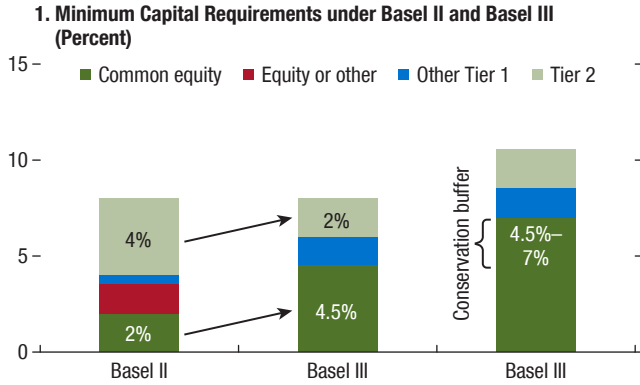
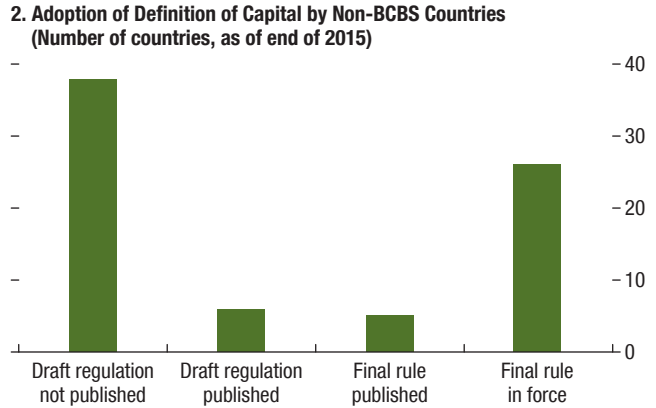


Figure 2.2. Bank Capital Requirements and the Evolution of Buffers

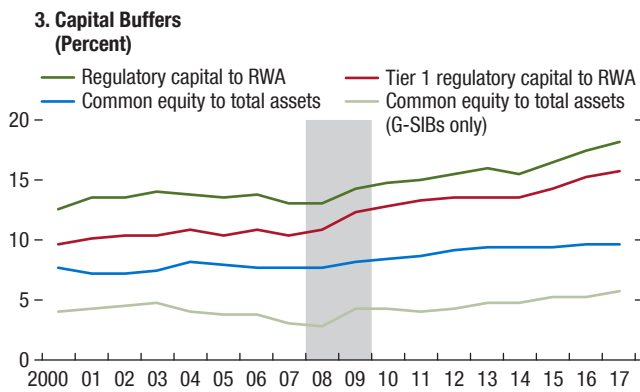
The Basel III standards called for higher and better-quality bank capital ...



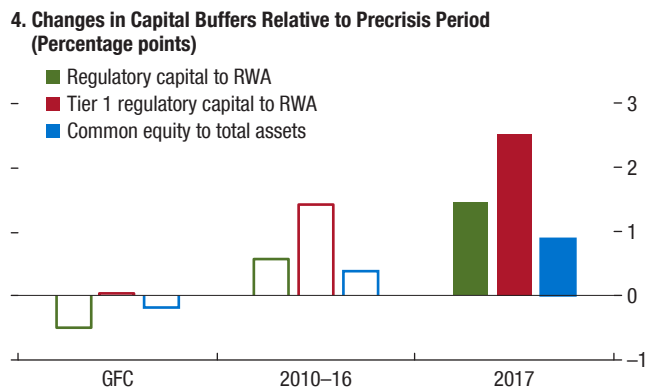
... and these standards were adopted well beyond the Basel Committee for Banking Supervision (BCBS) countries ...



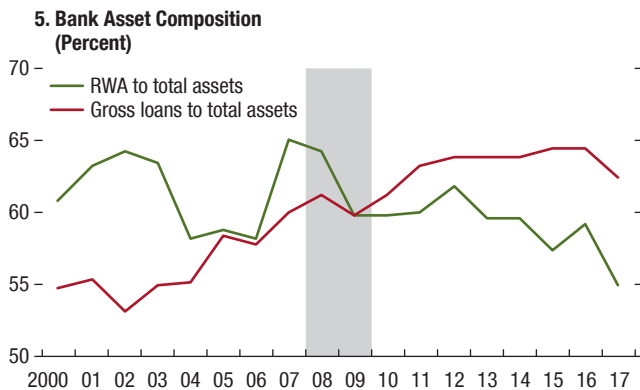
... thus contributing to a widespread postcrisis thickening of capital buffers ...



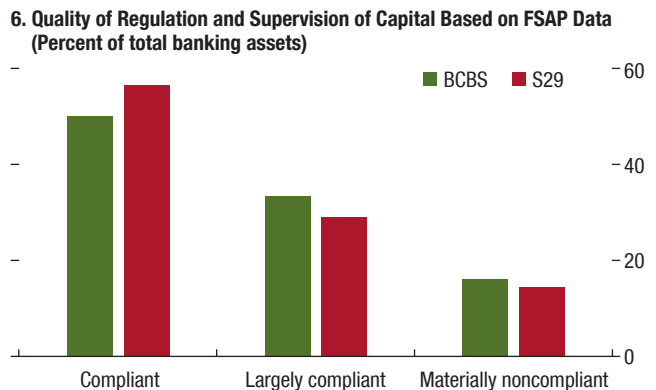
... leaving bank capital significantly larger today than before the crisis.



This was in part achieved through a de-risking of bank assets.



Today, the majority of banking assets reside in countries with good-quality capital regulation and supervision.



Sources: Basel Committee on Banking Supervision (2010); Fitch Connect; IMF, 2017 Macroprudential Policy Survey; IMF, Financial Sector Assessment Program; World Bank, Global Financial Development Database; and IMF staff calculations.

Note: Panels 3 and 5 correspond to the global median across medians at the country level for all countries in the sample. The shaded area denotes the global financial crisis (GFC). In panel 4, each bar represents the difference in means in the GFC, in the 2010–16 period, and in 2017 relative to the pre-GFC period (2000–07). Solid bars indicate that the differences are statistically significant at the 10 percent level. In panel 6, the S29 is the group of 29 countries included in the Financial Stability Board Shadow Banking Monitor. Not all S29 and BCBS countries have been graded since the crisis. Panel 6 is based on the results of past and ongoing IMF FSAPs. BCBS = Basel Committee for Banking Supervision; FSAP = Financial Sector Assessment Program; G-SIBs = global systemically important banks; RWA = risk-weighted assets.