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Building Consensus on the Capital Regulation Practices of Senior Bank Managers

Sophia C. Velez
Walden University

Walden University

College of Management and Technology

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Sophia Velez

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Abstract

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MBA, Fordham University, 2006

BS, Fordham University, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Bank holding companies (BHC) that sustain significant losses without adequate capital can become insolvent and pose a systemic risk to the U.S. economy, yet 6 BHCs' had losses higher today than they were prior to 2008 recession. BHCs continue to experience significant losses as senior managers lack effective practice towards capital regulation. The research question for this study was, what is the level of consensus among banking finance experts across the U.S. on how to recognize a senior manager's effective practice towards capital regulation in BHCs. The purpose of this qualitative e-Delphi study was to build consensus among banking finance experts across the U.S. on how to recognize a senior manager's effective practice towards capital regulation in BHCs. The conceptual framework for this study was Compliance and Ethics Group's standard that improves quality and performance, principal-agent theory and goal theory. This e-Delphi study built consensus among 10 finance experts who are: employed a minimum of 10 years in banking; possessed an MBA in Finance; and, currently employed as a consultant to a large bank in the U.S. Data were collected from 3 electronic questionnaires submitted through Qualtrics. Data were analyzed using theoretical triangulation, coding, and thematic analysis. The data analysis revealed consensus on 33 activities constituting a senior manager's effective practice towards capital regulation in BHCs, with the highest agreement on internal control activities. The identification of these effective practices towards capital regulation in banks can effect social change by providing senior bank managers in BHCs with uniform principles that can reduce the level of risk behavior while meeting capital regulation requirement and shareholder objectives.

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Dedication

To my aunt Rose, thank you for spending those tireless days and nights teaching and coaching me in my studies. Although you are gone, you are not forgotten. I am who I am today because of your love and guidance.

To my daughter and her father, thank you for being my cheerleaders and encouraging me to pursue my academic dreams.

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Chapter 1: Introduction to the Study

Bank holding companies (BHCs) that sustain significant losses without adequate capital can become insolvent and pose a systemic risk to the U.S. economy (Berger, Curti, Mihov, & Sedunov, 2018; Crawford, 2017; Gong, Huizinga, & Laeven, 2018). An examination of six U.S. BHCs' (Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo) capital and losses revealed that their operational risk exposure is higher today than it was prior to 2008 recession, which exposes them to insolvency (Sarin & Summers, 2016). These unanticipated losses in mega banks and the continuance of economic turmoil suggest the ineffective delivery of capital regulation (Tanda, 2015; Yeoh, 2016). As Tanda (2015) noted, capital regulation failed to reduce losses and operational risk in BHCs as enacted through Dodd-Frank Bill 2010, Section 165. Scholars theorize that bank managers sometimes pursue their own financial interest of short-term financial gains while exposing shareholders to significant losses from their risky investments, which reflects aspects of principal-agent theory (Lui, 2011). Yet, limited research exists on an effective capital regulation measure to address operational risk, significant losses, and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016).

A contributing factor to risky management behavior is goal theory. Sepdiningtyas and Santoso (2017) argued goal theory motives and incentives are significant to garner commitment to a goal from the individual. However, the intrinsic and extrinsic motivations embedded in goal theory may be tied to unclear goals established by principals to motivate agents, which may lead to dysfunctional behavioral responses on the part of agents (Osterloh & Frey, 2000). Researchers have noted that intrinsic and extrinsic motivations embedded in goal theory are present in senior bank managers' dysfunctional behavior (Osterloh & Frey, 2000; Sepdiningtyas & Santoso, 2017) tied to principal-agent theory personal pursuits (Lui, 2011) of their own financial interest, risky investments, improperly priced mortgages, self-rewards of large short-term bonuses, and incentivization of their subordinates to increase sales and portfolios in these products (Calomiris, 2009).

According to experts, there is a lack of capital regulation reform practices to prohibit investments in high-risk products such as mortgage-backed securities that are internally rated as AAA, manage default and interest rate risks of mortgage loans, ensure limits on short-term funding of longer-term assets, and panic proof the system (Crawford, 2017; Holstein, 2013). The success of capital regulation depends on the regulators' understanding of the agencement processes, identification of the right modification techniques that will effect effective behavioral change, and creation of effective implementation strategies (Viljanen, 2016). The increase of risk can be prevented in a respectable risk culture that informs all financial risk-taking and managerial decisions (Eastburn & Sharland, 2017).

Chapter 1 begins with the background of the study. I also provide the problem statement, purpose statement, research question, conceptual framework, and nature of the study. This chapter also contains definitions and discussion of the assumptions, scope and delimitations, limitations, and significance of the study.

Background of the Study

Since the passage of Dodd-Frank Bill 2010 and Basel III capital regulation (Wilmarth, 2011), BHCs have continued to sustain significant losses and increased risk exposure; regulating capital has been the inverse of what was expected by the regulators as banks continue to be weaker despite the capital regulation optimism for their improvements (Dowd & Hutchinson, 2016). In their examination of the role of agency theory, Noreen, Alamdar, and Tariq (2016) found that senior bank managers' behavior becomes a moral hazard behavior; they by-pass their bank's charter value which they are sworn to uphold as agents; indulge in earning short-run profits; and ignore the future value of the firm, an agency problem stemming from a lack of association to their respective organizations. The problem is not that there is a lack of regulation to pre-empt risky senior manager behavior, but rather that banking regulatory authorities must work on ways to implement the capital regulation more effectively, which may control the moral hazard behavior of banks' senior managers (Noreen et al., 2016). Collaborative practices on capital regulation can inform regulators' understanding of agencement processes and help them identify the right modification techniques that will promote behavior change on the part of senior bank managers as well as devise effective implementation strategies (Viljanen, 2016).

The consequences of agency theory have driven senior bank managers to explore areas of generating profits by engaging in risky off-balance-sheet activities to boost earning when on-balance-sheet assets become less profitable due to lower interest rates; this behavior increases the amount of higher risk assets in anticipation of higher expected return during low interest rate periods (Chang &Talley, 2017). Mega-banks are forced into extending leveraged activities to stay abreast of competition through financial innovation and the use of off-balance sheet trades (Hale Balseven, 2016). These strategies are necessary to cope with agency theory financial profit expectations from agents. The identification of effective capital regulation practices can inform positive activity on the part of senior bank managers through the selection of conservative investments, heighten bank managers' awareness of ethical choices thereby reducing fraudulent behaviors, and decrease business losses (Gatzert & Schmit, 2016).

The need for effective capital regulation practices has been documented as a necessary requirement to reduce agency theory risk exposure evident in abusive high-frequency trading practices, lack of accountability at the top, and conflicts of interest that expose investors to unnecessary risks and fees (Barr, 2017). The profit scope economies in banks reflects that revenue scope efficiency gains dominate cost scope efficiency losses in joint productions; furthermore, there are higher benefits from increased revenue as opposed to cost savings when jointly producing banking and insurance products (Yuan, 2017). Equity incentives may cause managers to go overboard and to take inefficient risks at the expense of creditors (Tung, 2011). Greenwood, Stein, Hanson, and Sunderam (2017) observed the behavior of bank executives and the 20 most highly compensated line managers in each big bank and obtained information on incentives at play. In an earlier study, Osterloh and Frey (2000) found that the contractual incentives tied to unclear goals established by principals to motivate agents could lead to dysfunctional behavioral responses. These barriers may reveal a lack of effective capital regulation practices towards senior management behaviors stemming from agency theory, which further reinforces the need for risk management practices that if not identified and implemented can force banks out of business (McConnell, 2012).

Problem Statement

BHCs that sustain significant losses without adequate capital can become insolvent and pose a systemic risk to the U.S. economy (Berger et al., 2018; Crawford, 2017; Gong et al., 2018). An examination of six U.S. BHCs' (Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo) capital and losses revealed their operational risk exposure is higher today than it was prior to 2008 recession, which exposes them to insolvency (Sarin & Summers, 2016); these unanticipated losses in mega banks and the continuance of economic turmoil suggests the ineffective delivery of capital regulation (Tanda, 2015; Yeoh, 2016). Capital regulation failed to reduce losses and operational risk in BHCs as enacted through Dodd-Frank Bill 2010, Section 165 (Tanda, 2015). The general problem is that BHCs that implemented capital regulation continue to experience significant losses exposing them to insolvency (Berger et al. 2018; Ertürk, 2016).

There is a lack of capital regulation reform practices to address gaps in risk posed by liquidity thresholds, prohibited investments in mortgage-backed securities that are internally rated as AAA, default and interest rate risks of mortgage loans, limits on short-term funding of longer-term assets, and failure to panic proof the system (Crawford, 2017; Holstein, 2013). The success of capital regulation depends on the regulators' understanding of agencement processes, identification of the right modification techniques that will effect behavioral change, and plotting of effective implementation strategies (Viljanen, 2016). Capital regulation law does not identify acceptable ways to conduct the stress tests of capital, and the literature on their optimal design is still being developed (Kapinos, & Mitnik, 2016). Limited research exists on an effective capital regulation measures to address operational risk, significant losses, and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016). The specific problem is that senior managers in BHCs lack effective practice towards capital regulation (Handorf, 2017; Li, 2018).

Purpose of the Study

The purpose of this qualitative e-Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in BHCs. To address this gap, I used a classical Delphi method design for an online platform, or e-Delphi study design (Cole, Donohoe, & Steffson, 2013). I convened a panel of experts to answer the research questions and provide information on effective capital regulation practice that can mitigate bank risk (see Davidson, 2013). Banking finance experts were selected across the United States, and purposive sampling was employed to solicit 10 study participants to form a panel with experience in the underlining study constructs (see Strasser, 2017). I evaluated trustworthiness of the data in this e-Delphi study using credibility, transferability, dependability, and confirmability criteria (see Viloria, 2018).

Research Question

What is the level of consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies?

Conceptual Framework

The goal of this qualitative Delphi study was to develop a consensus on effective senior managers' practice towards capital regulation in BHCs. The Compliance and Ethics Group's (OCEG) standard integrates governance, risk management, internal control, assurance, and compliance (the GRC capability model) into one functional goal to improve quality and "principled performance" through measurable tools that may enhance effectiveness and efficiency practices (Bezzina, Grima, & Mamo, 2014; Spies & Tabet, 2012). In several studies, Grant Thornton International argued that integration of governance, risk management, and compliance can improve effectiveness and efficiency performance (Bezzina et al., 2014). Financial firms' principled performance is achieved through clearly defined goals and values, plans for how objectives will be met, identified risks and vulnerabilities with established boundaries, and an effective mechanism for change that enables continuous improvement and performance achievement (Bezzina et al., 2014; Spies & Tabet, 2012).

Senior bank managers' practices are aligned with goals and values established in goal theory (Chawla, 2016) and principal-agent theory (Darayseh & Chazi, 2018; Lui, 2011). The purpose of this qualitative classical Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. The principal-agent theory discusses the relationship between shareholders (principals) and bank managers (agents; Lui, 2011; Darayseh & Chazi, 2018), while goal theory concerns the role of incentives (Chawla, 2016). Sepdiningtyas and Santoso (2017) addressed the motives and behaviors of managers. The seminal works of Frederick Taylor on scientific management (1900-1920) and Henri Fayol on the systematic approach of managerial behavior (1841-1925) paved the way for contemporary scholarship on principal-agent theory and goal theory (Kitana, 2016). In conducting this qualitative study, I sought to identify effective senior manager practice (governance, risk management, compliance) related to the goal of principled performance and principal-agent theory.

Principal-Agent Theory

Lui (2011) argued that principal-agent theory addressed the concern that managers/agents of the bank pursue their own financial interest at the expense of the shareholder/principal who suffered the losses from the risky investments. Darayseh and Chazi (2018) saw the principal-agent theory as one that studied the problem between shareholder and manager; the agent does not operate in the best interest of the principal because of conflicting interest and objectives that lies between the two.

Goal Theory

In examining the aims of the agent, goal theory highlights the role of incentives and motives Chawla (2016) referred to commission plans which motivate individual to reach target goal. Similarly, Sepdiningtyas and Santoso (2017) goal theory argued that motivation and incentives are significant to garner commitment to goal from the individual. The concepts of intrinsic and extrinsic motivations revealed that contractual incentives tied to unclear goals established by principals to motivate agents leads to their dysfunctional behavioral responses (Osterloh & Frey, 2000). Incorporation of the classical Delphi method into the conceptual framework supported the study's overall purpose of building a consensus among experts as to effective senior manager practice towards capital regulation that can be successful in reducing bank risk, and risky management behavior in BHCs.

Nature of the Study

The nature of the study is qualitative with an e-Delphi design (Cole, Donohoe & Stellefson, 2013). A Delphi technique can be used for qualitative research that is exploratory (Habibi, Sarafrazi, & Izadyar, 2014). The primary function of the Delphi method is to explore an area of future thinking that goes beyond the currently known or believed (Hsu & Sandford, 2007). Qualitative research enables the researcher to understand the nature of the phenomenon (Basias & Pollalis, 2018), and collect data in a naturalistic manner through interview, surveys, questionnaires that ask "how", "why", and "what" questions that are open-ended in nature (Gaus, 2017). In contrast, quantitative research uses an experimental design study to test multiple regression and structural equation modelling (Petrescu & Lauer, 2017), research questions are descriptive and "what is" "what are" in nature and seek to quantify the responses (Doody & Bailey, 2016). Mixed method research collects, analyze, and integrate both quantitative and qualitative data in a complex research study (Fryer et al., 2017). Other qualitative methods would not be appropriate for this study. Case study provides a 'holistic' view and understanding of a process, and provides insight that satisfies exploratory questions (Basias, & Pollalis, 2018). Phenomenology seeks to obtain understating of how people experience the world pre-reflectively, without attributing meaning to it and classification (van Manen, 2017). Both the case study and phenomenology are used to identify best practices. The Delphi technique is a consensus-building process that uses rounds of questionnaires to gather opinions from members of a structured expert panel to inform change (Linstone, & Turoff, 2011).

The classical Delphi method (also known as Estimate-Talk-Estimate [ETE]) is a judgmental forecasting and decision-making method and technique that gather expert predictions under the guidance of a facilitator who controls these forecasts until group consensus is established (Ibiyemi, Yasmin, & Md, N. D. 2016). The classical Delphi studies is amenable to the Internet platform where iterative collection of data can be made more efficient (Cole, Donohoe & Stellefson, 2013). In my classical Delphi study design for an online platform, I adhered to the recommendation of three rounds of questionnaires, first round questionnaire uses open-ended approach to gather expert opinions on a certain issue, the second questionnaire asks the panel of experts to rank these statements, and third the group reach consensus (Cole, Donohoe & Steffson, 2013; Donohoe, Stellefson & Tennant, 2012; Habibi, Sarafrazi & Izadyar, 2014). When exploring consensus, three rounds, which would typically take four months is sufficient in answering a research question (Iqbal & Pipon-Young, 2009).

Originally coined by MacEachren et al., (2006) the e-Delphi represents an updated computerization of the classical Delphi process to optimize the method's ability to organize widespread and diverse group thinking, while capitalizing on the methodological advantages (Davidson, 2013). The e-Delphi relies on an Internet-based platform for organizing, controlling and facilitating panelist rounds between the researcher and expert panel. When compared with the traditional pen-and-paper approach to data collection, the e-Delphi researcher has the advantage of convenience, time and cost savings, and data management advantages (Haynes, & Shelton, 2018). Donohoe, Stellefson, and Tennant (2012) reported that the e-Delphi design is feasible, convenient and an efficient alternative to the traditional paper-based method of the classical Delphi design. Since my research will aim for maximum variation sampling recommended for PhD qualitative dissertations, the e-Delphi research technique would be an especially viable alternative compared to the traditional paper-based method in identifying and coordinating the data collection of panelists from different locations (Davidson, 2013).

The purpose of the study and the open-ended nature of the research question support the use of a Delphi design. I convened a panel of expert to communicate to arrive at a consensus on complex problems (Davidson, 2013; Guzys, Dickson-Swift, Kenny & Threlkeld, 2015). Using the e-Delphi design, I collected critical data electronically through the process of surveys that ask “how”, “why”, and “what” questions that are open-ended in nature (Gaus, 2017). Experts across the United States and purposive sampling was employed to solicit 10 experts to form a panel with experience in the underlining study constructs. Purposive sampling was used in a qualitative method to select from the population with the most amount of knowledge (Merriam & Grenier, 2019).

I recruited participants via social media (LinkedIn groups). The initial survey consisted of five questions with subsequent follow-up rounds. The individuals were elected as part of a panel of expert participants because of their background and knowledge on the subject. The inclusion criteria for participation in this e-Delphi study as a panelist is as follows: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. These criteria are aligned with guidelines for expert judgement in model-based economic evaluations (Iglesias, Thompson, Rogowski, & Payne, 2016). As noted by Peterson (2018), there are no set of universal guidelines for qualifying an expert for a Delphi panel. Scholars used various criteria to assessed expert qualifications “education, years of work experience, professional qualifications, project involvement, licensures, and professional publications” (Peterson, 2018, p.1).

To build consensus among experts and achieve trustworthiness of data in this qualitative research, I strived for the achievement of credibility, dependability, confirmability, transferability (Kemparaj, 2013). I used debriefing and member checking strategy to obtain credibility of ten study results; participants were provided with the opportunity to review and comment on the collected data (Stewart, Gapp & Harwood, 2017). The use of an audit trail can attain dependability (Kemparaj & Chavan, 2013). Confirmability can be obtained through audit trails and reflexive journals (McCaffrey & Edwards, 2015). I used thick description to document the detail of the study, which allows the reader to evaluate the conclusions drawn and its transferability to other settings, situations and people (Viloria, 2018).

Definitions

Definitions of key terms provide comprehensiveness and consistency throughout this research. Definitions are grounded in peer-reviewed literature related to the current design and methodology.

Bank holding company: A bank with a total asset base of $50 billion or more (Gohari & Woody, 2015).

Capital buffer: Mandatory capital that banks are required to hold and use interchangeably with minimum capital and capital ratio (Wan, 2016).

Capital ratio: The Fed-imposed minimum capital a bank is required to hold to cover its potential losses (Wan, 2016).

Goal theory: A theory that highlights the role of incentives and motives that motivate employee to obtain desired results (Chawla, 2016).

Off-balance-sheet regulatory arbitrage: The financial engineering used to keep default risk off the balance sheet (Petitjean, 2013).

Principal-agent theory: A theory that addresses the conflicting interests and objectives of shareholders and managers (Darayseh & Chazi, 2018).

Risk capital: The amount of capital required to absorb significant economic losses (Weber, 2014).

Senior bank managers: Senior managers in the bank who hold key roles and responsibilities that are senior management functions as defined in the firm's "Statement of Responsibility"; a detailed description of the senior manager's responsibilities is documented annually in the firm's "Responsibility Map" that outlines the organizational structure, regulated activity, and the respective employees who hold these responsibilities (Kinghorn, 2017).

Assumptions

This study includes a range of assumptions. First, I made the assumption experts selected for the study would view the research problem as significant and agree to serve as participants on the e-Delphi panel. The banking industry is very sensitive both to participants time and the information they shared which makes it difficult to identifying and retain qualified participants who are willing to participate in the study. This would provide valuable facts and answers to the questions posed on this complex issue.

I also assumed that the experts selected would feel qualified to participate in a capital regulation in banking study. My third assumption was that the requirement used to classified experts in this e-Delphi study would put the participants at ease on why they were selected and offset any anxieties stemming from absence of capital regulation experience. This would enable the information received from the participant to be accurate and data-rich for this study.

My fourth assumption is that the study participants would provide honest answers to the questionnaires. Kim and Kim (2016) posited that respondents attempt to portray themselves as socially acceptable manner by understate or overstate their responses. There can be social acceptability bias present in e-Delphi study (Heitner et al.,2013; Von der Gracht, 2012). An honest response provides transparent communication with strong trustworthiness, providing an accurate data-rich study.

My fifth assumption was participant attrition will be limited by providing clear instruction, formatted questionnaires, and short time lag between e-Delphi rounds. Merlin et al. (2016) argued the lack of clear instructions and formatted questionnaires, and excessive duration between rounds in a e-Delphi study can contribute to participants attrition. The increase of clarity and reduction of attrition will enable efficiency in data collection and information will be received timely to address the purpose of this study

My sixth assumption is the use of purposive sampling would lead to the identification of sufficient participants to form the e-Delphi panel of experts. Purposive are common to Delphi studies; purposive sampling is used in a qualitative method to select from the population with the most amount of knowledge (Gheondea-Eladi, 2014). This will allow the identification of research participants well informed on the issue and the collection of valuable and rich-data for the study.

