

**Table 1.3. Estimates of Financial Sector Potential Writedowns (2007–10) by Geographic Origin of Assets as of April 2009**

(In billions of U.S. dollars)

Origin of Asset	Outstanding	Estimated Writedowns					Implied Cumulative Loss Rate (Percent)
		October 2008 GFSR	April 2009 GFSR	Banks <sup>1</sup>	Insurers	Other <sup>2</sup>	
<b>United States</b>							
Loans							
Residential mortgage	5,117	170	431	206	22	204	8.4
Commercial mortgage	1,913	90	187	116	9	62	9.8
Consumer	1,914	45	272	169	14	89	14.2
Corporate	1,895	120	98	61	5	32	5.2
Municipal	2,669	...	80	50	4	26	3.0
Total for loans	13,507	425	1,068	601	53	414	7.9
Securities							
Residential mortgage	6,940	580	990	604	99	287	14.3
Commercial mortgage	640	160	223	136	22	65	34.8
Consumer	677	...	96	59	10	28	14.2
Corporate	4,790	240	335	204	33	97	7.0
Total for securities	13,047	980	1,644	1,002	164	477	12.6
Total for loans and securities	26,554	1,405	2,712	1,604	218	890	10.2
<b>Europe<sup>3</sup></b>							
Loans							
Residential mortgage	4,632	...	192	119	10	63	4.1
Commercial mortgage	2,137	...	105	65	5	34	4.9
Consumer	2,467	...	175	109	9	58	7.1
Corporate	11,523	...	416	258	21	137	3.6
Total for loans	20,759	...	888	551	44	292	4.3
Securities							
Residential mortgage	1,390	...	195	119	19	56	14.0
Commercial mortgage	181	...	31	19	3	9	17.4
Consumer	250	...	18	11	2	5	7.1
Corporate	1,227	...	61	37	6	18	5.0
Total for securities	3,048	...	305	186	31	89	10.0
Total for loans and securities	23,807	...	1,193	737	75	381	5.0
<b>Japan</b>							
Loans							
Consumer loans	3,230	...	65	58	3	3	2.0
Corporate loans	3,339	...	67	60	3	3	2.0
Total for loans	6,569	...	131	118	7	7	2.0
Securities							
Corporate	789	...	17	11	2	5	2.2
Total for loans and securities	7,358	...	149	129	8	12	2.0
Total for all loans	40,835	...	2,087	1,271	104	712	5.1
Total for all securities	16,884	...	1,966	1,199	197	570	11.6
Total for all loans and securities	57,719	...	4,054	2,470	301	1,283	7.0
Expected writedowns of mature market banks on emerging market assets	...	...	...	340	...	...	...
Total potential writedowns for mature market banks	...	...	...	2,810	...	...	...

Sources: Bank for International Settlements; European Securitization Forum; Federal Reserve, *Flow of Funds* (2008:Q3); national central banks; and IMF staff estimates.

Note: See Annex 1.5 for details on writedown estimation methodology.

<sup>1</sup>For banks in advanced countries, potential writedowns by origin of assets. For an estimate of writedowns by domicile of banks, see Table 1.15.

<sup>2</sup>Included in this category are estimated losses for U.S. government-sponsored enterprises of approximately \$250 billion, as well as expected writedowns for hedge funds, pensions, and other nonbank financial institutions.

<sup>3</sup>Europe includes the euro area and the United Kingdom.