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Southeast Europe High Level Policy Meeting on Corporate Governance of Banks

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Nestor Advisors Ltd
9-10 December 2009, Belgrade



European Bank
for Reconstruction and Development

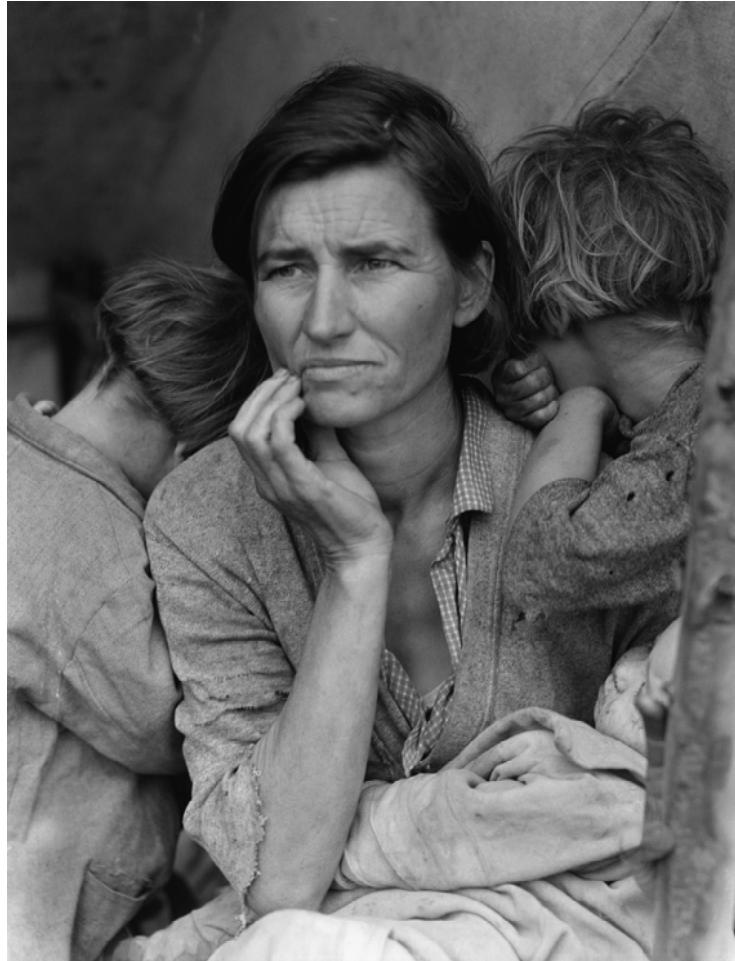


Global Corporate
Governance Forum



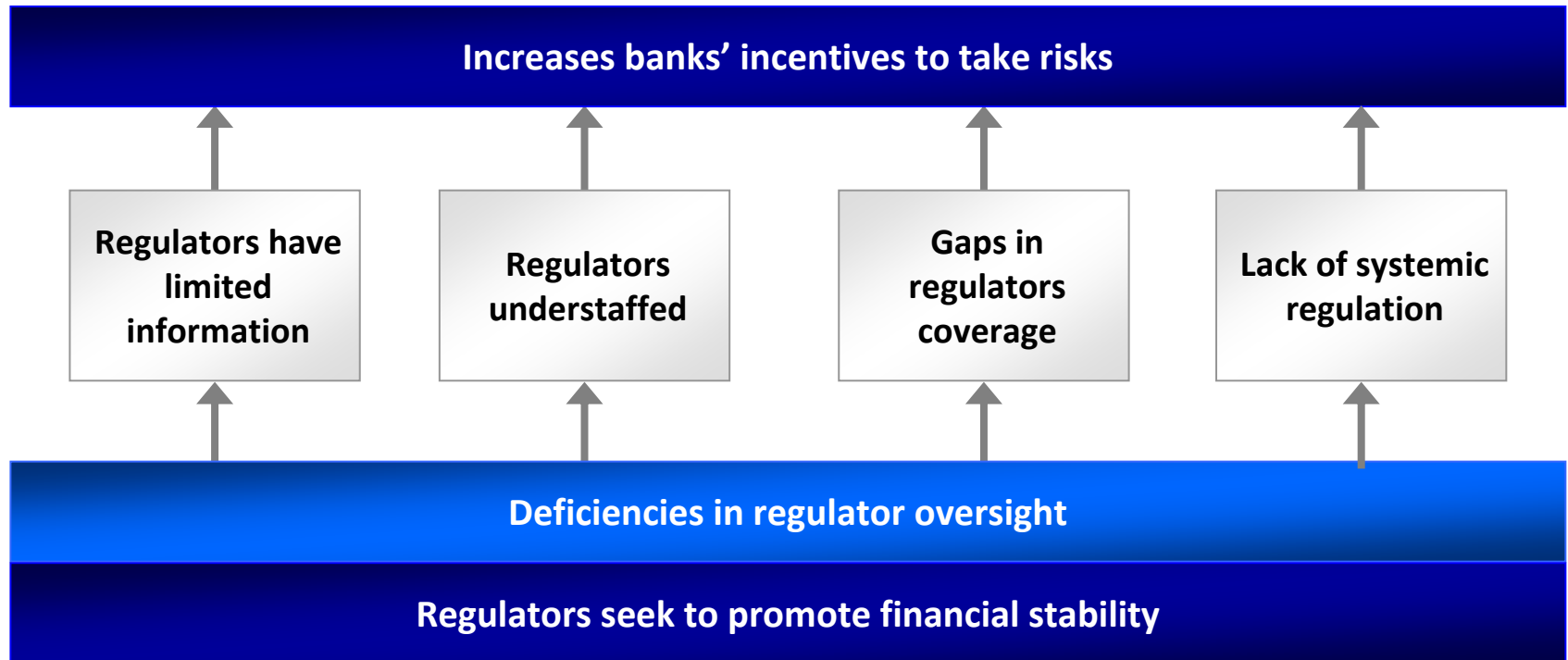
**International
Finance
Corporation**
World Bank Group