My seventh assumption is I assumed that consensus will be reached by assembling a panel of expert on the research topic of interest. There are numerous measures of consensus in a Delphi study such as; percentage agreement, and median score (de Loë et al., 2016; Diamond et al., 2014; Von der Gracht, 2012). Heitner et al. (2013) stipulated a researcher can use percentage agreement and median score as measures of consensus in the same Delphi study. A consensus amongst experts can provide valuable and rich-data on the issue being studied.

My final assumption is that my background in banking would not cause me to experience bias in the study. A leader's biases and assumptions can limit the scope and focus of the leader's inquiry which can result in the premature discovery and half -truths. There could be a misinterpretation of data received by preconceived assumptions and bias which can lead the leader away from the discovery of the truth and reach an effective conclusion on the matter. Laverty (2003) stated, "one needed to bracket out the outer world, individual biases, particular beliefs, suspending one's judgment to successfully achieve contact with essences and see it clearly" (p.6). Leaders who lack awareness of their bias and assumptions are unable to contain them which can lead to eliminating critical information and reached artificial results. As such, the disclosure of my assumptions, limitations, delimitations, personal views, and sharing data collection procedures and analysis results with the participant should help with the elimination of my biases. The elimination and bracket of my biases can provide an accurate and data-rich study.

Scope and Delimitations

Numerous delimitations shaped this study. One boundary included the decision to focus the overall research question on effective senior managers' practices towards capital regulation. The decision to develop a conceptual framework based on the OCEG) concept that integrates governance, risk management, internal control, assurance, and compliance (GRC capability model), principal-agent theory, and goal theory and the use of the Delphi method is the second delimitation. The third delimitation is that I did not confine my experts in banking to a specific region in the United States.

The fourth delimitation related to the use of questionnaires used as a form of data collection in this e-Delphi study. Brady (2015) asserted Delphi study generally use a questionnaire as the customary data collection tool.

The fifth delimitation is each participant selected as experts on the panel are required to have a minimum of 5 years of industry experience. Bahl, Dollman, and Davison (2016) and Wang and Hwang (2014) both agreed that 5 years of industry experience is sufficient to classify individuals as expert status in a Delphi study.

The failure to solicit other demographic data from participants, such as data related to other areas of the financial services industry (Broker dealers or Insurance Companies) may have resulted in the inclusion of experts from certain demographic groups to the exclusion of others. As such, the overall findings of this study may not be transferable to other contexts where researchers seek to develop a consensus on techniques for other financial services systemic risk companies that contributed to 2008 United States recession. The study findings may not transfer to other contexts where researchers seek to develop a consensus on effective senior managers' practices on a particular topic issue.

Limitations

The unforeseen problems identified by a researcher are the limitations of the study (Hekman et al., 2017). The e-Delphi study has methodological limitations stemming from it being an internet-based research prone to internet accessibility challenges, technological difficulties, inconvenience of entering data into computer instead of the convenience of completing a hard copy; the nature of these problems can be identified as access and control related (Donohoe, Stellefson & Tennant, 2012). The United States over the last year has experience significant storms and flood in various states that destroyed power plants and impede internet access in many states for many days. Donohoe, Stellefson, and Tennant (2012) argued unreliable internet access is a significant challenge for e-Delphi administrator and participants where access is interrupted by weather condition. As a means to improve assess during the research study, I offered participants the option to use mobile access to submit responses, and the use of central site where survey and resources could be accessed (browser friendly survey delivery system/website) and offer phone support during the duration of the Delhi study (Donohoe, Stellefson & Tennant, 2012).

The research environment of an e-Delphi study is a virtual laboratory which makes it harder to control issues such as false representation due to lack of verbal interaction and participant distraction, anonymity of the internet present concerns related to representation, uncertainty in knowing the identity of the other which pose a challenge in seeking Institutional Review Board approval (IRB) (Donohoe, Stellefson & Tennant, 2012). To address this issue of control limitation and potential IRB concerns, I provided expert participants with a secure hyperlink that is unique and accessible only by the participant, accompanied by a password in a separate email to access the e-survey (Donohoe, Stellefson & Tennant, 2012).

The nature of the e-Delphi design involves three rounds which posed the risk that a number of participants dropped out before completion of the study. The attrition of participants between rounds may affect conclusions of the study and place constraints on the range and depth of data collection (Cegielski, Bourrie, & Hazen, 2013). The estimated attrition rate in recent Delphi studies by Annear et al. (2015), Brody et al. (2014), Munck et al. (2015), Sinclair et al. (2016), and Willems et al. (2015) is approximately 25%. Attrition rate can be limited through use of techniques such as; clear instructions, properly formatted electronic questionnaires, a short duration between Delphi rounds (Merlin et al., 2016). I addressed participant attrition by providing clear instruction, formatted questionnaires, and reduce follow-up time between e-Delphi rounds. This will increase clarity and enable efficiency in data collection; an incentive for participation in this study included providing panelists with the summary of the study results upon request.

Social desirability bias posed by study participants seeking to be accepted posed the second limitation. Participants may not provide honest answers to the questionnaires; respondents may attempt to portray themselves as socially acceptable manner by understate or overstate their responses (Kim & Kim, 2016). To reduce the social desirability bias, the questions provided to panelists was not driven to personal experience of the participants; a reinforced emphasis was placed on participant anonymity and confidentiality throughout the duration of the study. My background in banking could cause me to experience bias in the study. To reduce the likelihood of personal bias, I disclosed my assumptions, limitations, delimitations, personal views, and sharing data collection procedures and analysis results with the participant should help with the elimination of my biases.

The selecting experts for the panel posed a potential limitation which entails choosing between engaging a large diverse set of respondents that make it for the Delphi coordinator to interact with participants, or a small group of individuals that is easy to follow closely and contact, creating higher commitment by respondents (Hirschhorn, 2019). To address this limitation, I selected a diverse group of experts and ensure to avoid unnecessary long messages or questionnaires that could discourage participation of participants (Hirschhorn, 2019).

The use of purposive and snowball sampling to identify experts might overlook qualified experts. There is potential that this panel of experts might fail to include the views of recognized experts in the field from diverse demographic groups, that all relevant individuals were included in the panel; final list did not suffer from bias based on : databases used may be incomplete, experts may not always publish their work, conferences, journals may not be geographically pluralistic (Hirschhorn, 2019). To avoid excluding such experts, my recruitment strategies included a review of professional networking sites, solicited via social media (LinkedIn groups), and using best practice selection criteria for Delphi studies (Hirschhorn, 2019). The scanning of social networks on professional network sites is a good method for identifying potential panelists (Worrell, Wasko & Johnston, 2013). This enabled me to find a sufficient number of participants for my study panel by contacting directly individuals who satisfied the study eligibility criteria.

Transferability corresponds to external validity and the application of the findings to other settings; generalizing of the findings in external validity can be measured through various rigor of testing such as content validity assessment (instrument provides adequate coverage of a investigated topic), construct validity (theoretical foundation of a scale or measurement), and criterion validity (test is effective in predicting criterion or construct indicators) (Hasson & Keeney, 2011). The lack of precise definition of the Delphi place the purist of validity at disadvantage; precise definition enables more validity in research conducted, easier to interpret findings, and greater confidence in the conclusions (Hasson & Keeney, 2011). There are methodological challenges to the establishment of rigor, transfer of measurements across qualitative and quantitative paradigm; transfer of measurements between paradigm is problematic due to difference in underlining philosophies that produce different type of knowledge (Hasson & Keeney, 2011). This e-Delphi study used precise definition and thick description to document detail of the expert panelist responses that can be used in future research. The nature of the open-ended questions and the specific sample of research expert participants are designed to gather information and data for future studies.

Significance of the Study

Significance to Practice

The results of this study may be used by bank practitioners and the Federal Reserve Bank (Fed) to construct action plans, policies and desk top procedures, and training programs that may lead to reduction in risky management behaviors. The collaborative practices can inform positive bank activities through reducing senior managers investment in high risk products and more selection of conservative investments; heightened bank managers ethical awareness choices thereby reducing fraudulent behaviors; decrease business losses stemming from errors and fraud (Gatzert & Schmit, 2016). The growing bank risk can force banks out of business and eventually spill over negatively into the economy, which may lead to another recession. The increase of risk can be prevented in a respectable risk culture that informs all financial risk-taking and managerial decisions (Eastburn & Sharland, 2017).

Significance to Theory

The findings of this study are aimed at the identification of an effective practice that address a knowledge gap towards managing capital risk and contribute original qualitative data to the study's conceptual framework. Despite the growth of research in recent years on the significance of capital regulation to bank risk (Tanda, 2015), there has been a failure to identify effective practices that implement capital regulation effectively thereby reducing bank risk and risky management behavior (Ertürk, 2016). Although principal-agent theory discusses the relationship between shareholders and bank managers, a classical Delphi approach met the purpose of the study and offered distinct contributions to the theory. The Delphi technique, such as this proposed study, provide results from a consensus-building process that uses rounds of questionnaires to gather expert opinions to inform theoretical change and extend the results of prior studies (Izaryk & Skarakis-Doyle, 2017).

Applying agency, goal theory and the role of incentives (Chawla, 2016) to BHCs provides a theoretical understanding of the problem between shareholder and manager; the conflicting interest and objectives between the two parties leads to risky behaviors of agents (Darayseh & Chazi, 2018). This is a vital addition to the seminal works of Henri

Fayol systematic approach of management behavior (1841 -1925) (as cited in Kitana, 2016), agency and goal theory role of incentives (Chawla, 2016) in playing a role in the motivation of managers behavior (Darayseh & Chazi, 2018; Sepdiningtyas & Santoso, 2017).

Significance to Social Change

Meeting the purpose of the study and collecting expert opinions on an effective practice towards capital regulation may help drive social change in reducing senior bank managers in bank holding companies' risky behaviors, and investments in high products that causes significant bank losses. Bank senior managers that invest in high risk investments to generate short term gains and meet shareholder objectives expose the banks they managed to long term significant losses, thereby exposing them to bankruptcy (Ertürk, 2016; Tanda, 2015; Yeoh, 2016). Additionally, senior managers of large banks are required to maintain the new capital regulation minimum ratio and meet shareholder profit objectives, which forces them to be resolved to increased investments in high risk products that generate short-term profits at the risk of increasing long term significant bank losses, and the possibility of insolvency (Sarin & Summers, 2016). The identification of an effective practice towards capital regulation in banks can effect social change by providing senior bank managers in bank holding companies with uniform principles that can reduce the level of risk behavior, while meeting capital regulation requirement and shareholder objectives.

Summary and Transition

An examination of 6 U.S. BHCs' (Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo) capital and losses revealed their operational risk exposure is higher today than they were prior to 2008 recession, which expose them to insolvency (Sarin & Summers, 2016); these unanticipated losses in mega banks and continuance of economic turmoil suggest the ineffective delivery of capital regulation (Tanda, 2015; Yeoh, 2016). Capital regulation failed to reduce losses and operational risk in BHCs as enacted through Dodd-Frank Bill 2010, Section 165 (Tanda, 2015). There is a lack of capital regulation reform practices to address gaps in risk posed by liquidity thresholds, prohibited investments in mortgage-backed securities that are internally rated as AAA, default and interest rate risks of mortgage loans, lack of limits on short-term funding of longer-term assets, and failure to panic proof the system (Crawford, 2017; Holstein, 2013). There has been a failure to identify effective practices that implement capital regulation effectively thereby reducing bank risk and risky management behavior (Ertürk, 2016).

The capital regulation law does not identify acceptable ways to conduct the stress tests of capital and the literature on their optimal design is still being developed (Kapinos, & Mitnik, 2016). Limited research exists about an effective capital regulation measures to address operational risk, significant losses and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016). The purpose of this qualitative e-Delphi study is to build consensus among banking finance expert across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. To address this gap, a classical Delphi method design for an online platform or e-Delphi study design (Cole, Donohoe & Steffson, 2013), used to meet the purpose of the study, convene a panel of experts to answer the research questions, and inform on effective capital regulation practices that can mitigate bank risk (Davidson, 2013). To establish this consensus, study participants in this e-Delphi study as a panelist is as follows: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. Participants take part in ae-Delphi study of three rounds of questionnaires, first round questionnaire uses open-ended approach to gather expert opinions on a certain issue, the second questionnaire asks the panel of experts to rank these statements, and third the group reach consensus (Cole, Donohoe & Steffson, 2013; Donohoe, Stellefson & Tennant, 2012; Habibi, Sarafrazi & Izadyar, 2014). Chapter 2 encompass an in-dept review of the academic literature on key points that guide this study, including bank risk and risky management behaviors, the benefits of a respectable risk culture that informs financial risk-taking and managerial decision, senior managers reduction of investment in high risk products and more selection of conservative investments, and a heightened bank managers ethical awareness in making choices.

Chapter 2: Literature Review

Senior managers in BHCs lack effective practice towards capital regulation (Handorf, 2017; Li, 2018). Scholars theorize there exists a level of principal-agent theory when bank managers pursue their own short-term financial gains while exposing shareholders to significant losses from their risky investments (Lui, 2011). Capital regulation has failed to reduce losses and operational risk in BHCs (Tanda, 2015). The general problem is that BHCs that implemented capital regulation continue to experience significant losses exposing them to insolvency (Berger et al., 2018; Ertürk, 2016). The specific problem is that senior managers in BHCs lack effective practice towards capital regulation (Handorf, 2017; Li, 2018).

The purpose of this qualitative e-Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in BHCs companies. Senior bank managers experiencing principal-agent theory are challenged by goal theory motives and incentives (Sepdiningtyas & Santoso, 2017) and dysfunctional behaviors (Osterloh & Frey, 2000). In Chapter 2, I provide the literature search strategy and conceptual framework for the study, followed by a literature review in which I synthesize knowledge on topics related to the problem and purpose of the study.

Literature Search Strategy

The literature review process assists with refining research questions, exposes inconsistencies throughout the literature, bolsters the central topic being studied and methodologies being used, and elaborates on the conceptual framework (Cronin, Ryan, &

Coughlan, 2008). In this chapter's literature review, I present an overview of topics relevant to senior managers' effective practice towards capital regulation in BHCs that is aligned to the research question. This review consists of several peer-reviewed journal articles in addition to research from the following databases: Google Scholar, ProQuest, and EBSCOhost. I accessed ProQuest and EBSCOhost via Walden University Library.

I limited the search to peer-reviewed scholarly journals published within the past 5 years using key search terms. The terms included *capital regulation and 2008 financial crisis* (15,970 results), *capital adequacy* (7,794 results), *Dodd Frank Bill 2010* (528 results), *U.S. banking and 2008 financial crisis* (4,781 results), *Dodd Frank and stress testing* (327 results), *U.S. 2008 recession bank risk and insolvency in the U.S.* (240 results), *capital regulation and bank holding companies* (5,893 results), *Basel III* (40,256 result), *bank bailouts* (1,057 results), *Prudential regulations* (2,300 results), *capital regulation and losses in banks* (13,184 results), *risk management in bank holding companies* (8,694 results), *BHC and risky management behavior* (55 results), *regulation and banks* (73,263 results), and *capital regulation* (58,706 results). I then added filters by research subject and classification to the search term groups. The results were *capital regulation and 2008 financial crisis* (42 results), *capital adequacy* (3 results), *Dodd Frank Bill 2010* (1 result), *U.S. banking and 2008 financial crisis* (10 results), *Dodd Frank and stress testing* (10 results), *U.S. 2008 recession bank risk and insolvency in the U.S.* (4 results), *capital regulation and bank holding companies* (4 results), *Basel III* (1 result), *bank bailouts* (1 result), *Prudential regulations* (2 results), *capital regulation and losses in banks* (3 results), *risk management in bank holding companies* (1 result), *BHC* *and risky management behavior* (1 result*), regulation and banks (3 results); capital regulation* (8 results).

In preparation for this literature review, I provide the conceptual framework on senior management behaviors stemming from agency theory. I discuss the need for risk management practices that, if not identified and implemented, can force banks out of business. The review also includes discussion of the effects of agency theory and incentives tied to unclear goals established by principals to motivate agents that could lead to dysfunctional behavior.

Conceptual Framework

The goal of this qualitative e-Delphi study was to develop a consensus on effective senior managers' practice towards capital regulation in BHCs. To frame the study, I used OCEG's standard that integrates governance, risk management, internal control, assurance, and compliance (GRC capability model) into one functional goal to improve quality and principled performance through measurable tools that may enhance effectiveness and efficiency practices (Bezzina et al., 2014; Spies & Tabet, 2012). In several studies, Grant Thornton International argued that integration of governance, risk management, and compliance can improve effectiveness and efficiency performance (Bezzina et al., 2014). Financial firms' principled performance is achieved through clearly defined goals and values, the process used to meet objectives, identified risks and vulnerabilities with established boundaries, and an effective mechanism for change that enables continuous improvement and performance achievement (Bezzina et al., 2014; Spies & Tabet, 2012).

Senior bank managers' practices are aligned with goals and values established in goal theory (Chawla, 2016) and principal-agent theory (Darayseh & Chazi, 2018; Lui, 2011). The purpose of this qualitative classical Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. The principal-agent theory discusses the relationship between shareholders (principals) and bank managers (agents; Lui, 2011; Darayseh & Chazi, 2018) while goal theory has as its focus the role of incentives (Chawla, 2016); Sepdiningtyas and Santoso (2017) addressed the motives and behaviors of managers. The seminal works of Frederick Taylor on scientific management (1900-1920) and the systematic approach to managerial behavior of Henri Fayol (1841 -1925) paved the way for contemporary scholarship on principal-agent theory and goal theory (Kitana, 2016). The findings of this study are aimed at the identification of effective senior manager practice (governance, risk management, compliance) towards principled performance.

Principal-Agent Theory

According to Lui (2011), principal-agent theory addresses the concern that managers/agents of banks pursue their own financial interest at the expense of the shareholders/principals who suffer the losses from the risky investments. Darayseh and Chazi (2018) envisioned the principal-agent theory as clarifying the problem between shareholder and manager; the agent does not operate in the best interest of the principal because of conflicting interest and objectives that lies between the two. A significant issue that arises in principal-agent theory is the formation of tensions in the relationship when the agent seeks to maximize his or her own interest (e.g., personal wealth or job security) while forgoing the principal personal interest of wealth maximization; this difference in goal and objectives established in the relationship leads to behavioral conflicts (Darayseh & Chazi, 2018).

Recent research on principal agent theory has revealed that risky management behavior arose in the 2008 financial crisis. This financial crisis was a financial innovation weakness that created multiple principal- agent problems, information asymmetry, adverse selection, moral hazard, mortgage fraud, predatory lending, model error with credit rating agencies, managerial slack, and risk shifting (Lui, 2011). These significant principal-agent problems resulted in misalignment of party's incentives, excessive leverage and risk-taking lined to the financial crisis, and the issuance of bad loans due to a weak risk management environment cultivated by originators and arrangers (Lui, 2011). Applying principal-agent theory to a BHC company setting with senior bank managers provides understanding on principal -agent theory motivational factors and the behavior of agents in pursuing self-interest while exposing bank to risk (see Darayseh & Chazi, 2018). Agents can increase their personal income while decreasing their efforts due to different working motivations in the principal and agent relationship (Darayseh & Chazi, 2018).

Goal Theory

In examining the aims of the agent, goal theory highlights the role of incentives and motives Chawla (2016) referred to commission plans which motivate individual to reach target goal. Similarly, Sepdiningtyas and Santoso (2017) goal theory argued that motivation and incentives are significant to garner commitment to goal from the individual. Recent research on organizations motivating salespeople using rewards and punishments lead to be disengaged salesperson and poor organizational reputation (Chawla, 2016). The concepts of intrinsic and extrinsic motivations reveal that contractual incentives tied to unclear goals established by principals to motivate agents leads to their dysfunctional behavioral responses (Osterloh & Frey, 2000).

Employees are extrinsically motivated through monetary compensation which is a goal that gives satisfaction to the individual independent of the actual activity; this knowledge is exploited by firms who link this extrinsically motivated monetary motives to the goals of the firm (Osterloh & Frey, 2000). This incentive system is strict pay-for-performance and individuals not constrained by any rules becomes opportunistic, and seek self-interest with guile (Osterloh & Frey, 2000). This behavior was evident in the subprime bubble of 2003–07 which was exploited by senior managers who establish compensation systems that reward subordinates on sales, total assets managed, total revenues collected; subordinates were incentivized to expand portfolios without any regard to risk, future potential loss (Calomiris, 2009). Senior managers then reward themselves with large short-term bonuses from the profits generated from these risky investments, and cash out their stock options before the bubble bursts (Calomiris, 2009).

