# Possible Unintended Consequences of Basel III and Solvency II – References and other material



This paper explores possible implications of the near simultaneous implementation of Basel III and Solvency II but their materially different backgrounds and development processes.

A presentation based on this paper (given to both the Milliman Forum and the International Actuarial Association) is available here. References within the paper are available below.

Paper abstract

In today's financial system, complex financial institutions are connected through an opaque network of financial exposures. These connections contribute to financial deepening and greater savings allocation efficiency, but are also unstable channels of contagion. Basel III and Solvency II should improve the stability of these connections, but could have unintended consequences for cost of capital, funding patterns, interconnectedness, and risk migration.