

# Bank Governance Leadership Network ViewPoints

November 10, 2011

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## Risk governance: the journey continues

*[Risk appetite] has become pervasive in the board dialogue.* – Summit participant

Improving risk management and oversight in financial institutions has been a priority for regulators<sup>1</sup> and banks since the financial crisis. Driven by a combination of regulatory pressure and self-evaluation, banks began a process of improving risk governance. Initially, many focused on how to increase board engagement in risk and improve the link to strategy. In addition, most banks that had not previously done so established separate risk committees to ensure due attention was given to focused risk discussion. Much of this discussion centered on newly written risk appetite statements, how those statements linked to the broader risk framework and limit structures, and how they could facilitate discussions regarding new business and the allocation of capital.

During a session at the third Bank Directors<sup>2</sup> Summit on September 27 in New York, Hank Prybylski, global financial services risk management leader for Ernst & Young, joined participants to discuss where banks have made progress in risk management and governance, what challenges remain, and how that is affected by regulatory demands for improvement.

Summit participants agreed that the renewed focus on a more formalized risk discussion has yielded significant benefits and pointed to tangible improvements in the way management and the board think and communicate about risk. But regulators continue to push for improvements, and while progress has been made, success remains a moving target.

Discussion focused on the following:<sup>3</sup>

- Risk appetite statements have enhanced strategic discussions, but implementation challenges remain
- Banks are focusing more on their ability to react quickly to stress scenarios
- Banks have improved risk reporting but must address underlying IT issues
- Risk committees struggle to remain forward-looking
- Banks are seeking better ways to identify and respond to emerging risks

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<sup>1</sup> In this document, “regulator” refers to any agency responsible for the development and implementation of rule-based regulatory regimes, and “supervisor” refers to any agency responsible for oversight of management and board actions within those regulatory regimes.

<sup>2</sup> In this document, “director” refers to a member of a bank’s unitary or supervisory board.

<sup>3</sup> This *ViewPoints* also draws on more than 120 discussions with directors, executives, supervisors and banking professionals, and discussions at seven BGLN meetings, over the course of 2011. All discussions were held under a modified version of the Chatham House Rule that encourages sharing of perspectives but absolutely forbids attribution to individuals or institutions. In the context of the summit, the term “participant” denotes directors and guests. All comments from the summit are italicized. A complete list of summit participants can be found in Appendix 1, on page 10. A complete list of interviewees can be found in Appendix 2, on page 12.

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## **Risk appetite statements have enhanced strategic discussions, but implementation challenges remain**

Banks continue to adapt risk appetite statements, refine the mandate and agenda for board and management risk committees, and build out risk management capabilities, including risk teams and information systems. All of this requires significant investment, and though most bank directors cite marked improvement, questions remain as to how best to focus resources. In the meantime, the economic and market environment continues to challenge risk organizations to identify emerging risks and challenge management and the board to respond accordingly.

Directors are particularly pleased with the progress their institutions have made in articulating risk appetite and tying that to strategic discussions. Several directors said that risk appetite was prevalent in all board discussions. Still, regulators continue to push for improvements in implementing risk appetite statements. In November 2010 the FSB published a report on intensive and effective supervision, in which it stated that “supervisors ... should be asked to consider more stringent SIFI assessment criteria when it comes to the setting and monitoring of risk appetite, aggregating data to feed the risk control and oversight functions, and in finding ways to make the complex firms more able to be overseen by boards and supervised by authorities.”<sup>4</sup>

Mr. Prybylski noted that regulators are seeking greater consistency among firms’ risk appetite statements. A director also observed, “*Regulators are OK with risk appetite as to the risks we want to take. They are not comfortable with risks such as technology risk, reputational risk, and so on. There is pressure on the risk committee to focus on these.*” Part of the challenge, according to one director, is that regulators and institutions may focus on different priorities when it comes to improving risk appetite statements: “*The people within the regulators discussing risk appetite tend to be technicians, not people with expertise about how we think about risks. We end up in a debate about what the model should look like.*”

