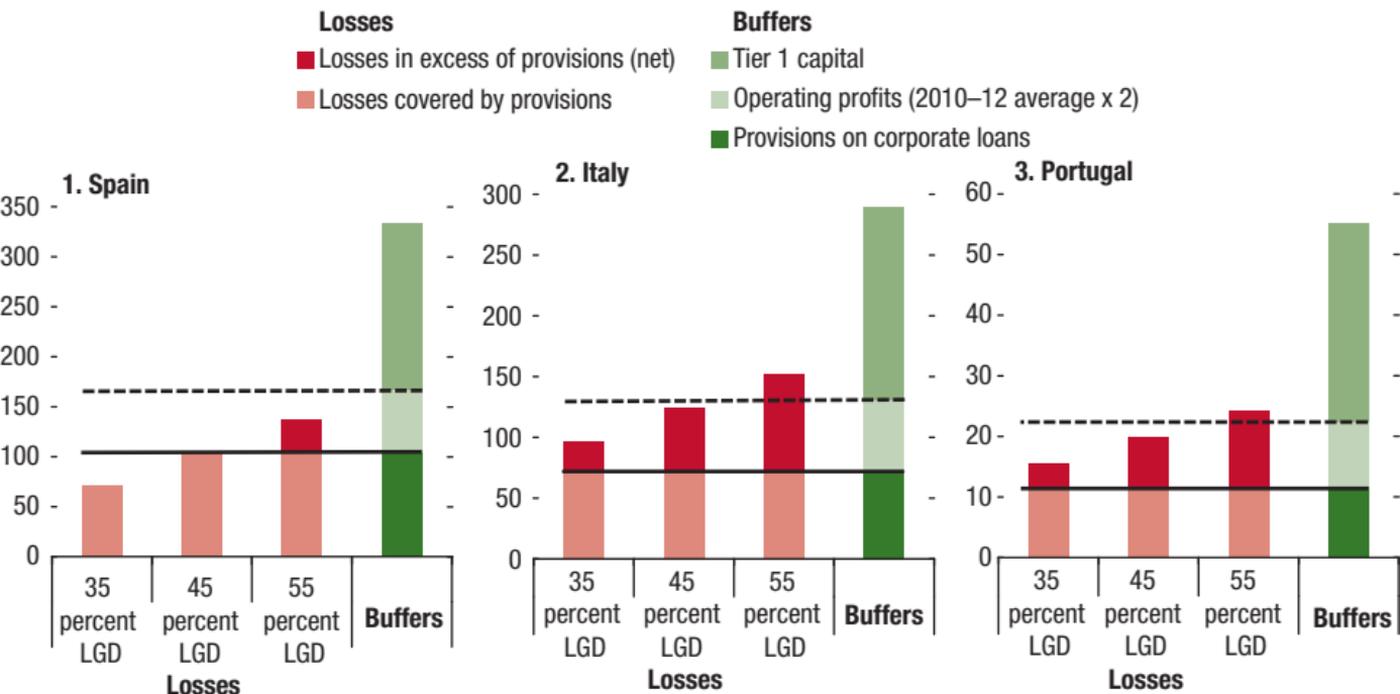


Figure 1.53. Potential Losses on Corporate Loans and Banking System Buffers
(For the next two years, based on projected corporate vulnerability indicators as of 2013; billions of euros)



Sources: Amadeus database; Financial Soundness Indicators database; national central banks; and IMF staff estimates.
 Note: LGD = loss given default. Spanish potential losses are adjusted for transfers to SAREB, the Spanish asset management company that took over the bad debt of restructured banks during the global financial crisis. Spanish operating profits include domestic operating profits and foreign net profits (after provisions and taxes abroad). Spanish provisions include about €4 billion of dynamic provisions.