Goal theory emphasize employees need rewards, promotions, and bonuses from their leaders to improve their performance because of the dynamic and challenging nature of their work (Sepdiningtyas & Santoso, 2017). Recent studies illustrated directionally strong, but contextually negative behaviors stemming from the intense cognitive and behavioral focus on achieving established goals (Motel, 2016). Goal acceptance and commitment to reach an assigned goal contribute to employee performance, and they overwhelmingly try to meet these expectations (Motel, 2016). Senior managers at JP Morgan Chase lost more than US$6 billion in the 'London Whale' scandal in 2012 (Ertürk, 2016; Handorf, 2017). It remains important to continue using qualitative methods to examine the application of goal theory to senior manager’s behavior in bank holding company setting; this provide an understanding on the reward systems in bank that incentive risky senior bank manager’s activities and investments (Ertürk, 2016).

Incorporation of the classical Delphi method into the conceptual framework supported the study’s overall purpose of building a consensus among experts as to effective senior manager practice towards capital regulation that can be successful in reducing bank risk, and risky management behavior in BHCs.

Literature Review

Challenges to Bank Holding Companies’ Capital Adequacy

BHCs experienced significant losses that exposed them to insolvency due to inadequate capital during the 2008 financial crisis (Berger et al., 2018; Crawford, 2017; Gong, Huizinga & Laeven, 2018). A financial crisis is linked to high level of risk, lower levels of liquidity and under-capitalization (Dandapani, Lawrence & Patterson, 2017). In the past few years, several factors (housing boom, aggressive lending activity, financial innovation, increased access to money) increased bank risk and contributed to them experiencing significant losses and a financial crisis (Egly, Escobari, & Johnk, 2016). BHCs experienced low level of leverage, liquidity, capital, and risky senior bank manager behavior; they have significantly higher debt to equity ratios, held lower liquidity and capital adequacy ratios, engaged in greater home mortgage lending, and had a higher proportion of defaulting first and second (junior) home mortgages than unaffiliated banks (Dandapani, Lawrence & Patterson, 2017). Research showed that 6 U.S. BHCs' (Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo) capital and losses and their operational risk exposure is higher today than they were prior to 2008 recession (Sarin & Summers, 2016).

A *safety net* is a term used in the banking sector over the years, this is a safety net protection and prudential regulation Fed used to prevent banks from experiencing insolvency and affecting the economy, this measure failed during the recent financial crisis (Aiyar, Calomiris & Wieladek, 2015). Some contributing factors to the failure of the safety net are banks suffered a stigma that made them reluctant to go to the discount window to borrow funds during the crisis, and fear that depositors, creditors, and investors view this as a sign of weakness which generated a bank run (Gorton, 2015). The magnitude of this failure was three hundred and twenty-two banks became insolvent during the 2008 U.S. financial crisis (Álvarez-Franco & Restrepo-Tobón, 2016). Conversely, some banks with good corporate governance structures were financially sound during the recent financial crisis; this was attributable to their reduction of risky investments on the downside of the economy when banks have larger regulatory capital and they are inclined to undertake more risky assets, loans, and OBS positions on the upside (Abou-El-Sood, 2017).

After the Keynesianism system failure which was implemented in the United States as a possible solution to stabilizing the economy and the banking system (Kaya & Herrera, 2015), the Fed introduced new capital regulation measures to stabilize the financial sector (Egly, Escobari & Johnk, 2016). The financial regulators powers were increased globally to crackdown on insider trading; market regulators believed that insider trading is harmful to the capital markets (Montagano, 2012). In an attempt to adopt stricter capital regulations to both domestic and international banks, BHCs and Foreign Bank Operations (FBOs) with large US subsidiaries are required to form international holding companies (IHCs) and are subject to minimum capital adequacy and liquidity requirements (Wall, 2017). Having sufficient capital allows banks provision for loan losses, mitigate the effects of financial shocks during crises and recessions; capital approach to idiosyncratic banking risk models should be complemented by market discipline that is both credible and effective (Petersen et al., 2009).

Just when the Fed was beginning to make strides in regulating the banking sector, corporate governance of banks in United States was challenged by the dangers from the deterioration of the internal power struggle, corruption, cronyism, and directed lending (Kim, 2016). The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and it's Volcker Rule section are under the threats of being repealed in the U.S.; this regulation intent is to ban most proprietary trading by banks with federally insured deposits (Trendowski & Rustambekov, 2017). Additionally, Dodd-Frank Act of 2010 efforts are intended to limit risk-seeking behavior, trades related to market-making are exempt if they met at least seven standards, but banks failure after the 2008 financial crisis were worse than any other period in US history except for the Great Depression and the Savings and Loan Crisis (Trendowski & Rustambekov, 2017). This strong regulation had a negative impact in countries with poorly developed banking sectors. the one-size-fits-all approach to good regulation is not viable (Maxfield & Sousa, 2015). As part of the new regulatory reform government, bail-in debt is a mandatory element in the newly devised procedures for resolving failing banks, a requirement aimed at giving resolution authorities sufficient room (Davies, 2015).

Intrinsic and Extrinsic Motivation and Principal-Agent Theory

Intrinsic and extrinsic motivations with the baking industry comprises principal-agency relationships; banks experienced intrinsic and extrinsic motivation from the federal government stimulation and bail out programs, and felt they are better protected by the Fed during times of crisis which encourages them to engage in more high-risk activities (Dandapani, Lawrence & Patterson, 2017). The Fed believed the bail out of institutions with public money was a necessity because of the possible negative consequences of their failure; this establish a global standard around the world that resolving failing banks by public funds may be considered systemic solution that could prevent risk of loss or disruption of credit and payment services to customers (Pollick, Skof & Kobal, 2016). Government intervention and bailouts have incentivized BHCs into higher risk-taking by their bank subsidiary in the form of higher leverage, lower liquidity and lower capitalization (Dandapani, Lawrence & Patterson, 2017).

The capital-to-asset ratios of the 10 biggest banks in the United States had fallen to less than 3 percent and subject government authorities (Federal Reserve Bank, Federal

Deposit Insurance Corporate, Federal Government) to bail them out due to their size would pose a systemic risk to the economy if they failed (Dowd & Hutchinson, 2016). Dowd and Hutchinson (2016) maintained capital ratio requirements on Risk Weighted Assets (RWA) and stress testing of capital through use of federal regulators risk models has been ineffective; they undermined the Basel bank capital regulations, bankers decapitalize their own banks and pass the cost of their risk taking onto the taxpayer. Research shows that after receiving millions in bailout money, American International Group (AIG) paid the former chief executive a $5million performance bonus and sent top performers on a half-million-dollar resort trip (Robertson & Sullivan, 2009). It is apparent that government bailouts incentivized more risk behavior; taxpayer money was used to pay expensive bonuses to rich bankers, money was being transferred from average American to very wealthy Wall Street bankers, a transfer of loss encourages more irresponsible behavior (Fahey, 2016).

Fed Community Reinvestment Act provide incentives for banks to take more risk or go broke from negative spreads (Allison, 2017). The Community Reinvestment Act plays a role in the Fed placing pressure on banks to expand subprime lending through government-sponsored enterprises Freddie Mac and Fannie Mae failures (Allison, 2017). Previous research confirms that regulators wouldn't approve mergers unless the banks are actively conducting subprime lending; these misguided loans of Freddie Mac and Fannie Mae amassed liabilities of $5 trillion, including $2 trillion of subprime mortgages when they failed (Allison, 2017).

Despite the failures in subprime lending, these policies gradually became worse by the actions of the Fed; U.S. government's guarantee of Fannie Mae and Freddie Mac continues to encourage growth in mortgage lending and securitizations which support broad money growth (Hanke & Sekerke, 2017). Quantitative easing (QE) has been the sole positive development and the sole engine of broad money growth. Shadow banks received government safety-net benefits without agreeing to compliance and prudential rules, which is required of commercial banks (Crawford, 2017). Capital regulation triggers more regulatory arbitrage and induced a large migration of traditional banking activities toward shadow banking activities (Lin, Chen, & Fu-Wei, 2018).

Multiple shadow banking diversification of bank asset portfolio produced superior return performance but less safety for the bank; the scope of equities is larger during multiple shadow banking activities rather than a single shadow banking activity (Lin, Chen, & Fu-Wei, 2018). Lin, Chen, and Fu-Wei (2018) posited diversification of multiple shadow banking loan portfolio is equity value-enhancing to the bank, and has positive impact on the bank’s scope equities; increases in the capital-to-deposits ratio is larger when both WMPs and ELs shadow banking diversification are conducted by the bank, but these activities weakens the effects of capital regulation on banking stability. The lack of commitment to prudential rules and supervision is problematic; this incentivized traditional bank to explore the use of shadows banks and contributed to a significant amount of risk in the banking system (Crawford, 2017).

Principal-Agent Theory

Principal-agent theory has the ability to induce shareholder-wealth-maximizing paradigm, lack of exhibited behavior reflecting principles of governance and ethical standards which can cause bank failures (Tourigny, Dougan, Washbush & Clements, 2003). When banks feel they need to increase shareholder-wealth they raise their targeted capital ratios and adjust the composition of portfolios; this includes use of high-risk assets rather than low risk weighted assets (Kaur & Kapoor, 2015). An associated trigger of this risky behavior is when central bank gives banks an expectation that they can count on being bailed out when they are in trouble, protecting banks against the failures and consequences of their own behavior and decisions making (Dowd & Hutchinson, 2016).

There were agency problems in the lack of information asymmetry among bank stakeholders that contributed to significant loses (Abou-El-Sood, 2017). The lack of information asymmetry were reflected in the demands for non-financial reporting disclosure used to make social performance decisions, due to lack of current corporate reporting meeting the needs of the investment community; corporate reports is inadequate for decision-making, confusing, cluttered, fragmented, disconnected, too long and complex, inadequate information on non-financial factors, and focuses on compliance rather than communication (Stubbs & Higgins, 2018). Not all banks suffer from lack of information asymmetry, banks with good governance had adequate information, larger capital ratios, undertake less risky positions during the financial crisis period (Abou-El-Sood, 2017).

Yuan (2017) found that Principal-Agent theory is present in a profit-scope economy, this indicate that revenue scope efficiency gains dominate and offset cost scope efficiency losses in joint productions. Large banks obtained higher benefits from increased revenue as opposed to cost savings when jointly producing banking and insurance products (Yuan, 2017). According to Abou-El-Sood (2017) banks with good corporate governance structures are inclined to undertake more risky assets, loans on the upside and reduce those risky investments on the downside of the economy. BHC are willing to take more risk, and well-capitalized BHCs risk taking are more pronounced (Abou-El-Sood, 2017).

Goal Theory and Senior Bank Managers' Dysfunctional Behavior

Goal theory has the ability to influence dysfunctional behavior in senior bank managers (Osterloh & Frey, 2000). Senior bank managers achievement of goals (Osterloh & Frey, 2000) and performance in the competitive markets contributes to excessive risk (Mcmillan & Mcmillan, 2016). When market share concentration do not lead to higher profits, increased mergers do not value added, this increased the levels of bank risk reflected in lower Z-score and equity capital (Mcmillan & Mcmillan, 2016). Numerous examples of these dysfunction behavior influenced by senior managers goals exhibited when MF Global filed for bankruptcy in 2011 after becoming the largest US victim of the European debt crisis and lost more than $1.5 billion through overly aggressive trading strategies; JP Morgan lost a substantial amount from outsized trades in the currency default swap market, recorded more than $6 billion in losses, and another $1 billion in fines from the London Whale (Handorf, 2017).

Dysfunctional behavior was displayed by senior bank manager use of shadow banks; the additional capital demanded by Basel III induced bankers to go back into shadow-banking activities to generate more profits or lower-cost operations (Deos et al., 2015). Historically, a significant increase in shadow banking activities is a higher risk-taking stance at a reduced margin, thereby adversely affecting the bank's stability; banks become financially disturbed when shadow banking activities spill over to regular banking activities and damage the real economy (Lin, Chen & Fu-Wei, 2018). Despite this risk factor, senior bank manager engaged in multiple shadow banking activities such as wealth management products (WMPs), entrusted loans (ELs) when increased lead to a transfer of wealth from equity holders to the debt holders, and increased the deposit insurance liabilities (Lin, Chen & Fu-Wei, 2018).

A bank manager's short-term returns mindset becomes a moral hazard behavior, they bypass the bank's charter value which they are sworn to uphold as agents, indulge in earning short run profits and ignores the future value of the firm, which becomes an agency problem (Noreen et al., 2016). Equity incentives may cause managers to go overboard, to take inefficient risks at the expense of creditors; to change this gamblers' incentive with a new approach to compensation at the largest banks, by allowing bankers paid in part with their banks' public subordinated debt securities (Tung, 2011). In addition, this issue of agency problem can be eradicated by offering managerial incentives and perks hence correcting it legally. Banking regulatory authorities must work on the ways to implement the capital adequacy ratio by the banks more effectively, which may control the moral hazard behavior of banks (Noreen et al., 2016).

Dowd and Hutchinson (2016) posited banks continues to be undercapitalized, engaged in excessive risk, incentivized by the regulators role in propping them up, while some banks have increased their focus on maintaining sound capital adequacy in line with risk-based capital standards (Kaur & Kapoor, 2015). Recent research shows the post crisis period 2010–2012 reflect some banks continued to be distressed and requires regulatory supervision of chronically stressed institutions to return systemic risk to normal levels; Basel capital adequacy standards, stress tests, and supervisory oversight of safety and soundness are some recommended measures (Kolari & Ivan, 2017). The Fed stress test of banks in 2015 found Bank of America required to raise new capital and resubmit its plans, Bank of America spent $100 million to develop its 2015 resubmission, Citigroup spent $180 million in the second half of 2014 to prepare its 2014 submission, Morgan Stanley was required to submit a revised capital plan for 2016, Deutsche Bank and Santander US failed the tests and prohibited from paying dividends and stock buybacks (Walker, Dammeyer & Lee, 2017). The efforts toward enhanced risk management stronger reliance on capital, and better liquidity management continuously fall short of its goals to cure bank risk of default (Handorf, 2017).

Integration of Governance, Risk Management, Internal Control, Assurance, and Compliance

The integration of governance, risk management, internal control, assurance and compliance through macro-prudential regulatory measures enforce supervision and regulation with more robust laws for winding up or resolving too big to fail financial institutions; it requires greater counter-cyclical capital, liquidity, maximum leverage requirements, regulation of executive compensation to reduce moral hazard, reduction of risk, and more regulation of over-the-counter derivatives (Guynn, 2010).

Governance. Governance of banks measures through monetary policy and the international bank regulatory regime is an effort by the Fed to reduce broad money growth as a response to the 2008 financial crisis (Hanke & Sekerke, 2017). Bank regulation has been a primary determinant of monetary conditions; the Federal Reserve offset the monetary effects of these regulatory changes through quantitative easing (QE) and divert attention from obstacles to money creation by the banking system (Hanke & Sekerke, 2017). Banks are required to show how their balance sheet fare in a hypothetically adverse and severely adverse scenario that the Fed gives them; Fed assumptions includes stock market crashes or skyrocketing unemployment used in to prepare the CCAR submissions which run up to 10,000 pages (Fahey, 2016).

Comprehensive Capital Analysis and Review (CCAR) and Dodd Frank Asset Stress Tests (DFAST) testing of minimum capital ratios were implemented to ensure that in the event of a potential financial crisis, damage does not snowball and spread throughout the wider economy (Lee, 2015). Regulatory framework that relied primarily on minimum capital ratios is appropriate for normal times, and inadequate in the wake of a large negative shock to the system; banks should be forced to recapitalized following an adverse shock, raise new dollars of equity capital, rather than just maintaining their capital ratios (Greenwood et al., 2017). Gastón and Schumacher (2017) stated that Basel III liquidity regulations decrease the probabilities of default for banks and maybe would have reduce default risk during a crisis episode if they had previously implemented and improve the financial soundness of the banking sector. Researchers have noted that the management of risk relating to capital, assets and liabilities include strategic planning and implementation processes that affect and control the volumes, diversity, maturity, interest rate sensitivity, quality and liquidity of assets and liabilities of the banking and financial system at the systemic level (Nitescu & Duna, 2016).

Risk management. Risk Management is a good governance act as regulatory tools to mitigate excessive risk-taking during times of economic turmoil, while benefiting from the (risky) opportunities in the market, during the upside of the economy (Abou-El-Sood, 2017). The role of risk management is to limit excessive risk-taking by banks in turmoil times, and to impose risk-based capital requirements for banks to maintain as a cushion to absorb adverse shocks and mitigate excessive risk activities (Abou-El-Sood, 2017). Basel-III norms intent is to increase the resiliency of banks through effective risk management practices, which has been viewed as a revolution of the banking system (Boora & Kavita. 2018).

Regulatory reform must address the socially unacceptable mechanism that lets banks privatize their profits when the sky is blue and socialize their risks when the hurricane is unstoppable; governments and central banks assistance to the financial sector during the crisis has created the biggest moral hazard (Petitjean, 2013). Nisha (2016) pointed out there are drawbacks to regulations of banks as too much regulation on banks can create moral hazard problems; too-big-to-fail institutions take on greater risks once they know that regulators will bail them out of distress, thereby heightening moral hazard problems. Regulation have a shortfall in managing risk posed by shadow banks where the reforms in the financial system did not significantly impacted the functioning of the shadow banking system; the relationships between the commercial and shadow banking system are not sufficiently regulated (Herr, 2016).

Fed use capital stress testing as risk management efforts to address the risk posed by systemically important financial institutions (SIFIs; Allen, Goldstein, Jagtiani & Lang, 2016). Capital stress test as a risk management effort is challenging as a tool used to address risk in the financial markets stemming from financial distress SIFIs, and achievement of financial stability aligned to controlling systemic risk (Allen, Goldstein, Jagtiani & Lang, 2016). Allen, Goldstein, Jagtiani and Lang (2016) noted that it is unclear how to design an effective regulatory framework to attain financial stability without stifling financial innovations. But Boora and Kavita (2018) identified several factors that needs to be in place to make Basel III risk management efforts effective such as: nation needs additional funds; capable humans; resources for proper implementation of these norms; strong capital base of banks. The banking sectors is faced with low profits, insufficient funds and poor management of banks; these issues contributed negatively to the implementation of Basel III capital adequacy (Boora & Kavita, 2018).

Risk management efforts in Countries with weak institutional structures and economic freedom policies necessitate stronger mandatory requirements to ensure legitimate (anti self-dealing) banking activities; the legal systems need improvements for independent risk management to overcome bank risk exposure from laws and enforcement (Walaa & Tucker, 2016). G-10 countries who implemented risk management and capital regulatory practices had positive relationship between capital and risk, Japanese banks had negative association, U.S. banks had no relationship found, while France, Italy and the United Kingdom had no significant relationship between capital and risk (Kaur & Kapoor, 2015).

Internal control. The internal control of capital through Basel III required a larger proportion of bank capital to be of high quality and conduct an annual Comprehensive Capital Analysis and Review (CCAR) stress test (Wall, 2017). These enhanced capital regulations requirement reinforced through new regulations such as the Dodd–Frank Wall Street Reform and Consumer Protection Act (DFA) enacted in the U.S. in July 2010 aims to contain systemic risk and maintaining financial stability (Allen, Goldstein, Jagtiani, & Lang, 2016). Jacobs (2016) believed internal control practices carried out through supervisory stress testing of CCAR may be inadequate as demonstrated in the 2008 financial crisis. Career researchers and practitioners state U.S. internal control activities requires banks to maintain Tier 1 capital of 4 % of average consolidated on-balance-sheet assets, a supplementary leverage ratio calibrated against a bank's on-balance-sheet assets and off balance-sheet exposures (Herring, 2016). Additionally, Tier 1 capital ratio requires banks to choose between increasing their lending margins and reducing their risk-weighted assets, as they are required to hold high quality liquid assets (Paulet, 2016). Researchers have noted that U.S. banks with $250 billion or more in assets or foreign exposures more than $10 billion are required to maintain Tier 1 capital equal to at least 3 % of this broader denominator (Herring, 2016). Federal Deposit Insurance Corporation (FDIC) classifies the ranges of bank regulatory capital ratios; banks with tier 1 capital ratio above 6 percent are classified as well capitalized (Herring, 2016).

