



# The Korean Experience of Systemic Financial Crises

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# **A Key Lesson of the 1997 Korean Crisis: Long-Term Benefits of No Forbearance**

- **Banks & Chaebols**
- **Korea vs Japan**
- **Over-restructure rather than under-restructure**
- **Implications for Europe and US?**

# Current Crisis: Restructuring So Far

## Emerging Economies



1	ICBC	China
2	Bank of China	China
3	China Construction Bank	China
4	Sberbank of Russia	Russia
5	Bank of Communications	China
6	Banco Itau	Brazil
7	China Citic Bank	China
8	Bradesco	Brazil
9	China Merchants Bank	China
10	VTB Bank	Russia
11	Banco Brasil	Brazil
12	Kookmin Bank	South Korea
13	Hang Seng Bank	Hong Kong
14	Al Rajhi	Saudi Arabia
15	Bank of China Hong Kong	Hong Kong
16	ICICI Bank	India
17	Shinhan Financial	South Korea
18	DBS Group	Singapore
19	Samba Financial	Saudi Arabia
20	Cathay Financial	Taiwan



## Europe

1	HSBC	UK
2	UBS	Switzerland
3	Royal Bank of Scotland	UK
4	Santander Central Hispania	Spain
5	BNP Paribas	France
6	ING	Netherlands
7	Unicredito Italiano	Italy
8	Barclays	UK
9	ABN Amro	Netherlands
10	Intesa SanPaolo	Italy
11	BBVA	Spain
12	Credit Suisse	Switzerland
13	Societe Generale	France
14	Deutsche Bank	Germany
15	HBOS	UK
16	Credit Agricole	France
17	Lloyds TSB	UK
18	Fortis	BE/NL
19	KBC Group	Belgium
20	Standard Chartered	UK

## United States

1	Citigroup	US
2	Bank of America	US
3	JP Morgan Chase	US
4	Wells Fargo	US
5	Wachovia	US
6	Goldman Sachs	US
7	Morgan Stanley	US
8	American Express	US
9	Merrill Lynch	US
10	Fannie Mae	US
11	U. S. Bancorp	US
12	Freddie Mac	US
13	Lehman Brothers	US
14	Washington Mutual	US
15	Franklin Resources	US
16	Capital One Financial	US
17	Bank of New York	US
18	Suntrust Banks	US
19	Charles Schwab	US
20	PNC Financial Services	US

