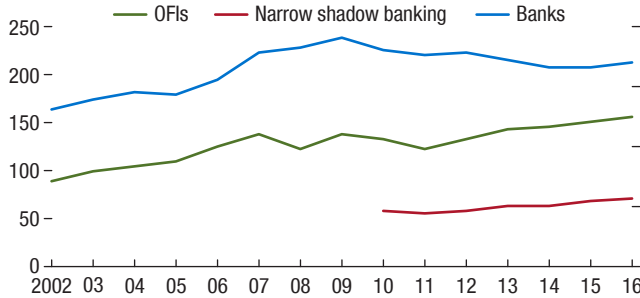


**Figure 2.9. New Sources of Risk and Vulnerabilities**

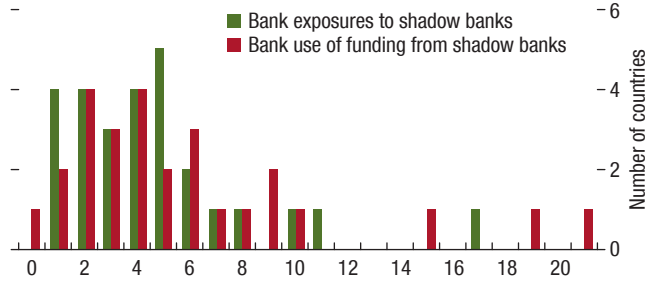
As assets of conventional banks stagnate, nonbank institutions gain ground ...

**1. Shadow Banking in S29 Countries (Percent of GDP)**



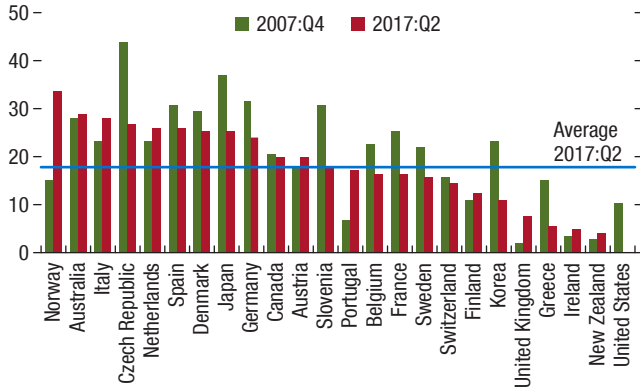
... and banks' interconnections with these institutions can be large in some countries.

**2. Country-Level Exposure of Banks to and Use of Funds from Shadow Banks (Percent of GDP, 2016)**



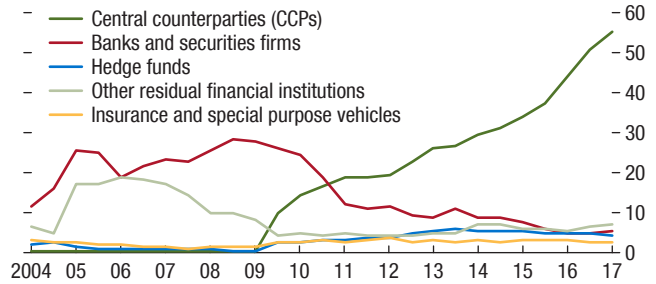
In many countries, the bank-sovereign nexus remains strong.

**3. Domestic Bank Holdings of General Government Debt Securities (Percent of total)**



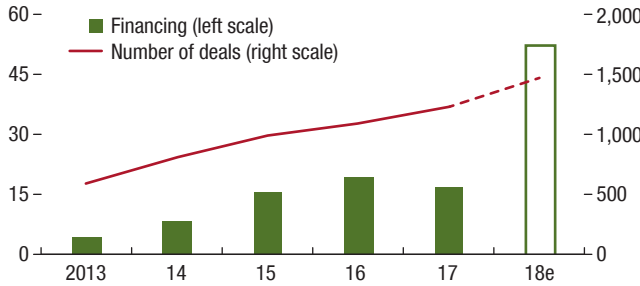
The systemic importance of central counterparties is growing rapidly ...

**4. CCPs and Other Counterparties in Derivatives Clearing (Share of different counterparties, percent)**



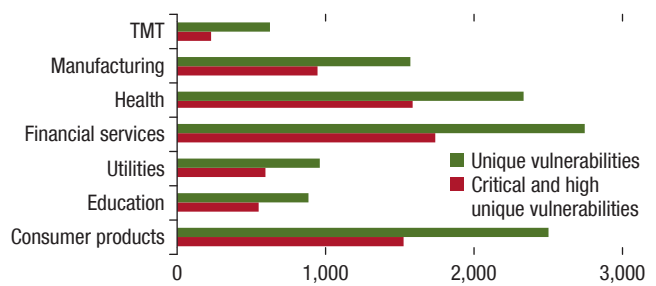
... and financial technology (fintech) is rapidly making inroads.

**5. Global Fintech Investment Backed by Venture Capital (Billions of U.S. dollars; number of deals)**



Cyber risk can be sizable, and not all economic sectors are equally vulnerable.

**6. Cyber Risks: Vulnerability Severity by Industry and Sector (United States, 2017)**



Sources: Bank for International Settlements; Bloomberg Finance L.P.; CB Insights; Financial Stability Board; Protiviti; and IMF staff calculations.

Note: In panel 1, shadow banking is computed from the Financial Stability Board Shadow Banking Monitor 2017 for a group of 29 countries (S29). Panel 2 shows the distribution of the banking system's exposures to and use of funds from shadow banks across the S29 countries. In panel 3, bank holdings of general government debt are based on updated statistics from Arslanalp and Tsuda (2014). In panel 4, the role of central counterparties is from the Bank for International Settlements Quarterly Review of June 2018 (Figure 2). In panel 5, the growth of fintech investments is from CB Insights' Global Fintech Report of 2018:Q1, showing annual venture capital-backed global fintech deals and financing (2018 full-year data are extrapolated from 2018:Q1). In panel 6, cyber risk vulnerability severity is from Protiviti's 2018 Security Threat Report. OFI = other financial institutions; TMT = technology, media, and telecom.