

Annex

Survey of Banking Problems Worldwide

A review of the experiences since 1980 of the 181 current Fund member countries reveals that 133 have experienced significant banking sector problems at some stage during the past fifteen years.¹¹ This figure represents 73.5 percent of Fund member countries. A summary of the review is presented in Table 2. Two general classes are identified: "crisis" (41 instances in 36 countries) and "significant" problems (108 instances). There is some degree of judgment in these classifications, but in general, following Sundararajan and Baliño (1991), we refer to cases where there were runs or other substantial portfolio shifts, collapses of financial firms, or massive government intervention, as crises. Extensive unsoundness short of a crisis is termed significant.

As is evident from the table, several countries experienced repeated problems. In others there were problems in some banks that did not have a significant impact on either the functioning of the banking sector as a whole or the macroeconomy; information on 7 such cases was available and is recorded as well but not categorized as crisis or significant.

¹¹ Sources for this review and for the more detailed accounts of a sample of countries presented in Table 2 include IMF desk economists, Sheng (1996), Caprio and Klingebiel (1996), the studies in Sundararajan and Baliño (1991), and various official and news publications.

Table 2. Survey of Banking Problems: 1980–Spring 1996¹

Country	Type of Problem	Measure of Extent
Albania (1992–present)	Significant	Thirty-one percent of “new” (post-July 1992 cleanup) loans are nonperforming; some banks are facing liquidity problems owing to a logjam of interbank liabilities.
Algeria (1990–92)	Significant	Fifty percent of loans were nonperforming and were taken over by the treasury; operations covered all the 5 commercial banks, and were followed by ongoing structural reforms.
Angola (1991–present)	Significant	The two-tier banking system (established in 1991) is still not consolidated; 2 commercial banks (state-owned) are experiencing solvency problems.
Argentina (1980–82)	Crisis	Nine percent of loans were nonperforming in 1980 and 30% in 1985; 168 institutions were closed.
(1989–90)	Crisis	Nonperforming assets constituted 27% of the aggregate portfolio and 37% of the portfolios of state-owned banks. Failed banks held 40% of financial system assets.
(January to September 1995)	Crisis	Through September 1995, 45 of 205 institutions were closed or merged.
Armenia (1994–present)	Significant	The central bank has closed half of the active banks since August 1994, but the nonperforming asset problem of the large banks remains to be tackled. The Savings Bank has negligible capital.
Australia (1989–92)	Significant	Nonperforming loans rose to 6% of total assets in 1991–92. State-owned banks, especially in Victoria and South Australia, had to be rescued at a cost to the state governments of 1.9% of GDP. A large building society failed.
Azerbaijan (1995–present)	Significant	One large state-owned bank is facing a serious liquidity problem; new management has been appointed; 12 private banks have been closed owing to noncompliance with regulations; 3 large state-owned banks will be insolvent if loan losses are written off.
Bahrain		The system withstood deposit withdrawals from the offshore center during the Persian Gulf war.
Bangladesh (1980s–present)	Significant	In 1987, 20% of the loans of 4 major banks, whose assets accounted for 70% of all lending, were nonperforming.
Belarus (1995–present)	Significant	Many banks are undercapitalized; forced mergers have burdened some banks with poor loan portfolios; the regulatory environment is uncertain.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Benin (1988)	Crisis	All three commercial banks collapsed; 78% of loans were nonperforming at the end of 1988.
Bhutan (Early 1990s–present)	Significant	Nonperforming loans amount to approximately 7% of total loans.
Bolivia (1986–87)	Significant	Nonperforming loans reached 30% of banking assets.
(1994–present)	Significant	Two banks with 11% of assets were closed in November 1994. Four of 15 domestic banks, with 30% of assets, were undercapitalized and had liquidity problems and high levels of nonperforming loans in 1995.
Bosnia-Herzegovina (1992–present)	Significant	There has been no major bank closure. Loans made in the late 1980s and early 1990s are in default owing to the breakup of the former Yugoslavia and the war; this also translates into unrepayable commercial bank debt to international lenders.
Botswana (1994–95)	Significant	One problem bank was merged in 1994, a small bank was liquidated in 1995, and the state-owned National Development Bank was recapitalized at a cost of 0.6% of GDP.
Brazil (1994–present)	Significant	Twenty-nine banks, holding 15.4% of total deposits, were subjected to official intervention, placed under special administration, or received assistance to merge.
Brunei Darussalam (Mid-1980s)	Significant	Several financial firms failed in the mid-1980s. The second largest bank failed in 1986. In 1991, 9% of loans were past due; the level of such loans has subsequently declined.
Bulgaria (1991–present)	Crisis	About 75% of nongovernment loans were nonperforming in 1995, leaving many banks insolvent. Runs on banks have been reflected in pressure on reserve money and a queue of unsettled interbank payments.
Burkina Faso (1988–94)	Significant	Thirty-four percent of loans were nonperforming.
Burundi (1994–present)	Significant	Twenty-five percent of loans were nonperforming in 1995; one bank was liquidated.
