



NewsWatch

■ June 2018

WWW.AKTISINTEL.COM

- The first Bank Governance data provider with more than 800 data points per bank for comprehensive benchmarking and comparative analysis. Improving governance decisions for compliance with best practice and meeting supervisory expectations.



ABOUT THE NEWSWATCH

Objective

We gather current corporate governance news related to banks to assist our clients in staying up to date on current topics and trends in Corporate Governance. This is essential for the content of our database, reports and publications. We follow the banks in our database closely to keep informed about any corporate governance changes they may go through in order to give our clients the most relevant and useful information possible.

Area coverage

- 📍 Europe: Benelux with France, DACH, Eastern Europe, Southern Europe, Scandinavia
- 📍 UK and Ireland
- 📍 North America
- 📍 Oceania
- 📍 MENA

Scope

- 📍 Our primary focus is on corporate governance news related to banks
- 📍 We may also include major news events concerning leading banks
- 📍 If there are no relevant news related to bank governance from a region, major corporate governance news related to leading companies in other industries may be included

□ Europe

■ Talks of UniCredit merger with Société Générale

<https://www.ft.com/content/38ef40c0-6816-11e8-8cf3-0c230fa67aec>

<https://www.ft.com/content/b87ee262-6723-11e8-b6eb-4acfcfb08c11>

- The merger would combine two of Europe's big banks and could possibly lead the way for more European mergers in the banking sector.
- Senior figures in both UniCredit and Société Générale have been talking about possibility of a merger over the past months.
- However, bankers have said that the merger would not happen for at least a year.

■ Nordic banks to collaborate on the development of anti-money laundering infrastructure

<https://www.nordea.com/en/press-and-news/news-and-press-releases/press-releases/2018/05-31-08h00-nordic-banks-to-explore-common-kyc-joint-venture.html>

<https://www.ft.com/content/86e4e4e2-64a6-11e8-90c2-9563a0613e56>

- Five of Scandinavia's biggest banks (Handelsbanken, Nordea, SEB, Danske Bank and DNB) join forces to develop know your customer infrastructure.
- The main reason for the collaboration is increased and complex regulation that has led to inefficient processes and causing frustration for business.
- The joint venture will start in the second half of this year if it gets approval from EU competition authorities.

■ Santander announces appointment of Dirk Marzluf as Group Head of Technology and Operations

https://www.santander.com/cs/gs/Satellite/CFWCSancomQP01/en_GB/Corporate/Press-room/Santander-News/2018/05/29/Santander-announces-appointment-of-Dirk-Marzluf-as-Group-Head-of-Technology-and-Operations.html

- Dirk Marzluf will start on 1 September 2018.
- Mr. Marzluf joins from AXA Group where he has been Group Chief Information Officer.

■ Deutsche Bank fined \$205m by New York Department of financial Services

<https://www.ft.com/content/0a27973c-749c-11e8-b6ad-3823e4384287>

- The New York regulator has fined Deutsche for "improper, unsafe and unsound conduct" in the forex market.
- Deutsche is convicted for its lax supervision of the foreign exchange business between 2007 and 2013.
- The "improper conduct" of its foreign exchange business includes traders abusing the trust of their customers.

■ Two top executives at Société Générale are believed to have ordered Libor manipulation

<https://www.ft.com/content/05dfb112-6a53-11e8-b6eb-4acfcfb08c11>

- US prosecutors believe Michel Péretié, former head of corporate and investment banking, and Didier Valet, former deputy CEO directed the Libor rigging.
- The evidence includes a letter from April 2015 from the US Department of Justice to the French authorities which points to these two senior executives.

- The letter also states that the false Libor reporting was made to protect the bank from reputational harm.

■ Société Générale is fined \$1.3bn over Libor and Libya

<https://www.ft.com/content/3ae1aa8a-6811-11e8-b6eb-4acfcfb08c11>

- The fine includes charges related to bribery in Libya and Libor rigging.
- This is the first time the US and French authorities has co-ordinated on a penalty.

■ Nordea has appointed new Chief Legal Officer

<https://www.nordea.com/en/press-and-news/news-and-press-releases/press-releases/2018/06-13-15h00-nordea-appoints-chief-legal-officer.html>

- Jussi Koskinen will join Nordea on 1 September 2018.
- Mr. Koskinen is currently Vice President, Head of Global Corporate Legal at Nokia.

