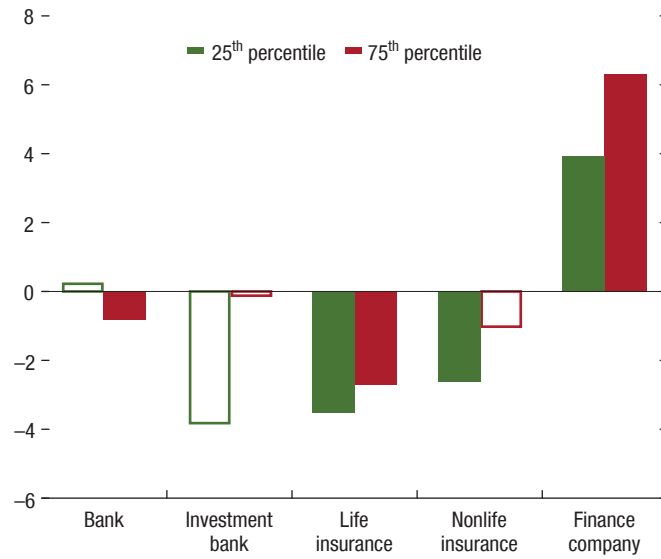


Figure 2.10. Bank Regulation, Monetary Policy, and Total Assets Owned by Financial Institutions
(Percent)

Bank regulation may induce the substitution between bank and nonbank credit.



Sources: Barth, Caprio, and Levine 2013; Thomson Reuters Datastream; and IMF staff estimates.

Note: The figure shows the impulse responses after three years at the 25th and 75th percentiles of the interaction variable (Barth, Caprio, and Levine 2013 index of stringency of bank capital regulations), as in Figure 2.9. Solid bars indicate that the estimate is significant using a 68 percent confidence interval.