

**Global Corporate Governance Forum/IFC
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Improving Board Practices of Banks

by

Christian Strenger

Deputy Chairman, Private Sector Advisory Group of the IFC/World Bank's Global Corporate Governance Forum
Member of the 'German Government Commission on Corporate Governance'
Member of the Supervisory Boards DWS Investment GmbH, Evonik Industries AG, Fraport AG

I. The Need to Focus on Board Quality

- Lack of board quality - a major reason for the present crisis
- Considerably increased professional requirements and increasing liability of board members make quality improvements indispensable
- To compete in the markets for debt and equity capital, particularly domestic banks must focus on good governance quality

II. The Key Areas for Improvement

1. For non-executive board members
2. Governance issues for executive directors
3. Stronger supervision and risk oversight
4. Intensive dealing with conflicts of interest
5. Extensive and relevant transparency
6. Establishment and monitoring of ethical standards

III. Recommendations for Regulators, Supervisory Authorities and Legal Bodies

Literature

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