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A macroprudential approach to address liquidity risk with the loan-to-deposit ratio

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Abstract

This paper maps the empirical features of the loan-to-deposit (LTD) ratio with an eye on using it i LTD trends and cycl nteraction between an unsustai lizing cyclical

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Notes

1. This outcome is based on F-tests for seasonality (X-12 seasonality adjustment method) and simple regression analysis with end-year dummies.

2. Adjustments for sales and securitization are not available for loans to non-financial companies and households in our time sample. The ECB Statistical Data Warehouse publishes growth rates of total loans to non-financial institutions excluding governments, adjusted for sales and securitization. We apply this correction factor (based on growth rates) to loans of companies and households.

3. The deposit ratio is defined as deposit holdings at banks over total financial assets (source:

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