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Regulation Without Borders – G20 Ideals and National Interests

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Bank regulation

Deloitte.

Global Convergence / Divergence

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ICFR Summit, Amsterdam, 9 November 2010


bruegelpolicybrief

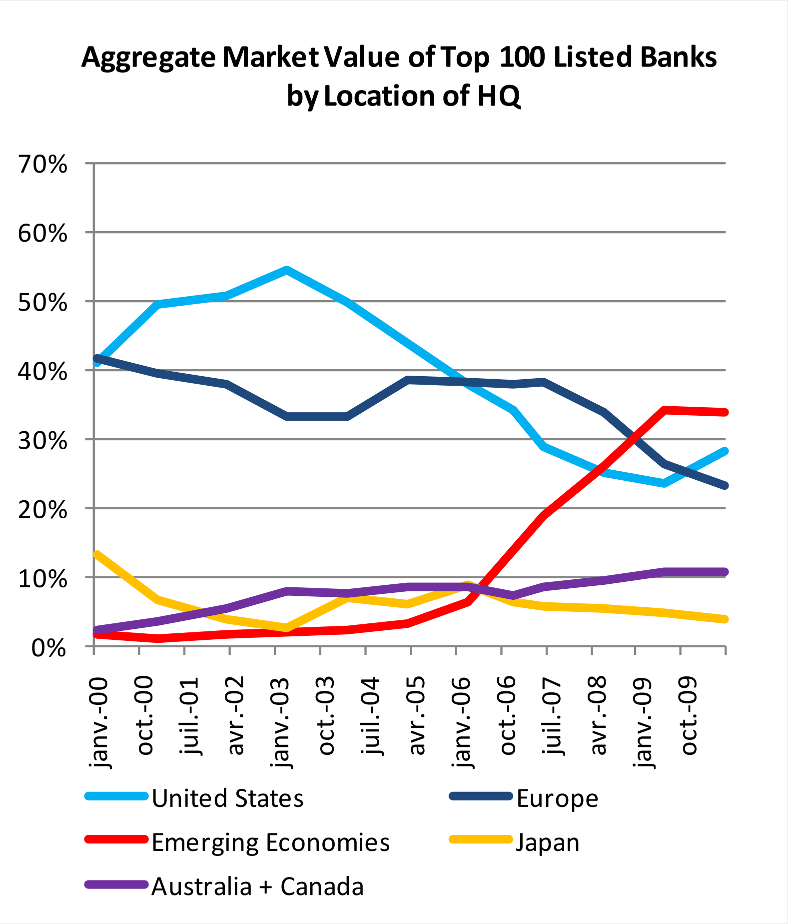
NOT ALL FINANCIAL REGULATION IS GLOBAL

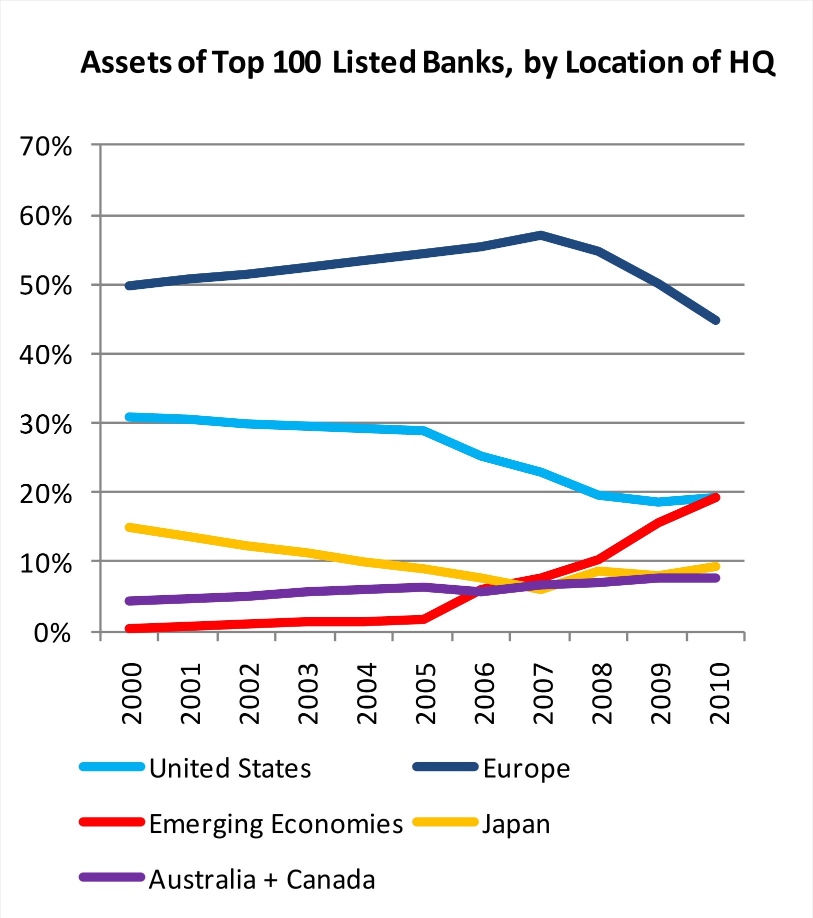
Background paper: 'Not All Financial Regulation Is Global'

