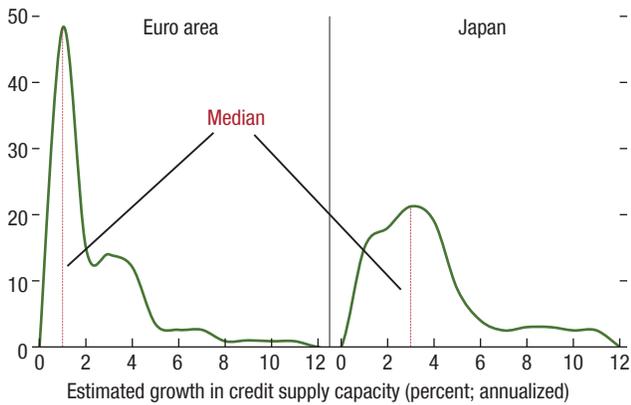


**Figure 1.12. Bank Nonperforming Loans and Lending Conditions (continued)**

Policy actions are needed to support bank lending.

**5. Simulated Bank Lending Capacity, 2015–17  
(Percent of sample)**

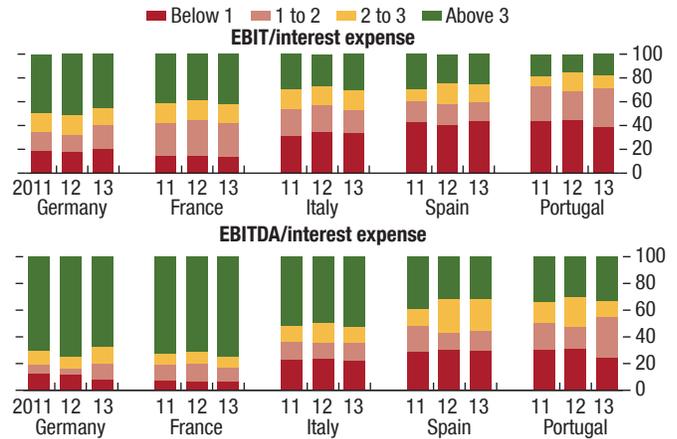


Source: IMF staff estimates.

Note: Shows the average annual bank lending capacity over the period 2015–17 for a sample of more than 100 euro area banks and around 80 Japanese banks.

Corporate debt-servicing capacity remains weak.

**6. Corporate Interest Coverage Ratios  
(Percent of debt)**



Sources: Amadeus database; national central banks; and IMF staff estimates.

Note: French data for 2012–13 are estimated using central bank data for a smaller number of firms. EBIT = earnings before interest and taxes. EBITDA = earnings before interest, taxes, depreciation, and amortization.