The internal control activities of the regulators include intervention with banks who fall below the 4 percent for tier 1 minimum capital requirement set by the Basel Committee is costly (Abou-El-Sood, 2017). However, the impact of Tier 1 capital requirements has not produced any effect on the market risk of BHC as it was expected that market risk would be declined as Tier 1 capital increased or that market risk increased as Tier 1 capital increased; it was revealed that capital reserves are not an efficient use of funds (Laiola, 2015). Banks must but also demonstrate to regulators that they will be able to remain in compliance with five specified minimum capital ratios at the end of a nine-quarter, severely-adverse stress scenario (Herring, 2016). Regulators stress test of capital scenarios imply there are concerns with the deterioration in banks' capital positions and results suggest several large banks will need a significant capital injection to keep their capital levels with a reasonable buffer above the minimum levels (Kapinos & Mitnik, 2016). This minimum capital requirement is needed for bank's continued operation and restrict its freedom to make distributions of dividend to shareholders or bonus to employees (Davies, 2015).

Assurance and compliance. Assurance and compliance measure implemented by the Fed requires BHC to conduct two kinds of annual stress tests: A Comprehensive Capital Analysis and Review (CCAR) and Dodd Frank Asset Stress Tests (DFAST) to prove they meet the capital ratio requirements (Herring, 2016). The macroeconomic scenarios are key to the scenario analysis calculation used in capital adequacy stress test computation (Jacobs, 2016). The Fed requires banks to develop their own macroeconomic scenarios, use of a statistical model Vector Autoregression (VAR) to exploit the dependency structure between both macroeconomic drivers and modeling segments (Jacobs, 2016). Then the Fed independently made their own capital projections computation under each scenario and compared to the bank's capital projection, significant gaps were required to be filled and shortfalls filled by Fed through the Capital Assistance Program (CAP); Fed had backstop act as a bridge to private capital for the capital gaps through the Treasury's Capital Assistance Program (CAP) and stress tests (Gorton, 2015). The Basel Committee has proposed hundreds of pages of new regulations and supervisory practices, none of which are aimed at simplifying the regulatory stress test system. Instead, the system has become markedly more complicated (Herring, 2016).

Assurance and compliance guidance recommended that banks should develop effective strategies and policies to comply with capital adequacy requirements of Basel because it is mandatory for banks to become Basel-compliant (Boora & Kavita, 2018). As such, enterprise-level risk management tools use by BHCs were developed in house and used for years may not be readily available; the employment of a third-party risk assessment and modeling tools can greatly assist with compliance and documented risk appetite (Lee, 2015). Modigliani-Miller (M&M) theorem (1958, 1963) show that if taxes, costs of issuing different kinds of securities and other market imperfections are neglected, the capital structure of any firm does not affect its intrinsic value; this model in banks revealed that requiring banks to fund themselves with more equity and less debt should not change the value of the banks and their overall cost of funding (Masera & Mazzoni, 2016). The linking of risk appetite, stress-testing processes, and capital plans can capture the bank's full range of material exposures, activities, and employing multiple conceptually sound activities and approaches (Lee, 2015).

As part of assurance and compliance measures, banks are required to have model validation teams different from model risk managers; model risk management teams should develop and use sound models, governance and control mechanisms such as board and senior management oversight, policies and procedures, controls and compliance, and an appropriate incentive and organizational structure (Goldberg, 2017). Model risk managers spend a significant amount of time talking with the risk takers (Goldberg, 2017); models should accurately project as regulators impose penalties on those banks that hold too little capital (Abou-El-Sood, 2017). Banks that are significantly undercapitalized can be placed in receivership/conservatorship (Abou-El-Sood, 2017). In an effort to keep up with these Basel III norms, banks need to upgrade the skills of their employees by imparting continuous training to them; regulators should provide technical support to banks for effective compliance of Basel III (Boora & Kavita, 2018). Banks need a strong technological infrastructure so that data quality and availability can be upgraded, and support achieve effective compliance (Boora & Kavita, 2018).

Compliance measures requires large banks $50 billion or more in assets to conduct an annual stress test and file a capital plan, proposing how much dividends they plan to pay out over the next nine quarters (Fahey, 2016). Regulators use capital stress testing and use of models to project revenue, income/losses, balance sheet assets and liabilities, and regulatory capital ratios (Allen, Goldstein, Jagtiani & Lang, 2016). Erten and Ocampo (2017) mentioned countries that use capital account regulations (CAR) experienced less overheating from capital inflow surges during post-crisis recovery; capital inflow and outflow regulations, foreign exchange regulation and financial sector-specific restrictions help reduce foreign exchange pressures and real exchange rate appreciation generated by large capital inflow. These changes in the market's structure positively impacted profit and competition, but do not lead to increased risk; the banks' market share leads to increased risk, but not for the largest banks (Mcmillanm & Mcmillan, 2016).

Capital outflow regulation provides assurance of reduction of the entry of speculative foreign capital by imposing significant exit costs and are more effective than capital inflow regulations and other prudential policy measures (Erten & Ocampo, 2017). Basel III's capital inflows and outflows in loan and trading losses, changes in reserves, asset growth, revenues, income and their impact on the bank's balance sheet; bank with adverse scenario results may restrict proposed capital actions such as dividends, buybacks or any share issuance contemplated by the bank (Baker, Cummings, & Jagtiani, 2017). Baker, Cummings, and Jagtiani (2017) presented Basel III and capital requirements changes; higher tier 1 capital of pure equity (common stock plus retained earnings), Common Equity Tier 1 (CET1) requirement at 4.5 per cent of risk-weighted assets (RWAs), minimum tier 1 capital ratio from 4 to 6 per cent, and capital conservation buffer of 2.5 per cent of RWAs.

Capital ratio as a compliance measure is a significantly stronger predictor of risk than risk-based capital (RBC) ratio; the regulation of RBC increases risk in the banking system and this RBC ratios are not effective at predicting bank risk (Hogan & Meredith, 2016). The capital and RBC ratios are consistent predictors of several measures of risk, testing projections of significant subcomponents of revenue and losses, residential mortgages, trading revenue and total capital ratios; this is inclusive of the entire quarterly path for income, losses, and capital required to be maintain throughout every quarter of the 2-year window (Allen et al., 2016). However, this is a costly compliance activity, Basel III posed a burden of around 75 basis points on banks' ROA during the period before the global financial crisis (Gastón & Schumacher, 2017). Many banks all over the world are facing several problems in implementing capital adequacy requirements specified in Basel III norms due to lack of adequate funds, increasing NPAs, and pressure on ROA and ROE (Boora & Kavita, 2018).

Monte-Carlo simulation is a compliance activity used for generating VaR-figures across different desks for aggregating risks used in stress test calculations (Bellof & Wehn, 2018). Another model Dynamic Stochastic General Equilibrium (DSGE) investigate the relationship between bank capital adequacy and the boom-bust cycle in the recent financial crisis; there is difficulty in the model to analyze the relationship between the financial conditions of financial intermediaries and the business cycle, lack in the model capability to analyze the relationship between a fluctuation in prices and entrepreneurs' debt since financial contracts (Fukuda, 2016). For example, DSGE analyze monetary shock, capital price shock with no news shock, capital price shock with a news shock which revealed a positive monetary shock decreases output; a capital price shock with no news shock is simply a positive capital price shock, and increases the loan volumes (Fukuda, 2016). Unfortunately, the performance of stress test is a not an easy task, it requires a significant amount of human and monetary resources, calculation of the impact of a stress scenario involves the use of a multitude of quantitative models and that is frequently constrained by internal organizational silos, bureaucracy and legacy software systems (Denev & Mutnikas, 2016).

Although stress test is a useful compliance activity, it can be complex, often onerous and pull bank executives away from mission-critical business objectives, instead thrust them into months of data compilation, and potentially tense meetings with regulators (Lee, 2015). The accuracy of these stress test measures is being questioned whether they pose significant danger to the financial sector stability because of lack of capability to predict actual market risk and losses; the reliance on historical data and events, and the test of static balance sheet can be a weakness (Baradaran, 2014). This factor coupled with the Fed capital compliance demands without thinking about banks maintaining profitability or international competitiveness is a burden for banks (Fahey, 2016). Glasserman and Tangirala (2016) argued Fed requires banks to invest in resources and these risk-assessment to prove their financially stable.

Understanding Challenges to Capital Regulation of BHCs

When Micro-prudential rules aimed at lowering the probability of bank failure had limitations to business activities, senior bank managers become devoted to exploiting arbitrage opportunities and loopholes within the regulatory innovations (Petitjean, 2013). Over-regulation accelerate risk because financial innovation is then aimed at circumventing regulation and not so much at creating new added-value products or markets; excessive risk taking by banks is endogenous to regulations (Petitjean, 2013). The DFA stronger regulatory requirements for SIFIs to combat systemic risk created incentives for banks to downsize; it is unclear how effective this requirement in effecting shrinkage of SIFIs, there has been continuous growth where large organizations are growing larger (Allen, Goldstein, Jagtiani & Lang, 2016).

An example of a circumventing tool is bank securitization, which enabled banks to grow loan portfolios that would have been limited by banking book capital requirements (Hanke & Sekerke, 2017); securitization involves transferring balance sheet assets to a special purpose vehicle (SPV) and finance the asset purchase through the issuance of securities to outside investors (Le, Thu, Narayanan, & Van Vo, 2016). The transfer of risk from the balance sheet to the capital markets has been beneficial to the bank and frees up costly equity capital for other use (Le, Thu, Narayanan, & Van Vo, 2016). It can lead to unpleasant results as BHCs are forced to refile credit risk as market risk through use of transactions, commercial bank business as broker-dealer business and create money through new lending which was subject to abuse; it evident that regulators' intended restrictions securitization had unintended results (Hanke & Sekerke, 2017).

In addition to the challenges posed by abusive high-frequency trading practices to capital regulation of BHCs, the protections for exchange-traded funds, lack of market transparency, fair trade, accountability at the top, and conflicts of interest that expose investors to unnecessary risks and fees (Barr, 2017). The use of off-balance sheet derivatives that are over-the-counter traded and not traded on organized exchanges caused layers of regulatory problems (Mohamed, 2015). Chang and Talley (2017) suggested that banks are likely to engage in risky off-balance-sheet activities when on-balance-sheet assets become less profitable due to lower interest rates; large banks tend to invest in riskier off-balance sheet assets to boost earning, increase the amount of higher risk assets in anticipation of higher expected return associated with them during the low interest rate periods. Mega-banks are forced into extending leveraged activities to stay abreast of competition, through financial innovation and the use of off-balance sheet trades leading to expansion available credit; Basel III leverage ratio of 3% of non-weighted assets is widely seen as very weak constraint on bank risk seeking (Hale Balseven, 2016).

Banks develop schemes to manipulate the stress process is the manipulation of risk-weighted assets, which makes it harder to detect risk; political pressures played a role in weakening the stress test process because of the high implementation cost (Glasserman and Tangirala, 2016). Bellof and Wehn, (2018) asserted models have statistical errors resulting from the selection of a basic data period that is shorter or longer calibration periods, use of different estimation procedures stressed value-at-risk-figures or regular data, and the confidence intervals selected can produce estimation errors. This manipulation of the model posed a challenge to stress tests and may not have predicted the mortgage-backed risk due to its packaging; this allow errors to go undetected, as such there are limitation in stress testing by themselves to prevent another financial crisis (Allen, Goldstein, Jagtiani & Lang, 2016). The prior system failed to identify actual market risk and capital requirements were less than their losses, led to capital depletion in the financial sector, and the failure of risk models to identify rapid decline in housing prices (Baradaran, 2014).

The use of stress tests models should be assessed for uncertainties of the model due to estimation errors, local variations of the model components, use of challenger models that can make them useful in decisions, business-specific statements, and avoid redundant assessments; a clear distinction must be made for operational risk (Belloff & Wehn, 2018). Stress tests must be rigorous in scope of coverage and scenario design so that the results are convincing; the actual health of banks, the timing of the exercise, market conditions and public receptiveness to the disclosures are essential to a successful stress test (Ong & Pazarbasioglu, 2014). The internal capital adequacy must be weighed against whether the identified stress model uncertainties are to be understood as risk premiums or capital deductions; US regulators urges banks about the potential interconnectedness between different models and suggests that banks widen the scope of application (Bellof & Wehn, 2018).

Another form of challenge is human errors incurred during the implementation or use of models are operational risk, which is different from model risk caused by conscious selection of assumptions that causes of a risk; risk models require valuation models as a prerequisite that demonstrate that a certain dependency exists, which was not detected in the subprime and financial crises (Bellof & Wehn, 2018). The models used in the Fed stress test lack transparency in the stress testing scenarios and the boards of directors did not have information needed to make informed decisions and returning capital to shareholders; there is the need for further improvement in the information for the participants to accurately understand what the implications for running the Fed models (Crabb, 2018). There are three areas of model risk that requires further investigation: estimation errors or parameter uncertainties caused by algorithmic methods use of statistics, computational estimators used in the model framework; individual model assumptions variations used in the algorithm; challenger models replaced by alternative model algorithm assumptions which drives the assessment of model risk (Bellof & Wehn testing, 2018).

Systemic risk aligned to asymmetric information. Arner, Barberis, and Buckley (2017) maintained current federal regulatory objectives namely; financial stability, prudential safety and soundness, consumer protection and market integrity, market competition, and development remain increasingly inadequate. Federal regulators find it difficult to mitigate systemic risk aligned to asymmetric information due to serious information gaps in the assessment of financial institutions, and financial system stability; information needed for an assessment was not available, publicly disclosed, limited, or misleading (Alampalli, 2013). Financial regulators find it challenging to mitigate systemic risk aligned to asymmetric information; the nature of financial system has changes drastically over the last few decades, but the regulatory tools and data collection methods were not on par to address these changes (Alampalli, 2013).

The Dodd-Frank Act requires large banks to provide loan-level data on their commercial real estate loan portfolios in order to support the Comprehensive Capital Analysis and Review (CCAR), which enabled the analysis of the portfolio loans from origination to renegotiation (Black, Krainer, & Nichols, 2017). It is a concern that regulatory data used by various financial regulators are on separate information systems without accessibility to the teams, which preempts the routine sharing of information between the regulators (Alampalli, 2013). Alampalli (2013) argued it critical for the use of a model that addresses data gaps and helps the systemic regulator to successfully monitor and mitigate risks.

Research on Capital Regulation of Senior Bank Managers Practices in BHCs

Historically, BHCs and its senior bank manager's activities has been difficult to regulate; the complex nature of banks operations and its diverse activities has contributed to bank risk which caused the regulators to impose risk-based capital requirements like Basel Norms (Kaur & Kapoor, 2015). Capital regulation minimum equity ratio requirements is not enough to address bank risk and create bank stability; a mixed approach that incorporate capital requirement, cash reserves, and other measures should be considered (Aiyar, Calomiris & Wieladek, 2015). It is vital that regulators identify risk posed by Principal-Agency theory and Goal theory; a risk management framework should encompass three major components of risk analysis: modeling, measuring, managing that will enable a firm to cope with risk during both normal times and extreme events (Baker, Filbeck & Moderator, 2015). Risk mitigation should incorporate model risk measures that identifies economically dangerous uncertainties and their risk factors, observing data, estimating probabilities that quantify risk; a quantitative assessment and risk measurement approach to risk embedded in financial decision-making, portfolio and investment planning and the respective management activities that mitigate or to alleviate the risk consequences (Baker, Filbeck & Moderator, 2015).

The failures of the regulatory agencement activities are caused by the inevitable complexity of the regulatory constellation and daunting intellectual demands; regulators should understand existing agencement processes and the right modification techniques that will result in the desired behavioral change and devise effective implementation strategies to obtain success (Viljanen, 2016). The capital regulation imposed by the Basel system is wedded to risk weights and risk models captured by the banking industry which have been ineffective in the reduction of risk and losses (Dowd & Hutchinson, 2016).

To identify agency problems and high-risk behavior of senior bank managers. Congress authorize a group of existing regulators to pick out the riskiest institutions and regulate them and warn institutions if they engaged in systemically risky activities they could also be subjected to intensive oversight (Schwarcz & Zaring, 2017). A multiagency system approach was implemented by Congress to financial regulation by having multiple overlapping agencies; CFTC relied on self-regulatory organizations (SROs) as the Chicago Mercantile Exchange, National Futures Association (NFA) to monitor derivative transactions in banks and public companies that contributed to the 2007-2008 financial crisis through Dodd -Frank regulations (Fischer, 2015). The CFTC could achieve the benefits of cost internalization by requiring SROs to review of their own rules and file the results with the CFTC; CFTC need to conduct a self-assessment to improve use of its limited resources to improve its oversight function of banks and public companies, rethink and develop best practices for accomplishing their regulatory task (Fischer, 2015). Regulatory agencies underfunded receive motives that now could increase their budgets by keeping a percentage of the fines they impose; this incentivize federal and state regulators to compete in the indictment of crooked behaviors and impose fines and related penalties (Prasch, 2012).

Implementation and management of risk linked to derivative transactions are regulated by Commodity Futures Trading Commission (CFTC) as regulatory oversight supervisors for derivate transactions and setting capital regulatory limits, and disciplining members that violate these rules; CFTC is struggling to maintain the balance between public regulation and self-regulation and ensuring banks and public companies comply with U.S. policy (Fischer, 2015). Dodd-Frank requires most major domestic and foreign banks doing business in the United States to push certain swaps activity (derivatives trading businesses, credit default swaps) outside of the bank into a separately capitalized affiliate; business sections that would trade derivatives on behalf of customers is required to be placed in a separate affiliate (Johnson, 2015). Bank risk activities that would not be backed by the government, high risk ventures like speculating on proprietary trading, hedge or private equity funds, should be separated off from the part of the financial institution insured FDIC and acting as a depository institution (Johnson, 2015). Banks should not be trading to make itself a profit at risk of the public (Johnson, 2015); bank shareholders and managers have conflicting views in relation to when to adopt financial innovations, managers receive pressure from shareholder to improve performances (Forrer & Forrer, 2015).

Managing trade risk is indispensable to BHC's higher trade openness decrease bank risk through the information provided there are diversification opportunities provided to banks in lending activities, which decreases overall bank risk; higher trade openness provides international diversification opportunities to BHCs and decreases the impact of domestic financial crisis on bank risk (Badar, Arshad & Liang, 2017). Chen, Huang, and Zhang (2017) illustrated bank non-interest income, both trading and non-trading revenue components affects bank exposure unfavorably and bank risk. Capital-to-asset ratio has a negative relationship with bank risk, while banks' franchise values exhibit a positive relationship with bank risk in non-crisis years and a negative relationship during the crisis; it is necessary to take initiative to improve increased capital ratio levels that help those banks to sustain negative crisis impacts, capital adequacy requirements remain to be a key regulatory tool for banking regulation (Gregory & Hambusch, 2015).

Dowd and Hutchinson (2016) illustrated the urgency for major banking problems as "too big to fail" (TBTF) to be resolved; it is a continuous thread to future financial stability in the banking industry. Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 is aimed at addressing "too big to fail" organization, and to protect consumers from abusive financial services practices (Haddad & Hakim, 2017), but global leverage ratio buffer and the SIFI surcharge were ineffective against asset implosions or liquidity runs in "too big to fail" institutions (Barr, 2017).

Having insolvency laws and rules to prevent the TBTF bank failure and severe repercussions for the financial market and the U.S. economy were suspended by the regulators during the 2008 financial crisis; banks labelled as systemic risk intuitions bypass the inadequate insolvency laws, received bailouts which were incentivize positive correlation between risk and reward that bank shareholders and managers utilized to take excessive risks (Biljanovska, 2016). Labonte (2013) illustrated companies that are "too big to fail" disrupts the overall financial system because of their size and interconnectedness; government protection of TBTF firms from failures due to losses and negative consequences, act as an incentive for the firms to undertake risky investments. This form of government coverage of too big to fail company losses encourages more irresponsible behavior and the statutory response was the use of Dodd-Frank Act 2010 to end "too big to fail" and "to protect the American taxpayer by ending bailouts; the Fed demanding dramatically more capital has caused larger and more complex bank to grow in size to receive the government offered to large systemic risk banks (Fahey, 2016). Davies (2015) proposed an alternative bail-in that would reduce the costs to the taxpayer of rescuing the financial system by imposing some of those costs on long-term creditors of the bank; this has been challenged from the view point of social welfare costs of rescue are likely to be paid by the ultimate investors in bail-in bonds (pensioners and long-term savers) rather than taxpayers, systemic crisis bail-in alone may not save the financial system.

