



Financial reporting of European banks

Credit risk resilience in European banks amid uncertain conditions
A focus on Expected Credit Losses

Based on 2025 annual reports provided by European banks before 1 April 2026

forv/s
mazars



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1. Executive summary

As of year-end (YE) 2025, while the macroeconomic environment remains uncertain, the analysis of major European banks does not show a generalised deterioration in credit risk. On average, key credit risk indicators, including coverage ratios and management overlays, continued to decline, with both levels and dispersion appearing more limited compared to previous editions. The most notable events from YE 2025 are:

- An increase of gross carrying exposures by 3.0% between YE 2024 and YE 2025 focused on Stage 1 exposures, combined with a decrease of ECL allowances on the balance sheet (-1.9%).
- As a consequence of this balance sheet dynamic, a lower average amortised cost loan coverage ratio compared to 2024 (1.20% in YE 2025 vs 1.26% in YE 2024) and 2019 (1.57% in YE 2019), mainly driven by Stage 1, while Stage 2 and Stage 3 coverage ratios increased slightly.
- A weight of post-model adjustments and overlays in ECL charge or release and in the balance sheet, that has continued to decrease since YE 2021 (9% of the loss allowances in YE 2025 vs 10% in YE 2024 and 12% in YE 2023).

14%

change in average ECL charge or profit YE 2025 vs YE 2024

(-8% YE 2024 vs YE 2023)

9%

weight of cumulative overlays in AC loans ECL allowance YE 2025

(10% YE 2024)

13%

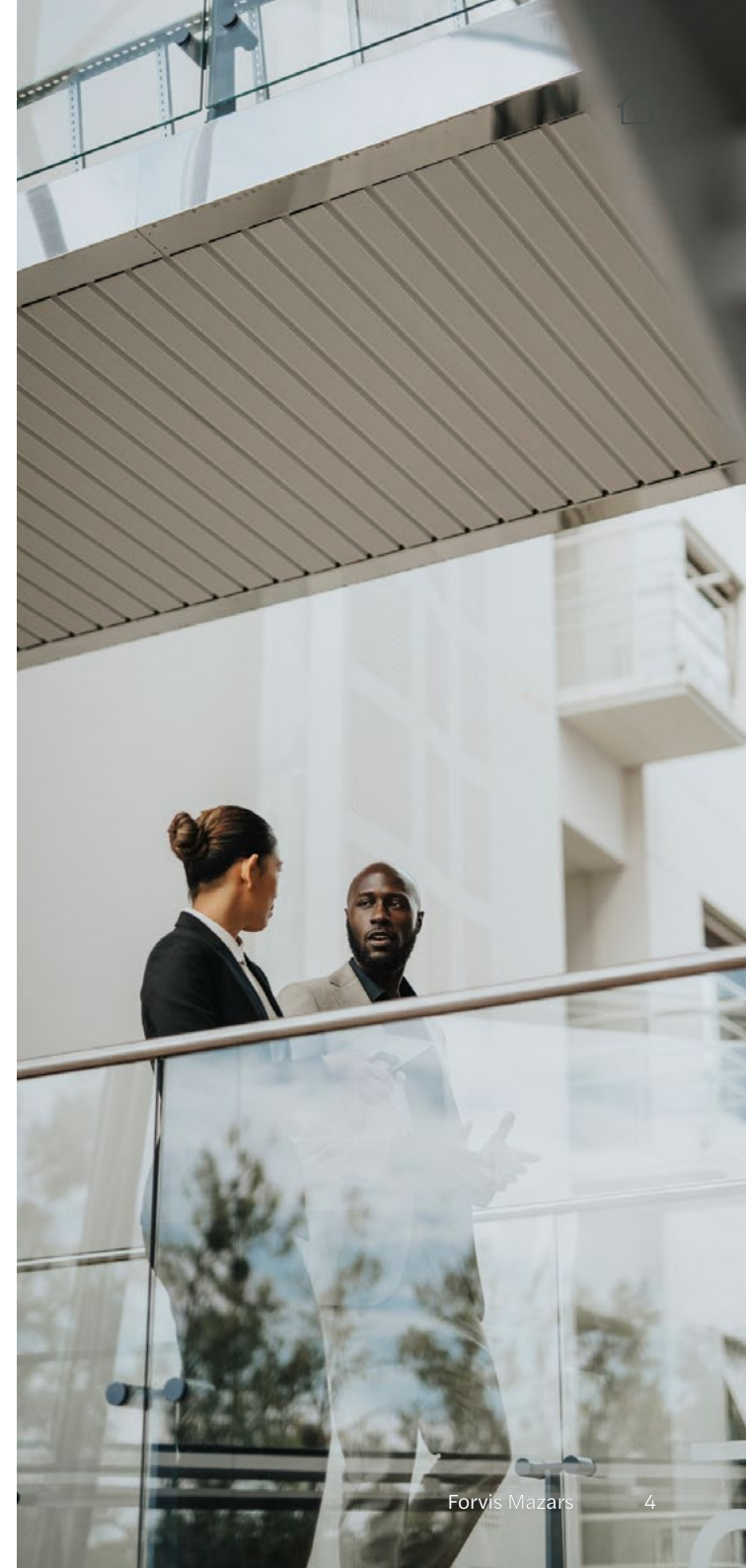
average share of ECL charge in operating profit or loss before ECL in YE 2025

(12% in YE 2024)

21%

average weight of change in the post-model adjustments in the ECL P&L impact in YE 2025

(27% in YE 2024 and 18% in YE 2023)



2. Sample and methodology




2. Sample and methodology



This study is based on information disclosed in the annual reports of participating banks, without taking into account any press releases, investor-oriented presentations or similar publications.

Each bank is represented by an alphanumeric code composed of two letters (for example, FR for France) and a number. When the sample presents only one bank in a country, to keep it anonymous, the country code is “O” for other countries.

To increase comparability, we have chosen relevant indicators disclosed by a majority of the banks in the sample. Therefore, when a bank does not appear in a graph, it means they did not disclose data relevant to that graph. Some figures presented, such as the ECL coverage ratio, have been calculated using input data from the annual reports. The detailed methodology for producing such figures is explained below each graph.

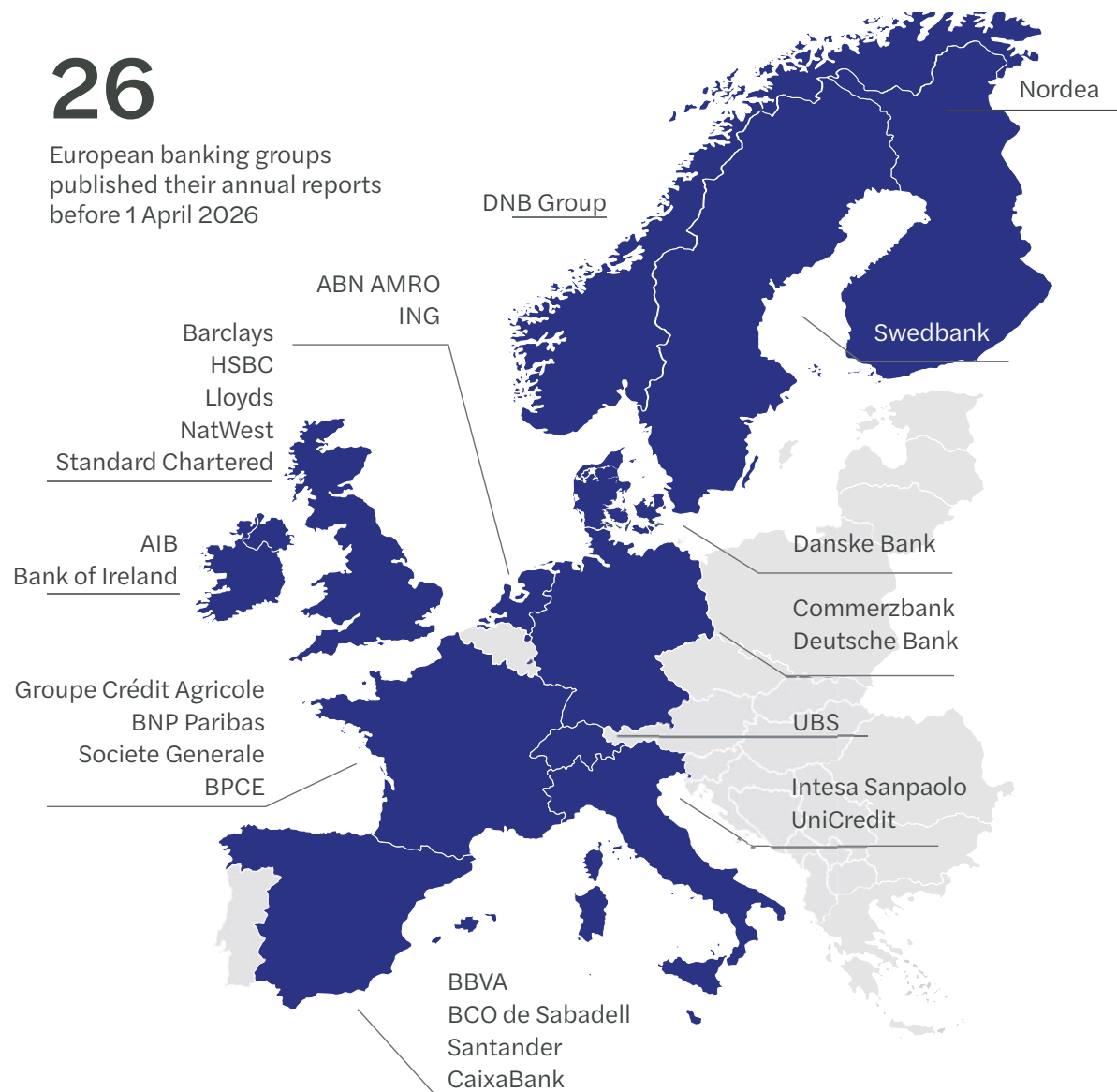
 **The graphs using figures that required specific calculations are indicated with the “magnifying glass” icon, as seen on the left.**

Please note that comparisons should be treated with some care, as information provided by banks does not always follow the same instrumental scope. In some cases, assumptions were made to increase the comparability of the data.

The comparison of quantitative findings should be examined with caution due to the differing natures and risk profiles of bank portfolios. Often, more granular additional information (e.g., by geographical area or by type of loan) would be necessary to fully understand the differences between the results of each bank.

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European banking groups published their annual reports before 1 April 2026



3. Key findings



3.1. Impact of the YE 2025 ECL charge on profit or loss and ECL allowance



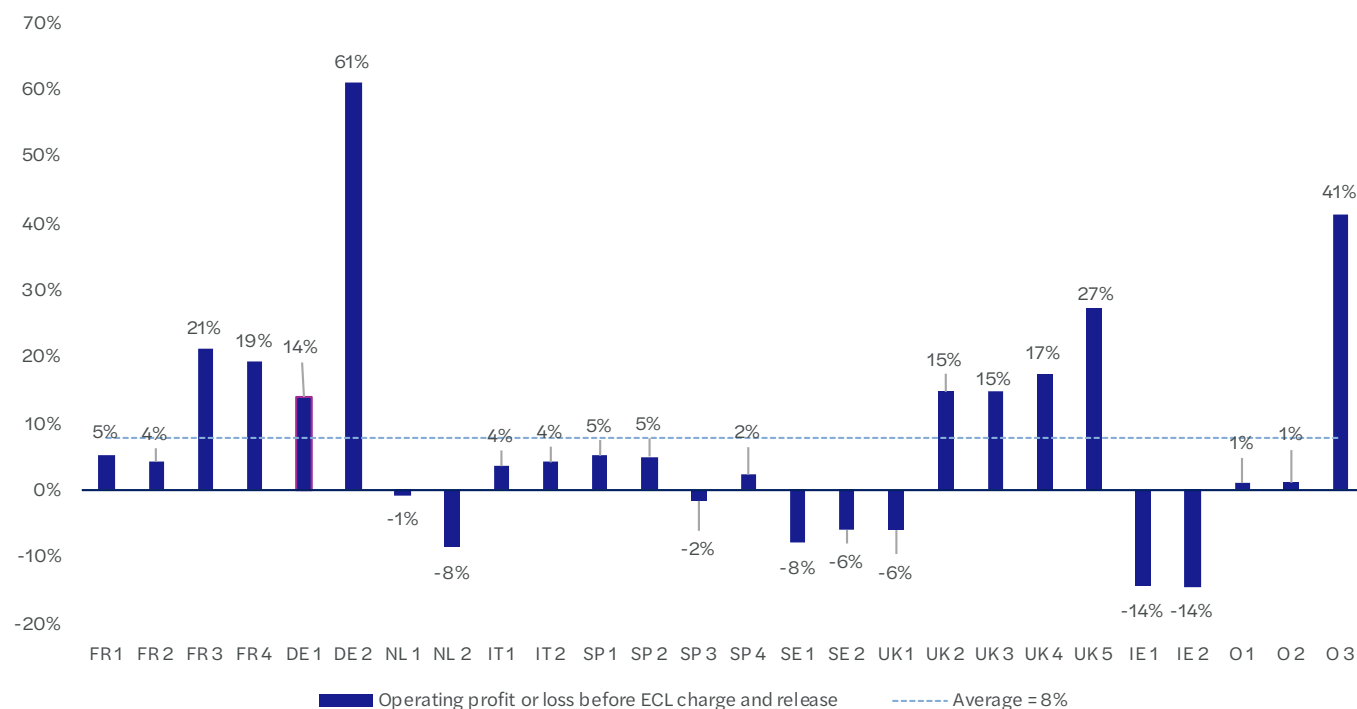
3. Key findings



3.1. Impact of the YE 2025 ECL charge on profit or loss and ECL allowance

3.1.1 Change in operating profit or loss before ECL charge or release

Graph 1: Change in operating profit or loss before ECL charge and release, in % (var YE 2025 vs YE 2024)



