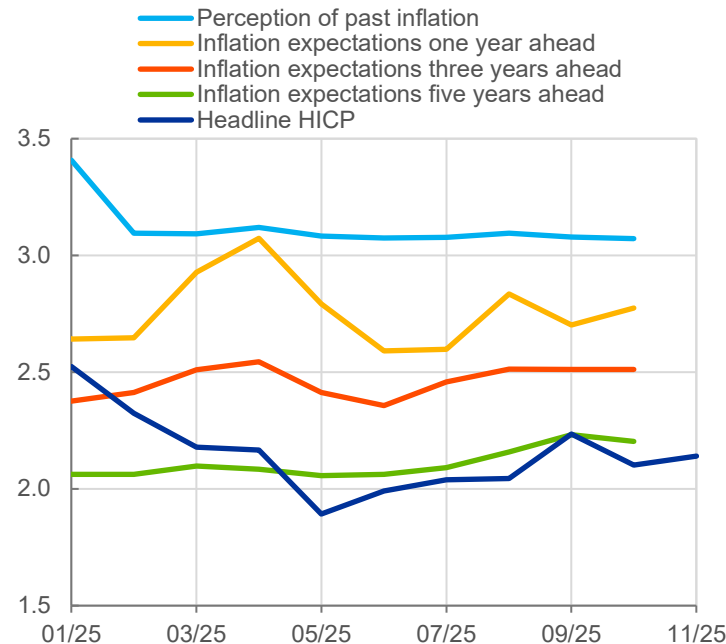
## BoR to euro area inflation

(1 = 100 percentage points)



## CES: Consumer inflation expectations

(annual percentage change)



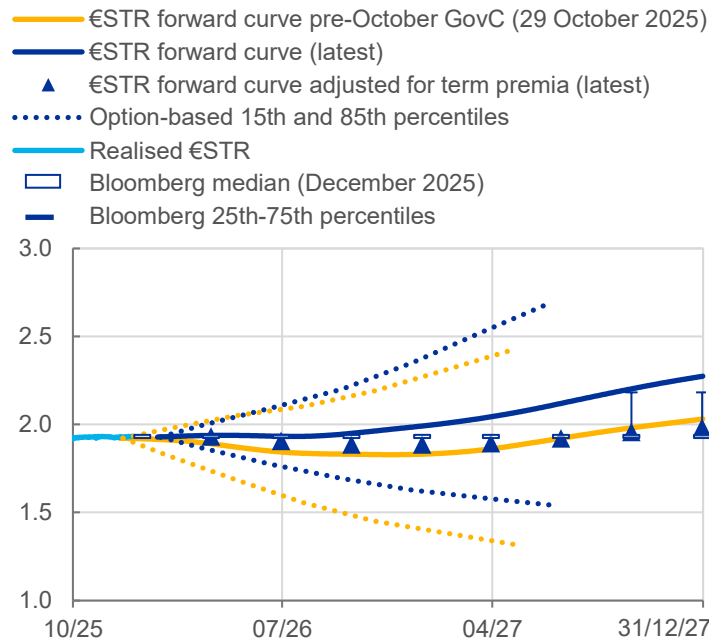
Sources: LSEG, Bloomberg, and ECB calculations.

Notes: The balance of risks (BoR) is defined as the difference between the options-implied risk-neutral probability of average inflation being above versus below 2% over the lifetime of the option contract (see Garcia et al., 2024). The latest observations are for 17 December 2025.

Sources: ECB Consumer Expectations Survey (CES) and ECB calculations.

Notes: Median perceptions/expectations for the CES using survey weights. The latest observations are for November 2025 for HICP and October 2025 for the remaining indicators.