A study on interest rate shocks was used to identify monetary policy issues in the context of bank capital regulations and the link between capital requirements and aggregate risk (Aliaga-Díaz & Olivero, 2012). Banks cannot all recapitalize at the same time as this would result in a reduction in bank credit, capital requirements consequences in the economy many manifests in the reduction of bank credit, impacts investment and production for bank-dependent (Aliaga-Díaz & Olivero, 2012). Banks are limited in giving credit which limits the possibilities of development in the economy; a possible solution is to integrate macroprudential regulations with monetary policy, restrict monetary policy in the times of good business cycle is able to weaken the risk-taking tendency and inflation pressure, increase in risk-taking tendency with low inflation, and tightening of monetary policy during deflation (Redo, 2015). Researchers have noted risk from credit projection and models used in studies being wrong from interconnections within the model ecosystem; models have inputs, assumptions, calculations, quantitative outputs, what the developer thought at point in time and the intended set of uses (Goldberg, 2017). Ecosystem's risk stems from market data and databases, computer and nonautomated systems, assumptions and calculations, business decisions, developers, humans and computer programs, model validations past and present, and policies and regulations these various factors of model risk impact all of these (Goldberg, 2017).

The implementation of a strategic and adaptive behavioral perspective on effective risk management organizational mindset is a possible solution for mitigating risk; a risk management frame-work can be used to mitigate unsafe practices through foreseeing risk as a conceptual model of thinking, predictable business process, and decision enablers that match the corporate mindset (Eastburn & Sharland, 2017). A bank in crisis with a larger board finds there is a hinderance with a timely risk management decision process and should address BHC board structure before there is a crisis; there is a link between board size, CEO and board tenure, and the increase in bank performance (O'Sullivan, Mamun & Hassan, 2016).

When interconnected financial networks could transfer losses and divided among banks to facilitate stability and absorb any negative idiosyncratic shocks, the drawback is interconnected structure can cause instability, large losses can be transmitted to other banks, thereby exposing the entire financial system to systemic failures (Allen, Goldstein, Jagtiani & Lang, 2016). Interconnected financial networks transfer losses among banks to facilitate stability, absorb any negative idiosyncratic shocks; a drawback is interconnected structure can cause instability, large losses transmitted to other banks and exposing the entire financial system to systemic failures (Allen, Goldstein, Jagtiani & Lang, 2016).

Wan (2016) posited interconnected financial system weaknesses were exposed by the global financial crisis of 2008, and there is a need to regulate systemic risk posed by nonbank financial institutions such as AIG.BHCs with strong parent and subsidiaries interconnections are incentivized to carry riskier projects with problematic performances; BHCs issues more subordinated debt securities, pay higher interest, and incurs higher cost of funding (Bressan, 2017). BHC parent's exposure leads to higher shares of nonperforming loans and decline in the corporate liquidity, destabilizing effects for the financial condition of banking groups; a parent significant exposure is incurred to offer support to the subsidiary, an increase in commitment will cause an increase in substantial debt, and the group (BHC, parent, subsidiary) structure becomes fragile (Bressan, 2017).

Dowd and Hutchinson (2016) suggested capital ratio should be raised to 20 percent, with a further 10 percentage points on top for large banks to maintained. The calculation should have a numerator Common Equity Tier 1 (CET1) defined as tangible common equity plus retained earnings, and denominator (total assets plus the additional exposures buried in off-balance-sheet positions-including securitizations, guarantees, commitments) of the bank's total exposure or total amount at risk (Dowd & Hutchinson, 2016). The estimates of the denominator should have no allowances made for hedging or correlation offsets, as these can be unreliable (Dowd & Hutchinson, 2016). An example of capital ratio being effective is in the Czech banking sector, it is well capitalized and remained profitable during the reporting period, mitigating cyclical and structural risks (Pfeifer, Holub, Pikhart & Hodula, 2017). Czech bank relationship between the risk weights and capital and leverage ratio experience increase of the risk weights decreased the capital ratio, increased the leverage ratio and capital is filled in reaction to the risk shock (Pfeifer, Holub, Pikhart & Hodula, 2017). Banks in Brazil revealed that banks closer to the regulatory minimum seem relatively more risk-averse in that they make larger positive adjustments to their capital levels and smaller adjustments to their portfolio risk levels; low-capitalized banks manage their solvency ratios more actively, their capital and risk adjustments are kept in the same direction (Pereira & Saito, 2015).

The enhancement of SIFIs regulation may not prevent systemic risk, and a better understanding of the sources, types, and methods of measuring systemic risk can lead to the design of effective financial stability policies (Allen, Goldstein, Jagtiani & Lang, 2016). The maintenance of debt that would convert to capital in response to specific market indicators of financial distress could help prevent firms from failing in the first place; bank managers would be incentivized to avoid taking on risks that might lead to bank failures, as they could dilute existing shareholders (Allen, Goldstein, Jagtiani & Lang, 2016). There is a lack of regulatory reform to address the weaknesses stemming from housing finance system, there has been no fundamental reform in response to the mortgage crisis (Allen, Goldstein, Jagtiani & Lang, 2016).

Government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac make it easier for individual homebuyers to afford a home by purchasing these mortgages from banks and financial intermediaries creating a liquidity in the mortgage markets and making it easier for individual homebuyers to acquire financing; GSEs had loose underwriting standards in the period preceding the crisis after which Fannie Mae's made efforts to reduce future delinquencies by tightening mortgage qualification requirements which may be insufficient (Mamonov & Benbunan-Fich, 2017). The elasticity of the housing supply should be monitored, land use and development regulations should be connected to real measured externalities, effective monitoring of the housing and financial markets need transparency and timely sharing of accurate information (Malpezzi, 2017).

RegTech has imposed a paradigm shift in financial regulation (Arner, Barberis & Buckley, 2017). There are changes made to the digitization of manual reporting and compliance processes through RegTech. This has enabled a real-time and proportionate regulatory regime that identifies and addresses risk while facilitating an efficient regulatory compliance. Arner, Barberis, and Buckley (2017) referred to HSBC Group Head of Innovation who described RegTech as "technological solutions to regulatory processes" that enabled the automation of processes, better and more efficient risk identification, and regulatory compliance. Financial institutions and regulators can monitor and analyze real-time financial information from all parts of the global financial sector to underpin a safer and more efficient financial system.

Meager (2017) mentioned that the use of technology can help businesses such as financial institutions to comply with regulation compliance requirements, reduce time and cost burden associated with these regulations. RegTech developments are of little use to banks unless they serve a business purpose such as automation of mass administrative tasks imposed by the regulatory environment (Meager, 2017). Similarly, Lai (2018) agreed that RegTech can be useful to banks in areas such as; prudential risk management, compliance, capital optimization, trading, portfolio management, and cybersecurity. Banks face challenges with complying with new and amended regulations, meeting time constraints posed by the Basel Committee's; RegTech makes it possible to automate this process and reduce manual intervention, while meeting the Committee's guidelines on bank risk data aggregation and process automation (Lai, 2018). On the other hand, Kavassalis et al., (2018) argued RegTech has the potential to contain "operational risk linked to inadequate handling of risk data and to rein in compliance cost of supervisory reporting" (p.1).

Banks benefit from informational market failure and have little interest in sharing internal data on financial asset risk or increasing the technological capacity to share such data as documented in operational risk reviews that contributed to systemic risks; "the aim of RegTech is to improve the monitoring of the behavior of financial institutions in almost real time, to identify non-compliant behaviors and to achieve a high level of granularity in risk assessment" (Kavassalis et al., 2018, p.1).

Building Consensus on Capital Regulation Practices of Senior Bank Managers: Identifying Gaps in the Literature

BHCs that sustained significant losses without adequate capital can become insolvent and posed a systemic risk to the U.S. economy (Berger et al., 2018; Crawford, 2017; Gong, Huizinga & Laeven, 2018). An examination of 6 U.S. BHCs' (Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo) capital and losses revealed their operational risk exposure is higher today than they were prior to 2008 recession, which expose them to insolvency (Sarin & Summers, 2016); these unanticipated losses in mega banks and continuance of economic turmoil suggest the ineffective delivery of capital regulation (Tanda, 2015; Yeoh, 2016). Capital regulation failed to reduce losses and operational risk in BHCs as enacted through Dodd-Frank Bill 2010, Section 165 (Tanda, 2015). Limited research exists about an effective capital regulation measures to address operational risk, significant losses and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016). Bank holding companies that implemented capital regulation continue to experience significant losses exposing them to insolvency (Berger et al., 2018; Ertürk, 2016).

Capital regulation successes depends on the regulators understanding of the agencement processes, identification of the right modification techniques that will effect effective behavioral change, and devise effective implementation strategies (Viljanen, 2016). The capital regulation law does not identify acceptable ways to conduct the stress tests of capital and the literature on their optimal design is still being developed (Kapinos, & Mitnik, 2016). Senior managers in bank holding companies lack effective practice towards capital (Handorf, 2017; Li, 2018). There still remains a lack of capital regulation reform practices to address gaps in risk posed by liquidity thresholds, prohibited investments in mortgage-backed securities that are internally rated as AAA, default and interest rate risks of mortgage loans, lack of limits on short-term funding of longer-term assets, and failure to panic proof the system in the extant literature (Crawford, 2017; Holstein, 2013). The growing bank risk can force banks out of business and eventually spill over negatively into the economy, which may lead another recession. The increase of risk can be prevented in a respectable risk culture that informs all financial risk-taking and managerial decisions (Eastburn & Sharland, 2017). The collaborative practices can inform positive bank activities through reducing senior manager's investment in high risk products and more selection of conservative investments; heightened bank managers ethical awareness choices thereby reducing fraudulent behaviors; decrease business losses stemming from errors and fraud (Gatzert & Schmit,2016).

There exists a level of principal-agent theory when bank managers pursue their own financial interest of short -term financial gains while exposing shareholders to significant losses from their risky investments (Lui, 2011). Banks that are well-capitalized engage in more risky investments because of the dominant influence of managers (Abou-El-Sood, 2017). The risk management efforts toward stronger reliance on capital, and better liquidity management, continuously fall short of its goals to cure bank risk of default (Handorf, 2017). If effective risk management practices are not identified and implemented, there remains a growing bank risk that can force banks out of business, which can be prevented in a moral risk culture which will eventually improve risk management (McConnell, 2012). A risk management process that addresses risk gaps should cover the three M's'' of analysis (modeling, measuring, managing) that regulators and institutions are required to mitigate, which banks ignore as an issue and fail to implement better risk management practices (Handorf, 2017).

Substantial empirical research has occurred since the introduction of capital regulation of banks (Kapinos & Mitnik, 2016: Viljanen, 2016). In the earlier stages of capital regulation, it was noted that this law does not identify acceptable ways to conduct the practices and their optimal design is still being developed (Kapinos & Mitnik, 2016). In addition, it was determined that the regulators understanding of the agencement processes is necessary for the success and identification of the right modification techniques that will effect desirable behavioral change, and devise effective implementation strategies (Viljanen, 2016). The blend of governance, risk management, and compliance efforts can be used to improve effectiveness and efficiency performance (Bezzina et al., 2014). Despite these advances in research on capital regulation, there are unresolved issues in the literature on effective measures to address operational risk, significant losses and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016). It remains important for researcher to identify effective capital regulation practices that can mitigate bank risk (Davidson, 2013).

Summary and Conclusions

As indicated by the key themes examined in this literature review, the subject of an effective risk culture in the context of Compliance and Ethics Group's (OCEG) standard's and principled performance are multifaceted and diverse. The diverse nature of forces driving ineffective capital regulation practices causes barriers to managing risk and risk mitigation gaps. Despite the historical lack of attention paid to the importance of modeling, measuring and managing risk, such skills will become important for senior managers tasked with informing positive bank activities. A review if the existing literature revealed the absence of a risk mitigation framework that incorporate model risk measures that identifies economically dangerous uncertainties and their risk factors, observing data, estimating probabilities that quantify risk; a quantitative assessment and risk measurement approach to risk embedded in financial decision-making, portfolio and investment planning and the respective management activities that mitigate or to alleviate the risk consequences (Baker, Filbeck & Moderator, 2015). Chapter 3 contains an overview of the e-Delphi method and detailed discussion of the method's applicability to the study.

Chapter 3: Research Method

The purpose of this qualitative e-Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in BHCs. To address this gap, I used a classical Delphi method design for an online platform, or e-Delphi study design (Cole et al., 2013). I convened a panel of experts to answer the research questions and provide information on an effective capital regulation practice that can mitigate bank risk. The Delphi technique is a consensus-building process that involves using rounds of questionnaires to gather opinions from participants who are members of a structured expert panel (Davidson, 2013). The insights that emerge may inform organizational change (Linstone & Turoff, 2011), through the introduction of effective practices.

In this chapter, I provide detailed information on the research method and rationale for utilizing a classical Delphi approach to meet the purpose of the study and provide data to answer the critical research question. I also present a rationale for the participant selection strategy and an overview of the data collection and analysis strategies. Other topics include the role of the researcher, evaluation methods for the trustworthiness of data, and ethical considerations. The chapter concludes with a summary section.

Research Design and Rationale

The classical Delphi method (also known as Estimate-Talk-Estimate [ETE]) is a judgmental forecasting and decision-making method and technique in which expert predictions are gathered under the guidance of a facilitator who controls these forecasts until group consensus is established (Ibiyemi, Yasmin, & Md, 2016). This research method promotes a consensus-building process through rounds of questionnaires that gather opinions from members of a structured expert panel to inform change (Linstone, & Turoff, 2011). I used the method to research senior managers' effective practice towards capital regulation in BHCs and identify an effective practice that addressed a knowledge gap towards managing capital risk. In alignment with the purpose of this study, the central research question was as follows: What is the level of consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies?

Previous research indicates that senior managers in BHCs lack effective practice towards capital (Handorf, 2017; Li, 2018). Research also indicates the existence of principal-agent theory when bank managers pursue their own financial interest while exposing shareholders to significant losses from their risky investments (Lui, 2011). However, the extant literature does not have sufficient information on effective measures to address operational risk, significant losses, and risky management behavior in BHCs (Berger et al., 2018; Dowd & Hutchinson, 2016). To align the central research question in this qualitative e-Delphi study with its outlined purpose, I pursued consensus from panelists to provide more information on the study topic.

I considered two other research methods, case study and phenomenology, besides classical Delphi. Case study was not selected because this is used to obtain an understanding of a process (Basias, & Pollalis, 2018); this does not meet the objective of this study to gather opinions from members of a structured expert panel to inform change.

Phenomenology was not selected because the intent of this study was not to develop an understanding of a phenomenon; researchers conducting phenomenological studies seek to obtain understating of how people experience the world prereflectively, without attributing meaning to it and classifying it (van Manen, 2017). The Delphi technique was the closest methodological match in terms of gathering data through rounds of questionnaires to gather opinions from members of a structured expert panel. Using an e-Delphi research technique (Davidson, 2013) allowed me to identify and coordinate data collection from panelists in different locations.

The Delphi technique is a traditional research method that researchers can now conduct via the Internet (Davidson, 2013). Using the technique, researchers can combine expert opinion in order to arrive at an informed group consensus on a complex problem (Cole et al., 2013). Expert predictions are gathered under the guidance of a facilitator who controls these forecasts until group consensus is established (Ibiyemi, Yasmin, & Md, 2016). The e -Delphi technique identification of effective capital regulation practices can inform positive senior bank manager's activity through the selection of conservative investments, and heightened bank managers ethical awareness choices thereby reducing fraudulent behaviors (Gatzert & Schmit,2016).

The classical Delphi study is amenable to the Internet platform where iterative collection of data can be made more efficient (Cole et al., 2013). In my classical Delphi study design for an online platform, I adhered to using three rounds of sequential surveys combined with feedback reports and the interpretation of experts' opinions (Cole et al., 2013). For the first-round questionnaire, I used an open-ended approach to gather expert opinions on a certain issue; the second questionnaire asked the panel of experts to rank these statements; and, in the third, the group reached consensus (see Cole et al., 2013; Habibi et al., 2014; Haynes & Shelton, 2018). When exploring consensus, three rounds are sufficient in answering a research question (Iqbal & Pipon-Young, 2009).

Originally coined by MacEachren et al. (2006) the e-Delphi represents an updated computerization of the classical Delphi process to optimize the method's ability to organize widespread and diverse group thinking. The e-Delphi relies on an Internet-based platform for organizing, controlling, and facilitating panelist rounds between the researcher and expert panel (Davidson, 2013). When compared with the traditional pen-and-paper approach to data collection, the e-Delphi researcher has the advantage of convenience, time and cost savings, and data management advantages (Haynes, & Shelton, 2018). Donohoe et al. (2012) reported that the e-Delphi design is feasible, convenient, and an efficient alternative to the traditional paper-based method of the classical Delphi design. As my research aimed for the maximum variation sampling recommended for PhD qualitative dissertations, the e-Delphi research technique was an especially viable alternative compared to the traditional paper-based method in identifying and coordinating the data collection of panelists from different locations (see Davidson, 2013).

The purpose of the study and the open-ended nature of the research question supported the use of a Delphi design. I used primary e-portal to email invitations to potential participants and a link to an expert screening e-survey administered using Qualtrics (Cole, Donohoe & Stellefson, 2013); this e-Delphi method combined expert opinions to arrive at an informed group consensus on a complex problem (Davidson, 2013; Guzys, Dickson-Swift, Kenny & Threlkeld, 2015). I used the e-Delphi design to collect critical data electronically through the process of surveys that ask “how”, “why”, and “what” questions that are open-ended in nature (Gaus, 2017). Experts across the United States and purposive sampling were employed to solicit 10 experts to form a panel with experience in the underlining study constructs. Purposive sampling was used in a qualitative method to select from the population with the most amount of knowledge (Merriam & Grenier, 2019).

Participants were recruited via social media (LinkedIn groups) and an initial survey consists of five questions was submitted with subsequent follow-up rounds. The individuals were elected as part of a panel of expert participants because of their background and knowledge on the subject. The inclusion criteria for participation in this e-Delphi study as a panelist was as follows: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. These criteria were aligned with guidelines for expert judgement in model-based economic evaluations (Iglesias, Thompson, Rogowski & Payne, 2016). As noted by Peterson (2018), there are no set of universal guidelines for qualifying an expert for a Delphi panel. Scholars used various criteria to assessed expert qualifications “education, years of work experience, professional qualifications, project involvement, licensures, and professional publications” (Peterson, 2018, p.1).

To build consensus among experts and achieve trustworthiness of data in this qualitative research, I strived for the achievement of credibility, dependability, confirmability, transferability (Kemparaj, 2013). I used debriefing and member checking strategy to obtain credibility of the study results; participants were provided with the opportunity to review and comment on the collected data (Stewart, Gapp & Harwood, 2017). The use of an audit trail can attain dependability (Kemparaj & Chavan, 2013). Confirmability can be obtained through audit trails and reflexive journals (McCaffrey & Edwards, 2015). I used thick description to document the detail of the study, which allowed the reader to evaluate the conclusions drawn and its transferability to other settings, situations and people (Viloria, 2018). The e -Delphi technique identification of variables of interest and generate propositions, extend the empirical observations upon which initial theory is base, and understanding the causal relationships between factors to build theory towards senior manager's effective practice towards capital regulation in bank holding companies (Okoli & Pawlowski, 2004).

Role of the Researcher

I assumed the role of a facilitator and observer in this Delphi study. I enabled the data collection process through the development of the requisite questionnaires and provide feedback to study participants, but I was not a participant in the study. I am a Certified Public Accountant (CPA) with over sixteen years of experience in the financial services industry; my background in banking informed my skillset and subjectivity as a researcher in this study, which can subject me to biases.

Kruth (2015) argued qualitative research relies on the skills and diligence of the researcher to utilize interviewing techniques to gather data.

My background in banking could cause me to experience bias in the study. A leader's biases and assumptions can limit the scope and focus of the leader's inquiry which can result in the premature discovery and half -truths. There could be a misinterpretation of data received by preconceived assumptions and bias which can lead the leader away from the discovery of the truth and reach an effective conclusion on the matter. Laverty (2003) states, "one needed to bracket out the outer world, individual biases, particular beliefs, suspending one's judgment to successfully achieve contact with essences and see it clearly" (p.6). Leaders who lack awareness of their bias and assumptions are unable to contain them which can lead to eliminating critical information and reached artificial results. As such, the disclosure of my assumptions, limitations, delimitations, personal views, and sharing data collection procedures and analysis results with the participant helped with the elimination of my biases.

