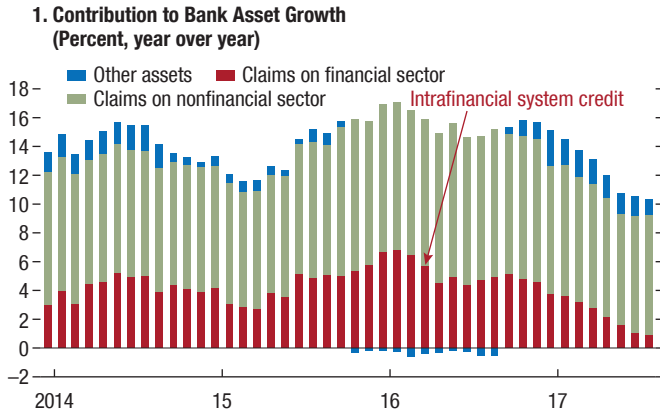
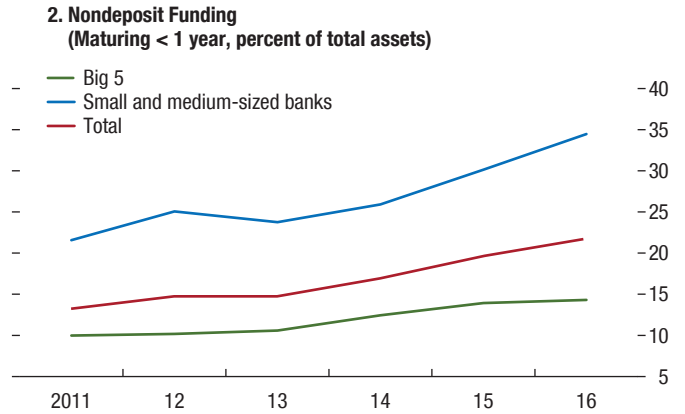


Figure 1.26. Chinese Banking System Developments

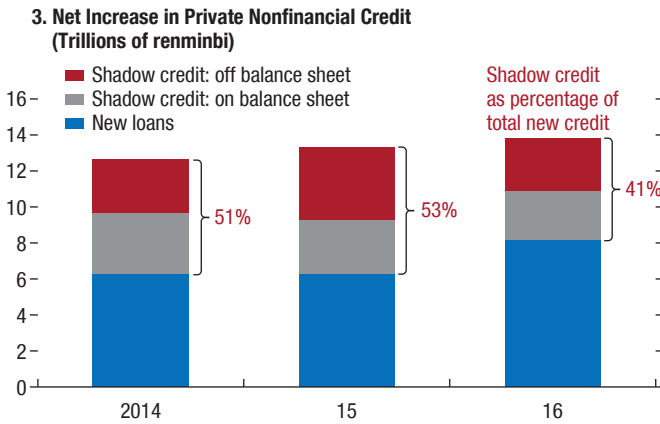
Intrafinancial system credit has driven bank growth ...



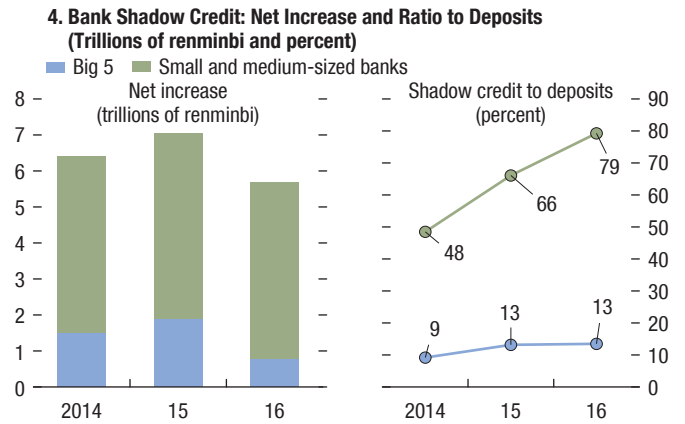
... increasing reliance on risky funding ...



... but also reflecting significant shadow credit ...



... particularly from small and medium-sized banks.



Sources: Haver Analytics; People's Bank of China; SNL Financial; and IMF staff calculations.

Note: Shadow credit refers to banks' nonloan, nonbond credit to nonfinancial private borrowers, both on and off balance sheet. For a complete definition, please see footnote 33. Panels 2, 3, and 4 are based on publicly available financial statement data for 32 of China's largest banking groups.