Cambodia (Ongoing)	Significant	Commercial banks have rapidly expanded in the past two years. A number of banks do not meet prudential regulations. As supervisory capacity is rudimentary, there is no current information on the quality of the banks' portfolios.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Cameroon (1989–93)	Crisis	In 1989, 60–70% of loans were nonperforming.
(1995–present)	Crisis	About 30% of loans were nonperforming in 1996.
Canada (1983–85)	Significant	Fifteen members of the Canadian Deposit Insurance Corporation, including 2 banks, failed.
Cape Verde (1993–present)	Significant	In September 1993, the central bank was separated from the principal commercial bank. An estimated 30% of loans of the commercial bank were nonperforming at the end of 1995. This is in addition to nonperforming loans of public enterprises amounting to about 7% of GDP that remained with the central bank and were transferred to the government in September 1994.
Central African Republic (1976–92)	Crisis	Four banks were liquidated.
(1995–present)	Significant	Forty percent of loans are nonperforming; one state-owned bank is being taken over by a private group.
Chad (1979–83)	Crisis	Full banking operations were resumed after the 1979 civil war, with a moratorium on some loans and deposits.
(1992)	Significant	Thirty-five percent of loans to the private sector were nonperforming. The central bank consolidated those loans held by the 3 main commercial banks.
Chile (1981–87)	Crisis	The authorities intervened in 4 banks and 4 nonbank financial institutions (with 33% of outstanding loans) in 1981; 9 other banks and 2 more nonbanks (with 45% of outstanding loans) were subject to intervention in 1982–83, and many others were assisted. At the end of 1983, 19% of loans were nonperforming.
China² (1980s–present)	Significant	Problems have been recognized, but their size is very unclear; official estimates suggest that between 10% and 20% of bank loans could be nonperforming.
Colombia (1982–85)	Significant	The authorities intervened in 6 major banks and 8 finance companies. 15% of loans were nonperforming in 1984–85 (5.5% in 1980, 6.6% in 1988). Some insolvent banks were nationalized in 1985–86.
Congo, Republic of (1994–present)	Crisis	Seventy-five percent of loans to the private sector are nonperforming; 2 state-owned banks are being liquidated and 2 other state-owned banks are being privatized.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Costa Rica (Mid-1994–present)	Significant	One large state-owned commercial bank was closed in December 1994. The ratio of overdue loans (net of provisions) to net worth in state commercial banks exceeded 100% in June 1995.
Côte d'Ivoire (1988–90)	Significant	Five specialized financial institutions and one commercial bank were restructured. Nonperforming loans reached 12% of bank credit.
Croatia (1995)	Significant	Banks accounting for 47% of bank credit have been found to be unsound and have been, or are scheduled to be, taken over by the Bank Rehabilitation Agency during 1996.
Czech Republic (1991–present)	Significant	In 1994–95, 38% of loans were nonperforming. Several banks have been closed since 1993.
Denmark (1987–92)	Significant	Cumulative loan losses over the period 1990–92 were 9% of loans; 40 of the 60 problem banks were merged.
Djibouti (1991–93)	Significant	Two of 6 commercial banks ceased operations in 1991 and 1992; their bankruptcy is being finalized. Another bank experienced difficulties.
Dominican Republic (1992–present)	Significant	More than 5% of the total loans of the financial system are estimated to be nonperforming. In the past three years, 3 small banks have been liquidated. In April 1996, the Monetary Board intervened in the third largest bank, which represents 7% of the assets of the banking system.
Ecuador (1995–present)	Significant	High levels of nonperforming loans; the authorities intervened in several smaller financial institutions in late 1995 to early 1996 and in the fifth largest commercial bank in March 1996.
Egypt (1991–95)	Significant	Four main public sector banks were given capital assistance.
El Salvador (1989)	Significant	Nine state-owned commercial banks (later privatized between 1991 and 1993) had 37% of loans nonperforming in 1989.
Equatorial Guinea (1983–85)	Crisis	Two of the country's largest banks were liquidated.
(1995)	Significant	The principal bank's main shareholder has been placed in liquidation.
Eritrea (1994)	Significant	State-owned banks were undercapitalized, but information on the quality of bank portfolios is scarce.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Estonia (1992–95)	Crisis	Insolvent banks held 41% of banking system assets. The licenses of 5 banks have been revoked, 2 major banks were merged and nationalized, and 2 large banks were merged and converted to a loan-recovery agency.
Ethiopia (1994–95)	Significant	A government-owned bank was restructured, and its nonperforming loans were taken over by the government.
Fiji (1995–present)	Significant	Ten percent of the loans are nonperforming. The problems are concentrated in one large bank that has 30% nonperforming loans.
Finland (1991–94)	Crisis	Nonperforming loans and credit losses reached 13% of total exposure at their peak in 1992; there was a liquidity crisis in September 1991.
France (1991–95)	Significant	Nonperforming loans were 8.9% of total loans in 1994. Fifteen percent (\$27 billion) of Cr�dit Lyonnais' loans were nonperforming, and some other banks have posted large losses.
Gabon (1995–present)	Significant	Nine percent of loans are nonperforming; one bank was temporarily closed in 1995.
Gambia, The (1985–92)	Significant	Ten percent of bank credit was nonperforming in 1992. A government bank was restructured and privatized in 1992.
Georgia (1991–present)	Significant	About a third of banks' outstanding loans are nonperforming; most large banks would be insolvent if adequate provisions were made for all nonperforming assets.
