Figure 3.8. Economic Significance of Bank Governance Variables
(Percent)

Bank governance variables have an impact on risk comparable to that of the Tier 1 ratio and size.

1. Relative to Changes in Tier 1 Capital Ratio
2. Relative to Changes in Bank Size

Source: IMF staff estimates.
Note: The bars show the impact on risk of a standard deviation change in the governance measure relative to the impact of a standard deviation change in the Tier 1 capital ratio and bank size. Risk is measured by tail risk for the comparison with the Tier 1 capital ratio and systemic risk for the comparison with bank size.