Insights

- 18 banks in the sample experienced positive growth in their operating profit or loss before the ECL charge.
- 8 banks experienced a decrease in their operating profit or loss before the ECL charge, but operating profit or loss remained positive for all banks.
- Overall, the growth in operating profit or loss has slowed compared to YE 2024, when 20 banks saw their operating profit or loss rise, and the average increase stood at 20% (vs 8% in YE 2025).

The “operating profit or loss before ECL charge and release” indicator has been computed with data available in the income statements of the banks in our sample. It includes salaries and other operating expenses, amortisation, depreciation or impairment charges for tangible and intangible non-financial assets (if any). It excludes “non-operating” income or expenses such as share in the income of associates and joint ventures, profit from disposal of non-financial assets and the ECL charge for the period. Given the diversity in the presentation of different lines in the income statement by European banks, this indicator should be seen as a **broad measure of revenue net of most operating expenses**, rather than a universal measure of net profitability before impairment (we cannot guarantee that the scope of this indicator is the same in all the banks in the sample).

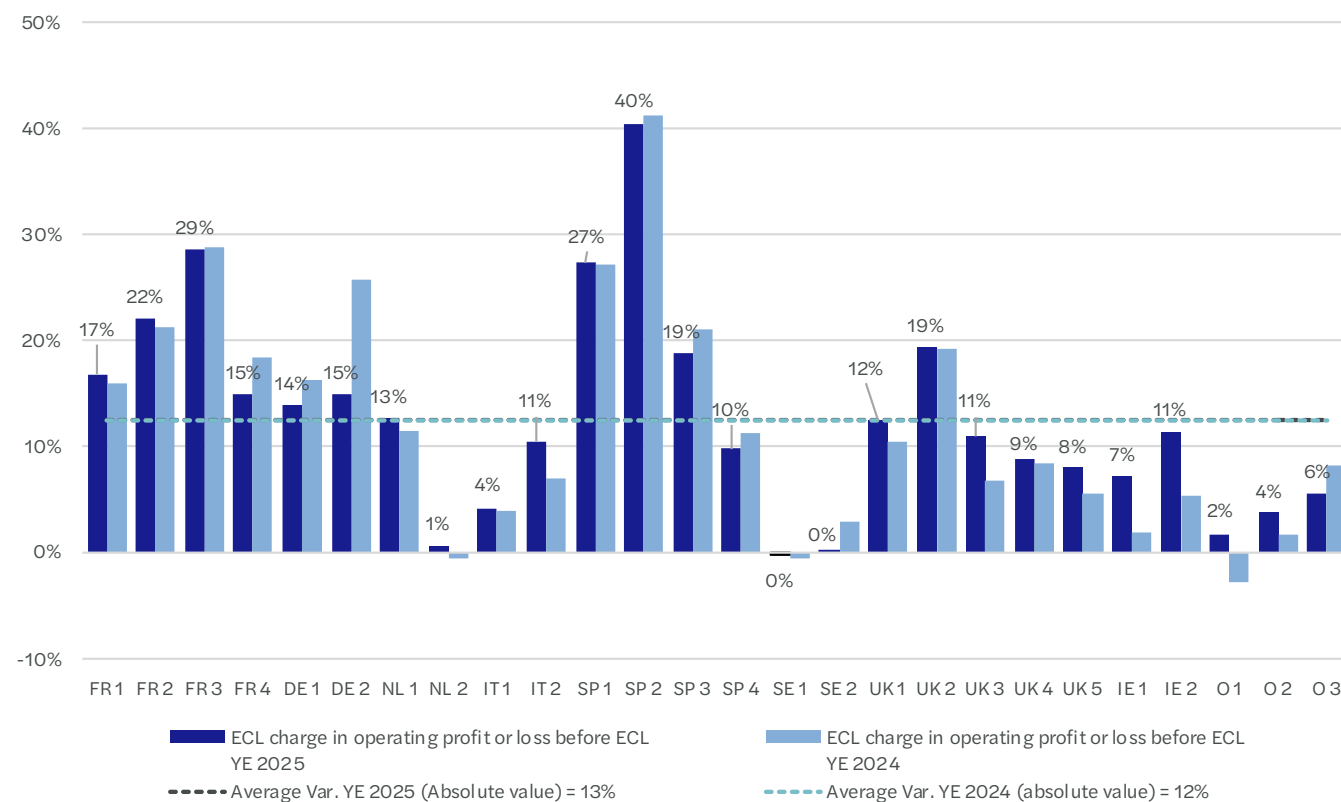
3. Key findings



3.1. Impact of the YE 2025 ECL charge on profit or loss and ECL allowance

3.1.2 Share of ECL charge in operating profit or loss before ECL

Graph 2: ECL charge as a percentage of operating profit or loss before ECL



Insights

- The average ratio of the ECL charge to operating profit or loss before the ECL charge is 13% in YE 2025 (vs 12% in YE 2024).
- In YE 2025, the median amounted to 11% (9% in YE 2024) with a range from 0% to 40%.
- In YE 2025, all banks in the sample, except SE 1, had a net ECL charge in operating profit or loss before ECL. In YE 2024, all banks in the sample except NL 2, SE 1 and O 1 had a net ECL charge.

See section 3.1.1 for an explanation of how we calculated operating profit or loss before the ECL charge, the denominator of the ratio presented here.

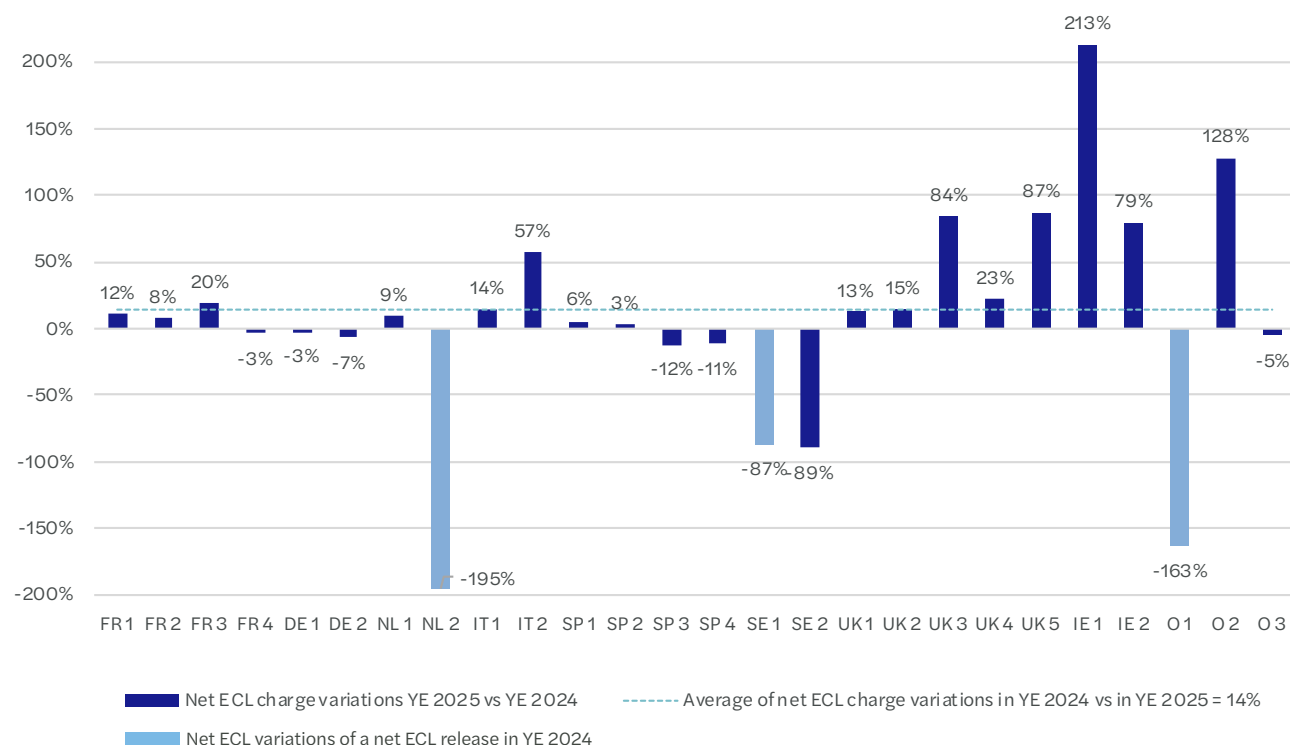
3. Key findings



3.1. Impact of the YE 2025 ECL charge on profit or loss and ECL allowance

3.1.3 Changes in ECL charge/release

Graph 3: Changes in ECL charge and release Var. YE 2025 vs YE 2024



Insights

- Positive percentage values indicate an increase in the net ECL charge in YE 2025 compared to YE 2024.
- A decrease of more than 100% normally indicates a reversal in the recognition or release of provisions for ECL compared to the previous year. As NL 2 and O 1 were in a situation of a net ECL release in YE 2024, they are now in a situation of a net ECL charge in YE 2025.
- SE 1 was also in a situation of a net ECL release in YE 2024. The value of -87% means that there is still an ECL release in YE 2025, though for a lower amount.
- In YE 2025, the sample is relatively balanced between banks that have seen an increase in their ECL charge (16 banks) and those that have seen a decrease (10 banks).
- The average change in ECL results in an increase of 14%, but the situations of EU banks are fairly diverse. This average is noticeably driven by higher increases observed among UK and Irish banks.

Note: the data above should be interpreted with some caution. We have used data available in the profit or loss statements, as banks often isolate the ECL/financial instruments' impairment charge within a single line of P&L. However, at least one bank in our sample has included part of the ECL charge relating to off-balance sheet commitments within another line of P&L that we include in the charge for YE 2025 and YE 2024. At least two other banks have included in their ECL charge factors that do not stem directly from the IFRS 9 ECL models, such as a fair value credit risk adjustment in loans at fair value.

