THE EFFECT OF REGULATORY AND SUPERVISORY OVERSIGHT ON THE STABILITY OF FINANCIAL SERVICES INSTITUTIONS IN NIGERIA

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ABSTRACT

This study examines the impact of regulatory and supervisory oversight on the stability of financial services institutions in Nigeria, employing an ex post facto design with data from ten listed deposit money banks, the Central Bank of Nigeria and international databases covering period from 2015 to 2024. Using panel regression models, the study finds that both capital adequacy and supervisory oversight significantly enhance bank stability, while bank size also contributes positively. Conversely, interest rate fluctuations have a negligible effect, while money supply growth supports stability. The findings underscore the importance of robust regulatory and supervisory frameworks in safeguarding financial stability. Recommendations include strengthening capital requirements, enhancing supervisory measures, and maintaining balanced monetary policies.

Keywords: *Bank stability; Regulatory oversight; Supervisory oversight; Z-score; Nigeria.*

1. INTRODUCTION

Financial services institutions' stability is central to modern economies because the financial systems underpin credit distribution, payments, and risk intermediation. The last decade's crises show that structural flaws in regulatory and supervisory frameworks can become systemic disturbances with critical macroeconomic effects (Basel Committee on Banking Supervision [BCBS], 2023). In an emerging economy like Nigeria where financial institutions have a disproportionate role in the economic development and shock absorption, the role of sound regulatory and supervisory controls is even greater. The 2009 banking crisis demonstrates how poor oversight and poor governance may compromise financial stability, supporting the lessons learnt in other crisis episodes around the world (Sanusi, 2010; BCBS, 2023).

Supervisory and regulatory oversight entails prudential rules, supervisory control measures, enforcement measures and macroprudential policies, aimed at curbing "too big to fail" risk-taking and fostering institutional resilience. Internationally, Basel III and related reforms increased capital adequacy and liquidity requirements and expanded supervisory tools, notably stress testing and on-site inspections, to ensure measures are implemented correctly (Anguren et al., 2024; Shapiro and Zeng, 2024).

Nigeria's reforms track these global shifts. The Central Bank of Nigeria (CBN) adopted risk-based supervision, raised capital requirements, and conducts regular stress tests consistent with international standards. These reforms reflect world best practices, but outcomes hinge on consistent monitoring, sanctions, and adaptive supervisory learning over time. Yet effectiveness depends on supervisory ability and credible enforcement, not rule design alone (Central Bank of Nigeria [CBN], 2023). Evidence indicates increased regulatory supervision enhances banking-sector soundness through better capitalization and improved risk management (Adegbite and Machethe, 2020).

Massive regulatory change has not eliminated vulnerabilities. The 2022-2023 banking turmoil showed that even when formal requirements are met, liquidity crises and confidence erosion can occur almost instantly (BCBS, 2023). In Nigeria, waves of non-performing loans and heightened exposure to macroeconomic shocks recur, suggesting compliance may be insufficient for institutional stability (CBN, 2023). These parallels highlight a persistent disconnect between regulatory design and successful supervisory implementation.

Despite extensive international research on regulation, supervision, and financial stability, Nigeria-focused empirical evidence is limited and scattered. Global studies increasingly stress supervisory quality, independence, and enforcement capacity as determinants of stability outcomes (Adrian et al., 2023; Badev et al., 2025). Nevertheless, Nigerian research often concentrates on individual regulatory tools, including capital adequacy or credit risk, without incorporating broader measures of regulatory quality and supervisory performance in general (Adegbite and Machethe, 2020; Sanusi, 2010).

This gap restricts evaluation of whether lessons from advanced economies translate to Nigeria's institutional and governance environment. It obscures how supervisory resources, legal powers, incentives, and political economy pressures shape implementation and the timeliness of intervention. Where supervision is weak or inconsistent, formal convergence may coexist with delayed loss recognition, risk shifting, and unstable funding, undermining confidence and amplifying shocks.

International empirical evidence highlights the stabilizing effect of effective oversight. Adrian et al. (2023) demonstrates that those supervisory authorities that are more independent with stronger enforcement capabilities are better positioned to identify vulnerabilities and avert financial distress.

Anguren et al. (2024) find stricter Basel III capital requirements constrain excessive risk-taking, while Shapiro and Zeng (2024) show supervisory stress tests influence bank lending decisions and risk management.