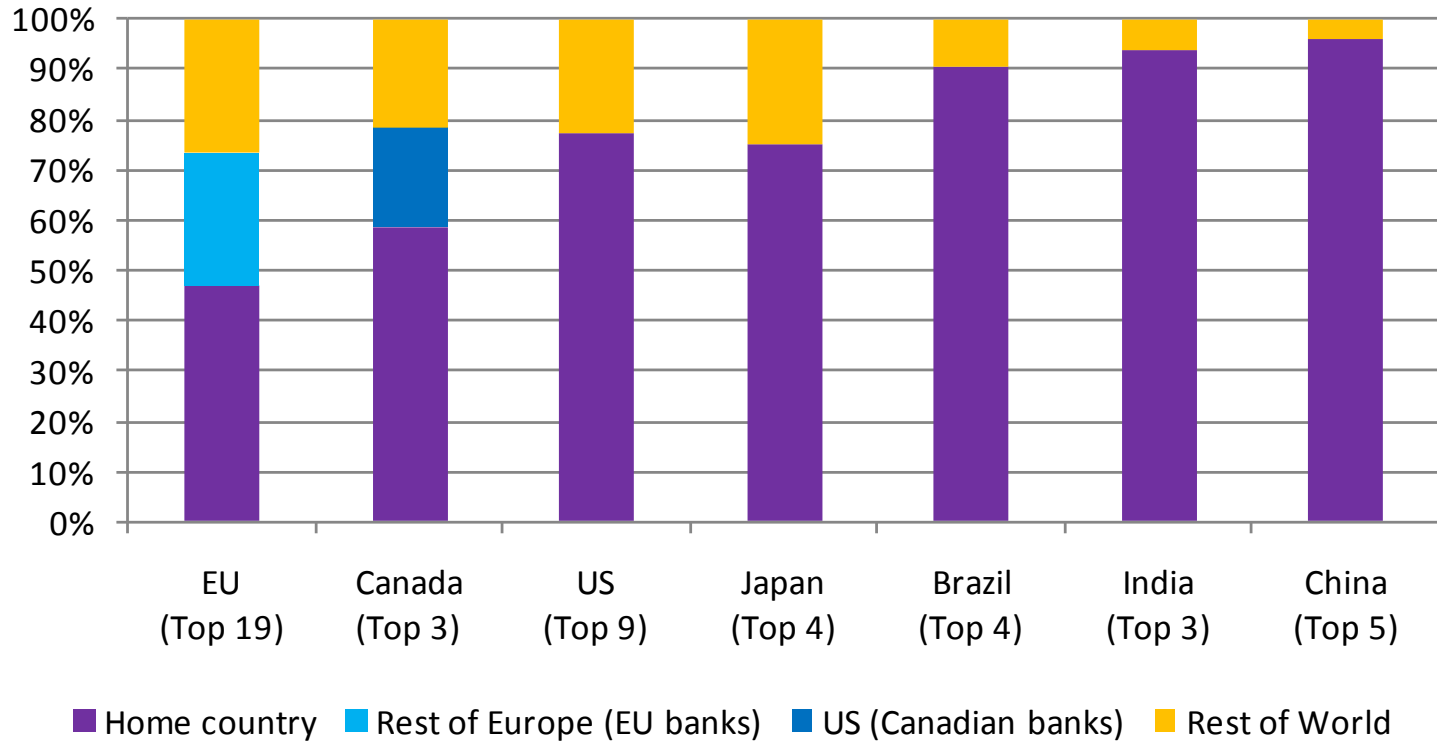
 Restructuring  
 Nationalization

 Acquisition  
 Bankruptcy / receivership

 State-owned bank



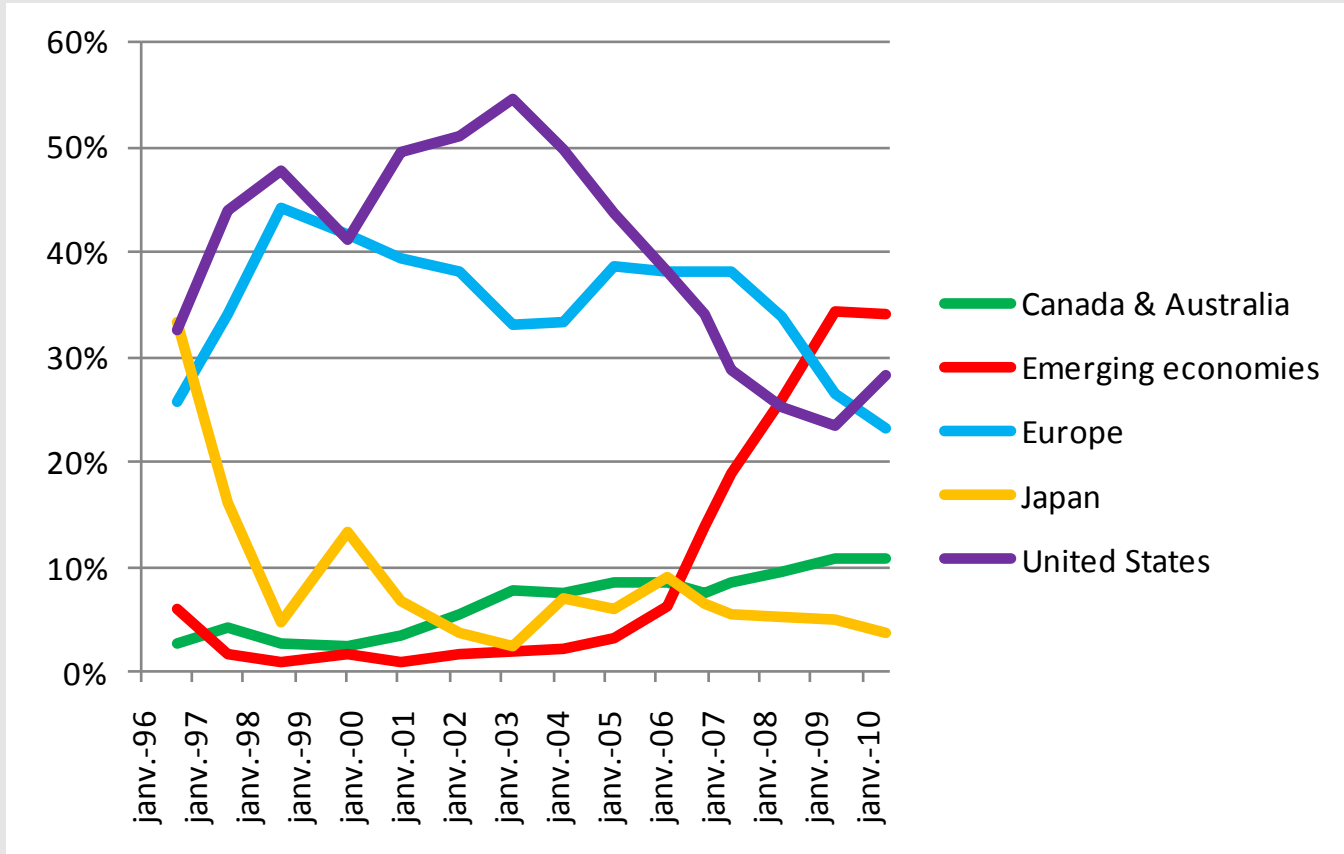
# International Dimensions



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



# The Changing Global Landscape



*Shares of aggregate market value of top 100 global listed banks at each date, by region of headquarters. Source: FT Global 500 rankings, author's calculations*



# Thank You For Your Attention

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