Banking-related financial stress episodes associated with recessions are characterized by lower bank asset growth and higher cost of capital in the aftermath.

Sources: OECD, Analytic Database; and IMF staff calculations.

1 p-value reported refers to the two-tailed t-tests on the difference between the two averages.
2 Banking-related financial stress episodes followed by slowdowns or recessions.
3 Financial stress episodes not followed by slowdowns or recessions.