



# CCyB Risk Dashboard Luxembourg

24/11/2023

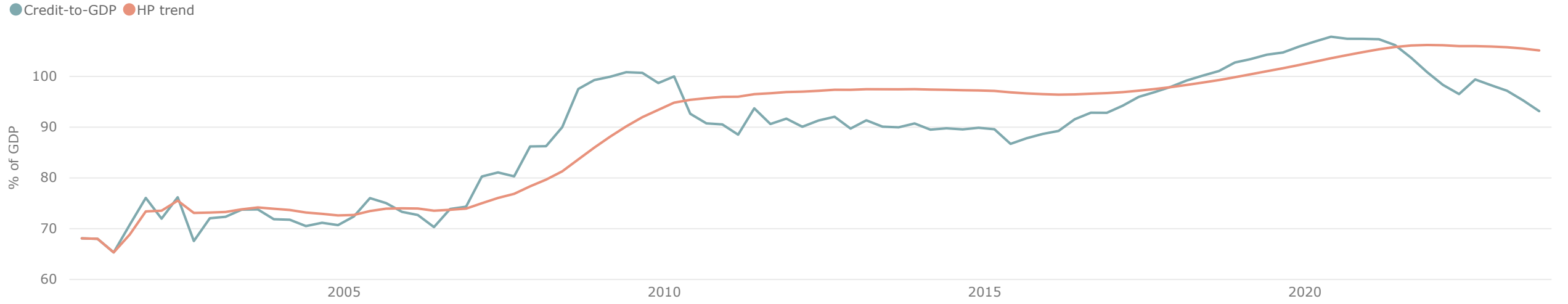
**DISCLAIMER: The risk dashboard is a set of quantitative indicators and not an early-warning system. Users may not rely on the indicators as a basis for any mechanical form of inference.**

