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Abstract
The question of bank failures using econometric models has been widely researched worldwide but not in Zimbabwe. Thus this paper builds and applies the logit and survival time models to establish the factors that caused banks to fail in Zimbabwe after the December 2003 monetary policy statement. Overall results show that bank-specific, macroeconomic and political factors have all contributed immensely to the collapse of the economy’s banks. Surprisingly, events that happened prior to the monetary policy statement are still in existence now, thus policy makers can use the models herein to develop early warning systems and setting screening conditions for bank licence applications.

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