

**Probability of Bank Crises in the Emerging Markets of
Asia and South America**
- An exploratory and empirical study of determinants

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Earlier literature sought to find the causes of bank crises in bank-specific factors, which are useful for assessing the soundness of individual institutions. Detailed examination of actual cases of banking crises can also provide insights about the role of institutional factors in precipitating these crises. However, such approaches are not particularly rewarding in the analysis of wide-spread, systemic bank crises. IN the analyses of crises of such magnitude and spread, the study of the macroeconomic environment at the time of – or immediately preceding – the crisis seems quite mandatory. The present paper is a contribution in this vein, and develops and tests leading indicators for predicting bank crises, using data on crises experienced in several industrial and emerging market nations.

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