The Great Crash of 1929

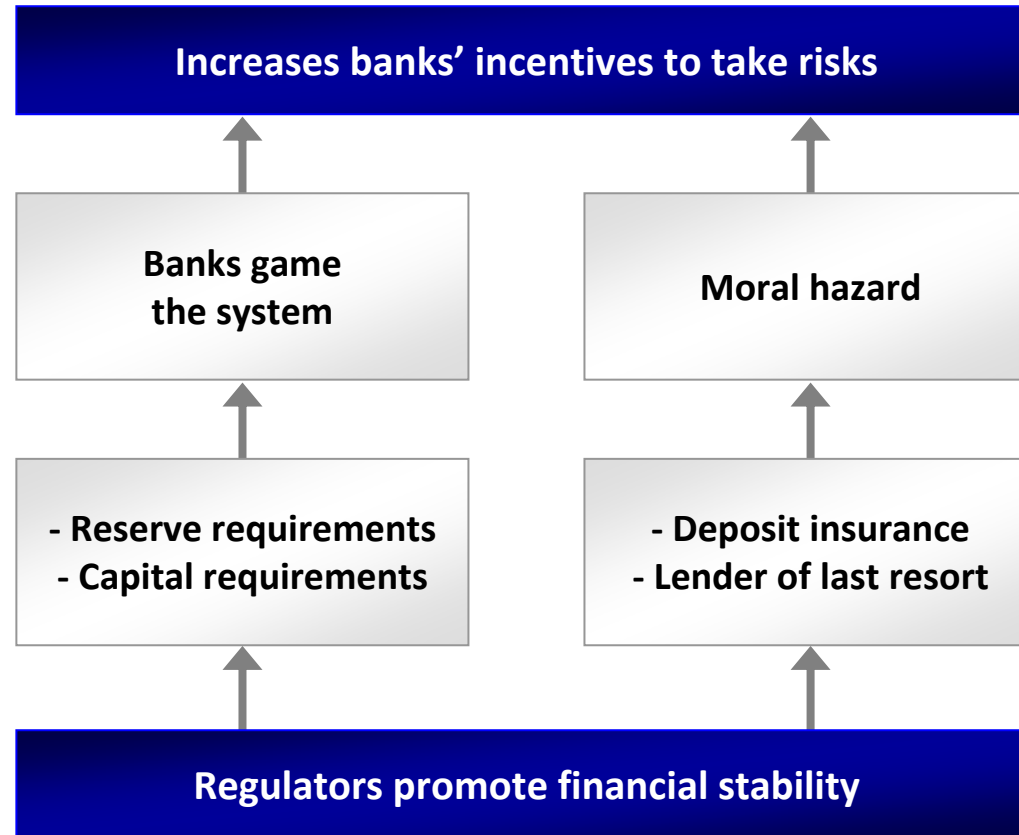


"Migrant Mother" by Dorothea Lange

Regulator's limitations



Regulation's unintended consequences

