Deutsche Bank Credit Overview

Inhaltsangabe:Abstract: Asset-backed securities (ABS) are an innovative capital market instrument, and can be defined as homogenous, financial, cash flow producing, illiquid assets, which are separated from other company assets, transferred to a third party and used as collateral for securities issued on the capital market. The question to be answered in this study is: In how far does the market segment of asset-backed securities contain potential for private investors as an interesting investment alternative? This is of interest for commercial banks for broadening their investment product range and following innovation in order to stay competitive in a highly contested market. The empirical research consists of exemplary case studies of recent ABS issuances, dialogs with experts in the field of asset securitization and complementary data on the current market situation. After a close examination of the obtained data, the conclusion to be drawn is that asset-backed securities are an interesting investment alternative for private investors and the market segment can be entered indirectly through mutual funds, since a direct investment is hindered by several market conditions. The positive risk-return ratio in comparison to other alternatives and the innovative character of ABS makes them an attractive component of private investment portfolios. In the light of a trade tax law change in favor of special purpose vehicles for true sale transactions and plans for a common ABS platform by several large German banks, commercial banks should consider launching ABS mutual funds and marketing them to retail clients in order to profit from the positive side effects on the investment business from growing supply on the credit side of this market segment. Inhaltsverzeichnis:Table of Contents: 1.INTRODUCTION1 1.1Background1 1.2Previous research in the field of asset securitization3 1.3ABS - a suitable investment product?4 1.4Problem statement5 1.5Objective of the study6 1.6Detailed research questions6 1.7Scope and limitations of the study7 1.8Outline7 2.THEORETICAL FRAMEWORK9 2.1Asset-backed securities - concepts and structure9 2.2Classification of asset-backed securities12 2.3Risks and credit enhancement13 2.4Investor perspective on ABS15 2.5The magic triangle - basis of investment decisions16 2.6Marketing context of the study17 2.7Consumer segmentation17 2.8Investor segmentation20 2.9Summary22 3.METHODOLOGY23 3.1Research [...]

#1 WALL STREET JOURNAL BESTSELLER * NEW YORK TIMES BESTSELLER New York Times finance editor David Enrich's explosive exposé of the most scandalous bank in the world, revealing its shadowy ties to Donald Trump, Putin's Russia, and Nazi Germany “A jaw-dropping financial thriller” —Philadelphia Inquirer On a rainy Sunday in 2014, a senior executive at Deutsche Bank was found hanging in his London apartment. Bill Broeksmit had helped build the 150-year-old financial institution into a global colossus, and his sudden death was a mystery, made more so by the bank’s efforts to deter investigation. Broeksmit, it turned out, was a man who knew too much. In Dark Towers, award-winning journalist David Enrich reveals the truth about Deutsche Bank and its epic path of devastation. Tracing the bank’s history back to its propping up of a default-prone American developer in the 1880s, helping the Nazis build Auschwitz, and wooing Eastern Bloc authoritarians, he shows how in the 1990s, via a succession of hard-charging executives, Deutsche made a fateful decision to pursue Wall Street riches, often at the expense of ethics and the law. Soon, the bank was manipulating markets, violating international sanctions to aid terrorist regimes, scamming investors, defrauding regulators, and laundering money for Russian oligarchs. Ever desperate for an American foothold, Deutsche also started doing business with a self-promoting real estate magnate nearly every other bank in the world deemed too dangerous to touch: Donald Trump. Over the next twenty years, Deutsche executives loaned billions to Trump, the Kushner family, and an array of scandal-tarred clients, including convicted sex offender Jeffrey Epstein. Dark Towers is the never-before-told saga of how Deutsche Bank became the global face of financial recklessness and criminality—the corporate equivalent of a weapon of mass destruction. It is also the story of a man who was consumed by fear of what he’d seen at the bank—and his son’s obsessive search for the secrets he kept.