Germany (1990–93)	Significant	There were major problems at state-owned banks in East Germany following unification. The costs were handled by an extrabudgetary fund.
Ghana (1983–89)	Significant	Forty percent of bank credit to nongovernment borrowers was nonperforming in 1989; one bank was closed and two were merged.
Greece (1991–95)	Significant	There were localized problems that required significant injections of public funds into specialized lending institutions.
Guatemala		Two small state-owned banks had high nonperforming assets; these banks discontinued operations in the early 1990s.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Guinea (1980–85)	Crisis	The state-owned banking system collapsed; 80% of loans were nonperforming.
Guinea-Bissau (Ongoing)	Significant	After transition to a system in which the central bank and private commercial banks operate separately, sizable nonperforming loans (equivalent to 3.5% of GDP) were assumed by the treasury in early 1996.
(1988–present)	Significant	In August 1995, 26% of loans were nonperforming.
Guyana (1993–95)	Significant	One public bank was liquidated and merged with another public bank, holding more than one third of financial sector deposits. The surviving bank is to be restructured because of high levels of nonperforming loans. In 1993–94, US\$28 million (approximately 7% of GDP) in nonperforming loans were written off.
Haiti (1991–present)	Significant	The political situation in 1994 resulted in a disruption of normal banking and a run on banks.
Hungary (1987–present)	Significant	Eight banks, accounting for 25% of financial system assets, became insolvent. At the end of 1993, 23% of total loans were problematic.
Iceland (1985–86)	Significant	One of three state-owned banks became insolvent and was eventually privatized in a merger with 3 private banks.
(1993)	Significant	The government was forced to inject capital into one of the largest state-owned commercial banks after it had suffered serious loan losses.
India (1991–present)	Significant	The nonperforming domestic assets of the 27 public sector banks were estimated at 19.5% of total loans and advances of these banks as of the end of March 1995. At that time, 15 banks did not meet Basle capital adequacy standards.
Indonesia (1992–present)	Significant	Nonperforming loans, which were concentrated in state-owned banks, were over 25% of total lending in 1993 but declined to 12% in September 1995. A large private bank was closed in 1992.
Ireland (1985)	Significant	One of the four clearing banks wrote off one fourth of its capital when its insurance subsidiary sustained losses and was placed under administration.
Israel (1983–84)	Significant	The government nationalized major banks accounting for 90% of the market; there had been an undercapitalization problem exacerbated by a crisis in the stock market.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Italy (1990–95)	Significant	Problems were concentrated in the south, affecting particular institutions. Systemwide, nonperforming loans were 10% of total in 1995. During 1990–94, 58 banks (accounting for 11% of total lending) were in difficulties and were merged with other institutions, and 3 of the 10 largest banks received significant injections of public funds; 10 banks were undercapitalized in 1994.
Jamaica (1994–present)	Significant	A merchant banking group was closed in December 1994; a medium-sized bank was supported in 1995.
Japan (1992–present)	Significant	In early 1996, the Ministry of Finance estimated problem loans at around 8% of GDP.
Jordan (1989–90)	Crisis	The third largest bank collapsed in August 1989; six other financial institutions encountered difficulties. The central bank provided overdrafts equivalent to 10% of GDP to meet a run on deposits and allow banks to settle foreign obligations.
Kazakhstan (1991–95)	Significant	Forty percent of assets are to be written off; 80% of banks would be insolvent if all loan losses were written off.
Kenya (1993)	Significant	About 66% of loans of one third of the commercial banks were nonperforming. The local subsidiary of Meridien BIAO was closed in 1995 with little spillover.
Korea (Mid-1980s)	Significant	Nonperforming loans of deposit money banks rose significantly in the first half of the 1980s, exceeding 7% of total assets in 1986. The ratio of nonperforming loans to total assets declined subsequently to 0.9% in 1995.
Kuwait (Mid-1980s)	Crisis	There was a banking collapse associated with problems in the informal stock market. An estimated 40% of loans were nonperforming in 1986.
(1990–91)	Significant	A large part of the private sector's loan portfolio became nonperforming due to the loss of property and collateral.
Kyrgyz Republic (Ongoing)	Significant	Eighty to ninety percent of all loans are doubtful; 4 small commercial banks were closed in the past year and 2 large state banks are facing problems.
Lao People's Democratic Republic (Early 1990s)	Significant	Nonperforming loans dominated the portfolios of the state-owned commercial banks. In 1994, these banks were recapitalized with an injection of cash and bonds equivalent to 1.5% of GDP.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Latvia (1995–present)	Crisis	Two thirds of audited banks recorded losses in 1994. Eight bank licenses were revoked in 1994 and 15 more were revoked during the first seven months of 1995. The subsequent closure of the largest bank (with 30% of deposits) and two other major banks triggered a banking crisis in the spring of 1995.
Lebanon (1988–90)	Crisis	Four banks became insolvent; 11 banks had to resort to central bank lending.
Lesotho (1988–present)	Significant	Of 4 commercial banks, 1 that serves mostly the agricultural sector and has only a small share of bank assets has had a large portfolio of nonperforming loans. Banking services were disrupted for two months in 1991 owing to a strike.