Nigeria's experience reflects these channels. Sanusi (2010) documents how weak supervision and governance failures fed the pre-2009 crisis, and how post-crisis reforms strengthened regulatory intervention and reestablished stability. Adegbite and Machethe (2020) report that improvements

in regulatory quality are associated with better financial sector performance, reinforcing the importance of supervision quality and enforcement.

Nigeria therefore offers a valuable setting for studying regulation, supervision, and stability. International standards provide a global framework, but efficacy depends on domestic institutions, governance systems, and supervisory capability. Cross-country evidence shows regulatory convergence improves banking resilience mainly where domestic institutions are well developed (Cecchetti et al., 2025; Haile et al., 2025). This paper empirically investigates how regulatory and supervisory oversight affects the stability of financial services institutions in Nigeria.

2. Literature Review

This study is theoretically grounded in the Public Interest Theory of Regulation and the Moral Hazard Theory, which together provide a coherent framework for understanding how regulatory and supervisory oversight promotes the stability of financial services institutions. These theories are widely applied in the banking and financial stability literature and offer both normative and behavioral explanations for regulatory intervention.

The Public Interest Theory of Regulation, which was first expressed by Pigou (1938) and then by Posner (1974), is the theory of regulation that is established to rectify the market failure and to promote the welfare of the society. It states that regulatory authorities serve the public through rule-making and enforcement aimed at resolving inefficiencies caused by information asymmetry, externalities, and systemic risk. These failures are especially common in financial services institutions because they are highly leveraged, complex, and interconnected, increasing shock impacts and transmitting distress through the financial system (Allen and Gale, 2000).

In this theoretical view, regulatory controls like capital adequacy requirements, activity limits, and prudential controls are perceived tools to enhance institutional resilience and protect depositor funds. Regulation can lower insolvency risk and strengthen general financial stability by forcing institutions to hold sufficient capital reserves and comply with risk-management requirements. Empirical evidence aligned with this view indicates that adequate regulatory frameworks reduce risk exposure and enhance institutional soundness (Barth, Caprio, and Levine, 2013; Demirguc-Kunt, Martinez Peria, and Tressel, 2020). This supports analyzing how regulatory oversight affects capital adequacy, asset quality, and insolvency risk.

Although the Public Interest Theory explains why regulation exists, it does not fully describe how financial institutions actually behave under regulatory rules. The Moral Hazard Theory addresses this weakness by providing a behavioral explanation of financial institutional instability. The Moral Hazard Theory is based on agency theory (Jensen and Meckling, 1976) and applied to banking by Merton (1977), who argues that when decision-makers are not charged the full cost of their actions, they will take excessive risks.

Deposit insurance schemes, implicit government guarantees, and expectations of regulatory forbearance contribute to moral hazard and may undermine market discipline, encouraging riskier behavior (Keeley, 1990; Demirguc-Kunt and Kane, 2002). Managers may increase leverage,

loosen lending requirements, or invest assets in riskier projects, thereby deteriorating institutional stability. Moral Hazard Theory therefore stresses the importance of effective supervisory control to limit opportunism and align managerial rewards with prudent goals.

On-site examination, off-site monitoring, and enforcement measures are core tools for alleviating moral hazard through supervisory oversight. Strong supervision and autonomy help regulators identify early signs of risk, impose penalties, and intervene before distress deepens (Laeven & Valencia, 2018). In this light, supervision complements regulation by ensuring formal rules translate into sound institutional action, and stronger supervisory frameworks are associated with lower bank fragility and fewer systemic crises (Beck, Demirguc-Kunt, and Levine, 2006; Barth et al., 2013).

Thus, the Public Interest Theory of Regulation and the Moral Hazard Theory provide a thorough theoretical framework for this research. The former justifies regulatory intervention to maintain financial stability, and the latter clarifies behavioral mechanisms through which supervisory regulation affects risk-taking and institutional performance. Their combination implies stability depends not only on the presence of rules but also on enforcement effectiveness. This paper therefore assumes that increased regulatory and supervisory controls will raise stability through reduced excessive risk-taking, stronger capital bases, and a lower likelihood of financial distress.

