

# One-to-one with Richard Holmes, CEO Europe.

The banking industry has practically dominated the business pages of the world's media for the last few years, since the beginning of the global economic downturn. The industry is complex and vast, with far-reaching regulatory and legal implications and issues to navigate. This month, *Lawyer Monthly* benefits from an exclusive one to one interview with a major figure in the global banking industry, CEO Europe of Standard Chartered, Richard Holmes, to gain an insight to the world of banking, as well as looking at the fantastic charity work that this major bank is known for.

*Lawyer Monthly's Claire Middleton* spoke to Richard prior to his participation (for the fourth time!) in a very special event in London City. This was The Standard Chartered Great City Race, a race around the Square Mile between 6,500 runners from approximately 400 companies, all in aid of the sight restoration charity, Seeing is Believing. The event was also attended by one of the charity's ambassadors, Sir Ranulph Fiennes.

## A little background information

Looking at Richard's background, it is certainly impressive. With more than 35 years in the financial sector, his experience is rich and varied. Having begun his career in 1974 at accountancy firm, Peat, Marwick & Mitchell, Richard went on to serve in finance, operations and financial market positions at Wells Fargo Bank during the 1980s, as well as at Bank of America within executive positions in the World Banking Group and Latin America Divisions. During the mid-1990s, Richard held the position of Executive Vice President and Head of Bank of America's Private Bank, before going on to occupy the role of Chairman and Chief Executive Officer of American Express Bank Ltd in New York. A subsequent acquisition of American Express Bank by Standard Chartered in 2007, saw Richard placed in his current new position, at the helm of Standard Chartered Europe, a role which has enabled him to become highly involved with the

company's charity work through Seeing is Believing.

**Q** Let's begin with Standard Chartered's involvement with Seeing is Believing. What inspired the company to set up the initiative?

"The company had done some work on a local basis around avoidable blindness, but to mark the 150th anniversary of Standard Chartered in 2003, it decided to form Seeing is Believing as a global initiative to help raise money in a bid to eradicate avoidable blindness. At that time there were 28,000 employees, so we set a goal of restoring sight to 28,000 people around the world. It only costs around £20 to perform a cataract operation, which meant that we needed approximately £0.5million. The company agreed to match whatever the employees gave; so for every dollar the employees



Richard Holmes

raised, the company would give a dollar too. Up to date, we have raised \$32m."

**Q** Why was this cause, in particular, chosen?

"The majority of Standard Chartered's business is in Asia, Africa and the Middle East, which means that many of the markets in which we work and operate have communities that are severely impacted by blindness, mostly due to malnutrition. This, of course impacts the community, as well as our workforce and our business, so we felt this was something we should tackle, and we felt we could have a dramatic impact on. Restoring someone's sight costs so little in the scheme of things, and it is so life-changing."

**Q** According to the Seeing is Believing website, every five seconds someone in the world goes blind, every minute, one child goes blind, and 60 per cent of these children will die within a year. Can you talk about some of the specific projects undertaken by Seeing is Believing that will help to bring down these terrible statistics?

"The key thing in terms of preventing blindness, is nutrition. The blindness is caused by a deficiency in

Vitamin A, therefore we have programs to distribute Vitamin A supplements. Up to now we have given these supplements to 3.9 million people. That kind of activity is on the avoidance side of the charity's work. We also have specific projects on the cure side which include projects such as funding the building of hospitals, funding and equipping hospitals that are already there, as well as helping to train staff. We work with lots of organisations on the ground, as we can raise the money but we do not necessarily know enough about how to spend it wisely. Therefore, we partner with various organisations that help us to ensure the money is used in the most effective and helpful way."

**Q** Our readers are also very interested in your career over the past three decades. Having spent 35 years in the financial sector, including time at Amex & KPMG, how much has the industry changed in that time?

"Like most things in life, the financial sector has changed dramatically. However, there are some constants. Standard Chartered was set up 150 years ago in order to help promote trade and the movement of goods and investment between the UK and Europe, Asia and Africa. That is the same basic strategy that we work on today. The missions of banking don't change that much, but the products, tools, technology and the regulation do alter and the



way by which we can deliver on the same intent has been revolutionised over the years.”

**Q How does your current role at Standard Chartered compare with your previous role as Chairman and CEO of American Express Bank?**

“American Express Bank was a subsidiary of a company that wasn’t focused on banking particularly; it was a card company. Therefore we moulded our strategy to fit within the American Express Group and so it was relatively narrow in terms of what we did, but it was global in terms of its focus. Here at Standard Chartered, the entire group is focused on banking, but it is a focus on connecting and doing business in and out of Asia, Africa and the Middle East, as opposed to globally. Therefore, on the one hand, it is much broader in banking terms, but it is more focused geographically than it was at American Express. I think what that tells you is that these days, whatever industry you are in, you need to be clear on what your strategy is, and why you think you have got a winning strategy with a competitive edge. Because of this, people are specialising; gone are the days when organisations thought they could be financial supermarkets. Banks are visibly more targeted about where they want to play.”

**Q Which role did you find most challenging?**

I would say they were equally challenging, but in different ways. I think that in any role, you try to figure out in which areas you can add value, and where your time is best spent. That in itself is a challenge. With Standard Chartered, I am much more involved in changing regulation and the issues that are arising post-financial crisis; that is the main shift in emphasis between the two roles. Pre-financial crisis that was less of an issue, and so that is a different challenge that has come along as we try to help advise and comment on how we think regulation should best evolve, not just for Standard Chartered and other banks, but for the good of the UK commonly.