Credit Risk Management for Indian Banks is a one-stop reference book for practising credit risk professionals in the Indian banking sector. This is the first book of its kind, which is exclusively targets the practical needs of Indian bankers. It lays more emphasis on the ground realities of Indian banking and enunciates principles and guidelines of credit risk management based on real-life situations.

Over the past decade, credit derivatives have emerged as the key financial innovation in global capital markets. At end 2004, the market size hit $6.4 billion (in notional amounts) from virtually nothing in 1995. This rise has been spurred by the imperative for banks to better manage their risks, not least credit risks, and the appetite shown by institutional investors and hedge funds for innovative, high yielding structured investment products. As a result, growth in collateralized debt obligations and other second-generation products, such as credit indices, is currently phenomenal. It is enabled by the standardization and increased liquidity in credit default swaps – the building block of the credit derivatives market. Written by market practitioners and specialists, this book covers the fundamentals of the credit derivatives and structured credit market, including in-depth product descriptions, analysis of real transactions, market overview, pricing models, banks business models. It is recommended reading for students in business schools and financial courses, academics, and professionals working in investment and asset management, banking, corporate treasury and the capital markets. Highlights include: Written by market practitioners and specialists with first-hand experience in the credit derivatives and structured credit market A clearly-written, pedagogical book with numerous illustrations Detailed review of real-case transactions A comprehensive historical perspective on market developments including up-to-date analysis of the latest trends

Credit Derivatives explains the major types of credit derivatives and their unique features, illustrating how they work in the real world through numerous examples. You will learn the key skill of pricing credit derivatives and the factors that must be taken into account, including time to maturity, probability of default, and expected recovery value.

An insider points out the holes that still exist on Wall Street and in the banking system Exile on Wall Street is a gripping read for anyone with an interest in business and finance, U.S. capitalism, the future of banking, and the root causes of the financial meltdown. Award winning, veteran sell side Wall Street analyst Mike Mayo writes about one of the biggest financial and political issues of our time – the role of finance and banks in the US. He has worked at six Wall Street firms, analyzing banks and protesting against bad practices for two decades. In Exile on Wall Street, Mayo: Lays out practices that have diminished capitalism and the banking sector Shares his battle scars from calling truth to power at some of the largest banks in the world and how he survived challenging the status quo to be credited as one of the few who saw the crisis coming Blows the lid off the true inner workings of the big banks and shows the ways in which Wall Street is just as bad today as it was pre-crash. Analyzes the fallout stemming from the market crash, pointing out the numerous holes that still exist in the system, and offers practical solutions. While it provides an education, this is no textbook. It is also an invaluable resource for finance practitioners and citizens alike.

Seminar paper from the year 2003 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 1,0 (A), St. Cloud State University (-), 19 entries in the bibliography, language: English, abstract: In 1870 Deutsche Bank was founded by Georg Siemens in Berlin with the purpose: "to transact banking business of all kinds, in particular to promote and facilitate trade relations between Germany, other European countries and overseas markets"1) (Exhibit 1) 1. Today similar to other German Banks, Deutsche Bank group is a universal bank. With 69,300 employees, the bank serves more than 13 million customers in 76 countries worldwide; more than half of the bank?s staff work outside Germany. The home market of the group is the European market, especially the German market. Deutsche Bank?s international orientation is reflected in its staff. In June 2003, 31107 employees worked in Germany, 19250 in Europe (excluding Germany), 12747 in America, and 6205 in Asia/Pacific. The Deutsche Bank offers customers a broad range of modern banking services. With about 1,500 branches in Germany and extensive branch networks in Italy, Spain and Belgium. Deutsche Bank is the biggest bank in the Euro zone.