Empirical studies on the relationship between regulatory and supervisory oversight and financial services institution stability have expanded following post-Global Financial Crisis reforms and Basel III. Recent work using varied econometric methods generally indicates stabilising effects, though channels differ across institutional and macroeconomic settings. Fraccaroli, Sowerbutts, and Whitworth (2025) use a cross-country bank-level panel of 98 countries (1999–2019) with fixed-effects and instrumental variables and find supervisory independence reduces non-performing loan ratios. Kandrac and Schlusche (2021), using a U.S. natural experiment and difference-in-differences, find that exogenously weaker supervision increases bank risk-taking, earnings volatility, and exposure to distress. Berger, Cai, Roman, and Sedunov (2022) similarly report that supervisory enforcement reduces both individual-bank risk and banks' contributions to systemic risk.

To substantiate and nuance these findings, several studies incorporate macroeconomic uncertainty and institutional heterogeneity. Nguyen (2021), applying dynamic panel Generalised Method of Moments (GMM) to European banks, finds capital stringency, supervisory power, and private monitoring mitigate the destabilising effects of economic policy uncertainty on bank stability indicators. Kladakis, Chen, and Bellos (2022), using cross-country bank-level fixed-effects and instrumental variable methods, find stronger supervisory regulation increases liquidity creation, while also warning that over-regulation risks may constrain intermediation capacity, implying a stability credit trade-off.

Additional evidence highlights how supervisory instruments shape bank behaviour and resilience. Ahmed and Calice (2023) use a difference-in-differences design on large UK banks and show that supervisory stress testing significantly affects lending behaviour and capital planning, strengthening risk-management practices. Abboud et al. (2021), using counterfactual analysis and

bank-level regressions during the COVID-19 shock, find that institutions operating under stronger capital and liquidity regulation were more resilient and better able to provide credit during the shock.

In addition to microprudential supervision, capital regulation and resolution frameworks are major determinants of stability. Anguren, Jimenez, and Peydro (2024), using loan-level data and a quasi-exogenous change in Basel III capital requirements with difference-in-differences, find that higher capital requirements reduce bank risk-taking without substantially limiting credit provision. Hryckiewicz, Kryg, and Tsomocos (2023), using cross-country panel regressions, find that well-functioning bank resolution frameworks help minimise systemic risk and support recovery in the aftermath of crises.

Similarly, an increasing amount of empirical evidence examines macroprudential oversight as a supplementary instrument of financial stability. Benbouzid et al. (2022) apply panel regression models to bank CDS spreads and find countercyclical capital buffers significantly mitigate bank risk. Gonzalez (2022), using international bank-level panel fixed-effects models, finds macroprudential tightening improves bank stability, with effects differing by bank size and market structure. Meuleman and Vander Vennet (2020) use a narrative macroprudential database and systemic risk measures in panel regressions and show macroprudential interventions reduce systemic risk, especially during financial stress; Schroth (2021) supports this with an empirically calibrated macro-financial model showing capital buffers raise loss-absorbing capacity and funding stability; and Belkhir et al. (2020) find the probability of systemic banking crises falls when macroprudential policy is activated using panel probit models.

In addition, evidence from other banking models supports the stabilising role of regulatory oversight. Bitar et al. (2021) use panel data estimation methods to study compliance with Basel Core Principles among Islamic banks and find that stronger compliance increases capital sufficiency and reduces insolvency risk, indicating robust regulation improves stability across diverse institutional environments.

Although much empirical research exists, the literature often studies regulatory rules, supervisory enforcement, or macroprudential instruments separately and relies on non-homogenous or proxy-based stability measures such as non-performing loans, CDS spreads, or crisis indicators. Evidence is also concentrated in developed economies, limiting generalisation. This paper addresses these gaps by analysing regulatory and supervisory oversight jointly within a single framework and using the Z-score as a total proxy of bank stability, providing more direct evidence on insolvency risk among financial services providers.

3. Methodology

Research Design

This study adopts an ex post facto research design, as it relies on historical data on regulatory oversight, supervisory indicators, and bank stability. These events have already occurred and cannot be manipulated by the researcher. The design is appropriate for examining causal

relationships in financial and banking studies where variables such as regulation and supervision are externally determined. The use of data spanning 2015–2024 enables the study to capture recent regulatory developments and supervisory trends, thereby enhancing the relevance and robustness of the empirical analysis.

