

Restoring trust: lofty expectations for post-crisis bank boards¹

The job of the large-bank board member got a great deal more complicated, demanding, important, and visible as the global financial crisis unfolded in 2008. Expectations for directors² and their boards have never been higher. *“The lesson for us is that it is not going to get easier in the near term. This may in reality be the new steady state,”* asserted one large-bank director.

Bank directors attending the Financial Institution Directors Summit³ on October 5 and 6, 2009, stated unequivocally that the paramount expectation now placed on boards is, as one director put it, *“Restoring trust. In recent years the banking industry has lost the trust of almost all of its stakeholders. It is a challenging position to get into.”* Within this context, they all wondered, *“What is the role of the board in this?”*

This *ViewPoints*⁴ outlines the challenges facing bank boards as they work to meet and exceed the lofty expectations placed on them by the full range of players who have a stake in the success of our financial system and its institutions. It draws on summit discussions and an extensive body of research developed in preparation for the summit. See [“About this document”](#) (page 10) for more on the research and [“FI Directors Summit participants”](#) for a list of attendees.

In the sections that follow, we expand on five principal themes:

§ **Everyone expects much more from bank boards now** (Page 2)

Financial institution (FI) boards are expected to fix today’s problems and prevent new ones from arising. Boards are simultaneously addressing the concerns and demands of regulators, shareholders, senior management, customers, staff, politicians, and the general public. Bank directors are fully committed to meeting the new expectations.

§ **Restoring trust by building great institutions may be the most compelling single goal** (Page 4)

By setting the objective of building strong and enduring firms, FI leaders can both defuse and redirect the debate about the primacy of shareholders relative to other stakeholders. Great institutions provide high-quality services and build respected brands; they behave ethically; they balance safety and financial results in search of sustainable performance; they are excellent long-term employers; and they show commitment to their communities. In so doing, they serve all stakeholders’ long-term interests.

§ **Key to the board’s success is its rededication to making a meaningful difference** (Page 6)

Mere oversight, if it was ever adequate, will no longer meet anyone’s expectations. The commitment of the board, and each director on it, must be focused and unwavering. With

these facts in mind, boards are forging a deeper, more engaged partnership with management and are increasing the frequency of their interactions with external constituents as well. They are seeing a transformation in their involvement in risk governance.

§ **Breadth, depth, and relationships are required** *(Page 8)*

Board members today must have both a broad perspective and deep understanding of the details. Moreover, they must cultivate relationships with management, investor representatives, and regulators. Direct engagement with shareholders, regulators, and policymakers will likely become the norm rather than the exception.

§ **Governance is at a crossroads** *(Page 9)*

No one is sure which direction governance will take, but everyone hopes that it will emerge better, stronger, and more effective. However, board members are deeply concerned that the unintended consequences of the many reform measures being imposed and now under consideration may be to destabilize and degrade corporate governance. Board leaders wish to engage constructively in the public discussions on how to improve corporate governance, but do not have a collective forum through which to do so.

Everyone expects much more from bank boards now

Lax board governance is often cited as one of the many factors that gave rise to the present financial crisis. In recent months, investors and regulators have called for significant reform in board governance, and in the case of a number of FIs, they have demanded different board rosters. Stakeholders have made it clear that they plan to hold directors more accountable for decisions on risk and on compensation structures. In this environment, boards are reviewing their practices and asking themselves tough questions about opportunities to improve.

Quite a number of thoughtful, independent, and well-researched analyses of the financial crisis are now available.⁵ As we noted in our briefing notes,⁶ these reports largely agree on causes of the crisis – macroeconomic imbalances, regulatory failure, market failure, over-leverage, procyclicality in the system, weak risk management (both systemic and micro-prudential⁷), financial product innovation, risk-inducing compensation, greed, and malfeasance.⁸

Debate on the culpability of boards

Many of these analyses include directors on the list of culpable figures, alongside members of management, regulatory authorities, politicians, credit rating agencies, and investors. In pre-summit discussions, research participants diverged on how much blame boards should shoulder:

§ **Boards could have done little.** Some believe the crisis and consequent damage to firms resulted from powerful forces largely outside the control of board members and their institutions. One executive asserted, “Expectations for boards have been too high, mainly because of political pressure.” Another agreed: “We need to appreciate that there is a

fundamental mismatch between the board's level of responsibility and its [day-to-day] authority."

