Figure 1.4. Global Financial Vulnerabilities

Sovereign and corporate sector vulnerabilities have increased since the global financial crisis, while vulnerabilities remain elevated in other financial sectors.

1. Proportion of GDP of Systemically Important Countries with Elevated Vulnerabilities, by Sector
(Percentage of countries in sample with high and medium-high vulnerabilities by GDP [assets for banks]; number of vulnerable countries in parentheses)

Sovereign vulnerabilities are elevated in many countries, and in China vulnerabilities are elevated in a number of sectors.

2. Financial Vulnerabilities by Sector and Region

Sources: Bank for International Settlements; Bank of Japan; Bloomberg Finance L.P.; China Insurance Regulatory Commission; European Central Bank; Haver Analytics; IMF, Financial Soundness Indicators database; S&P Global Market Intelligence; S&P Leveraged Commentary and Data; WIND Information Co.; and IMF staff calculations.

Note: In panel 1, the global financial crisis reflects the maximum vulnerability value from 2007 to 2008. In panel 2, red shading indicates a value in the top 20 percent of pooled samples of advanced and emerging market economies for each sector from 2000 through 2018 (or longest sample available), and dark green shading indicates values in the bottom 20 percent. In panels 1 and 2, for households, the debt service ratio in emerging market economies is based on all private nonfinancial firms. Other systemically important advanced economies comprise Australia, Canada, Denmark, Hong Kong SAR, Japan, Korea, Norway, Singapore, Sweden, Switzerland, and the United Kingdom. Other systemically important emerging market economies comprise Brazil, India, Mexico, Poland, Russia, and Turkey. GFSR = Global Financial Stability Report.