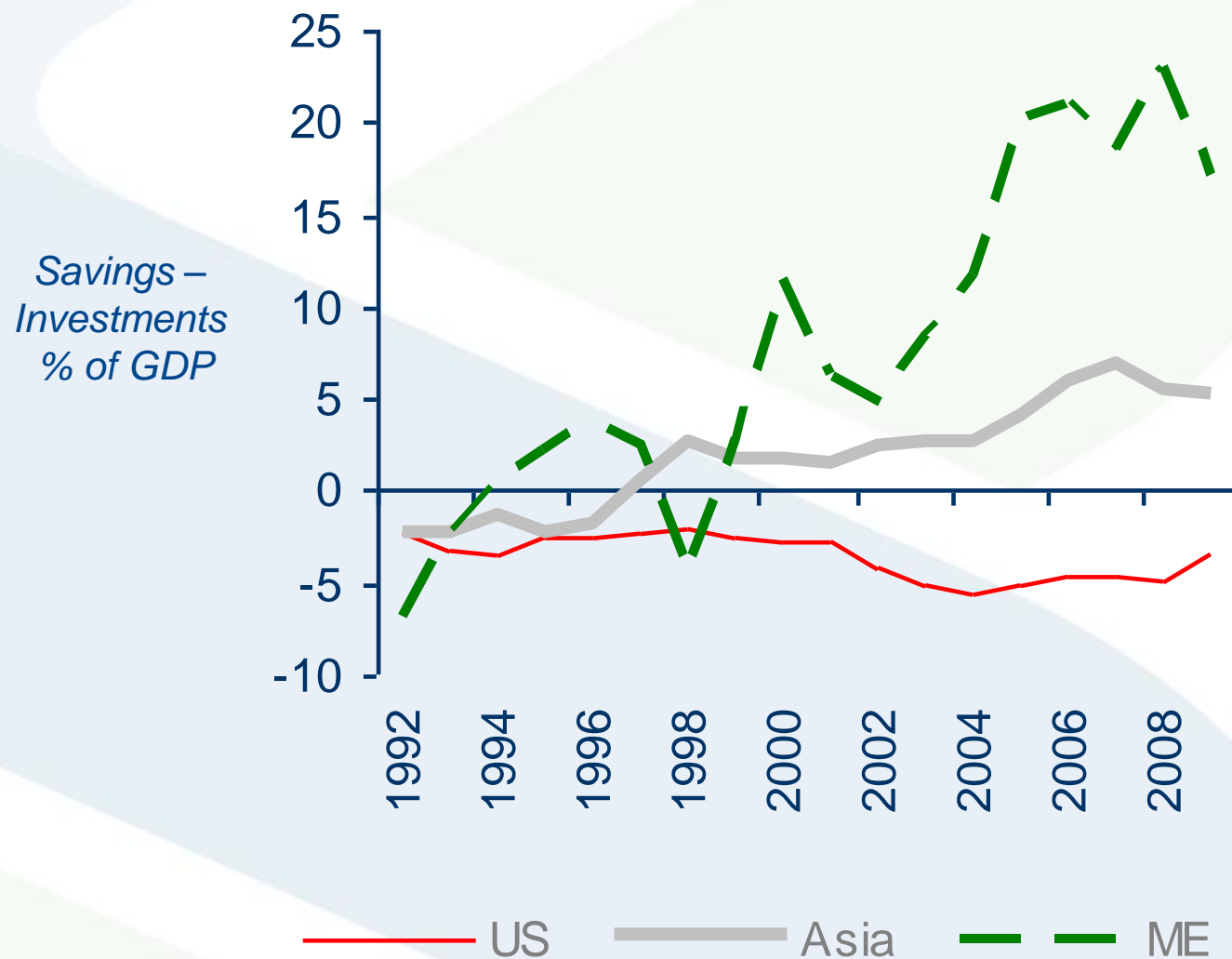