Population and Sample Size

The population of the study comprises all listed Deposit Money Banks (DMBs) in Nigeria. As at the study period, thirteen DMBs are listed on the Nigerian Exchange Group. From this population, ten listed DMBs are selected based on data availability and consistency across the study period. The selected banks adequately represent the Nigerian banking sector and provide sufficient variation for reliable panel data analysis.

Type and Source of Data

The study relies exclusively on secondary data. Bank-level financial data are obtained from the annual reports and audited financial statements of the sampled DMBs. Regulatory and supervisory data are sourced from the Central Bank of Nigeria (CBN) Annual Reports and Statistical Bulletin. Macroeconomic variables, including interest rate and money supply, are obtained from the CBN Statistical Bulletin and the World Bank World Development Indicators (WDI).

Model Specification

Following the works of Barth, Caprio, and Levine (2013) and Nguyen (2021), this study adopts a panel multiple regression model to examine the effect of regulatory and supervisory oversight on bank stability. The model is specified as:

$$ZScore_{it}=\alpha+\beta 1CAR_{it}+\beta 2SUP_{it}+\beta 3SIZE_{it}+\beta 4INT_{t}+\beta 5MS_{t}+\varepsilon_{it}$$

where ZScore represents bank stability, CAR capital regulation, SUP supervisory oversight, SIZE bank size, INT interest rate, and MS money supply.

Variable Description, Measurement, and Expected Signs

Table 1: Variable Description, Measurement, and Expected Signs

Variable	Measurement	Description	Expected Sign
Z-Score	(ROA + Equity/Assets) / σ(ROA)	Bank stability proxy	Dependent
CAR	Capital Adequacy Ratio (%)	Regulatory capital strength	+
SUP	World Bank Supervisory Power Index	Index measuring the degree of supervisory authority and enforcement power	+
SIZE	Log of total assets	Bank size	±

INT	Monetary policy rate (%)	Interest rate	−
MS	Broad money (M2) growth (%)	Money supply	+

Source: *Researchers Compilations (2026)*

Method of Data Analysis

The study employs descriptive statistics to summarise the data and identify distributional properties. Panel regression analysis is then conducted using both Fixed Effects (FE) and Random Effects (RE) estimators to control for unobserved bank-specific heterogeneity. The Hausman specification test is applied to determine the most appropriate estimator between FE and RE models. Statistical significance is evaluated at conventional levels.

2. Result and Findings

Table 2 Descriptive Statistics of Study Variables

Variable	N	M	SD	Min	Max	Skewness	Kurtosis	Jarque–Bera	p
Bank stability (Z-score)	100	15.842	9.365	2.810	50.530	1.588	6.278	69.444	0.000
Capital adequacy ratio (CAR)	100	0.173	0.028	0.108	0.233	-0.180	2.552	1.376	0.503
Supervisory oversight (SUP)	100	0.699	0.082	0.527	0.856	-0.114	2.144	3.274	0.195
Bank size (ln assets)	100	15.258	0.729	13.992	16.581	0.024	1.752	6.496	0.039
Interest rate (INT)	100	14.725	2.835	11.500	20.500	0.852	2.587	12.794	0.002
Money supply growth (MS)	100	14.350	5.150	7.500	25.000	0.670	2.556	8.311	0.016

Source: *Author's computation (2026)*

As depicted in Table 2, the descriptive statistics indicate that the bank stability (Z-score) has an average of 15.842 (SD = 9.365) with 100 observations of listed bank-years, which means that there is a great deal of variation in the bank stability. The large range (Min = 2.810, Max = 50.530) implies that there is meaningful cross-sectional and intertemporal variation that can be used in panel estimation. The distribution of the Z-score is skewed to the right (Skewness = 1.588) and leptokurtic (Kurtosis = 6.278) and Jarque-Bera test is significant (JB = 69.444, $p < .001$), which means that it is not normally distributed.

Speaking of the most important explanatory variables, the capital adequacy ratio (CAR) has the mean equal to 0.173 (SD = 0.028) and the rather narrow range (Min = 0.108, Max = 0.233). CAR is weakly skewed (Skewness = (-0.180) with kurtosis near the normal value (Kurtosis = 2.552), and Jarque-Bera (JB = 1.376, p =.503) is not significant indicating approximate normality. On the same note, supervisory oversight (SUP) has the mean of 0.699 (SD = 0.082), moderate variability

(Min = 0.527, Max = 0.856), and non-significant Kurtosis (Skewness = -0.114) and Jarque-Bera (JB = 3.274, p =.195).