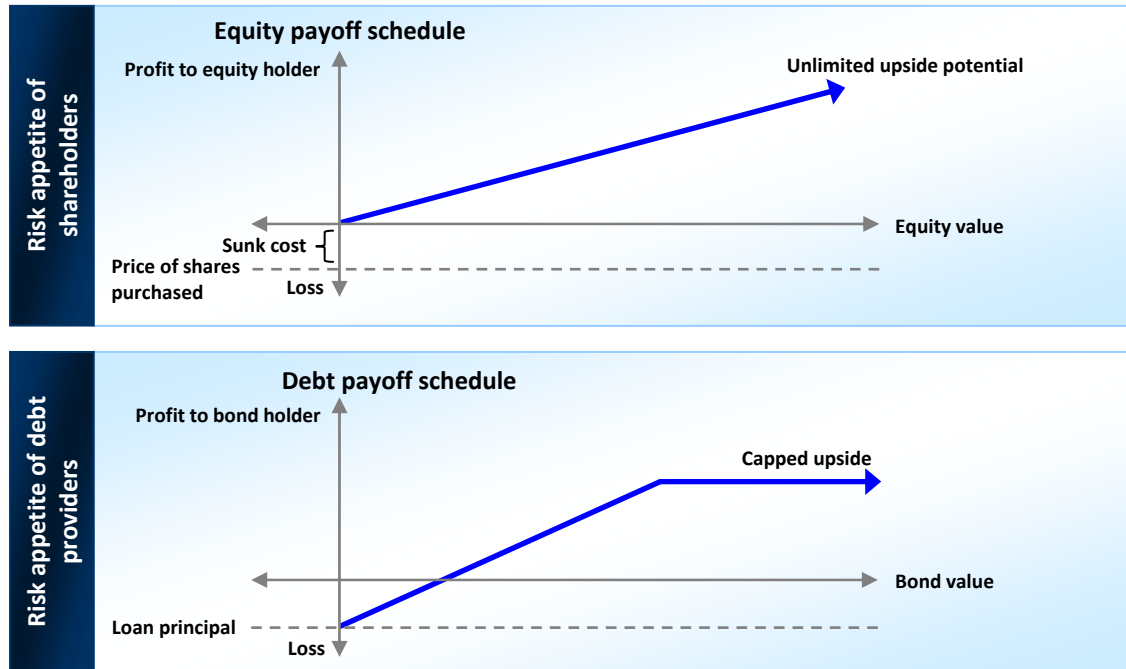


The only rules that matter

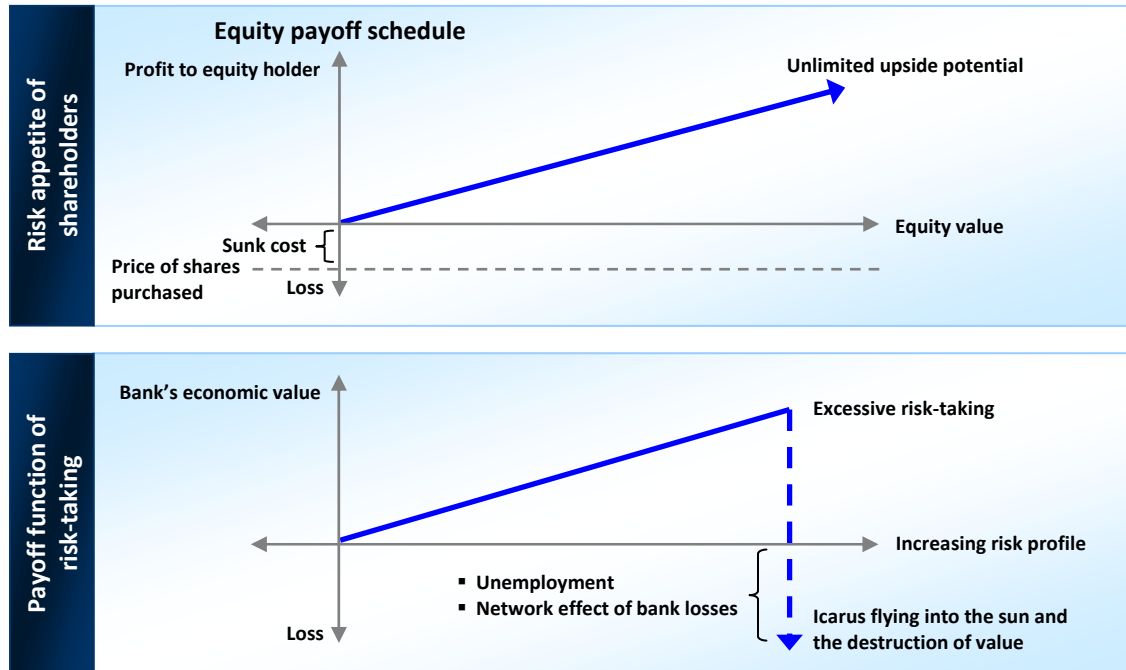
The only rules that really matter are these:
what a man can do and what a man can't do