## €STR forward curve and survey expectations of the deposit facility rate (percentages per annum)

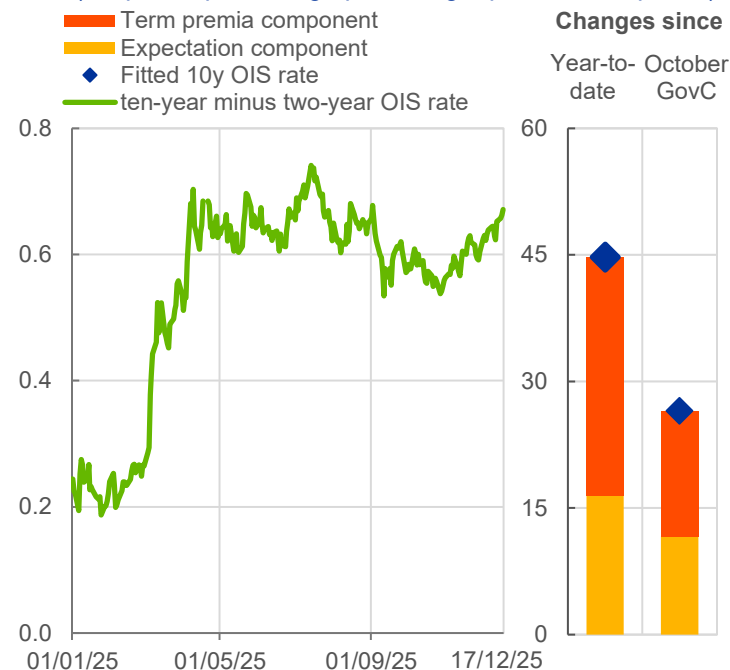


Sources: LSEG, Bloomberg and ECB calculations.

Notes: The bars depict the median of responses to the December Bloomberg survey on expectations of future deposit facility rates. Surveys are adjusted for an €STR versus deposit facility rate spread. The percentiles of risk-neutral densities are derived from three-month Euribor options. The premia-adjusted estimates are based on three term structure models (two variations of Joslin, Singleton and Zhu (2011), with and without survey information, and one following Geiger and Schupp (2018)). The range for the (nominal) neutral rate  $i^*$  reflects Eurosystem estimates. The latest observations are for 17 December 2025.

## Euro area OIS slope and ten-year decomposition into expectations and term premia

(left panel: percentage points; right panel: basis points)



Sources: LSEG, Bloomberg and ECB calculations.

Notes: The decomposition of the overnight index swap (OIS) rate into expected rates and term premia is based on three variations of Joslin, Singleton and Zhu (2011): an affine term structure model without survey information on interest rate expectations, and an affine and a lower bound term structure model both incorporating survey information on interest rate expectations. "October GovC" refers to the day before the October ECB Governing Council monetary policy meeting (29 October 2025). The latest observations are for 17 December 2025.



## Macro-finance financial conditions index (percentage points)



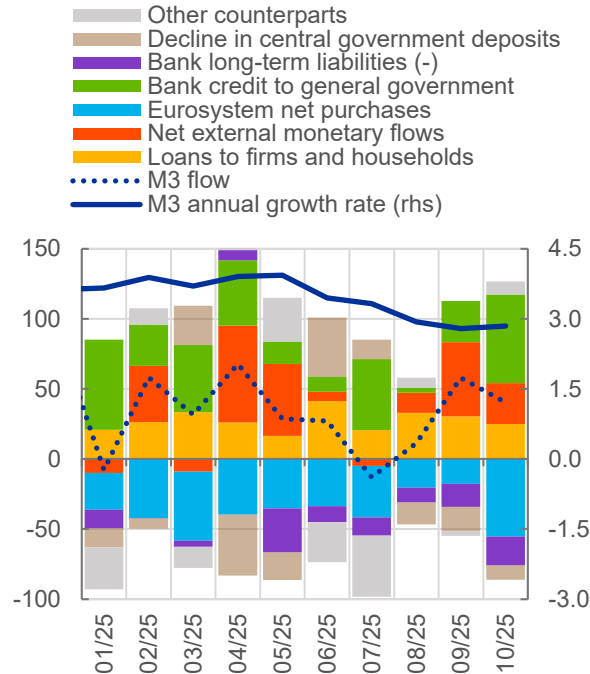
Sources: Bletzinger, Martorana and Mistak (2025, forthcoming), Bloomberg and LSEG.

Notes: The Macro-finance FCI is shown in deviation from its long-run mean – the value the FCI converges to as inflation returns to target and the output gap closes. The vertical line refers to 29 October 2025. The latest observations are for 17 December 2025.

