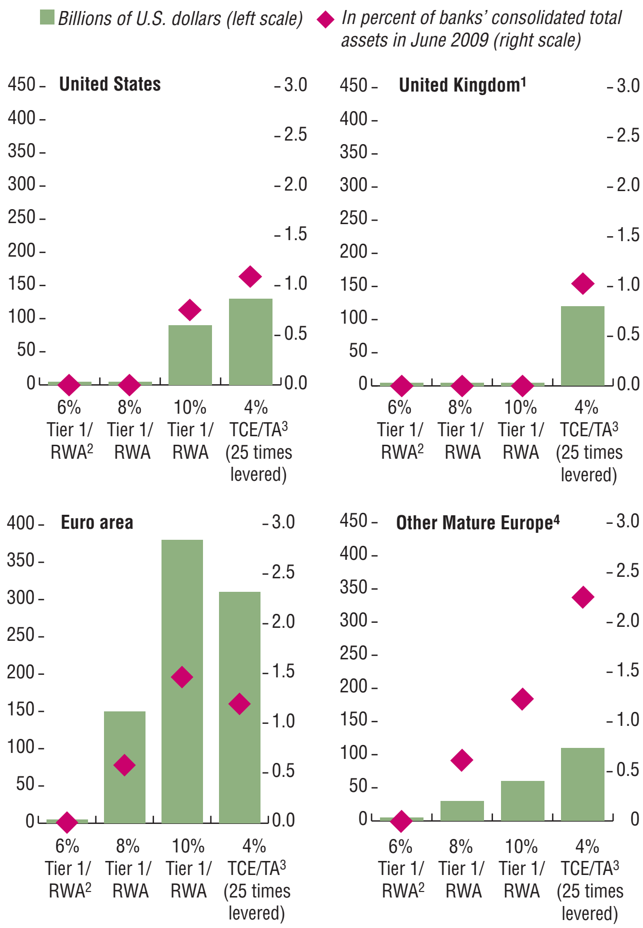
Figure 1.12. Bank Capital Needs



Source: IMF staff estimates.

Note: All figures under local accounting conventions and regulatory regimes, making direct comparisons between countries/regions impossible. The overall deleveraging scenario—which is reflected in the panels in this figure–incorporates some $1.1 trillion of sales of assets by banks to government asset management corporations (or other nonbanks). The United States, Germany, Ireland, and Spain are among the countries that are in the process of implementing asset purchase and/or asset protection schemes. See footnote 1 on treatment of the U.K. Asset Protection Scheme. Tier 1 = Tier 1 capital; RWA = risk-weighted assets; TA = tangible assets; TCE = tangible common equity.

[1]Assumes implementation of Asset Protection Schemes (APS) as they are known at mid-September 2009, covering assets with some £585 billion of notional value. APS fees are assumed to be paid in 2009:Q4, and full writedown reduction benefits are assumed to be spread evenly over five years. Data in this panel are not comparable with data in other tables or figures elsewhere in this document.

[2]The rate the U.S. Federal Deposit Insurance Corporation uses as part of its definition of a "well-capitalized" bank.

[3]The approximate leverage multiple assumed in the deleveraging scenario.

[4]Denmark, Iceland, Norway, Sweden, and Switzerland.