Methodology

The e-Delphi design encompassed the selection of experts who served as study participants. According to Strasser (2017), the selection of experts is essential in a Delphi study and are chosen because of their special knowledge and experience with the issue being reviewed. The classical Delphi method ((also known as Estimate-Talk-Estimate (ETE)) is a judgmental forecasting and decision-making method and technique that gather expert predictions under the guidance of a facilitator who controls these forecasts until group consensus is established (Ibiyemi, Yasmin, & Md, N. D. 2016). The classical

Delphi study is amenable to the internet platform where iterative collection of data is made more efficient (Cole, Donohoe & Stellefson, 2013). In my classical Delphi study design for an online platform, I adhered to the recommendation of three rounds of questionnaires, first round questionnaire uses open-ended approach to gather expert opinions on a certain issue, the second questionnaire asked the panel of experts to rank these statements, and third the group reached consensus (Cole, Donohoe & Steffson, 2013; Habibi, Sarafrazi & Izadyar, 2014; Haynes & Shelton, 2018). Consensus was achieved in three rounds, which was sufficient in answering the research question (Iqbal & Pipon-Young, 2009).

I collected critical data electronically through the process of surveys that ask "how", "why", and "what" questions that were open-ended in nature (Gaus, 2017). Experts across the United States and purposive sampling were used to solicit 10 experts to form a panel with experience in the underlining study constructs. Purposive sampling was used in a qualitative method to select from the population with the most amount of knowledge (Merriam & Grenier, 2019).

Participants were recruited via social media (LinkedIn groups) and an initial survey consists of five questions were submitted with subsequent follow-up rounds. The individuals were elected as part of a panel of expert participants because of their background and knowledge on the subject. The inclusion criteria for participation in this e-Delphi study as a panelist was as follows: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. These criteria are aligned with guidelines for expert judgement in model-based economic evaluations recommended by Iglesias, Thompson, Rogowski, & Payne, (2016). As noted by Peterson (2018), there are no set of universal guidelines for qualifying an expert for a Delphi panel. Scholars used various criteria to assessed expert qualifications "education, years of work experience, professional qualifications, project involvement, licensures, and professional publications" (Peterson, 2018, p.1).

Participant Selection Logic

The identification of experts follow two conventional approaches, sampling based on actor types and snowball sampling; the criteria used to find experts that could contribute to the survey (Hirschhorn, 2019). Firstly, in terms of actor types, the following criteria were used to find experts to contribute to the survey:

(a) Variety of factors: i) adult over the age of 18; ii) employed a minimum of 10 years in the banking industry; iii) possession of an MBA in Finance; and, iv) currently employed as a consultant to a large bank in the United States.

I used a matrix to identify experts for the selection process (see Table1). After initial attempt to complete matrix, some of the initially identified experts were asked to recommend other experts (snowball sampling) and the suggested names were also included in the panel (Hirschhorn, 2019).

Table 1

Matrix for the Identification of Experts

Criteria	United States	England	Canada
Practitioners			
Adult over the age of 18			
Employed 10 years in Banking			
Possession of an MBA in Finance			
Consultant to a large U.S. Bank			

Instrumentation

A classical Delphi study design for an online platform is a judgmental forecasting and decision-making method that gathers expert predictions under the guidance of a facilitator, who controls these forecasts until group consensus is established on a certain issue (Ibiyemi, Yasmin, & Md, N. D. 2016). The usual data collection tools in Delphi studies are questionnaires and the study typically have three rounds of data collection (Brady, 2015). The questionnaire had five basic questions developed by the researcher from the literature and what is known about the topic (Brady, 2015) corresponding to each Compliance and Ethics Group's standard's concept (governance, risk management, internal control, assurance and compliance) and overarching research question (Bezzina et al., 2014; Spies & Tabet, 2012).

The first phase of the questionnaire (brain-storming round) elicited as many responses to the five open-ended questions by asking each panelist to submit at least six factors, and descriptions to aid the researcher's effort to generate a common list of items and definitions (Schmidt et al., 2001; Hirschhorn, 2019). Two independent list from both samples were constructed, compared, reconciled, duplicates removed, and a combined list was provided to the panelists; the list were reviewed by all panelists from both independent samples for corrections, additions, and validation (Schmidt et al., 2001; Hirschhorn, 2019). The Delphi study contributed to construct validity by asking participants to validate their initial responses to make sure that that the researchers understands the meanings of the list items submitted (Okoli & Pawlowski, 2004). A Delphi study survey with two independent samples is useful and practical for triangulation of the collected data, with the expectation that the results converged and provide confidence in the conclusions drawn (Loo, 2002).

This study used data and theoretical triangulation to increase confidence in research data, reveal unique findings, integrate theories, and understand the problem (Thurmond, 2001). Data triangulation is used to gather multiple sources of survey collected at different times, gather and compared them; questionnaires were used to obtain a more comprehensive view of expert views and strengthen the qualitative fieldwork (Thurmond, 2001). Theoretical triangulation in this study used more than one theoretical position to interpret data; the study was conducted with multiple lenses and questions that lend support to the findings (Thurmond, 2001). This study compared the panelist responses to existing research and identify factors that is known in the existing literature that further establish validity. The survey was administered to two samples of banking finance experts across the United States to lessen the effect of a single sample bias and to broaden collected viewpoint (Schmidt et al., 2001).

A ranking-type Delphi survey was used to elicit the opinions of the recruited experts within the United States, through an iterative controlled feedback process (Schmidt et al., 2001). The identification of experts for both samples used sampling based on actor types and snowball sampling; the first approach sought banking experts in terms of perspectives on LinkedIn, and then asked them to recommend other potential participants (Hirschhorn, 2019). Actor types criteria were used to find banking finance expert practitioners to participate in the survey includes:

(a) Variety of roles: different types of stakeholders: (i) adult over the age of 18; ii) employed a minimum of 10 years in the banking industry; iii) possession of an MBA in Finance; and, iv) currently employed as a consultant to a large bank in the United States.

(b) Knowledge in a variety of banking settings: experts based in United States.

(c) Prominence in the field: major universities.

Each sample had five panelists and a total of 10 participants. The data collection instruments were the researcher-developed questionnaires as shown in Appendix A. The first communication with potential panelist entailed a description of the overall goals of the survey, planned number of questionnaires, process duration, and a link to the first questionnaire (Hirschhorn, 2019). Hirschhorn (2019) referred to Rowe and Wright (1999) four core elements in a Delphi survey:

(a) Anonymity: anonymous opinions are presented without direct interaction with other respondents that encourages participants to express themselves freely.

(b) Iteration: the multiple rounds in a Delphi participant are able to reassess their own judgements anonymously using multiple rounds.

(c) Controlled feedback: participants receive the group's opinions after each and encouraged to re-examine their own responses.

(d) Statistical aggregation of group responses: the group's opinion is presented as a statistic average (mean/median) of overall opinions of panelists in the final round at the end of survey.

A questionnaire is distributed to each participant during each round of the 3-round Delphi study based on Schmidt three stage approach (Hirschhorn, 2019; Schmidt et al., 2001). The three different stages: (i) brainstorming (participants propose all relevant elements in connection to the issues posed), (ii) narrowing-down (respondents short list relevant elements round 1 list provided) and (iii) rating (respondents rated shortlisted elements) (Hirschhorn, 2019; Schmidt et al., 2001).

Round 1: Brainstorming. The first round of the questionnaire for e-mail are designed carefully following the principles of survey design put forth by Schmidt et al., (2001), which required the first phase of the questionnaire to be a brain-storming round; this elicited as many responses from each panelist that generated a common list of items and definitions (Schmidt et al., 2001). The first questionnaire of the Delphi used two sets of questions. The first set had open-ended questions asked experts to list and briefly describe at least five responses to the question, and the second Likert-scale questions required experts to rate the listed items from 1 to 5 which was used to eliminate bias (Hirschhorn, 2019). The second set of questions in the brainstorming exercise presented experts firstly with some ‘pairs’ of performance aim and indicators normally found in the literature, ensured the questionnaire took no more than 30 minutes to complete; Questionnaire 1 (Initial collection of factors) consists of an open-ended solicitation of ideas (Okoli & Pawlowski, 2004). The questionnaire asked 5 basic questions, each corresponding to Compliance and Ethics Group's (OCEG) standard's concept *governance, risk management, internal control, assurance and compliance* (GRC capability model) into one functional goal to improve quality and “principled performance” through measurable tools that may enhance effectiveness and efficiency practices (Bezzina et al., 2014; Spies & Tabet, 2012). The questionnaire asked experts to list at least six important factors relating to the following Round 1 Questions:

1. What governance practices can senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies?
2. Describe risk management practices senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies.
3. Describe internal control activities senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding companies.

4. How can assurance practices be implemented by senior bank managers towards capital regulation that can be effective in reducing losses in bank holding companies?
5. Describe compliance practices senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding Companies.

The e-Delphi study first round questionnaire used open-ended questions, and the use of the Likert-scale questions was a risk mitigation strategy that ensured the answers to the open-ended questions addressed the research goal (Hirschhorn, 2019). The answers that were duplicate responses were removed, consolidated list generated with number of panelists that suggested each item, grouped respective factors conceptually into categories to ensure easy review by panelists (Okoli & Pawlowski, 2004). Answer to open-ended questions were qualitatively analyzed and coded, identified major themes and eliminated redundancies (Hirschhorn, 2019). A test-retest was administered to the sample on two different occasions, and an internal consistency review of the test result were completed to ensure reliability (Hirschhorn, 2019). I independently code randomly selected samples of the answers received reconciled them to generate the final output of this round for triangulation (Hirschhorn, 2019). The discarded answers to the open-ended questions due to misinterpretations and unrelated to research goal responses were used to inform the additional rounds of the survey; the use of the Likert questions assisted in the reduction of loss of expert input (Hirschhorn, 2019).

Round 2: Narrowing-down. Round 2 questionnaire is developed based on the answers from Round 1 (these questions generated an aggregate list of statements) from the panelist responses (Okoli & Pawlowski, 2004). Experts were asked to shortlist responses on the listed inventories produced in Round 1 based on the relevance and ability to provide insights on most critical aspects of research questions; an established limited number of shortlist items were used to emphasize the need for prioritization and reduce the workload of experts (Hirschhorn, 2019). Panelist were not able to revise their individual first round responses after reviewing other member's first responses submitted. This diffused potential confusion, data analysis complication, and reduced lag time between first and second round questionnaire distribution. Member checking was encouraged through spaces provided for panelist to make optional comments on how I derive the themes from their Round 1 responses.

Round 3: Rating. Panelist received in Round 3 the questionnaire generated with the Round 2's responses. Experts were asked to consider the elements shortlisted in Round 2 as possible variables to be used in a comparative study (Hirschhorn, 2019). They were asked to rate each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). The instructions asked panelists to explain their reasoning for the allotted rating. The second-round questionnaire included the following meaning of each item on the desirability scale:

- (1) – Highly undesirable: Will have major negative effect.

- (2) – Undesirable: Will have a negative effect with little or no positive effect.
- (3) – Neither desirable nor undesirable: Will have equal positive and negative effects.
- (4) – Desirable: Will have a positive effect with minimum negative effects.
- (5) – Highly desirable: Will have a positive effect and little or no negative effect.

The second- round questionnaire included the meaning of each item on the feasibility scale:

- (1) – Definitely infeasible: Cannot be implemented (unworkable).
- (2) – Probably infeasible: Some indication this cannot be implemented.
- (3) – May or may not be feasible: Contradictory evidence this can be implemented.
- (4) – Probably feasible: Some indication this can be implemented.
- (5) – Definitely feasible: Can be implemented.

Panelist received the result from Round 3 again and the average reply of the other panelists for their review.

Pilot Study

Two experts who were not a part of the study examined the Delphi instrument used in the first round after I obtained IRB approval. These individuals reviewed the e-Delphi study communications, emails, hyperlinks and surveys as in intended for use to avoid misunderstandings that could lead to flawed responses (Toronto, 2017). These experts ensured that the information and design of the Delphi study avoid minimum effort (Clibbens et al., 2012).

First pilot study round. The experts were two university professors who understood research and assessed the questionnaires for clarity, design, flow and alignment with the purpose of the study (Toronto, 2017). The questions were designed based on Delphi approach studies using existing literature corresponding to Compliance and Ethics Group's (OCEG) standard's concept governance, risk management, internal control, assurance and compliance (GRC capability model; Bezzina et al., 2014; Spies & Tabet, 2012). Experts were solicited for formulation and testing of the first-round questions which was crucial to the findings of the whole Delphi study; these responses generated the subsequent rounds (see Clibbens et al., 2012).

A questionnaire designed for a desktop computer might not be compatible for use on a mobile device such as smartphones, which can cause a challenge to access the questions; a participant might need directions on how to navigate the various screens after answering a question (Toronto, 2017). This pilot study allowed the researcher to modify the questionnaire's design to include directions to help experts with mobile devices (Toronto, 2017).

Procedures for Recruitment, Participation, and Data Collection

The identification of experts is an essential step that ensured the breadth of knowledge was represented among panelists; panel-building in a Delphi comprises (a) defining the relevant expertise and (b) identifying individuals with the desired knowledge (Hirschhorn, 2019). Experts were identified using two conventional approaches, sampling based on actor types and snowball sampling, which was used to create a matrix for the identification of experts (Table1) (Hirschhorn, 2019). To support this e-Delphi study, banking finance experts were selected across the United States, and purposive sampling was employed to solicit 10 study participants to form a panel with experience in the underlining study constructs (Strasser, 2017). In snowball sampling, a small number of experts were selected and then they were asked to recommend other potential participants (Hirschhorn, 2019). Snowball sampling was used to collect data until saturation is achieved when participant responses are similar in nature; the participant selection was no fewer than six and not to exceed 10 (Fusch & Ness, 2015). The questionnaire format was the only method used to collect data and the first communication with potential participants described the overall goals of the survey, number of questionnaires and duration of the entire process (Hirschhorn, 2019). The link for the first questionnaire was included consisted of open-ended questions; experts were asked to provide a minimum of 6 recommendations in response to each question (Hirschhorn, 2019).

Saturation is achieved when participant stories and encounters are similar in nature (Fusch & Ness, 2015). A questionnaire was distributed to each participant during each round of the 3-round Delphi study; first round questionnaire used open-ended approach to gather expert opinions on a certain issue, the second questionnaire asked the panel of experts to rank these statements, and third the group reached consensus (Cole, Donohoe & Steffson, 2013; Haynes & Shelton, 2018). The group reached consensus in three rounds, which typically take four months to answer a research question (Iqbal & Pipon-Young, 2009). The study participants received an e-mail during each phase of the study, instructions for each upcoming round, and questionnaires in Microsoft Word (Cegielski at al., 2013; Wester & Borders, 2014).

The Delphi process involved questioning participants on three separate occasions: Round 1: general open-ended question submitted to participants awaiting their response; Round 2: the answers from round 1 were summarized and a series of more specific questions were generated and submitted to participants for their response; Round 3: Round 2's questions were submitted again and the average reply of the other panelists for their review and they were asked to make any changes to second round if any. Che Ibrahim et al. (2013) asserted the average Delphi study duration is between 3 and 6 months, and the average duration per study round is between 2 and 4 weeks (Davies et al., 2016; Eleftheriadou et al., 2015; Raley et al., 2016; Regan et al., 2014). Respondents were given 2 weeks to respond to each questionnaire, and a reminder emails was sent 10 days prior to the round completion dates. Snowball sampling was used to collect data until saturation is achieved when participant responses are similar in nature; the participant selection was no fewer than six and not to exceed 10 (Fusch & Ness, 2015).

In this study I implemented strategies to ensure rigor by applying the elements of trustworthiness; credibility, dependability, confirmability and transferability (Hasson & Keeney, 2011). There were four main strategies to establish trustworthiness credibility, dependability, confirmability and transferability; credibility of the Delphi was enhanced through ongoing iteration and feedback given to panelists, by member checks, and dependability included a range and representative sample of experts. Confirmability was attained through detailed description of the collection and analysis process, whilst transferability was established through the use of verification of the applicability of Delphi findings (Hasson & Keeney, 2011). An audit trail was used to substantiate trustworthiness in the Delphi study; reliability was achieved through test-retest of the sample, internal consistency of results, inter-observer which required the rating of the same information, and parallel form (Hasson & Keeney, 2011). Validity was established though rigor of testing: content validity (instrument provided adequate coverage of a topic); construct validity (assessed the theoretical foundations of a scale or measurement and the adequacy of the test); criterion-related validity was established through predictions criterion or indicators of a construct (Hasson & Keeney, 2011). Although flexibility is viewed as a key strength of the Delphi method the drawback is generalizing this finding to the "ideal Delphi" is never justified (Hasson & Keeney, 2011).

My approach for finding participants entailed consulting the IRB requirements for selecting participants and I ensured the participants have some knowledge of the banking industry. I ensured the participants selected are adult acquaintances, no children, and that data once received are protected and meet the confidentiality requirements per the IRB. An Inform Consent form was sent to each participant to be completed if they decided to participate in this voluntary unpaid exercise. If my initial recruitment had too few participants, I planned to take additional steps: (a) contact experts working at local banks in the New York area; (b) solicit potential recommendations from the local university in New York; (c) conduct internet searches to identify additional professional organizations geared toward banking experts.

The Delphi questionnaires were administered using e-mail which have data collection issues stemming from the average Delphi study could take 45 days to five months; in a situation where the researchers cannot send out the next questionnaire until all the results for a panel are in this contribute to long lag time (Okoli & Pawlowski, 2004). The questionnaire followed the principles of survey design put forth by (Delbecq et al. and Dillman) and consists of an open-ended solicitation of ideas (Okoli & Pawlowski, 2004). The questionnaire asked 5 basic questions, each corresponding to Compliance and Ethics Group's (OCEG) standards. The survey questions were recorded in Microsoft Word format. I recorded the responses for each interview questions into the word document and transmitted the data into a spreadsheet using Microsoft Excel. I conducted a side-by-side comparison of the word document to the excel spreadsheet to ensure completeness and accuracy in the transfer of the data. Research participant responses were transmitted into separate tabs for each survey using Microsoft Excel. The spreadsheets created in Microsoft Excel had the following categories: (a) survey number; (b) speaker's gender; (c) description of subject matter; (d) questions; (e) answers and facts; (f) codes applied by researcher; (g) categories; (h) theme statements; (i) notes and observations.

I used debriefing and member checking strategy to provide participants with the opportunity to review and comment on the collected data, to obtain credibility of the study results at the end of the study. The participants were provided with the opportunity to review and comment on the collected data. I provided panelists with the summary of the study results upon request.

Data Analysis Plan

This e-Delphi study consisted of three rounds of questionnaires using researcher-developed questionnaires as shown in Appendix A. In the first round, panelists were provided responses based on their professional experience with governance practices that senior bank managers can implement towards capital regulation. Panelists received an analysis of responses in round 2 and rating of responses in round 3.

Round 1: Analysis of responses and feedback material. Responses to the first rounds of questions administer on e-survey administered using Qualtrics were qualitatively analyzed and coded (Hirschhorn, 2019). The use of coding identified major themes, eliminate redundancies and created an inventory based on expert opinion; concepts based on the literature were used to interpret and organize the input received from the panelist (Hirschhorn, 2019). The responses from Round 1 were used to develop themes and highlighted items in common within each theme per question.

For the e-Delphi study I used sensitizing concepts based on relevant literature as guidelines for the interpretation and organization of data input received from the panelist (Hirschhorn, 2019). No supporting software were employed although resorting to these tools is also possible. I used Microsoft Word and Microsoft Excel as the Data Analysis Software. The survey questions were recorded in Microsoft Word format and the recorded responses for each question in the word document were transmitted into a spreadsheet using Microsoft Excel. Both sample survey answers were coded in parallel and reliability test performed (Hirschhorn, 2019). A reliability test included independently coding random selected samples of the answers received, an independent analysis to verify consistency in conclusions, differences discussed and reconciled to generate the final output of the round, thereby achieving (Schmidt et al., 2001) proposed triangulation (Hirschhorn, 2019).

The coding process involved a trade-off between two conflicting tasks: production of a reasonably-sized list to be used in following rounds by experts, no excessive generalization of answers that could defeat the purpose of the Delphi by impoverishing experts' responses (Hirschhorn, 2019). The panelist was asked to provide brief description of their answers a measure use to clarify them opinions provided while enriching the data (Hirschhorn, 2019).

