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News update DirectorInsight
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PAY | PERFORMANCE | GOVERNANCE



The United Kingdom – FTSE 100

HSBC's H1 results show increase in several performance indicators for executive pay

At first, HSBC's H1 results reveal a 10% increase in profit before tax, which is driven by strong performance in Asia. Profit before tax, together with Return on Equity (RoE), Jaws (cost efficiency) and dividends per ordinary share, are the financial performance indicators for the Company's Annual Incentive Award, each with a weighting of 15% (total of 60%). The same indicators, except for profit before tax, are the financial performance indicators for the long-term incentive plan. All three indicators have a weighting of 20% (also total of 60%). The reported RoE for 2015 H1 is 10.6%, which is exceeding the target of 10% and dividends per ordinary share are \$0.2, which is the same as last year. However, Jaws is reported to be -2.9%, which should be positive according to the target.

Germany – DAX/MDAX/TecDAX

Deutsche Bank AG is freezing executive bonuses

The bank is planning to freeze bonuses for all management board members except for the new CEO, Mr. John Cryan, the new CFO, Mr. Marcus Schenck, and the new head of retail banking, Mr. Christian Sewing. The freeze is being enacted while a German regulator investigates whether the management board could have done a better job avoiding issues that led to litigation costs. The bank's legal costs topped 11 billion euros since the financial crisis.

Executives on the move...

The United Kingdom – FTSE 100

ARM Holdings announces Board and Role changes

ARM Holdings announces the appointment of Lawton Fitt and Stephen Pusey as Independent Non-Executive Directors with effect from 1 September 2015. Lawton will also join the Audit Committee from the same date and will become Chairman of this Committee effective from 1 January 2016, succeeding Kathleen O'Donovan. The Company announces that Kathleen O'Donovan, currently Senior Independent Non-Executive Director and Chair of the Audit Committee, will retire from the Board on 31 December 2015. Andy Green, currently Independent Non-Executive Director, will succeed her as Senior Independent Non-Executive Director effective from 1 January 2016.

Antonio Simoes to succeed Alan Keir as CEO of HSBC Bank PLC

HSBC Holdings announces the appointment of Antonio Simoes to the Group Management Board as Chief Executive of HSBC Bank PLC and Chief Executive of Europe, effective from 1 September 2015. Antonio Simoes succeeds Alan Keir, who will step down as Chief Executive of HSBC Bank PLC effective from 30 September 2015 and will retire from the Group on 31 March 2016.

Standard Chartered appoints Mark Smith as Group Chief Risk Officer

Standard Chartered announces the appointment of Mark Smith as its new Group Chief Risk Officer effective from January 2016. In this role, Mark will be responsible for managing Credit, Market, and Operational Risk across the Group. Mark will become a member of the recently announced new Management Team and will succeed Pam Walkden who will be interim Group Chief Risk Officer from 1 October 2015 until Mark starts in 2016. Mark joins this new role from HSBC Bank PLC, where his current role is Chief Risk Officer Europe, Middle East and Africa and Global Head, Wholesale Credit and Traded Risk.

The Netherlands – AEX/AMX/AScX/NLOther

Delta Lloyd announces that Emiel Roozen will step down as the Chief Financial officer with effect of 3 August 2015. Jean Frijns will step down as Chairman of the Supervisory Board with effect of 1 October 2015.

Royal Imtech N.V. announces that Felix Colman will step down as Executive Board member with effect of 6 August 2015. He will remain as the Division CEO of Royal Imtech Germany.

Germany – DAX/MDAX/TecDAX

New Divisional CEO appointed to Allianz Worldwide Care

Allianz Worldwide Care has announced that Ida Luka-Lognoné, Executive Committee member of Allianz Worldwide Partners, has succeeded Ron Buchan as CEO of Allianz Worldwide Care.

Siemens AG names new CEO of Process Industries and Drives Division

Jürgen Brandes (54) has been appointed CEO of Siemens' Process Industries and Drives Division, effective October 1, 2015. He will succeed Peter Herweck (48), who is leaving the company at the end of the fiscal year. Brandes has been at Siemens for 25 years and is currently CEO of the company's Mobility Management Business Unit. He previously held a variety of positions in Siemens' automation and drives technology business both in and outside Germany.

KION Group AG to announce arrival of new Supervisory Board member

Change on the Supervisory Board of KION GROUP AG: Wolfgang Faden (66) was appointed to the board with effect from 1 August. He succeeds Johannes Huth (55), a partner and member of the Executive Committee of Kohlberg Kravis Roberts & Co. Partners LLP. Huth stepped down from his post on 31 July 2015 after KION GROUP AG shares held in funds advised by KKR had been sold in full.

New CFO at HOCHTIEF Solutions

Supervisory Board of HOCHTIEF Solutions AG appointed Peter Sassenfeld new CFO and Member of the Executive Board. Peter Sassenfeld will take on this responsibility on top of his current obligations as CFO of HOCHTIEF AG. All three Executives of HOCHTIEF Solutions are now at the same time serving on the Group's Board.

Klöckner & Co SE fills vacancy on the Supervisory Board

Prof. Tobias Kollmann has been appointed to the Supervisory Board of the Klöckner & Co SE by the Duisburg District Court with immediate effect. He succeeds Robert J. Koehler, who passed away on May 17, 2015.

Software AG appoint new CFO North America

Software AG announced the appointment of Kevin Niblock as President and Chief Operating Officer for its North American region and a member of the Group Executive Board to further accelerate the adoption of its Digital Business Platform and drive new growth initiatives. The new CFO North America will directly report to Eric Duffaut, Chief Customer Officer, Member of the Management Board, and responsible for global sales, marketing, and service operations.

