Figure 1.12. Advanced Economies: Trends in Bank Profitability

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

1. Return on Assets (Percent)

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

2. Net Interest Income to Assets (Percent)

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

3. Loan-Loss Provisions to Assets (Percent)

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

4. Trading and Fee Income to Assets (Percent)

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

5. Recurring Costs to Assets (Percent)

Sources: Bloomberg L.P.; and IMF staff estimates.

Note: Data depicted are asset-weighted percentages of average tangible assets.

1 Asset totals adjusted to include netted trading derivatives.
2 Core euro area = Austria, Belgium, France, Germany, Netherlands.
3 Selected euro area = Greece, Ireland, Italy, Portugal, Spain.
4 Other Europe = Czech Republic, Denmark, Norway, Sweden, Switzerland, United Kingdom.