

The International Banker



Featuring

The Modern City



AUTUMN 2018



*The Worshipful Company
Of International Bankers*

From the Editor

We do indeed live in interesting times. Brexit is four months away, but how do you plan to continue serving EU customers when you don't know whether there will be an agreement and what rights you will have under it? Subsidiarisation, back to back trades, delegation of management, using non-EU centres such as Singapore and reverse solicitation are common wonders, but nobody can decide on any of these yet. What a mess.

The theme of this edition of the *International Banker* is 'The Modern City'. It looks at a wide variety of important trends such as Anne Richards 'balanced scorecard' for asset managers, the growth of shadow banking, FinTech in insurance, personal responsibility and the Dutch Regulator's view of the SMCR and social responsibility. There is also a fascinating interview of Donald Brydon, the Chairman of London Stock Exchange

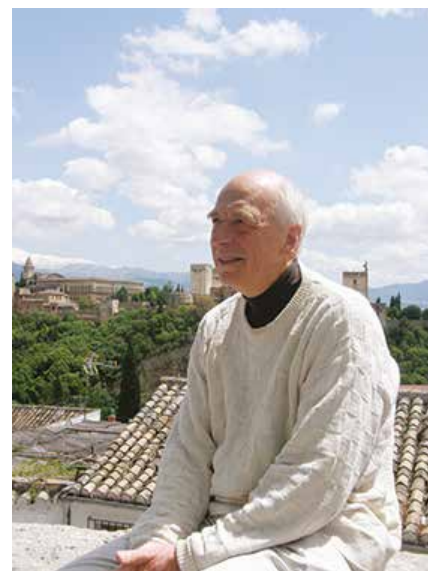
Group. They show the real world we live in. There's a good selection of charity and education articles and, on the internal communications with members, a celebration of Peter Estlin as the first Lord Mayor of which we are proud to be the Mother Company, supported by articles on the City Corporation and an interview with our new Junior Warden. There is a lot to read and much to enjoy.

The Editorial Panel is choosing the articles for the Spring edition this month, so now is the time for you to send me your ideas for articles to go in it.

Christopher Bond

Editor – *The International Banker*
The Magazine of the Worshipful
Company of International Bankers

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EDITORIAL PANEL

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Mark Cazaly (*Deputy Editor*)
Moorad Choudhry
George Littlejohn
Michael Llewelyn-Jones (*Past Master*)
Tim Jones
Ali Miraj

Robert Merrett (*Middle Warden*)
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From the Master

It gives me great pleasure to write this article for the *International Banker Magazine* as the 18th Master of the Company. At a time when the future political landscape seems to be up in the air, it is important that some institutions, such as the Livery, remain true to their purpose and constant in their operation. Who knows what geo-political landscape will face us after March 2019, but we plan to keep calm and carry on regardless.

I would like to start by thanking the Immediate Past Master, Peter Estlin, for his excellent contribution to the life of our Company and his leadership over the past year. I would also like to acknowledge the work undertaken on our behalf by Nicholas, our Clerk, supported by Sean in the Office. They really do a tremendous job for us. My team of Wardens, Committee Chairmen and Committee members will help me to ensure the Company delivers to the needs of our members and our wider community and I am looking forward to working with you all.

AN INTERNATIONAL BANKER FOR LORD MAYOR

We have a major involvement over the coming weeks in the installation of the 691st Lord Mayor of the City of London, when our Immediate Past Master, Alderman Peter Estlin takes up his role. It is a great honour for our Company and we have great confidence in his ability to discharge his responsibilities with skill and capability.

In terms of our preparations, we have commissioned the WCIB float to go into the Lord Mayor's Show. This will be a celebration of: the ingenuity and skills of the City of London contributing ideas globally; coupled with our connections around the World; and our contribution to raising aspirations and providing support for young people.

On the Float, we will showcase our Lord George Principles in terms of Integrity, honesty, fairness, skill, expertise and diversity.

Alongside the float, we will have up to 50 walkers including members and representatives of some of the inner London schools that we support. They will be holding suffragette style banners promoting these principles.

In addition to the Show, there are a range of other activities that we as a Company will participate in including the Presentation Dinner on 22nd October for the Lord Chancellor and other distinguished guests, the Silent Ceremony for the transition from the outgoing Lord Mayor, Alderman Charles Bowman to Alderman Peter Estlin and the Presentation of Addresses. We will also continue to play our part throughout the year ahead.

I would like to thank again all those who have helped with this process. We have had a tremendous response from our members with contributions towards the costs. We have also received sponsorship from Arbuthnot Latham for the Presentation Dinner, Royal Bank of Canada Capital Markets and ICBC Standard Bank for the float and Barclays, who have provided support throughout Peter's mayoralty journey.

This is the first time we have asked for help in this way and we have been delighted by the response.

We will be looking to organize a future event by way of saying thank you to everyone who has helped with this.

MEMBER EXPERIENCE

Joining our Company and progressing through its various stages from Freeman to Liveryman and from Committee member Chair, Court Assistant, Warden and ultimately to Master is the journey we offer to our members. Michael Llewelyn-Jones is the Chair of the Liverymen's Committee which helps us focus on progressing our members through this journey, which should be viewed as a journey for life. This is consistent with the Livery tradition – once an International Banker, always so.

One of the challenges for us is to grow our membership numbers – we need you to help us look for future Freemen of the Company. A small increase in our numbers makes a significant impact on our financial position. However, we are not looking for growth at all costs, as this would undermine the member experience. Martin Watkins is Chair of our Membership Committee and he will be enlisting your help with this in due course (see article in this Magazine by him later). We want our new joiners to take their oaths to be Freemen of the Company and we want our Freemen to progress to become Liverymen.

The member experience is something I want to examine carefully in my year in office. I want to ensure that we consider the experience of the various constituents of our membership and make sure we are catering for their needs and interests. In this connection, I am planning to introduce a Liveryman's lunch to be held probably at Furniture Maker's Hall twice a year. The first such date is pencilled in for the 18th December to co-incide with the Carol Service at St Mary-le-Bow. Omiros Sarikas, and the Events Committee he chairs, will be in touch with details in due course. This Committee helps to deliver a crucial part of our member experience with a rich array of events through the year.

LOOKING AFTER THE COMPANY SILVER

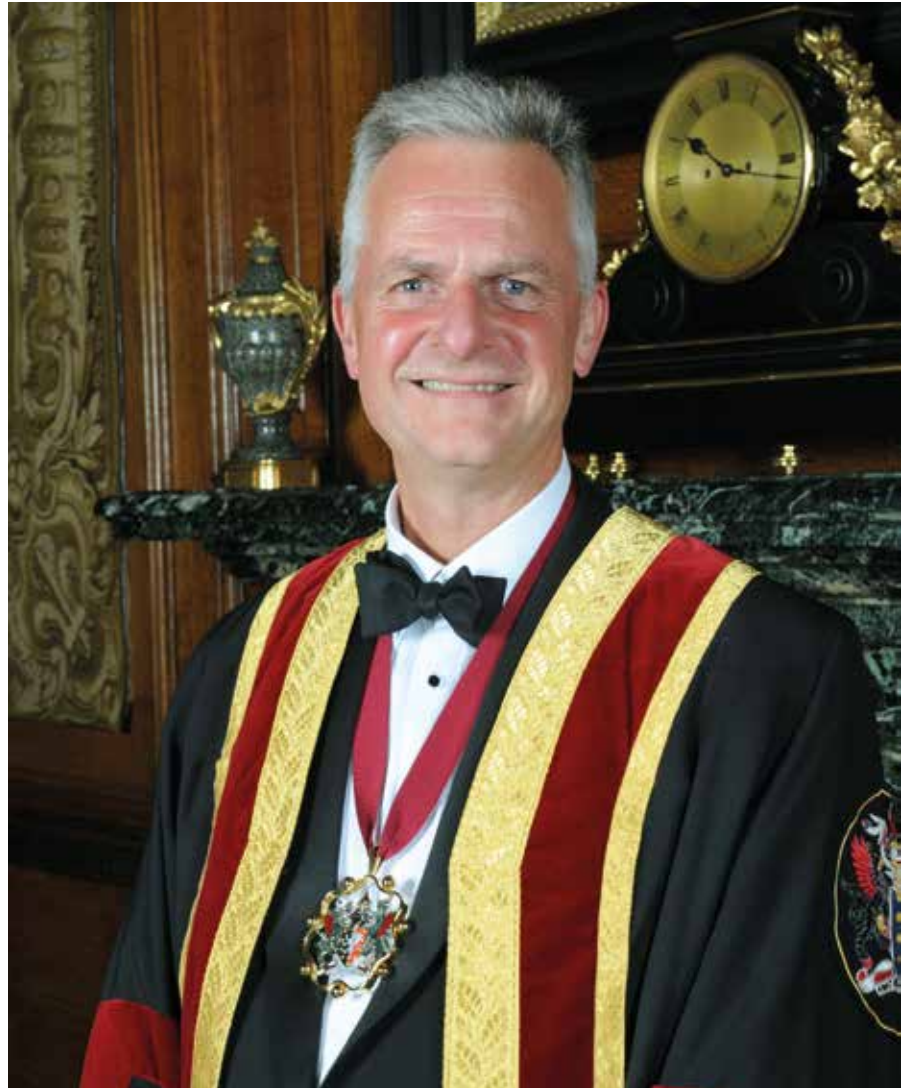
The Clerk and I attended the formal opening of the newly refurbished Woolwich Barracks Officers Mess and Beating the Retreat earlier in October. The Barracks used to house, display and take care of our collection of silver, but this was returned to us when the £22.5m refurbishment commenced. I am delighted to say that we will be able to return it to their care in the future for display alongside Wellington's Campaign table and their spectacular Silver Collection. We are planning to hold a summer party for members in June and this may well provide an excellent venue for this.

FINANCIAL SUSTAINABILITY

The finances of the Company are kept in order by the Finance Committee under the Chairmanship of Nick Garnish and with the assistance of the Clerk and Sean. This past year we have changed our approach to our stewardship of Company funds by introducing an investment element for our Charitable Trust. Whilst this is conservatively invested, it is hoped that it will generate more funds in the future for our Charitable & Educational Committee to manage under Tom Newman who chairs the Committee. We aim to have a positive impact on the World around us through the work of this Committee.

KEEPING MEMBERS INFORMED

We are constantly reviewing the means we use to communicate with members and the world at large. Great care is taken to ensure that this is done appropriately and well. The Clerk plays a big part in this, supported by the Communications Committee under the chairmanship of Tim Jones and the International Banker Editor,



Christopher Bond and the eUpdate under Bernard Strange.

THE YEAR AHEAD

Our Company has done tremendously well in its short life and provides a vibrant and positive contribution for its members and the various stakeholders we engage with. We remain committed to our links with Schools, Universities, Mansion House Scholars and Charities, including the City Brokerage and MyBnk. We aim to provide interesting and enjoyable events for our members to be informed, excited and to enjoy.

We continue to promote our profession and our Lord George Principles as part of a long term agenda to support the restoration of Trust in the City. We intend to focus our attention on the future sustainability of the Company, whilst still giving generously to help those around us.

I am committed to giving my best to the Company over the coming year. Clearly, there is always work to do, but also fun to be had together. I am looking forward to it immensely.

Mark Sismey-Durrant

Green Finance – Hype or Hope?