## **Promoting richer strategic discussions and clarity on key issues**

While bank strategies have always been rooted in risk management, formalized risk appetite statements have now become the primary driver of strategy discussions. One director stated, “*We see risk appetite as driving strategy – it is a constraint. It is not that you can develop a strategy and then risk appetite falls out of that,*” instead, risk appetite provides the parameters within which the strategy is set. Another director gave a specific example of how risk appetite impacts strategy and vice versa. This director noted that earnings growth targets were already part of the bank’s strategy, but through risk appetite discussions the board and management determined there could be opportunities to grow earnings more quickly and remain within the risk appetite. That, in turn, led them to embed earnings growth within the risk appetite. These kinds of debates have provided a framework for strategic decisions that have led some banks to make dispositions or exit businesses as a result.

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<sup>4</sup> Financial Stability Board, *Intensity and Effectiveness of SIFI Supervision: Recommendations for Enhanced Supervision* (Basel, Switzerland: Financial Stability Board, 2010), 13.

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This strategic dialogue is where directors see real value, not in perfecting models. One director predicted, “*The test will come in the next crisis: will the guy who got the gold star for having the best risk appetite model perform better? I doubt it.*” Instead, risk appetite is “*an iterative process; it is never perfect.*” Thus, it is discussed at virtually every risk committee meeting and regularly with the full board.

## **Driving risk appetite through the risk framework and into the business**

There are still a number of issues that bank risk organizations are addressing as they implement risk appetite frameworks across huge organizations. Mr. Prybylski outlined some of them:

*Banks are pulling more and more granular risk measures into the risk appetite, like stress tests, reverse stress tests, potential exposures. There is recognition that you need different metrics for different businesses and exposures, so [value at risk] is a useful metric for trading, but not necessarily for country exposures. This is producing more clarity regarding risk limit overages, approvals, and what needs to be escalated to the board.*

Despite signs of progress, many banks still struggle to track and report on adherence to risk appetite: in a recent Ernst & Young survey, just 37% of respondents reported a strong ability to do so.<sup>5</sup> Mr. Prybylski observed that is often unclear if risk appetite is consistently applied to other areas of the risk framework beyond limits to new product reviews, compensation, and business unit performance. Participants in the BGLN and at the summit highlighted several areas of focus regarding the evolution and implementation of risk appetite processes:

- **Integrating operational risk issues.** A director stated, “*We are not spending enough time on operational risk.*” To highlight the potential impact of operational risks, directors cited examples of rogue traders, which have prompted banks to look more closely at internal access and approval processes, and how personnel moves and changes are handled. A continuing challenge is establishing clear metrics for operational risks in the risk appetite statement. Mr. Prybylski noted, “*To apply risk appetite to operational and reputational risk issues is a challenge many banks are trying to address.*” Unlike financial risks, which generally have active mitigation plans, operational and compliance risks can be more difficult to mitigate, and setting a risk appetite without a mitigation plan presents a challenge.
- **Embedding risk appetite in the businesses.** Mr. Prybylski described the kinds of questions many directors are asking: “*How does risk appetite cascade down into the overall risk framework? How do you push this into business units, entities, so we are comfortable that we won’t exceed risk limits?*” While greater integration of risk appetite with risk limits and tolerances throughout the organization remains a priority, directors are pleased with the progress they have seen.

One director reported, “*Initially, I questioned our ability to embed [risk appetite] within the organization, but to my surprise it has become embedded. The risk dashboard has become a metric for the risk appetite framework. The business units know the CEO is interested, and the metrics that*

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<sup>5</sup> Ernst & Young, *Making Strides in Financial Services Risk Management* (Ernst & Young Global Limited, 2011), 25.

