Governance and Risk Management –
Why Some Firms Succeeded while Others Failed

47th Conference on Bank Structure and Competition
Federal Reserve Bank of Chicago
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May 5, 2011
“I made a mistake in presuming that the self-interest of organizations, specifically banks and others, was such that they were best capable of protecting their own shareholders”

-- Alan Greenspan, 2008
“All happy families are alike; each unhappy family is unhappy in its own way”  -- Tolstoy, Anna Karenina

Successful firms each had their own way to detect and manage risk; unsuccessful firms were alike – they didn’t get it.
Form Rather than Content

- Everyone had a Chief Risk Officer
  - Dismissed (Freddie Mac)
  - Removed (Lehman)
  - Isolated (AIG)
  - Layered deep in the firm (Countrywide)
  - Disregarded/disrespected (Fannie Mae)
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