Stéphane Rottier & Nicolas Véron, Bruegel Policy Brief 2010/07, Sept. 2010

Also published as Peterson Institute Policy Brief PB10-22, Sept. 2010

Global Banks: Shifting Center of Gravity





Shares of aggregate market value (left) and of aggregate assets (right) of top 100 global listed banks at each date, by region of headquarters. Source: FT Global 500 rankings, Datastream, author's calculations

Global Banks: Restructuring 2007-2010

	Europe		Market Cap. $bn mid-07	Market Cap. $bn mid-10	
1	HSBC	UK	215	161	-25%
2	UBS	CH	126	51	-59%
3	RBS	UK	120	36	-70%
4	Santander	ES	116	88	-24%
5	BNP Paribas	FR	111	65	-41%
6	ING	NL	98	29	-70%
7	UniCredit	IT	93	43	-53%
8	Barclays	UK	91	49	-47%
9	ABN Amro	NL	89	N.S.	
10	Intesa Sanpaolo	IT	88	34	-62%
11	BBVA	ES	87	40	-55%
12	Credit Suisse	CH	87	45	-48%
13	Societe Generale	FR	86	31	-64%
14	Deutsche Bank	DE	76	36	-54%
15	HBOS	UK	74	N.S.	
16	Credit Agricole	FR	67	25	-62%
17	Lloyds	UK	63	55	-13%
18	Fortis	BE	56	N.S.	
19	KBC Group	BE	49	14	-72%
20	StanChart	UK	46	51	+11%
	Total		1839	852	-54%

United States		Market Cap. $bn mid-07	Market Cap. $bn mid-10	
Citigroup	US	254	109	-57%
Bank of America	US	217	144	-34%
JP Morgan Chase	US	166	146	-12%
Wells Fargo	US	117	133	+13%
Wachovia	US	98	N.S.	
Goldman Sachs	US	89	68	-24%
Morgan Stanley	US	88	32	-63%
American Express	US	73	48	-34%
Merrill Lynch	US	73	N.S.	
Fannie Mae	US	64	0	-100%
U. S. Bancorp	US	57	43	-25%
Freddie Mac	US	42	0	-100%
Lehman Brothers	US	40	0	-100%
Washington Mutual	US	38	0	-100%
Franklin Resources	US	33	20	-41%
Capital One Fin.	US	33	18	-44%
Bank of New York	US	31	30	-5%
Suntrust Banks	US	31	12	-62%
Charles Schwab	US	26	17	-34%
PNC Fin. Services	US	25	30	+20%
Total		1593	849	-47%

