

# Development Banks, Prudential Regulation and Basel III

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Private financial institutions:

- Risk of banking operations (finance and funding)
- Systemic crisis (interbank deposits and reputation)



Public financial institutions:

- Development vs. growth
- Systemic crisis (payment system)

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#### Prudential

### regulation:

- Avoid systemic crisis
- Risk administration, incentives and capital
- Quantity and quality of regulatory capital
- Procyclicality



### Development banks and Basel:

Funding development
 Financing innovation
 Risks
 Countercyclicality
 Fiscal impact

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# Development banks and Basel: important issue

- Policy effectiveness measures and transparency