

A study of bank stability in developed and developing
countries

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ABSTRACT

This past decade has seen financial globalization integrate the world economy and promoted each country to communicate economically. At this time, if one country fall into financial crisis, other countries will be influenced. From late 2007 to early 2009, such a crisis embroiled many countries. In order to assess overall Bank Stability in developed and developing countries (BRICs) after they weathered this crisis, we collected all those banks financial statements 2005 through 2008 year. Using the IMF Financial Soundness Indicators, we re-established 11 criteria to gauge comprehensive Bank Stability, then via multidimensional scaling analyzed and compared the banks in each country. Finally, we found developing countries' Bank Stability better than that of developed countries: i.e., more resistant to financial crisis.

Keyword: financial stability, bank stability, multidimensional scaling method.