Index

Accounting issues 145
AIG 4, 27, 30
American Law Institute 131
APRA 9, 132, 147, 157
Ariff, M., vii, 1, 5, 33
Asset 15
Asian Finance Group 89
Audit firms 144
Bailout 202–203
Ballantine, H. 131
Bank deposits 46, 56
Banking 21, 31
Barclays Bank 26
Basel 44, 45, 47, 56, 59, 134, 153, 154, 157, 175
BCRS 4
Bear Stearns 4, 33–4
Bernanke, Ben 3, 33, 35
Big bang 132
Big banks 5
Bigness 53
BISTRO xii
Black Swans 214
BNP Paribas 4
Board of directors 29–31, 133
Composition 130
Electronic vote 166
Market 113, 115
Multinational 51
Too-big-to-fail 53
Boeing 40
Bond, Melisa vii, 5, 67
Brown, Gordon 2
Breton Woods 11
Bubble 2, 5, 15, 31, 79, 105, 113, 115, 217
Buchanan, James 89
Buckley, Ross vii, 188
Budget 113
Buffett, Warren 5
Bush, George, President 24
Byrnes, Wayne vii, 147
Cadbury Report 132
Callaghan, James 102
Calomiris, C.W. 18
Capital loss 5
Capital 33, 179–80
Accord 47
Adequacy requirement 57, 58, 61, 133
Bank 44, 45, 48, 54, 150
Canadian banks 58
Contingent 56
Hybrid 172
International flow of 95
Provisioning 151
Quality of 60–61
Regulatory 155
Requirement 51–53
Carmichael, J. viii, 168
Cassel 19
Cause 21, 230
CDO xii, 5, 15, 17, 21, 29, 30
Chase Manhattan 4
Chiang Mai Initiative 120
China-bashing 36
Chrysler 5
Clarke, F. vii, 10
Clinton, Bill, President 24
Commodity exports 107
Conflict of interest 165
Consensus-building 147
Contagion 2, 18, 31
Cost
Consequences 104, 119
Costs 5
Economic 111
Financial 115
Losses 105
Regulatory failure and the global financial crisis

NPL 115
Output loss 111
Sub-prime 105
Credit 23, 29, 36
Credit splurge 17
Credit worthiness 101
Crisis
Deepen 194
Displacement 31
Genesis 21
Origin 5, 15, 30
Panic 18, 32
Post-crisis 5, 56
Revelution 31
Timeline 1, 4, 15
Currency
Appreciation 36
Depreciation 39
Float 40
Manipulation 38
Mismatch 37, 40
Parity 149
Undervalued 36
Yuan–dollar 40–42
Davis, Kevin vii, 1, 5, 44
Dean, Graeme vii, 10
Debt 33
Crisis and 191
Public 93
Debtors and creditors 189
Depositors 26
Derivatives 21, 27, 54
Diplock, Jane vii, 10, 139
Disclosures 144
Dodd–Frank Wall Street Act 34, 136
Due diligence 144
Duty and standard of care 131
Dynamic provisioning 180
Economic integration 84
Emerging countries 107
Equity injection 56
Equity-to-asset ratio 52, 54
European Union 171
Evans, Bill 11
Excess 94
Fair value accounting 214, 222
Fannie Mae 4

Farrar, John ix, 1, 127
FASB 145
FDI 78
Fed, Federal Reserve 2, 19, 21, 169
Fels, Allan ix, 10, 161
Financial conglomerate 169
Financial liberalisation 2
Financial literacy 121
Financial system 25
Fiscal
Policy 89
Structure 89, 100
Tax 89
Turnaround 94
Fisher 19, 92
Flexible Credit Line 207
Fool’s gold 27
Foreclosures 3, 23
Freddie Mac 4
Fry 2
FSA 170
FSB 54, 141, 152
FTSE 27
Fundamentals 19
G-10 nations 47
G-20 nations xii, 10, 35, 113, 135, 205
Gaston, Noel ix, 5, 67
Geithner, Timothy 40
General Motors 5
Glass–Steagall Act 25
Global crisis 4
Global impact of GFC 106
Globalisation matters 77
Globalised financial system 38
Governance 127
And banks 129-31
And board composition 129
Corporate 127, 146
Financial structure 127
Industry 127
Review 130
UK review of 130
Gramm–Leach–Bliley Act 25
Great Recession 102
Greenspan, Alan 24, 27, 31, 52
Index