Rest of the World		Market Cap. $bn mid-07	Market Cap. $bn mid-10	
ICBC	CN	211	211	+0%
Bank of China	CN	155	128	-18%
China Constr. Bank	CN	155	189	+22%
Mitsubishi UFJ	JP	120	65	-46%
Sberbank	RU	84	55	-35%
Mizuho	JP	80	26	-68%
Sumitomo Mitsui	JP	72	41	-44%
Royal Bk of Canada	CA	68	68	+0%
BoCom	CN	62	55	-12%
Commonwealth Bk Austr.	AU	61	64	+4%
National Australia Bk	AU	57	42	-27%
Banco Itau	BR	52	74	+43%
China Citic Bank	CN	51	30	-41%
Bradesco	BR	50	49	-2%
Toronto Dominion	CA	49	57	+15%
Bank of Nova Scotia	CA	48	48	-1%
China Merchants	CN	47	43	-8%
ANZ Banking	AU	46	46	+2%
Westpac Banking	AU	40	53	+33%
Nomura	JP	38	21	-46%
Total		1546	1363	-12%

Major restructuring

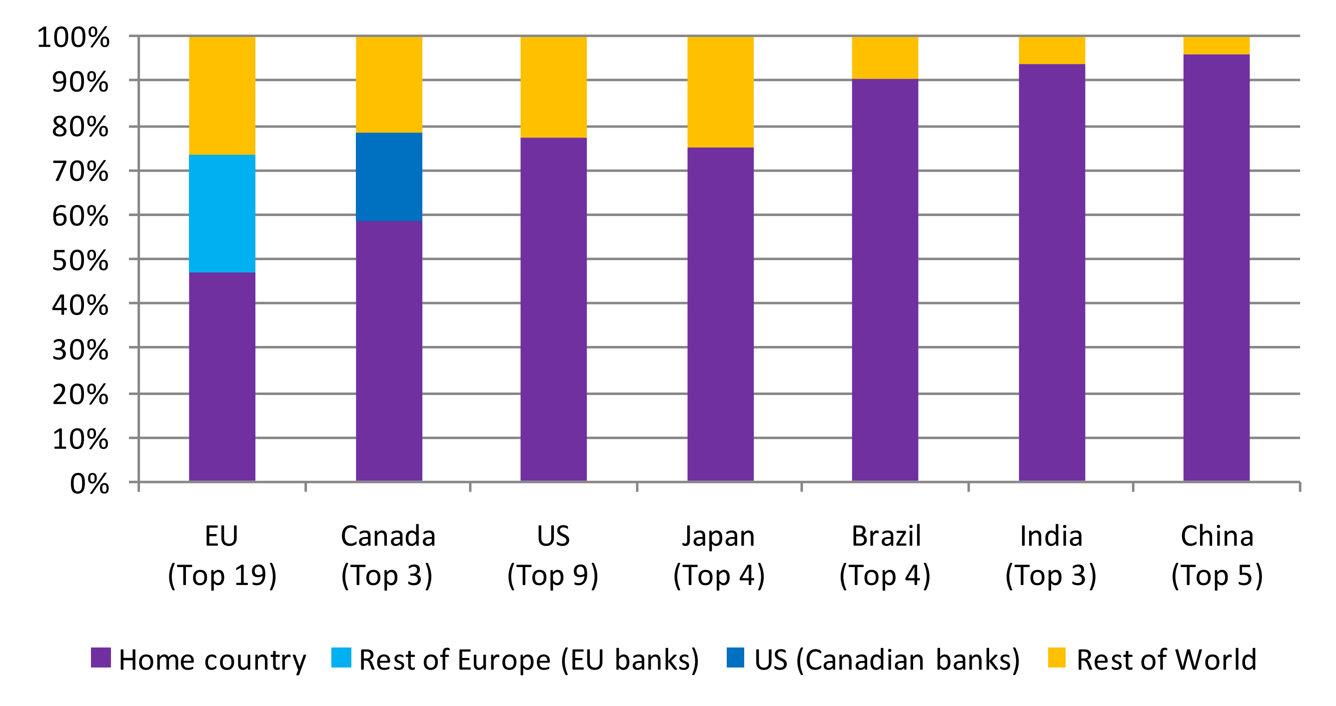
Nationalization

Acquisition

Bankruptcy/receivership

Global Banks: Internationalization Profiles

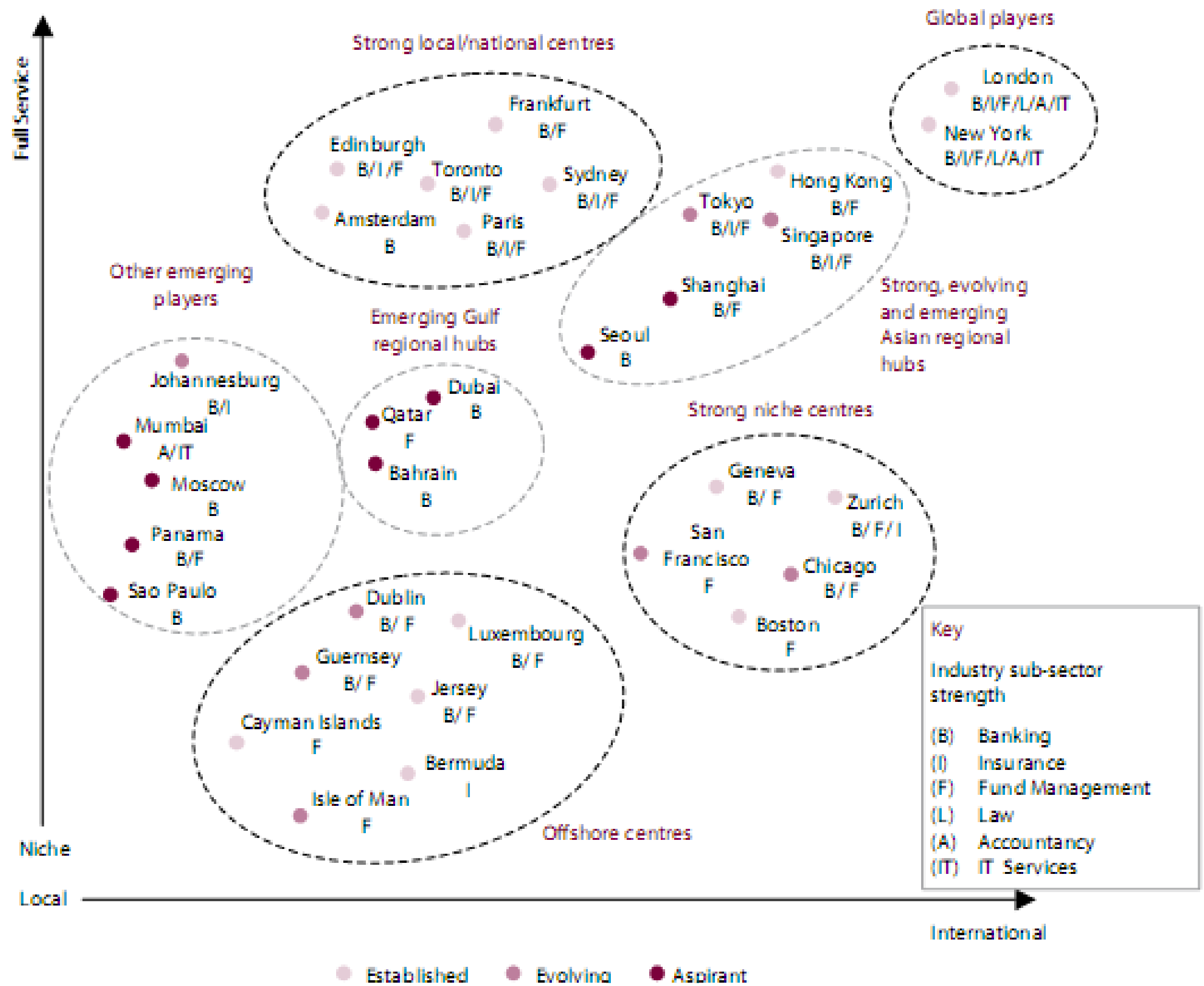
Geographical distribution of top banks' global revenue



Average geographical distribution of 2009 revenue of largest listed banks in each region by 2009 assets. Source: corporate reports, authors' calculations

