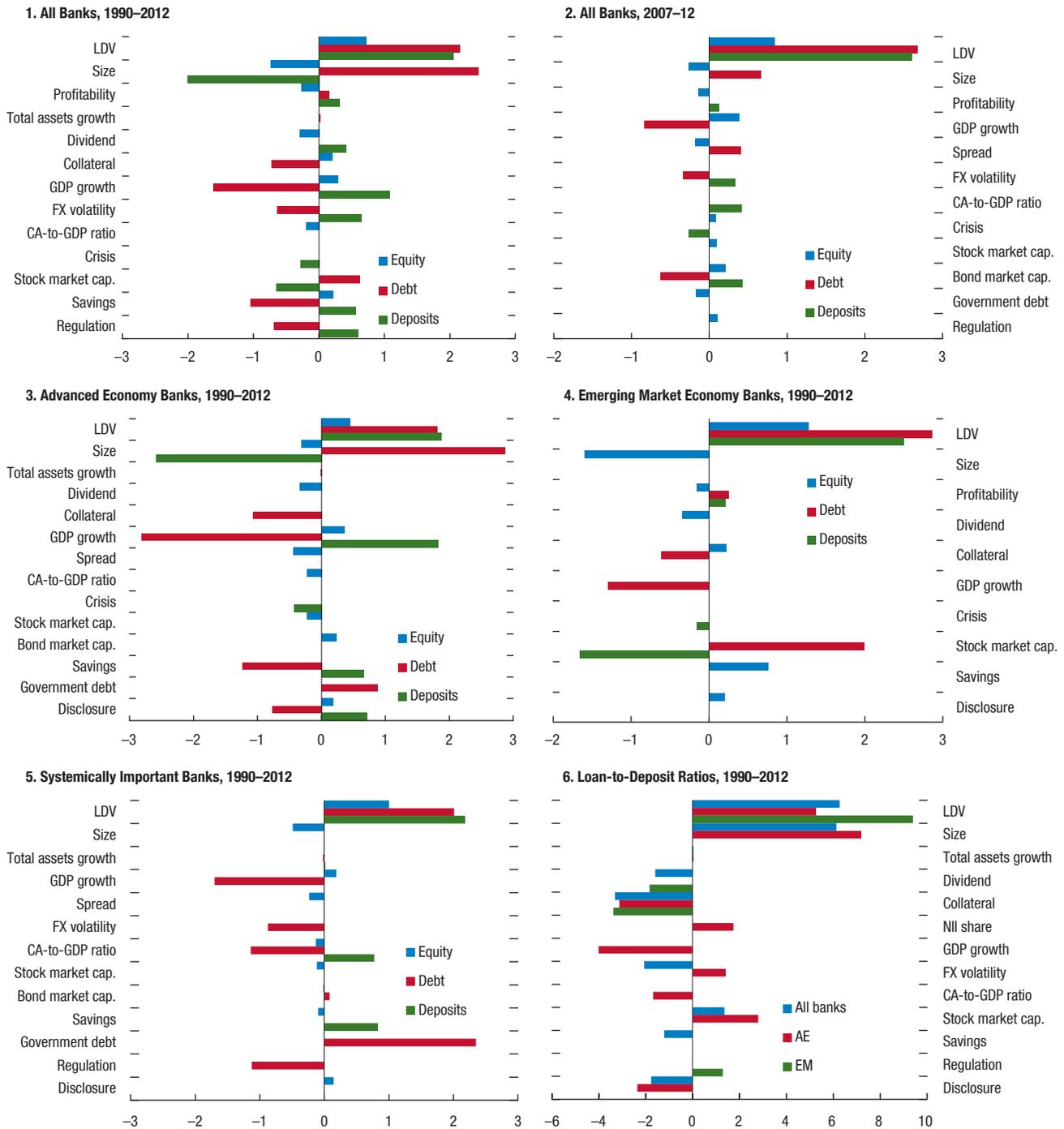


Figure 3.5. Determinants of Bank Funding
(Relative sizes of factors; percentage points)



Sources: Bloomberg, L.P.; and IMF staff estimates.

Note: CA = current account; cap. = capitalization; FX = foreign exchange; LDV = lagged-dependent variable; NII share = net interest income in percent of operating income. Regulation and disclosure are the first and second principal component scores, derived from four World Bank indicators of regulatory and institutional quality. See Table 3.3 for further details on factors and their definitions. Figures show the economic relevance of bank characteristics and macrofinancial and regulatory factors on bank funding through equity, deposits, and debt (as a percent of total assets), and on loan-to-deposit ratios (panel 6) based on panel estimations for all banks, advanced economy banks, emerging market economy banks (from developing Asia and central and eastern Europe), and global and domestic systemically important banks. Economic relevance is computed as coefficients multiplied by 1 standard deviation of each variable (averaged across banks). Variables shown are chosen using the general-to-specific selection method, which starts with a general regression model and narrows it down to a model with only significant variables. See Annex 3.1 for further details on data and estimation results.