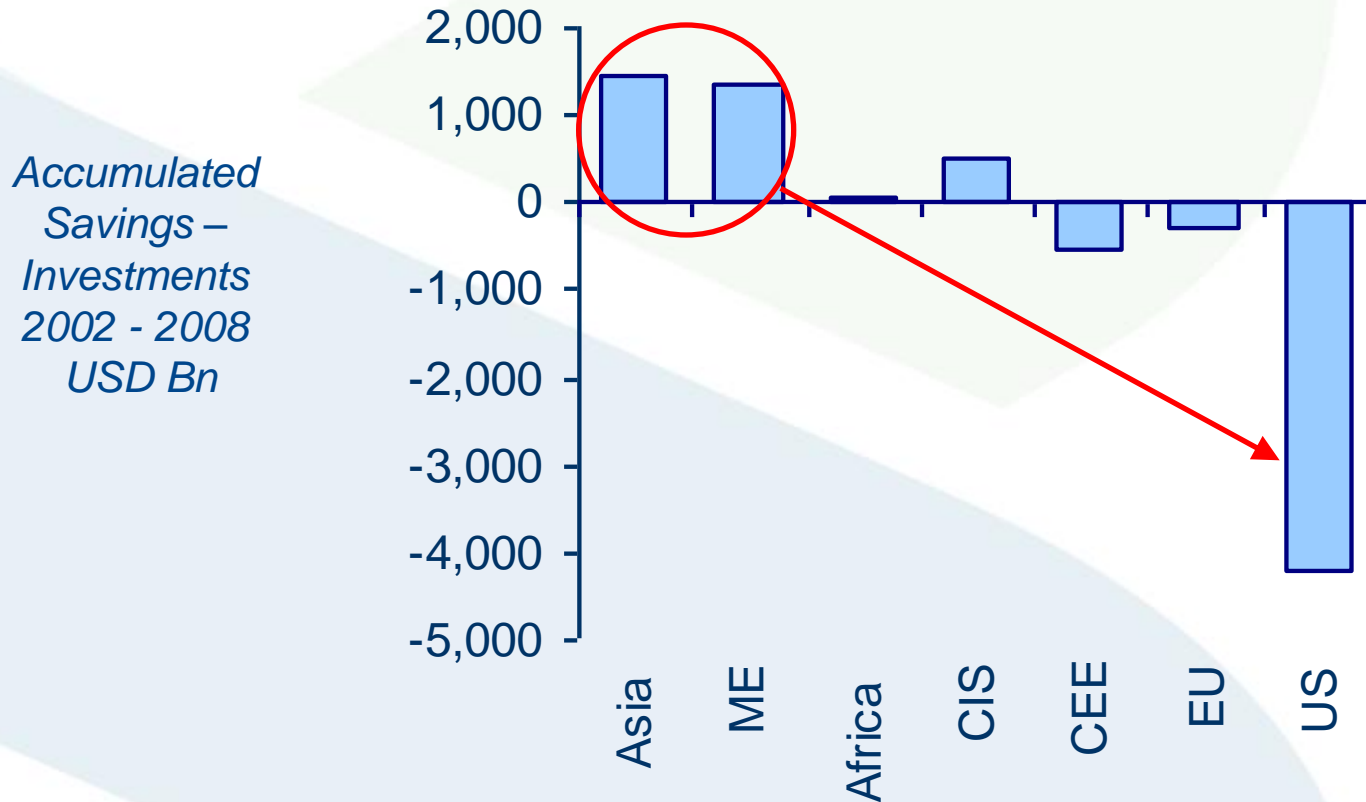