Table 1: Summary table

Annual averages

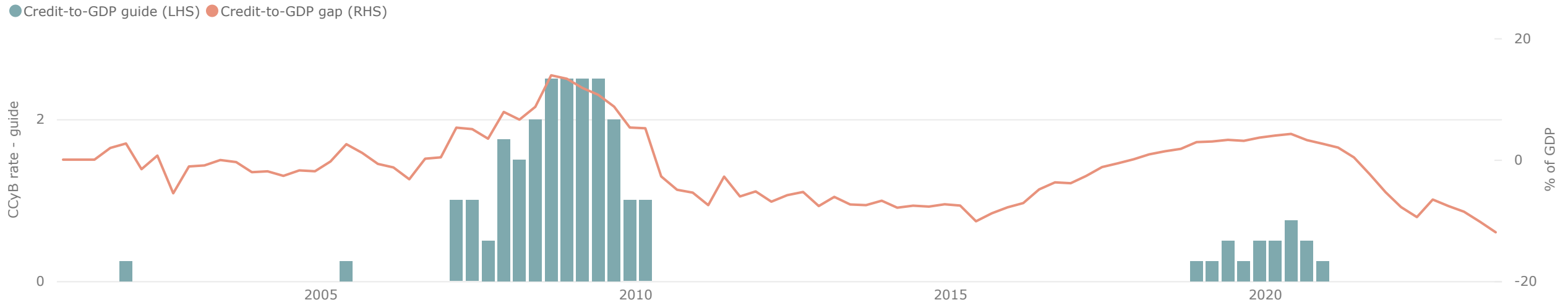
Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last observation	Date of last observation
Annual credit growth to household (%)	7,02	6,49	6,85	7,73	5,90	7,18	6,66	7,55	7,54	9,1	6,84	-0,36	2023 Q3
Annual credit growth to NFC (%)	-0,63	4,65	1,08	-1,64	9,05	13,07	10,38	6,76	5,41	-0,2	-0,02	-7,89	2023 Q3
Annual credit growth to NFS (%)	3,47	5,67	4,34	3,79	7,07	9,56	8,21	7,21	6,63	5,18	4,06	-3,34	2023 Q3
Annual real GDP growth (%)	1,16	3,08	2,39	2,96	3,47	2,87	1,45	1,96	0,63	4,18	4,11	-0,91	2023 Q2
Capital ratio (%)	21,35	23,27	20,03	19,91	25,48	22,55	22,28	20,15	20,26	21,08	18,65	18,85	2023 Q2
Credit-to-GDP - gap (%)	-6,43	-6,94	-7,64	-8,60	-4,92	-1,11	1,73	3,24	3,51	-1,35	-7,87	-11,96	2023 Q3
Credit-to-GDP - ratio (%)	90,67	90,41	89,56	88,07	91,51	96,15	100,67	104,45	107,26	104,38	98,01	93,03	2023 Q3
Euro CISS	0,32	0,08	0,09	0,12	0,16	0,05	0,08	0,08	0,18	0,05	0,31	0,16	2023-11-17
Euro High Yield Corporate Spread	7,54	4,84	3,50	4,35	4,64	3,00	3,49	3,84	4,77	3,15	4,99	4,41	2023-11-21
Household credit-to-GDP - gap (%)	-0,43	-1,46	-1,74	-1,64	-1,26	-0,86	-0,32	0,57	1,13	0,05	-3,1	-5,85	2023 Q3
Household credit-to-GDP - ratio (%)	50,76	51,01	51,75	52,83	54,29	55,80	57,59	59,94	62,09	62,66	60,42	57,97	2023 Q3
Households debt to gross disposable income ratio (%)	150,52	147,45	154,36	159,80	165,71	165,91	172,56	173,32	171,66	182,13	181,86	181,86	2022
Leverage ratio (%)	16,23	14,63	13,75	13,92	13,62	13,75	14,14	15,17	15,26	14,77	16,16	14,72	2023 Q2
Lux CB funding	1,14	0,78	0,53	0,38	0,59	0,82	0,85	0,69	0,92	1,38	1,5	0,70	2023 Q3
NFC credit-to-GDP - gap (%)	-6,00	-5,48	-5,90	-6,96	-3,66	-0,25	2,04	2,67	2,38	-1,4	-4,76	-6,12	2023 Q3
NFC credit-to-GDP - ratio (%)	39,92	39,40	37,81	35,25	37,22	40,35	43,08	44,51	45,17	41,72	37,59	35,06	2023 Q3
Property price-to-rent ratio	90,09	93,29	96,45	100,00	105,11	109,73	116,01	126,04	142,76	160,42	172,75	159,33	2023 Q2
Property price-to-rent ratio - Annual growth rate	2,83	3,55	3,38	3,70	5,11	4,42	5,71	8,63	13,24	12,45	7,74	-8,08	2023 Q2
Real estate price - Annual growth rate (real terms, %)	1,41	3,22	4,04	5,13	5,78	3,75	5,02	8,40	14,65	10,15	1,27	-7,34	2023 Q2
Real estate price index	86,58	90,89	94,88	100,00	106,00	111,96	119,86	131,99	151,12	172,15	188,6	176,39	2023 Q2
Trade-account balance-to-GDP (%)	30,56	32,18	32,16	32,60	33,83	31,79	32,70	30,49	33,99	33,17	34,06	33,79	2023 Q2