Liberia (1991–95)	Crisis	Seven out of 11 banks are not operational; their assets were equivalent to 60% of total bank assets at mid-1995.
Lithuania (1995–present)	Crisis	Of 25 banks, 12 small ones are being liquidated and 4 larger ones do not meet the capital adequacy requirements. The fourth largest bank was closed. The operations of 2 banks, which accounted for 15% of deposits, were supported in 1995.
Macedonia, former Yugoslav Republic of (1993–94)	Crisis	Seventy percent of loans were nonperforming. The government took responsibility for banks' foreign debts and closed the second largest bank.
Madagascar (1988)	Significant	Five major banks had nonperforming loans ranging from 45% to 75% of their portfolios.
(1991–95)	Significant	There were severe management problems in the 2 remaining state-owned banks. Loan losses resulted in reserve deficiencies and the need for substantial provisions in 1994.
Malaysia (1985–88)	Crisis	The largest domestic bank wrote off nonperforming loans equivalent to approximately 1.4% of GDP in 1983. Nonperforming loans were estimated at 32% of total loans in 1988.
Mali (1987–89)	Significant	The largest bank was nearly illiquid, with 75% of its loans nonperforming; it was restructured in 1989 with equity injection and government loan guarantees.
(1995)	Significant	The government made an "equity" loan to strengthen the capital of one bank following the collapse of Meridien bank.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Mauritania (1991–93)	Significant	The Development Bank ceased operations and was liquidated in 1994; 3 of the 4 commercial banks required substantial recapitalization.
Mauritius		The central bank closed 2 of 12 commercial banks for fraud and other irregularities in 1996.
Mexico (1982)	Crisis	The government took over the troubled banking system.
(1994–present)	Crisis	The ratio of nonperforming to total loans rose from 9% at the end of 1994 to 12% in December 1995. The authorities intervened in 2 banks in September 1994 and 4 of the remaining 35 banks (holding 17.5% of total end-1994 assets) in 1995. An additional 2 were taken under the administration of FOBAPROA (the deposit insurance agency). The overall cost of the several programs to support the banking system is estimated (in present value) at 6.5% of GDP.
Moldova (1994–present)	Significant	A significant stock of nonperforming assets has built up in most banks, largely resulting from earlier directed credits. Audits of the 4 largest banks will help quantify the extent of the problem.
Mongolia (1991–present)	Significant	Twenty-five percent of loans were nonperforming in 1995.
Mozambique (1988–93)	Significant	Most of the loans outstanding at the end of 1988 were written off with central bank assistance.
(1994–95)	Significant	The 2 dominant state-owned banks became increasingly dependent on central bank support, pending privatization.
Myanmar (Ongoing)	Significant	The banking system is dominated by 4 state-owned commercial banks, the largest of which is experiencing heavy losses and has a large portfolio of nonperforming loans. The other state-owned banks are widely recognized to be undercapitalized, but information on the quality of these banks' portfolios is scarce.
Nepal (Late 1980s–present)	Significant	Official estimates indicate that nonperforming loans amount to between 10% and 15% of total loans in the two large public banks, which account for nearly 70% of total bank deposits.
Netherlands		Banks overcame problems with mortgage loans in the late 1970s.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
New Zealand (1989–90)	Significant	Of 4 large banks, 1 that was state-owned and accounted for one fourth of banking assets required a capital injection of almost 1% of GDP because of bad loan problems.
Nicaragua (Late 1980s–present)	Significant	Two large state-owned banks have had long-standing financial problems. About 50% of loans are nonperforming.
Niger (1983–present)	Crisis	In the mid-1980s, 50% of loans were nonperforming. Four banks were liquidated and 3 restructured in the late 1980s. Reform was initiated in 1987–90, and the restructuring process is still under way.
Nigeria (1991–95)	Significant	In 1991, 77% of loans were nonperforming. Of 115 banks, 34, accounting for 10% of deposits, were technically insolvent at the end of 1994.
Norway (1987–93)	Crisis	Six percent of commercial bank loans were nonperforming. Heavy losses and insolvencies led to a crisis at the end of 1991. The government became the principal owner of the three largest banks, whose share of total commercial bank assets was approximately 85%.
Pakistan (1980–present)	Significant	Nonperforming loans are estimated to be 10% of bank assets.
Panama (1988–89)	Crisis	A bank holiday that lasted for nine weeks was declared in March 1988. As a result of uncertainty and loss of confidence caused by a political crisis, the public banks were particularly affected by a loss of deposits and a rapid deterioration in their loan portfolios that stemmed from poor lending decisions and the sharp contraction of the economy. The financial position of most commercial banks also weakened, and 15 banks ceased operations.
Papua New Guinea (1989–present)	Significant	A severe economic downturn in 1989 led sharp increases in loan losses at commercial banks. Eighty-five percent of the savings and loan associations ceased operations as a result of the economic problems, mismanagement, or fraud. The public lost confidence in the banking system and withdrew deposits in 1994.
Paraguay (1995–present)	Significant	The authorities intervened in institutions accounting for some 10% of financial system deposits during the summer of 1995. There have been interventions in 6 other financial institutions