**Q Following from that, how has the recession affected regulation, i.e. corporate governance? What are your recommendations, and how are you involved in trying to change regulation?**

It is massive agenda and there are various bodies involved in this. We have Basil 3 and we have been working with Brussels as they take it on and translate it in to CRD form, which is the implementation of Basil 3. We are trying to make sure that that is done thoughtfully. There are certain issues around trade finance that we think

could be better handled in CRD form, and the initial proposals. What we try to do is educate people and ensure they understand the impact of what is being proposed. So, in that area in particular we would like to see some changes, and as I said, we have been to Brussels, we have talked to people and they are listening to us; so we are hopeful.

Generally, I think we would like to see regulation and governance handled on an even, international basis. We are a little concerned that here in the UK we have an independent commission on banking; we have the Bank of England that wants to have its own rule book potentially, as opposed to the international rule book. So again, that is a little disappointing and something I feel we need to work on.

**Q Do you think that’s something that is likely to be changed in the future?**

Well a lot of it is under discussion as we speak so it is very, very current. Papers are being circulated, but nothing has been enacted yet with regard to the new capital liquidity and the associated regulations.

**Q Heading up Standard Chartered Europe, do you find there are any major challenges when dealing with legislation across so many different jurisdictions?**

Yes, there are challenges, but they can mainly be navigated by aiming to have as much harmonisation as possible across Europe, which is more beneficial for businesses, banks and governments. Where there is no harmony it is more complicated; if each place you go has different rules and regulations and different things to worry about, it is another complication in doing business. Therefore I think there is a lot of value in trying to achieve a common playing field.

**Q Obviously at the moment there are a lot of changes in corporate governance being looked at, and talked about; something which you mentioned a little earlier. Do you think the changes will prevent a further financial collapse?**

It is hard to say. I don’t think that corporate governance alone was the cause of this financial crisis, and so addressing corporate governance in itself is not going to necessarily prevent the next one. But I do think the key to preventing a similar crisis is a combination of sensible monetary policy, better macro-prudential regulation as opposed to micro regulation, and sound corporate governance. I think that is what we need to strengthen the system. In addition, I don’t think we should only be looking at the banks individually, that is not the issue. As many know, the government is changing how they intend to regulate the banks; the FSA is

going back into the Bank of England and they are setting up a macro-prudential compartment. It is massively important that they get that right, and that it focuses on the macro and not the micro.

**Q Reverting back to your specific role, how would you describe your management style?**

My perspective is that I try to be inclusive. I have an open door policy; I try to promote irreverence, which doesn’t mean I want anarchy, but I think it is important for people to feel free to approach me and to tell me what they are thinking. So, it is a collaborative style I think, as opposed to a command and control style. That’s how I see it anyway; the staff might see it differently!

**Q Do you think talent and expertise can be developed from within the organisation?**

I think it is critical that you develop talent from within the organisation, because that is how you build culture and values. If every position is just another job and you just fill it with anyone, how do you develop the DNA of the company? Therefore, I think it is really important to attract good people, give them a career path and invest in them. It is important to give them opportunities so that they stay with the organisation. We are very focused on that.

We spend a lot of time engaging with our people, trying to figure out who has high potential and working out how we can move them through the organisation. It’s not easy to achieve that when you operate in seventy countries, and so it is a challenge, but I feel it is critical that we do it, in order to promote our values and obtain the right culture within the company.

**Q What has been the highlight of your career so far?**

That is a hard question. However, going to Brazil to run a bank there and not being able to speak Portuguese was an amazing adventure. It was tough, challenging and rewarding. In addition, I have had many enjoyable moments throughout my career, which is why I am still doing it!

**Q Back to Seeing is Believing, what lies ahead?**

We keep raising the ante; we are on phase four at the moment and we are trying to figure out how, as part of 20:20 vision, what number we should throw out there, or what our next challenge should be. What started as a relatively modest initiative has grown to £32 million. We should be at about £37 million by the end of the year at this growth rate and so we are starting to think about bigger numbers – 50 million, 75 million, maybe even 100 million at some point down the line. It’s important because the problem of blindness is not going to go away in a hurry. There are 37 million blind people in the world and so this is a journey, not a just a one-off initiative.

The other positive aspect to our charity work is the engagement value it creates with our staff, we have a lot of fun with it. They also take it upon themselves to raise even more money in other ways; one employee climbed Mount Kilimanjaro and another cycled all the way to Istanbul, stopping only at our offices along the way. This kind of charity work means that working at Standard Chartered is more than just collecting a pay cheque; it helps fulfil many of the values that we try to instil as being important when people come to work here.

HSBC topped the leader board in the banking sector at this year’s race, with Standard Chartered coming a close second, having fielded a team of almost 400.

Speaking at the race, Seeing is Believing ambassador, Sir Ranulph Fiennes Bt OBE, said: “When I heard the statistics around avoidable blindness I was shocked. Amazingly there are 285 million people living with blindness and visual impairment yet 80 per cent of cases could have been prevented.

“When I plan for an expedition I’m fortunate that I know I have all my faculties and most importantly my sight, I can’t imagine having to live without sight. So to learn that 80 per cent of visually impaired and blind people could be cured was shocking. The measures to help visually impaired people are quite simple and cost-effective. Through this race we hope to raise enough funds to help improve the sight of 6,500 children.”

For more information about Seeing is Believing, please visit: [www.seeingisbelieving.org.uk](http://www.seeingisbelieving.org.uk).