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*support the strategy get reviewed at the risk committee and board meetings.” Another said, “It is encouraging to see it down in the organization being used as a management tool, creating innovation too. It is about the business-line owners versus a corporate-level process.”*

- **Correlating and aggregating risks across businesses.** Linking risk appetite to risk limits and aggregating across businesses and legal entities while understanding the correlation between risks is a challenge for large, global banks. This challenge may become more complicated given the regulatory focus on resolution plans and legal-entity governance.
- **Linking risk appetite to dynamic capital planning.** One way for firms to deal with the current intense downward pressure on returns on equity is to more dynamically reallocate capital, taking into account the firm’s changing risk profile, market, and client opportunities. A director noted, *“It is linked to risk appetite because if capital is a scarce resource, becoming more so, we need mitigants to reduce risk-weighted assets.”* Mr. Prybylski asked, *“Return on regulatory capital: what is the business model? It is putting pressure on financial planning and analysis ... The concern is that there will be even more trapped, unallocated capital.”*

## **Instilling and monitoring risk culture**

Directors often emphasize the importance of establishing the appropriate risk culture in an organization to truly embed the risk appetite: without it, even a complete set of risk controls may prove ineffective. Yet much of the effort in recent years have focused on formalizing risk appetite statements and linking to risk limit structures. Now, the challenge of establishing a risk culture, monitoring it, and giving it real meaning beyond platitudes is increasingly a priority. Boards have a central role to play in setting the appropriate tone at the top and ensuring the right messages are being communicated throughout the organization. One director said, *“Risk is not a function, it’s an attitude. It must start with the board, the CEO, and then you get down into metrics.”*

Directors can set the right tone regarding the balance between risk and return. One director explained, *“Risk appetite is about risk-adjusted returns. Where the board plays a role is guiding management, e.g., saying, ‘We don’t expect you to hit the expected return right now because we need to focus on the risk side and not get hung up on the return side.’”* Similarly, summit participants said that it is important to focus on unexpected outperformance as much as underperformance, and it needs to be clear, for example, that traders who exceed their limits are penalized the same way whether they make money or lose it: *“It is interesting to hear the commentary regarding the rogue trader stuff, that there is a perception that if someone produces unexpected profit, that is good. That perception needs to be culturally dismissed.”*

Summit participants outlined several ways that they can set and monitor risk culture:

- **Ensuring the stature and independence of the risk organization.** It is important that the chief risk officer and the risk team have appropriate stature within the organization. A director commented, *“We had to elevate the stature of risk managers, including compensation, sitting side by side with traders on the trading floor.”* Another said, *“We took one of the best people we had in the world and made him*

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*head of risk management, and he filled the organization with higher-quality people.” It is also essential that they have the support of the CEO and are independent from the business lines.*

- **Determining whether messages are effectively delivered and received.** Often, the officially communicated messages and policies can be different from the implicit messages being delivered to revenue producers, so management and the board need mechanisms to understand whether employees are receiving the right messages across the organization. One director said his bank had adopted a novel approach: *“We have employed a behavioral psychologist in our internal audit department. Do messages get consistently driven down?”* Another observed, *“What gives us comfort is seeing risk concepts in the strategic plan, in HR goals, in what management is using to manage the company.”*
- **Establishing clear value statements and linking them to compensation.** A director emphasized the importance of setting the right values and ensuring they are adhered to by tying them to performance evaluations and compensation: *“To reinforce it, we put together values and connected them to personal objectives. You don’t even get into the balanced scorecard for compensation purposes if you are outside of the values. That concentrates peoples’ minds.”*
- **Monitoring behavior.** Ultimately, according to one participant, *“The question is, how has behavior changed?”* Directors and risk professionals are increasingly identifying behaviors – such as how issues are elevated and how management reacts – which are easier to monitor and can serve as signals of broader cultural issues.

## Banks are focusing more on their ability to react quickly to stress scenarios

Regulators have used stress tests as an important indicator of banks’ strength and resiliency and in many countries have prescribed specific tests to check banks’ ability to withstand stress scenarios. Sovereign debt issues, especially in Europe, have prompted a new round of stress tests from the European Banking Authority.<sup>6</sup> While stress tests remain an important tool, one participant said, *“Stress testing is just an indicator.”* Thus, summit participants are increasingly focused on how their organizations have reacted to real events and how well prepared they are to react to subsequent events. Regulators are often looking for something with horizontal equity that can be applied to all banks under their supervision: *“Usually, regulators are trying to create a standard-model response instead of understanding how you reacted to all the things that have happened around the world.”*

Some directors still struggle with the relative value of stress tests. One commented, *“We could all think of a thousand stress tests. Which will be helpful?”* Another asked, *“How do I know whether the stress is sufficiently acute? ... If one of our major counterparties went down, could we, in real time, identify our exposures? I don’t think most could. So until I know which risks I need to protect against, how do I know what information I need?”*

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<sup>6</sup> *“Cushion calculations,” Economist*, October 15, 2011.

