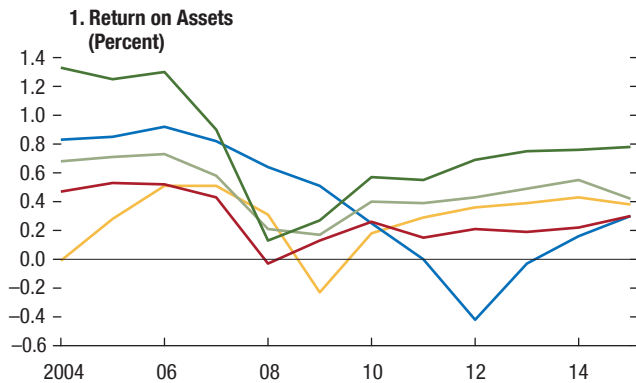
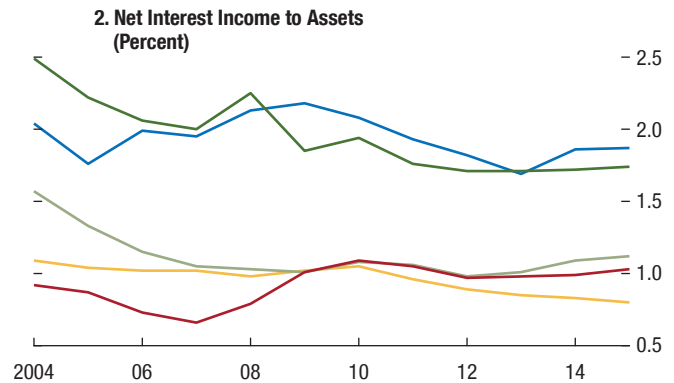


Figure 1.12. Advanced Economies: Trends in Bank Profitability

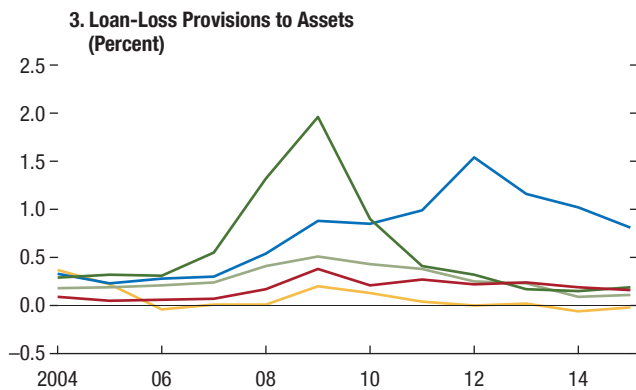
Banks' returns on assets have plateaued below precrisis levels after rising since 2008.



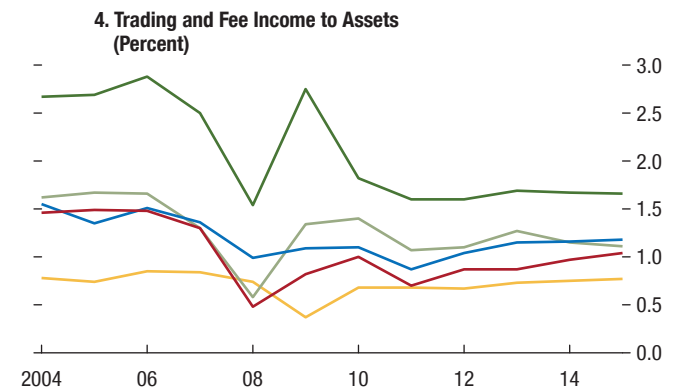
Declining net interest income has been a factor in the United States, Japan, and certain euro area countries.



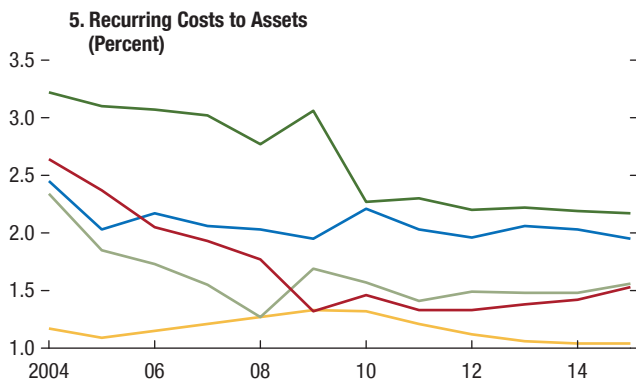
Provision costs have largely normalized outside of euro area countries highly affected by the crisis.



Noninterest income generation has fallen in Europe and particularly in the United States.



Costs have declined in keeping with revenues, although less so in hard-hit euro area regions.



— United States¹
 — Core area countries²
 — Selected euro area countries³
 — Other Europe⁴
 — Japan

Sources: Bloomberg L.P.; and IMF staff estimates.
 Note: Data depicted are asset-weighted percentages of average tangible assets.
¹Asset totals adjusted to include netted trading derivatives.
²Core euro area = Austria, Belgium, France, Germany, Netherlands.
³Selected euro area = Greece, Ireland, Italy, Portugal, Spain.
⁴Other Europe = Czech Republic, Denmark, Norway, Sweden, Switzerland, United Kingdom.