# 'Surplus' savings



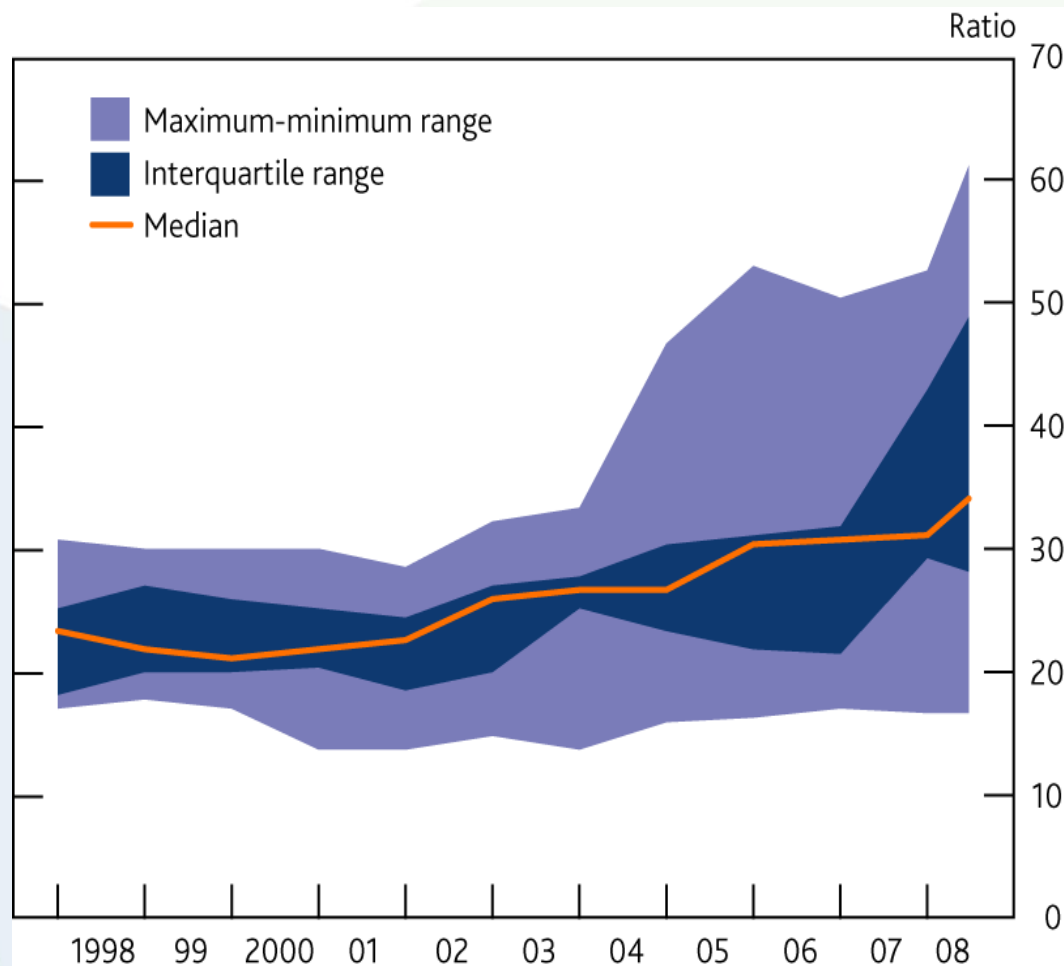
Sources: IMF, SCB Global Research

# Asia and ME save, US spends



Sources: IMF, SCB Global Research

# Major UK banks' leverage ratio



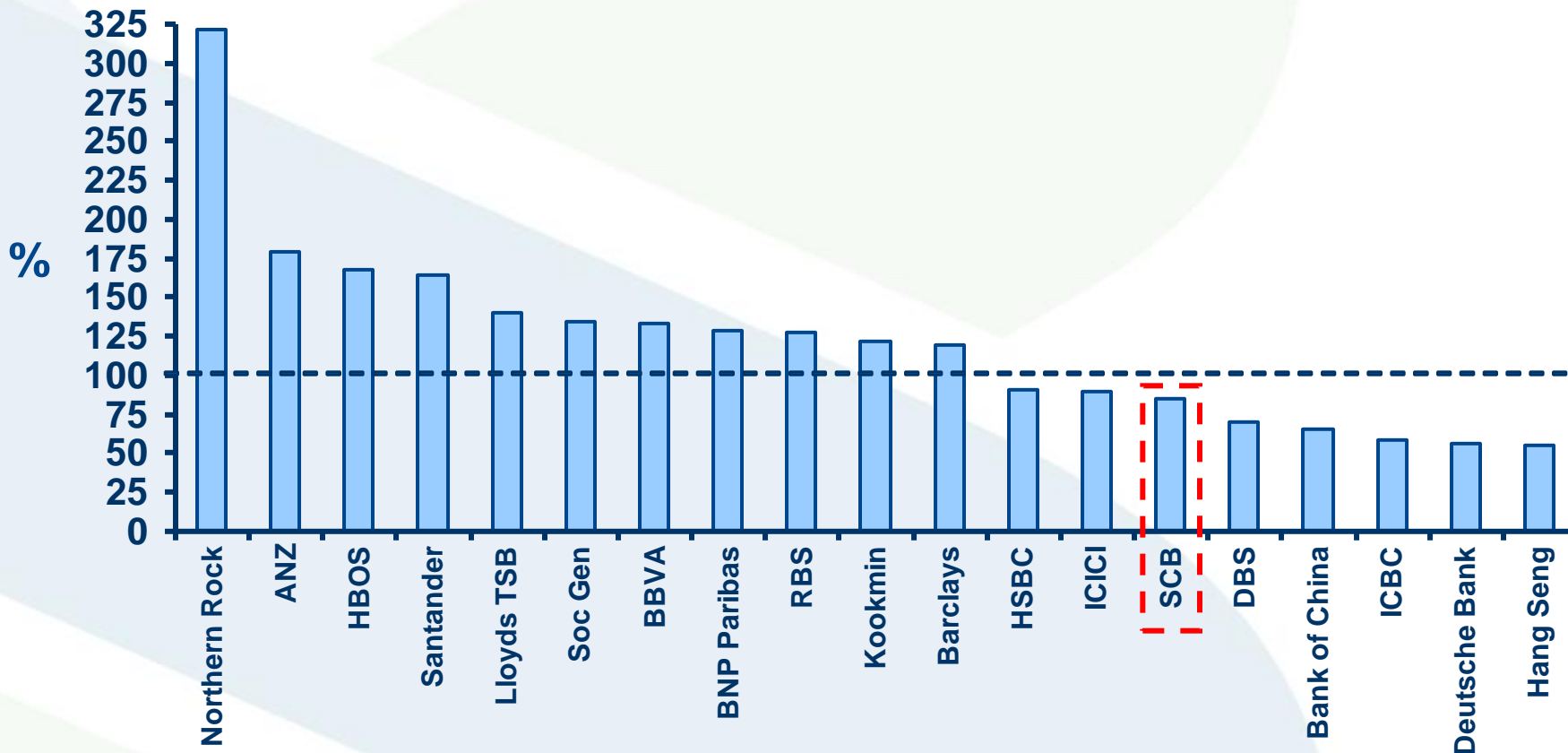
Sources: Published accounts and Bank calculations.

(a) Leverage ratio defined as total assets divided by total equity excluding minority interest.

(b) Excludes Nationwide due to lack of interim data.

# Lending well beyond natural deposit base

## Asset / Deposit ratio



Source: S&P / Company H1 2008 results

## **Foundations of Banking – broken or just forgotten?**

- Capital
- Liquidity
- Funding
- Model Risk
- Incentives

## **Does the scope and focus of regulation need to change?**

- Capture the shadow banking sector
- Separation of Investment Banking
- Regulatory competence
- Role of Rating Agencies

## **Is the regulatory structure fit for purpose?**

- Coordination vs protectionism
- Tripartite “plus”
- IASB

## **What can we do to increase public confidence in Banks?**