

Chartered Banker
Professional Standards Board

Our Commitment to Professionalism in Banking

October 2011



1 INTRODUCTION

Our customers, colleagues, regulators and shareholders rightly want to see a banking industry built on a solid foundation of ethical professionalism. They want to see banks and bankers supporting customers whilst lending responsibly, acting as trusted advisers to individuals and businesses, and playing a positive role in the community. As leaders in our industry, so do we.

That is why we have launched “Our Commitment to Professionalism in Banking” and founded the Chartered Banker Professional Standards Board (CB:PSB). The CB:PSB will:

- **Develop** a series of professional standards to support the ethical awareness, customer focus and competence of those working in the banking industry;
- **Facilitate** industry and public awareness and recognition of the standards;
- **Establish** mechanisms for the implementation, monitoring and enforcement of the standards; and
- **Help build**, over time, greater public confidence and trust in individuals, institutions and the banking industry overall, and enhance pride in the banking profession.

We recognise the importance of demonstrating to our customers and colleagues that we are committed to building our industry’s reputation. This initiative is a public demonstration of this commitment, and of our understanding of our responsibilities to our customers, to colleagues and to wider society.

We are not setting up another regulatory body. Rule-making is not part of the CB:PSB’s remit. Nor will the CB:PSB set examinations for bankers. Far more can be achieved by encouragement, example and leadership. The CB:PSB is a public demonstration of moral leadership for our banking industry.

We will be judged, in time, by our customers, colleagues, regulators and shareholders. We believe all will see a real difference in the way we conduct our business.

2 | PROFESSIONALISM IN BANKING

It is easy to talk of our “Commitment to Professionalism”, and about the importance of ethics and professionalism, but what do we actually mean?

These terms are not easy to define when banking, unlike other professions, has no common ethical code or codified standards of professional knowledge, skill and behaviour. That is why we established the CB:PSB and why our organisations are subscribing to a common, customer-focused Code of Professional Conduct (“the Code”) developed by the CB:PSB.

Without the appropriate technical knowledge and skill, individuals cannot be expected to apply the Code consistently. The CB:PSB, therefore, has begun to develop a series of professional standards for bankers. These will define key components of banking professionalism, provide a framework for the development of professional judgment, and actively promote the improvement of banking skills, competence, and appropriate behaviours.

The CB:PSB sets clear benchmarks against which customers, colleagues and other stakeholders can measure bankers’ professional competence. It develops and promotes rigorous ethical and professional standards to encourage and build on best practice for bankers. It provides a foundation on which the banking industry can rebuild the human capital on which the sustainable, customer-driven banking industry we all wish to see is based. Its work encourages the development of an ecosystem of learning, development and other activities around the professional standards. Over time, this will support a strong culture of ethical and professional development across our industry.

CB:PSB's Achievements to Date

Since it was established in December 2010, the CB:PSB has:

- **Gained** the support of the leaders of the major UK banks listed as initial signatories in this document;
- **Published** “Our Commitment to Professionalism in Banking”;
- **Published** the Chartered Banker Code of Professional Conduct;
- **Published** a “Framework for Professional Standards”, setting out how professional standards will be developed, implemented and monitored;
- **Developed** its first draft standard: “Professional Ethics”;
- **Assisted** CB:PSB members in developing plans for increasing levels of professionalism within their organisations, aligned with the work of the CB:PSB; and
- **Engaged** extensively with UK banking industry representatives to promote the need for professional standards and the work of the CB:PSB.

3 | OUR COMMITMENT

For the work of the CB:PSB to succeed, it needs the widest possible support of the UK banking sector. CB:PSB members and their organisations will support the Board's ongoing work by:

- **Endorsing** the CB:PSB initiative and committing their personal and organisational support;
- **Providing** a senior representative from their organisation to join the CB:PSB;
- **Providing** a representative to join the CB:PSB's Professional Standards Committee, which will undertake more detailed standard-setting work;
- **Subscribing** to the Chartered Banker Code of Professional Conduct developed by the CB:PSB;
- **Establishing** an internal working group, or similar, to support the development, embedding and monitoring of standards within their organisation;
- **Celebrating** and **encouraging** employees' achievement of the standards;
- **Reporting** regularly on their organisation's achievement of the standards; and
- **Funding** the initial work of the CB:PSB for three years in return for organisational membership of the CB:PSB and access to its standards.