These individuals believe that while some banks fared better than others, ultimately boards could have done little to prevent the crisis. Said one summit participant, *"Individual boards can't take responsibility for the entire system."*

- § **Boards bear significant responsibility.** Others believe boards had a clear responsibility to understand the risks in the global economy and on their own books and to take measures to protect their firms and shareholders. As one director stated at the summit, *"Lax governance did increase the likelihood and severity of the problems in the system, and as a result there was a greater impact on shareholders."*

As the International Corporate Governance Network, a group of institutional investors with approximately \$9.5 trillion assets under management, put it, "It is now widely agreed that corporate governance failings were not the only cause of the crisis but they were highly significant, above all because boards failed to understand and manage risk and tolerated perverse incentives."⁹ Similarly, the Senior Supervisors Group identified as a contributing factor to the crisis "the unwillingness or inability of boards of directors ... to articulate, measure, and adhere to a level of risk acceptable to the firm."¹⁰

Boards have been accused of failing in a number of ways, notably insufficient engagement, knowledge of the business, independence, and willingness to challenge management, as we have observed previously.¹¹ One regulator said bluntly, "There is a general sense that [directors] weren't asking the right questions or getting the right information."¹²

Regardless of how much blame they felt boards should bear for the crisis, participants in Tapestry Networks' research agreed that effective, high-functioning boards can have a significant positive effect on firm performance. One director suggested, "The right question is not whether boards could have stopped the crisis ... It's whether they could have reduced the number and size of surprises. To that, one has to answer yes." Julie Dickson, the head of the Canadian financial services regulator, expressed a similar sentiment recently, observing, "Boards can prevent the destruction of value by saying 'no.'"¹³

The potential of boards to make a difference

Polling results at the summit indicate that board members accept a considerable amount of responsibility. Three-quarters of the group either agreed or strongly agreed with the statement "Lax board governance was one of the major contributing factors to the global financial crisis." One director stated, *"We still would have had a global financial crisis, but it might not have been as severe [if bank governance had been better]."* Another observed, *"It's not obvious to me that we are good enough as boards. And the rest of the world likely doesn't think so."* Brady Dougan, CEO of Credit Suisse, emphasized at the summit that when boards and management work together well, *"It can be very powerful. And going forward, it will not be a luxury: it will be*

critical due to the velocity of change ... We need to leverage the expertise, insights, and talent of the board."

Restoring trust by building great institutions may be the most compelling single goal

In considering expectations for the board, the question naturally arises: whose expectations? One summit participant asked, *"How do you go about resetting expectations for the board when everyone has a different understanding of what the board is supposed to do?"*

Many of the participants in our research shared the view of one former regulator who said, "Split loyalties make things very difficult for directors, and, ultimately, firms end up sacrificing profits. The board should be accountable to shareholders and let regulators take the part of larger societal interests."

However, the severity of the financial crisis and consequent ripple effects into the broader global economy have led some commentators and reform advocates to declare that FI boards should consider a broader range of stakeholders and not grant the shareholder primacy. The Advisory Committee on the Future of Banks in the Netherlands, for example, suggested that "a bank's Executive Board and its members should base their actions on a balanced consideration of the interests of the savers, clients, shareholders, employees and the society in which the bank operates."¹⁴

Some participants agree: *"Society [is a] stakeholder in FIs in a way they're not in other industries,"* one director remarked. "Directors have an obligation to consider the public interest," declared a regulator, arguing that since FIs benefit implicitly – and, since the crisis, in many cases explicitly – from government support, they should take that support into account. To some degree, the political debate on bank reform in the run-up to two G-20 meetings this year reflects the belief that FIs cannot be run without taking into account their unique position in economies.

One summit participant put it succinctly: *"Boards need to regain trust, while balancing social utility with shareholder value."*

To whom is the board accountable?

In remarks to summit participants, Sally Dewar, the managing director for risk at the UK's Financial Services Authority (FSA), noted, *"Greater engagement, especially with shareholders"* will be an aspect of director activity which regulators will be watching for in the future. Only two out of 15 respondents polled at the summit disagreed with the statement "Bank boards should remain predominantly accountable to shareholders." Seven agreed and six strongly agreed with this affirmation of the importance of shareholders. The discussion illuminated the complexity of this issue:

§ *"I think predominantly boards [in the past] have been accountable to employees."*

- § *“In the last decade, there has been a change in the nature of what ‘shareholder’ means. We’ve moved away from mostly long-term investors to a much greater diversity of interests in terms of time period and risk-reward appetite. There is a divergence of behaviors between short-term and long-term investors, so it’s very difficult for the board to delegate risk-reward decisions to shareholders. We have to take accountability for that judgment and for explaining it to the investor community.”*
- § *“The cultural aspect is important. In the US, it is 90% shareholders; in the UK, it’s 60% shareholders; in Japan, it’s 10%.”*
- § *“The word ‘predominantly’ is also important. You make some trade-offs in these decisions.”*

How can banks be made great?