Harrod–Domar 19
Hedge funds 143
    Overseas 145
Hicks 92
High returns 3, 24
History ignored 214, 226
Hoover, Herbert, President 130
IFRS 145
IMF 2, 17, 22, 34, 78, 99, 188–208
Incomplete contracts 19
International financial system 201
Investor vigilance 27
IOSCO 9, 140, 145
JP Morgan 35
Kaufman, George 46
Keynesian 40
    Delusion 101
    General Theory 91, 219
    Liquidity 131
    Problem with 91
Khalid, Ahmad x, 8, 33, 104
King 7
King Canute 148, 153, 157
KOF index 77
Kreuger, Ivar 216
Krugman, Paul 5, 20
Labour
    Adaptable market 90
    Casualisation of 67
    Debt and 79
    Exposure 75
    Fundamentals 68
    And global factors 69
    Market deregulation 67
    Market institution 81
    Market 67
    Productivity 82
    Unemployment in OECD 72, 105
    Unemployment 67, 71
    And US trade 69, 85
Lake Wobegon effect 164
Lehman Brothers 4, 20, 52, 171
Lending rates 116
Leverage ratio 57–58
    see also equity-to-asset ratio
    Linked products 3
Liquidity 132
    Coverage ratio 175–9
    Lobbyists xii, 2, 24
MacKinnon, Ron x, xii, 2, 8, 36, 89
Madoff, Bernie 216
Makin, Tony x, 1, 89
Mark-to-market 223
    Bank stock and 222–6
    Fallout 224
    Smyth vs Ames 224
    vs historical cost 223
Merrill Lynch 5
Minsky, Hyman 15
MMOU 141
Monetary vs fiscal 90
New Century Finance 4, 22
Nixon, Richard, President 24
Non-performing loans 30, 115, 117
Northern Rock 4
Obama, Barack, President 20, 89
Off-balance sheet 33, 48
Remittances 111
Panic 22–3
Payment system 5
Pension funds 41
People’s Bank of China 36
P-I-I-G-S 73
    Policy 8
    Poverty reduction 198
    Prescott, James 89
    Productivity Commission 162
    Protectionism 38
    Prudential standards 133, 150
    Rating, internal 47
    Rating, voodoo science 27
    RBA 149
    Reagan, Ronald, President 24
    Reform 1, 2, 9, 10, 35, 75, 120, 137,
    147–58, 168, 171, 174, 186, 188–
    90, 196, 200, 205, 206, 208
    Regulation of financial sector 44
    Regulation, light-touch 2
    Regulatory architecture 168
    Regulatory forgiveness 27
    Regulatory framework xii
Regulatory failure and the global financial crisis

Regulatory tools 172
Regulatory weakening 27, 32
Remuneration 134, 161–7
  Committee 164
  Company size 163
  Incentives 135
  Report 165
  And shareholders 165
  Standards 135
  Structures 152
  UK review 125
Remuneration arrangement 150
Rescue 22
Reserve proposals 174–80
Reserve, statutory 25
Reverse convertible debentures 54
Risk 20, 21, 27, 31, 33, 34, 44, 51, 58, 131, 134, 173
  risk, systematic 142
Risk-adjusted 59
Risk-weighted capital 58, 59, 179
ROE 182, 185
Roosevelt, Franklin D., President 223
Schemer, Charles 38
Securitisation 27
Shareholder equity 47
Shaw 2
Signalling effect 44
Socialization of private debt 195
Squam Lake Group 53, 55
Stiglitz, J. 5
Stimulus 3, 8, 9, 15, 118
Stock market crash 4
SVC 26
Symbiotic 15, 27, 105
Systematically 151
Systematic risk 142
TARP 52
Trade surplus, balance 41, 42
Trading vs banking books 173
Tulip Mania 1637 17, 20
UBS 4, 182
VAR, value at risk 51, 57
Wall Street 5, 20, 21, 168, 169
Wells–Krugman 79
World Bank 57
WTO 25, 38
Z-scores 134