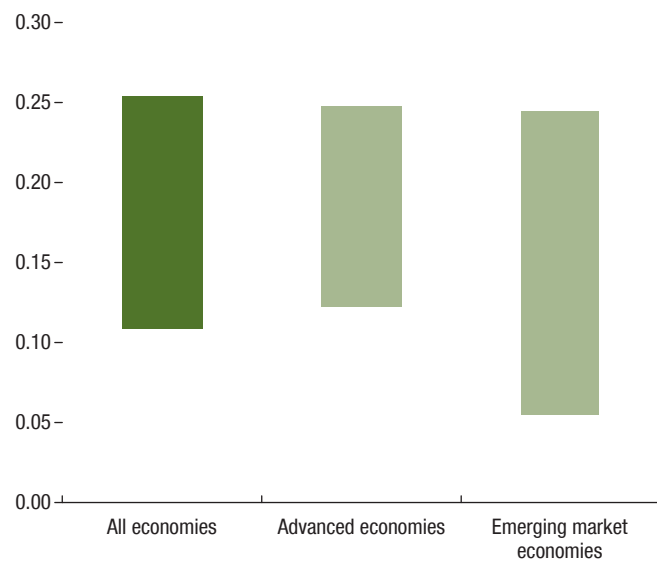


**Figure 2.6. The Riskiness of Credit Allocation Rises When a Credit Expansion Is Stronger**  
*(Standard deviations of the riskiness of credit allocation)*



Sources: Worldscope; and IMF staff estimates.

Note: The figure shows the range of impact of a contemporaneous increase in the change in the credit-to-GDP ratio by one standard deviation on the four (leverage-, interest coverage ratio-, debt overhang-, and expected default frequency-based) measures of the riskiness of credit allocation. Dark-colored (light-colored) bars indicate that the effects are statistically significant at the 10 percent level or higher for four (three) measures out of four. See Annex 2.2 for details on methodology.