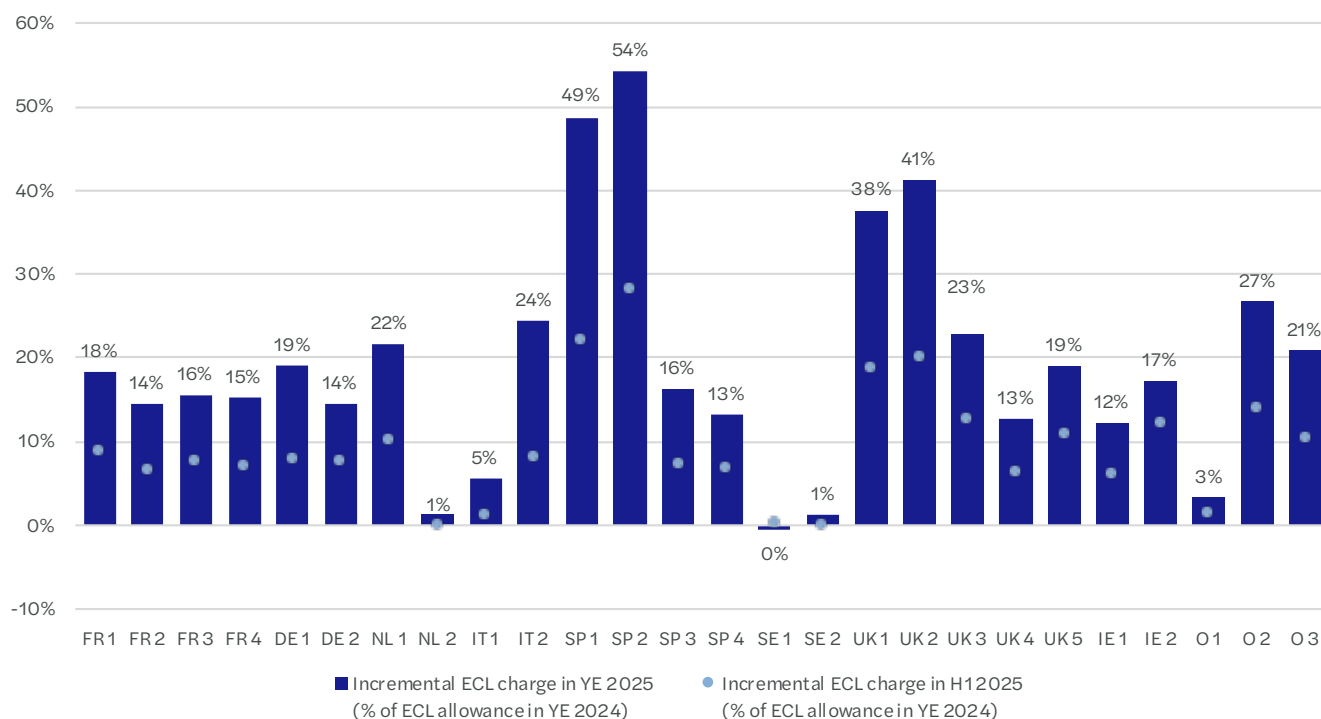
3. Key findings



3.1. Impact of the YE 2025 ECL charge on profit or loss and ECL allowance

3.1.4 Incremental ECL (% of ECL allowances)

Graph 4: Incremental ECL (charge at YE 2025 expressed as a % of ECL allowance at YE 2024 charge at H1 2025 expressed as a % of ECL allowance at YE 2024)



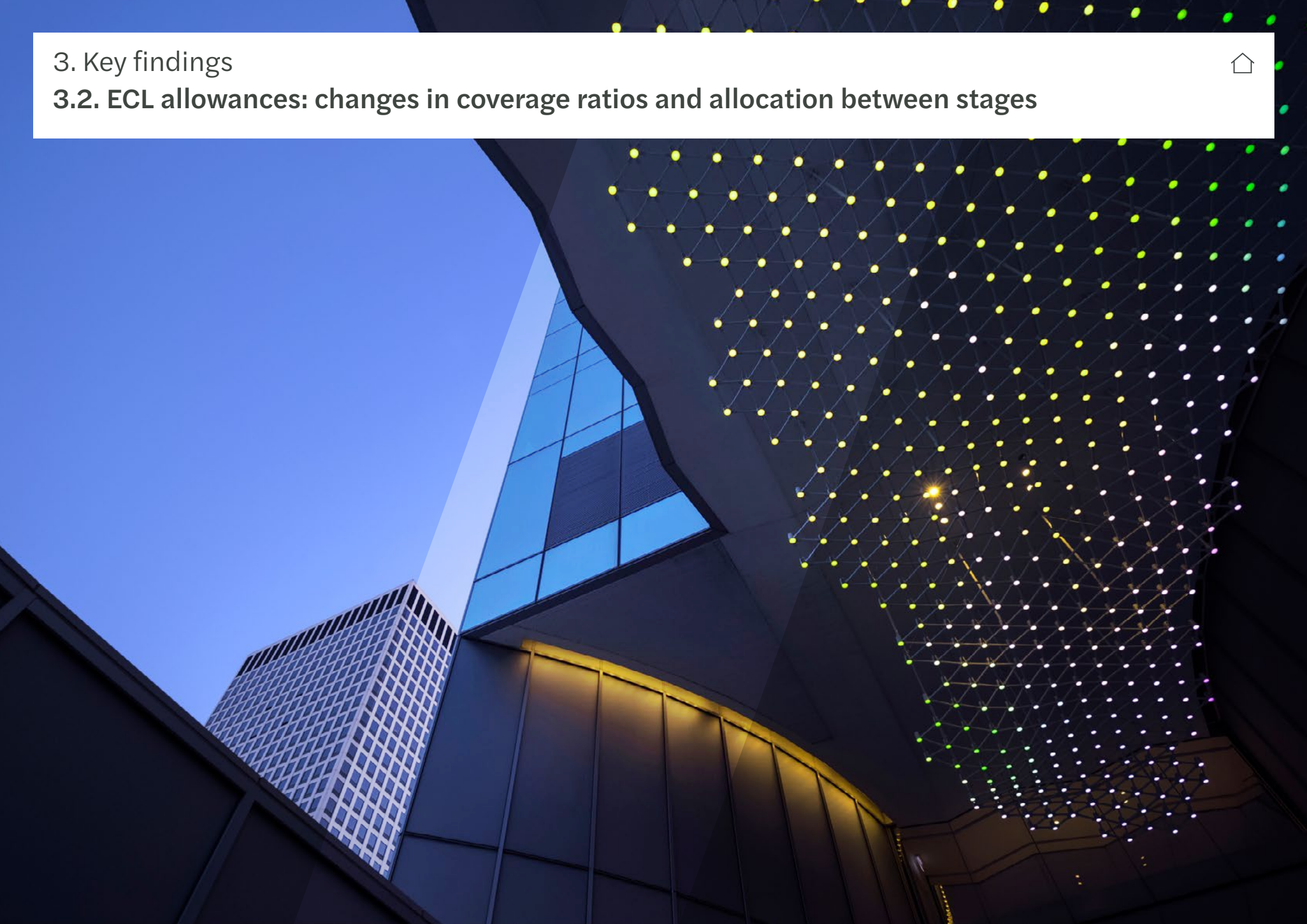
Insights

- The range of incremental ECL allowances remains broadly in line with YE 2024, extending from 0% to 54%, compared to a range of -5% to 53% in YE 2024. Based on the relative size of the ECL charge in YE 2025 compared to the ECL allowance in YE 2024, three main groups emerge:
 - Banks with an incremental charge of 5% or less (5 banks);
 - Banks with an incremental charge of 30% or more (4 banks, in Spain and the UK);
 - The remainder of the sample, with ratios ranging between 12% and 27%.
- Overall, we report a continuation of the trend observed since YE 2023, with a more balanced distribution of the ECL charge throughout the year.

Note: This graph presents the IFRS 9 ECL losses and ECL allowances concerning assets at amortised cost, assets at FV-OCI and off-balance sheet commitments and guarantees. A negative incremental ECL indicates a net ECL profit in YE 2025.

3. Key findings

3.2. ECL allowances: changes in coverage ratios and allocation between stages



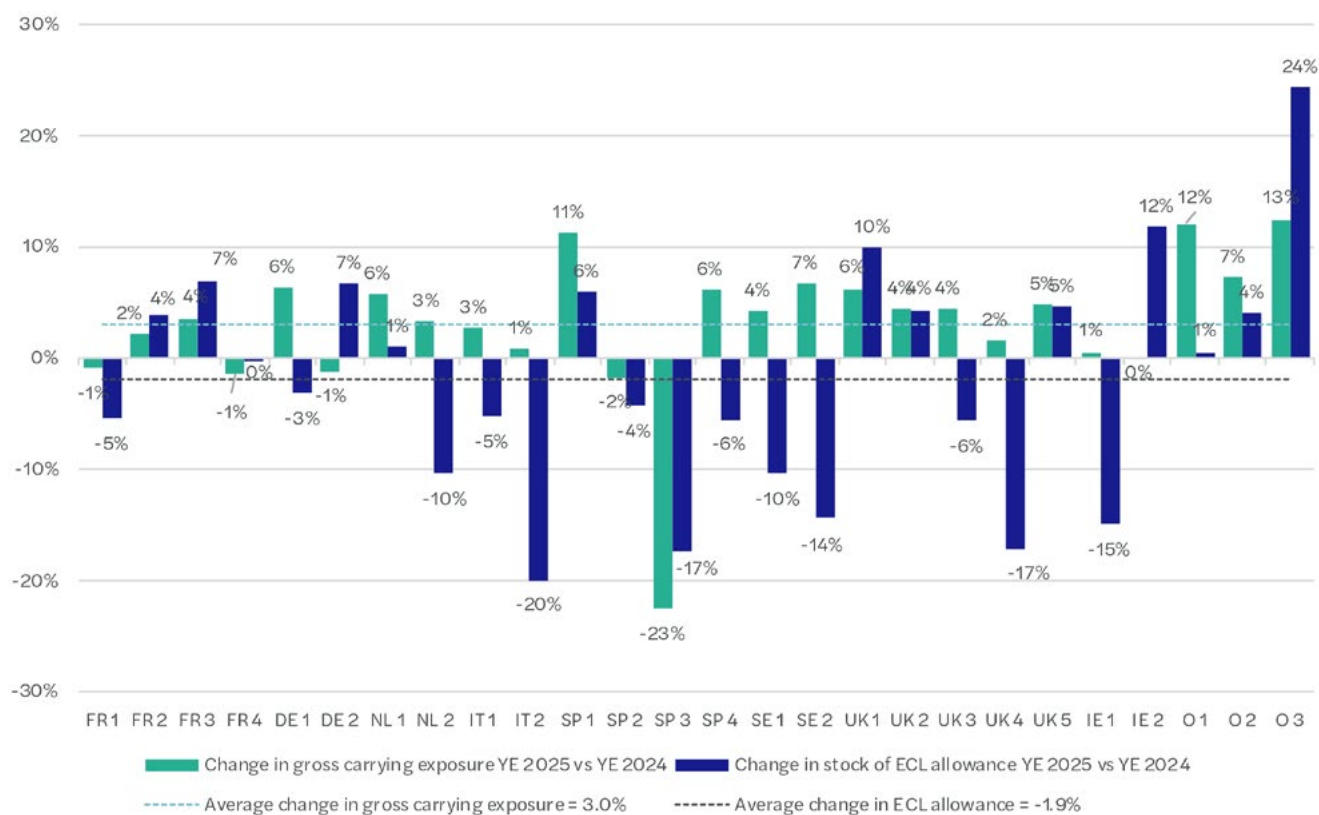
3. Key findings



3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.1 AC loans: changes in gross credit exposure (GCE) and in ECL allowance

Graph 5: Changes in gross credit exposure of AC loans and in ECL allowance in YE 2025 compared to YE 2024



Note: the definition of the (gross) exposure is not always provided and may differ from the definition of a “gross carrying amount” compliant with IFRS 9, which is intended to reflect the approximate notional amount before impairment (e.g., fair value may be included rather than the gross carrying amount for assets measured at FV-OCI with recycling to P&L). The figures in Graph 5 offer an approximation of the changes in the volumes of AC loans subject to the IFRS 9 impairment model.

Insights

- Globally gross credit exposures slightly increased on average (+3.0%), but within quite a large range (from -23% to +13%.) ECL allowances show a different trend, as they decreased by -1.9% with a wider range (from -20% to +24%).
- The sample is fairly evenly split between banks that have increased their ECL allowances (14) and those that have reduced them (12).
- Overall, the simultaneous increase in GCE and decrease in ECL allowances mainly reflects a higher volume of exposures originated in or transferred to Stage 1 compared to YE 2024. These exposures carry lower ECL allowances, thereby reducing the overall level of provisions (see also Graph 9.1).
- Situations where banks have both a net ECL charge in YE 2025 and a decrease in their ECL allowance on the balance sheet can be explained by write-offs and disposals of loans that are generally heavily-impaired exposures. For example, this is the case for IE 1.
- The significant changes observed in SP 3 mainly reflect the reclassification of a portion of AC loans as assets “held for sale” under IFRS 5, which are presented separately on the balance sheet.
- For O 3, the faster growth in ECL allowances relative to GCE mainly reflects higher Stage 3 provisions, driven by the post-acquisition reassessment and alignment of portfolios under O 3’s credit risk framework.