ROGER GIFFORD, SEB UK SENIOR BANKER;
CHAIR, UK GREEN FINANCE INITIATIVE



There is now a conference almost every other week on sustainable investing and, for instance, over 1000 people registered for this July's Green Finance Summit at Guildhall. There's government action being promised around the World and the global chatter is hotting up as to who can be greener than who. Green finance has become a new international language and there's talk of making every major infrastructure project green whether it's to do with energy or not – and there's more money being poured into 'clean' technology and renewables than ever before.

You would be forgiven for wondering whether the promise of green finance can possibly live up to the expectations being loaded onto it.

Don't worry – it can, even if it takes time. The UK Green Finance Initiative was set up over two years ago in response to the Paris agreement, concentrating on what London does best in financial innovation. Not that green finance as such was new then, but a co-ordinated public-private discussion in the UK was.

It's come a long way since then, riding the wave of interest that is accompanying the sustainable investment market. The green finance dialogue has taken off in the past two years with an accompanying move in public perception of the importance of the environment – influenced by TV programmes like *Blue Planet 2* focussing on plastics in the Oceans. Investors and bankers aren't stupid – they can see where public sentiment is heading. So can government, and this is helping to push green finance up the agenda.

Leaders in the London financial community have responded with new products, new levels of bond issuance and calls for greater corporate disclosure and even-better scientific accreditation of the investments involved; because if we get the science wrong, we get the fundamental purpose of green finance wrong.

Local vs Global

Green has become a global language but the delivery of real change in society is fundamentally a local issue. The investing and lending rules in the UK – say in retail investments or mortgages – are not the same in France or the US or Japan. Similarly, major infrastructure programmes are determined nationally not internationally – each country with its own infrastructure targets.

For instance, the National Infrastructure Commission has just published its assessment and recommendations for the UK.

It recommends, for instance, that half of the UK's power is provided by renewables by 2030 and that three quarters of plastic packaging is recycled by the same year – and that all new vehicles sold in the UK from then are electric.

Local change needs local consideration, even if the overarching goals are the same in different countries. This is one reason why collaboration between cities and financial centres makes so much sense – it's about sharing experience and best practice, not about competition. London has engaged with several other cities to develop methodology and standards and we support strong European co-ordination. Countries like Sweden have been encouraging green bond issuance and public investment in sustainable bonds for many years – let's learn from them and emulate their success. Green or sustainable debt now comprises over 15 per cent of new bond issuance in Sweden – compare this to less than 1 per cent in major markets elsewhere, including here in the UK.

Larger institutional investors can also make a real change by demanding better data, better disclosure across the board – and this can have major international influence. In the race to be best, the London Stock Exchange is a clear leader in the field.

UK's Green Finance Taskforce

The UK Government recognised our opportunity when it launched a taskforce last year to look at how we could accelerate green finance in the UK. I was honoured to have been its Chair. It gave its recommendations in March and already the Government has responded by announcing a new dedicated body to concentrate on taking the agenda forward – domestically here in the UK, using London as the global financial hub and with an international engagement programme as well. China, India, Mexico, Brazil and Nigeria are all keen to develop their own sustainable markets and the UK is keen to work with them, to our mutual benefit.

The recommendations of the Taskforce were aimed at making a green investment as easy and common as having good house insulation or buying a less polluting car. It focussed on mortgages and savings products, clean tech investment – which has actually been falling in the last few years – and how to finance major infrastructure projects. A good accompaniment to the National Infrastructure Assessment mentioned earlier. Investors need certainty and the establishment of a known pipeline of projects is a good start. In the longer run, with good information and disclosure, all projects are going to be green and the colour will get dropped as a defining attribute. That's some years away – necessarily, and handling the transition is as important as the transition itself.

Above all, green finance has provided a way for banks to reconnect with the customers and societies they are there to serve. That can't be a bad thing.

It's an exciting time to be going green.

The balanced scorecard for portfolios

ANNE RICHARDS, CHIEF EXECUTIVE OF FIDELITY INTERNATIONAL,
SUGGESTS A RADICAL NEW APPROACH



Measurement sits at the heart of asset management, influencing our mindset, behaviour and processes. Our clients rightly want to know whether we are delivering good outcomes at good value – and fund managers are rewarded according to how well they achieve those outcomes. Historically, ‘good outcomes’ have been defined in terms of risk-weighted financial return – and of course such metrics are going to remain very important. But as our customers broaden what they value, our metrics should keep pace. In other words, we need a more balanced, standardised scorecard for investment funds, which gives investors more understanding of how their money is being used; in relation to issues such as carbon footprint, supply chain sustainability, social impact and diversity and inclusion, for example.

Sceptics of standardised balanced scorecards have largely fallen into two camps. Some are concerned about complexity. They worry about the addition of too many new metrics, which could be expensive to gather, confusing, hard to compare usefully; in the other camp are those who fear the risk of a broad scorecard oversimplifying a huge, multi-layered topic. Both sets of concerns are valid.

For an industry already heavily laden with reporting requirements, wariness at even more is understandable. We must stay alive to the challenges of this endeavour - how

measurable are certain impacts, particularly intangible ones; what data is readily available – and take a practical approach. Equally, we should avoid the temptation to settle for a blunt, reductive instrument which might have unintended consequences for our customers – or measures which aren’t enough of an incentive for fund managers. Easier said than done, but I believe these are solvable problems if our approach stays focused on the needs of our customers.

So with that in mind, what should be in our balanced scorecard? First, clarity over what investors are buying. The scorecard should start with a clear, consistent expression of the product’s wider investment objective; where does the product sit on the spectrum between those funds which exclusively aim for pure financial return, and positive impact funds?

Where does the product sit on the spectrum between those funds which exclusively aim for pure financial return, and positive impact funds?

The UK's Investment Association is already doing some useful work here, evaluating frameworks such as the Impact Management Project which aims to improve and clarify how funds are classified in the context of the impacts they generate.

Next is to decide the right balance between measuring processes on the one hand, and outputs and outcomes on the other. Process-based assessments, such as the UN's Principles for Responsible Investment, are helpful in encouraging asset managers to set up a robust methodology for approaching these issues, and indeed many fund managers, including M&G, already report on their Environmental, Social and corporate Governance approach and engagement activities. More could be added, such as systematic integration of ESG risks into financial models, portfolio scenario analysis, or reporting on longevity of approach.

But alone, process measures aren't enough. Ultimately no amount of engagement meetings on ESG issues matters if the activity fails to achieve any change. So, we do need to measure outputs and outcomes too. Potential broad measure outputs could include an ESG score - either an external MSCI-type score or a proprietary one or specific metrics such as carbon footprint or water stress exposure. From an outcomes' perspective, alignment with the 17 UN Sustainable Developmental Goals - endorsed by the World's Governments as humanity's 'to do list' for sustainable and prosperous development - is becoming increasingly popular as a framework for analysing impact.

It will be down to asset managers to bring their fund managers on board with the new approach



Finally, once the framework and metrics are established, it will be down to asset managers to bring their fund managers on board with the new approach and to reflect these non-financial considerations in fund manager objectives and incentives.

This will be a very significant change for asset managers. But the behavioural influence of financial benchmarks is so strong, it's hard to see how otherwise we can achieve the 'fit-for-purpose' investment industry that our customers increasingly want.



Insurance is ripe for disruption

RYAN JONES, DIRECTOR IN CYBER, BMS GROUP, LOOKS INTO THE FUTURE

This is a sentiment shared by many *outside* insurance while sceptical insiders often believe instead in the resilience and measured progression of what has withstood the test of over 300 years of practice. Who will prove prophetic? Are the business models of risk transfer going to fundamentally shift or will InsurTech simply grease the existing machine? At over £4 trillion of insurance premium paid globally, to say the industry is ripe for disruption is to prophesize an opportunity which is unrivalled by the entertainment, hospitality, and automotive industries by a wide margin. It is safe to say insurance will continue to evolve, but it will be as much about new technology as it is about changing the culture of the companies, the skillset of their workforces, and the buyer's expectations and behaviours.

The technology which dramatically increases the speed, scale, and availability of the transactional components of the insurance chain is being acquired or built with increasing frequency. A growing network of sensors (Internet of Things), the big data it generates, and AI are creating opportunities for more dynamic and accurate pricing models. These represent an arms race of low-level disruptions.

Low-level disruptions such as new products, cheaper products, faster transactions, AI underwriters, drone-assisted claims processors, and smart contracts embedded in Blockchain technology, continue to change insurance.

If insurance is ripe for **fundamental** disruption, it is unlikely insurance itself will be the inspiration for it. This is difficult to predict but not impossible to react to. Netflix started in 1997 by mailing DVDs to people – now “binge-watch” is in the dictionary. Other examples include:

- Darwin, who may have outlined evolutionary biology in 1859 would not have expected NASA to launch satellites with antennas designed using evolutionary algorithms.
- AirBnB wasn't devised by a lifelong owner of a Bed and Breakfast – both founders were designers and started with advertising an air mattress on their floor.
- Uber wasn't built from the driver's seat of a black cab or yellow taxi – instead, a software engineer followed quickly by a nuclear physicist, a computational neuroscientist and a machinery expert.

- And finally, Henry Ford may have been an engineer, but his disruptive idea had to do with the production process rather than engines.

Low-level disruptions such as new products, cheaper products, faster transactions, AI underwriters, drone-assisted claims processors, and smart contracts embedded in Blockchain technology, continue to change insurance but in the next ten years will risk transfer undergo a **fundamental** shift? If the answer is yes, it will start with people.

More Detailed Reading

- 1 <https://techcrunch.com/2013/02/16/the-truth-about-disruption?guccounter=1>
- 2 <https://b-hive.eu/news-full/2017/5/23/why-the-insurance-industry-is-ripe-for-disruption>
- 3 <http://insurancethoughtleadership.com/why-insurance-is-ripe-for-disruption/>
- 4 <https://insuranceblog.accenture.com/insurance-industry-is-ripe-for-disruption-and-technology-investors-are-eager-to-capitalize>

Big data in insurance

GEORGE LITTLEJOHN LOOKS AHEAD

We are in the age of human (machine) – human to the power of machine, in school-day mathematics – where the power of our insight is combined with technology. But will we bipeds continue to rule the roost?

The 2018 Mansion House City Debate in March posed the question: “Will fintech save the City?” An evenly-split audience as the debate started was overwhelmingly turned in favour of humans, not machines, as likely saviours of our livelihoods in the face of growing global competition. (Former Barclays CEO Antony Jenkins and Alderman Michael Mainelli, two of the City’s brightest tech thinkers, led the charge on behalf of the humans). But we need the tech, and we need the experts to develop and exploit it.

Chubb is the World’s largest publicly-traded property and casualty insurer. Its Chairman and CEO, Evan Greenberg, is a ‘big tech’ optimist: “We spend a billion dollars a year on technology. We’re in a world that’s going from analog to digital – everything is. If you remain analog, you’re history.” Digitising the insurance process, though, has been a slow process – witness the bundles of paper marched round the lanes (and bars) of EC3 daily.

But the industry is rapidly harnessing big data to help consumers foresee and mitigate future risks. “People want anytime-anywhere service,” says Greenberg. “The notion of the product we provide – which is about repairing it or replacing it – it’s going to move towards predict and prevent, which is about using data and using Internet of Things (IoT).”

Big data is making the insurance writing process much simpler for consumers, particularly commercial clients. Greenberg again: “Imagine our ability to service you, in claims and in underwriting. Right now, if you’re a small business, to underwrite you we ask you about 30 questions. For Chubb, over the next 18 months, that’ll come down to about seven questions, because we can just scrape the answers from data that is publicly available.” Given enough time and technology, he believes, Chubb might have to ask customers just two questions – their name and their address.