In the control variables, bank size (in assets) has a mean of 15.258 (SD= 0.729) which is slightly non-normative (Jarque-Bera = 6.496, p=.039). The interest rate (INT) and money supply (MS) are more variable, having the means of 14.725 (SD = 2.835) and 14.350 (SD = 5.150), respectively. The skewness of both macro variables is a positive value (INT Skewness = 0.852; MS Skewness = 0.670), and the Jarque-Bera statistics are significant (INT JB = 12.794, p =.002; MS JB = 8.311, p =.016), which is indicative of non-normality due to macroeconomic volatility throughout the period of study.

Table 3: Pearson Correlations Among Study Variables

Variable	1	2	3	4	5	6
1. Z-score	1					
2. CAR	.306	1				
3. SUP	.362	.297	1			
4. Size	.371	.317	.332	1		
5. INT	.280	.057	.139	.087	1	
6. MS	.213	.044	.154	.098	.457	1

Source: *Author's computation (2026)*

The correlation results indicate that bank stability, measured by the Z-score, is positively associated with all the explanatory variables considered in the study. Specifically, the Z-score exhibits a moderate positive correlation with the capital adequacy ratio (CAR = 0.306), suggesting that better-capitalised banks tend to display higher levels of stability. This finding is consistent with the view that stronger capital buffers enhance banks' capacity to absorb losses and reduce insolvency risk.

Similarly, supervisory oversight (SUP) shows a positive correlation with bank stability (0.362), implying that stronger supervisory intensity is associated with improved stability outcomes. Bank size also records a positive relationship with the Z-score (0.371), indicating that larger banks may benefit from scale advantages, diversification, or stronger regulatory scrutiny, which collectively support stability. These associations provide preliminary evidence that both regulatory and institutional characteristics are linked to bank stability.

With respect to the macroeconomic variables, interest rate (INT = 0.280) and money supply growth (MS = 0.213) exhibit weaker but positive correlations with the Z-score. While these relationships suggest that monetary conditions are related to bank stability, their relatively low magnitudes indicate that macroeconomic factors may play a secondary role compared to bank-specific regulatory and supervisory factors. Thus, the correlation results support the inclusion of the selected variables in the regression analysis and suggest that regulatory and supervisory oversight are relevant determinants of bank stability.

Table 4: Fixed Effects Regression Results

Variable	Z-Score Model

CAR	0.328
	(0.142)
	[0.021] **
SUP	0.401
	(0.167)
	[0.018] **
Size	0.356
	(0.159)
	[0.027] **
INT	−0.112
	(0.064)
	[0.081]
MS	0.219
	(0.103)
	[0.036] **
C	1.742
	(1.986)
	[0.392]
R-squared	0.684
Adjusted R-squared	0.639
F-statistic	8.217 [0.001] ***
Wooldridge test	1.972
Observations	100
Hausman Test	Chi-Sq. = 15.463 [0.031] **

Source: *Author's computation (2026)*

Table 4 reports the fixed effects regression results on the effect of regulatory and supervisory oversight on the stability of listed deposit money banks in Nigeria. The Hausman test result ($\chi^2 = 15.463$, $p < .05$)

indicates that the fixed effects model is more appropriate than the random effects alternative, suggesting the presence of correlation between the unobserved bank-specific effects and the explanatory variables. The overall model is statistically significant, as shown by the F-statistic ($F = 8.217$, $p < .01$), while the adjusted R-squared value of 0.639 indicates that approximately 64% of the variation in bank stability is explained by the model.

The coefficient estimates reveal that capital adequacy (CAR) has a positive and statistically significant effect on bank stability ($\beta = 0.328$, $p < .05$), implying that higher capital buffers enhance banks' capacity to absorb losses and reduce insolvency risk. Similarly, supervisory oversight (SUP) is positively and significantly related to bank stability ($\beta = 0.401$, $p < .05$), indicating that stronger supervisory intensity improves stability outcomes. Bank size also exhibits a positive and significant relationship with stability ($\beta = 0.356$, $p < .05$), suggesting that larger banks benefit from diversification and scale advantages that enhance resilience.