*Jack Sparrow, Pirates of the Caribbean:
The Curse of the Black Pearl (2003)*

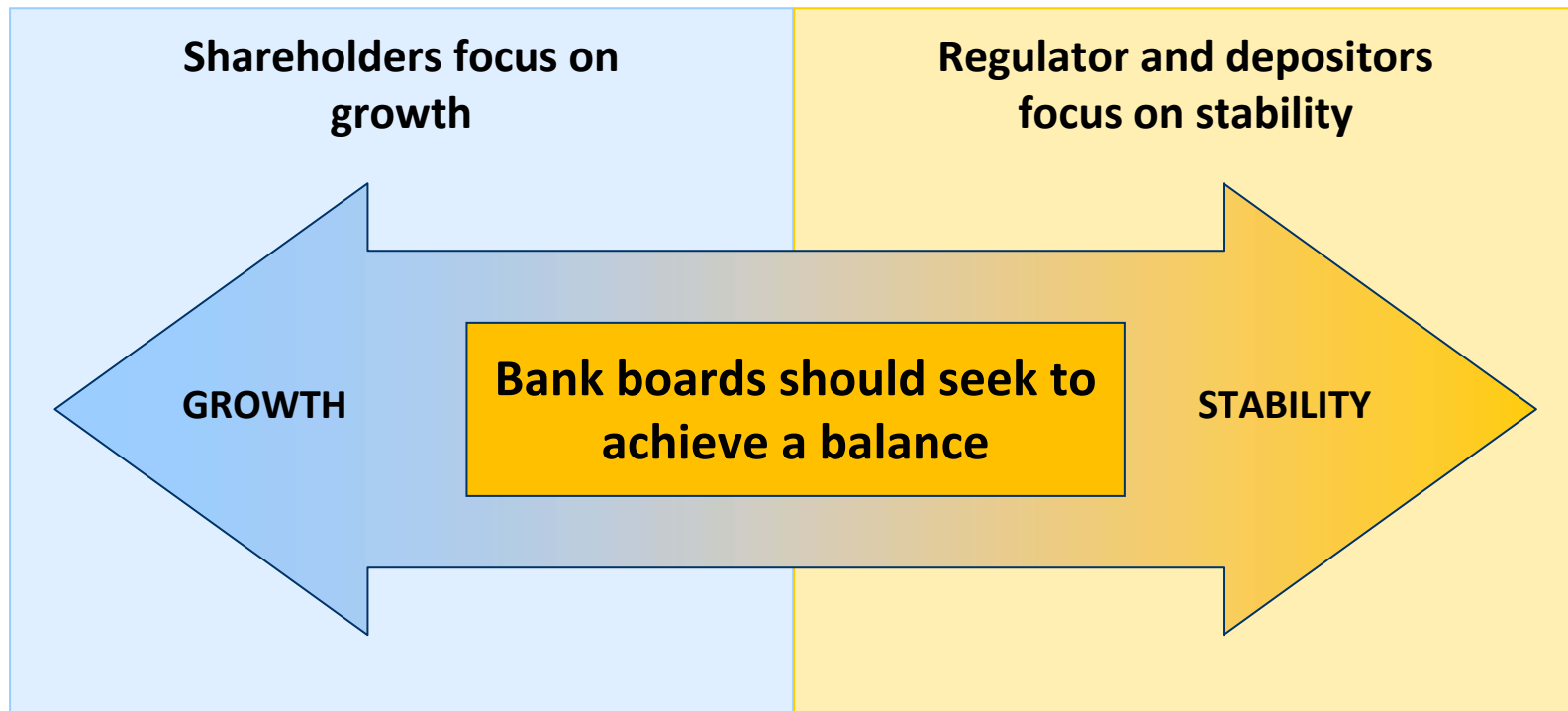
Incentives