Estimates (and measurement rules) vary, but big data investments in the insurance industry are expected to account for more than some \$2-3 billion this year (2018). ‘Big data’ has expanded over the years to refer to not only the data itself, but technologies that capture, store, manage, and analyse it to solve complex problems. The applications are wide, from targeted marketing and personalised products to usage-based insurance, more efficient claims processing and proactive fraud detection.

For Chubb, over the next 18 months, that’ll come down to about seven questions, because we can just scrape the answers from data that is publicly available.





Regulation Frustration

GUY WINTERFLOOD LOOKS AT WHY REGULATING CRYPTOCURRENCIES IS A FOOL'S ERRAND

Innovations that capture the public's imagination often catch authorities off guard. When their shadow falls across such a crucial element as money, it is inevitable that the State's tentacles will try to wiggle their way in to monitor, supervise, and of course tax, as deeply as possible.

Given the immaturity of the Blockchain and cryptocurrency industry, and considering also that the *raison d'être* of the original cryptocurrency, Bitcoin, was to sidestep the beady eye of the establishment (under the guise of creating a parallel monetary system beyond political corruption), it is no wonder that the various committees, oversight boards and taskforces set up by Governments of all stripes have yet to take any meaningful steps in engaging positively with this exciting revolution.

Blockchain technology ensures a broad distribution of nodes, and therefore is a moving target for anyone trying to pin down any errant use of a particular coin. Although the Blockchain ledger allows for forensic examination of the transactions that a coin has been involved in since its "*minting*", in today's World where numbered Swiss bank accounts are only found in Ian Fleming novels, a cryptocurrency wallet has no

beneficiary's name attached to it, just numerical codes that allow access to whoever has them. Innovation has squared the circle, and as usual the shadier elements of society are the ones setting the pace.

Since the global financial crash there has been a concerted effort by Governments across the World to attenuate tax avoidance, but regulating cryptocurrencies is akin to trying to round up a clowder of cats: the technology is too fast moving, the players too enthusiastic about keeping it true to its founding principles and just when you think you've found the culprit - McCavity's not there. Indeed, when the identity of Bitcoin's founder remains a mystery almost a decade after its inception, any attempts at properly regulating cryptocurrencies in the virtual world will inevitably fail.

Perhaps the best place for meaningful regulation to put down its roots in the cryptocurrency arena would be in the interface or boundary between "*fiat*" money and the virtual world. A regime akin to the recently launched Legal Entity Identifier which lists corporations wishing to trade securities could at least prevent crooked crypto being converted into clean cash.

A cryptocurrency wallet has no beneficiary's name attached to it, just numerical codes that allow access to whoever has them.

Long live auditing

RICHARD MURPHY FCA, PROFESSOR OF PRACTICE IN INTERNATIONAL POLITICAL ECONOMY, CITY, UNIVERSITY OF LONDON

All business models die. They do because they have outlived their usefulness. The model used by the Big 4 firms of accountants (Deloitte, PWC, EY and KPMG) meets this criterion.

The Big 4's model is unique and has survived well beyond its usefulness. The only question is what comes next.

The model is unique. All companies in all the major financial markets must be audited. Their auditors must be drawn from an elite group within a profession that fiercely controls market entry. And that elite group has created ringfences that surround the statutory monopoly that they have been granted as auditors that has permitted them to extract exceptional profits for talent that appears to be anything but exceptional.

In addition, by creating international networks that are supposedly linked by common names, but where it is claimed that joint and several liability never

applies to firms that appear to be under common control, the firms have also managed to avoid liability obligations whilst maintaining veils of secrecy around their finances and tax haven locations that defy all conventions of modern governance and accountability.

The result is paradoxical. An archaic business construct, maintained on the basis of a state granted monopoly, delivers super-normal profits at cost to society from behind a wall of opacity.

So what to do about it? The prescription largely follows from the analysis I have offered of the failings that have occurred.

First, the firms have to be single, identifiable and accountable entities, responsible for the consequences of their actions wherever they work.

Second, their statutory monopoly has to end. Their appointment to be auditor, the assessment of their work as auditor and the fee that they are paid, have all to be subject to state control or the abuse of monopoly that always arises cannot be prevented.

Third, since auditors have to be objective about their clients they cannot, when auditing public interest enterprises, face risk of conflicts of interest. Public company auditors must then be auditors, and nothing else.

Fourth, subject to these constraints and excepting gross negligence and fraud, there should be liability limits for auditors. Their role must have the risk of loss attached to it, but the possibility of catastrophic loss never promoted sound judgement in anyone. This means limits to liability have to be acceptable.

And, fifth, auditing has to be promoted as a career quite distinct from accountancy. The age of pretending that there are generalist accountants who can do everything is over. The auditing profession needs an overhaul.

As do the standards by which it operates, which cannot be set by the profession any longer, but which must be established in the public interest.

Auditing is dead.

Long live auditing.



Are credit unions a partial solution to bank personal loans and short term lenders? If so, why are they not as large as in Ireland?

DON KEHOE SECRETARY AND DIRECTOR OF THE LONDON CAPITAL CREDIT UNION

If you asked my Father, who takes a great interest in credit unions in his native Wexford, “*how do British credit unions get to be as big as their Irish counterparts?*” with a Celtic glint he would give the traditional Irish response when asked for directions “you don’t want to start from here!”

Credit unions, community savings and loans cooperatives owned by savers and borrowers, are the natural and logical source of small or short term, unsecured personal loans for most people. At scale they support fair lending to everyone who can afford to borrow. They are cheap and keep the financial resources within the local community, work force, or place of worship.

They adopt sophisticated insights for lending decision making, credit control and enabling saving that have been proven to work across the World.

In Ireland the largely rural population had experience of a wide variety of cooperatives and they understood and trusted the model. The commercial banks had been serving the nation poorly for years and credit unions thrive where there are groups denied access to easy saving or loans. Credit unions were the solution for communities to meet their own basic financial needs. The clincher was the support of the Roman Catholic church and the enthusiastic take up of credit unions by the affluent and middle classes.

The UK had a broad banking network and the mutual building societies met people’s savings needs. The rise of credit unions in the UK was much slower but there are now more than 2 million members. Even with wafer thin marketing budgets, credit unions experience remarkable organic growth through word of mouth alone. It is slow but inexorable growth. Credit Unions now have the geographic coverage to allow any Brit who wants to join a credit union to find one for themselves.

Fast growth is possible. My own credit union, London Capital, followed its own version of Moore’s Law doubling every two years from 2007 to 2016. That rate of growth had to be checked when we came under capital ratio regulations. Savings growth of 25% per annum needs almost 3% annual Return on Assets to maintain regulatory reserves, restricting the opportunities to pay a dividend to savers and rebate interest to borrowers.

There are signs that there is increasing patient capital and altruistic capital available to support the credit unions through subordinated loans or deferred (perpetual) shares which will enable more rapid growth. The demand for easy saving and low cost loans is currently insatiable. Credit unions are an essential and desirable dish in the smorgasbord of UK financial services so their continued growth is inevitable.



Incidentally ethical

ALEX DAVIES OF WEALTH CLUB TALKS ABOUT HOW YOU CAN INVEST ETHICALLY THROUGH VCTS AND EISS



Pension restrictions, the crack down on buy-to-let and an ever-encroaching tax on dividends, mean increasing numbers of wealthier UK investors are turning to Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EIS). These Government-backed schemes encourage investment into young fast-growing UK businesses and, as a thank you for that investment, offer very generous tax breaks.

What may be surprising is that many of these investments have an ethical or sustainable focus.

My most recent EIS investment, for instance, is into a company that's building two large greenhouses to produce fish feed from algae.

Currently farmed fish is typically fed other fish, which is far from sustainable. Similarly, last year I invested in a company that developed a process to

convert natural gas into proteins for animal feed. Indeed, almost every week a number of investments come across my desk that offer some environmental or social benefit, whether that is turning plastic waste into valuable oils or a new drug development.

Does all this make me a “green” or socially responsible investor? A recent survey by the VCT manager Albion, found that 43% of respondents would consider Socially Responsible Investments, however only 30% would be willing to sacrifice some investment return for pursuing this strategy. Like most people I fall into the second camp. I like investments that have a social or ethical focus, but I don't want to sacrifice returns. The good news is the types of investment we specialise in, VCTs and EIS, are well positioned to potentially deliver both objectives.

Firstly, VCTs and EIS support young businesses. Good businesses are created to solve problems and as it happens many of our biggest problems are of an ethical or sustainable nature.

Secondly, investing in any new business is risky. Hence the government offers generous tax reliefs when you invest in

them through EIS or VCTs. These tax reliefs help to significantly mitigate the risks. For instance, on a £10,000 EIS investment, even if it failed completely, a higher rate taxpayer is unlikely to lose more than £4,200. Conversely, if the investment performs well or even just ok, the returns are significantly enhanced. A 50% gain becomes an 80% gain. Furthermore, that gain is tax free.

And finally, even if EIS and VCTs, for you, are purely about the tax relief and you are not particularly bothered how that money is invested, don't let anyone make you feel bad. These aren't some dodgy tax avoidance schemes. Your money is helping small companies grow. That is great for innovation, great for jobs, great for the economy and great for tax receipts. It's what I call “*incidentally ethical*”.

“How I switch off from work”

MEMBERS FORUM

ROBERT BINNEY

For me it is very necessary to relax with some light physical exercise, like swimming and walking, combined with some light mental stimulation such as News and Politics on TV, reading and watching sports like football, cricket and rugby, both live and on TV.

Grandchildren are a great source of relaxation, as well as providing immense joy and satisfaction.

Travel also provides me with the appropriate stimulus. I am a pensioner, who is semi-retired. Hence I am already off the daily working “grind” able to work part-time, more or less when I want. This I find to be both stimulating and relaxing.



ATULA ABEYESEKERA

My version of ‘switching off’ is through mentoring young people and making sure they can understand corporate skills. I do this by teaching and mentoring second and third year engineering students at Imperial College. Being able to switch my focus from the day job and hear students articulate their perception of the world genuinely inspires me.

I try to utilise my ‘idle’ time by practicing mindfulness meditation on my daily commute to work, and on the weekends I like to play golf, run or cycle in Richmond Park. However, above all of this, I became a grandfather this year and nothing puts life into perspective than spending time with my family.

ANGUS MACLENNAN

Work-life balance widely preached and fully acknowledged, but doing it... A bit like golf, we all know the principles of what we should do for that perfect chip or putt, but executing is another matter. But golf is a good ‘release’ for me, as indeed is all sport. Since stopping my global business travelling life I have revived my early life interest, if not passion. Golf for playing (and watching), tennis, motor racing, football and rugby I am one of the (rare-ish) people that equally follows rugby and football, at club level in particular.

As life has moved on I also reflected on why I so like sport, and realised I love to see not just winners, but brave losers, plucky effort, and amazing skill and commitment to their craft. I realise also that this is what it’s all about in our business lives, give it all you’ve got, enjoy the pleasure of working with the teams around you, and make your mark on your firm and profession.

Onwards and upwards.

DAVID CLARK GOES FISHING...

Fishing! Whether with a cane, bent pin or a worm in our local Sussex pond, or in deep offshore water, there is nothing that can divert the attention given to work more effectively than casting a lure or dangling something from a hook. Fishing can be shared with family or friends, but those moments alone crouching behind a bush or feeling waves lapping against the hull, are priceless regenerators.