The Gordian knot of governance debate – the issue of shareholder primacy – was cut by the verbal sword of one director who said, *“A CEO [from outside the financial sector] described his main job as maintaining the strength and competitiveness of the firm over the long run. There was no specific mention of shareholders or investors.”* Another stated simply, *“In the long term, [the interests of] shareholders and stakeholders meet.”* Business Roundtable¹⁵ recently researched why the public views big business with such mistrust. It found that the public defines “performance” quite differently than do investors and boards. At the top of the public list of corporate performance attributes were “expanding employment,” “great products, services, and brands,” and “good community citizen.” Lowest on the list were “financial performance” and “stock price gains.” For investors and compensation committees of the board, the order of the list of attributes defining good performance was the reverse.

Although this difference in priorities may seem on the surface to be irreconcilable, summit participants’ thoughts on the long-run responsibilities of the board suggest a good deal of common ground:

- § *“The biggest challenge is steering a steady course in the face of exaggerated expectations in turbulent markets.”*
- § *“What keeps you awake at night? Working on keeping the board focused on strategy issues, and the key assumptions underlying.”*
- § *“We also get drawn [into] ethical decision making: a lot of corners were cut on the ethical front in the name of greed. We should put our hands up and say, ‘We are not getting in that business.’”*
- § *“Going forward, ‘doing the right thing’ may need to be a more important factor in deciding on what we will and will not do.”*
- § *“At the end of the day, building trust is more than just results. [My bank] is a unique institution in [my country]. Our CEO got results, he communicated with regulators and*

politicians, and he still got criticized in the press. Trust is hard to build up, but easy to lose. You have to be transparent and treat people with frankness and openness.”

§ *“[Financial] results are some, but not all, [of the factors] involved in restoring trust. You have to build up a franchise. The banking industry used to be the most trusted.”*

Some boards have begun debating the merits of making sustainable performance¹⁶ the super-ordinate goal of the firm. As such, it would become the foundation for strategy, define performance metrics, and frame the structure of compensation plans.

Key to the board’s success is its rededication to making a meaningful difference

Much has been written and said about how boards should operate, who should serve on them, and what their specific responsibilities should include. But the core question is whether and how boards affect the key judgments and decisions of the corporation in the interests of sustainable performance.

Sir David Walker, in his *Review of corporate governance in UK banks*, declares that the core responsibilities of non-executive directors are “to ensure that there is an effective executive team in place; to participate actively in the decision-taking process of the board; and to exercise appropriate oversight over execution of the agreed strategy by the executive team.”¹⁷ Research participants consulted prior to the summit echoed this view. “The board’s basic role is oversight, setting the tone, and hiring and firing the top team,” stated one director. An institutional investor also framed the board’s fundamental responsibilities in a set of three: “making robust strategic decisions, managing risks, and playing a role in the accountability chain.”

It is easy to agree on core responsibilities. But as they discuss their vision for governance in the post-financial crisis era, FI leaders are facing a much more challenging question. As one director put it, *“Is our mandate enough, or should we get involved further? [That’s] the number one question we’re asking these days.”*

Research participants believe that boards will inevitably have to get more involved in their businesses. Hector Sants, CEO of the FSA, made this clear in a recent speech, stating that “market events support the view that non-executives, in particular, must play a greater role in the oversight of executive management.”¹⁸ At the summit, Ms. Dewar commented, *“We observed a passive relationship between executives and non-executives ... There were dominant CEOs who couldn’t be challenged.”*

One former Wall Street executive stated, “In recent years, boards [got more involved] ... But if in recent years we moved down to 10,000 feet, we may need to be at the 2,500-foot level in the future. Boards will have to get more involved in the weeds.”¹⁹ During pre-summit conversations, a participant asserted, “[Boards need to] look at decisions, business plans, where the company is allocating capital – input from a tactical as well as a strategic perspective.”

