



Dr Seetharaman delivering the keynote address on 'Enterprise Risk Integration' at the Enterprise Risk Summit 2014 at the Oryx Rotana in Doha yesterday.

G20 commits to 2.1% increase in global growth: Seetharaman

The G20 countries have committed themselves to achieving a 2.1% increase in global growth in the next five years as world economy has not picked up, said Doha Bank Group CEO, Dr R Seetharaman.

He was delivering the keynote address on 'Enterprise Risk Integration' at the Enterprise Risk Summit 2014 at the Oryx Rotana in Doha yesterday.

Seetharaman said, "They have also agreed to a plan to reduce the gap between men and women in the workforce by 25% over the next 10 years. This has the potential to bring 100mn women into the global workforce. G20 supported the initiatives to prevent, detect, report early, and rapidly respond to infectious diseases like Ebola and make sure basic public health system prevails which allow for early warning when outbreaks of infectious disease occur. The G20 Food Security and Nutrition Framework will strengthen growth by lifting investment in food systems, raising productivity to expand food supply, and increasing incomes and quality jobs. To prevent cross-border tax evasion, G20 endorsed the global Common Reporting Standard for the automatic exchange of tax information (AEOI) on a reciprocal basis."

Highlighting global governance, he said, "Ethical and moral governance has failed, which contributed to the subprime crisis and global financial crisis. Global governance has got redefined after the crisis and has an impact on corporate governance. Gone are the days where financial institutions used to gamble. The public private partnership model prevailed in financial services industry after the crisis. Since April 2009 the global governance has brought measures to regulate the banking sector."

Systematic risk is monitored closely by the regulators after the crisis and regulatory reforms have been pursued in relation to this. However, the easing measures by various central banks have lifted the stock markets. Currency volatility has also prevailed. The

dollar index has strengthened and the oil prices have fallen recently. Japan has gone into recession despite the measures taken as part of 'Abenomics'. The climate change challenge is prevalent and hence every organisation whether it is bank or an oil company should contribute to sustainable development as part of moral governance.

On risk integration, he said, "The global financial crisis is an opportunity to strengthen enterprise risk management. Whether it is lending or investing or the overall balance sheet management risk management is critical as part of Governance. Enterprise risk management broadens the scope of risk management behaviours to include every significant business risk of the organisation. It can be credit risk, market risk, operation risk, human resource risk or reputation risks. There should be an objective assessment of every transaction and we should manage the risks and contribute to the value system.

"We can't see risks in isolation and an integrated approach towards risk is required. Recently, global banks were subject to fines and litigation on account of Libor rigging, forex rigging and AML issues. Going forward, banks and financial institutions need to integrate their risk and compliance efforts to prevent recurrence of such events. There is also a need to protect the brand of the organisation as part of reputation risks. We live in a digital world and banks have embraced technology to provide better offerings to its customers. At the same banks should respond to challenges arising from digital security.

"Human resource is critical for every organisation and back up plans are necessary for key staff in the organisation as part of business continuity plans. Key management staff should contribute to the shared vision of the organisation and towards the strategy. The enterprise risk integration will provide value advantage to various stakeholders. Risk integration is the key to strengthen governance."