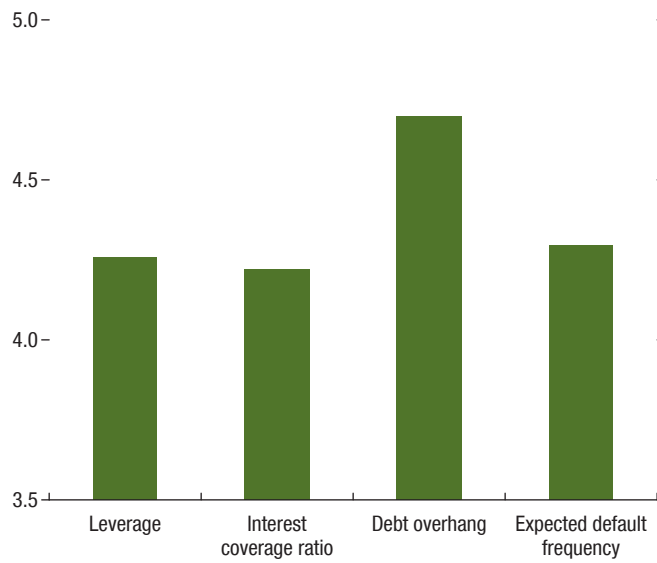


Figure 2.9. Higher Riskiness of Credit Allocation Signals Greater Risk of a Systemic Banking Crisis
(Proportional increase in the odds of a banking crisis)



Source: IMF staff estimates.

Note: The figure shows the multiplicative effect of a one standard deviation increase in the riskiness of credit allocation on the odds of a systemic banking crisis, as defined in Laeven and Valencia (forthcoming). See Annex 2.3 for methodology.