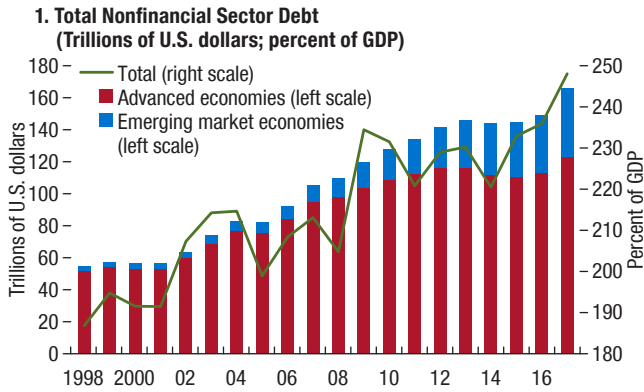
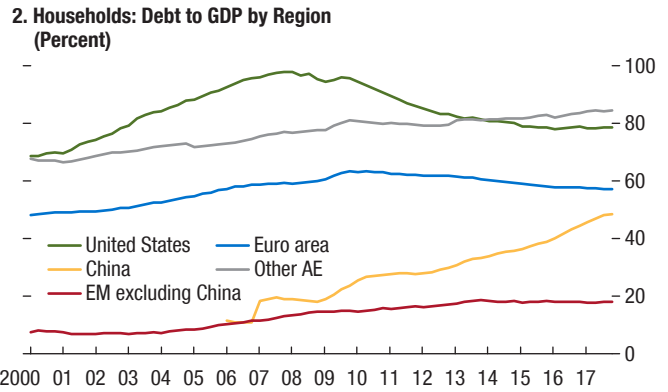


Figure 1.6. Balance Sheet Vulnerabilities

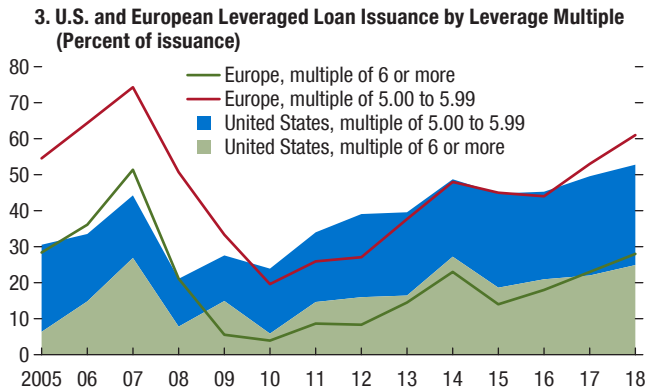
Total nonfinancial sector debt has continued to swell since the global financial crisis.



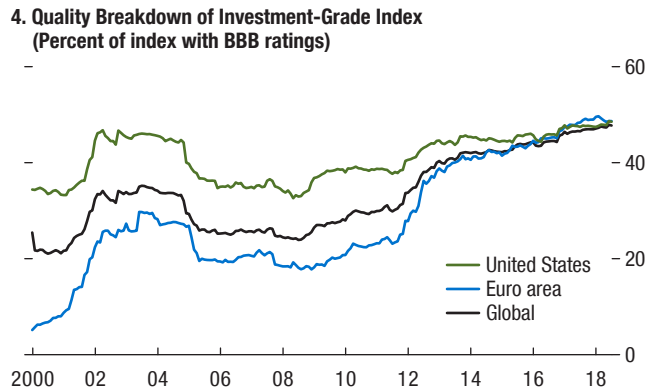
Household debt to GDP remains on an upward trajectory in a number of countries.



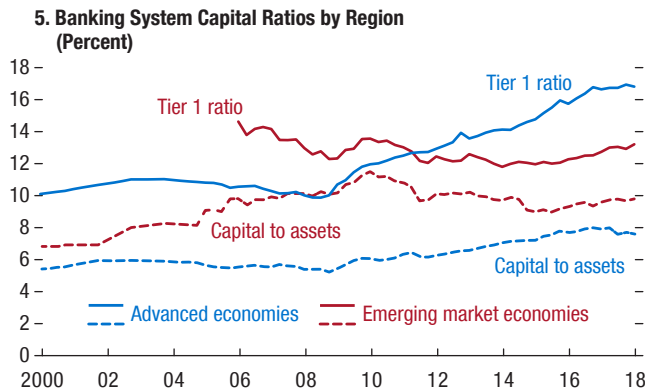
Highly leveraged loan deals have grown as a share of new corporate issuance in the United States and Europe ...



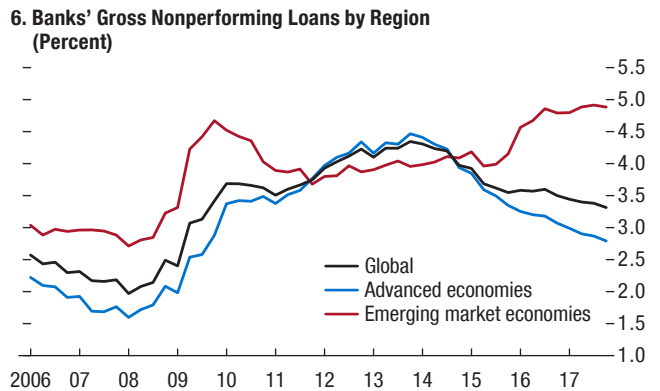
... accompanied by broad-based growth in riskier borrowing.



Capital positions of banks in advanced economies have improved, but are less robust in some emerging market economies ...



... where weak underwriting standards have led to rising nonperforming loans.



Sources: Bloomberg Finance L.P.; Haver Analytics; IMF, Global Debt Database (2018) preliminary estimates; S&P Leveraged Commentary and Data; and IMF staff calculations.

Note: In panels 1, 2, 5, and 6, aggregates refer to 29 jurisdictions with systemically important financial sectors. Leverage multiple is defined as the ratio of total debt-to-earnings before interest, taxes, depreciation, and amortization after the issuance of the loan. AE = advanced economy; EM = emerging market.