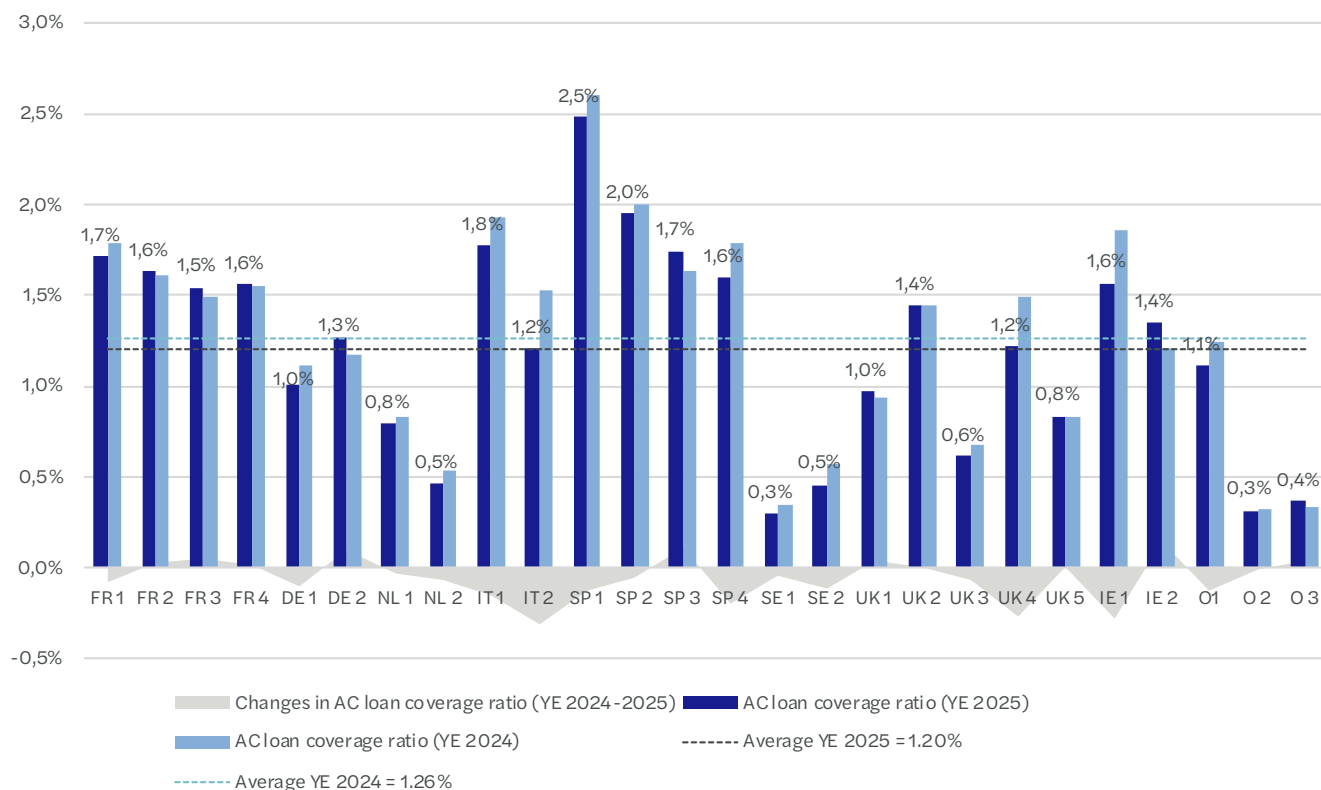
3. Key findings



3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.2 ECL coverage ratios of AC loans (YE 2025 vs YE 2024)

Graph 6.1: AC loans coverage ratio YE 2025 vs. YE 2024



Insights

- The average ECL coverage ratio of AC loans is 1.20% in YE 2025 (vs 1.26% in YE 2024).
- Most banks (18) show a decrease in their coverage ratio.
- We continue to observe significant diversity in the levels of the global ECL coverage ratio, though the gap has been continuously narrowing since YE 2020 (between 0.3% and 2.5% in YE 2025 compared to 0.3% to 4.2% in YE 2020).
- As for YE 2024, there is a fair amount of consistency in each country. French banks are above the average with similar ratios. Spanish banks also stand above the average, but with slightly higher and wider coverage ratios. Dutch and Swedish banks are significantly below the average, with consistent ratios within each of these countries.
- UK banks stand apart, as they are split into two groups, one of them being UK 1, UK 3, and UK 5, which are below the average with a coverage ratio of around 0.8%, and the other one being composed of UK 2 and UK 4, which are above the average.

Note: Loans at amortised cost encompass the loans granted to banks and public/retail customers that are accounted for at amortised cost (AC); we computed the ECL coverage ratio of AC loans for each bank by dividing the ECL allowance of AC loans by the gross credit exposure of AC loans only. We have tried to be as consistent as possible given the information disclosed. Several banks do not disclose enough information to enable the calculation of this ratio. The comparison of quantitative findings should be examined with caution due to the differing natures and risk profiles of bank portfolios. Often, more granular additional information (e.g., by geographical area or by type of loan) would be necessary to fully understand the differences between the results of each bank.

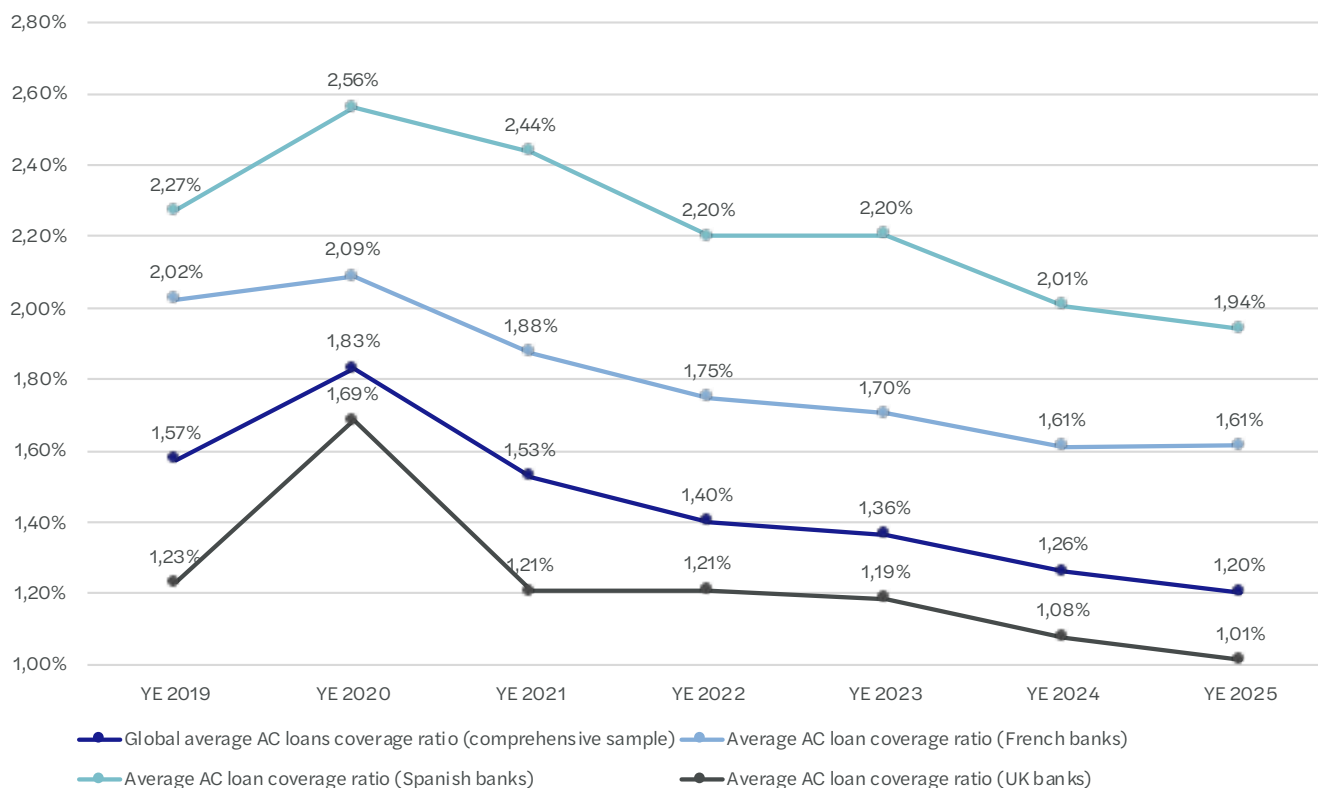
3. Key findings



3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.3 ECL coverage ratios of AC loans changes since YE 2019

Graph 6.2: AC loans coverage ratio changes YE 2019 - YE 2025



Insights

- We have considered the changes in ECL coverage ratios for French, Spanish and UK banks as they are the most represented countries in the panel (13 banks.)
- All banks globally show a similar trend with an increase in 2020 followed by a decrease starting from 2021. All banks are now below their pre-Covid level, although to different degrees depending on the countries.
- If we compare the situation in YE 2025 to the situation in YE 2019, we note that the global average ECL coverage ratio of AC loans for all banks has decreased from 1.57% to 1.20%.
- This reduction was more marked for French banks, whose average coverage ratio fell from 2.02% to 1.61%, showing a coverage ratio 41 bp lower than in 2019 (compared with 33 bp for Spanish banks and 22 bp for UK banks.) However, the French average coverage ratio still remains 41 bp above the sample average.

Note: Loans at amortised cost encompass the loans granted to banks and public/retail customers that are accounted for at amortised cost. We computed the ECL coverage ratio of AC loans for each bank by dividing the ECL allowance of AC loans by the gross credit exposure of AC loans only. We have tried to be as consistent as possible given the information disclosed. Several banks do not disclose enough information to enable the calculation of this ratio. The comparison of quantitative findings should be examined with caution due to the differing natures and risk profiles of bank portfolios. Often, more granular additional information (e.g. by geographical area or by type of loan) would be necessary to fully understand the differences between the results of each bank.