Figure 1: Credit-to-GDP and HP trend



Source: BCL

Figure 2: Credit-to-GDP guide and Credit-to-GDP gap



Source: BCL

Figure 3: Household (HH) credit-to-GDP and HP trend

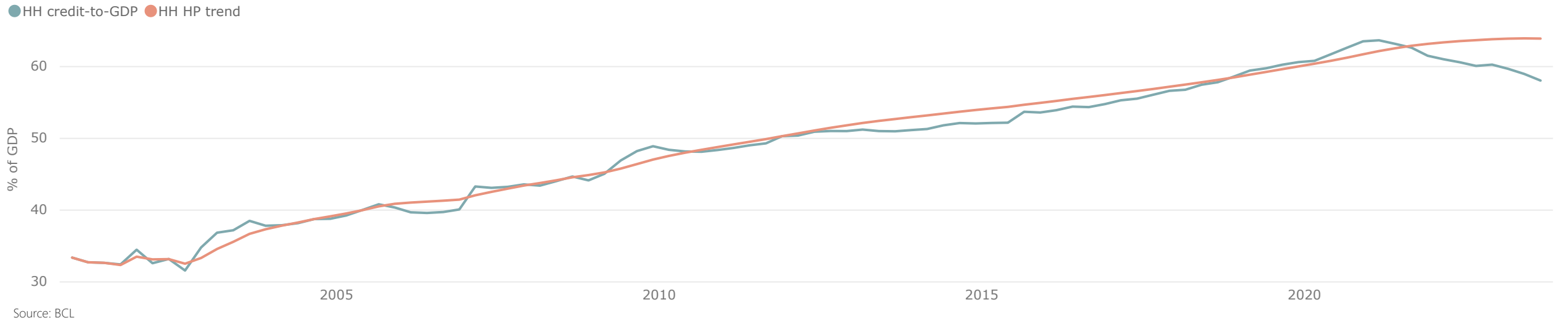


Figure 4: Household credit-to-GDP gap and guide

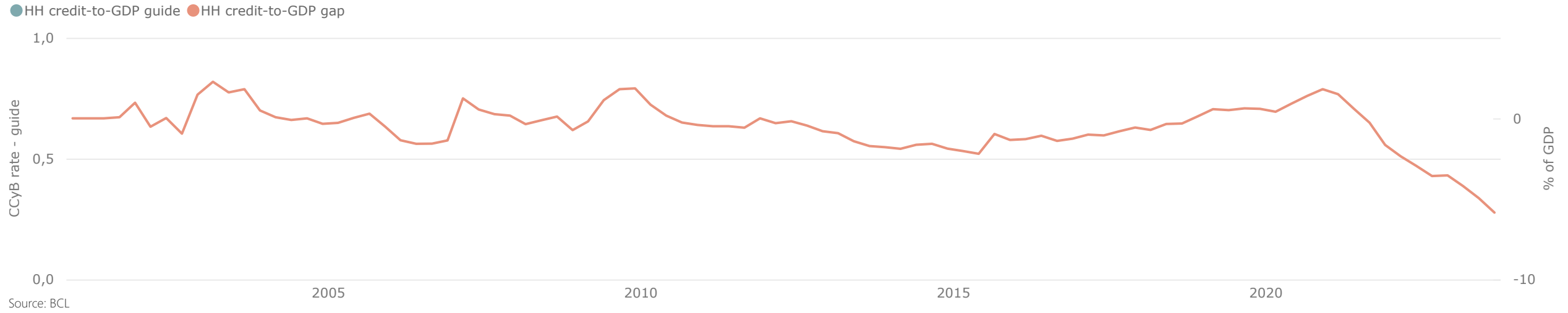
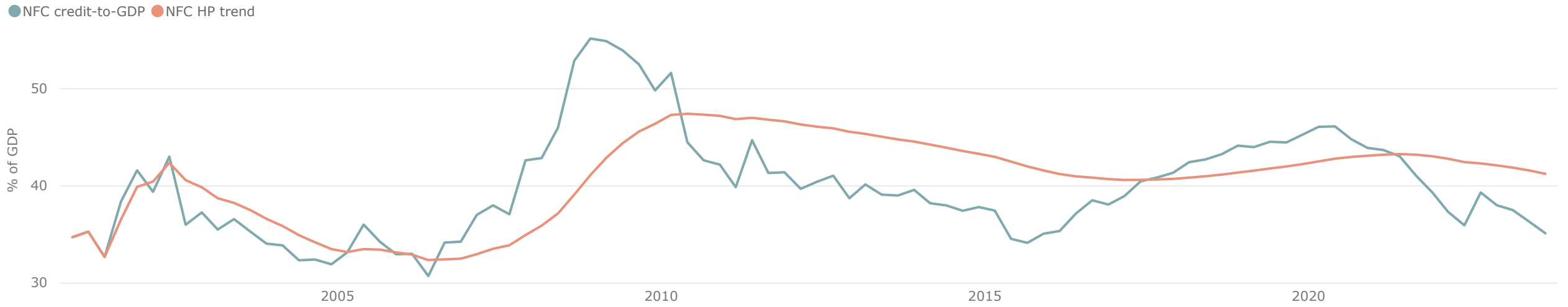
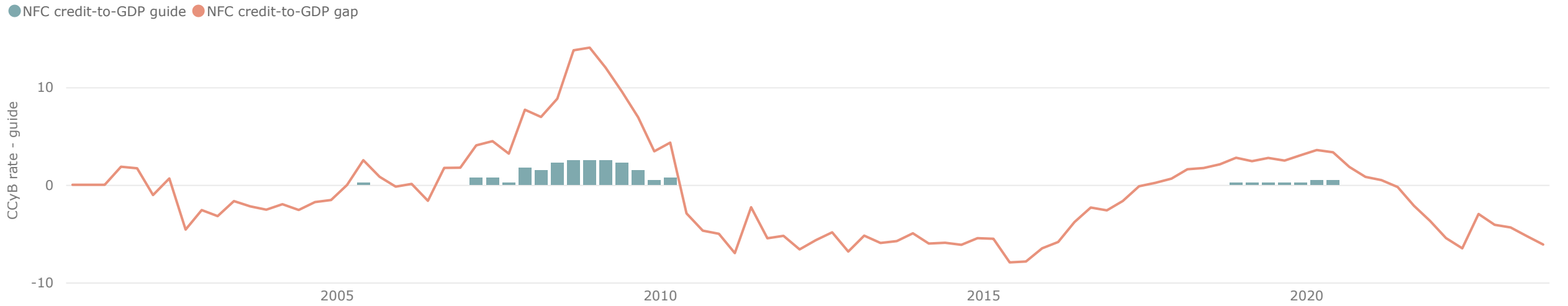