Directors know it will be difficult to strike the right balance between raising levels of engagement and involvement and avoiding trespassing into management terrain, particularly in the face of escalating regulatory, legislative, and shareholder demands. Speaking prior to the summit, one regulator observed sympathetically, “The pronouncements from different [regulators and supervisors] always have the line ‘and the board should consider X’ or ‘the board should approve Y.’ It’s almost a throwaway line – I’m not sure people really consider the implications for the board’s activities.”

Impact versus activities

Often lost in the debate over where to draw the line between management and board responsibilities and how much time directors should devote to their board duties is the issue of making a meaningful difference. How can the board and individual directors accomplish this?

Summit participants expressed their commitment in many ways:

- § *“I am convinced that good governance can make a difference. I would like to explore the link between strategy and the activities of the risk committee more. How can we get better at seeing around corners and get away from the models?”*
- § *“Regulators will force a different relationship between executives and non-executives. There will be a different level of intensity of engagement on the part of boards. I don’t think the business of rethinking what an effective board is is finished yet.”*
- § *“[It is clear that summit participants] truly care about corporate governance and building back trust in the economic system. They are also focused on ensuring our institutions do the right thing.”*
- § *“[Our CEO] freely admitted that he doesn’t know it all, which is fine. He uses the board in a consultative way, not just as an oversight [function].”*
- § *“Our risk committee approves the risk appetite. This led to some challenging discussions with management. No doubt that regulators and customers will be looking to committees to take a greater role in decisions.”*
- § *“I am not afraid of having decisions taken by the board. The board says yes or no and is fed by management. The key is [that] the board is in the second seat, responding to management’s proposals.”*

Impact explored in three companion *ViewPoints*

Each of the three companion pieces to this *ViewPoints* expands on high-impact approaches that boards can take toward the way they operate, their role in risk governance, and their responsibilities with respect to compensation.

- § “Risk governance in a new era” explores new approaches to understanding risk, determining risk appetite, setting the risk agenda, and balancing and integrating risk decisions with strategy and performance goals.
- § “Banker compensation at a crossroads” discusses the challenges boards face in shaping new compensation policies that conform to the new regulatory requirements and take account of public and political pressures to rein in pay.
- § “Building a high-impact, effective board” addresses the issues of engaging with and challenging management, getting the right experiences into the boardroom, and gaining access to internal and external information – all while respecting the line between management and the board.

Breadth, depth, and relationships are required

The three *ViewPoints* show unequivocally that board members must have a broad perspective and must engage with their responsibilities deeply. Consider the director’s task in risk governance:

- § **Risk governance must be conducted in a broad context.** What kind of bank do we want to be? What strategies and business models are central to our approach? What are our growth aspirations? What level of returns are we aiming to produce through the cycle? What depth of risk capabilities and talent do we have relative to competitors in our lines of business? These are important questions for the whole board, but especially for the risk committee.
- § **Risk governance requires immersion in the details.** At the summit, one participant noted that the most succinct risk document provided to the board is 40 pages long; any further streamlining risks losing vital information. Risk committee members need to grasp the core economics: return on equity by business line across the cycle. New products are born deep within lines of business; members need insight into these. They need a clear fix on the human talent pool. External advice of some sort is required.

These dual requirements present a conundrum to directors. Can they be both broad and deep? One summit participant cautioned, “*Directors can’t get so in the weeds that we lose our independence and end up getting lost in the journey of each decision.*” This issue comes up in almost all discussions on strengthening the way FI boards operate.

The ability and willingness of directors to probe management with smart questions is important, but not enough. Increasingly, board members must also cultivate relationships – and must do so in several domains.

Building a relationship with the CEO is important, but board members should also reach out to the next layer of management as well. Risk committee members should build relationships not only with the chief risk officer (CRO), but also with those who are providing insight and data to the CRO.