Essay from the year 2008 in the subject Business economics - Business Management, Corporate Governance, grade: A, Cardiff University, course: International Business Management, 15 entries in the bibliography, language: English, abstract: Nowadays the movement of a company abroad has become a very complex question. A business organization has to understand that the international environment has changed in the past twenty years. Today the global economy operates all around the world. There opened new, interesting markets e.g. China or Russia. The figure of international companies has risen faster as originally expected. Kotler et al (2001) argue many other industries as well as the global financial system have become more difficult to understand. According to Valdez (2000), in 1999 Deutsche Bank was ranked number one of the world’s largest banks by assets with $865bn. Today its ranked number 6, but only number 23 according to profitability. It can be said that Deutsche is an investment Bank which deals with the needs of high net worth individuals e.g. deposits, loans and investment advice. Furthermore it is one of Europe’s most powerful and successful banks. However, in 2003 Deutsche Bank has threatened to move from Germany to the United Kingdom (UK). In 2003 The Sunday Times reported that plans exist to move from Germany either to Switzerland, USA or UK because of Germany’s anti-business culture and the complicated impractical laws. (online) Some of the international experienced managers would support the concept. An added reason given by a manager from Frankfurt (Main) headquarter is the poor performance of German companies which sounds like an excuse to move abroad. Rapid decisions are very difficult just as to be flexible. It seems that Deutsche’s manager wanted to benefit through a relocation to New York or a huge merger with a Swiss bank e.g. Credit Suisse. The BBC (online, 2003) observed one day later that Deutsche Bank has indicated the movement. (online) Although the bank has become globally it is a historically grown company with its origin in Germany.

Dark TowersDeutsche Bank, Donald Trump, and an Epic Trail of DestructionHarperCollins

Lessons from the leading financial consulting firm What is good financial service? Being knowledgeable. Keeping in touch. Knowing your client's needs. For the past twenty-five years, senior executives of professional financial services firms have relied on the experience of Greenwich Associates in establishing their strategy to attract and keep a committed client base-the core of financial services consulting. Based on work they have done at virtually all of the world's leading professional financial services organization, this book shares the techniques developed and lessons learned in the Greenwich Associates' proprietary research and experience consulting for over a quarter of a century.

Deutsche Bank Must Be Saved, for the Sake of World Peace! Statement issued by Helga Zepp-LaRouche, Chairwoman of the German Civil Rights Movement Solidarity (BüSo), on July 12, 2016. The imminent threat of the bankruptcy of Deutsche Bank is certainly not the only potential trigger for a new systemic crisis of the trans-Atlantic banking system, which would be orders of magnitude more deadly than the 2008 crisis, but it does offer a unique lever to prevent a collapse into chaos. Behind the SOS launched by the chief economist of Deutsche Bank, David Folkerts-Landau, for an EU program of e150 billion to recapitalize the banks, lurks the danger openly discussed in international financial media, that the entire European banking system is de facto insolvent, and is sitting on a mountain of at least e2 trillion of non-performing loans. Deutsche Bank is the international bank which, with a total of e55 trillions of outstanding derivative contracts and a leverage factor of 40:1, even outdoes Lehman Brothers at the time of its collapse, and therefore represents the most dangerous Achilles heel of the system. Half of Deutsche Bank's balance sheet, which has plummeted 48% in the past 12 months and is down to only 8% of its peak value, is made up of level-3 derivatives, i.e., derivatives amounting to circa e800 billion without a market valuation. It probably came as a surprise to many that Lyndon LaRouche called today for Deutsche Bank to be saved through a one-time increase in its capital base, because of the systemic implications of its threatened bankruptcy. Neither the German government with its GDP of e4 trillion, nor the EU with a GDP of e18 trillion, would be able to control the domino effect of a disorderly bankruptcy. The one-time capital injection, LaRouche explained, is only an emergency measure which needs to be followed by an immediate reorientation of the bank, back to its tradition which prevailed until 1989 under the leadership of Alfred Herrhausen. To actually oversee such an operation, a management committee must be set up to verify the legitimacy and the implications of the obligations, and finalize its work within a given timeframe. That committee should also draw up a new business plan, based on Herrhausen's banking philosophy and exclusively oriented to the interests of the real economy of Germany. Alfred Herrhausen was the last actually creative, moral industrial banker of Germany. He defended, among other things, the cancellation of the unpayable debt of developing countries, as well as the long-term credit financing of well-defined development projects. In December 1989, he planned to present in New York a plan for the industrialization of Poland, which was consistent with the criteria used by the Kreditanstalt für Wiederaufbau (KfW) for the post-1945 reconstruction of Germany, and would have offered a completely different perspective than the so-called "reform policy," or shock therapy, of Jeffrey Sachs. Herrhausen was assassinated on November 30, 1989 by the "Third Generation of the Red Army Fraction," whose existence has yet to be proven to this day. It happened only two days after Chancellor Helmut Kohl, who counted Herrhausen among his closest advisors, had presented his ten-point program for gradually overcoming the division of Germany [between East and West]. The cui bono of the terrorist attack remains one of the most fateful issues in the modern history of Germany, and one which urgently needs to be clarified. The fact is that Herrhausen's successors introduced a fundamental paradigm change in the bank's philosophy, which brought Deutsche Bank into the wild world of profit maximization at all costs...