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These kinds of questions have led some to the conclusion that focusing on specific risks or causes of stress is less the issue than how the institution could react to any given stress scenario. A director stated:

*Stress tests, by definition, are incomplete. The last five years have been real-time stress tests and you can observe what happened. So [knowing] how quickly the organization can react is more useful than modeling a static scenario. You have to extend beyond that. For example, if you test the cost of oil going up dramatically, you have to consider the impact on other industries, etc., not just the direct exposures, so it would be a huge test to run. So, rather than focus on that, focus on the agility to respond.*

Another director described how this approach has changed the nature of board discussions: “We spend much more time on liquidity management – when something goes wrong, will we have the cash to withstand it?” Others have focused on adjusting their approach to stress tests, avoiding static scenarios to “try to make the stress tests dynamic, looking at the primary, secondary, and tertiary effects.” Mr. Prybylski suggested, “One approach is to ask management to respond [to the question], ‘What would you do to react if a variety of events happened?’ This can spur more of an open dialogue with management about exposures versus just the risk group doing stress testing.”

## **Banks have improved risk reporting but must address underlying IT issues**

Banks have given significant attention on improving their ability to aggregate and report risk data to management, the board, and regulators. Many have done so by manual intervention and short-term fixes of legacy systems, often out of necessity, given limited resources and time to improve the underlying systems. Increasingly, however, banks acknowledge the need to address the broader underlying IT investment to drive better information management across their organizations.

Late in 2010, the regulatory community stressed the importance of risk appetite work and the associated IT issues. The Senior Supervisors Group made the following observation: “Most firms ... have begun multiyear projects to improve IT infrastructure ... but considerably more work is needed ... Aggregation of risk data remains a challenge for institutions, despite its criticality to strategic planning and decision making.”<sup>7</sup> Indeed, the findings of the abovementioned Ernst & Young survey support the group’s concern: more than 80% of respondents said that inefficient, fragmented systems made it hard to extract and aggregate data across the firm for stress-testing purposes.<sup>8</sup>

The demand for companies to quickly produce aggregated risk information, respond to regulatory requests, or better understand risk exposures internally has underscored the need to improve IT systems. A director asked, “How do we make our systems better for the business and also respond to regulators? The problem is that the information the regulators want doesn’t always align with business priorities.” Summit participants discussed how to effectively address the challenge; it may require more than piecemeal improvements to risk systems, and banks need to consider front-to-back, multiyear risk and finance data system improvements to quickly produce aggregated data and serve multiple objectives.

<sup>7</sup> Senior Supervisors Group, *Observations on Developments in Risk Appetite Frameworks and IT Infrastructure* (New York: Senior Supervisors Group, 2010), 14.

<sup>8</sup> Ernst & Young, *Making Strides in Financial Services Risk Management*, 30.

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Mr. Prybylski described the scale of the challenge to better manage risk information: *“Banks lack scalable finance and risk data processes ... The future has to be more flexible, with quicker access. Firms really need to look at front-to-back infrastructure to solve scalability issues versus an aggregation-process focus.”* This level of change includes substantial costs; as one director said, *“The numbers are huge.”* Mr. Prybylski added, *“There is a lot of cost tied up. It requires a lot of reengineering and you need to know where the business model is going.”* But there could be cost benefits in the longer term if banks make the required investment. One director said, *“We are always behind what we would like to have as a platform. As you face cost problems, how much complexity can you have? Can the systems deal with the complexity? Do we want them as complex as we have been? It becomes a strategic issue.”*

As IT issues reach the level of strategic investments from which banks can derive potential competitive advantage, they are garnering greater board attention. A director said, *“We set up a separate board committee to spend enough time to really understand these issues.”*