Figure 5: NFC credit-to-GDP and HP trend



Source: BCL

Figure 6: NFC credit-to-GDP guide and credit-to-GDP gap



Source: BCL

Figure 7: Annual growth rate of household credit, NFC credit, and total credit

● Household credit ● NFC credit ● Total credit

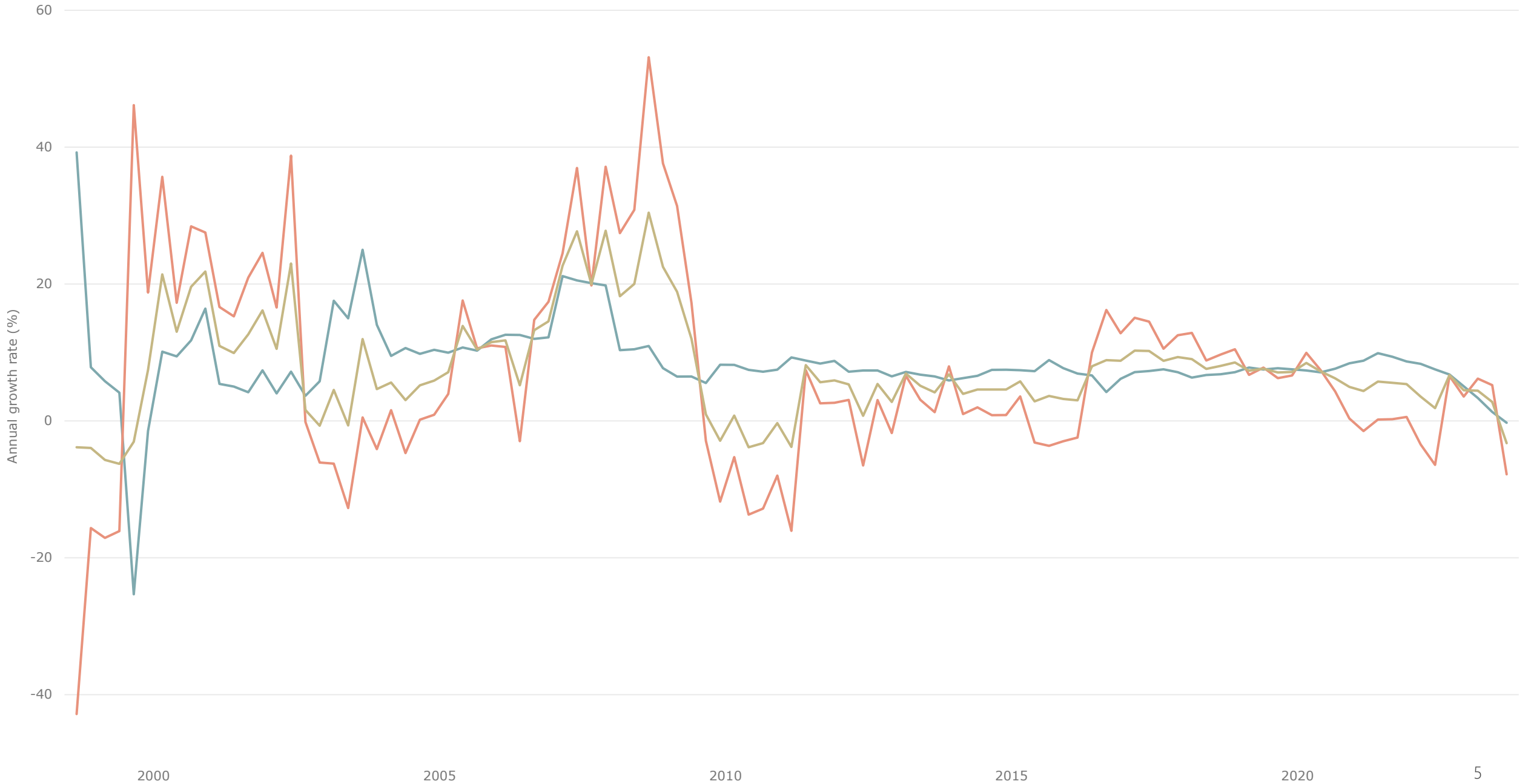
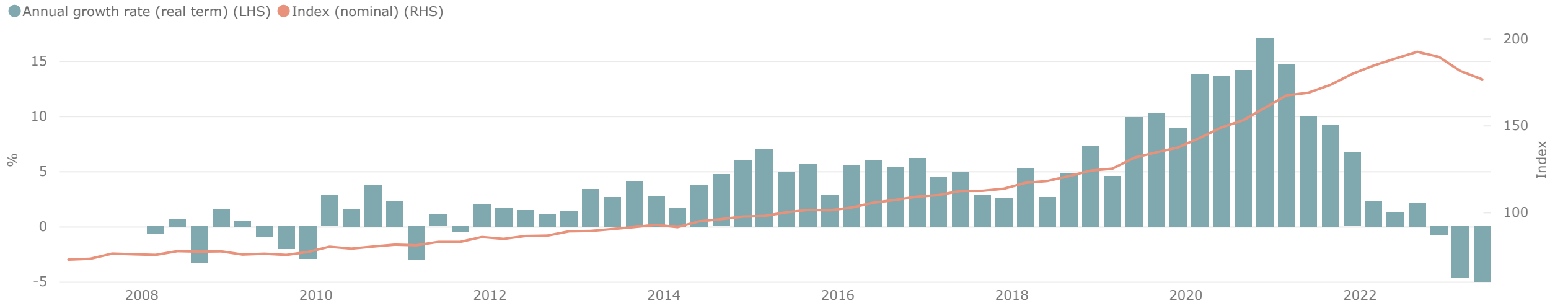
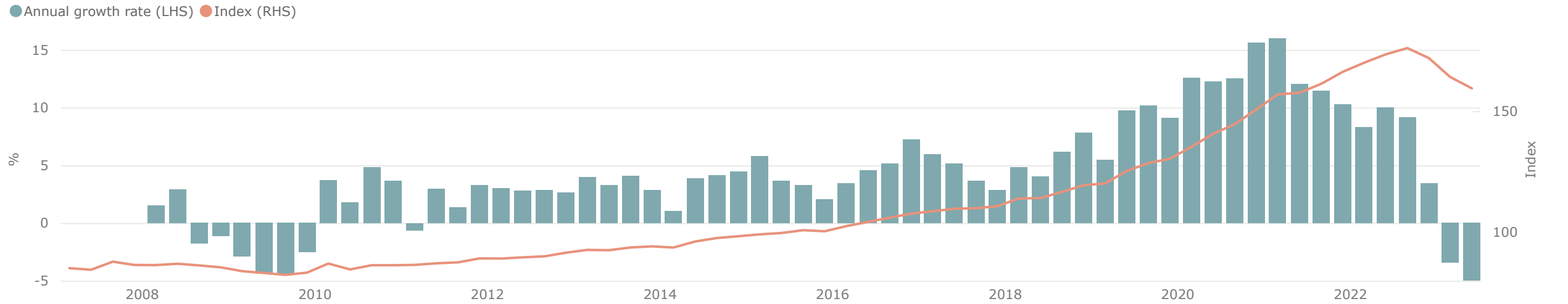