But it is not just about switching off. Recreation is what it ‘says on the tin’ and an investment in growing the human condition for the benefit of work and play.

Those of us with memories of the swinging 60s and the Byrds “*This is the season...*” knew that there must always be a time for something else. In another verse recorded in Ecclesiastes, Solomon also wrote that “*the wisdom of a learned man cometh by opportunity of leisure*”.

It comforts me to think that Solomon also fished!

Donald Brydon Interview

DONALD BRYDON, CHAIRMAN OF LONDON STOCK EXCHANGE GROUP, TALKS TO DANIEL YATES ABOUT THE BOARDROOM AND HIS ADVICE FOR YOUNGER LEADERS

Donald Brydon's lightbulb moment came in 1973 as an analyst for BOAC's pension fund. He questioned why his manager was purchasing exactly 500,000 shares in a company called Lucas, and thought that there must be a more efficient way to obtain the same position. It was this that helped him to spot the opportunity for starting an index fund and this, Donald says, was the real distinguisher in his career.

Brydon points to his role on the board of Allied Domecq in 1996 as another pivotal moment *"that's when people started approaching me for board positions, it's the role that changed the fulcrum of my life."*

Brydon took the helm at London Stock Exchange Group (LSEG) in 2015 and shareholders have enjoyed strong returns since. He believes that the role of chairman is to protect shareholders and create long-term value for them and he has performed this role on numerous boards including the London Metal Exchange, Amersham, and Taylor Nelson amongst others. *"There are lots of routes to creating value for LSEG's shareholders"* Brydon explains, pointing to data analytics and China as sources for future growth. Working as the guardian for institutions with hundreds of years of history, Brydon says he must deliver sustainable profit. Brydon says he must lead the board and tell them what they are doing right or wrong. When I ask him what he is most proud of achieving at LSEG he humbly responds that *"management are responsible for the achievements."*

I ask Brydon which of his past roles best prepared him for chairmanship of London Stock Exchange Group, *"all of them!"* he exclaims, though the one that really stands out for him is the Royal Mail where he took the company from near insolvency through to a successful privatisation. *"It was necessary to engage many stakeholders including the*



Government, regulators, and banks to make it all come together".

Brydon is optimistic on Brexit, but acknowledges that coping with the immediate aftermath of the referendum was a significant challenge.

"The City of London is astonishingly robust" explains Brydon "whilst uncertainty is not helpful for markets and there are risks to stability, London is able to adapt and evolve".

The Group is already present in mainland Europe through its ownership of Borsa Italiana in Milan and LCH SA in Paris.

"We are a tech company!" Brydon claims when I ask him about the impact of technology. *"Distributed Ledger technology and Blockchain have a role to play in the entire value chain and*

in particular can help to transform settlement systems and reduce the inefficiencies."

"Staying current is key!" suggests Brydon as I ask him what advice he has for the next generation of leaders, *"and to stay current you must be curious"* he continues. *"If you apply balance and judgement to curiosity it will be a star to guide your career."* Adhering to his own advice, it was that curiosity back in 1973 that set him on his pathway to success in a remarkable career that has spanned over 40 years.



How should non-bank lending be regulated?

SIMON HILLS OF UK FINANCE PROPOSES TIGHTER REGULATION

Banking is highly competitive, particularly in the UK where the PRA has been very supportive of new challenger banks, many of whose senior executives are members of our Company.

Banks thrive on the challenge that competition brings but are insistent that the same risk should be subject to the same regulatory requirements, whether it is taken on by a bank or a shadow bank.

Shadow banking refers to entities that, like banks, engage in maturity transformation or credit intermediation, which is the fundamental function that banks perform for society. Increasingly their activities are based on FinTech platforms, for instance, that match investors with borrowers in peer-to-peer lending, resulting in real competition for banks, to which they have no objection as long as there is no regulatory arbitrage involved.

Shadow banks have about \$45 trillion of financial assets – 15% of the total global stock; so they are a force to be reckoned with. As they become increasingly important shadow banks must be regulated in the same way as banks, but why?

Shadow banks are arguably subject to a greater risk of liquidity runs as they fund long term assets with shorter term investments that are not actually deposits; and with less experience of managing a loan book in an economic downturn their slimmer margins of capital compared to banks generally may threaten their solvency sooner, with possible risks to macro financial stability were they all to fail at once; and there may be conduct of business issues too, do all investors in peer-to-peer lending understand that their investment is not covered by a deposit protection scheme?

The (banker's) mantra is 'same risk, same regulation'. So how should structurally complex shadow banks be regulated, ensuring that the efficiencies they bring are balanced against

the risks they pose, recognising that the function they perform, not the type of entity they are, is what matters?

I believe the cleansing disinfectant of greater disclosure to stakeholders of the risks that shadow banks take on is an important first step. If investors properly understand the types of assets that their investments are supporting they will price that risk better, encouraging the managers of those shadow banks to ensure risks and rewards are in balance. That works on an individual level, but what about the collective risk that shadow banks pose to the wider economy?

As well as disclosure, the larger shadow banks that are designated as systemically significant should be subject to enhanced prudential regulation, including capital requirements, limits on leverage and large exposures.

Liquidity runs often cause banking failures. This will undoubtedly be so for shadow banks too. So let us not forget liquidity requirements.

Where shadow banks issue deposit-like instruments, they should meet the same regulatory liquidity standards as banks. Not doing so risks repeating the global financial crisis. If it looks, waddles and quacks like a duck, it probably is a duck. The same applies to banks and shadow banks; if they take the same risks they should be subject to the same regulatory requirements.

Gibraltar and Brexit - “Waving or Drowning?”

MARCUS KILLICK REPORTS

In June 2016 Gibraltar joined the UK in the referendum on the UK’s continued membership of the EU. It was given this right as, alone amongst the UK’s Territories and Dependencies, it is part of the EU through the UK membership and, as a result is subject to the same directive led obligations, and benefits from the same passporting rights. Unsurprisingly, for a jurisdiction of 32,000 people, perched on the southernmost tip of Europe, with a land border with Spain, it voted overwhelmingly (95%) to remain. It was the first to announce its result on referendum night, and for a short while the Remainers held a commanding lead in the vote. Then all the other results came in.

In the two and a quarter years that have followed, Gibraltar has sought to minimise the impact of the decision. Its Government has worked with and pressed the UK to ensure Gibraltar is not ignored in the negotiation considerations.

Ed: This has been particularly important given the EU granted the Spanish Government a veto on Gibraltar in relation to the Brexit process. The UK has been positive in its response and its stated commitment was again emphasised in Theresa May’s broadcast speech to the people of Gibraltar on its National Day in September this year. But few doubt that, if Gibraltar’s position has to be sacrificed to achieve

an overall deal, such a sacrifice will, albeit reluctantly, be made.”

In the interim Gibraltar has worked tirelessly to reposition itself to reduce the impact of the UK withdrawal. From looking to new markets outside the EU, especially in Asia, to working with the UK Government to successfully ensure that Gibraltar financial institutions have continued access to the UK market.

Considerable effort has also been directed to areas unaffected by Brexit, such as in the FinTech space; indeed Gibraltar has become one of the global leaders in the nascent field of Distributed Ledger Technology innovations including the launch of initial coin offerings to fund them. In doing so it has been a pioneer in developing a regulatory regime to help bring this somewhat controversial new area into a properly supervised and

Gibraltar has become one of the global leaders in the nascent field of Distributed Ledger Technology innovations including the launch of initial coin offerings to fund them.

more secure environment (*see the related article on crypto currencies – Ed*).

Combined with the above approaches, Gibraltar now has a more comprehensive and robust financial ecosystem with an already successful new, government-owned, local bank and a recently launched stock exchange. Such locally based offerings remove the risk of sudden and damaging retrenchments by international financial institutions as happened post the banking crisis when Gibraltar lost both Barclays and Credit Suisse as part of those two banks’ strategic changes.

The continued growth of the vital tourist sector will depend significantly on the continued fluidity of the border with Spain. However, given the thousands of Spanish residents who work in Gibraltar every day, any imposition of a hard border would have a devastating effect on the local Spanish economy, as well as that of Gibraltar itself. The recent opening of a new hotel in Gibraltar, the continued building of new properties and the growth in office space, are all evidence of the private sector’s belief in the jurisdiction’s resilience.

Gibraltar did not, and still does not want, Brexit. But, like most small jurisdictions, if we can’t get what we want (and we seldom do), we have got pretty good at maximising what we have.

The Supervision of Behaviour and Culture – an additional approach to financial supervision

THE DUTCH REGULATOR, DNB, EXPLAINS HOW IT HOLDS SENIOR MANAGERS TO ACCOUNT

In response to the financial crisis, the Dutch prudential supervisor, De Nederlandsche Bank (“DNB”), started with the supervision of behaviour and culture. This new type of supervision aims to identify behavioural patterns that may jeopardize the safety and soundness of financial institutions (banks, insurance companies, pension funds etc.). DNB has developed several instruments to identify behavioural patterns. Most of these instruments focus on management board decision making and aim to establish how and to what extent leadership styles, group dynamics and the quality of debate impact the quality of decision making and, hence, organizational performance, the level of risk-taking and ethical conduct.

This work has proven to be valuable for the effectiveness of financial supervision in general. Over the years, we have experienced that behavioural patterns often ‘act’ as the underlying root cause for a variety of various supervisory issues. Causing firms to eliminate these root causes contributes to the solution of such issues. Focusing on behaviour may even lead to the prevention of new problems. As ineffective behaviours often precede financial problems and failures, identifying ineffective behaviour in an early stage helps to neutralize it before it becomes harmful.

Since 2011, DNB has performed approximately 100 assessments into behaviour and culture, in the Netherlands as well as in other (European) countries. Many of our findings relate to behavioural patterns that hamper the quality of debate and challenge within management boards. Examples include individuals dominating

the decision-making process, sub groups clashing because of opposing interests, and top managers not voicing their opinions at executive meetings because consensus is perceived to be the unwritten social norm. A recent examination that DNB performed together with the Central Bank of Ireland into behaviour and culture at five Irish banks, revealed that many management boards were struggling to shake off the behaviour that resulted from coping with the financial crisis. Management boards displayed ‘firefighting behaviour’, focussing on urgent and short-term issues, thereby occasionally reversing to directive, or ‘command and control’, leadership styles. Ultimately, these type of behaviours hamper collective decision-making and may cause long term considerations relating to all types of risk to be neglected.

Although DNB is convinced that constructive debate and executive challenge is crucial for safe and sound decision making (which position is underpinned by well-established scientific research), DNB does not prescribe certain behaviours or a certain culture. DNB acknowledges that what may be effective behaviour in a particular situation may be counterproductive in another. Nor do we believe in culture blueprints that work for each organization. Enhancement of behaviour and culture rests fully with the institution itself. However, DNB aims at identifying the behavioural risks and will closely monitor institutions to ensure that (and until) such risks are adequately addressed.

DNB’s supervision of behaviour and culture is developed and executed by

an expert team, including governance specialists and organizational psychologists.

Psychological expertise provides the skills to observe, identify and discuss behavioural patterns. Rigorous, science-based qualitative research methods are used to make objective and verifiable statements about behaviour.

We have experienced this creates credibility in our work.