## Risk committees struggle to remain forward-looking

Many directors describe the risk committee’s mandate as primarily forward-looking, as distinct from the audit committee, which looks backward. Pressure from regulators is requiring risk committees to carefully manage full agendas, so they must work with management to ensure they remain forward-looking and focused on core risk issues. A director said, *“Focus is a constant challenge. Regulators are insisting more comes to the board. We challenge management to summarize what they are really worried about and focused on to distill what the real issues are and what you need to have a dialogue about.”* Directors said that more items are coming to the risk committee for review and approval, whether by rule or at the suggestion of the supervisor, to which a risk committee review does not add much value. One director said, *“The level of detail the committee must sign off on is unreasonable,”* while another said the level of approvals required by their supervisor was *“a complete waste of time.”*

In some cases, directors said, because the risk committee adds little value in spending time discussing *“well-understood compliance items,”* it uses consent agendas or teleconferences to save meeting time for content discussions. A director said, *“I go through the agenda with management and say, ‘Do this, move this off, don’t spend more than five minutes on this, etc.’ You need to work hard to control the agenda.”* Others are spending more time ensuring the audit and risk committees are aligned, having the chief risk officer attend audit committee meetings or holding joint sessions of the two committees. Another emphasized the importance of articulating clear expectations of management and ensuring the risk committee and the board get the appropriate level of detail in the information that management provides: *“Management give the board what they think the board wants to receive. We can do better communicating to management.”*

## Banks are seeking better ways to identify and respond to emerging risks

Despite the work and progress made toward better risk management and governance, some directors expressed concern that banks still focus too much on the details and on responding to regulatory requests, rather than directing resources toward identifying and discussing emerging risk issues. Ultimately, all of this work should improve firms’ ability to identify, monitor, and manage emerging risk issues. Directors are

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asking how they can better identify early warning signals, position themselves better in advance, and react more quickly when risks emerge.

Directors are not entirely convinced that banks are better positioned to spot emerging risks now than they were prior to the financial crisis. One said he had seen some improvement, but was guarded in his assessment: *“I do think we see aggregate risks to the enterprise better, but I am not sure we will see them sooner.”* Another concluded, *“The jury is still out.”* One director provided a more nuanced assessment: *“I think there are emerging risks that we are aware of, but we can’t quite size them yet. For example, cyber crime and IT security, dark pools. Undoubtedly, there are unexpected things and I am not sure we would know where the weakest player would be.”*

One director noted, *“Many organizations – the IMF, Bank of England, European Central Bank, etc. – produce annual risk analyses ... The issue is really about what you do with them.”* But most participants agreed that there could be an opportunity to establish a sustained dialogue about emerging risk issues across banks and with regulators who have broad industry perspectives.<sup>9</sup> Said one, *“I think a forum could be very useful. For [chief risk officers] it could be very helpful to identifying emerging trends and risks.”*

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Significant progress has been made in changing the way banks manage and discuss risk issues among management and the board. Risk appetite statements have facilitated more integrated risk and strategy discussions, and provided a platform for communicating about risk throughout the organization. Still, regulators and boards see room for improvement.

As banks are forced to better manage and allocate capital, look for opportunities to better manage risk and finance data, and respond to ongoing regulatory requests, boards need to consider the strategic investments required to build competitive advantage. Boards and risk committees must decide how far to invest in risk management and governance and how to determine the right balance between a useful investment in risk management and the costs involved. Given the work completed and the work ahead, how do directors know how much progress their institutions have really made to better identify, monitor, mitigate, and react to risks?

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<sup>9</sup> For more on the banks’ desire to discuss emerging risks, see Bank Governance Leadership Network, [“Taking Risk Governance from Satisfactory to Strong.” ViewPoints](#), August 1, 2011.

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## About this document

The Bank Governance Leadership Network (BGLN) is a group of non-executive directors from North American and European financial institutions brought together to share perspectives on proposals for strengthening corporate governance. Their peer-to-peer discussions are informed by conversations with bank directors, executives, regulators, investors and other key stakeholders. Tapestry Networks conducted the research, orchestrated the discussions and prepared this white paper. Ernst & Young sponsors the research as part of its deep, continuing commitment to board effectiveness and good governance.

