



Costs of crises happening are higher than costs from regulations

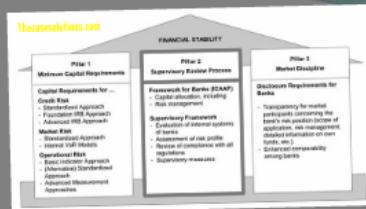
BUSINESSES:



Efficiency

<http://www.bis.org/press/p/08/080408.htm>

Businesses need a stable environment to operate in, and a sound financial system is a necessary prerequisite.



- more common equity - 4.5% (up from 2%)
- additional capital buffers
- sufficient high-quality liquid assets to cover its total net cash flow over 30 days
- higher quality, more transparent and consistent capital
- increased lending spread by about 50%

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Risk Management



- Good allocation of capital, manage risks
- Herd behaviour of investors, excess optimism, which aids capital misallocation

PNC Financial: Grow Up Great (B)

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Regulation = Confidence

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Credit Risk

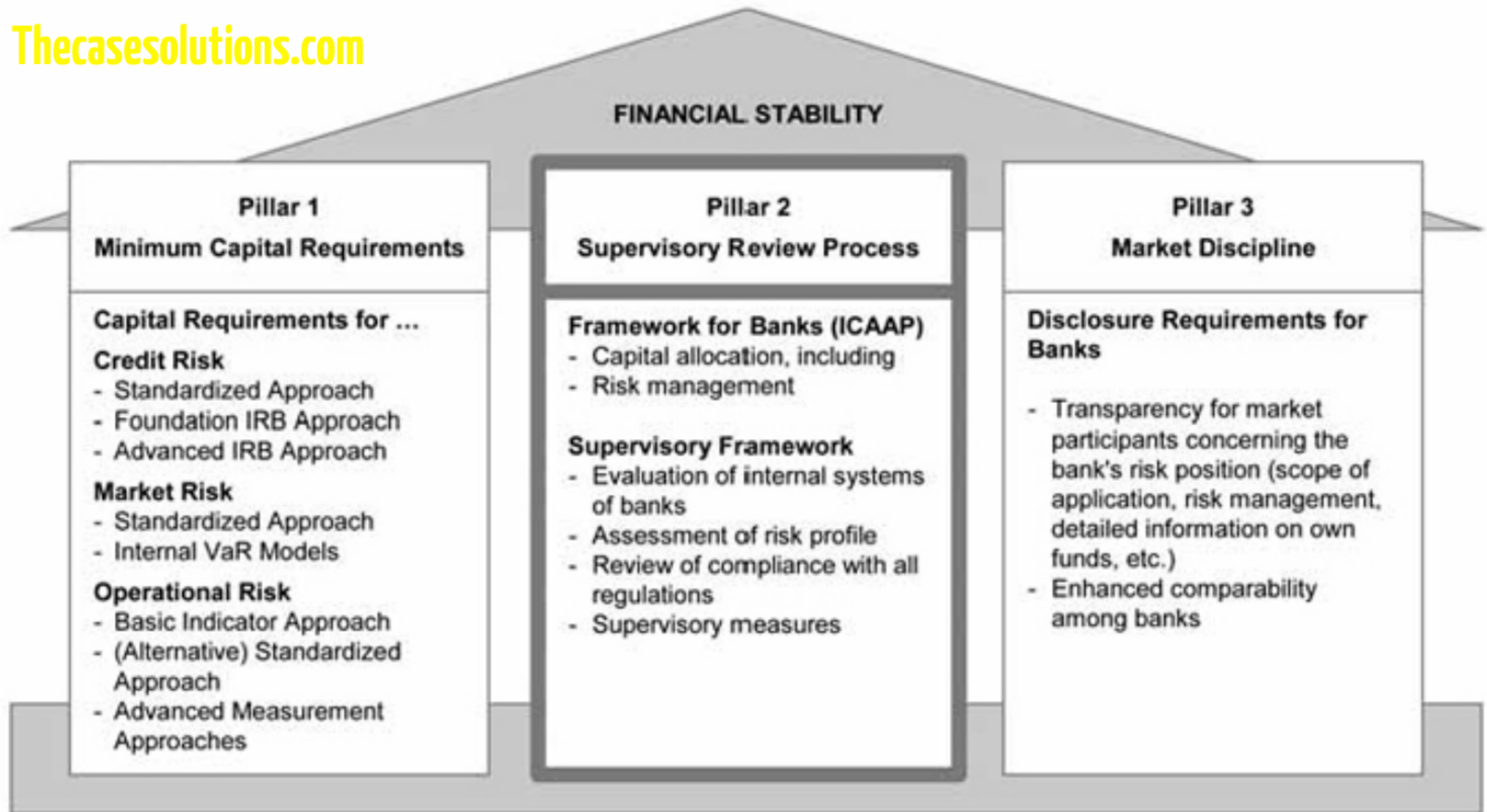


Operational Risk

Market Risk

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FINANCIAL STABILITY



cess	Market Discipline
(AAP) ing	Disclosure Requirements for Banks
stems	<ul style="list-style-type: none"> - Transparency for market participants concerning the bank's risk position (scope of application, risk management, detailed information on own funds, etc.) - Enhanced comparability among banks
le with all	

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