Round 2: Analysis of responses. An inventory list and feedback of comments made by experts were sent to the panelist with the percentage of respondents that provided responses in each cluster (Hirschhorn, 2019). The panelist was asked to vote on the inventory list and a shortlist generated based on majority votes. The vote for each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). A first analysis considered votes at the individual variable level and then cross checked at the cluster level, to identify the most voted variables (Hirschhorn, 2019). A feedback was provided to the expert that summarized the vote each variable received and expert comments.

Round 3: Rating. The answers were compiled and measured in multiple ways: (i) the average points received by each variable, (ii) the standard deviation in points received by each variable, (iii) the highest single score attributed to each variable, (iv) the percentage of experts attributing zero point to a variable and (v) the ranking of variables based on the amount of points they received (Hirschhorn, 2019). Experts were asked to consider the elements shortlisted in Round 2 and to rate each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). The results highlighted how preferences moved between the survey rounds by indicating how the ranking of variables based on votes (Hirschhorn, 2019).

Issues of Trustworthiness

For this e-Delphi study I attained rigor by applying the elements of trustworthiness; credibility, dependability, confirmability and transferability (Hasson & Keeney, 2011). An audit trail substantiated trustworthiness in the Delphi study; reliability was achieved through test-retest of the same sample, internal consistency of results, interobserver which required the rating of the same information, and parallel form (Hasson & Keeney, 2011). Validity was established though rigor of testing: content validity (instrument provides adequate coverage of a topic); construct validity (assesses the theoretical foundations of a scale or measurement and the adequacy of the test) (Hasson & Keeney, 2011). Although flexibility is viewed as a key strength of the Delphi method the drawback is generalizing this finding to the "ideal Delphi" is never justified (Hasson & Keeney, 2011).

Credibility

Credibility in the e-Delphi study related to the degree the data can be believed, this was achieved through ongoing iteration and feedback given to panelists and member checks (Hasson & Keeney, 2011; Misti, Mogale, Maretha & Ngcobo, 2018). The use of an iterative process in this e-Delphi study involved a chance for initial feedback, collation of feedback, and distribution of feedback to participants for review (Msibi, Mogale, Maretha & Ngcobo, 2018). The responses were reviewed with the participants; this process provided the participants with the opportunity to review and comment on the collected data made by the researcher (Msibi, Mogale, Maretha & Ngcobo, 2018).

Transferability

Transferability corresponded to external validity and the application of the findings to other settings; generalizing of the findings in external validity was measured through various rigor of testing such as content validity assessment (instrument provides adequate coverage of a investigated topic), construct validity (theoretical foundation of a scale or measurement), and criterion validity (test is effective in predicting criterion or construct indicators) (Hasson & Keeney, 2011). Transferability was achieved by verification of the applicability of e-Delphi findings (Msibi, Mogale, Maretha & Ngcobo, 2018).

Dependability

Dependability in the e-Delphi study established consistency of research results across researchers and time, which was achieved through triangulation, peer examination, audit trails, and stepwise replication (Fusch & Ness, 2015). To achieve dependability, I included a diverse range of industry experts (Hasson & Keeney, 2011; Msibi, Mogale, Maretha & Ngcobo, 2018). An audit trail of data collection, data analysis, and comments made by the participants facilitated inquiry by future researchers (Hasson & Keeney, 2011).

Confirmability

The final criterion in ensuring trustworthiness is confirmability; this was assessed by maintaining a detailed description of the e-Delphi collection and analysis processes (Msibi, Mogale, Maretha & Ngcobo, 2018). Confirmability conveyed neutrality related to the concept of objectivity and achieved by maintaining a detailed description of the Delphi collection and analysis process (Hasson & Keeney, 2011).

Ethical Procedures

This research incorporated human responses and documented ethical procedures. The e-Delphi technique assembled ideas online with experts in an anonymous manner (Msibi, Mogale, Maretha & Ngcobo, 2018). The internet was used for communication, data collection, Delphi email invitations were sent to potential participants, invitation contained description of the research and ethics compliance statements, link to an e-portal for additional information, and an expert screening e-survey (Cole, Donohoe, & Stellefson, 2013). Ethical consideration during the selection phase included information leaflet with relevant information about the e-Delphi process and informed consent emailed to the experts as indicated under the sampling criteria (Msibi, Mogale, Maretha & Ngcobo, 2018).

The eligible participants were identified online; those being recruited received the invitation letter that followed the “Dillman Protocol” about the proposed research, and the importance of participating in all rounds to reduce attrition bias (Veziari, Kumar & Leach 2018). Participation in the e-Delphi was voluntary, anonymous and confidential e-Delphi being anonymous makes it ideal because neither the researcher nor the experts are physically present, which reduced communication prejudice, and bias that could lead to insufficient and incorrect data collection and lack of evidence (Msibi, Mogale, Maretha & Ngcobo, 2018). Participants who desired to participate received an invitation email containing an active hyperlink and informed consent, the participants then proceeded to commence round one of the Delphi study (Veziari, Kumar & Leach 2018). Researchers are required by the IRB to ensure the safety, confidentiality, and privacy of all participants, and the carefully handling of data (Salami, 2013). Walden University policies require researchers conducting studies that involves human participant to receive documented permission from the Walden University Institutional Review Board (IRB) before research can begin.

The IRB protects participants from detrimental encounters during or after the study (Jacob & Ferguson, 2012). No data collection occurred prior to receipt of informed consent, including data for screening purposes. A reinforced emphasis was placed on participant anonymity and confidentiality throughout the duration of the study; identification numbers were assigned to individual which aided in the confidentiality of participants throughout the study (Poulis et al., 2013). The use of QualtricsTM, an internet-based survey to administer survey helped to bolster confidentiality and privacy; a user-friendly unique URL or web address was created, sent with the emailed Delphi invitation, participants clicked the link and were directed to the initial survey with a unique user IP addresses (Cole, Donohoe, & Stellefson, 2013). This ensured participants fill only one survey, limited to one response per unique IP address, this control misrepresentation in survey responses control over identity but the researcher (Cole, Donohoe, & Stellefson, 2013).

Evaluation of all data collection activities were reviewed by the IRB; I consulted the IRB Guidelines to ensure controls were followed. I ensured the participants selected are adult acquaintances, no children, and that data once received were protected and met the confidentiality requirements per the IRB. An Inform Consent form was sent to each participant to be completed if they decided to participate in this voluntary unpaid exercise.

Summary

The following research question guided this qualitative e-Delphi study: What is the level of consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies? The e-Delphi research design was suitable for forming a consensus among a group of experts in instances where there is a deficiency in existing scholarship on a research topic. For this e-Delphi study, the panel experts had to meet criteria as follows: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. I recruited study panelists via social media (LinkedIn groups) and an initial survey consists of five questions was submitted with subsequent follow-up rounds. There were measures to enhance validity, credibility, transferability, dependability, confirmability, ethical procedures reduce bias, trustworthiness, and ensured the preservation of participants' rights. The study panelist received an informed consent form containing key information on the study, which included anonymity, confidentiality assurances, purpose and procedures, requirements for participation, potential risks and benefits, and contact information for the Walden IRB. Chapter 4 contains a discussion and an analysis of the research results.

Chapter 4: Results

The purpose of this qualitative e-Delphi study is to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in BHCs. I used a classical Delphi method design for an online platform, or e-Delphi study design (Cole et al.). I convened a panel of experts to answer the research questions and provide information on effective capital regulation practices that can mitigate bank risk (see Davidson, 2013). The Delphi technique is a consensus-building process that uses rounds of questionnaires to gather opinions from banking finance expert across the United States. The panel of experts provide information on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies to inform change (Linstone & Turoff, 2011). The e-Delphi technique was appropriate for the identification of effective capital regulation practices that can (a) inform positive senior bank managers' activity through the selection of conservative investments, (b) heighten bank managers' ethical awareness choices thereby reducing fraudulent behaviors, and (c) decrease business losses (see Gatzert & Schmit, 2016).

In alignment with the purpose of this study, the central research question was as follows: What is the level of consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies? In this chapter, I provide information on the research setting, participant demographics, and data collection and analysis procedures, along with evidence of trustworthiness. The material in this chapter centers on the results of this study.

Pilot Study

Two experts who were not a part of the study examined the Delphi instrument used in the first round after I obtained IRB approval. These two individuals inspected the document for clarity, errors in communications, e-mails, and hyperlinks to detect misunderstandings that could lead to flawed responses (see Toronto, 2017). The experts also assessed the questionnaires for design, flow, and alignment with the purpose of the study and provided answers to the research questions (see Toronto, 2017). The questionnaire used in Round 1 was designed based on Delphi approach studies using existing literature corresponding to OCEG's standard (see Bezzina et al., 2014; Spies & Tabet, 2012). I solicited the two professors for formulation and testing of the first-round questionnaire, a crucial step to the findings of the whole Delphi study; these responses generated the subsequent Delphi rounds (see Clibbens et al., 2012).

I contacted these individuals by e-mail and asked for their participation in the pilot study. The e-mail was administered through Hotmail and included an anonymous link to the pilot study in Qualtrics, which contained a copy of the informed consent form, invitation to the study, and research questions from Round 1 of the study. The pilot test participants who agreed to participate in the field test possessed the following characteristics: (a) held a doctoral degree from an accredited university located in the United States and (b) were employed as a professor at a university. These two eligibility criteria were aligned with the Delphi pilot study purpose, which was the identification of clarity problems and ambiguities rather than data collection.

Participants in the pilot test reviewed and provided comments on both the first-round questionnaire and accompanying instructions reviewed in the e-mail. There were no major modifications needed in response to comments from the pilot test participants. However, participants offered minor corrections to the Delphi instrument, such as the use of the articles *a* or *an* and the addition of an *s* that was previously omitted, and they suggested changing the response setting from a multiple-choice option to text entry to allow the participants to type in a text response. As suggested, I modified the survey to address the grammar corrections and change the response setting in Qualtrics from multiple choice to text entry. In my instructions to participants, I asked them to provide five responses to each question in bullet-point format alongside a short description for each recommendation. Both participants confirmed that the questionnaire and instructions were clear and concise. The following open-ended questions distributed to participants in the pilot study were confirmed for use in the first round:

1. What governance practices can senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies?
2. Describe risk management practices senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies.

3. Describe internal control activities senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding companies.
4. How can assurance practices be implemented by senior bank managers towards capital regulation that can be effective in reducing losses in bank holding companies?
5. Describe compliance practices senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding companies.

Research Setting

This study involved finding participants who had the appropriate background, experience in banking, and knowledge on the subject. The collection of the study data was through an online platform (see Cole et al., 2013). I convened a panel of experts to answer the research questions and provide information on effective capital regulation practices that can mitigate bank risk (see Davidson, 2013). Each participant who met the eligibility criteria and wanted to participate in the study received an informed consent form. The research instrument was a questionnaire with five basic questions I developed using the literature on the topic (see Brady, 2015). These questions corresponded to each OCEG standard (governance, risk management, internal control, assurance, compliance) concepts (see Bezzina et al., 2014; Spies & Tabet, 2012). The instrument did not ask participants to disclose information related to personal or organizational conditions. I did not have any knowledge of any personal or organizational conditions that may have influenced participants at the time of the study.

Demographics

The participants in this study possessed the following characteristics:(a) adult over the age of 18, (b) employed a minimum of 10 years in the banking industry, (c) possessed an MBA in Finance, and (d) currently employed as a consultant to a large bank in the United States. These criteria are aligned with guidelines for expert judgement in model-based economic evaluations (Iglesias et al., 2016). I used these four eligibility criteria to select banking finance experts from across the United States.

I used the participants' profiles on Linkedin to validate their education and work criteria; I used the informed consent form as support for the age criterion. I did not collect any personal demographics aside from the certification from each participant about meeting the study eligibility criteria. Table 2 shows the demographic characteristics of the panel of experts.

Table 2

Panelists' Demographic Characteristics (*N* = 10)

Demographic characteristics	Number of experts
Adult over age of 18	10
Employed over 10 years in banking	10
Possession of MBA in Finance	10
Employed as a consultant in large bank in the United States	10

Data Collection

Recruitment

My approach for finding participants entailed consulting the IRB requirements for the selection of participants. I ensured the participants selected were adults, no children, and that data once received were protected and met the confidentiality requirements per the IRB. I sent the informed consent form to each participant to be completed if they decided to participate in this voluntary unpaid exercise. Participants were recruited via LinkedIn. The identification of experts followed two conventional approaches, sampling based on actor types and snowball sampling to find experts that could contribute to the survey (see Hirschhorn, 2019).

First, in terms of actor types, I used the following criteria to find experts to contribute to the survey: (a) adult over the age of 18; (b) employed a minimum of 10 years in the banking industry; (c) possession of an MBA in Finance; and (d) currently employed as a consultant to a large bank in the United States. A matrix was used to identify experts for the selection process (Table1). After initial attempt to complete the matrix, I asked some of the initially identified experts to recommend other experts (snowball sampling) and the suggested names were also included in the panel (Hirschhorn, 2019). Inform Consent form were sent to each participant to be completed if they decided to participate in this voluntary unpaid exercise.

LinkedIn provided a source of potential study participants through the site's advanced people search feature which identified individuals who matched the study eligibility criteria. Individuals who met the study eligibility criteria based on the information contained in his or her LinkedIn profile was contacted at the listed contact information. To ensure compliance with IRB requirements, I separated my list of potential participants into the following categories: (a) email address and phone number; (b) only email address; (c) only phone number available, and (d) no email address or phone number available.

Participants recruitment began on July 14, 2019. I allocated 4 weeks to the recruitment process to ensure enough time for follow-up emails and phone calls.
The participants who participated in this study were identified and recruited through LinkedIn. I sent a study invitation email to roughly 200 people in LinkedIn and 5 individuals via personal email. I received 15 responses from individuals in LinkedIn who wanted to participate in the study a response rate of about 8%, and the 5 individuals contacted via email all expressed interest in participating in the study a response rate of 100%. The 15 participants in LinkedIn were sent an anonymous link generated from Qualtrics to the study which entailed a copy of the informed consent form, invitation to the study, and research questions. Similarly, the five individuals contacted via email were sent an anonymous link from Qualtrics to the study which entailed a copy of the informed consent form, invitation to the study and introduction letter, and research questions.

By July 18, 2019, 20 individuals agreed to participate in the study, reaching and exceeding the target panel size of 10. In anticipation of potential attrition, I accepted additional participants beyond the target panel size. These participants received an anonymous link from Qualtrics to the study which entailed, a copy of the informed consent form, invitation to the study, and research questions from the first-round of the study. This confirmed their participation in the study.

Participant Overview

Twenty individuals who satisfied the study eligibility criteria agreed to participate in this study by following the procedures outlined in the informed consent form. Of the 20 participants who agreed to participate in the study, 10 participated in all three rounds. Table 3 contains the response rate for each round of the e-Delphi study. I did not follow-up with individuals who left the study. I am not aware of any indications that would have suggested why these individuals left the study.

Table 3

Questionnaire Response Rate

Round	Questionnaires Distributed	Questionnaire Returned	Response Rate%
Pilot	2	2	100%
1	20	15	75%
2	15	10	67%
3	15	10	67%

Location, Frequency, and Duration of Data Collection

Data collection took place between July 18, 2019 and August 31, 2019. The 3 data collection instruments used in this e-Delphi study consisted of electronic questionnaires. The exchange of the 3 questionnaires between the participants and me occurred electronically through email and LinkedIn. Participants had 2 weeks to complete and return each questionnaire (1 per each round). Participants received reminder emails before the completion date to participants who had not yet responded. IRB policies require the separate approval of each Delphi questionnaire before distribution to the Delphi panel, which is articulated in Chapter 3. I received IRB approval for all three rounds prior to conducting field work. This enabled me to continue each round of the study without incurring wait time in between due to IRB approval. I was able to begin each round earlier than the allotted time. Table 4 contains the timeline for data collection in this e-Delphi study.

Table 4

Data Collection Timeline

Event	Start Date	End Date
Pilot	7/11/2019	7/17/2019
Round 1	7/18/2019	8/14/2019
Analysis Round 1 data	8/14/2019	8/16/2019
Round 2	8/17/2019	8/26/2019
Analysis Round 2 data	8/26/2019	8/27/2019
Round 3	8/27/2019	9/7/2019

Round 1. In the first round I provided the participant of the study with the questionnaire and instructions validated in the pilot study. The e-mail generated in Qualtrics was designed based on the principles of survey design put forth by Schmidt et al., (2001), which required the first phase of the questionnaire to be a brain-storming round;

this elicited many responses from each panelist to generate a common list of items and definitions (Schmidt et al., 2001). The first questionnaire of the Delphi required experts to list and briefly describe at least five responses to the questions (see Hirschhorn, 2019; Okoli & Pawlowski, 2004). The questionnaire was based on OCEG standard's (governance, risk management, internal control, assurance and compliance) functional goal to improve quality and "principled performance" through measurable tools that may enhance effectiveness and efficiency practices (Bezzina et al., 2014; Spies & Tabet, 2012). The questionnaire asked experts to list at least six important factors relating to the following Round 1 Questionnaire:

1. What Governance practices can senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies?
2. Describe risk management practices senior bank managers implement towards capital regulation that can be effective in reducing losses in bank holding companies.
3. Describe internal control activities senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding companies.
4. How can assurance practices be implemented by senior bank managers towards capital regulation that can be effective in reducing losses in bank holding companies?

5. Describe compliance practices senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding Companies.

The e- Delphi study first round questionnaire used open-ended questions, and the use of the Likert-scale questions as a risk mitigation strategy to ensure the answers to the open-ended questions addresses the research goal (see Hirschhorn, 2019). The answers that are duplicate responses were removed, a consolidated list generated with number of panelists that suggested each item and grouped conceptually into categories to ensure easy review by panelists (Okoli & Pawlowski, 2004). I qualitatively analyzed and coded the answers to the open-ended questions, identified major themes and eliminated redundancies (see Hirschhorn, 2019). I administered a test-retest was to the sample on two different occasions, and an internal consistency review of the test result was completed to ensure reliability (see Hirschhorn, 2019). I coded randomly selected samples of the answers received and reconciled them to generate the final output of this round for triangulation (see Hirschhorn, 2019). I used the discarded answers to the open-ended questions due to misinterpretations and unrelated to research goal to inform the additional rounds of the survey.

The responses to the first rounds of questions administered on e-survey using Qualtrics were qualitatively analyzed and coded (see Hirschhorn, 2019). The use of coding identified major themes, eliminated redundancies and created an inventory based on expert opinion; concepts based on the literature were used to interpret and organize the input received from the panelist (see Hirschhorn, 2019). The responses from round one was used to develop themes and highlighted items in common within each theme per questions. I used sensitizing concepts based on the relevant literature as guidelines for the interpretation and organization of data input received from the panelist (see Hirschhorn, 2019). I used Microsoft Word and Microsoft Excel as the Data Analysis Software. The survey questions were recorded in Microsoft Word format and the recorded responses for each question in the Word document were transmitted into a spreadsheet using Microsoft Excel. Both sample survey answers were coded in parallel and reliability test performed (see Hirschhorn, 2019). A reliability test included independently coding random selected samples of the answers received, an independent analysis to verify consistency in conclusions, differences discussed and reconciled to generate the final output of the round, thereby achieving (see Schmidt et al., 2001) proposed triangulation (see Hirschhorn, 2019).

The coding process involved a trade-off between two conflicting tasks: production of a reasonably-sized list used in following rounds by experts, no excessive generalization of answers that could defeat the purpose of the Delphi by impoverishing experts' responses (Hirschhorn, 2019). The panelists were asked to provide brief description of their answers a measure used to clarify the opinions provided while enriching the data (see Hirschhorn, 2019).

Round 2. In the second round, I provided the questionnaire developed based on the answers from Round 1 (a generated aggregated list of statements based on Round 1 questions) to the panelist (see Okoli & Pawlowski, 2004). Experts were asked to shortlist responses on the listed inventories produced based on the relevance and ability to provide insights on most critical aspects of research questions; an established limited number of shortlist items is used to emphasize the need for prioritization and reduce the workload of experts (Hirschhorn, 2019). Panelists rated each statement on the second-round questionnaire against 2 separate 5-point Likert scales: desirability and feasibility. The scale measuring desirability ranged from (1) highly undesirable to (5) highly desirable, whereas the scale measuring feasibility ranged from (1) definitely infeasible to (5) definitely feasible. The second-round questionnaire included references and definitions for each scale item to provide panelists with clarity as to the meaning of each item on the desirability and feasibility scales. Member checking was encouraged through spaces provided for panelist to make optional comments on how I derive the themed from their Round 1 responses.

