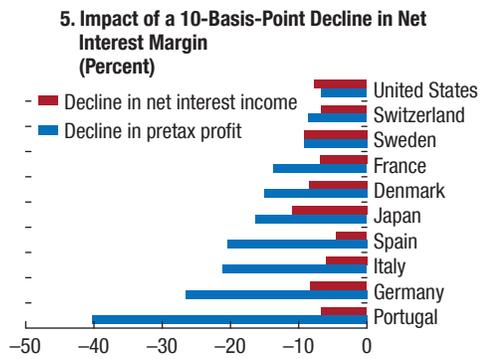


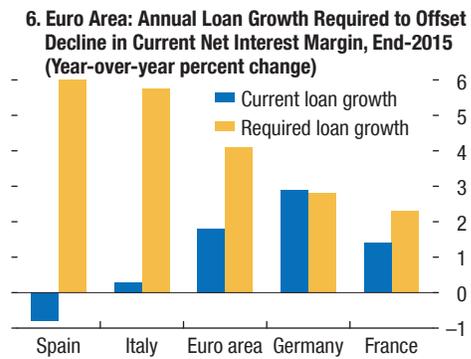
**Figure 1.3.1. (continued)**

Declining net interest margins will hit profits of European banks more strongly.



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

Substantial loan growth would be required to make up loss of net interest income.



Sources: Bloomberg, L.P.; European Banking Authority Transparency Exercise (2015); European Central Bank; SNL Financial; and IMF staff calculations.