Why join our commitment?

It's what customers expect

Our customers expect bankers to act professionally, the basis on which trust is built.

It's what bank employees require

Building the professional standing of bankers will help employees renew their sense of pride in the profession.

It's what the industry needs

Senior industry figures, politicians, regulators and organisations have called for the development of professional standards for the banking industry. It is vital that this work is industry-led, and the CB:PSB has picked up this mantle.

It will benefit organisations

Clear benchmarks for professionalism will help banks with recruitment, retention and succession planning. It will reduce operational, people, reputational and regulatory risk.

4 CB:PSB FORWARD WORK PROGRAMME

Building on its work to date, the CB:PSB will deliver the following by December 2012:

Standard-Setting

- Final “Professional Ethics” standard published, building on the CB:PSB’s draft standard already developed;
- Draft thematic standards in areas including ethics, foundation knowledge and skills, and continuing professional development released for consultation; and
- Development of further draft standards in other areas identified and prioritised by the CB:PSB.

Monitoring and Enforcement

- First cycle of annual internal monitoring of achievement of the standards completed by all CB:PSB member organisations;
- First independent reviews of achievement of the standards completed; and
- First annual CB:PSB report on achievement of the standards published.

Other

- Permanent CB:PSB Secretariat established and operational (by December 2011);
- Website and communications launched (by December 2011); and
- Advisory Board established and operational (by June 2012).

5 | MEMBERSHIP

Initial signatories of this Commitment on 25 October 2011 (in alphabetical order) are:

Barclays PLC - Marcus Agius, Group Chairman

Clydesdale and Yorkshire Banks - David Thorburn, Chief Executive

HSBC Bank plc - Brian Robertson, Chief Executive

ING Direct UK - Richard Doe, Chief Executive

Lloyds Banking Group - Sir Winfried Bischoff, Chairman and
António Horta-Osório, Group Chief Executive

Santander UK - Ana Patricia Botín-Sanz de Sautuola y O'Shea,
Chief Executive

Tesco Bank - Benny Higgins, Chief Executive

The Royal Bank of Scotland Group - Stephen Hester, Group Chief
Executive

Virgin Money - Jayne-Anne Gadhia, Chief Executive

Together, the organisations supporting the CB:PSB serve more than 70 million UK customers, and employ more than 350,000 individuals working in banking in the UK.

The Founder Members of the CB:PSB who led the work to develop this Commitment are:

Lady Susan Rice CBE: Managing Director, Lloyds Banking Group Scotland (CB:PSB Chair)

Sir Sandy Crombie: Senior Independent Non-Executive Director, The Royal Bank of Scotland Group

Benoit de Vitry: Group Treasurer, Barclays

Johan de Wit: Head of Retail Banking, ING Bank Turkey and Advisory Board Member, ING Direct UK

Sandy Flockhart CBE: Executive Director, HSBC Holdings plc and Chairman, HSBC Bank plc

Jayne-Anne Gadhia: Chief Executive, Virgin Money

António Horta-Osório: Group Chief Executive, Lloyds Banking Group

Steve Pateman: Executive Director, Business, Corporate and SME Banking, Santander UK

Carol Sergeant CBE: Former Chief Risk Officer of Lloyds Banking Group, currently Special Advisor to Financial Services Chairmen, CEOs and non-executive directors

David Thorburn: Chief Executive, Clydesdale and Yorkshire Banks

The CB:PSB is supported by the staff of the Chartered Banker Institute, a trading name of The Chartered Institute of Bankers in Scotland, the oldest institute of bankers in the world.

To join the CB:PSB and Our Commitment to Professionalism, please contact:

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