Bank earnings are lower due to narrower margins and rising provisions...

...but would be worse without shadow-related income.

Growing use of risky short-term funding...

...has led to worsening maturity mismatches.

Sources: SNL Financial; and IMF staff calculations.

Note: Shadow credit refers to banks’ nonloan, nonbond credit to nonfinancial private borrowers, both on and off balance sheet. For a complete definition, see footnote 33.

NII = net interest income.

1 Assets and liabilities available on demand or maturing in three months or less.