Course Description:

“Global Banking” is the term I use to describe the integration of investment and wholesale banking services since the repeal in 1999 of the Glass-Steagall Act (that separated commercial and investment banking activities in 1933). Such services today have become global as a result of deregulation, market integration, and dramatic political actions (such as the demise of the Soviet Union, the creation of the Euro and the expansion of the European Union). Moreover, most wholesale financial transactions in the world today are completed in capital markets, and the exceptional growth of these markets over the past twenty years has made many new types of financial structures possible.

The focus of this course is primarily on determinants of competitive performance in the wholesale financial services industry. The course covers a variety of diverse commercial and investment banking products and activities, and regulatory practices, and addresses the dynamics of competition and success in global banking as it is practiced today.

The discussion of various global banking products and activities is linked to a simultaneous discussion of differences in competitive practices and conditions between the principal markets in the US, Europe, Japan, and emerging markets. Throughout the course, relevant current events are examined and used to illustrate teaching points. Concluding the course is an exploration of the determinants of competitive success in the global banking and capital markets. We examine what market share, profitability, growth and similar dimensions of performance by individual financial institutions mean in the global marketplace.