# Money creation and debt financing

## Sources of money creation

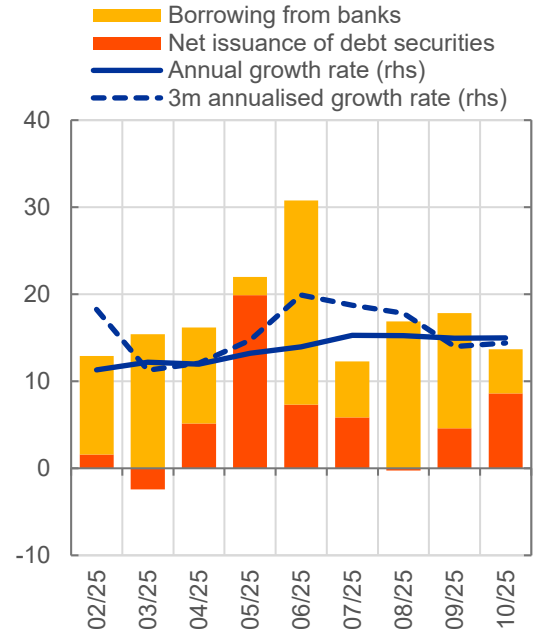
(left-hand scale: monthly flows in EUR billion, right-hand scale: annual percentage changes)



Sources: ECB (BSI) and ECB calculations.  
Note: The latest observations are for October 2025.

## Net debt financing flows of euro area firms

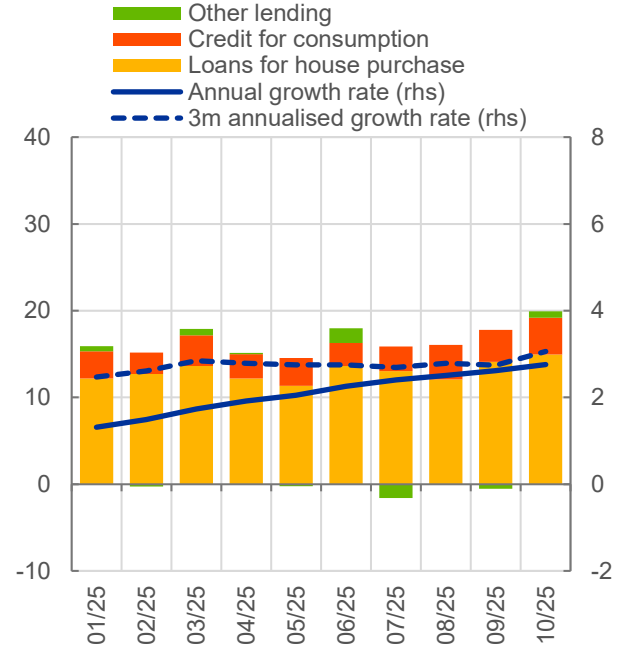
(left-hand scale: monthly flows in EUR billion, right-hand scale: annual percentage changes)



Sources: ECB (BSI, CSEC) and ECB calculations.  
Notes: The seasonal adjustment for "Net issuance of debt securities" is not official, whereas the seasonal adjustment for "Borrowing from banks" is official. In addition, "Borrowing from banks" is also adjusted for sales, securitisation and cash pooling. The latest observations are for October 2025.

## Bank loans to households by purpose

(left-hand scale: monthly flows in EUR billion, right-hand scale: annual percentage changes)

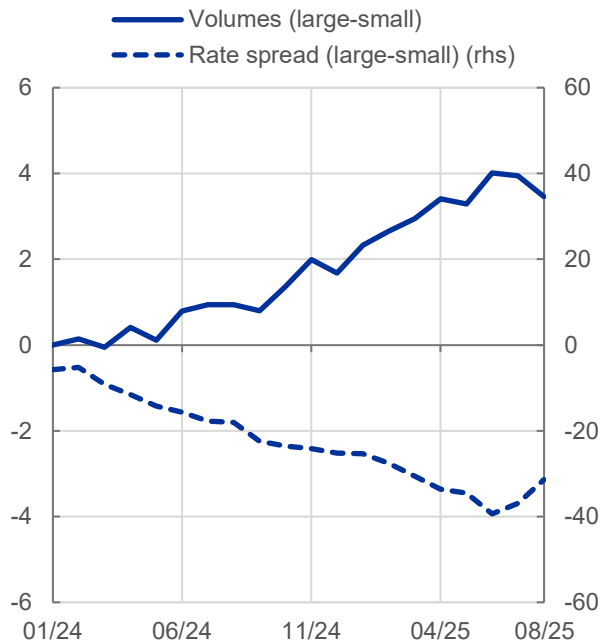


Sources: ECB (BSI) and ECB calculations.  
Notes: Bank loans are seasonally adjusted and adjusted for sales and securitisation. The latest observations are for October 2025.

