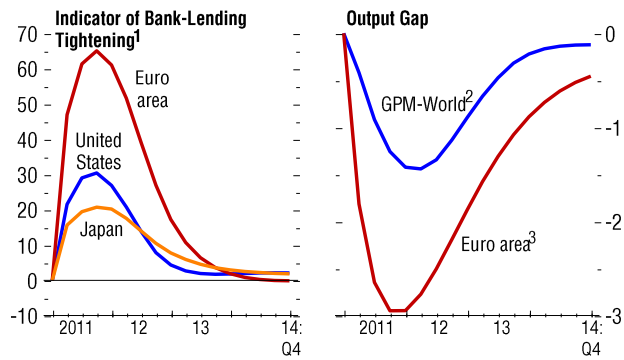


**Figure 4. An Alternative Scenario of Intensified Financial Stress in the Euro Area**

*(Percentage point deviation from baseline)*



Source: Global Projection Model GPM simulations.

<sup>1</sup>Bank lending tightness is defined as the unweighted average of the responses to questions with respect to tightening terms and conditions published by the U.S. Federal Reserve's Quarterly Senior Loan Opinion Survey on Bank Lending Practices.

<sup>2</sup>GPM-World represents approximately 87.5 percent of world GDP.

<sup>3</sup>Based on a dynamic stochastic general equilibrium model, supplementing the GPM, that has a risky bank lending and financial accelerator mechanism.