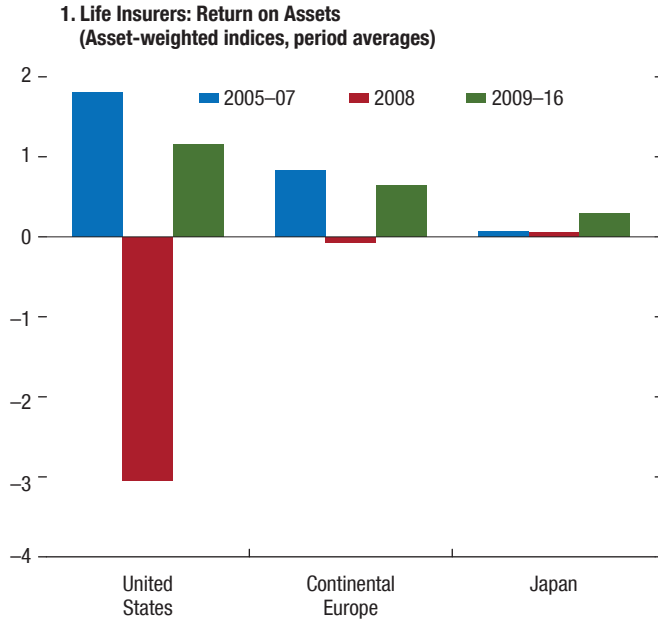
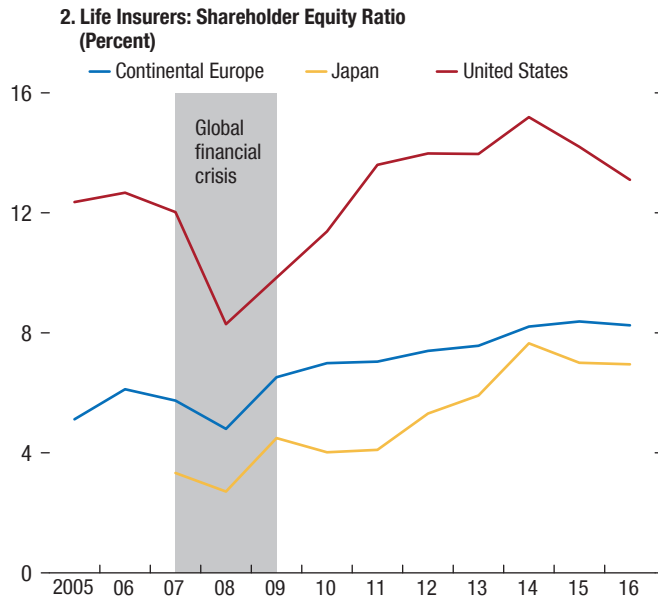


### Figure 1.9. Life Insurance Companies' Profitability and Capital

Amid falling yields and bullish asset markets, life insurers have managed to restore profits ...



... allowing them to retain earnings and lift capital buffers.



Sources: Bloomberg Finance L.P.; and IMF staff estimates.

Note: In panel 1, return on assets is calculated by dividing net income by total tangible assets minus separate accounts. In panel 2, the shareholder equity ratio is calculated by dividing the sum of common equity plus retained earnings by tangible assets minus separate accounts. In both panels, for Japan, separate accounts were not deducted in the denominator due to lack of data.