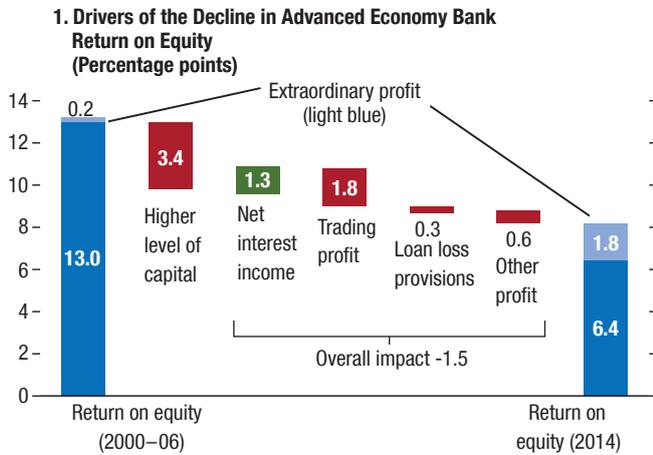


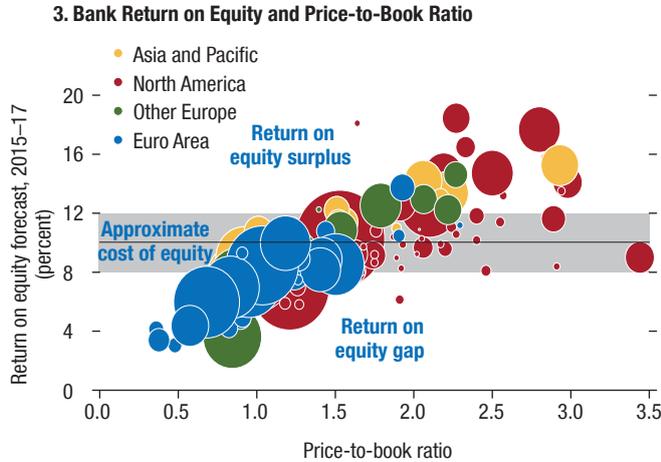
**Figure 1.16. Bank Profitability and Balance Sheet Strength**

Bank profitability has fallen...



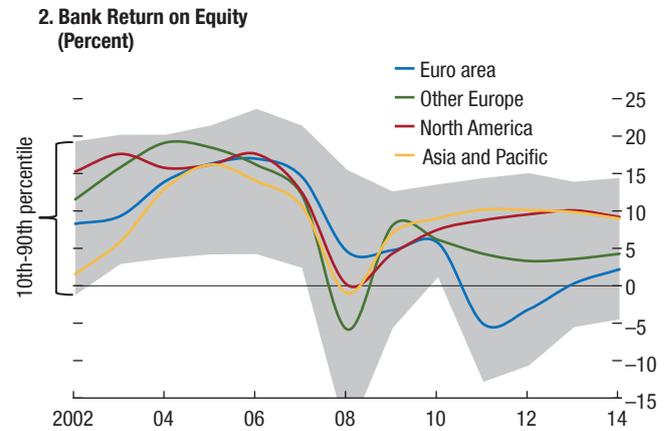
Sources: Bloomberg, L.P.; and IMF staff calculations.  
Note: Based on a sample of more than 300 banks.

...and is reflected in market prices.



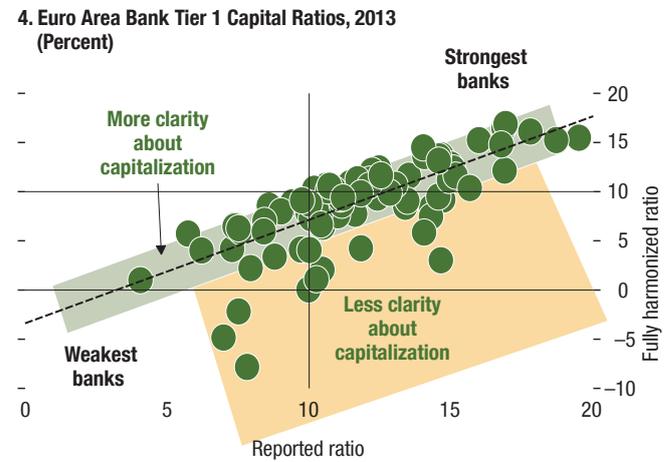
Sources: Bloomberg, L.P.; and IMF staff calculations.  
Note: The size of the circles is proportional to bank assets in 2014.

...across all advanced economies...



Sources: Bloomberg, L.P.; and IMF staff estimates.  
Note: Based on a sample of more than 300 banks.

Questions about bank capital quality remain.



Sources: European Banking Authority; European Central Bank; and IMF staff calculations.  
Note: The fully harmonized ratio uses the “fully loaded” definition of capital under the Capital Requirements Directive (CRD-IV) and the harmonization of asset quality definitions from the European Central Bank’s Comprehensive Assessment.