Figure 8: Residential real estate prices



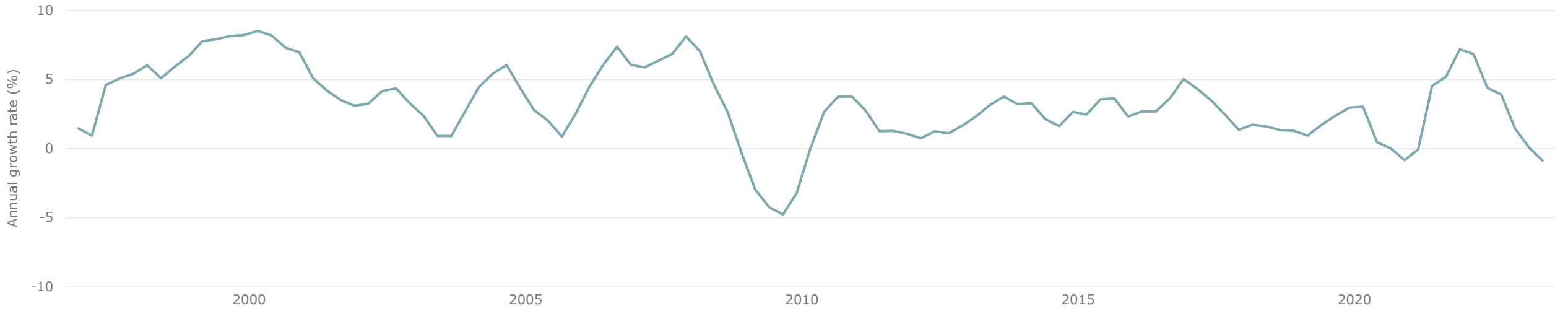
Source: ECB

Figure 9: Price-to-rent



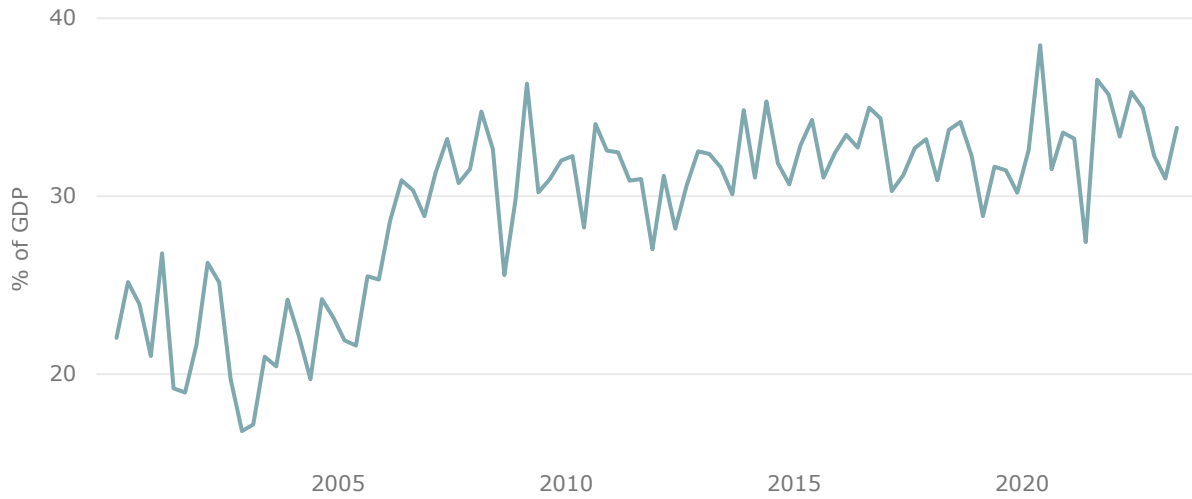
Source: OECD

Figure 10: Real GDP



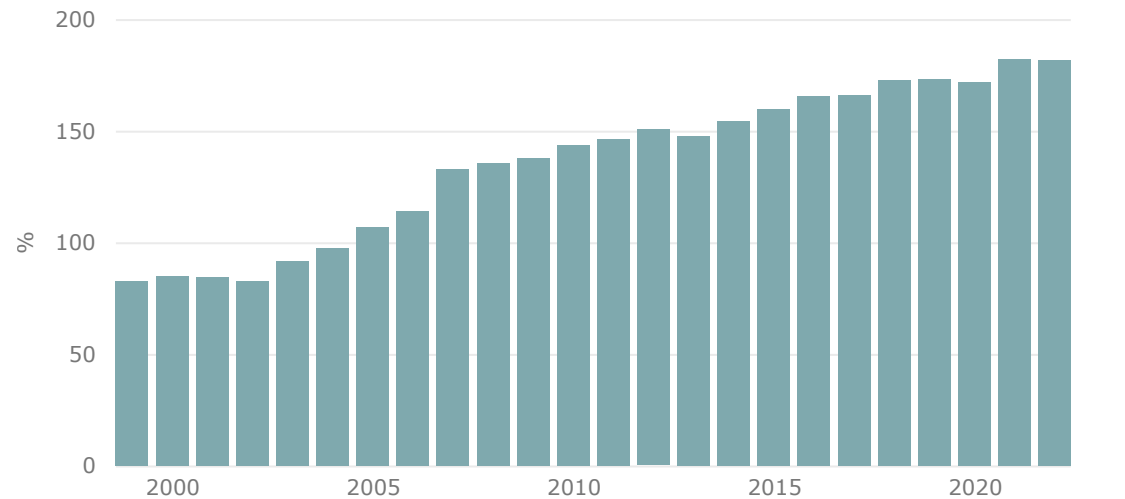
Source: Eurostat

Figure 11: Current account



Source: Eurostat

Figure 12: Household debt-to-income



Source: ECB



Figure 13: Euro Composite Index of Systemic Stress



Source: ECB

Figure 14: Euro High Yield Corporate Spread



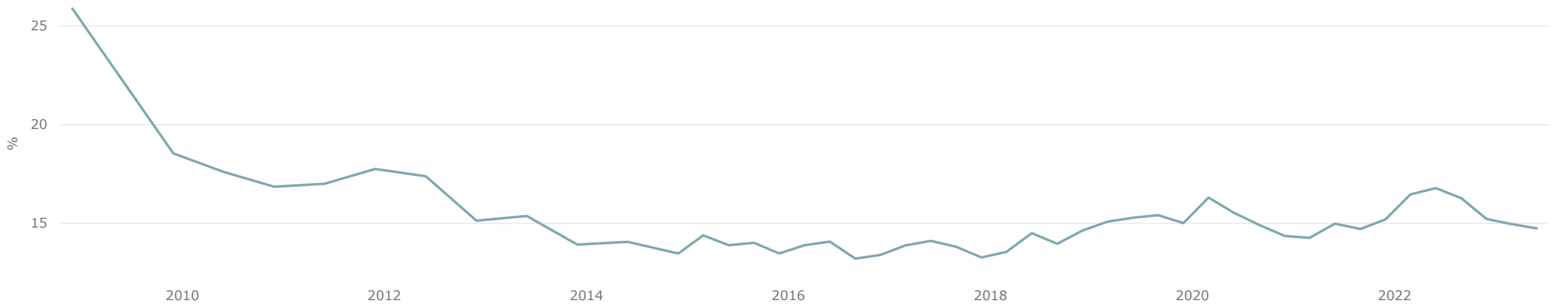
Source: ST Louis Federal Reserve

Figure 15: Share of central bank funding in Lux banks' liabilities



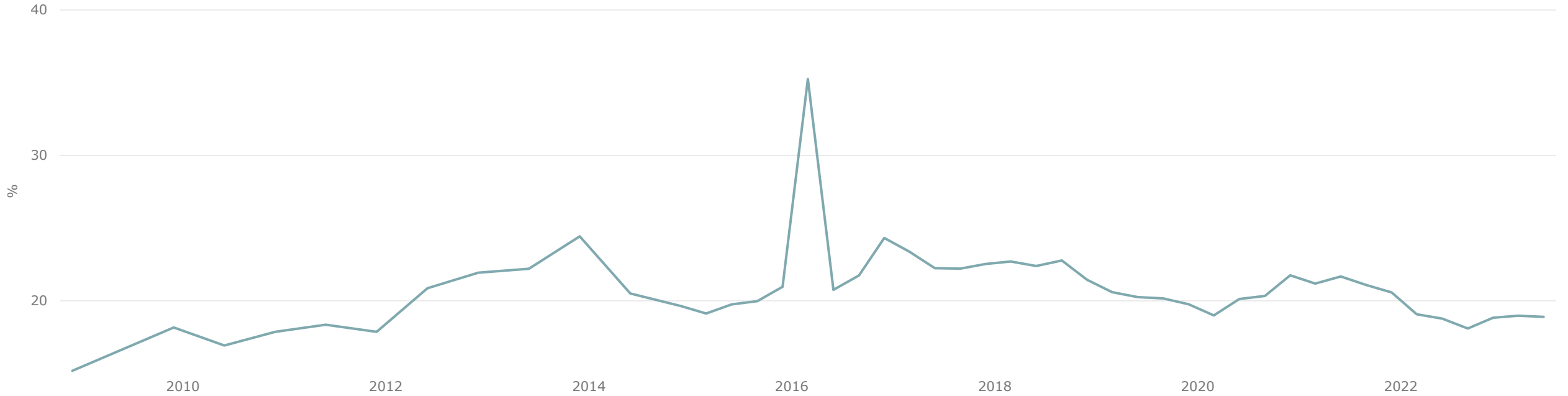
Source: ECB

Figure 16: Bank leverage ratio



Source: ECB

Figure 17: Bank capital ratio



Source: ECB

## Definitions and sources

**Credit** - Credit data are total bank credit to Luxembourg private non-financial sector. Source: BCL

**Capital ratio** - The ratio of