







Q



to the latest two volumes for 14 days

**66** Citations

Share

**Metrics** 

References

Read this article

### **Abstract**

Full Article

Reprints & Permissions

This article provides a comparative analysis of the performance of the credit growth variable compared to the credit-to-GDP ratio as an early warning indicator of banking crises. We find that both variables correctly detect expansive credit growth leading to financial stability problems. However, the timing of the early warning indicators is closer in keeping with cycle changes when the credit growth variable is used. The results obtained are important to design prudential policies aimed at preventively monitoring and fostering banking sector stability and, particularly to manage the countercyclical capital buffer envisaged in the Basel III package.

#### Keywords:

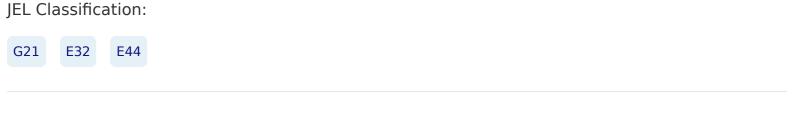
financial stability

credit procyclicality

Figures & data

countercyclical capital buffers

Basel III



# Acknowledgements

The authors thank Jesús Saurina, Agustín Maravall and Iñaki Caminos for useful comments and discussions. All remaining errors are the responsibility of the authors.

## Notes

- $^{1}$  Drehmann and Gambacorta (2012) simulate the effects of this countercyclical capital butter in the bank credit supply.
- $^2$  This article sets out the results for , typical value used for annual data. On the other hand, we have tested the resilience of the results for alternative values of taking into consideration the research of Drehmann et al. (2010), Borio and Drehmann (2009), Maravall and Del Río (2007), Ravn and Uhlig (2002) and Gourinchas et al. (2001). Thus, for all the verified values (, results obtained are consistent with those presented.



Information for

**Authors** 

**R&D** professionals

**Editors** 

Librarians

**Societies** 

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

**Open Select** 

**Dove Medical Press** 

F1000Research

Help and information

Help and contact

Newsroom

All journals

**Books** 

#### Keep up to date

Register to receive personalised research and resources by email



Sign me up











Accessibility



Copyright © 2025 Informa UK Limited Privacy policy Cookies Terms & conditions



Registered in England & Wales No. 01072954 5 Howick Place | London | SW1P 1WG