This chapter discusses other regulatory techniques to control bank risk-taking, many of them developed since the global financial crisis of 2007–9. The Basel Committee has now introduced two liquidity standards for banks as internationally harmonising measures: the liquidity coverage ratio and the Net Stable Funding Ratio (NSFR). Besides liquidity management rules, there are other measures of micro-prudential regulation developed or enhanced after the crisis. One is the leverage ratio, which sets an absolute amount of lending banks can engage in, regardless of risk-weighting. Another is large exposures regulation in the EU, which deals with controlling the over-concentration by banks in lending to certain customers. The chapter also looks at systemically important financial institutions that are global banks with such an international footprint that their vulnerabilities may threaten financial systems and economies more acutely than other banks. Moreover, it illustrates the frameworks for stress testing.
9. Micro-prudential regulation II: Other measures

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