INTERNATIONAL REGULATION OF BANKING

Capital and Risk Requirements

SECOND EDITION

SIMON GLEESON



CONTENTS-SUMMARY

Tal	bles of Legislation	xxiii
List	t of Abbreviations	XXV
	I THE ELEMENTS OF BANK FINANCIAL SUPER	VISION
1.	Introduction to Banks and Banking	3
2.	Why Are Banks Supervised?	15
3.	Basel and International Bank Regulation	33
4.	Basel III	43
5.	The Bank Capital Calculation—Basel II	55
6.	The Bank Capital Calculation—Basel III	83
	II COMMERCIAL BANKING	
7.	Credit Risk	103
8.	The Standardized Approach	111
9.	Model Based Approaches to Risk Weighting	135
10.	The Internal Ratings Based Approach	155
11.	Netting, Collateral, and Credit Risk Mitigation	193
	III INVESTMENT BANKING	
12.	The Trading Book	209
13.	Securities Underwriting	235
14.	Trading Book Models	239
15.	Credit Derivatives	249
1 6 .	Counterparty Risk	255
17.	Counterparty Credit Risk for Derivatives,	
	Securities Financing, and Long Settlement Exposures	265

Contents-	Summarv

18. Securitization and Repackaging	281
IV OTHER RISKS	
19. Operational Risk Requirements	311
20. Concentration and Large Exposures	325
V BASEL III REQUIREMENTS	
21. Liquidity Requirements	349
22. The Leverage Ratio	383
23. Basel III, Derivatives, Clearing, and Exposures to CCPs	385
VI BANK GROUP SUPERVISION	
24. Group Supervision	393
25. Financial Conglomerates	405
26. Cross-Border Supervision of Bank Groups	417
27. Pillar Three—Disclosure Requirements	425
Index	453