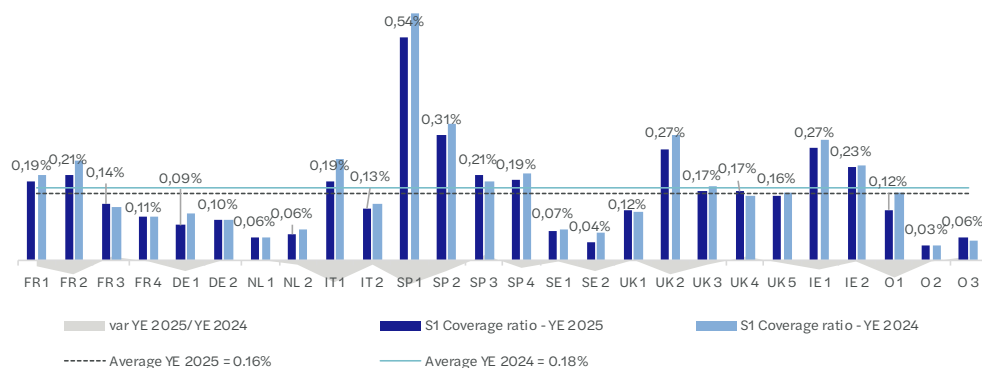
3. Key findings

3.2. ECL allowances: changes in coverage ratios and allocation between stages

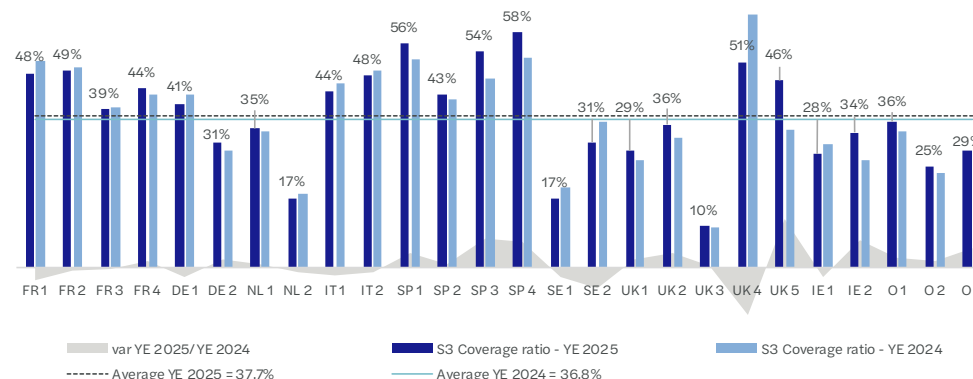


3.2.4 AC loans: coverage ratio broken down by stage (YE 2025 vs YE 2024)

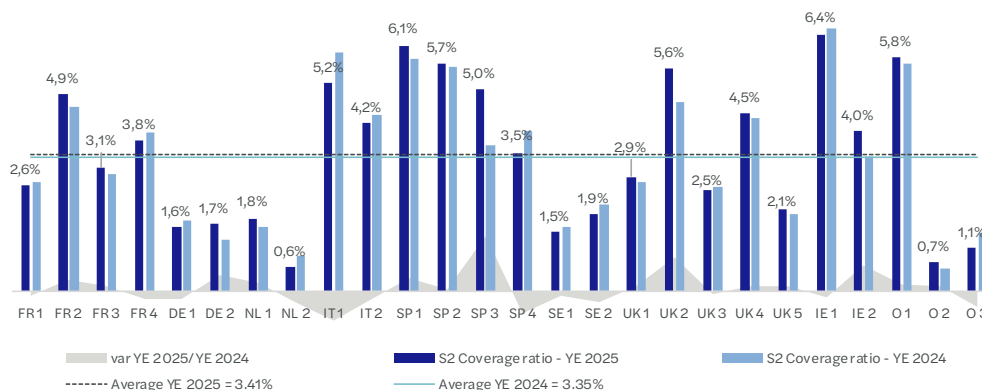
Graph 6.3: AC loans - Stage 1 coverage ratio - YE 2025 vs. YE 2024



Graph 6.5: AC loans - Stage 3 coverage ratio - YE 2025 vs. YE 2024



Graph 6.4: AC loans - Stage 2 coverage ratio - YE 2025 vs. YE 2024



Insights

- On average, the coverage ratios decreased for Stage 1 and increased for Stage 2 and Stage 3 compared to YE 2024.
- The coverage ratio for Stage 1 shows a consistent decrease among all banks, with some banks seeing a sharper fall (IT 1, SP 1, UK 2, O 1).
- The coverage ratios for Stage 2 and Stage 3 show more mixed trends, although the increases are more pronounced than the decreases, resulting in an overall average increase for these stages.

Note: Some banks include POCI assets in their stage 3 figures. In addition, several banks provided a breakdown by stage for most of their asset classes, but not necessarily all asset classes. The comparability of stage 3 weight may be further influenced by potentially different write-off policies.

The same methodology described in Graph 6.1 has been used for computing the coverage ratio by stage. The limitations of the data used to calculate these metrics are explained above.

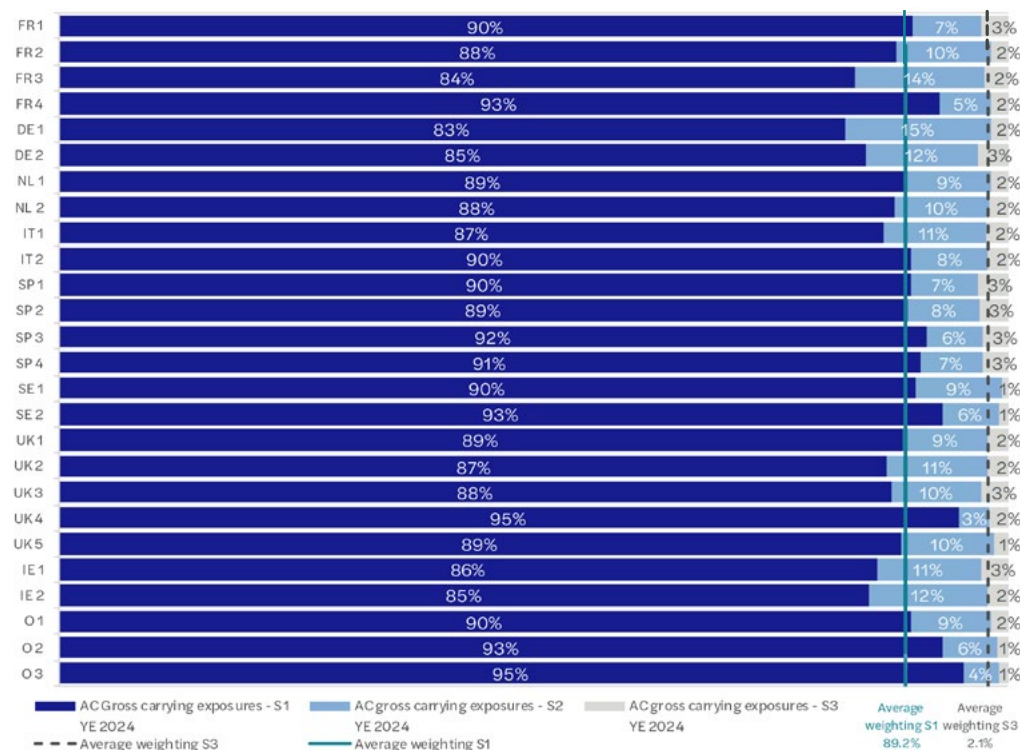
3. Key findings



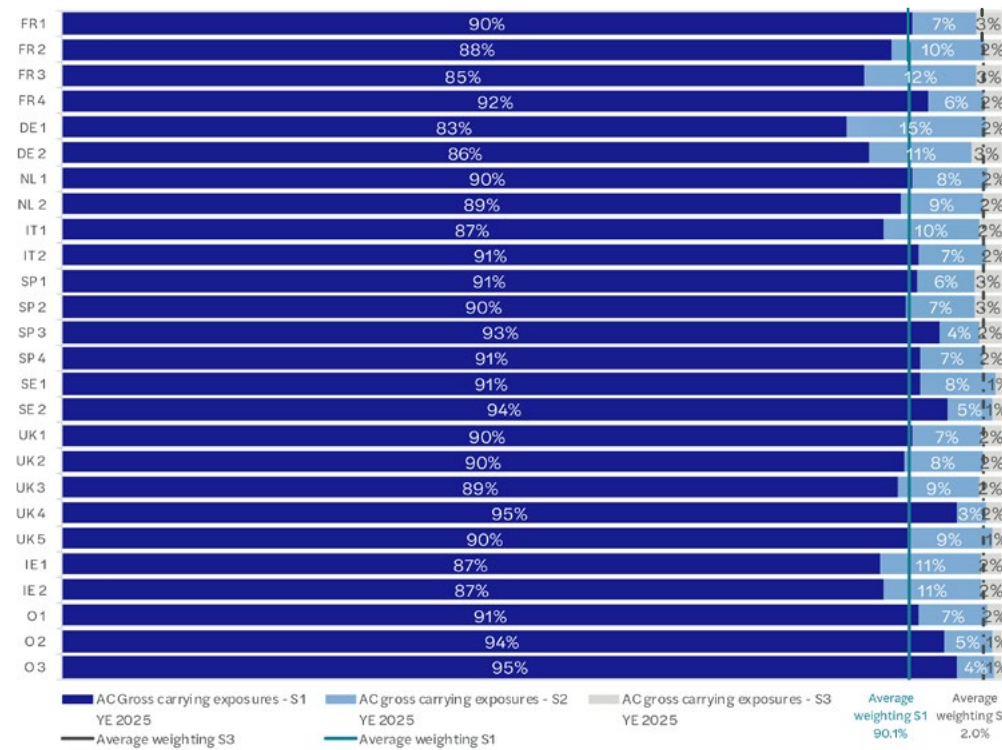
3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.5 Breakdown of AC loans gross credit exposures by stage (YE 2025 vs. YE 2024)

Graph 7.1: allocation by stage of AC loans gross carrying exposures in YE 2024



Graph 7.2: allocation by stage of AC loans gross carrying exposures in YE 2025



Some banks include POCI assets in their Stage 3 figures. In addition, several banks provided a breakdown by stage for most of their asset classes, but not necessarily all asset classes. The allocations by stage, therefore, are not directly comparable between banks. The comparability of Stage 3 weight may be further influenced by potentially different write-off policies.

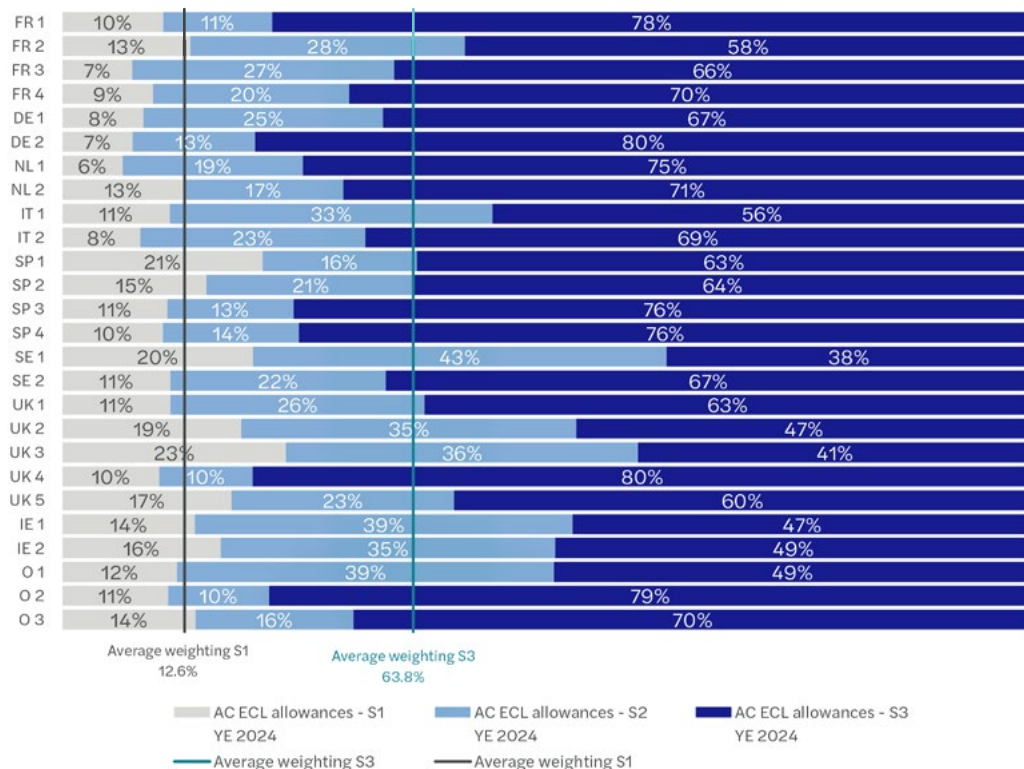
3. Key findings



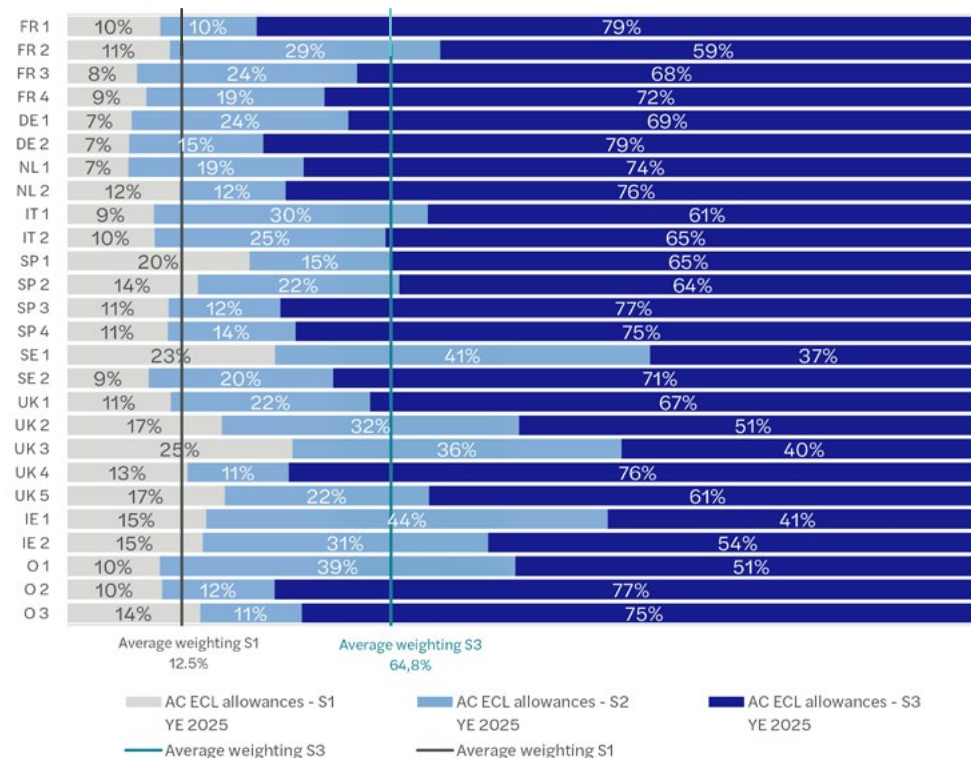
3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.6 Breakdown of AC loans ECL allowances by stage (YE 2025 vs. YE 2024)

Graph 8.1: allocation by stage of AC loans - ECL allowances in YE 2024



Graph 8.2: allocation by stage of AC loans - ECL allowances in YE 2025



Some banks include POCI assets in their Stage 3 figures. In addition, several banks provided a breakdown by stage for most of their asset classes, but not necessarily all asset classes. The allocations by stage, therefore, are not directly comparable between banks. The comparability of Stage 3 weight may be further influenced by potentially different write-off policies.