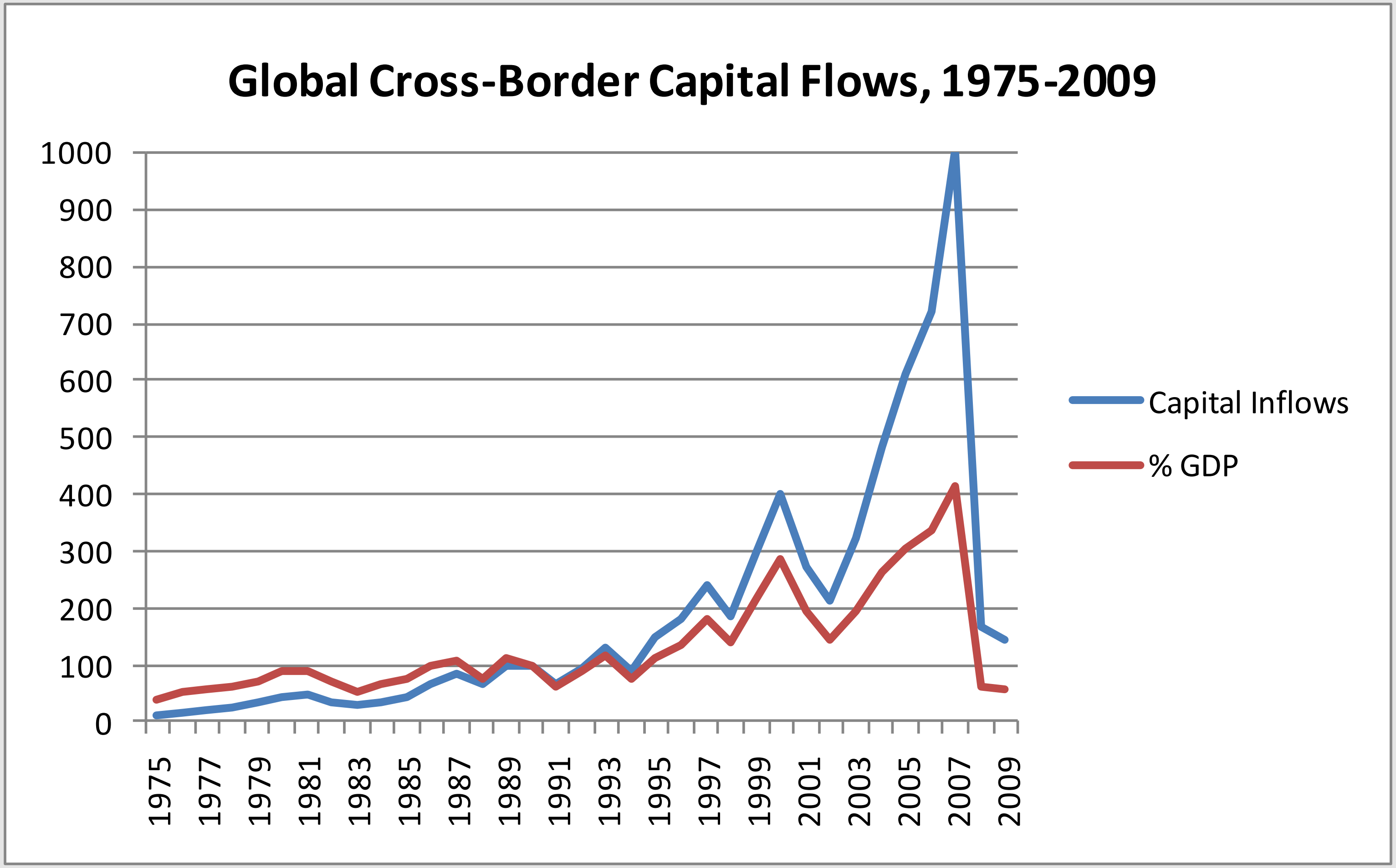
Global Financial Centers – A Typology

Figure B: Principal international financial centres



Source: UK international financial services – the future (2009): http://webarchive.nationalarchives.gov.uk/20100407010852/http://www.hm-treasury.gov.uk/ukinternational_financialservices.htm

Financial Deglobalization?



Source: Gian Maria Milesi-Ferretti / IMF, External wealth of Nations Mark II database (update of Lane and Milesi-Ferretti 2007 JIE)

Thank You For Your Attention

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