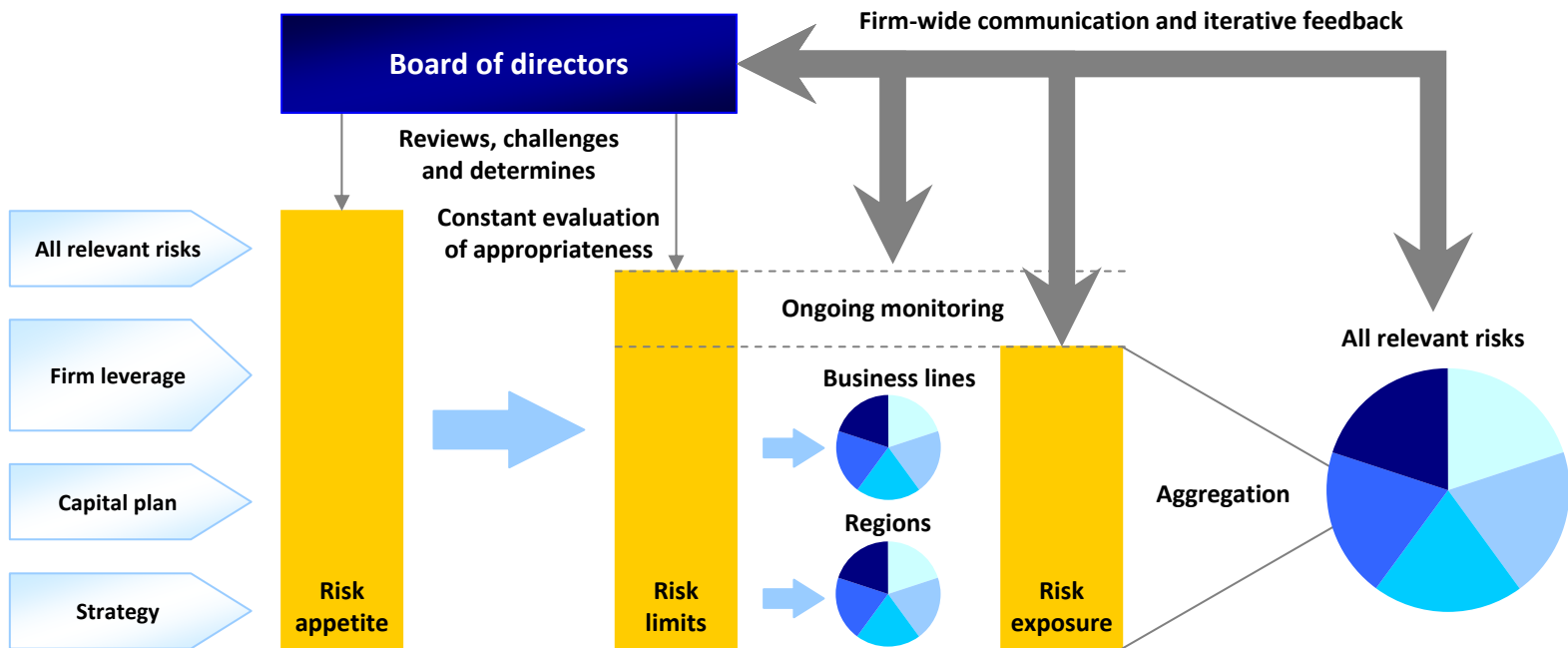
Incentives



Role of a bank board



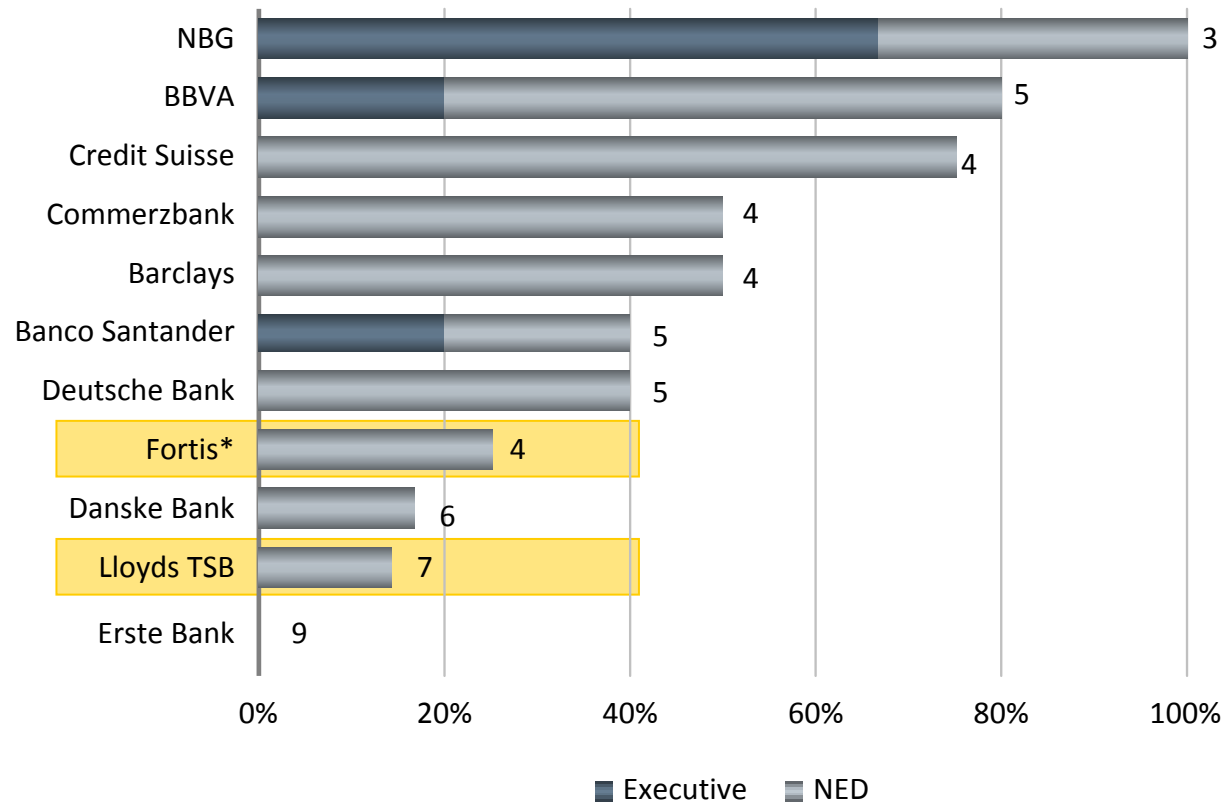
Risk governance and risk appetite



