



cutting through complexity

AUDIT COMMITTEE FORUM

Regulatory Change

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INSTITUTE OF DIRECTORS
SOUTHERN AFRICA

Agenda

- The big issues
- From design to implementation
- Insurance regulation
- Regulatory pressure index
- Financial System Stability Assessment – South Africa
- Business model challenges
- Twin peaks

The big issues

REGULATION



COST & EFFICIENCY



CUSTOMER & GROWTH



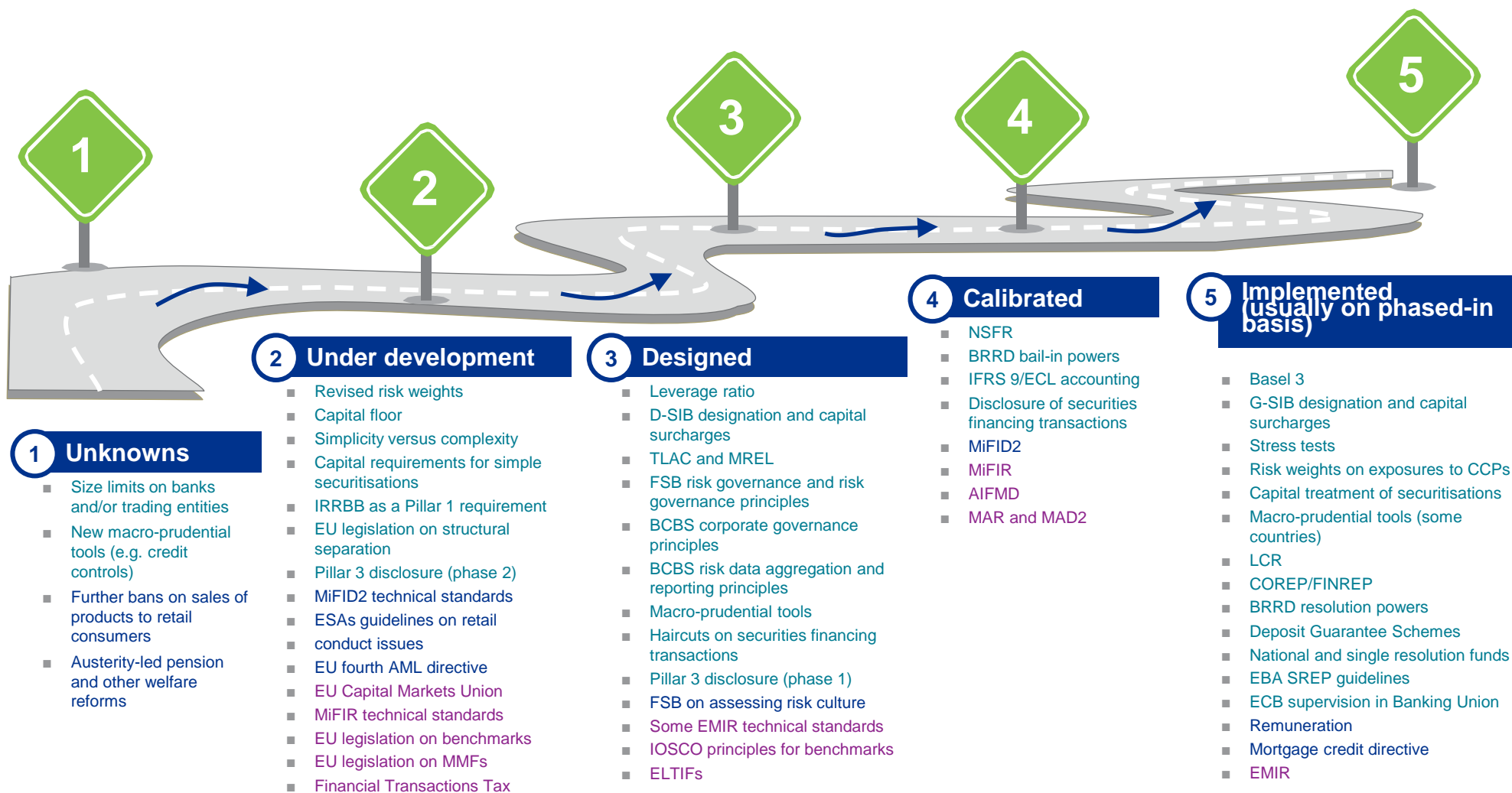
DATA AND DIGITAL



CHANGE

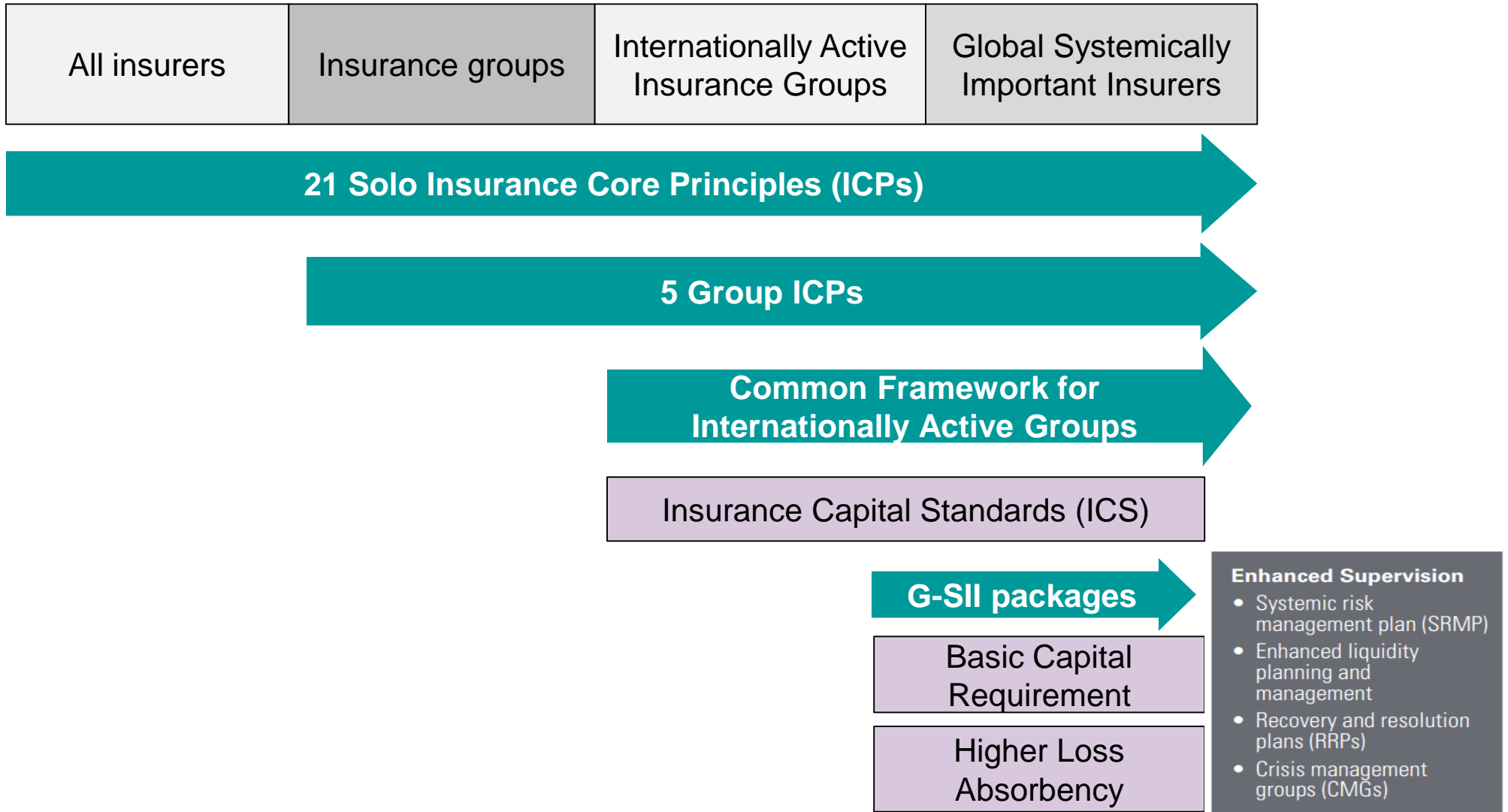


From design to implementation

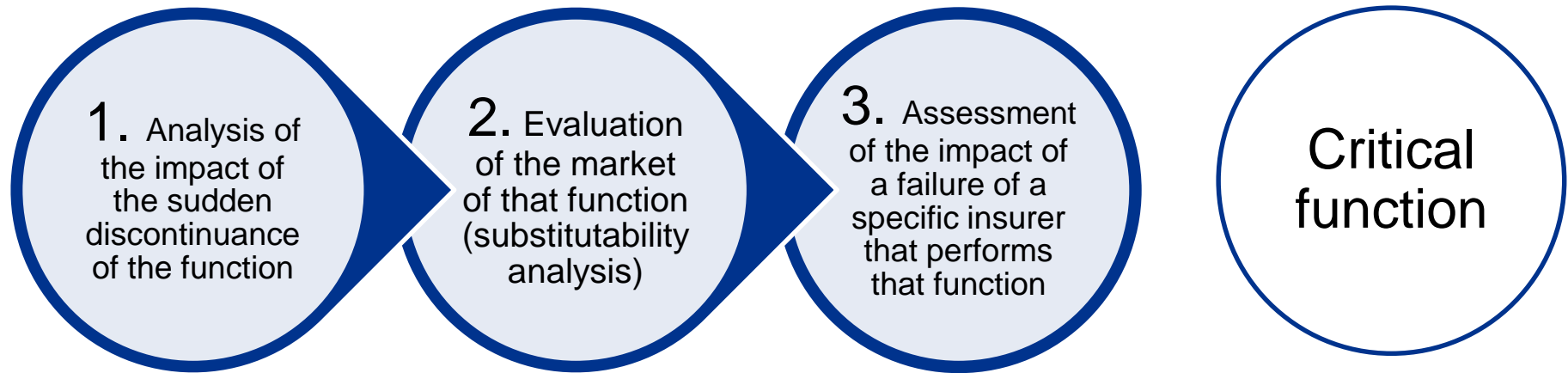


