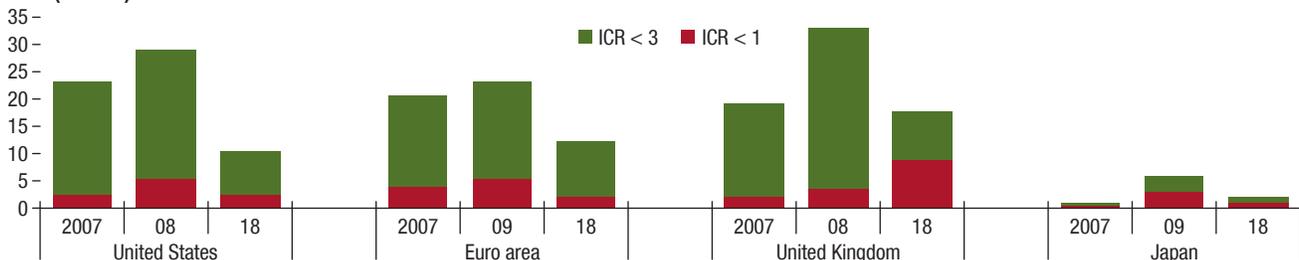


Figure 1.11. Corporate Credit Quality Indicators in Advanced Economies

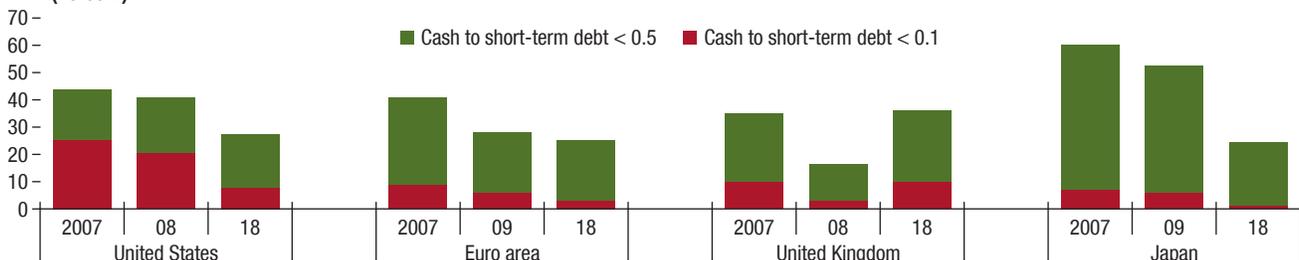
Extraordinary monetary accommodation has supported the corporate sector ...

1. Share of Corporate Debt Owed by Firms with Low (below 1) and Subpar (between 1 and 3) EBITDA-to-Interest Expense Ratios (Percent)



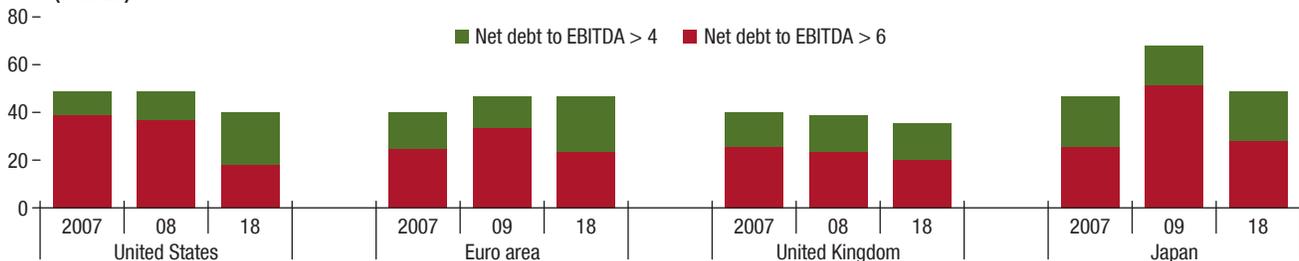
... and favorable financing terms have allowed firms to extend maturities and reduce rollover risks.

2. Share of Corporate Debt Owed by Firms with Low (below 10 Percent) and Subpar (between 10 Percent and 50 Percent) Cash-to-Short-Term-Debt Ratios (Percent)



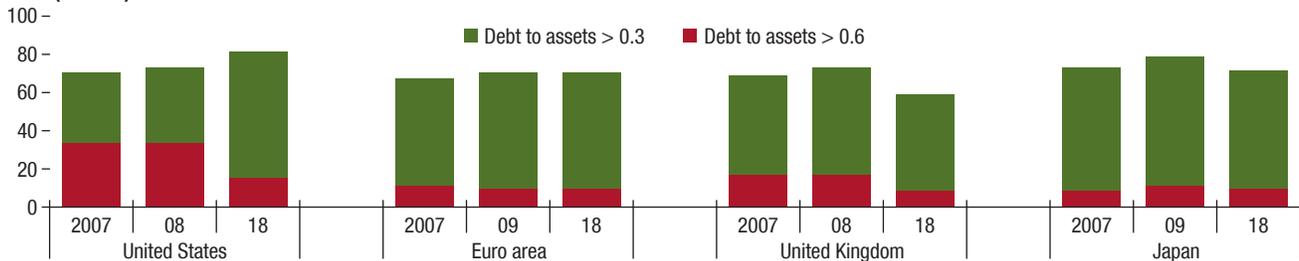
A recovery in earnings has helped restrain the increase in corporate leverage (debt-to-earnings ratios) ...

3. Share of Corporate Debt Owed by Firms with High (above 6) and Elevated (between 4 and 6) Net Debt-to-EBITDA Ratios (Percent)



... whereas debt-to-asset ratios have continued to climb at moderately indebted firms.

4. Share of Corporate Debt Owed by Firms with High (above 0.6) and Moderate (between 0.3 and 0.6) Debt-to-Asset Ratios (Percent)



Sources: S&P Capital IQ; and IMF staff calculations.

Note: The sample includes about 20,000 firms in the euro area, Japan, the United Kingdom, and the United States. In the euro area, they represent 23 percent of total debt in the total corporate sector, in Japan 40 percent of total debt, in the United Kingdom 36 percent of total debt, and in the United States 76 percent, measured as loans and debt securities. The middle bars in every panel show the worst year (in terms of corporate credit metrics) since the global financial crisis, which could be either 2008 or 2009. EBITDA = earnings before interest, tax, depreciation, and amortization; ICR = interest coverage ratio.