Over the years the supervision of behaviour and culture has been well-received. First of all, financial supervisors (responsible for capital and liquidity supervision) have experienced that identifying and eliminating deeply-rooted behavioural patterns helps to solve a range of supervisory problems. Furthermore, management boards welcome the approach because it initiates a dialogue about what they (too) perceive as ‘the heart of the matter’. They also find it valuable because our findings allow them to improve their own effectiveness. And finally, also other financial supervisors have demonstrated great interest in our work; we have cooperated closely with supervisors from Europe, North America, Asia and Australia by transferring expertise and experience and exploring opportunities to initiate the supervision of behaviour and culture in their own jurisdictions.

Brexit and the Euro Clearing conundrum

JOHN RYAN, VISITING FELLOW AT LSE IDEAS LOOKS AT A CRITICAL BREXIT QUESTION

In the best-case scenario set out by UBS analysts in a note in September 2018 in which the UK and EU sign a provisional exit agreement by the March 29, 2019 deadline, LCH's owner, the London Stock Exchange Group, will lose around 2-3% of its earnings per share. The analysts expect LCH to suffer a "25% loss of market share of the euro-denominated clearing market". The authors also warn the clearing house will lose sales volumes "no matter the outcome" of Brexit.

In their worst-case scenario — a hard or no-deal Brexit — the resulting economic carnage could be huge. If the UK crashes out of the EU without any deal on future trading arrangements, it "would prohibit the clearing at LCH of ANY derivative contracts (not just euro-denominated contracts) by EU-domiciled entities" warns the UBS note.

This is spurring financial institutions to increase their business with Eurex, Germany's largest clearing house, in a bid to reduce their Brexit exposure. The more customers Eurex attracts, the more competitive it becomes. Deutsche Bank shifted around half of its euro clearing volumes from LCH to Eurex in July 2018 and Barclays, and HSBC have all moved some of their euro-denominated clearing business to Eurex in recent months.

The Bank of England ratcheted up the pressure on the European Union to help stave off the threat of a no-deal Brexit as it risked rendering void trillions of

The analysts expect LCH to suffer a "25% loss of market share of the euro-denominated clearing market".

derivatives. There is a need to tackle legal uncertainty surrounding vast amounts of derivatives because of Brexit. While the UK has announced steps to reduce the risks, including a plan to issue temporary licences if needed, the EU has largely insisted that it is up to industry to prepare for the worst.

But negotiations between regulators cannot start without the agreement of the EU and UK policymakers, who are still locked in high-level talks about a Brexit withdrawal deal. An early draft of a Commission no-deal planning document published in October 2018, warned "there might be potential risks to financial stability in a no-deal scenario" in relation to clearing of derivatives.

The European Central Bank estimates that 90 per cent of interest-rate swaps coming from the EU are cleared through London. But for LCH, derivatives business secured from EU banks is just 14 per cent of the global total. For EU banks to transfer derivatives business from the City to clearing houses in the bloc would involve closing out thousands of contracts and opening new ones elsewhere. That would result in the banks having to lodge millions of

dollars in extra margin payments with EU clearing houses to cover their derivatives positions, as well as setting aside more risk capital.

The European Central Bank's head of supervision, said the ECB is "ready to help ensure a smooth Brexit – no matter the outcome of the political negotiations". Absent EU action, EU banks would need to close out or transfer the contracts they have with UK clearing houses, according to the Bank of England said. "This will be costly to EU businesses and could strain capacity in the derivatives market," it said.

The European Commission and ECB have moved slowly so far. They are unlikely to reveal their hand until there is a conclusion to the negotiations. Without a form of equivalency between British and EU financial services, there is a genuine risk that a disorderly Brexit on March 29 could set in motion an unravelling of an already hugely volatile, highly interconnected derivatives industry.

Editor: *There is the separate but connected point on the EU's proposal to jointly supervise non-EU clearing houses in third countries. Both the UK and the US are challenging this.*

Company charitable donations

TOM NEWMAN, CHAIR OF THE CHARITY & EDUCATION COMMITTEE, DESCRIBES THE VERY IMPORTANT SELECTION PROCESS

The WCIB provides almost £100,000 annually in charitable donations. Much of the amount goes to long term programmes with relationship schools, universities and charities with ongoing programmes. (See Infographic). Additionally, the WCIB seeks to develop new relationships with charities operating in areas that meet our aims. Typical donations and awards to new charities are normally up to £1000, larger awards are considered when funding can make a clear difference in accordance with Company aims.

Typical donations and awards to new charities are normally up to £1000

THE PURPOSE AND AIMS FOR OUR CHARITABLE DONATIONS IS TO SUPPORT:

- **Charities active in:**
 - education, (e.g. bursaries and working with universities and inner London state secondary schools),
 - financial literacy (e.g. MyBnk and SHS),
 - raising aspirations, (e.g. Secondary Schools Essay Competition and University prizes), and
 - employability (e.g. The Brokerage Working in the City Programme),
- Disadvantaged individuals for a clear purpose and measurable impact.
- City of London and financial services linked charitable initiatives.


Our desired outcome is to change lives for the better and support good causes.

Typical grants cover:

- Specific projects where a donation from the Company will cover either a significant proportion of the cost or an identified element of it.
- On-going programmes where an annual contribution for a finite period is important to the success of the project.
- Long-term funding of scholarships and/or bursaries where there are specific additional benefits in so doing.

To be eligible for a grant:

- Projects can be in the UK or overseas but there is a clear preference for London based projects
- Registered with the Charities Commission if in the UK;



7 GSMD outreach students coached 55 students aged 8–14 in:

- Musical skills: singing, complex rhythms, compositional structures and improvisation.
- Communication skills, self-confidence, teamwork and collaboration.

Provided the Lord George Bursary to a high potential year 13 student at Dulwich College.



Supported School Home Support

- SHS Welfare Fund: help to struggling families in times of desperate need.
- Develop new financial Literacy programme training SHS practitioners.



2015 WCIB fundraising dinner funded MyBnk Financial Literacy training for 1,661 young people in 2016-17



*The Worshipful Company
Of International Bankers*
2017

We support students and educational programmes at all levels. We particularly endeavour to make a difference to the lives of young people in London through:

- Increasing financial literacy –
- Supporting their education –
- Improving likelihood of employment –
- Raising aspirations for education and employment –



Trust gifts 2017: £92,300

- Financial literacy / Employability (54%)
- Schools related (16%)
- University related (15%)
- City related & other charities (15%)



Supported

- Economist Online access with 70,000 visits per year
- M&A and PE Society conference



The 2017 Annual Essay Competition


- 138 Students participated across 14 Schools

WCIB University prize competitions

- 18 WCIB prizes for best dissertation/work
- 11 Lombard Prize Contestants in 2017
- One Lombard Prize winner per year



2014 2015 2016 2017



Working in the City Programme

In 28½ years supported 164 Workshops – Attended by 3,234 young people.

Student comments

*“I learned the skills required to ace an interview”.
“Please provide more workshops, as it helped me with my future”.*

Supported City of London and other Charities

- Lord Mayor’s Appeal
- Sheriffs’ & Recorder’s fund
- Mansion House Scholarship scheme



We do not generally support:

- Large projects toward which any contribution from the Company would have limited impact.
- General appeals or circulars requesting charitable aid.
- Replacement of statutory funds.
- Course fees for professionals.
- Medical research.
- General fundraising events and sponsorship of individuals (*not including scholarships for educational purposes*)

New charity grants:

The Company receives a number of requests from charities not known to us seeking to gain support. For those charities that operate in our area of focus, the C&E Committee will review the request and see if it meets our objectives and requirements.

Once over that hurdle, normally a Member of the Company will visit the charity and perform 'due diligence' making a recommendation to the Committee and, if agreed, the Committee will approve a grant of £1000 or under or endorse the request and seek approval from the Court.

Involvement by WCIB Members:

The C&E Committee welcomes recommendations from Members on charities and grants which meet our aims. It is far superior for us to receive Member guidance than sift through letters from charities who may or may not meet our aims.

Members can provide useful introductions, information and insights on the Charity having known the organisation or the trustees.

Should you have any suggestions on charities that meet our aims in the first instance please advise the Clerk.

The Brokerage

THE COMPANY'S LONGEST AND LARGEST CHARITABLE PARTNER IS THE BROKERAGE. HERE, TOM SLATTER, SENIOR PROGRAMME MANAGER (EDUCATION) OF THE BROKERAGE DESCRIBES A KEY INITIATIVE

The Worshipful Company of International Bankers has a history of giving back to the community. In 2016 the Company celebrated giving away its millionth pound in charitable donations at an event with one of its many donation recipients, The Brokerage. The partnership between the WCIB and The Brokerage begins a new chapter this year with the launch of the Gateway to the City programme. This programme seeks to build on the good work The Brokerage and the WCIB have done together, by bringing together the best elements of our previous programmes to really make a difference to the career prospects of young people.

One successful element of previous work is the Schools Competition, which sees London sixth form students challenged to write an essay or letter on a business topic. 2018 is the eleventh year of the Competition, and this year's topic asks students to write to the new Lord Mayor with their recommendations on how to improve diversity in the City's workforce. Students from London state schools will also be invited to attend one of twenty Workplace Visits, which will be hosted at a variety of London businesses including banks, insurance companies and law firms. These visits will introduce them to London's businesses and the career paths they could follow. Keen participants of the Competition and Workplace Visits will then be invited to take part in a careers development programme in the Spring that will enable them to develop the skills and knowledge necessary to take the next steps in their careers.

Mercia, a beneficiary of WCIB programmes run by The Brokerage, has followed a path that we hope many more young people can follow. In Autumn 2016, Mercia took part in the WCIB's charitable giving celebration event. She later took part in the Schools Competition, winning for her school. After working with The Brokerage to develop her employability skills, the charity helped Mercia secure an internship with insurance company Marsh, followed by a trainee position at Commerzbank, which she began in September 2018.

The Gateway to City Careers programme aims to help sixth form students develop their employability skills, helping them get ready for the world of work. As a member of the WCIB, there are several ways that you could help support this new programme.

If you have an interest in giving a careers talk, think your employer might be interested in hosting a group of sixth form students as part of a workplace visit, or have an interest in hosting a work experience student, please get in touch with Tom Slatter at the Brokerage through the Clerk or the C&E Committee with Tom Slatter, senior programme manager at The Brokerage. tom@thebrokerage.org.uk / 02076289904

The Lombard Prize

OMIROS SARIKAS ASKS BARRY CORBETT, THIS YEAR'S WINNER, ABOUT THE PRIZE AND HIS CAREER SO FAR

I'm a married father of two young daughters, I'm from an Irish family, I'm a huge Spurs fan and have lived in London my entire life. I'm currently the Chief Operating Officer for Secure Trading and a Senior Adviser for boutique strategy consultancy Stratevolve. Prior to this I spent over a decade working in the City, primarily with UBS. I'm also a Foundation Governor at St Monica's RC Primary School in Southgate.

I hold an Executive MBA with distinction from Cass Business School and a BA in History from Kings College London.

As part of my MBA I wrote my thesis on the impact of Blockchain on financial services. My paper was well received, and I was encouraged by my professors at Cass Business School to enter the Lombard Prize as they felt it was not only a unique study but also well executed. I somewhat bashfully took their advice! The paper was an analysis of the impact of this technology from a strategic perspective. I firstly sought to define the topic, then address Blockchain's potential impact on the sector. I finally proffered practical means of response that the industry could implement to maintain relevance and adaptability in a changing world.

It was a pleasant shock to win it. I was lucky enough to receive a huge amount of warm wishes and congratulations, with the pinnacle being the invitation to the WCIB annual Banquet at the



Guildhall. That was very special. I've also engaged in a number of speaking events on the topic and the wider context of the transformation of financial services in a digital age. There's a huge swell of interest and intrigue into what these developments will mean for the industry, and I'm very grateful to be asked to contribute to the debate.