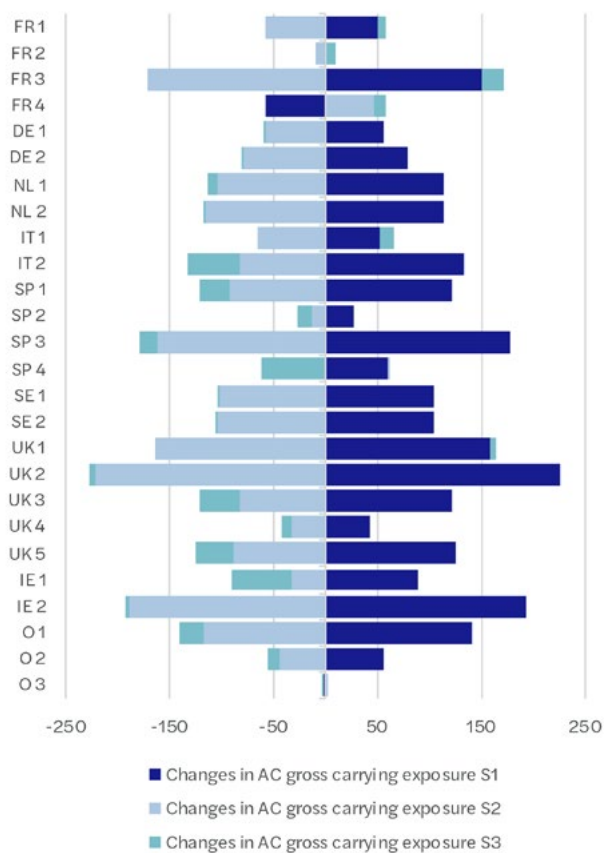
3. Key findings



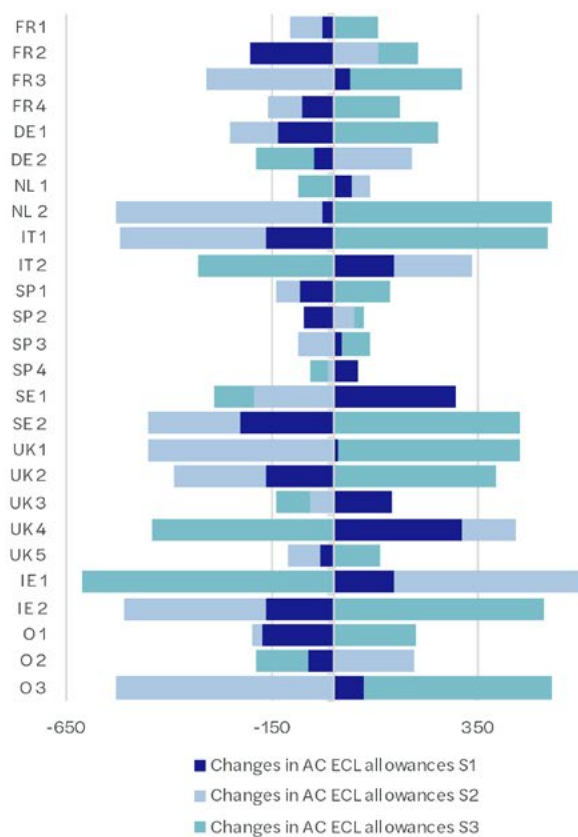
3.2. ECL allowances: changes in coverage ratios and allocation between stages

3.2.7 Breakdown of changes in AC loans gross credit exposure and ECL allowance by stage (YE 2025 vs.YE 2024)

Graph 9.1: changes in AC loans - GCE by stage
YE 2025 vs YE 2024 (bps)



Graph 9.2: changes in ECL allowances by stage
YE 2025 vs YE 2024 (bps)



Insights

- The changes in GCE between YE 2024 and YE 2025 show a clear trend with a significant increase of Stage 1 from exposures classified in Stage 2 and, to a lesser extent, in Stage 3.
- The trend is less clear for ECL allowances allocation. The sample shows a clear balance between two distinct trends:
 - Banks that reallocate ECL allowances to higher-risk stages (e.g., from Stage 1 to Stage 2 and/or Stage 3) (17 banks);
 - Those which, on the contrary, reallocate their ECL allowances to less risky stages (e.g., from Stage 3 to Stage 2 and/or Stage 1) (9 banks).

3. Key findings

3.3. Post-model adjustments/overlays



3. Key findings

3.3. Post-model adjustments/overlays



3.3.1 Weight of cumulative overlays in AC loans ECL allowance (YE 2025 vs. YE 2024)

25

banks disclosed having overlays or post-model adjustments

25

banks disclosed the amounts of their overlays or post-model adjustments in YE 2025 and YE 2024

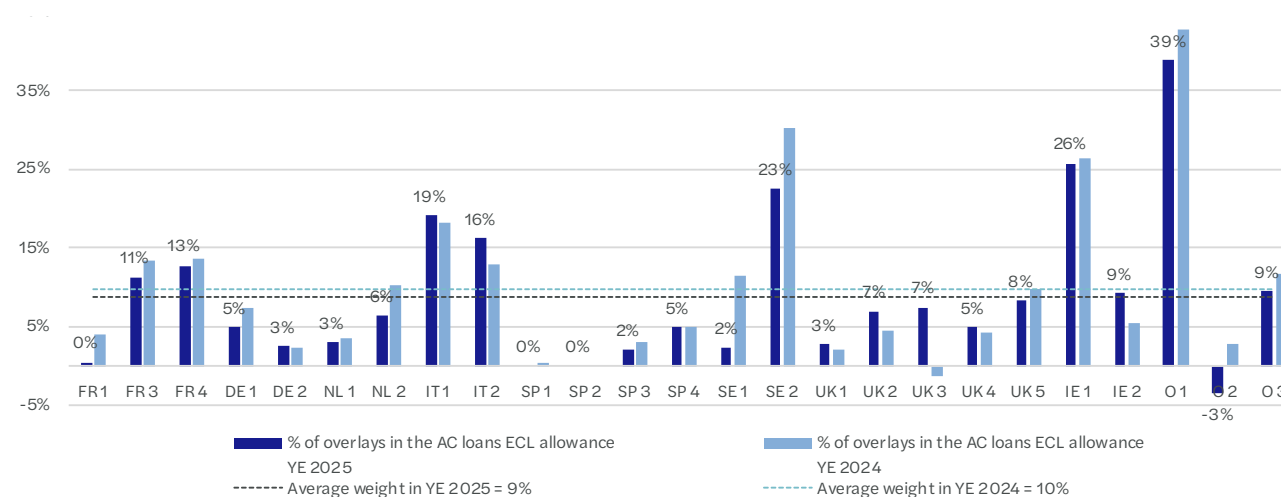
1 bank (0 2)

has a cumulative overlay that is an ECL release in YE 2025

Note: A post-model adjustment is an incremental ECL that increases (or decreases) the ECL resulting from the bank's IFRS 9 impairment models.

Banks use different designations for such adjustments (management overlay, top-level adjustment, management adjustment, additional adjustment, overlay provisions, etc.). Several banks disclosed having multiple post-model adjustments. For each bank, the sum of all its overlays in YE 2025 is called the YE 2025 cumulative overlays.

Graph 10.1: weight of cumulative overlays in AC loans ECL allowance YE 2025 vs YE 2024



Insights

- The average weight of cumulated overlays in AC loans ECL allowances stands at 9% on average in YE 2025 (10% in YE 2024).
- The weightings in YE 2025 range from -3% to 39%. SP 1 and SP 2 did not disclose their cumulative overlay amounts, as they were not material.
- The drivers behind the overlays remain broadly consistent with those identified at YE 2024. The most material overlays continue to stem from macroeconomic uncertainties, particularly related to US trade tariffs, as well as from model recalibrations. In addition, most banks factor in climate-related overlays, although these are not always separately disclosed and generally remain less significant at this stage.
- The sectors identified as particularly vulnerable include retail and distribution, the automotive industry, commercial real estate, construction, and telecommunications.

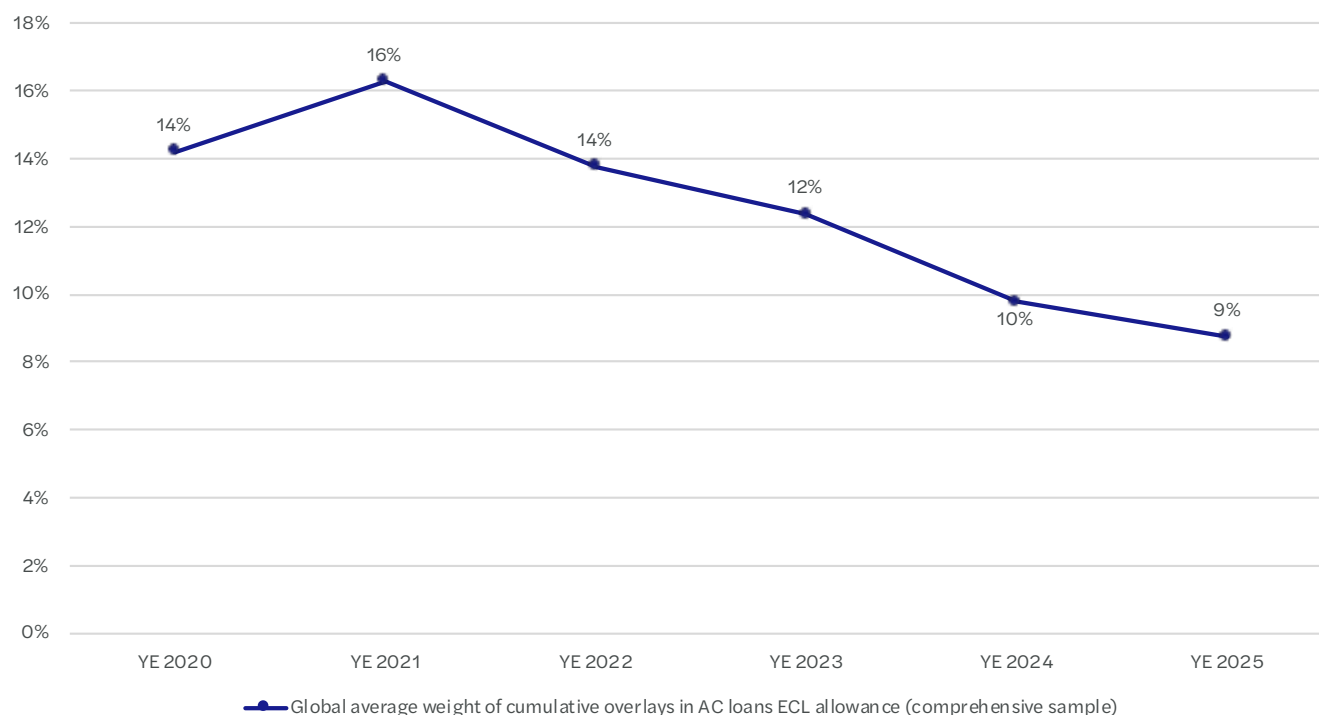
3. Key findings

3.3. Post-model adjustments/overlays



3.3.2 Weight of cumulative overlays in AC loans ECL allowance since YE 2020

Graph 10.2: Weight of cumulative overlays in AC loans ECL allowance YE 2020 - YE 2025



Insights

- Overlays first appeared in 2020 to account for the Covid-19 pandemic, the exceptional nature of which could not be incorporated into the models for calculating expected credit losses.
- The overlays increased in YE 2021 and then decreased steadily from then until YE 2025, as the ECL calculation models were updated and macroeconomic uncertainties evolved (Covid-19 pandemic, followed by war in Ukraine and inflationary context).
- The average weight of cumulated overlays in AC loans ECL allowances stands at 9% in YE 2025, which is the lowest ratio since they appeared in 2020.

