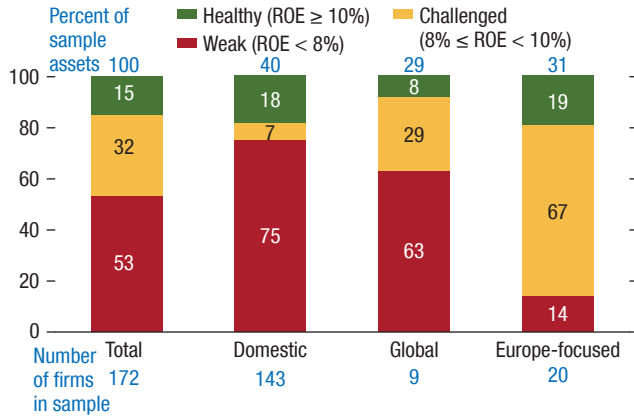


Figure 1.23. European Bank Profitability, 2016

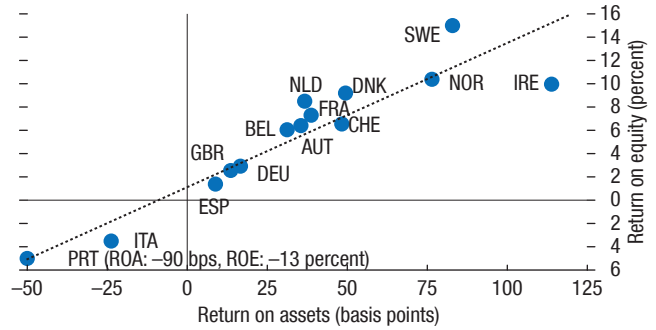
Return on equity varies by type of bank ...

1. Sample European Banks by ROE Thresholds (Percent of sample, by assets)



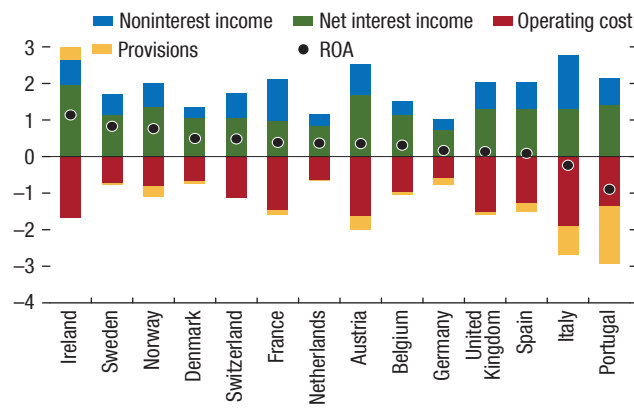
... and profitability varies across countries.

2. Sample Domestic Bank ROE and ROA



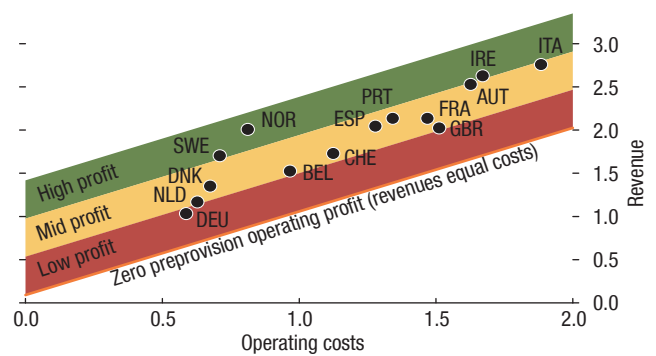
The underlying drivers of profitability differ ...

3. Sample Domestic Bank ROA (Percent of assets)



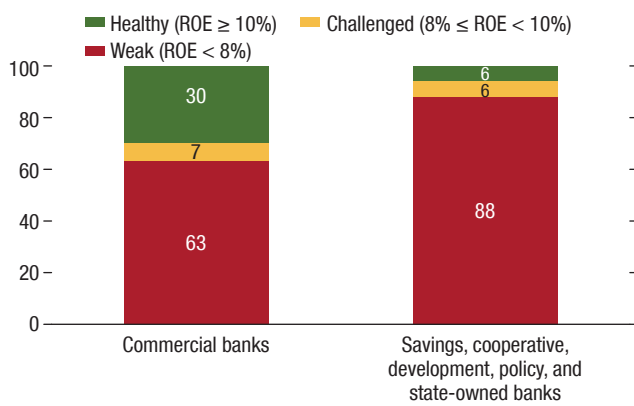
... and may be related to revenues and costs.

4. Sample Domestic Bank Preprovision Profit, Revenues and Costs (Percent of assets)



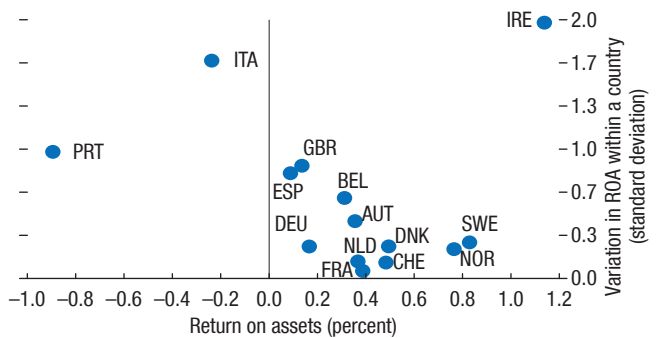
Profitability also varies across groups of institutions ...

5. Sample Domestic Banks by ROE Thresholds and Institution Type (Percent of sample, by assets)



... and within countries.

6. Sample Domestic Bank ROA within Countries



Sources: Bloomberg L.P.; SNL Financial; and IMF staff calculations.

Note: Panel 1 is based on a sample of 172 of the largest European banks. Panels 2 to 6 are based on the 143 domestic banks in the sample. The individual countries in the figure are those with the 15 largest bank assets in the sample, excluding Greece. Conduct costs have been removed. Data labels in the figure use International Organization of Standardization (ISO) country codes. ROA = return on assets; ROE = return on equity.