▣ UK and Ireland

■ Former CEO of Anglo Irish Bank sentenced to 6 years in prison

<https://www.ft.com/content/dc97563c-749f-11e8-b6ad-3823e4384287>

- Mr Drumm, the former chief executive officer of Anglo Irish Bank has been sentenced to 6-years in prison because of his 7.2-billion-euro fraud.

■ Corporate governance principle for large private companies

<https://www.frc.org.uk/getattachment/48653f86-92c3-4cd6-8465-da4b7cac0034/;.aspx>

- The Financial Reporting Council has carried out a consultation on corporate governance principles for large private companies.
- Following the review of international best practice, the consultation led by James Wates CBE has put forward 6 overarching principles that large companies are to use to improve their own corporate governance practices. This is on an 'apply and explain' basis.
- A final version is to be published in December 2018, with responses on the proposals to be made by early September.

▣ North America

■ Goldman Sachs announces their new initiative, Launch with GS

<http://www.goldmansachs.com/media-relations/in-the-news/current/stephanie-cohen-article-06-19-18.html>

- This initiative is aimed at closing the gender gap in the investment banking industry by investing \$500 million of the firm's and client's capital in women-led businesses.
- Launch with GS will serve as a network of investors, entrepreneurs, not-profit organisations and other leaders (men and women) with the aim of strengthening new businesses and increasing the access of investments opportunities for female entrepreneurs.

■ Goldman Sachs and Morgan Stanley just pass the Fed stress tests

<https://www.ft.com/content/59d77520-758e-11e8-a8c4-408cfba4327c>

- The 2018 Dodd-Frank Act Stress Test Results revealed that 35 of the largest banks in the US have strong balance sheets to withstand an economic crisis.
- In the measure of financial strength, Goldman Sachs' supplementary level ratio would decrease to 3.1 % and Morgan Stanley's to 3.3 %, just meeting the required supplementary level ratio of 3%.
- Goldman Sachs' CET1 would decrease to 5.6%, slightly above the 4.5% requirement.

□ Oceania

■ Mr. Adrian Went has been appointed Group Treasurer of ANZ

<https://media.anz.com/posts/2018/06/adrian-went-appointed-group-treasurer>

- Mr. Went's appointment will be effective from the start of July.
- He had held similar positions in the past for the same entity, including Acting Group Treasurer.
- He will report to the CFO, Michelle Jablko.

■ Six changes made to the leadership team of the large Australian bank, CBA.

<https://www.businessinsider.com.au/cba-matt-comyn-executive-team-2018-6>

- Both internal and external candidates were recruited.
- Mr. Cohen, current CRO, has been appointed as the Deputy CEO.
- This illustrates the importance Matt Comyn had placed on the episodes of misconduct at the bank.

□ MENA

■ Saudi Investment Bank buys back stake held by JP Morgan

<http://www.arabianbusiness.com/banking-finance/399296-jpmorgan-to-sell-back-stake-in-saudi-investment-bank>

- Saudi Investment Bank buys back the stake which JPMorgan held for more than 40 years.
- The price to buy back the 7.5 percent stake is \$203 million.

■ UAE Central Bank announces maximum limits charged on banking services

<http://www.arabianbusiness.com/banking-finance/399044-uae-announces-new-fee-caps-on-banking-services>

- The Central Bank wants a 'more active supervision' of the banking sector.
- The caps on service charges will be a step to enhance consumer protection as it would act to prevent anti-competitive behaviour.

■ Former Emirates NBD senior executive Salah Amin is named new CEO at Emirates Islamic

<http://www.arabianbusiness.com/banking-finance/399031-emirates-islamic-appoints-new-ceo-as-profits-soar>

- Emirates Islamic one of the fastest growing banks in the UAE.

■ First Abu Dhabi Bank appointments Paul Hartwell as new UK CEO

<http://www.arabianbusiness.com/banking-finance/398085-uaes-largest-bank-appoints-new-uk-ceo>

- First Abu Dhabi is the largest bank in the UAE.
- The appointment was important for UK amid Brexit negotiations.



ABOUT AKTIS

Aktis is a London-based bank governance firm working with some of the most significant names in banking and deeply involved in shaping the corporate governance agenda. Our team of analysts and data technologists aims to revolutionise the availability and analysis of bank governance data.

Tailored benchmarking reports, data subscriptions and insights into regulatory practice evolution are just some of the services we deliver to our customers. Our analysis is bank- specific and uniquely focused on governance. Contact us to find out more.

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