# Bank lending and securities held

## Loan volumes and interest rates for large relative to small firms

(left-hand scale: index = 0 in January 2024, right-hand scale: basis points)

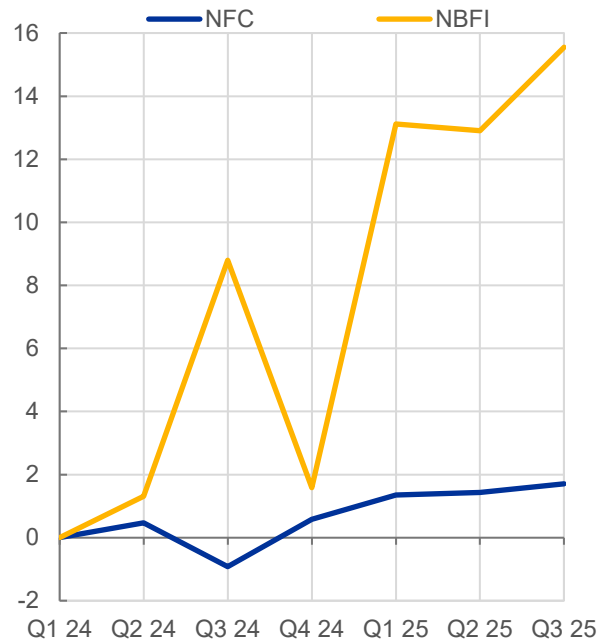


Sources: ECB (AnaCredit) and ECB calculations.

Notes: The spread is computed as the difference between the average lending rate of loans for large firms and the average rate for small firms. The latest observations are for August 2025.

## Bank lending to NBFIs since Q1 2024

(growth rate since Q1 2024)

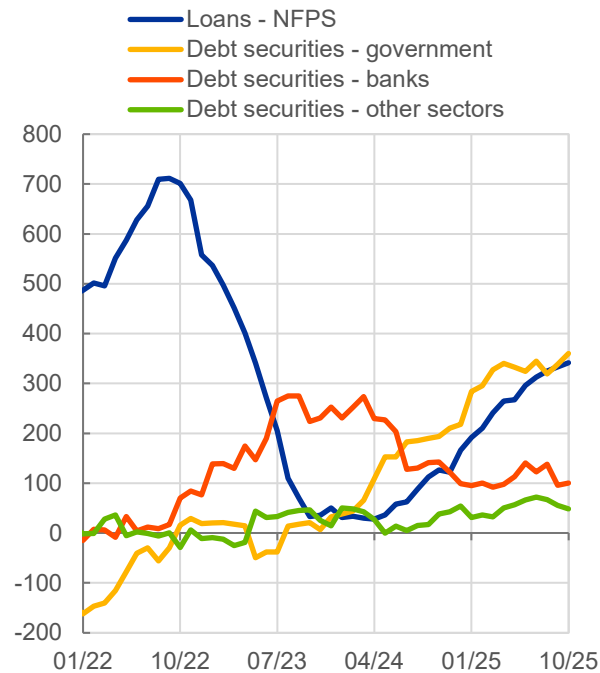


Sources: ECB (Supervisory Reporting) and ECB calculations.

Notes: The chart takes as reference point Q1 2024, i.e. the quarter prior to the start of the easing cycle in June 2024. The sample consists of a balanced sample of significant institutions reporting under IFRS. The latest observations are for the third quarter of 2025 (Supervisory Reporting).

