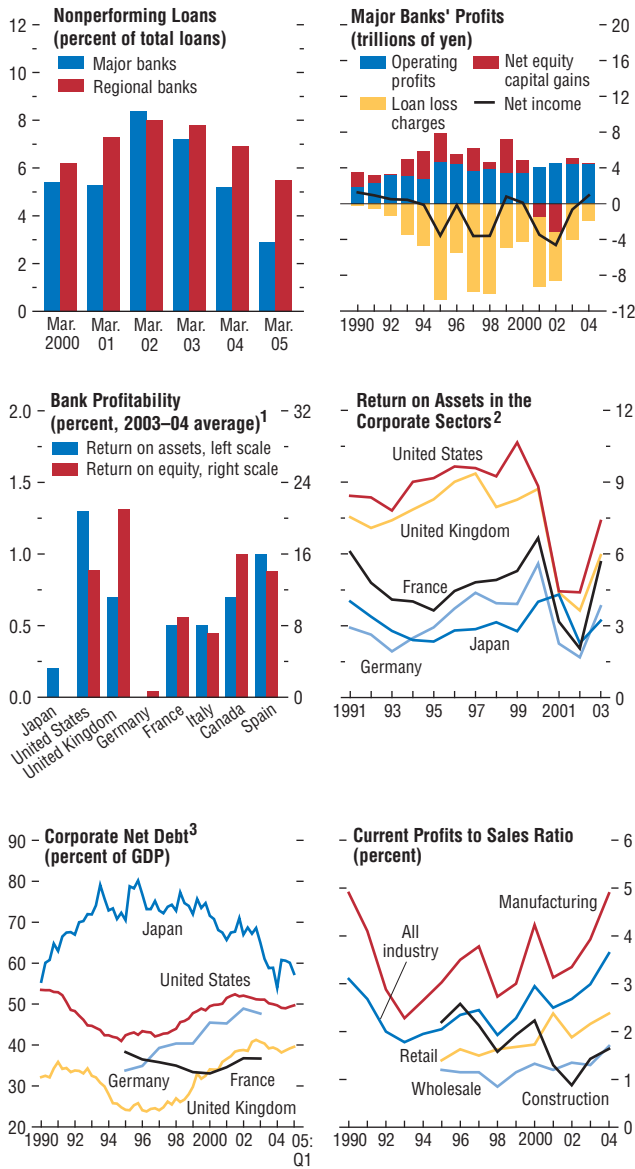


**Figure 1.14. Japan: Indicators of Bank and Corporate Sector Financial Health**

Considerable progress has been made in strengthening the bank and corporate sectors in Japan. International comparisons, however, suggest that more needs to be done to return these sectors to full strength.



Sources: National authorities; Financial Services Agency; Fitch Research; European Central Bank; Haver Analytics; CEIC Data Company Limited; and IMF staff calculations.

<sup>1</sup> 2002-03 average for Germany, France, and Italy because 2004 data were not yet available.

<sup>2</sup> Percent, mean-weighted by market capitalization.

<sup>3</sup> Defined as financial liabilities less financial assets of the nonfinancial corporate sector.