Table 2 (continued)

Country	Type of Problem	Measure of Extent
		since then. Depositor restitution and operations to facilitate borrowing by distressed institutions cost an estimated 4% of GDP by the end of 1995.
Peru (1983–90)	Significant	Two large banks failed. There were high levels of nonperforming loans and financial disintermediation following nationalization of the banking system in 1987.
Philippines (1981–87)	Crisis	Banks accounting for 1.6% of banking system assets failed in 1981. Through the mid-1980s, a number of institutions failed or were taken over by government financial institutions. Nonperforming assets of two state-owned institutions were transferred to a government agency. These assets accounted for nearly 30% of total banking assets. In 1986, 19% of loans were nonperforming.
Poland (1991–present)	Significant	Sixteen percent loans were classified as losses, 22% as doubtful, and 24% as substandard in 1991.
Romania (1990–present)	Significant	Five major state-owned commercial banks had 35% of their accrued interest receivables overdue as of June 30, 1994.
Russia (1992–present)	Significant	Official estimates of loan arrears were 40% of total credit to the private sector at the end of 1995.
Rwanda (1991–present)	Significant	There is a substantial amount of nonperforming loans. One bank, with a well-established network, has been closed.
São Tomé and Príncipe (1980–present)	Crisis	Over 90% of loans of the monobank were nonperforming in 1992. In 1993, a new central bank began operations. The commercial and development departments of the former monobank were liquidated, as was the only other financial institution. At the same time, 2 new banks were licensed and took over many of the assets of their predecessors. The credit operations of one newly created bank have been suspended since the end of 1994.
Senegal (1983–88)	Crisis	In 1988, 50% of loans were nonperforming. Reform was implemented in 1988–91; 8 banks were liquidated and the remaining 8 were restructured.
Sierra Leone (1990–present)	Significant	In 1995, 40–50% of loans were nonperforming. Recapitalization and restructuring is ongoing. The license of one bank was suspended in 1994.