## Loans granted and securities held by euro area banks

(12-month flows in EUR bn)



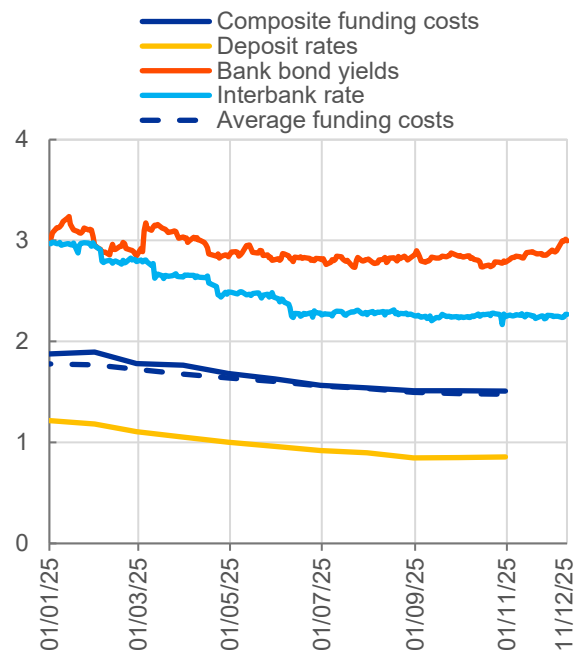
Sources: ECB (BSI) and ECB calculations.

Notes: 12-months net flows into loans and securities by euro area banks. Bank loans to firms are adjusted for sales, securitisation and cash pooling. The latest observations are for October 2025.

# Bank funding costs and lending rates for firms and households

## Bank funding costs

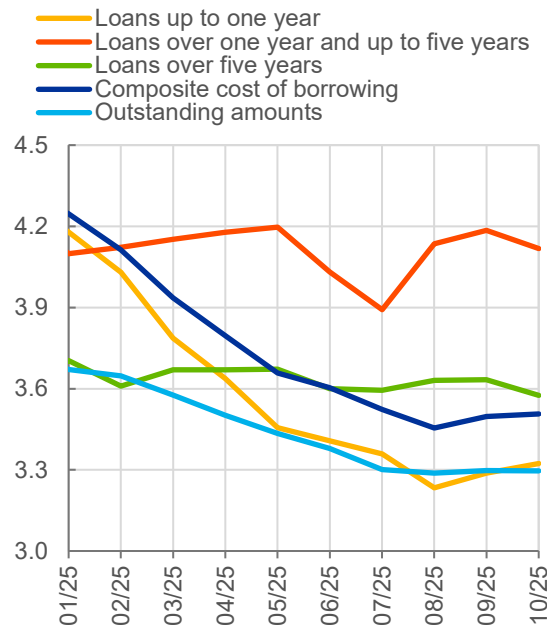
(percentages per annum)



Sources: ECB (BSI, MIR, CSDB, MMSR), IHS Markit iBoxx and ECB calculations. Notes: Marginal funding costs are computed by weighing rates on new business costs of each component (overnight deposits, deposits redeemable at notice, time deposits, bonds and interbank borrowing) by outstanding amounts. The latest observations are for October 2025 for monthly data and 11 December 2025 for daily data.

## Bank lending rates to firms

(percentages per annum)

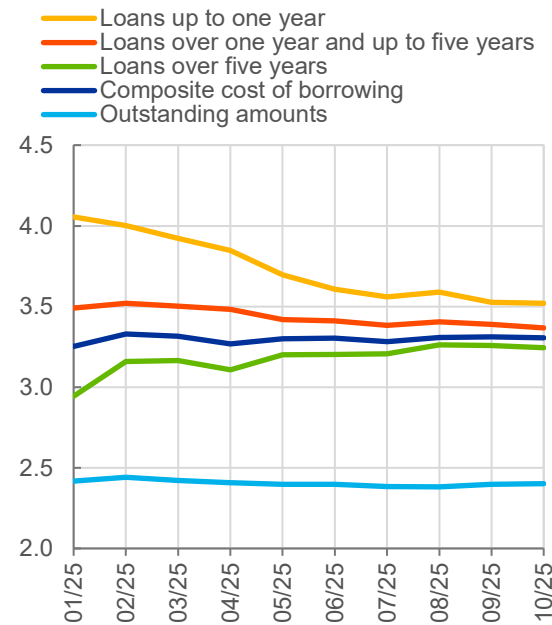


Source: ECB (MIR).

Notes: The indicator for the composite cost of borrowing is calculated by aggregating short-term and long-term rates using a 24-month moving average of new business volumes. The latest observations are for October 2025.

## Bank lending rates to households

(percentages per annum)



Source: ECB (MIR).

Notes: The indicator for the composite cost of borrowing is calculated by aggregating short-term and long-term rates using a 24-month moving average of new business volumes. The latest observations are for October 2025.