Regulators and shareholders also expect more direct contact with board members. At the summit, Bill Rutledge, the executive vice president of the Bank Supervision Group of the Federal Reserve Bank of New York, commented, *“We are trying to have more interactive dialogue with non-executive directors, including one-on-one discussions ... We need to get a credible sense that the board is asking good questions of management.”* For their part, board leaders at the summit saw the value in such relationships:

- § *“Regulators want more direct contact with non-executives, and in the UK, there is a strong movement from shareholders. Together, [regulators and shareholders] will push non-executive directors to put pressure on management. Inevitably, the relationship between boards and management will change, especially the dynamic with the CEO.”*
- § *“[Regulators are] under huge pressure, and so the danger that they will get into compliance mode is huge, because they need to respond and show action. The more we are proactive, which is in our self-interest, the less they will have to do things that they know, in their heart of hearts, they aren’t capable of. We need to have honest, open communications with our regulators.”*

At the summit, Credit Suisse CEO Brady Dougan described how his firm ensures its directors gain the insight and foresight possible only through breadth of understanding, grasp of the details, and relationships with key constituencies. See [“Building a high-impact, effective board”](#) for details.²⁰ As we have noted in prior research,²¹ other models are also possible and individual FIs will ultimately choose the approach best suited to their own context and strategy.

Governance is at a crossroads

The expectations for post-crisis bank boards need to be considered in the context of governance reform. Summit participants have, cumulatively, over 200 years’ experience serving on more than 50 corporate boards in the North America and Europe. Many of these experienced directors and former CEOs expressed great concern about the unintended consequences of intrusive regulatory oversight, ill-considered legislative agendas, political pressure, and certain specific initiatives, including say on pay and proxy access.

- § *“The scenario that worries me most is having more instability in the boardroom, contested elections, higher turnover, shorter-term directors, and less institutional memory as a result, with the only stability being the CEO. This will cause greater instability in governance and oversight, not less.”*
- § *“With contested elections, I can’t imagine who’d run. I know I [wouldn’t] stand for an election, and I don’t think anyone else on my board will, either. Boards won’t think out longer than six months.”*
- § *“The potential for chaos across the landscape is significant, as shareholder activists are aided and abetted by [proxy advisory firms]. The quality of people on boards, and therefore of governance, will decrease. There’ll be more special interests on boards.”*

§ *“A not-inconsequential segment of the population thinks that governance has failed. The country is moving with the culture of change. There’s significant risk of legislation ... We need to restore our credibility. Unless things turn around, boards have to expect more legislation.”*

Directors would like to engage constructively in the public discussions on how to improve corporate governance. But they have no collective voice and few opportunities to speak out.

§ *“We have to be more vocal than we have been. We have an important role to play in educating people, communicating what the unintended consequences [of some proposals] might be, and about the level of knowledge that is needed to be really effective in the boardroom.”*

§ *“Some forums do exist [to discuss governance issues], but they tend to be shouting matches, without meaningful dialogue. The US is so dominated by the legislative and electoral cycles.”*

§ *“We’re at a dangerous crossroads, so it’s important to be a voice in the dialogue. We need to engage; there’s no counter to the groundswell out there against us.”*

* * *

Restoring trust in banks by building great institutions for the long haul may be the board’s most urgent responsibility. Directors are getting no shortage of advice on how to do so – from regulators, shareholders, legislators, management, governance advocates, and the general public.

Only the board can sort through the competing agendas these groups advance. Only the board, in partnership with the bank’s senior management, can shape a coherent and consistent strategy that assures sustainable performance. And as one summit participant observed, *“Boards [which] do better on this will end up with a competitive advantage.”*

About this document

The Financial Institution Directors Summit brought together leading non-executive directors from North American and European financial institutions on October 5 and 6, 2009, to share perspectives on proposals for strengthening corporate governance. *ViewPoints* summarizes the proceedings of the summit. The peer-to-peer discussions were informed by prior interviews with over 120 FI directors, executives, regulators, investors, and other key stakeholders. Tapestry Networks conducted the research, orchestrated the summit, and prepared *ViewPoints*. Ernst & Young sponsored the research and summit as part of its deep, continuing commitment to board effectiveness and good governance.

The perspectives presented in ViewPoints are the sole responsibility of Tapestry Networks and do not necessarily reflect the views of any individual FI, its directors or executives, or Ernst & Young. Please consult your counselors for specific advice. Ernst & Young refers to all members of the global Ernst & Young organization. The copyrights on this material are jointly held by Tapestry Networks and Ernst & Young. ViewPoints may be reproduced and redistributed, but only with attribution. If reproduced substantially or in its entirety, it should include all copyright and trademark legends.