*ViewPoints* aims to capture the essence of the BGLN discussion and associated research; it is produced by Tapestry Networks. Anyone who receives *ViewPoints* is encouraged to share it with those in their own network. The more board members, members of senior management, advisers and stakeholders who become engaged in this dialogue, the more value will be created for all.

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## Appendix 1: 2011 Bank Directors Summit participants

### Directors

#### Bank of America

- Donald E. Powell, Audit Committee Member, Compensation and Benefits Committee Member, Executive Committee Member

#### Bank of China

- Jackson Tai, Audit Committee Member, Connected Transaction Control Committee Member, Strategic Development Committee Member

#### Barclays PLC

- David G. Booth, Risk Committee Chair, Corporate Governance and Nominations Committee Member

#### BNY Mellon

- Catherine A. Rein, Audit Committee Chair, Corporate Governance and Nominating Committee Member, Executive Committee Member

#### CIBC

- Ronald W. Tysoc, Audit Committee Chair, Corporate Governance Committee Member

#### Credit Suisse

- Jean Lanier, Audit Committee Member, Compensation Committee Member

#### Deutsche Bank

- Karl-Gerhard Eick, Audit Committee Chair, Supervisory Board Member

#### HSBC

- Douglas J. Flint, Group Chairman

#### ICBC

- Sir Callum McCarthy, Strategy Committee Member, Risk Committee Member, Nominations Committee Member

#### JPMorgan Chase

- Laban P. Jackson, Jr., Audit Committee Chair

#### Macquarie Group

- Peter H. Warne, Risk Committee Chair, Audit Committee Member, Corporate Governance Committee Member, Remuneration Committee Member

#### Morgan Stanley

- Roy J. Bostock, Nominating and Governance Committee Member, Risk Committee Member
- Donald T. Nicolaisen, Audit Committee Chair, Compensation Management Development and Succession Committee Member

#### Rabobank

- Marinus Minderhoud, Audit, Compliance and Risk Committee Chair, Supervisory Board Member

#### Société Générale/Unicredit

- Anthony Wyand, Vice President of the Board, Audit, Internal Control, and Risk Committee Chair, Nomination and Corporate Governance Committee Member, Compensation Committee Member, Société Générale; Internal Control and Risks Committee Chair, Permanent Strategic Committee Member, UniCredit

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## **TD Bank**

- Wilbur J. Prezzano, Human Resources Committee Chair, Risk Committee Member

## **UBS**

- Axel P. Lehmann, Risk Committee Member

## **U.S. Bancorp**

- Olivia F. Kirtley, Audit Committee Chair, Executive Committee Member, Governance Committee Member

## **Guests**

- Andrew Bailey, Deputy Head of the Prudential Business Unit, Director of UK Banks and Building Societies, Financial Services Authority (FSA)
- Sarah J. Dahlgren, Executive Vice President, Financial Institutions Supervision Group, Federal Reserve Bank of New York
- Jamie Dimon, Chief Executive Officer and Chairman, JPMorgan Chase
- Elizabeth A. Duke, Member, Board of Governors of the Federal Reserve System
- F. Edward Price, Deputy Superintendent, Office of the Superintendent of Financial Institutions (OSFI)

## **Ernst & Young**

- Andy Baldwin, Sub-Area Managing Partner, EMEIA Financial Services
- Carmine DiSibio, Vice Chair and Managing Partner, Financial Services
- Stephen R. Howe, Jr., Americans Managing Partner, Member Global Executive Board
- Marcel van Loo, Banking & Capital Markets Leader, EMEIA Financial Services

- Lawrence Prybylski, Global Practices Leader, Financial Services Risk Management
- William Schlich, Global Banking & Capital Markets Leader, Financial Services

## **Tapestry Networks**

- Dennis P Andrade, Senior Associate
- Christopher B. McDonnell, Principal
- Mark Watson, Partner
- Thomas M. Woodard, Partner