Note: A post-model adjustment is an incremental ECL that increases (or decreases) the ECL resulting from the bank's IFRS 9 impairment models.

Banks use different designations for such adjustments (management overlay, top-level adjustment, management adjustment, additional adjustment, overlay provisions, etc.). Several banks disclosed having multiple post-model adjustments. For each bank, the sum of all its overlays in YE 2025 is called the YE 2025 cumulative overlays.

3. Key findings

3.3. Post-model adjustments/overlays

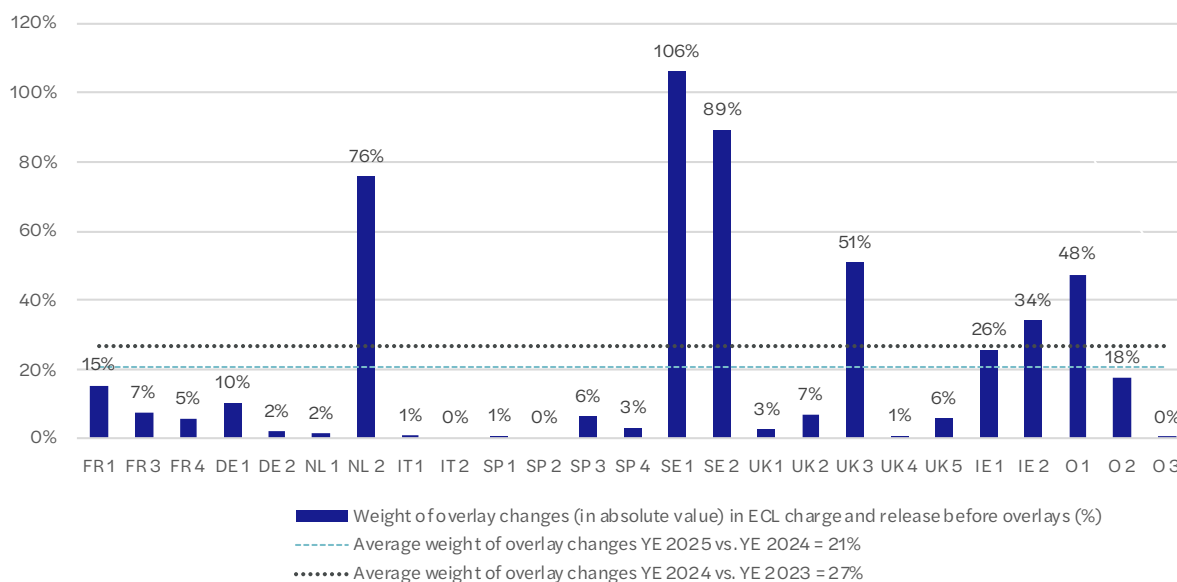


3.3.3 Cumulative overlay changes

21%

is the average weight of the change in overlays in ECL profit/loss before overlays (in absolute value)

Graph 10.3: Weight of cumulative overlay change (absolute value) in ECL charge or release before overlays (%) YE 2025 vs YE 2024



Insights

- The average weight of the change in overlays in ECL profit or loss before overlays decreases from 27% in YE 2024 to 21% in YE 2025, meaning the net ECL charge or release in YE 2025 is more attributable to the ECL calculated by the models.
- SE 1 experiences an opposite change between ECL charge and overlays, meaning in this case that the ECL charge became an ECL release after taking into account the cumulative overlay change.
- The decrease of the average weight of cumulative overlay change in the net ECL charge in YE 2025 seems consistent with the other credit risk indicators presented in the study (e.g., decrease in AC loans coverage ratio and weight of cumulative overlays on the balance sheet).



Note:

A post-model adjustment is an incremental ECL that increases (or decreases) the ECL resulting from the bank's IFRS 9 impairment models. The weight of overlays in ECL charge or profit before overlays (%) in YE 2025 has been calculated by dividing the changes in overlays in absolute value by the ECL charge or profit in P&L before overlays.

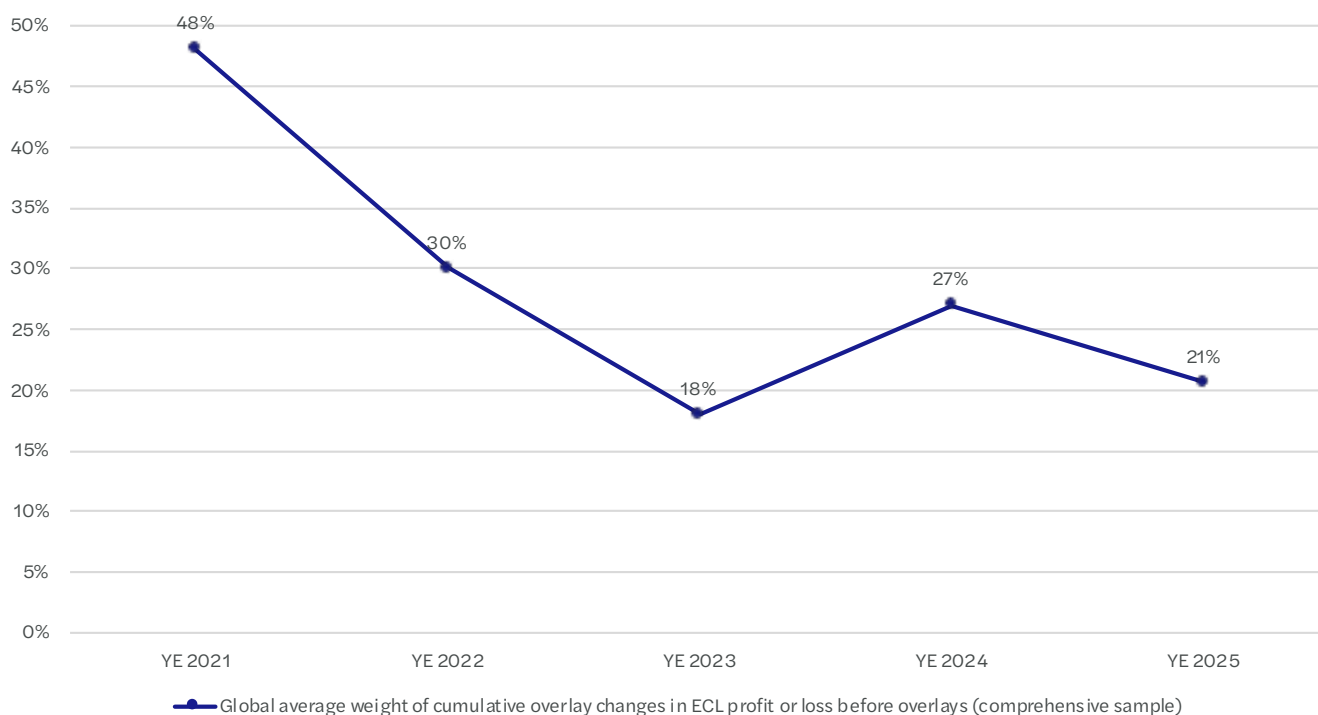
3. Key findings



3.3. Post-model adjustments/overlays

3.3.4 Weight of cumulative change in overlays in ECL profit or loss before overlays since YE 2021

Graph 10.4: Weight of cumulative overlay changes in ECL profit or loss before overlays
YE 2021 - YE 2025



Insights

- The graph shows how the average weight of overlays in the ECL profit or loss before overlays has changed since YE 2021.
- In YE 2021, the overlay charge accounted for 48% of the net ECL charge before overlays (i.e., overlays accounted for nearly half of the ECL charge arising from ECL calculation models).
- The average weight of cumulative overlay changes in ECL profit or loss before overlays has more than halved since YE 2021 and stands at 21% in YE 2025.
- In an environment characterised by persistent economic uncertainty, this decline may be attributed to various factors, such as uncertainties that are more limited and/or easier to incorporate directly into calculation models than in the past.

 Note: A post-model adjustment is an incremental ECL that increases (or decreases) the ECL resulting from the bank's IFRS 9 impairment models.

Banks use different designations for such adjustments (management overlay, top-level adjustment, management adjustment, additional adjustment, overlay provisions, etc.). Several banks disclosed having multiple post-model adjustments. For each bank, the sum of all its overlays in YE 2025 is called the YE 2025 cumulative overlays.

3. Key findings

3.4. Forward-looking information



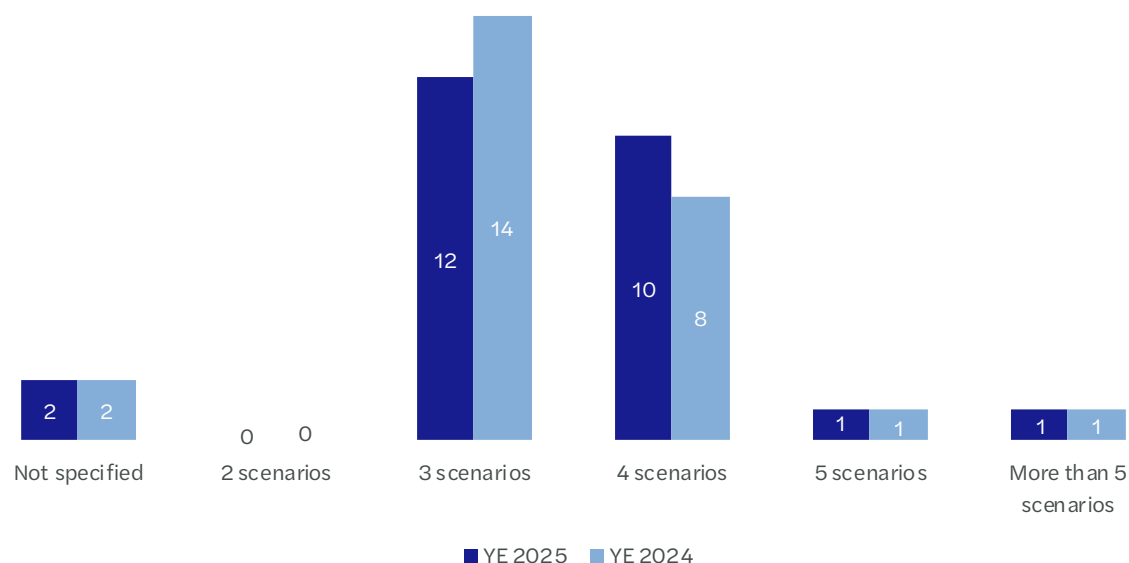
3. Key findings

3.4. Forward-looking information



3.4.1 An overview of macro-economic scenarios

Graph 12.1: Number of macroeconomic scenarios projected when calculating ECL




21

banks disclosed the weighting of each scenario in YE 2025 and YE 2024

Insights

- A large part of the sample gives quantitative information, such as the weighting identified for each scenario, as well as underlying parameters.
- DE 2 and O 2 do not specify the number of scenarios that are used for ECL forward-looking purposes.
- FR 4 and O 1 introduce a new pessimistic scenario, reflecting widespread concern about the sustainability of public finances in the major economies (FR 4) or the ongoing uncertainty surrounding the escalation in trade tensions (O 1).
- The bank UK 4 has 50 scenarios (with a weight of 2% for each scenario).
- Due to the wide range of approaches taken by each bank, there is limited benchmarking capacity.

