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Post-Crisis Changes in Global Bank Business Models: A New Taxonomy

by John Caparusso, Yingyuan Chen, Peter Dattels, Rohit Goel, and Paul Hiebert

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I N T E R N A T I O N A L M O N E T A R Y F U N D

IMF Working Paper

Monetary and Capital Markets Department

Post-Crisis Changes in Global Bank Business Models: A New Taxonomy¹

Prepared by John Caparusso, Yingyuan Chen, Peter Dattels, Rohit Goel,
and Paul Hiebert

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Abstract

The Global Financial Crisis unleashed changes in the operating and regulatory environments for large international banks. This paper proposes a novel taxonomy to identify and track business model evolution for the 30 Global Systemically Important Banks (G-SIBs). Drawing from banks' reporting, it identifies strategies along four dimensions –consolidated lines of business and geographic orientation, and the funding models and legal entity structures of international operations. G-SIBs have adjusted their business models, especially by reducing market intensity. While G-SIBs have maintained international orientation, pressures on funding models and entity structures could affect the efficiency of capital flows through the bank channel.

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Author's E-Mail Address: jcaparusso@imf.org, ychen@imf.org, pdattels@imf.org, rgoel@imf.org, paul.hiebert@ecb.int

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