Key: ■ Financial stability ■ Conduct and culture Market ■ Market infrastructure

Insurance regulation

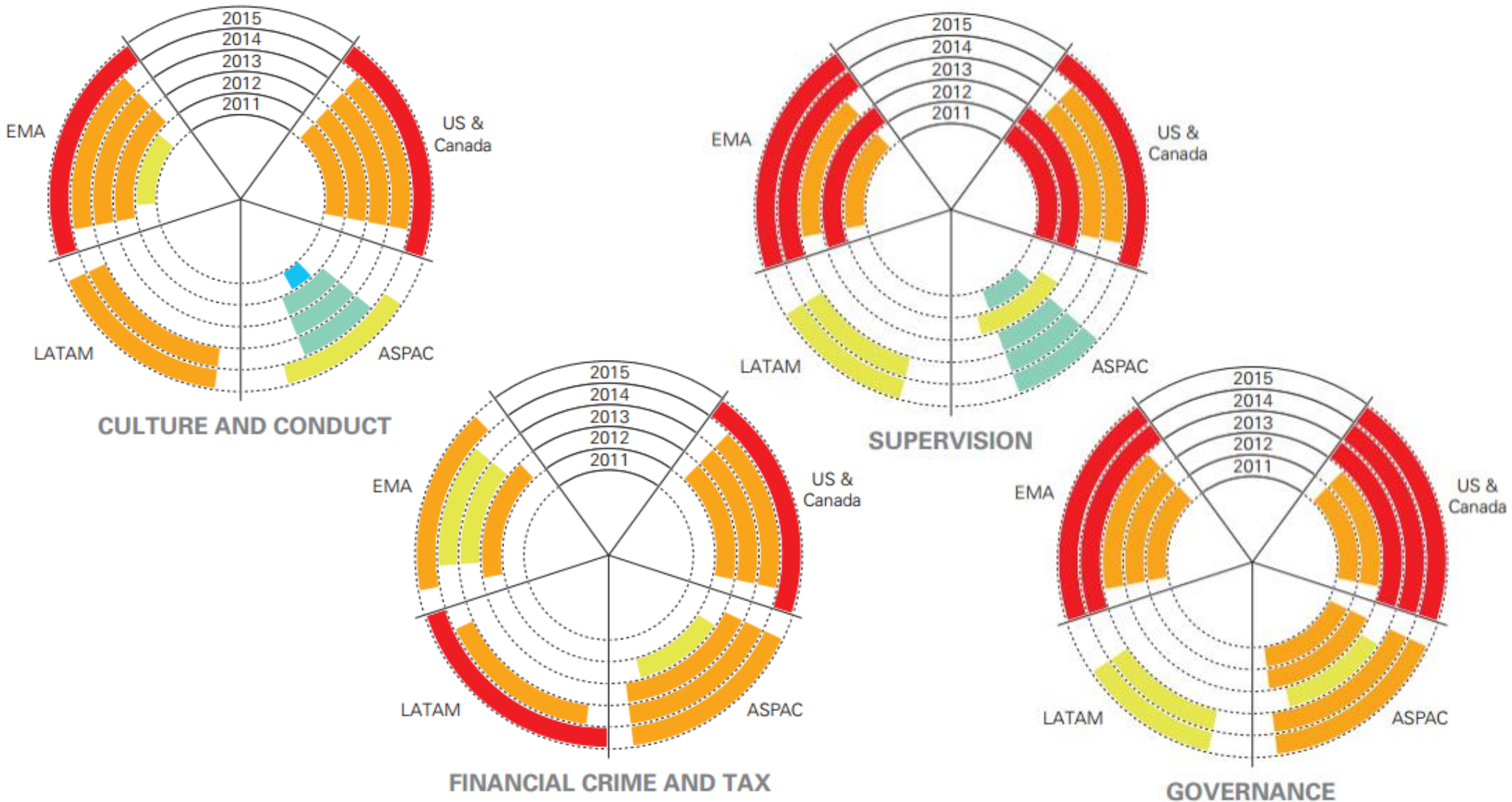


Systemic risk issues








Examples of critical functions identified by the FSB

Regulatory pressure index



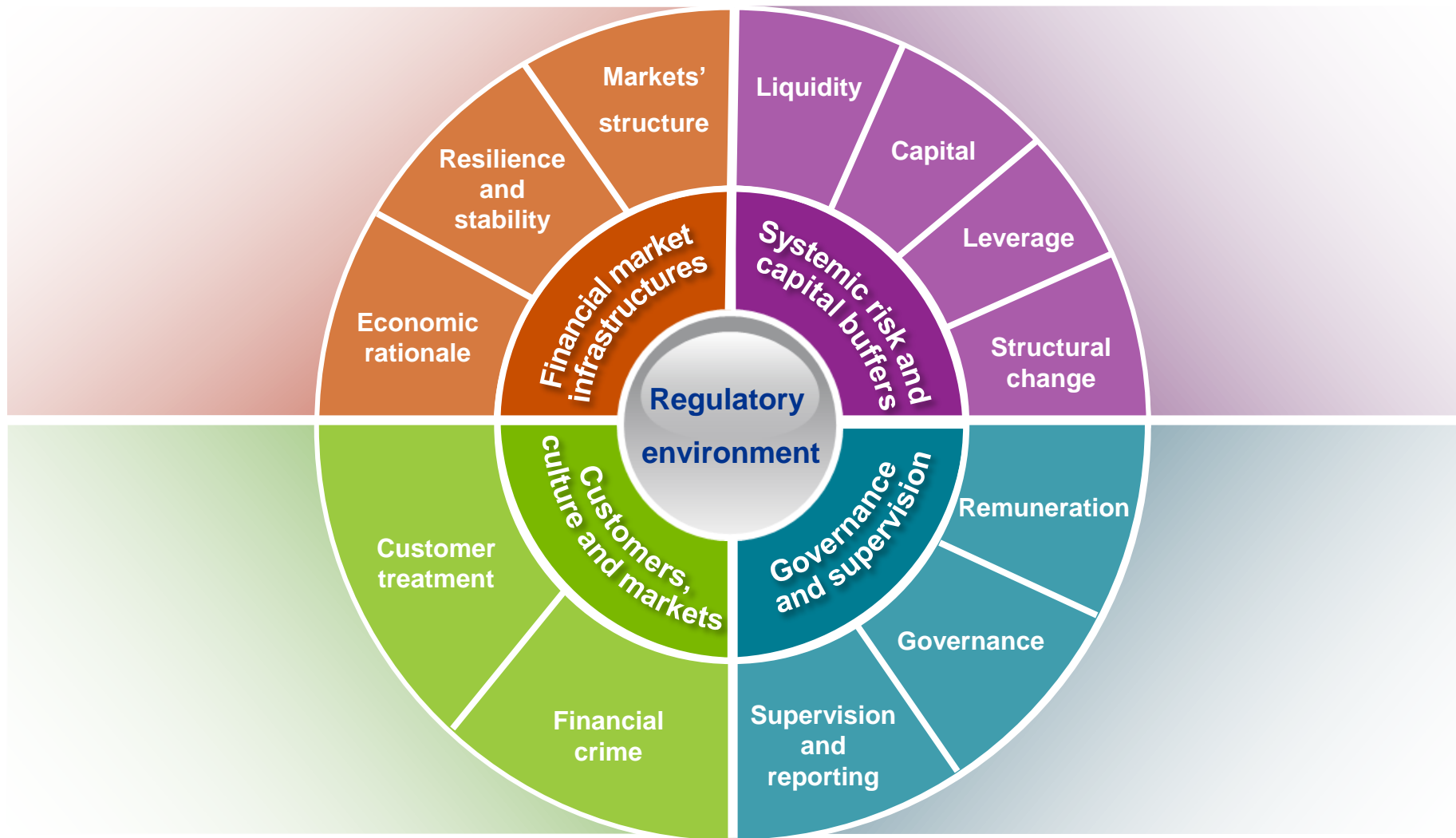
South Africa Financial System Stability Assessment

	South Africa
 Supervisory Powers and Measures	
1 Powers	2
2 Supervisor	1
4 Licensing	2
6 Control	2
9 Reporting	2
10 Correction	3
11 Enforcement	3
12 Winding Up	1
 Solvency	
13 Reinsurance	2
14 Valuation	2
15 Investment	2
16 ERM	1
17 Capital Adequacy	2

 Group Supervision, Cooperation and Crisis Management	
3 Info Exchange	3
23 Groups	1
24 Macroprudential	2
25 Coordination	3
26 Crossborder	2
 Conduct of Business, Intermediaries, and Fraud Prevention	
18 Intermediaries	3
19 Conduct of Business	2
21 Anti-Fraud	1
22 AML	1
 Corporate Governance and Public Disclosure	
5 Suitability	3
7 Corporate Governance	1
8 Risk Management	1
20 Disclosure	1