Master's Thesis from the year 2013 in the subject Economics - Finance, grade: 1, University of Applied Sciences Coburg, language: English, abstract: Management Summary In response to the recent financial and ensuing economic crisis of 2007-2008, the Basel Committee on Banking Supervision announced a new set of measures – Basel III, which ought to create a more resilient banking system. It also intends to help contain adverse effects of financial system from spilling over to real economy. This, in turn, will allow real sector of economy avoid potential credit disruptions in future. However, just as a coin has two different sides, Basel III might also have unintended adverse effects on real sector. Therefore, this research is addressed at analyzing possible effects of the new regulations on corporate financing. Through review of relevant literature, we have been able to identify the most significant researches in the area to date. On one hand, advocates of Basel III argue for a substantial net economic advantage of around 2.6 per cent of annual GDP increase as a result of implementation and imply that society will be better off as a result. On the other hand, there are a number of critics, who state that prescribed tighter and liquidity requirements will create a two-side pressure on RoE of banks, prompting these to allocate less capital to lending business – thus decreasing credit, available to real economy. As a result, after conducting two case-studies: one a bank and another on a non-financial corporate, it has been determined that, on one hand, larger banks, using market leadership position, relatively bigger size and also given efforts, directed at reduction of operational costs will be able to limit price increase of most of commercial banking products. On the other hand, it is defined that this is the right time for non-financial corporates for a wider direct financial market participation. In general, this paper extends support for the new banking regulations given a proper implementation. As a closing point, a recommendation on how to best perform this strategic shift from traditional banking products to financial market products was proposed. Keywords: Basel III, corporate finance, strategy tools

Contains Nearly 100 Pages of New MaterialThe recent financial crisis has shown that credit risk in particular and finance in general remain important fields for the application of mathematical concepts to real-life situations. While continuing to focus on common mathematical approaches to model credit portfolios, Introduction to Credit Risk Modelin

This book reviews banking internationalization by considering the new paradigms of globalization. The author primarily analyses why and how banks internationalize through equity deals, and the effect of regulation and market integration on the formation of deals, which allows authorities to manage the banking structure. This is a unique work that describes the relevance of the ownership model and cultural features of the partners and the key factors that help in choosing the market in which the banks bring activities abroad. The book addresses market characteristics, and new scenarios that should impact banks' internationalization strategies and ability to achieve success in deals that capture the attention of both researchers and practitioners.

This book provides an overview of the risk components of CoCo bonds. CoCos are hybrid financial instruments that convert into equity or suffer a write-down of the face value upon the appearance of a trigger event. The loss-absorption mechanism is automatically enforced either via the breaching of a particular accounting ratio, typically in terms of the Common Equity Tier 1 (CET1) ratio, or via a regulatory trigger. CoCos are non-standardised instruments with different loss-absorption and trigger mechanisms. They might also contain additional features such as the cancellation of coupon payments. Different pricing models are discussed in detail. These models use market data such as share prices, CDS levels and implied volatility in order to calculate the theoretical price of a CoCo bond and its sensitivities, providing the investor with insides to hedge from adverse changes in the market conditions. The audience are professionals as well as academics who want to learn how to risk manage CoCo bonds using cutting edge techniques as well as all the risk involved in CoCo bonds.

