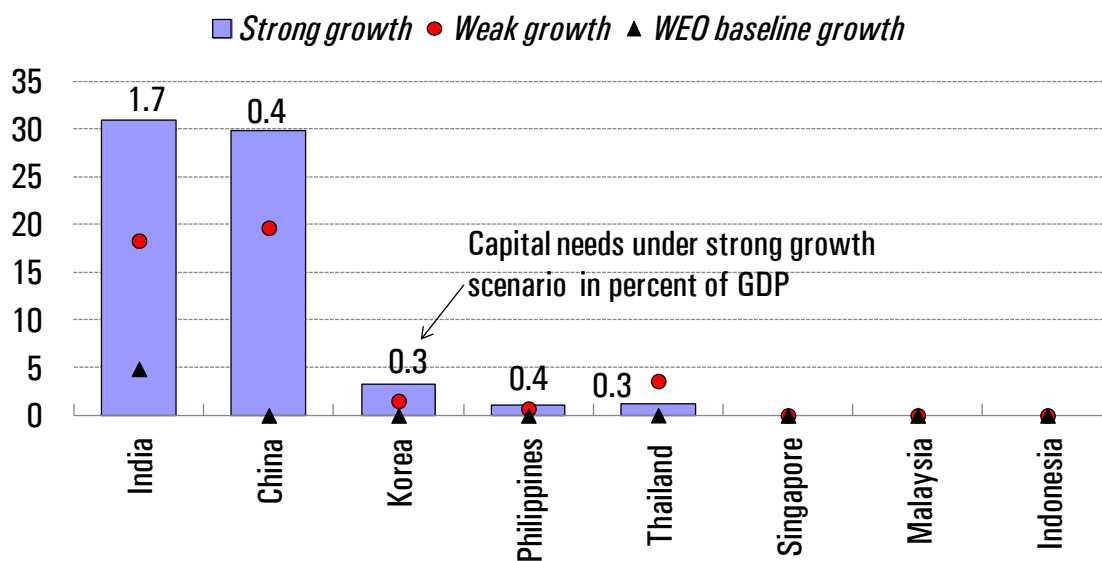


Projected Medium-Term Capital Needs for Asian Banking Systems under Different Growth Scenarios¹

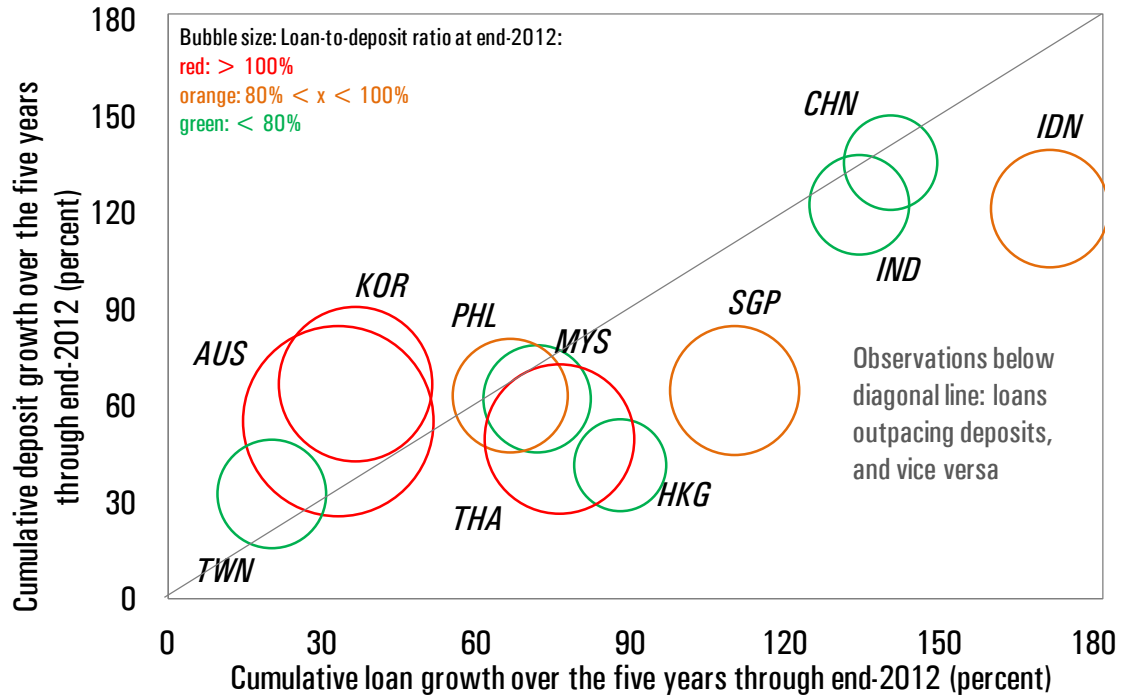
(In billions of U.S. dollars)



Sources: Bankscope; Bloomberg; and IMF staff calculations.

¹ Projected for major banks (comprising at least half of domestic banking system assets) through end-2018 to meet Basel III Tier 1 capital requirement, including conservation buffer. Strong-growth scenario raises capital needs because of higher growth in risk-weighted assets. Higher capital needs in weak-growth scenario are driven by lower bank earnings. Projected return on equity based on 10-year historical averages, adjusted by +1 and -2 standard deviations under strong and weak growth scenario, respectively.

Growth in Loans and Deposits and Resulting Loan-to-Deposit Ratios, 2007–12



Sources: CEIC Data Company Ltd.; and IMF staff calculations.