I'm now fully concentrating on developing the fantastic market opportunity of Secure Trading and showcasing the value of our brand. I'm still involved with Cass, where I mentor the new Executive MBA students. I've stayed in touch with the WCIB too, and I'm very proud to have a link to such a wonderful organization. I'm also looking forward to the Christmas event and these famous sausages that some of your esteemed members have been raving about!

Professor Marianne Lewis, Cass Dean said "At Cass we are proud that our MSc student, Barry Corbett, has

received the prestigious Lombard Prize. We have long partnered with the Worshipful Company of International Bankers (WCIB) and value their impact on the City, the sector and indeed the School. Congratulations to Barry and our thanks to the WCIB"

Liveryman Omiros Sarikas added "The central purpose of the WCIB emulates the evolution of the original purposes of the Livery Companies and Guilds; namely fellowship, charity, education and the promotion of trades and professions in the City of London. We are proud to support Cass, the business school of the City of London and particularly pleased that a Cass alumni won the nationwide WCIB Lombard Prize. Congratulations to Barry and Cass!"

AS AN EXAMPLE OF A SPECIFIC CHARITY WHICH THE COMPANY HAS HELPED, HERE CALLUM EDSEY FROM SCHOOL HOME SUPPORT (SHS) DESCRIBES:

For more information on School-Home Support visit www.shs.org.uk

How the Charity works with the Company

Since 2016 the Company has been working with School-Home Support (SHS) to support the education of disadvantaged children across London. SHS is a London-based charity which supports families facing severe issues at home, ensuring children have the support they need to attend and achieve at school.

To address an increasing need for support when it comes to financial literacy among families, SHS and the Company started working together in October 2017 to shape a project to ensure SHS family support practitioners were trained and equipped with up-to-date information to support families with financial literacy and economic wellbeing. The charity's data shows that 15.7% of all interventions delivered by practitioners relate to economic wellbeing and that for 13 practitioners, this is the highest area of interventions they deliver.

The need for support with financial literacy and economic wellbeing continues to grow in the UK; a report published by University College London in March 2018 highlighted the worryingly low levels of financial literacy among families.

This often results in a range of problems, for instance families taking out loans without fully understanding the interest rate, being unable to budget effectively and falling behind on regular payments. Some of the areas

that are particularly vital for families include universal credit; benefits; debt management; budgeting and banking.

The project involves developing bespoke training and creating an economic wellbeing toolkit for practitioners in order to ensure families were provided with the best support possible. The first year of the project has received very positive feedback and has made a big difference to the lives of many families.

"A high percentage of the families I support face issues with economic wellbeing, mainly as they are unemployed or in low-paid employment. The toolkit is a great guide to refer to, especially as the benefit system often changes as we all know. The Economic Wellbeing Toolkit is vital in supporting my families and it has really made a big difference to their lives. I don't know what I ever did without it now!" Paula Chin, SHS Practitioner

Following the successful first year of the project, SHS and the Company are now looking to build on what we

have developed and learned in the last year to provide even better support to families. This will be achieved through updating and expanding the information contained in the economic wellbeing toolkit, as the often ephemeral nature of the information means it needs regular updating, as well making the toolkit more easily accessible and searchable electronically. Additionally, it is vital that practitioners receive up-to-date training on financial topics which affect families, which will be supported by the Company.

"Many of the families we support struggle under the pressure of managing finances, and often get themselves into situations which are difficult to escape. Changes in benefits, universal credit and the constant struggle to keep up with payments is something families find difficult. SHS Practitioners are pretty much the only people they can turn to when things get difficult. It is wonderful to have support from The Worshipful Company of International Bankers to make sure they can provide really effective support, thank you." Kim Steward, SHS Economic Wellbeing Coordinator.



Peter Estlin, International Banker, becomes Lord Mayor



Peter Estlin becomes Lord Mayor



The new Lord Mayor greets the crowds



Master & Clerk with EEA building the WCIB float



WCIB Float in Lord Mayor's Show



Master, Wardens & Clerk present gift to the Lord Mayor



The Master with Lord Mayor & Sheriff's Committee



WCIB banners with 'Lord George Principles'



WCIB walkers in Lord Mayor's Show



Master, Senior & Middle Wardens and the Clerk

What happens at the Mansion House?

THE EDITOR LOOKS BEHIND THE SCENES

What really happens in that distinguished Georgian building by the Bank that many of us often pass without noticing? All I used to know was that the Lord Mayor lived there during his or her year of office. Curiosity made me find out much more about what the Lord Mayor does, and the organization that supports him or her. How can one person attempt to represent the huge variety of different activities in the City?

The new Lord Mayor rides in triumph through the City at the Lord Mayor's Show in the golden coach pulled by 6 specially bred horses, wearing a tricorne hat and in eighteenth century Court robes. The crowds applaud. And then the work begins – or rather it began two years before when elected Aldermanic Sheriff, taking up lodgings in the Old Bailey and being carefully trained over the next two years to provide continuity in the role. The pomp continues with a series of glittering dinners in Mansion House and Guildhall, sometimes sitting next to the Prime Minister, Chancellor or important overseas leaders. But there is much more going on under the surface.

Whilst people see the Lord Mayor in all his finery, it is only 5% of the time.

Perhaps the role can be divided into two – the external one in representing UK finance to others, and the internal one in co-ordinating different financial sectors within the UK. However, whilst people see the Lord Mayor in all his finery, it is only 5% of the time.

The external role is the most visible – travelling the World to meet important overseas influencers such as Ministers of Finance and their senior officials – with ideas from and support of the City

and British Embassies – to listen to what they have to say and to encourage them to increase their use of UK services. Last year the Lord Mayor visited 24 countries. This is more than a City role – it covers promoting finance not only in England outside London, but also in Scotland and Wales. So, the choice of countries to visit is adjusted to play to the experience of the relevant Lord Mayor – in recent years there has been a commercial banker, an accountant and a shipping broker.

The internal role is equally fascinating. There is no centre for all the many financial sectors in the City and the UK.

The role used to belong to the Bank of England but under Lord King, the Bank focused more on macroeconomics. The Lord Mayor has filled this gap both directly through gatherings of sector leaders (for example at the regular “A” Breakfasts to discuss issues of the day)

and indirectly through the launch of TheCityUK which collects data across the financial sectors (such as that more than 2.2 million people are employed in the UK in finance and related professions and that services are 7-8 % of UK GDP) and which promotes the City as a whole to the media and to the Government (the Mansion House regularly briefs the Treasury on what is currently important in UK finance such as Brexit). The Lord Mayor regularly meets the Sovereign, the Prime Minister and senior Ministers when they visit the City. Examples of bringing together the City in successful initiatives led by the Lord Mayor include Green Finance, Islamic Finance, Fintech, Renminbi clearing and recently the LSE/Shanghai Stock Exchange co-operation.

Finally there is a moral leadership dimension. This is often related to the Lord Mayor's special relationship with the Judiciary. They cannot promote policies, but through the Lord Mayor their views can sometimes be heard eg on protecting the principle of innocence until proved guilty. Some Lord Mayors have chosen as their theme for their year creating and



maintaining trust, but this is difficult given the regulators' increasing role in business culture.

The City of London is as successful as it is because of its ability to attract the best talents in the world, in an environment where respected financial regulators have a foundation in the international recognition of English Law as a major building block for financial trade, supported by a practicable dispute resolution process.

This proximity between markets and the law creates a symbiotic relationship which the Lord Mayor reflects in the amount of time he focusses on the rule of law as being one of our major assets, along with the language, the time clock and the technology we are developing.

Little of this work would be possible without the small but strong and flexible team who work at the Mansion House – the administrators, events and diary organizers and speech writers, who provide the continuity behind the individual Lord Mayors.

Indeed, without them and the two year preparation, the one year role would be very difficult to carry out and could be much less effective.

And sometimes the role has its fun sides. Different Lord Mayors' legacies include Go Kart races, the Big Curry Lunch and innumerable charities – perhaps the Mansion House Scholars Scheme under which 12 young overseas people (chosen by British Embassies) come to the City for a year, which the Company strongly supports, is the best known.

The Company wins the Lord Mayor's Golf Trophy

CLIFF KNOWLDEN REPORTS ON AN EXCITING FIRST FOR THE COMPANY



From left: Jason van Praagh, Can Bitirim, Tom Dissen (Soc' Cap't), and John Treadwell

It is fantastic to report that WCIB were the winners with a super team score of 100 points, winning on count back from the Worshipful Company of Information Technologists, whilst in 3rd place were the Tallow Chandlers on 97 points. Jason vanPraagh also won one of the nearest to the pin prizes. And so ended the Summer... wow what a series of results both from a team and individual perspective. Thank you so much to everyone who played in the teams... well done to everyone. Also, Tom, what a year that was!

With our immediate Past Master, Peter Estlin, now The Lord Mayor, it falls to us to organise next year's Lord Mayor's Charity Appeal Golf Day. There is a real need to provide various appealing auction items as the target auction income needs to be circa £10,000. **Thus, we need to hear from any WCIB members whose firms/ contacts have access to possible auction items and/or who are able to in any way sponsor part of the event.** For example, corporate boxes at a sporting event/ entertainment event/sponsorship of wine for the day/sponsorship of prizes for the day etc.

Please contact either our Clerk or Cliff Knowlden on this, and the sooner the better (c.knowlden@btinternet.com). All funds raised are for the multiyear appeal, supporting 3 charities, Place2Be, OnSide Youth Zones and The Samaritans.

Associates Section

DEPUTY EDITOR MARK CAZALY DESCRIBES AN ACTIVE PERIOD

It's been another busy few months for the Associates with a range of events providing opportunities for fellowship, education, charity and promoting the profession. One thing I've taken on is a mentoring role with the charity UpRising who support young people getting into work.

A simple commitment of a flexible one hour a month means our members can provide insight and coaching for a young person entering the world of work.

It is incredibly rewarding and is a great way to reflect on your own career and working life. If any Associates are interested, please get in touch and I would be happy to share my experience with you.

Standard Chartered City Race

CHRIS GALLANT

A number of Associates donned their finest lycra and running shoes this July to take part in the Standard Chartered 5km City Race. On a balmy Summer evening over 5,000 runners set off from the Honourable Artillery Company grounds, including six from the WCIB. With our team running alongside others from accountancy, banking, insurance and legal sectors, the race raised funds for the 'Seeing is Believing' charity which aims to tackle avoidable blindness around the World.

The route took in major features of the City on closed roads; from St Pauls and Mansion House through to Tower 42 and

the Barbican. Extra excitement was added to the Race by having to dodge commuters on their way home past Bank!

Even though it was not an 'official' category, WCIB happily came in as the top livery company with the quickest team time (helped by there being no others! A great time was had by everyone, all whilst supporting a superb cause – watch out for further runs in 2019!

The WCIB runners gather before the Race



Past Master Frank Moxon tutors
Mark Cazaly in the art of sabrage



Sabres & Champagne, the perfect pairing

JAMES SISMEY-DURRANT

My colleagues were left intrigued and slightly perplexed as I departed to join fellow members and guests alike waiting to be ushered through the backdoor of the historic Old Bailey.