The vast majority of international trade is supported by some form of trade financing: a specialized, sometimes complex form of financing that is poorly understood even by bankers and seasoned finance and treasury experts. Financing Trade and International Supply Chains takes the mystery out of trade and supply chain finance, providing a practical, straightforward overview of a discipline that is fundamental to the successful conduct of trade: trade that contributes to the creation of economic value, poverty reduction and international development, while increasing prosperity across the globe. The book suggests that every trade or supply chain finance solution, no matter how elaborate, addresses some combination of four elements: facilitation of secure and timely payment, effective mitigation of risk, provision of financing and liquidity, and facilitation of transactional and financial information flow. The book includes observations on the effective use of traditional mechanisms such as Documentary Letters of Credit, as well as an overview of emerging supply chain finance solutions and programs, critical to the financing of strategic suppliers and other members of complex supply chain ecosystems. The important role of export credit agencies and international financial institutions is explored, and innovations such as the Bank Payment Obligation are addressed in detail. Financing Trade and International Supply Chains is a valuable resource for practitioners, business executives, entrepreneurs and others involved in international commerce and trade. This book balances concept with practical insight, and can help protect the financial interests of companies pursuing opportunity in international markets.

Inhaltsangabe:Abstract: Recently business magazines and newspapers have reported regularely about settled NPL deals. NPL is the abbreviation for a non-performing loan and simply describes a situation in which the debtor stopped complying to the terms agreed upon with the lender. Depending on the specific credit terms, the borrower has to pay interest and to repay the principle at a certain time. If this does not happen at a specific time the lender will demand the debtor to stick to the agreed terms and finally, in the event that the debtor does not change his or her behaviour, terminate the underlying contract. At what specific point in this process the loan should be qualified as a non-performing loan is not standardized. The range of past due periods varies from 30 days, over 90 days, to even 180 days. Neither accounting rules nor supervisory law specify yet under which conditions a financial institution has to classify certain loans as non-performing loans. However, this will change with the enforcement of Basel II, and also thanks to international distressed debt investors which demand for global standards. From time to time financial institutions amass huge stocks of these loans which finally leads to a wave of NPL sales. The market for NPL s evolves and is active for three to five years. After resolving the stock of NPL s it breaks down and stays relatively inactive for a longer time before it might develop again. Beside this time-related feature, a geographic pattern can be detected. The market does not evolve at the same time all around the world, but moves from one country or economic zone to the other. Right now, Germany is the most active market in Europe. The question is why. The sale of NPL s belongs neither for mortgage banks nor for commercial banks to their ordinary business. On the contrary, these banks are selling part of their core business the credit business. Of course defaulting debtors are not the most attractive ones for banks, and therefore who would to question the bank that wants to get rid of them. On the other hand banks dispose of traditional instruments to deal with these customers. The work-out department is usually in charge of collecting receivables and also the transfer of the respective receivables to debt-collecting agencies is a long exercised practice among banks. Are these traditional means no longer able to deal with the indubitable tremendous stock on NPL s in German banks and will the outsourcing [...]

This new textbook provides an up-to-date overview of international banking as the second decade of the twenty-first century unfolds. Integrating geo-economic, operational, institutional and regulatory changes in the financial sector, the volume’s methodology incorporates specific case studies and research, combining theory with practical examples to illustrate the impact and consequences of past and present financial crises. The volume considers the core aspects of international banking, including its structural and technical features, historical context, institutional evolution in core markets, and wholesale, retail, investment and private banking. It uses specific examples from past and present literature, post-2008 case studies and histories, and research materials, offering a fully updated overview of how international banks respond to global crises, the origin, efficacy and evolution of financial markets, and the regulatory framework within which they function. One chapter is devoted to the evolution and potential of new markets, including the financial sectors of the BRICS and other emerging economies. Each chapter examines background, causes, impact and resolution, focusing on specific cases and their broader implications for the sector. This textbook is a guide to the new, and at times unchartered, landscape to be navigated by large domestic, cross-regional and global banks, and will be invaluable reading for students of finance, business and economics, as well as for those in the financial sector.

