Loose conditions
Tight conditions
Lending standards
Financial conditions index
Corporate spreads
VIX

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 when lending standards or financial conditions (financial conditions index, corporate spreads, and VIX) are “loose” or “tight.” The level of a variable is defined as loose (tight) when it is equal to the 25th percentile (75th percentile) of its distribution. Dark-colored (light-colored) bars indicate that the effects are statistically significant at the 10 percent level or higher for four (one) measures out of four. See Annex 2.2 for details on methodology. VIX = Chicago Board Options Exchange Volatility Index.