

Financial Stability

SNAPSHOT

12 October 2018



Improving global economy



But risks to growth

Low global interest rates

High asset prices
Low volatility → Risks

China debt high but stabilising



260%

Non-financial debt to GDP

Household debt high as a share of income

190%



Housing credit demand ↓ supply →

Investor ↓ **1%**

Owner-occupier → **7%**

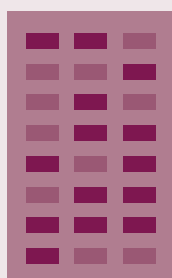
Riskier lending moderated

Share of total home loans:

>90% loan to valuation **6%**

Interest-only **16%**

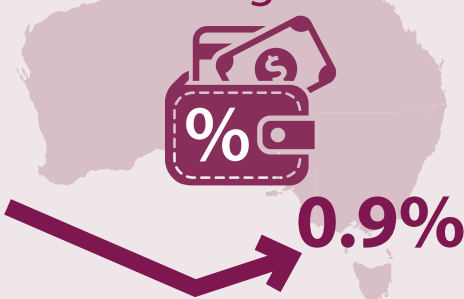
Commercial property risks



Prices up
Yields low



Non-performing loans rising but low



Banks well capitalised



CET1 **10.5%**



Data in this snapshot are the latest available as at 11 October 2018.



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