Here is a chapter from Investment Banking Explained, which provides a clear overview of this complex industry. It covers the history, key terms, structures, and strategies of investment banking and breaks the business down into its respective specialties--from traders, brokers, and analysts to relationship managers, hedgers, and retirement planners--illustrating how each contributes to the industry as a whole. This comprehensive guide examines the operations of the world's most successful firms, as well as explains how investment banks are forging their international strategies.

Inhaltsangabe:Abstract: The essay is about the English and the German banking system, their characteristics and the implications of these. As the English banking system is defined as a specialised banking system and the German one is known as a universal banking system, these terms are explained in the first chapter. Furthermore, the chapter deals with the history of both systems to make clear why these two banking systems developed into two different directions. After having looked at the differences of the two alternative banking systems, their structure is analysed in more detail in the second chapter. All different kinds of banks existing in England and Germany are identified and their scope of functions and goals are described. In the following some important features of the banking systems, such as short-termism and corporate governance, are analysed in great detail. This means that these features are defined and their causes and consequences are identified and evaluated. After the different banking systems have been described with regard to their structure and features, the objective of the next chapter is, to point out the implications of these systems on companies performance. Therefore it is first of all necessary to define performance and the factors being responsible for a high or low economic performance. Afterwards, the influence of the banking systems on these factors are analysed. The last chapter of this essay shortly describes other existing opinions concerning the structure of the banking systems and their implications on companies performance. Furthermore, the chapter points out some tendencies for the future development of these banking systems. Inhaltsverzeichnis:Table of Contents: LIST OF ABBREVIATIONSI LIST OF FIGURESII LIST OF TABLESII 1.INTRODUCTION1 2.PRESENTING THE TWO ALTERNATIVE FINANCIAL SYSTEMS2 2.1THE GERMAN FINANCIAL SYSTEM AND ITS HISTORY2 2.2THE BRITISH BANKING SYSTEM AND ITS HISTORY3 3.STRUCTURE OF THE BANKING SYSTEMS3 3.1GERMANY3 3.1.1General Information4 3.1.2Universal Banks5 3.1.2.1Private Commercial Banks5 3.1.2.2Savings Bank Sector6 3.1.2.3Cooperative Sector7 3.1.3Specialised Banks8 3.2UK9 3.21.1The Banking System in General10 3.2.2Authorised Banks11 3.2.2.1Retail Banking in the UK11 3.2.2.2Wholesale Banking12 3.2.3Listed Discount Market Institutions14 3.2.4Other Financial Institutions14 4.FEATURES OF THE BANKING SYSTEMS15 4.1PROVISION OF CAPITAL AND FUNDING FOR [...]

This book takes stock after a year of application of the SRM and examines the situation from various perspectives: the perspective of the SRB, the NRA, the supervised bank and judicial protection. Special attention is given to the division of power between the RB and the NRA and the impact on the supervised bank, the relationship and links between the SRM and the SSM and the query whether the right balance between national and supranational powers has been struck, also in view of the principle of subsidiarity.