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## Appendix 2: Interviewees

Since early 2009, Tapestry Networks and Ernst & Young have been leading an initiative, the Bank Governance Leadership Network (BGLN), which brings together directors and executives (notably chief risk officers) from leading global banks, and key regulators and supervisors, to discuss the ongoing challenges confronting their institutions. Approximately 200 individuals currently participate in the network, as well as over 80 Ernst & Young professionals. Participants engage in ongoing discussions with Tapestry Networks and Ernst & Young throughout the year so the network meetings enable focused dialogue on areas where progress can be made. The third Bank Directors Summit was the 16<sup>th</sup> BGLN meeting since its inception. This *ViewPoints* draws on dialogues with over 120 BGLN participants and includes discussions from seven BGLN meetings, over the course of 2011. In addition to the summit participants, the list of individuals who attended BGLN meetings this year, and who engaged in one-on-one dialogues on the key issues, includes:

### Directors and executives

#### Bank of America

- Susan Bies, Audit Committee Member, Enterprise Risk Committee Member

#### Barclays PLC

- Sir Richard Broadbent, Former Senior Independent Director, Deputy Chairman, Corporate Governance and Nominations Committee Member, HR and Remuneration Committee Chair
- Alison Carnwath, Audit Committee Member, HR and Remuneration Committee Member
- Lawrence Dickinson, Company Secretary
- Simon Fraser, Audit Committee Member, HR and Remuneration Committee Member
- Dambisa Moyo, Risk Committee Member

#### BNY Mellon

- Nicholas Donofrio, Risk Committee Chair, Executive Committee Member, Corporate Social Responsibility Committee Member
- Brian Rogan, Vice Chairman, Chief Risk Officer

#### CIBC

- Gary Colter, Corporate Governance Committee Chair, Management Resources and Compensation Committee Member
- Nicholas Le Pan, Risk Management Committee Chair, Corporate Governance Committee Member
- Tom Woods, Senior Executive Vice President, Chief Risk Officer

#### Citigroup

- Michael O'Neill, Director, Chairman of Citi Holdings Oversight Committee and Member of Risk Management & Finance Committee
- Anthony Santomero, Risk Management and Finance Committee Member, Audit Committee Member
- Diana Taylor, Nominations, Governance, and Public Affairs Committee Chair, Personnel and Compensation Committee Member

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## **Credit Suisse**

- Tobias Guldemann, Chief Risk Officer, Executive Board Member
- Anton van Rossum, Risk Committee Member
- John Tiner, Audit Committee Chair, Chairman's and Governance Committee Member, Risk Committee Member

## **HSBC**

- John Coombe, Non-Executive Independent Director, Audit Committee Chair, Risk Committee Member, Remuneration Committee Member
- Marc Moses, Group Chief Risk Officer

## **ING**

- Koos Timmermans, Former Chief Risk Officer, Executive Board Member

## **JPMorgan Chase**

- Sally Dewar, Managing Director, Risk
- Barry Zubrow, Chief Risk Officer

## **Lloyds Banking Group**

- Lord Alexander Leitch, Non-Executive Director, Deputy Chairman, Audit Committee Member, HR and Remuneration Committee Member, Nominations and Governance Committee Member
- David Roberts, Risk Committee Chair

## **Macquarie Group**

- Stephen Allen, Head of Risk Management Group
- Michael Hawker, Audit Committee Member, Risk Committee Member

## **Morgan Stanley**

- Martin Cohen, Managing Director and Corporate Secretary
- Sir Howard Davies, Risk Committee Chair, Audit Committee Member
- C. Robert Kidder, Lead Director, Compensation Management Development and Succession Committee Member, Nominating and Governance Committee Member

## **Rabobank**

- Pieter Emmen, Director, Group Risk Management

## **RBC**

- Morten Friis, Chief Risk Officer

## **RBS**

- Nathan Bostock, Former Head of Restructuring and Risk
- Sir Sandy Crombie, Senior Independent Director, Group Sustainability Committee Chair
- Sir Philip Hampton, Chairman

## **Société Générale**

- Benoît Ottenwaelter, Chief Risk Officer
- Nathalie Rachou, Audit, Internal Control and Risk Committee Member

## **TD Bank**

- Mark Chauvin, Chief Risk Officer
- Brian Levitt, Chairman of the Board, Corporate Governance Committee Chair, Human Resources Committee Member
- Harold MacKay, Risk Committee Chair, Audit Committee Member