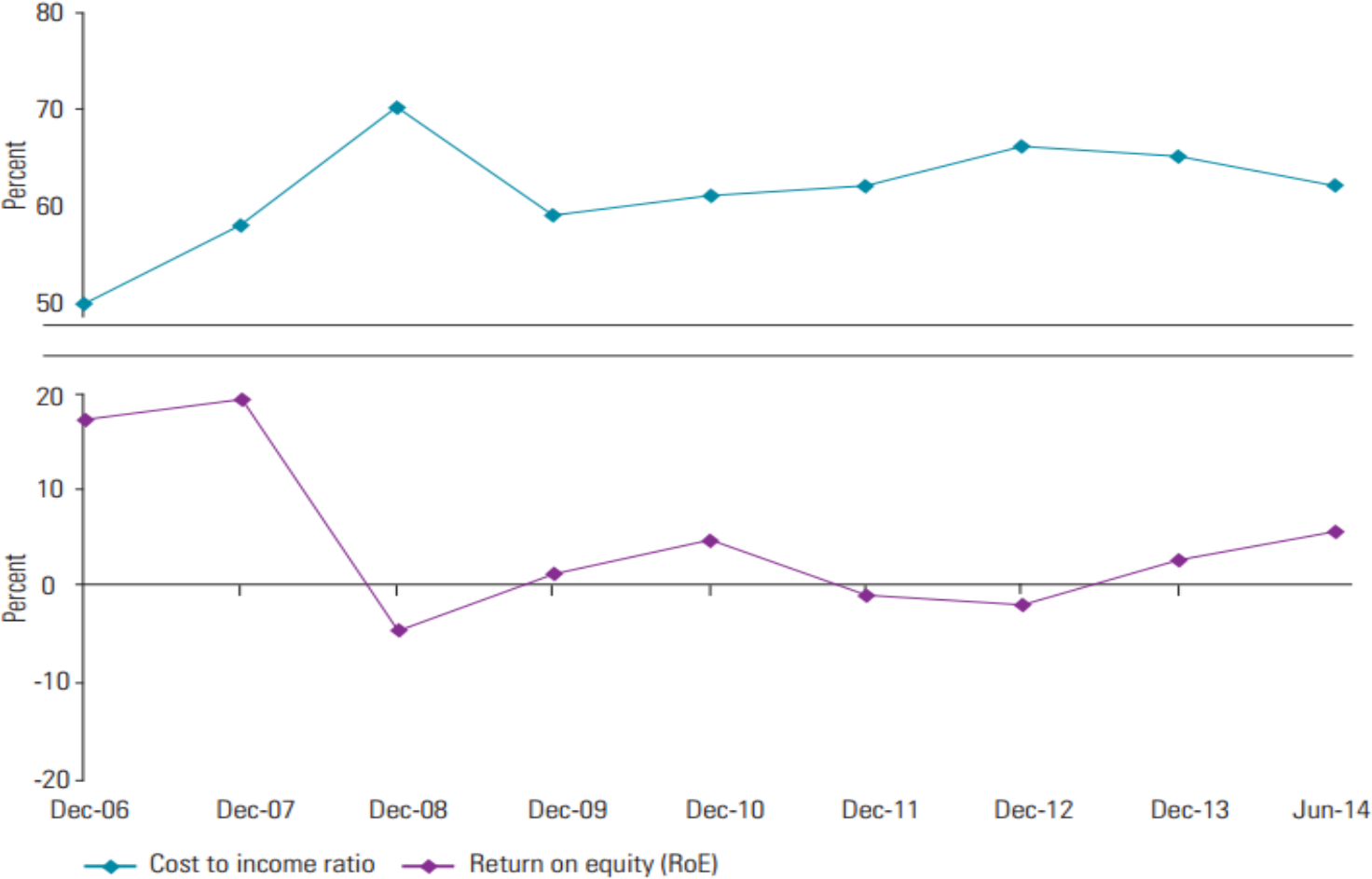
3 Observed
 2 Largely Observed
 1 Partially Observed
 0 Not Observed