Banks whose chairs have financial industry experience

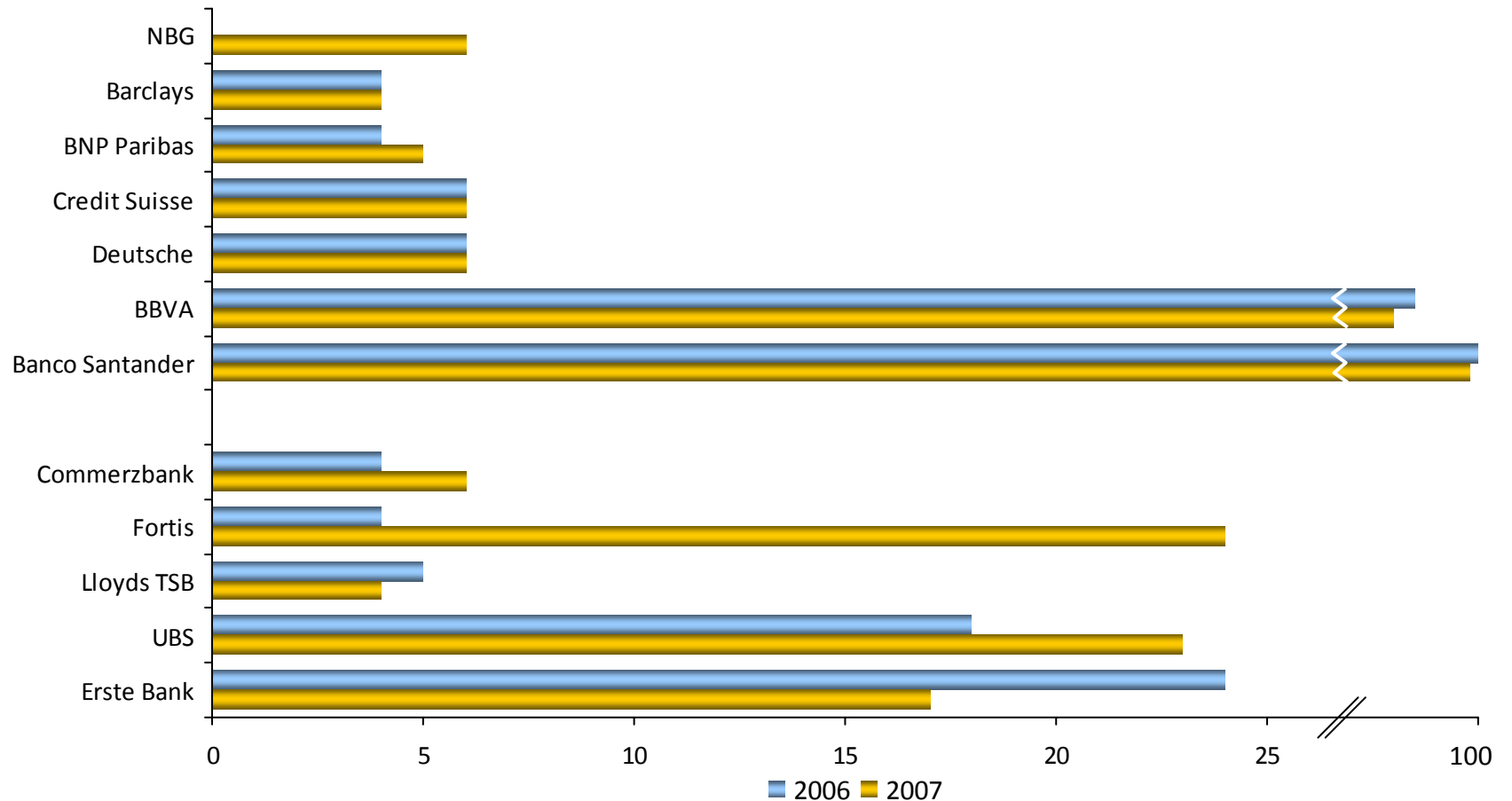
	Bank	2006	2007
1	HSBC	✓	✓
2	Standard Chartered	✓	✓
3	Nordea	✓	✓
4	Banco Santander	✓	✓
5	Intesa Sanpaolo	✓	✓
6	BBVA	✓	✓
7	Credit Suisse	✓	✓
8	NBG	✓	✓
14	Erste Bank	✗	✗
20	Lloyds TSB	✗	✗
23	HBOS	✗	✗
25	RBS	✗	✗

