
 Download This Paper (Delivery.cfm/SSRN_ID2650033_code115030.pdf?abstractid=2650033&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN_ID2650033_code115030.pdf?abstractid=2650033&mirid=1&type=2)

 Add Paper to My Library

Share:    

Macroeconomic Impact of Basel III

OECD Economics Department Working Papers, No. 844

16 Pages
Posted: 25 Aug 2015

Patrick Slovik (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2438426)
Organization for Economic Co-Operation and Development (OECD) - Economics Department (ECO)

Boris Cournede (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=115030)
Organization for Economic Co-Operation and Development (OECD) - Economics Department (ECO)

Date Written: February 14, 2011

Abstract


The estimated medium-term impact of Basel III implementation on GDP growth is in the range of -0.05 to -0.15 percentage point per annum. Economic output is mainly affected by an increase in bank lending spreads as banks pass a rise in bank funding costs, due to higher capital requirements, to their customers. To meet the capital requirements effective in 2015 (4.5% for the common equity ratio, 6% for the Tier 1 capital ratio), banks are estimated to increase their lending spreads on average by about 15 basis points. The capital requirements effective as of 2019 (7% for the common equity ratio, 8.5% for the Tier 1 capital ratio) could increase bank lending spreads by about 50 basis points. The estimated effects on GDP growth assume no active response from monetary policy. To the extent that monetary policy will no longer be constrained by the zero lower bound, the Basel III impact on economic output could be offset by a reduction (or delayed increase) in monetary policy rates by about 30 to 80 basis points.

Keywords: bank regulation, financial intermediaries, bank, monetary policy, Basel III, bank lending, bank capital requirements, interest rates, Basel accord

JEL Classification: E52, G21, G28

[Suggested Citation](#) >

[Show Contact Information](#) >

 Download This Paper (Delivery.cfm/SSRN_ID2650033_code115030.pdf?abstractid=2650033&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN_ID2650033_code115030.pdf?abstractid=2650033&mirid=1&type=2)

12 References

1. - Pre , . . .
 - 6 3. Increase in bank lending spreads for a one percentage point increase in bank capital
2. 9 6. Macroeconomic impact of a one percentage point increase in bank capital ratios
The impact of Basel III on bank lending spreads
3. Macroeconomic impact of 2015 Basel III capital requirements
Crossref (https://doi.org/10.1002/isaf.1370)
4. Macroeconomic impact of 2019 Basel
Crossref (https://doi.org/10.1787/888932434314)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (https://www.elsevier.com/legal/cookiepolicy)

0 Citations

Fetch Citations

[Cookie Settings](#)

Accept all cookies

Do you have negative results from your research you'd like to share?

[Submit Negative Results \(https://www.ssrn.com/index.cfm/en/Negative-Results/\)](https://www.ssrn.com/index.cfm/en/Negative-Results/)

Paper statistics

DOWNLOADS	4,754
ABSTRACT VIEWS	12,208
RANK	3,695

29 Citations

12 References

PlumX Metrics



https://plu.mx/ssrn/a/?ssrn_id=2650033
Related journals

Regulation of Financial Institutions eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=2012950)

Follow



Econometric Modeling: Macroeconomics eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1939263)

Follow



View more >

Feedback

[Submit a Paper > \(https://hq.ssrn.com/submissions/CreateNewAbstract.cfm\)](https://hq.ssrn.com/submissions/CreateNewAbstract.cfm)

SSRN Quick Links

SSRN Rankings

About SSRN

(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

(<https://twitter.com/SSRN>)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze,

improve and personalize our content and your digital experience. For more information, see our [Cookie](https://www.elsevier.com/legal/cookiepolicy)

[Policy \(https://www.elsevier.com/legal/cookiepolicy\)](https://www.elsevier.com/legal/cookiepolicy)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)

Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

P

[Cookie Settings](#)

Accept all cookies

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)