*Would collar and cork fall
on the first attempt?*

After we passed through security (who must have missed the sabre in their checks), there was an increasing sense of pressure as, in true British style, we queued up to await our fate like so many had before us. Our trial however was arguably far greater than those usually seen in the eighteen Courtrooms surrounding us with only one question on everyone's minds, would collar and cork, of our

designated bottle, fall on the first attempt? Thankfully, the Immediate Past Master and fellow members of the Confrérie du Sabre d'Or, in their green and gold attire, were on hand to guide us through our sabrage attempts and one-by-one, with an elegant flick of the wrist and rather satisfying "pop", we opened our Champagne.

What followed was a somewhat surreal experience stood in the middle of the Grand Hall with Sabre in hand and gently frothing bottle of champagne in the other before both were swiftly removed so you could be knighted and presented with your certificate. All that was left to do, was ensure none of the open champagne went to waste, a far easier task. All in all, a thoroughly enjoyable and unique event with thanks to the Master, Alderman Tim Hailes and Past Master Frank Moxon for hosting a fantastic evening.

A CALL TO ASSOCIATES!

*Would you like to
contribute more to your
Livery company?*

THE JOURNEYMEN SCHEME

Please contact Mark Henthorne
for more information:
mark.henthorne@
willistowerswatson.com

Armed Forces Reservists, City Briefing Dinner

CHRIS GALLANT

WCIB Associates were delighted to support Armed Forces Reservists in the City by attending the 'City Briefing' dinner at the Guildhall this Summer. The event aimed to demystify what being a Reservist entails and showcase the added transferable skills that Reservists learn through the military and how these skills can bring an added dimension to that person's performance in their day job too.

To mark 100 years since some women got the right to vote, we heard from some inspirational female Reservists from different branches of the Forces. One spoke of her time in the First Aid Nursing Yeomanry where she helped respond to crises across the Country – from the attack in Manchester Arena through to Grenfell.

Others spoke of their time abroad on deployment in Iraq or Afghanistan and leading teams counteracting IEDs.

As well as sharing their incredible stories, all were clear that the leadership skills learnt through being a Reservist has carried over to their civilian roles.

There was only one request made at the end of a fantastic evening and it's probably one that most of us can think about. It was a plea to take a little extra time if you receive a CV or application from someone who is currently in, or has been in, the military – perhaps to share that CV with someone who was previously in the military in your organization to get their view. The

simple reason for this being that the military terminology used and way of writing may be slightly different from normal and so the variety of skills that they can bring may not be fully apparent – but by taking a little

extra time this can become clear. The Associates look forward to continuing our support for the Armed Forces Reservists through taking part in Operation Sharpe Shooter held annually in the Honourable Artillery Company.



Guests at the Reservists Dinner

Book Review

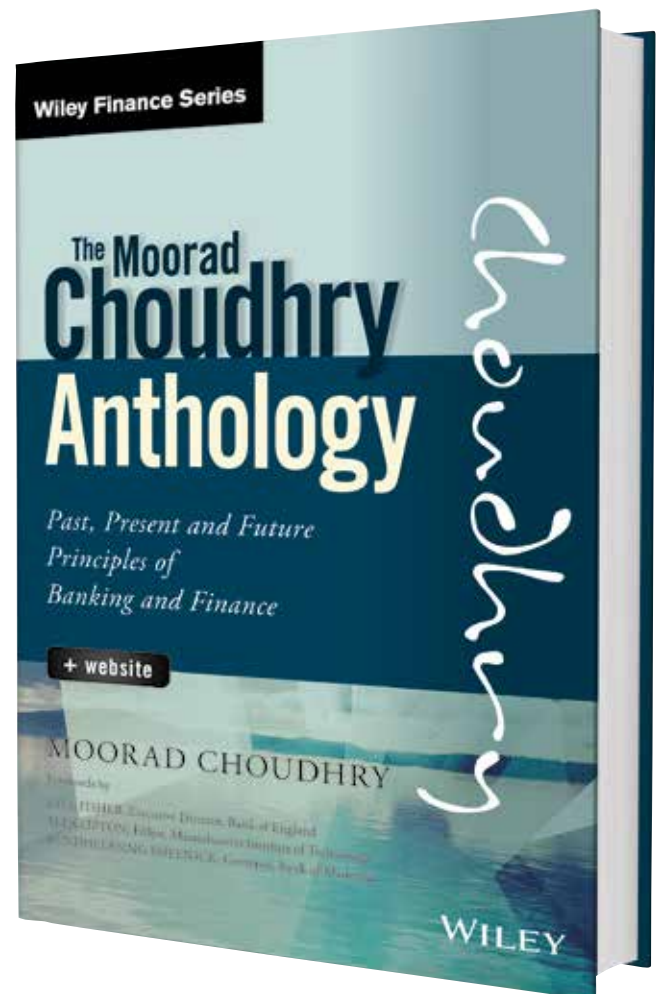
GEORGE LITTLEJOHN REVIEWS MOORAD CHOUDHRY'S LATEST BANKING BOOK

In these interesting times, banks need to re-learn traditional risk management principles and amend and apply them with renewed agility. The *Moorad Choudhry Anthology* combines the best and brightest of this renowned author's writings on financial markets and risk management in banking. For once, the publisher's blurb - "a definitive and timeless guide" - is accurate. It addresses and meets the challenges of competition, strategy, regulation, and the digital age.

The heavyweight *Anthology* covers the developments and principles of banking from the 1950s to today. It outlines the author's recommended best practices in bank strategy, governance and risk management, including asset-liability management, liquidity risk management, capital planning, treasury risk, and the corporate framework. These and the substantial changes driven by the regulatory challenges of Basel III and the European Union's Capital Requirements Directive IV, set the scene for the forward-looking sections of the book, particularly on sustainability in banking and in finance. An interesting innovation is the continually updated website which keeps the reader up-to-date on the principles of banking and finance.

The Moorad Choudhry Anthology: Past, Present and Future Principles of Banking and Finance + Website (Wiley Finance, 2018, £70) -

Editorial Note: Moorad Choudhry is a member of the Company and Editorial Panel.



"Any professional involved with banking can use this thorough reference text covering a bank's intermediary role, the nature of its balance sheet, how yield curves work, regulatory capital, and the fundamentals of bank strategy, conduct, credit, liquidity, and asset-liability management. Moorad Choudhry writes in a way that is technical and detailed while still readable and understandable. While bringing in current concepts such as derivatives, securitization and stress testing, he emphasizes throughout the book that the basic conservative principles of bank management, strategic planning and corporate governance remain the same. An excellent work."

—Henry A. Davis, Editor, *Journal of Structured Finance*, and *Journal of Investment Compliance*, Washington DC

"The Moorad Choudhry Anthology is Google for financial professionals! This mega resource is a first aid kit for boiling minds of bankers and a guide-dog for those who want to get started in the world of financial markets and institutions. Prof. Choudhry masterfully deep dives into details of risk measurement and management of financial instruments as well as discourses on global topics like principles and perspectives of banking business and finance overall. This highly awaited book will definitely find a place on the desks of every practitioner and academician."

—Polina Bardaeva, PhD, FRM, Director Group ALM, Treasury, Sberbank, Moscow

Installation Dinner



Helen & Mark, the new Consort & Master



Past Master Frank Moxon with outgoing Master Peter Estlin



The new Master and Wardens



Young Freemens enjoying the dinner



The Master speaks



Prof Bob Allison our guest speaker



The Master presents Bob Allison with his Hon Freedom certificate



The Master leads out the guests



Drapers Hall – a stunning setting for the ICD



Liveryman Bob White with Jane and John Bennett

Welcome to the City

MARK CAZALY



A first job in the City can be a daunting prospect, so embracing the spirit of fellowship, the Associates, kindly sponsored by then Master Peter Estlin, hosted a drinks reception in the Guildhall for graduates and new entrants to the City. Excellent value (crucial for recent grads!) at only £10 (food and drink included), we welcomed about 40 people from various roles in the City to mix and mingle with current and prospective members.

In the building at the heart of the City's Government, Peter explained to our guests just how the City works, some of its traditions and offices, and how to make the most of the opportunities it offers.

The event was a great success with a range of new faces and crucially, a number of promises of new members!

WHAT I WISH MY PREDECESSOR HAD TOLD ME

I'm now at my fifth organization in my professional career (gone are the days of a 'job for life'). That means I've had five opportunities to bring a fresh perspective on how things are done at the institutions I have worked for. There are always frustrations to be found in every system, ways of working that make no sense to a fresh pair of eyes, and trying to change them for the better is a sign of innovative thinking and keenness to make the organization better. But in my keenness to do so over the years, more frustrations inevitably develop as you hear good, if annoying justifications for why things are done a certain way, or why changing them isn't possible. Keeping on challenging those dogmas can feel like an uphill battle but it's important to remember that: sometimes there's a good reason for staying with the status quo, but that should never stop you asking the question.

DIGITAL IDENTITY: EMPOWERING EVERYONE

It's important that everyone we do business with knows who we are, whether that's logging into a fantasy football account

or authorizing a bank to transmit funds, anyone dealing with personal information needs to be sure who we are.

As it stands, we all have bilateral agreements which with hundreds of organizations to confirm that we are who we say we are. This isn't sustainable, it's too easy to hack, as we've seen with countless purges of personal data, and it's hugely inconvenient for customers who have to remember or store dozens of different variants of login data. Most importantly, when we get to complex transactions like opening a bank account or engaging with government services, it can be difficult for people without sufficient proof of identity to use these services, which risks financial exclusion.

It's becoming increasingly clear that the solution to these challenges is verified digital identity.

The Government is keen to see a reusable digital identity solution which will, among other things, enable customers who have until now not been able to prove their identity to a sufficient level of assurance, to do so.

This will help some of the 1.5 million people who don't have a bank account in the UK to satisfy the 'Know Your Customer' requirements to open one. It will also make it much easier for people to switch bank accounts without having to provide paper-based proof of identity each time they want to switch.

One of the main criticisms levelled at competitive markets in recent years is that companies are better able to exploit customer data than the customer themselves. This asymmetry of information means people can struggle to get the best deal for their banking, energy and other services. A digital identity would help redress this as people take greater ownership of their most important data: their identity.

What is the Membership Committee doing?

MARTIN WATKINS, CHAIRMAN OF THE COMMITTEE, EXPLAINS SOME EXCITING INITIATIVES

Membership of the WCIB reflects the breadth of financial markets in the City and the wide variety of roles performed by practitioners and associated professional services firms. We draw members from a diverse and inclusive group that extends from bankers to stockbrokers and from private equity to fund managers.

All of whom subscribe to the Lord George Principles for Good Business Conduct of honesty, integrity, fairness, skill, expertise and diversity.