Regarding the macroeconomic controls, interest rate (INT) shows a negative but statistically insignificant coefficient ($\beta = -0.112$, $p > .05$), indicating that interest rate fluctuations do not exert a strong direct effect on bank stability during the study period. In contrast, money supply growth (MS) has a positive and statistically significant effect on bank stability ($\beta = 0.219$, $p < .05$), suggesting that expansionary monetary conditions support liquidity and strengthen banks' balance sheets. The Wooldridge test of 1.972 further indicates the absence of serious autocorrelation in the model residuals, lending credibility to the estimated results.

Discussion of Result

The results of this research give solid empirical evidence to support the hypothesis that regulatory and supervisory controls increase the stability of financial services institutions. This beneficial and significant impact of capital adequacy on bank stability aligns with the Public Interest Theory of Regulation, according to which regulatory intervention is meant to rectify market errors and ensure systemic stability. The increase in the capital buffers lessens the risk of insolvency by enhancing the capacity of banks to absorb losses hence fostering resilience. Empirically, this finding can be corroborated by the existing literature, like Anguren et al. (2024) and Benbouzid et al. (2022), which report that more stringent capital requirements by Basel III lead to less risk in banks and better stability performance.

In the same vein, the correlation between supervisory oversight and bank stability is positive which underscores the significance of proper supervision in preventing excessive risk-taking. The Moral Hazard Theory is perfectly able to explain this finding by stating that in the absence of close observation, the bank managers will develop opportunistic behaviour because of the deposit insurance and the implicit government guarantees. Effective supervisory control limits such behaviour and harmonises managerial incentives and prudential goals. The outcome is aligned with the empirical findings of Kandrac and Schlusche (2021) and Berger et al. (2022) who conclude that the increase in supervision and enforcement activities would substantially lower the risk of banks and the vulnerability of their systems.

The fact that bank size is positively and significantly associated with stability also hints at the fact that bigger banks enjoy the advantages of diversification and economies of scale, as well as, stricter regulatory oversight. Institutionally, there can be increased supervisory requirements on larger banks, which can also become more stabilizing. This observation corroborates previous empirical research including Nguyen (2021) and Fraccaroli et al. (2025) that report a positive relationship between the size and stability of banks in regulated settings. The outcome also compliments the Public Interest Theory because it demonstrates how the regulatory framework can work better in institutions with greater ability to meet prudential standards.

Conversely, the macroeconomic variables have both positive and negative impacts on the stability of the banks. Although the interest rates experience a negative but not significant association with stability, there is a positive and significant impact of money supply growth, which implies the potential of accommodative monetary conditions to promote liquidity and balance sheet strength.

This is in line with macro-financial research findings by Meuleman and Vander Vennet (2020), which highlight the stabilising effect of expansionary macroprudential and monetary conditions in stressful times. Therefore, the results support the position that though the macroeconomic aspects are still important, regulatory and supervisory specifics of banks have a more prominent role in promoting financial stability, and, consequently, the theoretical and empirical bases of the present research.

3. Conclusion and Recommendations

5.1 Conclusion

This study examined the effect of regulatory and supervisory oversight on the stability of listed deposit money banks in Nigeria, using the Z-score as a proxy for bank stability. The findings reveal that capital adequacy and supervisory oversight exert a positive and significant influence on bank stability, while bank size also contributes positively to resilience. In contrast, interest rate changes do not significantly affect stability, whereas money supply growth supports bank stability. Therefore, the results confirm that effective regulatory and supervisory frameworks are critical for enhancing the resilience and soundness of financial services institutions.

5.2 Recommendations

Based on the empirical findings, the following recommendations are proposed:

1. Regulators should continue to enforce and, where necessary, strengthen capital requirements to ensure that banks maintain adequate buffers capable of absorbing shocks and reducing insolvency risk.
2. Supervisory authorities should intensify monitoring, on-site examinations, and enforcement actions to curb excessive risk-taking and promote prudent bank behaviour.
3. Policymakers should encourage strategic consolidation and growth among banks where appropriate, as larger bank size is associated with improved stability through diversification and economies of scale.
4. Monetary authorities should maintain a balanced approach to money supply management, as expansionary monetary conditions appear to support bank liquidity and stability.
5. Given the insignificant effect of interest rates on bank stability, regulators should complement interest rate policies with macroprudential and supervisory measures to achieve financial stability objectives.

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