Reinhard H. Schmidt The impressive development of the finance literature with its emphasis on asset pricing and the formal modeling of incentive systems during the past three decades, has largely relegated the business and operational aspects of banking as an industry from the agenda of academic research. Though this is understandable, it is especially regrettable in view of the dynamic dev- opments in the banking industry which have started about a decade ago and are currently in full swing. Fortunately, there are now signs of a change to the effect that banking is back on the research agenda. The p- sent book by Professor De Laurentis and his co-authors is a highly inno- tive and interesting manifestation of this reorientation. Banking is an important part of any financial system, and it is especially important in the financial systems of the countries of Continental Europe, such as Italy, France, and Germany, which have been bank-based for d- ades and which are, in my view, likely to remain bank-based for the fo- seeable future. There are many reasons, based on empirical and theoretical considerations, to believe that strong banks are not only important for the banking industry itself, but also for the respective national economies.

After a two-year investigation by the Senate Permanent Subcommittee on Investigation, their report, Wall Street and the Financial Crisis: Anatomy of a Financial Collapse was released in April 2011. This is the most damning official report to date on Wall Street's role in the financial crisis. It describes the wheeling and dealing of bankers and others who benefited from the housing bubble while impoverishing the rest of America. It also offers four very clear causes of the financial crisis and, last but not least, it names culprits: - High risk mortgage loans by commercial banks were "the fuel that ignited the financial crisis" (describing the case study of Washington Mutual Bank, the sixth largest commercial bank at the time of its failure in September, 2008) - Failures by regulators "set the stage for mortgage loan losses that were a proximate cause of the financial crisis" (describing the case study of the Office of the Thrift Supervision, which was closed in 2010 and whose operations folded into the Office of the Comptroller of the Currency); - Inaccurate AAA credit ratings by the two largest credit rating agencies "constituted a key cause of the financial crisis" (describing Moody's and Standard & Poor's conflicts of interest while both had a quasi-monopoly position in the market for credit ratings); - Investment bank abuses: "The Investment banks that engineered, sold, traded, and profited from mortgage-related structured finance products were a major cause of the financial crisis" (describing case studies of Goldman Sachs and Deutsche Bank). This report and its detailed case studies are a must-read for policymakers, politicians, justice officials, bankers, journalists, academics and concerned citizens in order to understand what brought the economy to the brink of destruction. The U.S. SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS (PSI) is a bi-partisan team of senators that deals with Homeland Security and Governmental Affairs, and is currently headed by Senator Carl Levin (D-MI) and Senator Tom Coburn (R-OK). Formerly known as the Committee on Government Operations, PSI is the oldest subcommittee of the Senate Homeland Security Committee.

"Created for banking and finance professionals with a desire to expand their management skillset, this book focuses on how banks manage assets and liabilities, set up governance structures to minimize risks, and approach such critical areas as regulatory disclosures, interest rates, and risk hedging. It was written by the experts at the world-renowned Hong Kong Institute of Bankers, an organization dedicated to providing the international banking community with education and training"--

"Can we prevent another financial crisis? A sensible, actionable, and totally accessible call to arms from an acclaimed financial journalist"--

The last couple of years, financial conglomerates have been established all over Europe. This horizontal diversification has not only attracted a great deal of attention in the banking and insurance sector but has also alarmed the supervisory authorities and the European Commission. Although the benefits of financial conglomerates are straightforward, it is clear that quite a number of potential risks can not be ignored. Since the phenomenon of "financial conglomeration" is rather new, the regulators do not possess a great deal of objective, scientific reference bases on which to construct the necessary regulations. Moreover the complexities and specific char acteristics of the financial conglomerates do not permit a simple extrapolation of the rules for industrial conglomerates. Even the extrapolation of banking regula tions to insurance groups and vice versa poses a lot of difficult questions. These observations lie at the origin of the research carried out at the Erasmus Finance and Insurance Centre (EPIC at the Erasmus University in Rotterdam), in collaboration with the Impulse Centre for Financial Services and Insurance (ALEA at the Vlerick School of Management of the University of Ghent). To confront the research results with the expertise of the business world and the supervisory authorities a workshop was organised in Rotterdam (1994). This publication is partly based on these research results and the workshop discussions. Three main blocs can be distinguished: the definition of financial conglomerates; the potential risks and the regulatory aspects; the strategic issues.