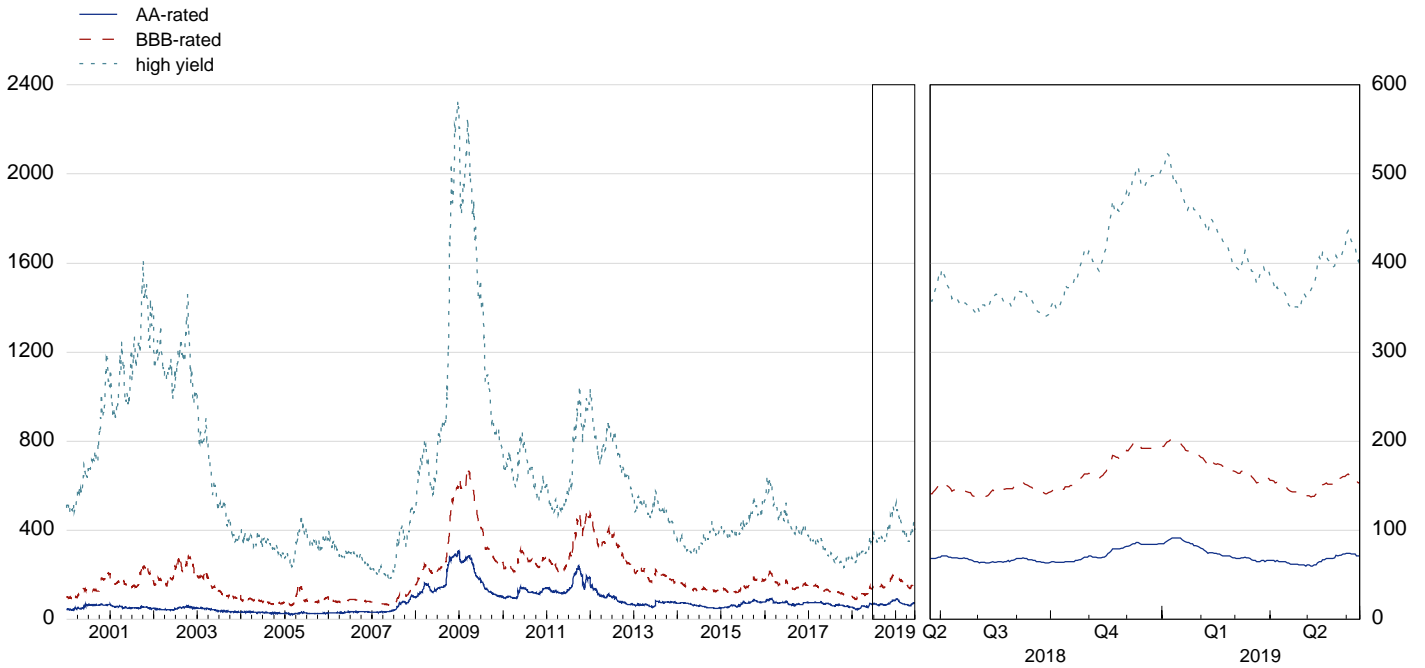


3. Credit risk

3.9 Option-adjusted spreads on euro area corporate bonds

(euro area; percentages; last observation: 12 Jun. 2019)

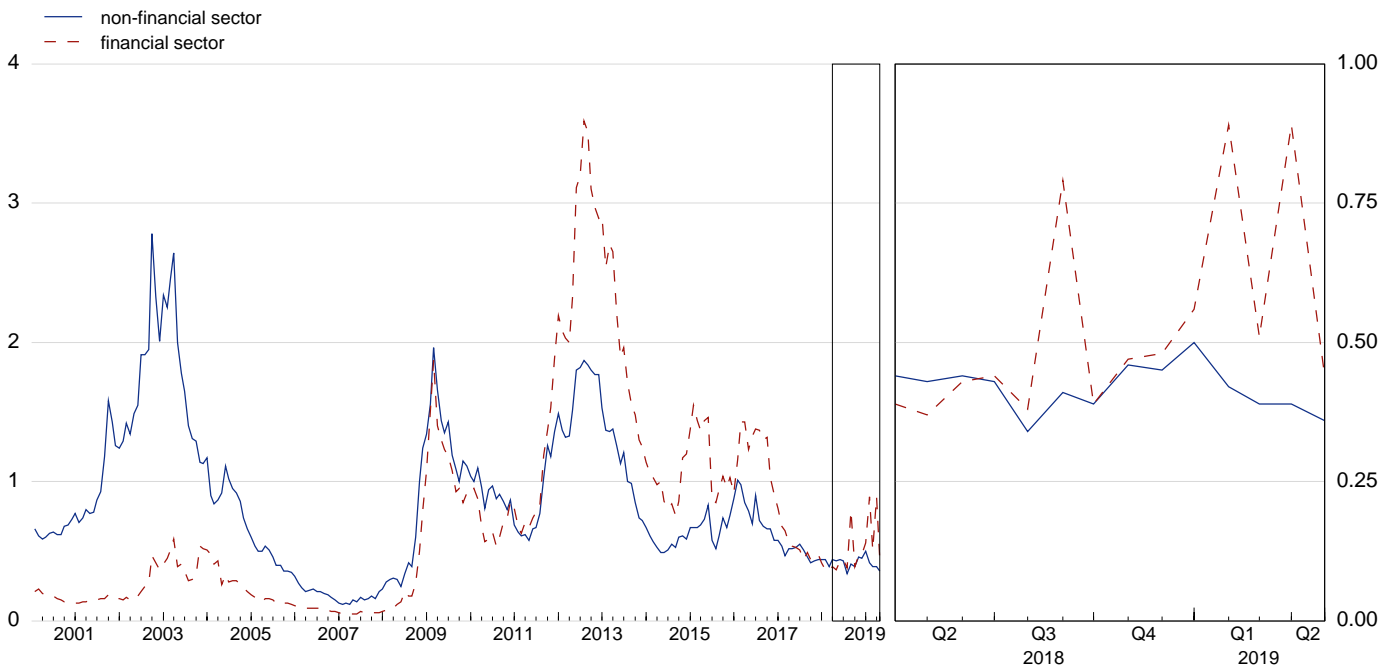


Source: Bank of America Merrill Lynch.

Note: Spreads (in basis points) over German government bonds for both plain vanilla bonds and bonds with embedded options (for which the value of the option is stripped using proprietary models).

3.10 Expected default frequency of the corporate sector

(EU; percentages; average weighted by liabilities; last observation: Apr. 2019)



Sources: Moody's Analytics and ECB calculations.

Note: The figures refer to listed companies. The weighted average is based on the amounts of non-equity liabilities. Model changed from EDF8 to EDF9 as of 1 June 2015.