risk weighted assets and own funds, in percent. Source: ECB

**Credit-to-GDP ratio** - The ratio of credit and GDP over the last four quarters. Source: BCL

**Credit-to-GDP gap** - Deviation of the credit-to-GDP from its long time trend. The trend is calculated according to a recursive Hodrick-Prescott filtered trend of the ratio with a smoothing parameter, lambda of 400 000. Source: BCL

**Euro Composite Index of Systemic Stress (CISS)** - The CISS is computed for the Euro Area as a whole. It includes 15 raw, mainly market-based financial stress measures that are split equally into five categories, namely the financial intermediaries sector, money markets, equity markets, bond markets and foreign exchange markets. Higher values indicate a more stressful environment. Source: ECB, [Euro area \(changing composition\), Systemic Stress Composite Indicator, Index - Quick View - ECB Statistical Data Warehouse \(europa.eu\)](#).

**Euro High Yield Corporate Spread (HYCS)**- This data represents the Option-Adjusted Spread (OAS) of the ICE BofA Euro High Yield Index tracks the performance of Euro denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Source: Ice Data Indices, LLC, ICE BofA Euro High Yield Index Option-Adjusted Spread [BAMLHE00EHYIOAS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/BAMLHE00EHYIOAS>

**Leverage ratio** - The ratio of total assets and total equity. Source: ECB

**Luxembourg Central Bank (CB) funding** - Share of central bank funding in credit institutions liabilities, in percent. Source: ECB

**Property price-to-rent ratio** - Ratio of residential property prices to actual rentals for housing. Source: OECD

**Real estate index** - Existing and new dwellings price index. Source: ECB

**Trade account balance to GDP** - Difference of exports and imports of goods and services, divided by the GDP. Source: Eurostat