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.

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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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