# Article information:

Time to ask what the directors were doing at these failed banks | Financial Times
[https://www.ft.com/content/17fb5f84-0931-4c65-bca8-b8e1aa982df3?emailId=bfcdb297-ca0d-4cc1-9173-1a6dfd96da6d=22011ee7-896a-8c4c-22a0-7603348b7f22](https://www.ft.com/content/17fb5f84-0931-4c65-bca8-b8e1aa982df3?emailId=bfcdb297-ca0d-4cc1-9173-1a6dfd96da6d&segmentId=22011ee7-896a-8c4c-22a0-7603348b7f22)

# Article summary:

1. The failure of several banks raises questions about the oversight of both regulators and directors.

2. The article suggests that there has been a lack of debate about governance at these banks, and investors should have spotted red flags sooner.

3. The combination of misplaced incentives for executives and a shortage of independent directors with expertise has been a recurring feature of corporate disasters, and this should spur deeper debate about what needs to be done to break that pattern.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The Financial Times article Time to ask what the directors were doing at these failed banks raises important questions about the role of directors in the failure of several banks, including Silicon Valley Bank, Signature Bank, and Silvergate in the US. The article argues that there has been a superficial debate about governance at these banks and that investors should have spotted governance red flags sooner.

The article highlights several issues with the boards of these banks, including a lack of banking experience among independent directors, a shortage of independent directors with expertise to judge risks, and misplaced incentives for executives. The article suggests that these issues have been recurring features of corporate disasters from the last financial crisis to Boeing's 747-Max crashes.

While the article raises important questions about governance at these banks, it is not without its biases. For example, it suggests that ESG investing has not given us better-governed companies without providing evidence to support this claim. It also implies that self-regulation through good corporate governance is not sufficient to make banking safer without considering alternative perspectives.

Additionally, the article focuses primarily on the failures of these banks without exploring potential counterarguments or presenting both sides equally. For example, it does not consider whether regulators may have played a role in the failure of these banks or whether there were other factors beyond governance that contributed to their collapse.

Overall, while the article raises important questions about governance at these banks and highlights potential issues with their boards, it could benefit from more balanced reporting and consideration of alternative perspectives.

# Topics for further research:

* Role of regulators in bank failures
* Factors contributing to bank collapses beyond governance
* Criticisms of ESG investing and its impact on governance
* Alternative perspectives on self-regulation through good corporate governance
* Importance of diverse and experienced independent directors in banking
* Incentive structures for bank executives and their impact on governance

# Report location:

<https://www.fullpicture.app/item/e431a82a87642a83fa3967761160ab26>