Financial industry experience of risk committee members



* Dissolved at the end of 2008

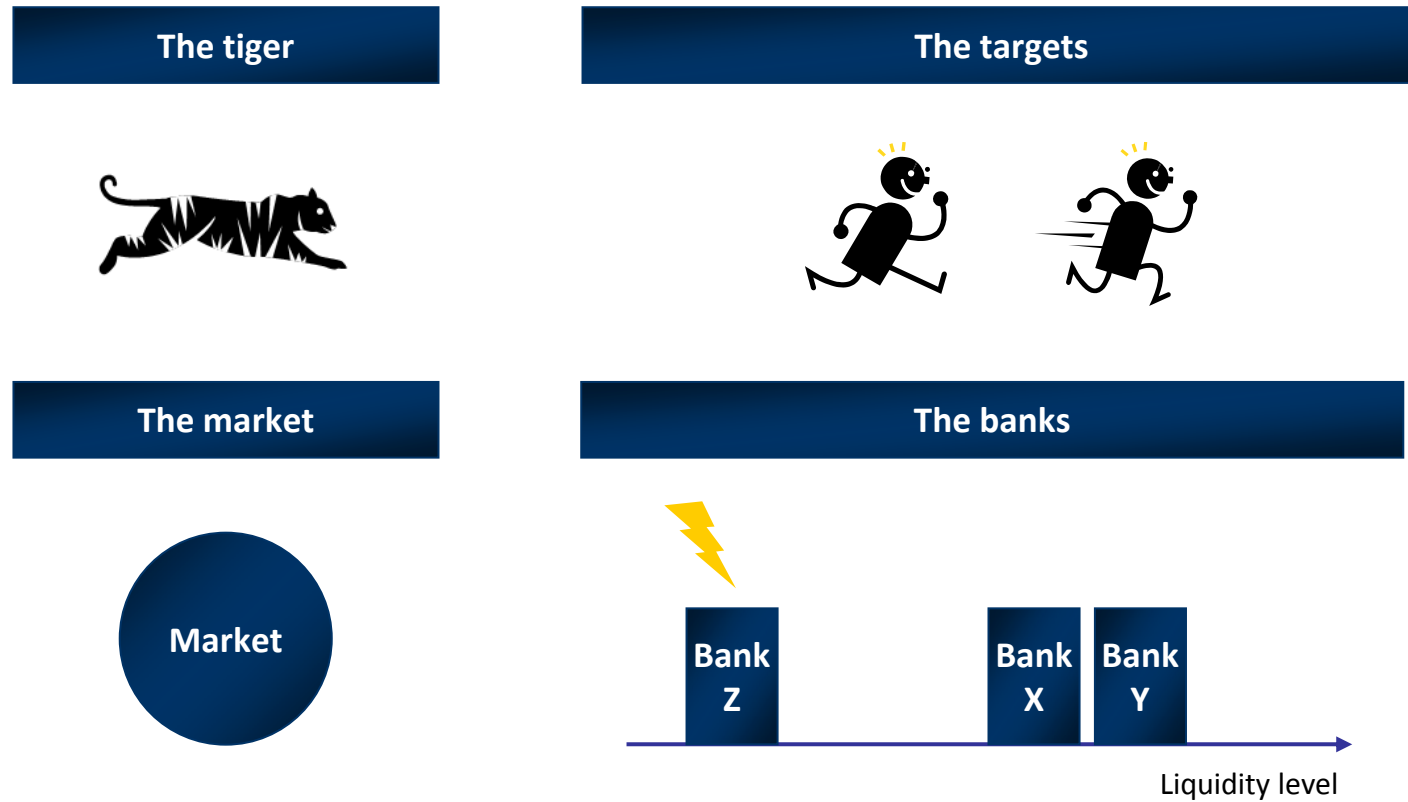
Number of risk committee meetings in 2006 and 2007



Remuneration of risk committee members

	2006	2007
Santander	115,500	147,000
BBVA	97,200	106,920
Commerzbank	23,000	37,500
Barclays	20,815	20,815
Lloyds TSB	20,815	20,815
BNP Paribas	5,946	5,946

Parable of the tiger





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Thank you

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