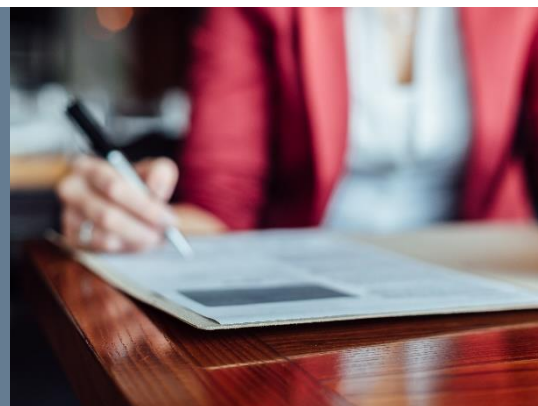


HELPING A BANK OPERATE TO ECB STANDARDS



OVERVIEW OF THE CHALLENGE

Following an intensive growth period, a European Bank had become a 'significant credit institution' directly supervised by the European Central Bank (ECB).

The bank asked us to conduct a comprehensive board effectiveness review. The goal was to assess whether the bank's board and governance arrangements were designed and operating in accordance with ECB expectations and European Banking Authority guidelines.



HIGHLIGHTS & IMPACT

We identified several areas where board effectiveness could be enhanced and the bank could further align to ECB expectations:

- ▶ A board committee was operating beyond the scope of its mandate and blurring the lines between board and management roles
- ▶ An imbalance between independent and non-independent members
- ▶ Member dynamics which impacted the board's culture and effectiveness.

The bank has achieved the standard required by the ECB.



DIAGNOSTIC

- ▶ We reviewed documentation to understand the board's role and responsibilities and whether these were being enacted in practice
- ▶ Assessed the composition of the board and conducted interviews with board members, including an assessment of formal independence and independence of mind
- ▶ Evaluating board priorities and focus areas through board calendars and agendas, interviews and analysis of peer perceptions
- ▶ Explored board leadership and dynamics including through live observations to understand pack the board's operating culture and member dynamics
- ▶ Assessed the relationship between non-executive and executive board members
- ▶ Analysed management information, board processes and secretarial support.



RELATED INFORMATION AND CONTENT

For more information, please connect with Zsolt:

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