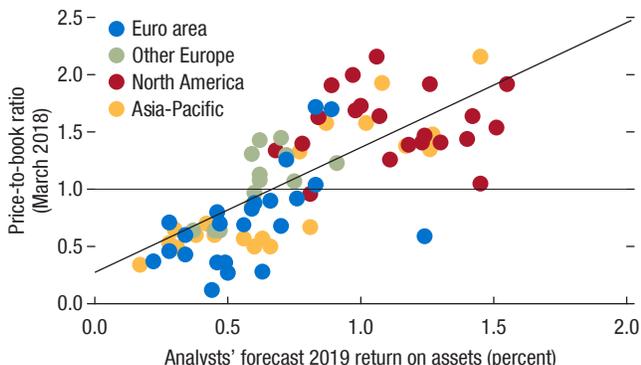


Figure 1.22. Advanced Economy Bank Health

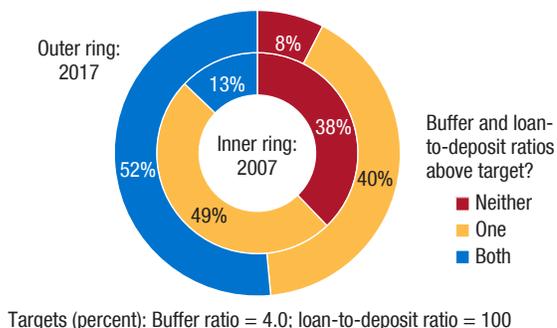
Equity market signals are mixed.

1. Bank Price-to-Book Ratios and Profitability



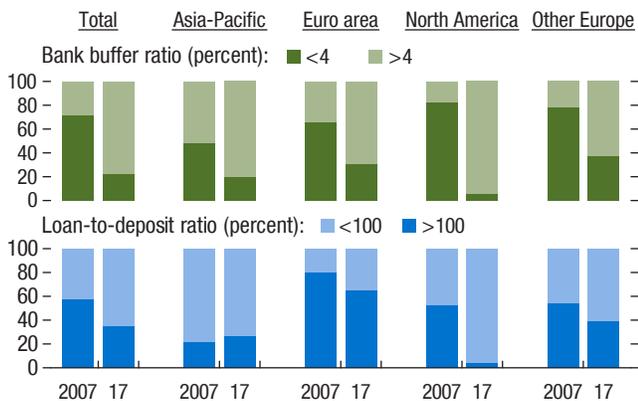
Bank balance sheet metrics have improved ...

2. Bank Balance Sheet Health (Percent of sample bank assets)



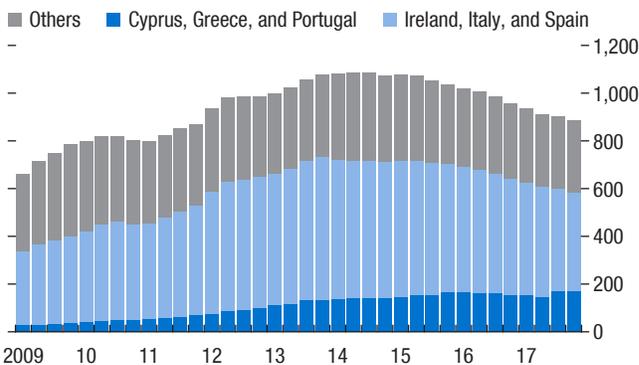
... including capital buffers and funding profiles.

3. Buffer and Loan-to-Deposit Ratios (Percent of sample bank assets)



But work to fortify balance sheets should continue.

4. Euro Area Nonperforming Loans (Billions of euros)



Sources: Bloomberg Finance L.P.; IMF, Financial Soundness Indicators database; S&P Global Market Intelligence; and IMF staff calculations.
 Note: In panel 1, US bank assets have been adjusted for derivatives netting. Panels 2 and 3 are based on a sample of 691 banks headquartered in advanced economies. In panels 2 to 4, where 2017 data are unavailable, the latest published figures are used. Asia-Pacific = Australia, Japan, Korea, New Zealand, and Singapore; North America = Canada and the United States; Other Europe = Denmark, Iceland, Norway, Sweden, Switzerland, and the United Kingdom; Bank buffers = Tier 1 common capital plus loan loss provisions less 60 percent of nonperforming loans as a percentage of tangible assets (adjusted for derivatives netting at US banks). The 60 percent figure is an assumption used for this analysis and not a regulatory requirement.