

Financial Stability

SNAPSHOT

12 April 2019



Global economy

Risks ↑



Low global interest rates and risk aversion

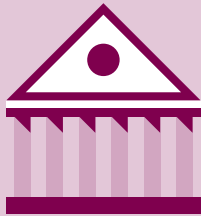
High asset prices → Risks

China balancing growth and financial reform



Household debt high as a share of income

190%



Housing prices

7% ↓

Negative equity low but rising

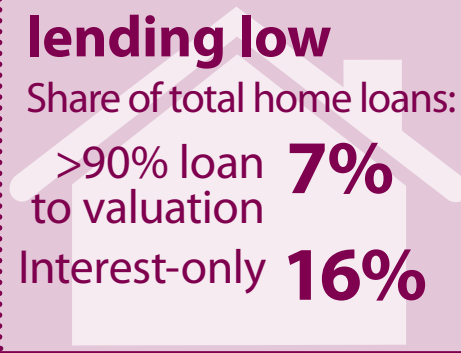


Riskier lending low

Share of total home loans:

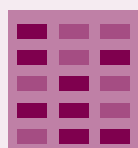
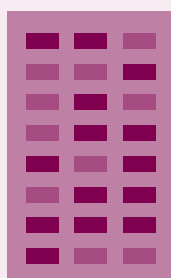
>90% loan to valuation 7%

Interest-only 16%



Commercial property risks

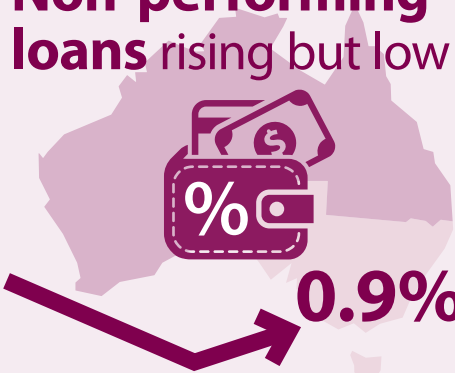
Prices up
Yields low



Non-performing loans rising but low



0.9%



Banks well capitalised

CET1 10.8%

But face business risks



Data in this snapshot are the latest available as at 11 April 2019.

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