Table 2 (continued)

Country	Type of Problem	Measure of Extent
Singapore		Nonperforming loans at domestic commercial banks reached 0.6% of GDP in 1982.
Slovak Republic (1991–95)	Significant	Loans classified as nonstandard were high at the end of August 1995. There were no runs or major bank closures, but all 5 major banks required government-sponsored restructuring operations.
Slovenia (1992–94)	Significant	Three banks, with two thirds of banking system assets, were restructured during this period. The percentage of bad loans is not known. Bank rehabilitation was completed in 1995.
Somalia (1990)	Crisis	There were nonperforming claims on both private and public sector borrowers during the civil unrest.
South Africa (1985)	Crisis	Banks built up large short-term foreign liabilities owing to high domestic interest rates. When foreign banks began to reduce their exposure, in part owing to political factors, the exchange depreciation and liquidity squeeze on banks resulted in an official moratorium on external capital repayments.
(1989–present)		In 1989–90, one major bank, which held about 15% of banking assets, was recapitalized and reorganized after suffering loan losses and management problems. Since 1991, several small banks have been liquidated or put into curatorship, with no systemic repercussions.
Spain (1977–85)	Crisis	From 1978 through 1982, 110 banks, accounting for 20% of deposits, were rescued. In addition, in 1983 one group that controlled 100 enterprises and 20 banks was nationalized.
Sri Lanka (Early 1990s)	Significant	Thirty-five percent of the portfolios of the two state-owned commercial banks, which accounted for over 60% of banking system assets, were nonperforming. In March 1993, bonds equivalent to 4.8% of GDP were issued to recapitalize these banks.
St. Vincent and the Grenadines (1994–present)	Significant	The only domestic bank is a state-owned commercial bank, which accounts for 30% of deposits. About 10% of its assets are nonperforming.
Sudan		Smaller banks are being encouraged to merge with larger banks to ensure compliance with the Basle capital standards before June 1997.
Swaziland (1995)	Significant	Meridien BIAO Swaziland was taken over by the central bank. The central bank also took over the

Table 2 (continued)