Deutsche Bank's prime finance unit loses senior figures

Mr. Daniel Caplan will leave his position as head of global prime finance for Europe, Middle East and Africa. His responsibilities will be taken on by Ms Ashley Wilson, the bank's head of synthetic equities. Moreover, Mr. Simon Kempton will leave his position as global head of prime brokerage.

Italy – FTSE MIB

Italy's Intesa Sanpaolo shifts from two-tier to one-tier board

On July 31st the Supervisory Board of Intesa Sanpaolo, chaired by Giovanni Bazoli, unanimously decided to adopt one tier governance system. Hence the new governance will not comprise the Board of Statutory Auditors. The new formed Board of Directors will perform management and strategic supervision functions as well as control functions.

Formalization of Montepaschi di Siena's new chairman

On August 6th took place the last step of the Alessandro Porfumo's resignation from his mandate as chairman of Montepaschi di Siena, whose position will be officially taken over by Massimo Tononi. The latter has a strong background in finance having worked for Goldman Sachs and having covered the position of Managing Director of the Investment Banking division. Currently he is President of Prysmian spa, Advisory Director for Goldman Sachs, Non-Executive Director of the London Stock Exchange, member of the Board of Directors of Mittel and Sorin Biomedica.

New managerial and organizational set-up for Unicredit Group

On August 5th the Board of Directors of Unicredit SpA has approved the termination of the employment of Mr. Roberto Nicastro, General Manager, effective from September 30th 2015. Mr. Nicastro, besides having still in place the rights to receive the bonuses based on achieved performance objectives, he will collect first a 2.7 million Euros upon the employment termination. Consequently a similar amount, 2.6 million Euros, will be deferred and spread over 5 years. Despite the end of appointment as General Manager, he will keep the offices in the Supervisory Board of Bank Pekao, Bank Austria and AO UnicreditBank. Moreover the Board of Directors has agreed on splitting Mr. Nicastro's offices: Mr. Fiorentin, currently Deputy General Managers and COO, will take on the responsibilities concerning digital transformation of the Group; Ms. Natale will be appointed as Deputy General Managers and will be in charge of the asset management and lastly Mr. Papa will supervise the Central and Eastern Europe Division. To conclude, in another Board Decision Mr. Massimiliano Fossato will be appointed as new Group Chief Risk Officer effective from October 1st.

France – CAC 40

Alcatel-Lucent announces governance structure to prepare for Nokia merger

Alcatel-Lucent S.A. announced that Mr. Michael Combes will step down as CEO with effect from 1st September 2015. For the transition period, Mr. Philippe Camus is appointed Chairman and Interim CEO. Mr. Camus together with Mr. Philippe Guillemot (Chief Operating Officer), Mr. Jean Raby (Chief Finance and Legal Officer) and Mr. Basil Alwan (President of the IP Routing and Transport business line) are responsible in overseeing the transition process and completion of the merger. Furthermore, Mr. Jean-Cyril Spinetta is appointed Lead Director of the Board with effect from 1st September 2015.

Finland – OMX Helsinki 25

Kemira Oyj appoints Kim Poulsen as President, Paper segment and APAC region

Kim Poulsen, has been appointed President of Kemira's Paper segment and APAC region and member of the Management Board, effective November 1, 2015. He joins Kemira from UPM-Kymmene.

Norway – OBX

New acting Head of Group Industrial Development

Mr. Martin Furuseth has been appointed acting Head of Group Industrial Development (GID) in Telenor Group, effective August 1, 2015.

Other news

SEC approves CEO pay ratio rule

At August 5, the United States' Securities and Exchange Commission (SEC) has approved to adopt a CEO pay ratio rule under the Dodd-Frank Act (2010). This contains public companies are required to disclose the CEO pay compared to the median annual total compensation of a company's employees. The Democratic appointees think this enables shareholders to hold board members responsible for executive pay. Republicans state this rule is a misuse of securities laws. Date effective will be companies' first fiscal year, on or after January 1, 2017.

The United Kingdom – FTSE 100

RSA Group's positive H1 Results may be valuable in potential takeover bid

Stephen Hester responds publicly for the first time to potential take-over bid from larger rival Zurich Insurance. The Company's H1 Results could provide the Company a better position in the takeover talks. RSA Group's H1 results report an operating profit and pre-tax profit increase of respectively 84% and 317%. The Financial Times reports that Zurich Insurance is considering a possible bid at approximately 550p per share. The closing share price at Thursday 6 August 2015 was 510p. Zurich Insurance has until 25 August 2015 to confirm whether they want to make a formal offer for RSA.

Germany – DAX/MDAX/TecDAX

High revenues, low margins caused by competitive pricing in China for BMW

Slowing growth perspectives in China are causing trouble for German car industry. Also BMW is being affected. Sales figures are down 1.6% to last year. Profit contribution of Chinese Joint Ventures might be decreased as well. Future expectation on China business will be a key factor for further development.

Italy – FTSE MIB

Strong half-year result for Intesa Sanpaolo

The half year report released by Intesa Sanpaolo disclosed strong and above expectations figures. The net income has reached 2 billion Euro compare to 720 million Euro of the same period the previous year, besides the pre-tax income went up to 54,2% compare to 2014. Moreover the CEO, Carlo Messina, has said the company might deliver more than 2 billion Euro dividends for its shareholders.

Caltagirone spa reported a significant growth in its net profit

The construction company, which has a Market Cap of 306.31 million Euro, has reported a 51.9% increase (YoY) in its net profit.

Strong performance for Mediobanca

The Italian financial institution has reported strong results: net income +27% and dividends in strong growth around 67% YoY.

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