 Scenario designations have been classified into three categories following the disclosed: the downside scenario (or severe), the baseline scenario (or central), and the upside scenario (or optimistic). When the number of scenarios exceeds three and includes, for instance, two downside scenarios, the weightings of the two downside scenarios are combined.

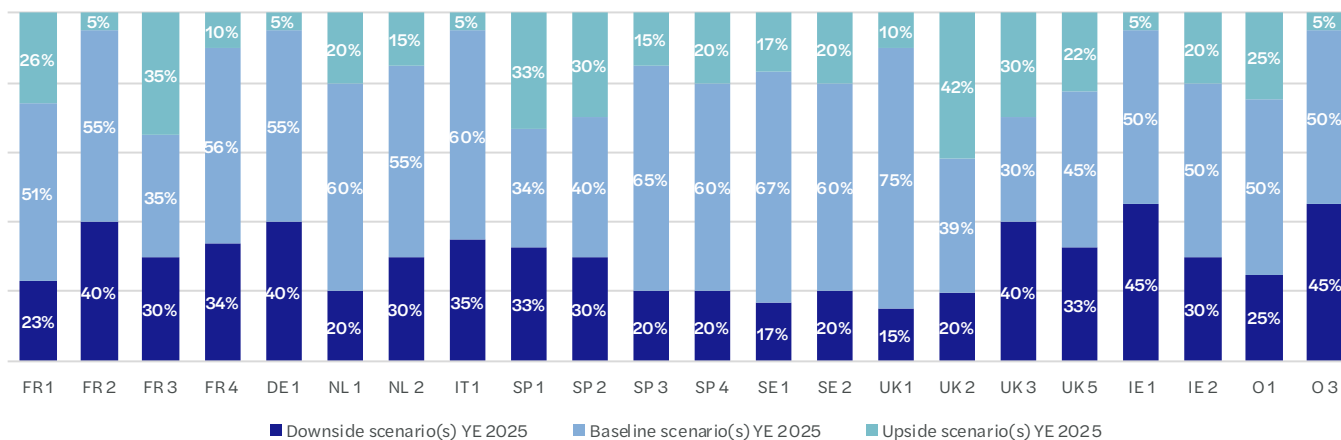
3. Key findings

3.4. Forward-looking information

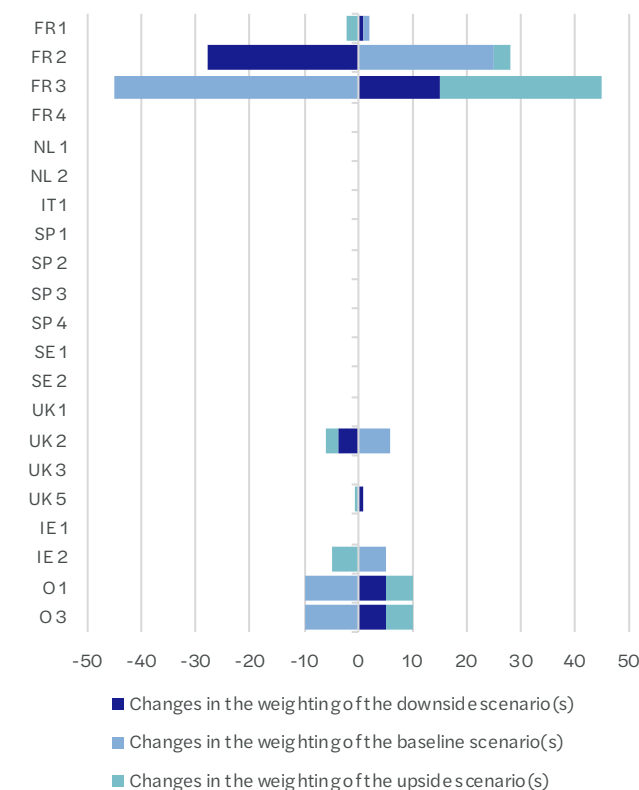


3.4.2 Weightings of macro-economic scenarios

Graph 12.2: weightings of the scenarios in YE 2025



Graph 12.3: changes in the weightings of the scenarios YE 2025 vs YE 2024



Insights

- The sample is quite heterogeneous regarding the weightings of each scenario (upside, baseline, and downside) in YE 2025, even within each country.
- DE 1 disclosed the weighting of each scenario in YE 2025, but is not represented in graph 12.3, as they did not provide this information in YE 2024.
- Almost half of the sample (12 banks in YE 2025 vs 11 banks in YE 2024) weight their upside scenario(s) at or above 20%.
- On the other hand, 20 banks weight their downside scenario(s) at or above 20% (18 banks in YE 2024).
- Eight out of 21 banks adjust the weightings of their scenarios between YE 2024 and YE 2025 (vs 12 banks between YE 2023 and YE 2024). An empty line in Graph 12.3 means that the weightings are the same as in YE 2024.

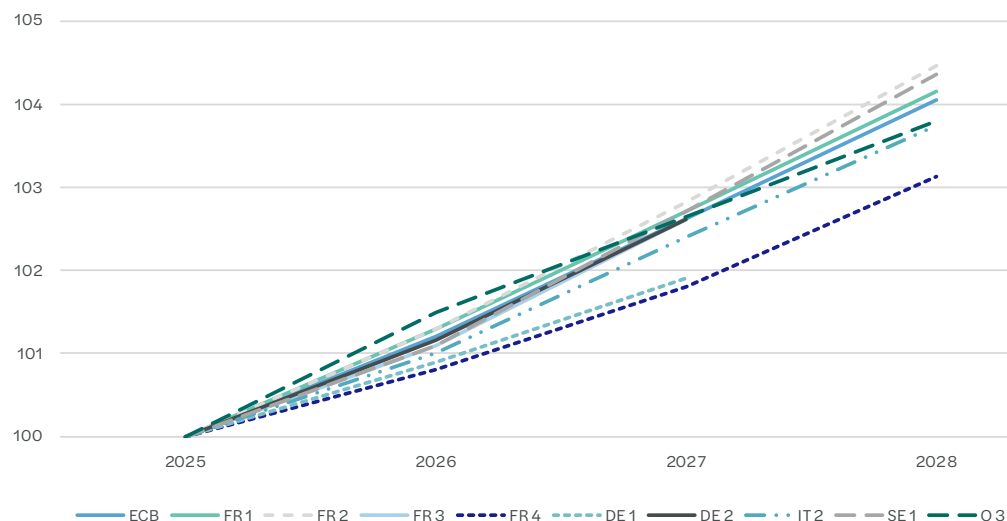
3. Key findings

3.4. Forward-looking information



3.4.3 Understanding the underlying parameters of macro-economic scenarios

Graph 12.4: Eurozone GDP growth assumptions YE 2025



Insights

- The banks are globally close to the European Central Bank's (ECB) projections, being either slightly more optimistic or pessimistic.
- DE 1 and FR 4 stand out by presenting more pessimistic growth forecasts than the ECB and other banks.
- The range of the assumptions is slightly wider than in YE 2024:
 - For 2026, the range goes from 0.8% (FR 4) to 1.5% (O 3).
 - For 2027, the range goes from 1.0% (FR 4 and DE 1) to 1.6% (SE 1).

Baseline scenario: Eurozone GDP growth				
	2025	2026	2027	2028
ECB	1,4%	1,2%	1,4%	1,4%
FR 1	1,4%	1,3%	1,4%	1,4%
FR 2	1,3%	1,3%	1,5%	1,6%
FR 3	0,7%	1,1%	1,5%	
FR 4		0,8%	1,0%	1,3%
DE 1		0,9%	1,0%	0,9%
DE 2	1,5%	1,2%	1,4%	
IT 2	1,4%	1,0%	1,4%	1,3%
SE 1	1,4%	1,1%	1,6%	1,6%
O 3		1,5%		3,8%

- Bank assumption more optimistic than the ECB projections (i.e. higher GDP growth rate)
- Bank assumption less optimistic than the ECB projections (i.e. lower GDP growth rate)

In this graph, we compare the Eurozone GDP growth rate assumptions used by the banks with the macroeconomic projections used by the European Central Bank, published in December 2025 (source: <https://www.ecb.europa.eu/mopo/devel/ecana/html/table.en.html>). The chart presents the annual GDP growth rate for each year, whereas the graph represents the cumulative GDP growth rate (index base 100 = 2025.) O 3 bank is an exception, as the growth rate disclosed for 2027 and 2028 is a three-year cumulative growth rate for the period 2026-2028 (including 1.5% expected for 2026).

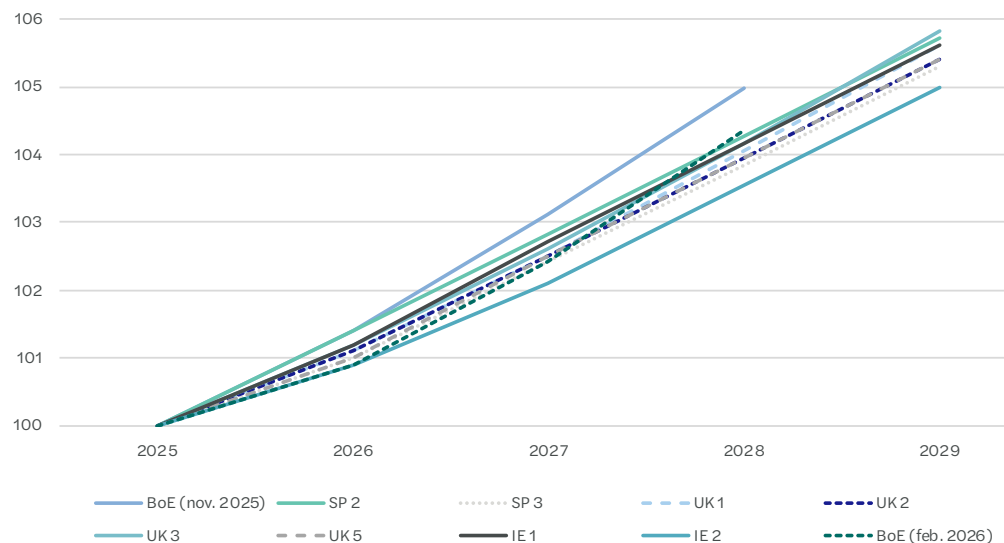
3. Key findings

3.4. Forward-looking information



3.4.3 Understanding the underlying parameters of macro-economic scenarios

Graph 12.5: UK GDP growth assumptions YE 2025



Insights

- The level of detail is quite high as the sample, taken as a whole, presents GDP growth rates that go beyond the BoE projections.
- While all banks remain more pessimistic than the BoE's November 2025 forecast for 2026–2028, the BoE's February 2026 update narrowed the gap, bringing its GDP growth projections closer to the banks' average.
- The projections and the assumptions of the relevant banks of the sample share very similar trends, when looking at the slope of the different curves. The range of GDP growth assumptions is limited and consistent for 2026 and 2027.

Baseline scenario: UK GDP growth					
	2025	2026	2027	2028	2029
Bank of England (nov. 2025)	1,4%	1,4%	1,7%	1,8%	
SP 2		1,4%	1,4%	1,4%	1,4%
SP 3		1,0%	1,4%	1,4%	1,4%
UK 1		1,1%	1,4%	1,5%	1,5%
UK 2	1,5%	1,1%	1,4%	1,4%	1,4%
UK 3	1,4%	1,2%	1,4%	1,5%	1,6%
UK 5	1,4%	1,0%	1,5%	1,4%	1,4%
IE 1	1,2%	1,2%	1,5%	1,4%	1,4%
IE 2		0,9%	1,2%	1,4%	1,4%
Bank of England (feb. 2026)	1,4%	0,9%	1,5%	1,9%	

■ Bank assumption more optimistic than the BoE projections (i.e. higher GDP growth rate)

■ Bank assumption less optimistic than the BoE projections (i.e. lower GDP growth rate)

In this graph, we compare the UK GDP growth rate assumptions used by the banks with the macroeconomic projections used by the Bank of England published in the Monetary Policy Report from November 2025 and February 2026, Table 3.A and A1.A (source: <https://www.bankofengland.co.uk/monetary-policy-report/monetary-policy-report>). The chart presents the annual GDP growth rate for each year, whereas the graph presents the cumulative GDP growth rate (index base 100 = 2025). SP 2 uses a global average GDP growth rate for the period 2026-2030. IE 2 uses a global average GDP growth rate for the period 2028-2030. We have assumed for these banks a constant annual GDP growth rate.

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