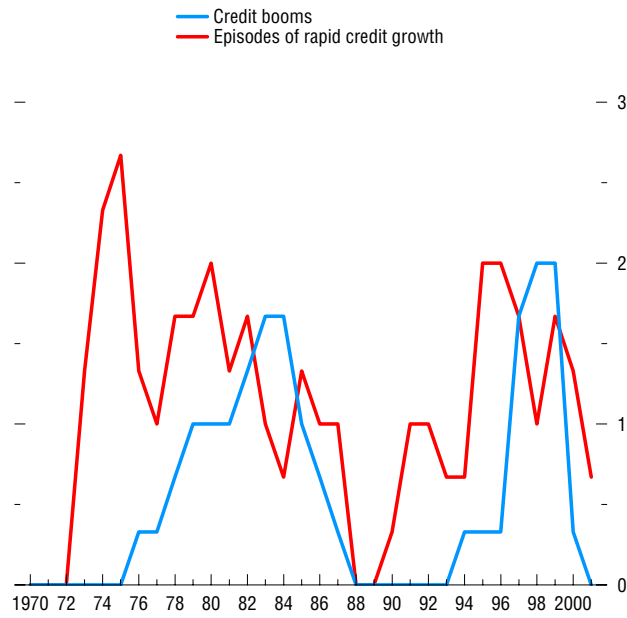


Figure 4.2. Credit Booms Versus Episodes of Rapid Credit Growth

(Number of episodes, 3-year moving average)

Credit can grow rapidly for three reasons: financial deepening, normal cyclical conditions, and excessive cyclical movements (credit booms). In fact, credit booms are much less common than episodes of rapid credit growth.



Sources: IMF, *International Financial Statistics*; and IMF staff calculations.