Endnotes

- ¹ This *ViewPoints* is part of a larger report which integrates participants' discussions at the Financial Institution Directors Summit with extensive research conducted over the past year. The full report is available at http://www.tapestrynetworks.com/documents/Tapestry_EY_BGLN_Nov09_fullreport.pdf.
- ² In this document, "director" refers to non-executive, non-employee board members on a firm's unitary or supervisory board.
- ³ On October 5 and 6, 2009, 18 board members from leading European and North American financial institutions met in New York to discuss the future of bank governance. They were joined for portions of the meeting by Brady Dougan, CEO, Credit Suisse Group; Sally Dewar, Managing Director, Risk, UK Financial Services Authority; Bill Rutledge, Executive Vice President, Bank Supervision Group, Federal Reserve Bank of New York; and Jim Turley, Chairman and CEO, Ernst & Young.
- ⁴ The *ViewPoints* reflects the use of a modified version of the Chatham House Rule whereby names of members, guests, and company affiliations are a matter of public record, but comments made by members before and during meetings are not attributed to individuals or corporations. Comments by summit participants are shown in italics.
- ⁵ See, for example, the High-level Group on Financial Supervision in the EU, *Report* (Brussels: High-level Group on Financial Supervision in the EU, 2009), available at http://ec.europa.eu/commission_barroso/president/pdf/statement_20090225_en.pdf, and Financial Services Authority, *The Turner Review: A regulatory response to the global banking crisis* (London: Financial Services Authority, 2009), available at http://www.fsa.gov.uk/pubs/other/turner_review.pdf.
- ⁶ Tapestry Networks has published two briefing notes under the title *Shaping bank governance in a new era*. The first, subtitled *Enhanced oversight versus radical reform*, was published in June 2009. The second, subtitled *A revised compact with management and shareholders*, was published in August 2009. Both are available at http://www.tapestrynetworks.com/networks/net_bank.html.
- ⁷ Micro-prudential risks pertain to individual institutions, while macro-prudential risks pertain to an entire economic system. Here and throughout the document, discussions of risk and risk governance refer to micro-prudential risk.
- ⁸ Tapestry Networks, *Shaping bank governance in a new era: Enhanced oversight versus radical reform* (Waltham, MA: Tapestry Networks, 2009), 2.
- ⁹ International Corporate Governance Network, *Second Statement on the Global Financial Crisis* (London: International Corporate Governance Network, 2009), 1. Available at http://www.icgn.org/files/icgn_main/pdfs/news/icgn_statement_on_the_financial_crisis_23_march_09.pdf.
- ¹⁰ Senior Supervisors Group, *Risk Management Lessons from the Global Banking Crisis of 2008* (Senior Supervisors Group, 2009), 4. Available at http://www.newyorkfed.org/newsevents/news/banking/2009/SSG_report.pdf.
- ¹¹ Tapestry Networks, *Shaping bank governance in a new era: Enhanced oversight versus radical reform*, 3–4.
- ¹² *Ibid.*, 7.
- ¹³ Julie Dickson, "Economic and Financial Turmoil: are there Lessons for Boards?" Remarks to the 2009 Financial Services Invitational Forum, Cambridge, Ontario, May 7, 2009. Available at http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/speeches/fsif0509_e.pdf.
- ¹⁴ Advisory Committee on the Future of Banks in the Netherlands, *Restoring Trust* (Advisory Committee on the Future of Banks in the Netherlands, 2009), 14. Available at <http://www.nvb.nl/scrivo/asset.php?id=290353>.
- ¹⁵ The Business Roundtable is an association of chief executive officers of leading US companies with more than \$5 trillion in annual revenues and more than 12 million employees. Member companies comprise nearly a third of the total value of the US stock markets.
- ¹⁶ "Sustainable performance" refers to the underlying long-term performance trend of the firm. The firm will see year-to-year variability and volatility in operating performance and total return to shareholders around this trend.
- ¹⁷ David Walker, *A review of corporate governance in UK banks and other financial industry entities* (London: HM Treasury, 2009), 33. Available at http://www.hm-treasury.gov.uk/d/walker_review_consultation_160709.pdf.
- ¹⁸ Hector Sants, "The Crisis: the role of investors." Speech at the NAFFP Conference, March 11, 2009. Available at http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0311_hs.shtml.
- ¹⁹ Tapestry Networks, *Shaping bank governance in a new era: Enhanced oversight versus radical reform*, 12.
- ²⁰ Tapestry Networks, "Building a high-impact, effective board," *ViewPoints*, November 2009. Available at http://www.tapestrynetworks.com/documents/Tapestry_EY_BGLN_Nov09_View4.pdf.
- ²¹ See Tapestry Networks, *Shaping bank governance in a new era: A revised compact with management and shareholders*.