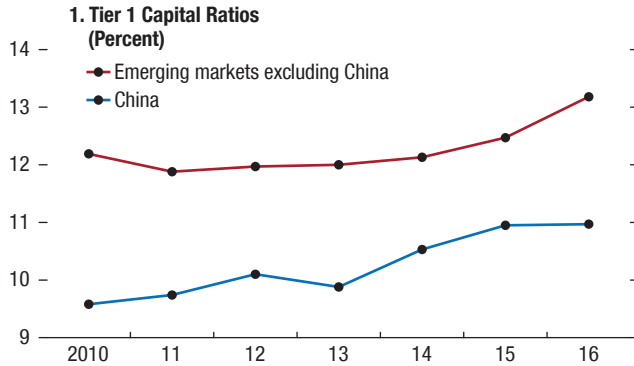
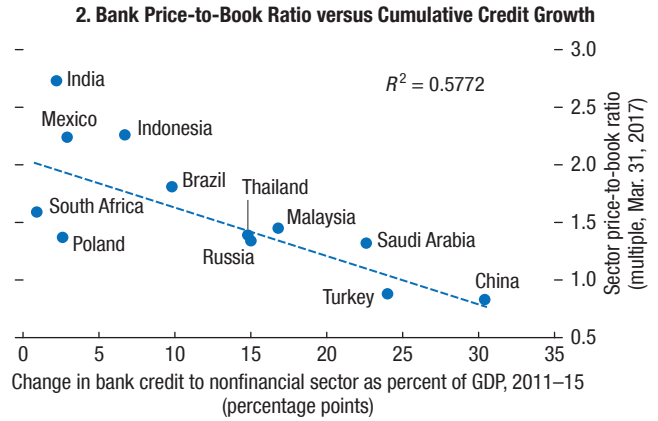


Figure 1.16. Emerging Market Bank Capital and Asset Quality

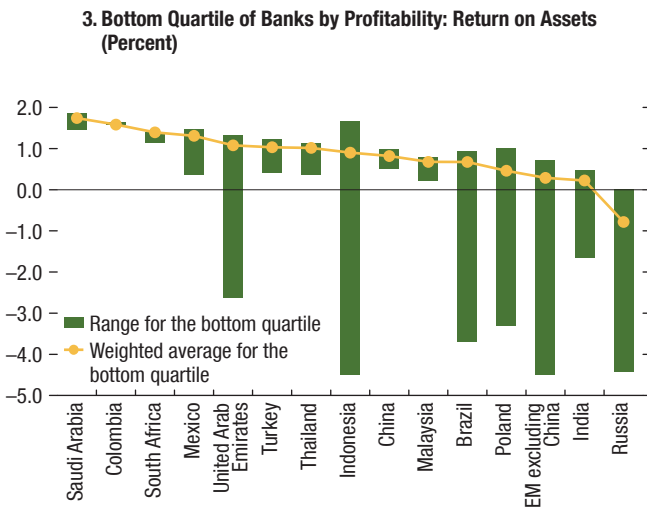
Aggregate capital ratios are improving ...



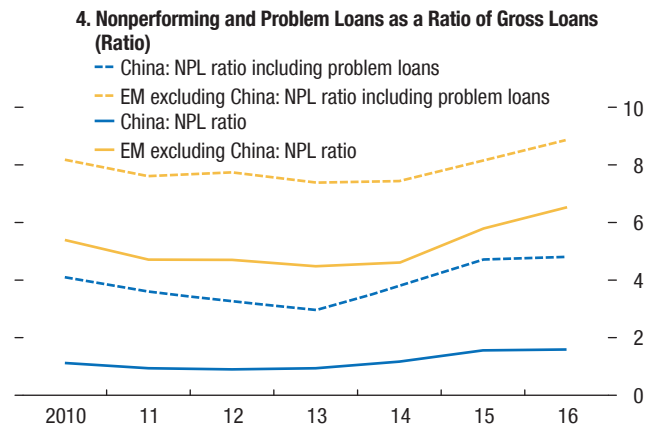
... but equity markets are concerned about excessive credit growth.



Profitability is low at some weak banks ...



... and asset quality is deteriorating in many countries.



Sources: Bank for International Settlements; Bloomberg L.P.; Morgan Stanley Capital International; SNL Financial; and IMF staff calculations.
 Note: EM = emerging market; NPL = nonperforming loan.