Regulatory agenda



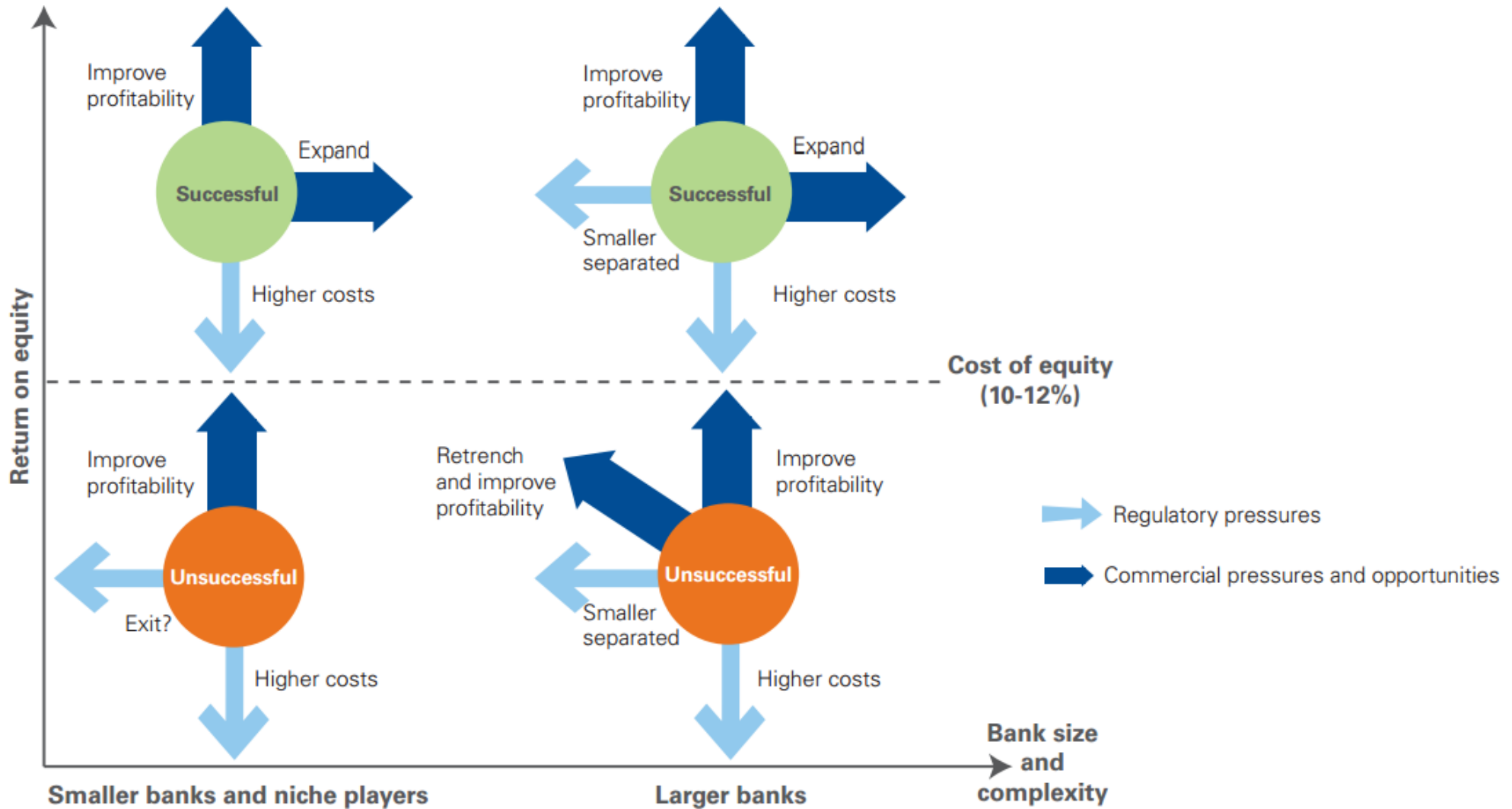
Toll of financial viability

European banks struggling with high costs and low profitability

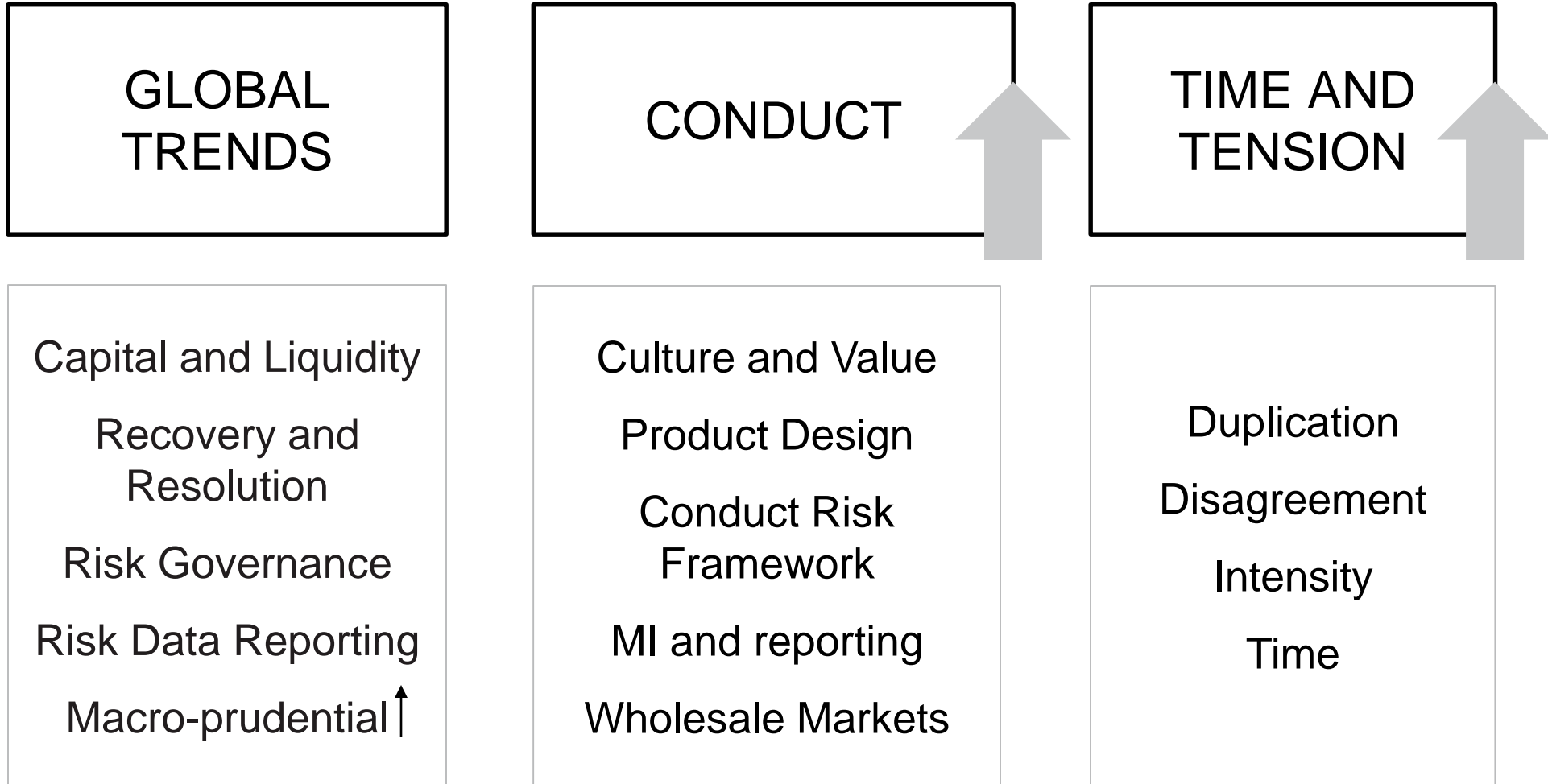


Source: ECB consolidated banking data for all EU banks

Pressure on the bank



Twin Peaks experience



Balancing the challenges for Financial Institutions

