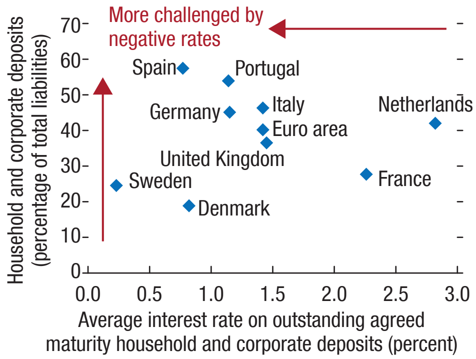
Figure 1.3.1. The Impact of "Low-for-Long" May Vary across Countries

Continued low rates could bring pressure on other financial institutions ...

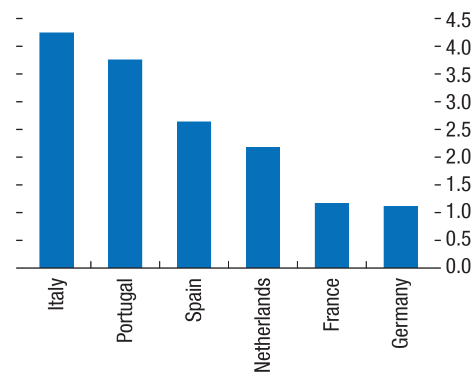
1. Household and Corporate Deposits as a Share of Total Monetary Financial Institution Liabilities and Interest Rates on Outstanding Agreed Maturity Deposits, January 2016



Sources: European Central Bank; Haver Analytics; and IMF staff calculations.

... and some will have less ability to reprice loans to make up earnings.

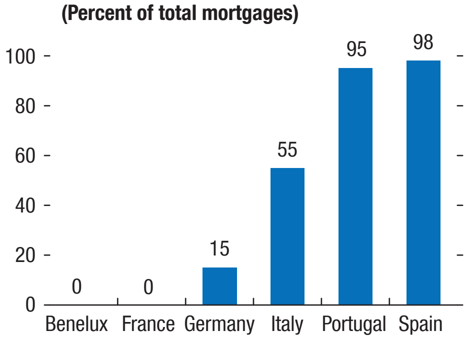
2. Estimated Changes in Outstanding Loan Book Interest Rates for a 10-Basis-Point Change in the Interbank Rate, by Country
(Basis points)



Sources: Haver Analytics; and IMF staff calculations.

Banks with a large proportion of mortgages priced to reference rates cannot raise mortgage rates ...

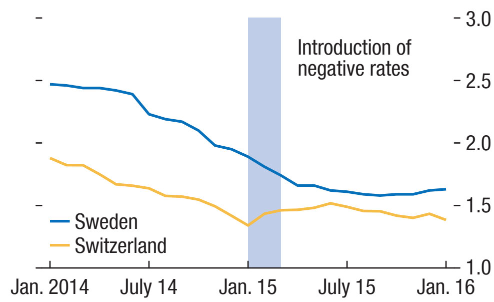
3. Tracker Mortgage Loans
(Percent of total mortgages)



Source: Morgan Stanley.
Note: Tracker mortgages are variable-rate mortgages following a reference rate. Benelux = Belgium, Netherlands, and Luxembourg.

... but some banks have been better able to maintain asset yields and protect lending margins.

4. Sweden and Switzerland: Bank Mortgage Rates
(Percent)



Source: Haver Analytics.
Note: Introduction of negative rates and in Denmark denotes cut to certificate of deposit rate from –5 basis points to –50 basis points. Swiss data is a simple average of rates on new 1- to 10-year fixed rate mortgages, whereas Swedish data reflects the weighted average interest rate on new fixed rate mortgages of all tenors.