Country	Type of Problem	Measure of Extent
		Swaziland Development and Savings Bank (SDSB), which faced severe portfolio problems; the government is now expected to sign an agreement that will allow a foreign bank to take over the management of the SDSB.
Sweden (1990–93)	Crisis	Eighteen percent of total unconsolidated bank loans were reported lost and the two main banks were assisted.
Tajikistan (Ongoing)	Significant	One of the largest banks is insolvent; 1 small bank has been closed and another (out of 17) is in the process of liquidation.
Tanzania (1988–present)	Crisis	State-owned commercial banks, accounting for over 95% of the system, were insolvent. At the end of 1994, 60% to 80% of all loans were nonperforming and the losses of the largest bank were equivalent to 70% of deposits.
Thailand (1983–87)	Crisis	Fifteen percent of bank assets were nonperforming. There were runs during the crisis of 1983–85 and 15 finance companies failed. More than 25% of the financial system's assets were affected.
Togo (1989–91)	Significant	One of 10 commercial banks with 7% of bank credit was insolvent and liquidated and its credits were taken over by the government.
Trinidad and Tobago (Early 1982–93)	Significant	The banking sector expanded rapidly in the mid-1970s in a time of lax supervisory and prudential controls. With the onset of the general downturn in the economy in the early 1980s, some financial institutions experienced solvency problems, resulting in the merging of three government-owned banks in 1993 as an intermediate stage to the planned privatization of the merged bank.
Tunisia (1991–95)	Significant	Introduction of new loan classification and provisioning standards and capital adequacy requirements in 1991, coupled with extensive portfolio audits in 1992, made clear that most commercial banks were undercapitalized. (State-owned banks accounted for over 65% of total lending.) From 1991 to 1994, the banking system raised equity equivalent to 1.5% of GDP and made provisions equivalent to another 1.5%. Thus recapitalization through 1994 required at least 3% of GDP, and some banks remained undercapitalized; recapitalization continued through 1996.

Table 2 (*continued*)

Country	Type of Problem	Measure of Extent
Turkey (1982)	Crisis	Several small banks and most brokerage houses collapsed.
(1991)	Crisis	The start of the Persian Gulf war led to bank runs.
(1994)	Significant	Depositor runs in the spring of 1994 resulted in the closure of 3 medium-sized banks. To stem further runs, the government introduced full deposit insurance in May 1994.
Uganda (1990–present)	Significant	A small bank failed in early 1993. Several other banks are in difficulty or insolvent, including state-owned banks accounting for more than 40% of banking system assets.
Ukraine (1994–present)	Significant	In 1994, many banks did not meet capital and other prudential requirements. Audits indicated that one of the five largest banks was insolvent. Approximately 30% of loans outstanding were in arrears. The authorities intervened at 20 small to medium-sized banks in 1995.
United Kingdom³		No systemic problems, but several notable bank failures, including Johnson Matthey (1984), Bank of Credit and Commerce International (1991), and Barings (1995), have occurred.
United States (1980–92)	Significant	During the period, 1,142 savings and loan (S&L) associations and 1,395 banks were closed; 4.1% of commercial bank loans were nonperforming in 1987.
Uruguay (1981–85)	Crisis	Eleven percent of loans were nonperforming in 1982, 59% in 1986.
Uzbekistan (1993–present)	Significant	Almost 10% of loans were reported to be overdue in October 1995.
Venezuela (1994–present)	Crisis	In 1993, before the crisis started, 8.5% of loans were reported as nonperforming. The authorities intervened in 13 of 47 banks, which held 50% of deposits, in 1994, and 5 additional banks in 1995. Support by the government and the central bank to the banking system amounted to almost 17% of GDP in 1994–95.
Vietnam (Ongoing)	Significant	State-owned banks are widely recognized to be undercapitalized, but information on the quality of their portfolios remains scarce.
Yemen Arab Republic (Ongoing)	Significant	Banks have extensive nonperforming loans and heavy foreign currency exposure.

Table 2 (concluded)

Country	Type of Problem	Measure of Extent
Zaire (1991–present)	Significant	Four state-owned banks are insolvent; a fifth bank is to be recapitalized with private participation.
Zambia (1994–present)	Significant	One of the largest commercial banks, the local Meridien BIA subsidiary, failed in early 1995 and received official support equivalent to approximately 1.5% of GDP. Two small banks failed in late 1995, and several others are fragile.
Zimbabwe (1995–present)	Significant	Two of the 5 commercial banks are unable to meet their statutory reserve requirements owing to a high percentage of nonperforming loans.

¹ Under "Problems," a blank space indicates that there was a problem but that it was neither "significant" nor a "crisis." Years in parentheses denote the period of banking problems.

² In 1995, fraud resulted in major losses and depositor runs at two institutions in Taiwan Province of China; one was taken over by a state-owned bank and the other supported by the central bank and a state-owned bank. The large state-owned banks are reported to have an overhang of bad loans to real estate projects.

³ From 1982–86, 16 Hong Kong banks and other deposit-taking institutions failed, were liquidated, or were taken over. The closure of the BCCI subsidiary in Hong Kong in 1991 led to minor runs on several local banks.

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