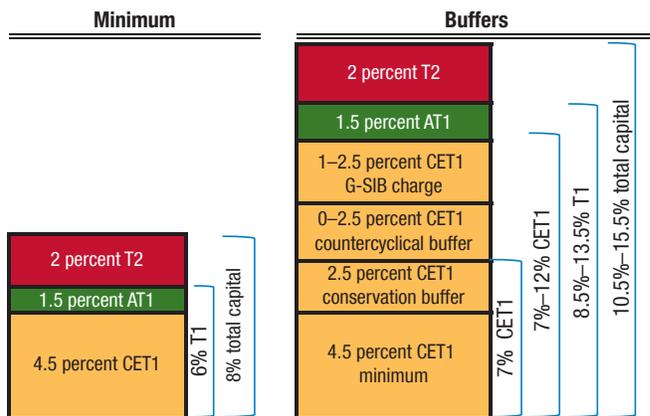


Figure 3.19. Basel III Minimum Capital Requirements and Buffers
(Percent of risk-weighted assets)



G-SIB charge:

G-SIBs must have higher loss-absorbency capacity to reflect the greater risks that they pose to the financial system, ranging by institution from 1 to 2.5 percent.

Countercyclical buffer:

A buffer is added if supervisors judge that credit growth is leading to unacceptable systemic risk buildup.

Conservation buffer:

Constraint on a bank's payout (e.g., dividends) is imposed when banks fall within the buffer range.

Source: IMF staff based on BCBS (2010a).

Note: AT1 = additional Tier 1; CET1 = common equity Tier 1; G-SIB = global systemically important bank; T2 = Tier 2. The G-SIB surcharge, in principle, could be as high as 3.5 percent, but currently no SIBs are charged more than 2.5 percent.