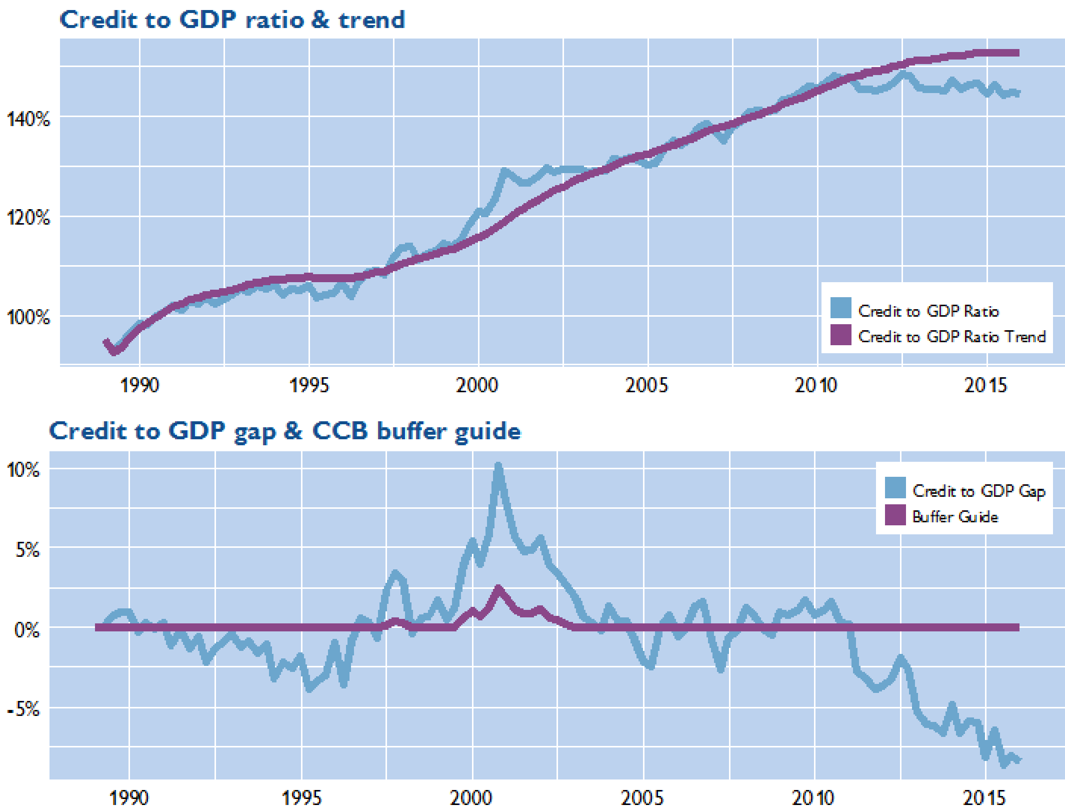
Indicators for the Countercyclical Capital Buffer

Figure 1: Credit-to-GDP gap



Source: OeNB.

Explanation: The credit-to-GDP gap (light blue line, lower graph) is defined as the difference between the credit-to-GDP time series (light blue line, upper graph) and credit-to-GDP trend (purple line, upper graph). A positive gap indicates that the current credit-to-GDP value is higher than its trend. According to the BCBS methodology this is a sign of excessive credit growth.

Table 1: Assessment of cyclical risk

Category	Selected Variables	Cyclical risk assessment	
		previous quarter	this quarter
Mispricing of risk	High yield bond spread, banks' interest margin		
Strength of bank's balance sheets	Leverage ratio (unconsolidated)		
Credit developments	Credit private sector (corporates, households)		
Overvaluation of property prices	Overvaluation indicator for redsidential property prices, price-to-income/rent ratio		
Private sector debt burden	Debt private households, debt corporate		
External imbalances	Current account in % of GDP		