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## **UBS**

- Maureen Miskovic, Group Chief Risk Officer, Group Executive Board Member
- David Sidwell, Senior Independent Director, Risk Committee Chair, Strategy Committee Member

## **UniCredit**

- Karl Guha, Chief Risk Officer, Executive Management Committee Member

## **U.S. Bancorp**

- Richard Davis, Chairman, President, Chief Executive Officer
- Richard Hidy, Executive Vice President and Chief Risk Officer
- Jerry Levin, Compensation and Human Resources Chair, Executive Committee Member, Governance Committee Member

## **Wells Fargo**

- Michael Loughlin, Executive Vice President and Chief Credit and Risk Officer

## **Westpac**

- Greg Targett, Chief Risk Officer

## **Regulators, supervisors, and policymakers**

### **Australian Prudential Regulation Authority**

- Heidi Richards, General Manager, Diversified Institutions Division
- Ian Laughlin, Member

### **Bank for International Settlements**

- Jaime Caruana, General Manager

### **Basel Committee on Banking Supervision**

- William Coen, Deputy Secretary General, Basel Committee on Banking Supervision
- Neil Esho, Senior Member of Secretariat, Basel Committee on Banking Supervision
- Stefan Walter, Secretary General, Basel Committee on Banking Supervision

### **China Banking Regulatory Commission**

- Liu Mingkang, Former Chairman, China Banking Regulatory Commission

### **Federal Financial Supervisory Authority (BaFin)**

- Claudia Grund, Senior Advisor, Banking Supervision
- Ludger Hanenberg, Senior Director, Banking Supervision
- Frauke Menke, Executive Director, Banking Supervision

### **Federal Reserve Bank of New York**

- Michael Alix, Senior Vice President, Financial Institutions Supervision Group
- James Hennessy, Senior Vice President, Chief of Staff, Financial Institution Supervision
- Steven Manzari, Senior Vice President, Market and Liquidity Risk Department

### **Financial Services Agency**

- Katsuhiko Komai, Chief, International Affairs Section, Inspection Bureau
- Akiko Nakamura, Inspection Bureau
- Kiyotaka Sasaki, Director, Inspection Coordination Division

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## **Financial Services Authority**

- Clive Adamson, Director of Supervision, Business Conduct Unit
- Thomas Huertas, Former Head of International Division
- Rosalie Langley-Judd, Manager, Governance Policy, Prudential Policy Division
- Lyndon Nelson, Director, Risk Management Division
- Ian Tower, Head of Wholesale Banks & Investment Firms Department

## **Financial Stability Board**

- Eva Hupkes, Advisor, Regulatory Policy and Cooperation, Financial Stability Board
- Costas Stephanou, Member of Secretariat, Financial Stability Board

## **Office of the Comptroller of the Currency**

- Mike Brosnan, Senior Deputy Comptroller, Large Bank Division

## **Office of the Superintendent of Financial Institutions**

- Jacqui Campbell, Manager, Corporate Governance Division
- Barbara Demone, Manager, Financial Conglomerates Group
- Gaetano Geretto, Senior Director
- Maria Moutafis, Director, Corporate Governance

## **Swiss Financial Market Supervisory Authority FINMA**

- Mark Branson, Head of the Banks Division

## **UK Independent Commission on Banking**

- Bill Winters, Member

## **Ernst & Young**

- Chris Bowles, Partner, UK Financial Services Risk Management Lead
- Tom Campanile, Partner, Enterprise Risk management, Financial Services
- Stephen Christie, Strategy and Business Incubation Lead
- Stephen Gregory, Partner, Advisory Services, EMEIA Financial Services
- Patricia Jackson, Head of Prudential Advisory Practice, EMEIA Financial Services
- John Liver, Partner, Financial Services Advisory
- Christopher Maher, Principal, Financial Services
- Tim Rooke, Partner, Risk Advisory Services, EMEIA Financial Services
- Donald Vangel, Advisor, Regulatory Affair

# Bank Governance Leadership Network ViewPoints



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