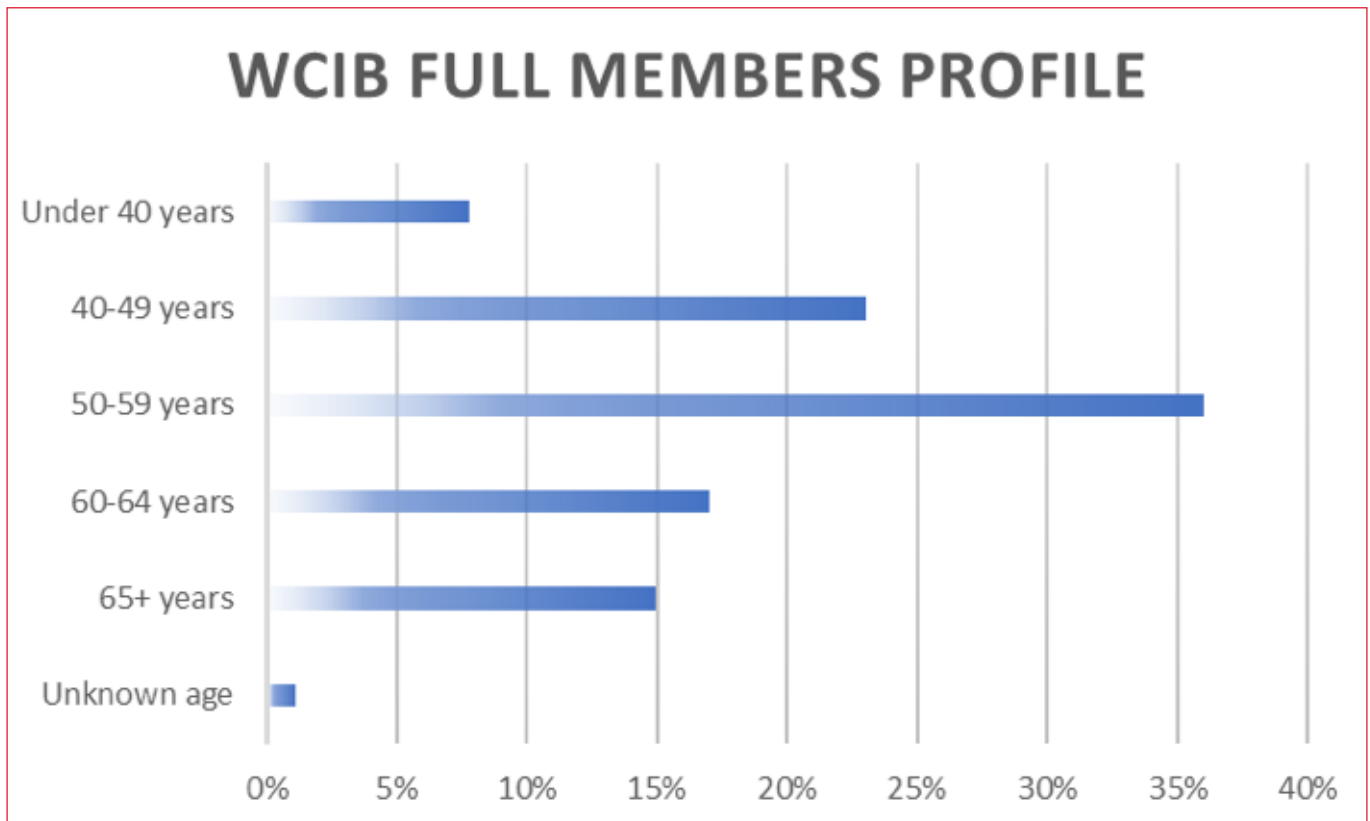
As we celebrate the installation of our Immediate Past Master Peter Estlin as the 691st Lord Mayor of London, we anticipate a global spotlight falling onto the WCIB for his ensuing year of Mayoralty and it is a fitting moment to assess our membership initiatives and aspirations. The Company currently has 626

Freemen and Liverymen including a few who are “not-Free”, having joined and are still to take their Freedom Ceremony. Naturally we are enthusiastic to build on the dynamic membership of WCIB during “Peter’s Mayoralty” and to expand our appeal and numbers.

THE MEMBERSHIP COMMITTEE HAS BEEN CHALLENGED BY THE MASTERS’ COMMITTEE AND THE COURT TO ACHIEVE 3 OBJECTIVES:

First objective

Our first objective is to embed member recruitment and retention into the DNA of all members of the Company. The initial step has been to introduce a **Buddying Scheme** that is supported by every WCIB committee member and the WCIB Court. In this way, we have ensured that the Clerk has been able to appoint a Liveryman to buddy each of our joining members from the last year and (the Clerk) has capacity to provide a buddy for a number of new members this coming year.



(as at 30 September 2018)

The intention of our Budding initiative has been to enrich the membership experience for new joiners and to make it easier to navigate their way around the structure of the Company, and to benefit from becoming a Freeman or Liveryman. We are looking to extend this initiative across the wider community of Liverymen in the Company during this year.

The Company welcomed 45 new members last year and we are excited that not only have 67% of them attended at least one WCIB event during the year (2017/18); but we had 29% of our new members attending the Installation Dinner for our new Master, Mark Sismey-Durrant. These two metrics encourage us that new members are feeling good about participating in the Company and benefiting from being a Freeman or Liveryman of the WCIB.

Our next step is to encourage those who are “not-Free” of the Company to attend their Freedom Ceremony and complete the process of becoming a Freeman.

Second objective

The second objective is to broaden the appeal of WCIB to existing and prospective members. At a time when we have

New members are feeling good about participating in the Company and benefiting from being a Freeman or Liveryman of the WCIB.

the new WCIB website launch, the Membership Committee is looking at ways to enrich the information provided to prospective members and of encouraging members to introduce industry peers and colleagues.

Third objective

Our third objective is to encourage a wave of new members into the WCIB by leveraging the increased profile and interest in the WCIB that will be generated by our Immediate Past Master, Peter Estlin, during his year as the Lord Mayor of London.

We encourage every WCIB Freeman and Liveryman to join us in attracting more members; especially during such a high profile year for the Company.

GET IN TOUCH: Every Liveryman interested in acting as a buddy to a new WCIB Freeman, and every Freeman and/or Liveryman with suggestions for broadening the appeal of the WCIB to existing and prospective members is invited to contact either the Clerk or myself.

We can be contacted at clerk@internationalbankers.co.uk and martinswatkins1@gmail.com respectively.

My Mother

THE SCOTTISH SUFFRAGIST REMEMBERED BY LIVERYMAN CATHERINE SMITH-MASON.

In 1918, the Representation of the People Act still left most women without the Vote. Margaret McCann, part-blind daughter of a Clydeside riveter, was then nine years old, struggling to nurse her dying sister. Eight years later, despite poverty, she won a Carnegie Study Loan.

Suffragist Dr Frances Melville, follower of Millicent Fawcett and Principal of Glasgow University's Queen Margaret College, became her mentor. In 1927 Dr Melville sponsored the Convocation of Scottish Suffrage Societies. In this

energised atmosphere, serving tea to delegates, Margaret too became committed. The suffragists' demands were for mere human rights, such as healthcare, old-age care, equality under the law... policies not then adopted by any political party. To achieve these ends, suffragists believed women's votes to be necessary. Margaret thus joined the Women's Freedom League, a non-violent movement. Led by Lilian Lenton, she campaigned in every Clyde Coast resort. Margaret learned to publicise, gather audiences, write to MPs, solicit influential society

ladies, and even handle hecklers and rougher forms of abuse. To maintain dignity was paramount, for to equal the worst of men was equality not worth having.

Though full franchise was achieved in 1928, Margaret, by then Madame Lenton's established co-speaker, continued to campaign for the rights she believed in. Margaret McCann was my Mother, who taught me that Great Vision handed down since Mary Wollstonecraft: the unachievable though approachable goal of **peace and plenty in a world without pain.**

Our new Junior Warden

MARK HENTHORNE MEETS JOHN BENNETT

When and why did you join the WCIB?

First of all I'd like to say I regard it as great privilege to have recently been elected as Junior Warden. It's actually very clear in mind when and why I joined. I read a BBA newsletter back in 2001 and there was a short article by Simon Hills describing the formation of the International Bankers and the Guild seemed to be a good opportunity to get involved in the civic City in an area of finance I was familiar with. I applied immediately then became a Liveryman in around 2005.

How can other members influence the WCIB going forward?

If you are eager to put something in to the WCIB as well as getting something from it, I recommend joining a committee. There are plenty of opportunities for people to volunteer for the wide variety of committees within the WCIB.

Which committees have you enjoyed sitting on?

I've sat on two committees so far. I was on the Finance Committee for five years and also on the Liverymen's Committee, serving as Deputy Chairman on both. I also worked with the current Master on the ten year governance review which was completed in 2012. My concern at that time was that we were remote from the Livery movement and not participating in things we should have been. That review seems to have paid off as we are now very much a part of the wider Livery movement and actively participate in the Financial Services Group.

All being well, when you're Master in 2021 you'll be ready to conduct the twenty year governance review!

As well as being involved in the WCIB, you are an elected member of the City of London Corporation, serving on numerous committees.

Since being elected in 2005 my main focus has always been education and

culture. I have served as Chairman of the both the City of London Freeman's School and the Guildhall School of Music & Drama. I also served as Chief Commoner in 2014/15 which was a very enjoyable experience and a great privilege. If you have a particular interest such as planning or social services it is possible to get onto these committees and hopefully they will be as rewarding as I have found mine.

I'd like to say I regard it as great privilege to have recently been elected as Junior Warden



From the Clerk

It is very easy sitting in my seat in the Clerk's office to restrict my vision to the world of the Civic City, Charity and Livery Companies. All of these are important and they are the reason why the WCIB exists. Nevertheless, I find it helps every now and then to be reminded of the wider World which has played, and still plays, such a major part in our history.

Within a few days of writing this piece I will have accompanied the Master to two events at St Paul's Cathedral and the Royal Exchange to mark the centenary of the Armistice. Many members will have seen an excellent exhibition earlier this year in the Guildhall Yard of the City of London which reminded us that for millions of people the Great War did not end on 11th November 1918.

I spent much of my Summer break in Central and Eastern Europe travelling by train much as I had done when I was a student in the mid-70s. In Vienna I visited the military museum (<https://www.hgm.at/en.html>) and saw for the first time the car in which Archduke Franz Ferdinand and the Duchess of Hohenberg were travelling when they were assassinated in Sarajevo on June 1914. It was very sobering to see the bullet holes in the car and the bloodstains still on their clothes from this event that shaped so much of the World in which we live.

My ultimate destination was the Bukovina, a district encompassing North-East Romania, Southern Ukraine and Western Moldova. It was the most Eastern part of the Austro-Hungarian Empire and became incorporated into Romania in 1918 after World War I. The history of the Twentieth Century meant that the people of the area suffered changes of regime and border until 1989 and nationality, ethnicity, religion and language are still very live issues. It was very salutary for me to talk to people whose families had suffered so much in the 20th Century and in many cases who had lost friends and relatives without trace under fascism and then communism; it put into perspective some of my political and economic concerns as a Londoner.

London and the wider UK have always provided a shelter for the oppressed and those looking to make a new start from all over the World. Charities play a big part in that story including the WCIB – many of the recipients of WCIB awards at schools and universities are new to the UK or from families new to the UK. Next time I am sending one of our cheques to a charity we support or signing a certificate for a prize winner I will think of the journey many have had to make over the past Century to reach the chance of a better future, and I am proud to work for an organisation that is doing its bit to make that possible.





The outgoing and incoming Masters, the Wardens and their guests



New Liverymen with Sheriff Liz Green



New Court Assistant Omiros Sarikas



New Court Assistant Mary Foster

Forthcoming Members' Events

2018

18TH DECEMBER LIVERYMEN'S LUNCH (LIVERYMEN ONLY)

18TH DECEMBER CAROL SERVICE AT ST MARY-LE-BOW

2019

23RD JANUARY JANUARY BREAKFAST BRIEFING AT WITHERS

27TH FEBRUARY ANNUAL BANQUET AT MANSION HOUSE

29TH MARCH UNITED GUILDS SERVICE (LIVERYMEN ONLY)

24TH JUNE COMMON HALL ELECTION OF SHERIFFS (LIVERYMEN ONLY)