Round 3. In this round the panelist received the questionnaire generated with the Round 2's responses. Experts were asked to consider the elements shortlisted in Round 2 as possible variables to be used in a comparative study (see Hirschhorn, 2019). They were asked to rate each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). The instructions ask panelists to explain their reasoning for the allotted rating. The second-round questionnaire included the following meaning of each item on the desirability scale:

- (1) – Highly undesirable: Will have major negative effect.
- (2) – Undesirable: Will have a negative effect with little or no positive effect.

- (3) – Neither desirable nor undesirable: Will have equal positive and negative effects.
- (4) – Desirable: Will have a positive effect with minimum negative effects.
- (5) – Highly desirable: Will have a positive effect and little or no negative effect.

The second- round questionnaire included the meaning of each item on the feasibility scale:

- (1) – Definitely infeasible: Cannot be implemented (unworkable).
- (2) – Probably infeasible: Some indication this cannot be implemented.
- (3) – May or may not be feasible: Contradictory evidence this can be implemented.
- (4) – Probably feasible: Some indication this can be implemented.
- (5) – Definitely feasible: Can be implemented.

Data Recording Procedures

I distributed all 3 questionnaires to study participants through Qualtrics. The instructions directed panelists to type their responses to each questionnaire directly in the respective documents. I recorded the responses for each questionnaire into the word document and transmit the data into a spreadsheet using Microsoft Excel. I conducted a side-by-side comparison of the word document to the excel spreadsheet to ensure completeness and accuracy in the transfer of the data. Research participant responses were transmitted into separate tabs for each survey using Microsoft Excel. The spreadsheets created in Microsoft Excel had the following categories: (a) Participant ID

P1-P20; (b) Questions; (c) Panelist Response; (d) Data Generated by Panelist; (e) Theme statements Generated by Researcher; (f) Sub Theme Statements (g) Codes Generated by Researcher; (h) Categories Generated by Researcher. See Appendix B for a copy of the recorded data from Round 1. The second and third round questionnaires were manually transferred to the master spreadsheet. I repeated the review process in the first round, I conducted a side-by-side comparison of the second and third round questionnaires submitted by panelists with the data contained in my spreadsheet to ensure accuracy. Appendices C and D include copies of the rating data from Round 2 and Round 3 respectively.

I used debriefing and member checking strategy to provide participants with the opportunity to review and comment on the collected data, to obtain credibility of the study results at the end of the study. The participants were provided with the opportunity to review and comment on the collected data.

Variations in Data Collection

There were minor differences existed between the Chapter 3 data collection plan in this study. Prior to beginning the data collection, I created a spreadsheet using Microsoft Excel with the following categories: (a) survey number; (b) speaker's gender; (c) description of subject matter; (d) questions; (e) answers and facts; (f) codes applied by researcher; (g) categories; (h) theme statements; (i) notes and observations. At the beginning of the data collection process I adjusted the spreadsheet to simplify the data analysis process. I modified the Microsoft Excel column headings with the following categories: (a) Participant ID P1-P20; (b) Questions; (c) Panelist Response; (d) Data

Generated by Panelist; (e) Theme statements Generated by Researcher; (f) Sub Theme Statements (g) Codes Generated by Researcher; (h) Categories Generated by Researcher. I initially intended to rely heavily on snowball sampling to draw potential study participants. Given that I recruited enough participants directly from LinkedIn, snowball sampling was not relied on. I used mean and median score as a measure of consensus for this study.

Unusual Circumstances in Data Collection

There was an unusual circumstance encountered during data collection recruitment phase of the study which pertained to the titles of banking experts listed in Linkedin. I reviewed LinkedIn profiles of individuals with banking experience over 10 years who possessed an MBA and noted variations in the titles and roles. I discovered a moderate amount of variation in the terminology used to describe the roles of banking finance expert across the United States. Many banking finance experts possessed the title of Managing Director, Vice President, Senior Vice President, Executive Director. Although every individual who participated in this study met the criteria eligibility requirements of the study, the variation in title suggested individuals who possessed different but similar titles may also have satisfied the eligibility requirements.

Data Analysis

Data analysis represented a critical component of this e-Delphi study. The expert responses to open-ended questions were qualitatively analyzed, coded, major themes identified, and the information identified contributed to the study findings (Hirschhorn, 2019). The e-Delphi study consisted of three rounds of questionnaires using researcher-developed questionnaires as shown in Appendix A. Participants completed 3 separate questionnaires over a 2-month period. The iterative 3 round e-Delphi approach led to a large amount of data to analyze; the tools provided by Qualtrics and the use of Microsoft Excel made it feasible for me to analyze the data quickly. I coded the data from the question, and then linked the themes to classification grounded in the conceptual framework and the literature presented in Chapter 2. Thematic analysis was used to search for the emerging themes in the data (see Saldaña, 2016).

The sensitizing of concepts based on the relevant literature was used as a guide for the interpretation and organization of data input received from the panelist (see Hirschhorn, 2019). I developed themes from the data; online qualitative research used a blend of analytic coding and hermeneutic interpretation (Saldaña, 2016). The participants language can be used to construct In Vivo Themes or thematic statements that captured and summarized a main idea (Saldaña, 2016). The answers to the open-ended question were analyzed and coded, which identified major themes and eliminated redundancies (see Hirschhorn, 2019).

Round 1: Analysis of Responses and Feedback Material

Responses to the first rounds of questions administer on e-survey administered using Qualtrics were qualitatively analyzed and coded (Hirschhorn, 2019). This e-Delphi study used sensitizing concepts based on relevant literature as guidelines for the interpretation and organization of data input received from the panelist (Hirschhorn, 2019). I used thematic content analysis to analyze and code participants' first round responses according to key themes. I separated the first-round data into separate tabs in the spreadsheet according to the following categories: (a) Participant ID P1-P10; (b) Questions; (c) Panelist Response; (d) Data Generated by Panelist; (e) Theme statements Generated by Researcher; (f) Sub Theme Statements (g) Codes Generated by Researcher; (h) Categories Generated by Researcher. I reviewed the data within each tab multiple times to develop familiarity and understanding with the data. The use of coding identified major themes, eliminate redundancies and created an inventory based on expert opinion; concepts based on the literature were used to interpret and organize the input received from the panelist (Hirschhorn, 2019).

After obtaining a solid understanding of the data, I began to code the raw data and developed a list of potential categories. I highlighted key phrases that answered each research question and used pattern coding to collect similar coded statements (see Saldaña, 2016). I conducted a content analysis and identified themes, patterns, indexing and categories; nonrecurring evidence was associated to individual cases (Saldaña, 2016). I did not begin the data analysis process with a predetermined set of codes; this was done to avoid potential bias. Instead, I adopted the technique of constant comparison and started the coding process as soon as I received the responses from the participants. In instances where a single statement provided by a participant had multiple statements applicable to different categories, I duplicated the responses. I made updates to the spread sheet each time a new panelist submitted a response to the first-round questionnaire and made the respective adjustment to the codes and categories. Next, I applied a code to each statement corresponding to each of the five questions in the first-round questionnaire, I sorted the spreadsheet and compare statements with the same code and ensured consistency in coding. Appendix B contains the list of panelist responses in Round 1 and researcher-assigned codes. I adjusted codes as necessary to ensure consistency in the coding process. Then I merged the coded data from sample one and sample two into a single master list to compare all data. The merged data bolster consistency in the coding event. The analysis of first round resulted in a final list of 37 themes and codes. To illustrate how the coding took place for each of the categories, Table 5 contains the 37 themes and codes generated from the first round.

Table 5

First Round Themes and Codes

Themes	Code
Risk Management	101
Governance	102
Credit Risk	103
Liquidity Measures	104
Policies	105
Risk Management	201
Fraud Control	202
Market Limitations	203
Communication	204
Data Infrastructure Management	205
Subject Matter Expert (SME)	206

(table continues)

Culture	207
Training	208
Reporting	301
Data Management	302
Risk Management Oversight	303
Prioritize Training	304
Governance Oversight	305
Staffing	306
Technology	307
Liquidity	308
Credit Risk Limits	309
Risk Culture	401
Partnership Formation	402
Regulatory Tools	403
Quality Measures	404
Risk Management	405
Credit Risk Problems	406
Procedures	407
Training	408
Compliance	501
Report Monitoring	502

(table continues)

Technology	503
Ethics	504
Compliance Training	505
Liquidity Risk	506
Partnership	507

Both sample survey answers were coded in parallel and reliability test performed (see Hirschhorn, 2019). A reliability test included independently coding random selected samples of the answers received, an independent analysis to verify consistency in conclusions, differences discussed and reconciled to generate the final output of the round, thereby achieving (see Schmidt et al., 2001) proposed triangulation (Hirschhorn, 2019). The coding process used a trade-off between two conflicting tasks: production of a reasonably-sized list to be used in following rounds by experts, no excessive generalization of answers that could defeat the purpose of the Delphi by impoverishing experts' responses (Hirschhorn, 2019). Figure 1 illustrates a graphical representation of the data reduction results by category and Round 1.

Round 1

- Questionnaire contain 5 open-ended questions
- Responses generated 135 statements
- 135 statements, 37 Themes, 5 categories emerged from thematic content analysis.
  - o Category 1: Effective governance practices towards Capital Regulation reduction of losses (32 items)
  - o Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (20 items)
  - o Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (33 items)
  - o Category 4: Effective Assurance Practices towards Capital Regulation (27 items)
  - o Category 5: Compliance practices towards Capital Regulation effective in loss reduction (23 items)

Figure 1. Round 1 data reduction results.

Round 2: Analysis of Responses

An inventory list was sent to the panelists (see Hirschhorn, 2019); the panelists were asked to vote on the inventory list and a shortlist generated based on majority votes. The vote for each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). I first analyzed votes at the individual variable level and then cross checked at the cluster level, to identify the most voted variables (see Hirschhorn, 2019). Appendix C contains the panelists' ratings for Round 2. I then provided feedback to the expert that summarized the vote each variable received and expert comments. Figure 2 illustrates a graphical representation of the data reduction results by category and Round 2.

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Round 2

- Panelists first-round items for desirability and feasibility using 5-point Likert Scale
- Statement passed to third round based on majority votes
- 103 statements spanning all 5 categories passed to Round 3

o Category 1: Effective governance practices towards Capital Regulation reduction of losses (27 items)

o Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (16 items)

o Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (23 items)

o Category 4: Effective Assurance Practices towards Capital Regulation (22 items)

o Category 5: Compliance practices towards Capital Regulation effective in loss reduction (15 items)

Figure 2. Round 2 data reduction results.

Round 3: Rating

The answers were compiled and measured in multiple ways: (i) the average points received by each variable, (ii) the standard deviation in points received by each variable, (iii) the highest single score attributed to each variable, (iv) the percentage of experts attributing zero point to a variable and (v) the ranking of variables based on the amount of points they received (Hirschhorn, 2019). Experts were asked to consider the elements shortlisted in Round 2 and to rate each statement on the second-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). The results were highlighted how preferences moved between the survey rounds by indicating how the ranking of variables based on votes (Hirschhorn, 2019). Appendix D contains the list of panelist ratings in Round 3. Figure 3 illustrates a graphical representation of the data reduction results by category and round 3.

Round 3

- Panelists first-round items for importance and confidence using 5-point Likert scale
- Statement included on final list of consensus items based on rating
- 30 statements spanning all 5 categories formed final list of consensus items.
  - Category 1: Effective governance practices towards Capital Regulation reduction of losses (9 items)
  - Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (4 items)
  - Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (5 items)
  - Category 4: Effective Assurance Practices towards Capital Regulation (6 items)
  - Category 5: Compliance practices towards Capital Regulation effective in loss --- reduction (6 items)

Figure 3. Round 3 data reduction results.

Evidence of Trustworthiness

This e-Delphi study attained rigor by applying the elements of trustworthiness; credibility, dependability, confirmability and transferability (Hasson & Keeney, 2011). An audit trail is used to substantiate trustworthiness in a Delphi study; reliability achieved through test-retest same sample, internal consistency of results, inter-observer which required the rating of the same information, and parallel form (Hasson & Keeney, 2011). Validity was established through the rigor of testing: content validity (instrument provides adequate coverage of a topic); construct validity (assesses the theoretical foundations of a scale or measurement and the adequacy of the test) (Hasson & Keeney, 2011). Although flexibility is viewed as a key strength of the Delphi method the drawback is generalizing this finding to the "ideal Delphi" is never justified (Hasson & Keeney, 2011).

Credibility

Credibility in an e-Delphi study relates to the degree the data can be believed, this can be achieved through ongoing iteration and feedback given to panelists and member checks (Hasson & Keeney, 2011; Misti, Mogale, Maretha & Ngcobo, 2018). The use of an iterative process in a e-Delphi study involves a chance for initial feedback, collation of feedback, and distribution of feedback to participants for review (Msibi, Mogale, Maretha & Ngcobo, 2018). The responses are reviewed with the participant; this process provides the participant with the opportunity to review and comment on the collected data made by the researcher (see Msibi, Mogale, Maretha & Ngcobo, 2018). I used a debriefing and member checking strategy to obtain credibility of the ten study results; participants were provided with the opportunity to review and comment on the collected data (see Stewart, Gapp & Harwood, 2017). I employed member checking through the individual instructions email I sent to each member of the panel and the second-round questionnaire included a personalized list of statements generated from Round 1 questionnaire. The panelists were able to review and provide feedback on both the second and third round questionnaires. Panelist rated each statement in the third-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). There were no challenges posed to the themes. This member-checking and rating of statements performed by the panelist in the third round of the questionnaire further bolster the credibility of the study results. The statements that received a rating of positive desirability by the panelists of over 5 votes met the consensus threshold of 60% and exceeded the mean and median of 2 were included in the final list of consensus statements. This high level of consensus in the final list of 33 statements reflects how to recognize a senior manager's effective practice towards capital regulation in bank holding companies.

Transferability

Transferability corresponds to external validity and the application of the findings to other settings; generalizing of the findings in external validity can be measured through various rigor of testing such as content validity assessment (instrument provides adequate coverage of a investigated topic), construct validity (theoretical foundation of a scale or measurement), and criterion validity (test is effective in predicting criterion or construct indicators) (Hasson & Keeney, 2011). Transferability can be achieved by verification of the applicability of e-Delphi findings (Msibi, Mogale, Maretha & Ngcobo, 2018). I used thick description to document the detail of the study, which allowed the reader to evaluate the conclusions drawn and its transferability to other settings, situations and people (see Viloria, 2018). Through the use of thick description, I explained in detail all the necessary steps taken in the research with clarity and detail as possible, thereby providing future researchers with sufficient information to evaluate the study.

Dependability

Dependability in an e-Delphi study establishes consistency of research results across researchers and time, which is achieved through triangulation, peer examination, audit trails, and stepwise replication (Fusch & Ness, 2015). To achieve dependability, I included a diverse range of industry experts (see Hasson & Keeney, 2011; Msibi, Mogale, Maretha & Ngcobo, 2018). I used a Delphi study survey with two independent samples for triangulation of the collected data, with the expectation that the results converged and provide confidence in the conclusions drawn (see Loo, 2002).

I selected haphazardly Question 1,3,5 and selected participant 4 from group A and participant 8 from Group and compared their responses to these questions. Participant 4 from group A answers to question 1 and participant 8 from Group B responses are both targeted to Federal regulatory requirements but different areas of the regulation. Participant 4 responses were geared to governance and monitoring oversight within the company to ensure regulations are adhered to such as capital requirements, stress scenarios as required by the Federal Reserve Bank. Participant 8 responses were aligned to regulations protecting the customers such as KYC-Know Your Customer cyber security program.

The responses to question 3 were compared and both Participant 4 and Participant 8 answers were driven towards a strong control environment. The design of the control recommended were different one being monitoring control that are detective of issue in nature and the other control is preventive in nature which put stops in place to ensure proper authorization are obtained prior to occurrence of event. Participant 4 from group A answers to question 3 were geared towards monitoring control activities such as strong governance committees, reporting and escalation, strong governance committees, reporting and escalation, and establish periodic risk and controls assessment. Participant 8 from Group B responses were geared towards preventative controls, dual control of processes to be implemented or in operation to reduce risk from human errors, automation of manual processes that are prone to human errors; UIPath Robot processing is one area of automation that is a viable option.

Both participants responses to question 5 focused on compliance regulations awareness as key to the business environment, however their initiatives to ensure compliance rules are a different approach. Participant 8 response to question 5 were geared to training key stakeholders BSA Teams, branch control teams, and cyber security teams on compliance regulations. Participant 4 responses to question 5 were geared towards implementing compliance policies, procedures and activities within the firm to ensure they meet compliance regulatory requirements. Participant 4 responses targeted stablishing and communicating compliance policy, and periodic assessment of compliance adherence with metrics.

Answer to open-ended questions are qualitatively analyzed and coded, identify major themes and eliminate redundancies (Hirschhorn, 2019). A test-retest is administered to the sample on two different occasions, and an internal consistency review of the test result is completed to ensure reliability (Hirschhorn, 2019). I independently code randomly selected samples of the answers received reconciled them to generate the final output of this round for triangulation (Hirschhorn, 2019).

Data and theoretical triangulation were used to increase confidence in research data, reveal unique findings, integrate theories, and understand the problem (Thurmond, 2001). I used data triangulation to gather multiple sources of survey collected at different times, gathered and compared them; questionnaires were used to obtain a more comprehensive view of expert views and strengthen the qualitative fieldwork (Thurmond, 2001). Theoretical triangulation in this study was used on more than one theoretical position to interpret data; the study was conducted with multiple lenses and question to lend support to the findings (Thurmond, 2001). This study compared the panelist responses to existing research and identify factors that is known in the existing literature that further establish validity.

I created an audit trail through the maintenance of detail research notes on my thoughts and observations during the study. Also, I kept an audit trail of the data collection, data analysis, and comments made by the participants; this facilitated inquiry by future researchers (Hasson & Keeney, 2011).

Confirmability

The final criterion in ensuring trustworthiness is confirmability; this can be assessed by maintaining a detailed description of the e-Delphi collection and analysis processes (Msibi, Mogale, Maretha & Ngcobo, 2018). Confirmability conveys neutrality related to the concept of objectivity and can be achieved by maintaining a detailed description of the Delphi collection and analysis process (Hasson & Keeney, 2011). I used audit trails to substantiate the study results, as well as, comprehensive notes on methodological choices, judgments, assumptions, and experiences during the research process which provide conformability in the study.

Ethical Procedures

This research incorporated human responses and documented ethical procedures. The e-Delphi technique assembles ideas online with experts in an anonymous manner (Msibi, Mogale, Maretha & Ngcobo, 2018). I used the internet to communicate, data collection, Delphi email invitations sent to potential participants, invitation contained description of the research and ethics compliance statements, link to an e-portal for additional information, and an expert screening e-survey (see Cole, Donohoe, & Stellefson, 2013). I implemented ethical consideration during the selection phase through inclusion of information leaflet with relevant information about the e-Delphi process and informed consent emailed to the experts as indicated under the sampling criteria (see Msibi, Mogale, Maretha & Ngcobo, 2018).

The eligible participants were identified online; those being recruited received the invitation letter that followed the “Dillman Protocol” about the proposed research, and the importance of participating in all rounds to reduce attrition bias (Veziari, Kumar & Leach 2018). Participation in the e-Delphi was voluntary, anonymous and confidential e-Delphi is anonymous makes it ideal because neither the researcher nor the experts are physically present, which might reduce communication prejudice, and bias that could lead to insufficient and incorrect data collection and lack of evidence (Msibi, Mogale, Maretha & Ngcobo, 2018). Participants who desired to participate received an invitation email containing an active hyperlink and informed consent, the participants then proceed to commence round one of the Delphi study (Veziari, Kumar & Leach 2018). Researchers are required by the IRB to ensure the safety, confidentiality, and privacy of all participants, and the carefully handling of data (Salami, 2013). I obtained documented permission from the Walden University Institutional Review Board (IRB) before research began.

The IRB protects participants from detrimental encounters during or after the study (Jacob & Ferguson, 2012). No data collection occurred prior to receipt of informed consent, including data for screening purposes. I place reinforced emphasis on participant anonymity and confidentiality throughout the duration of the study; identification numbers were assigned to individual which aid in the confidentiality of participants throughout the study (Poulis et al., 2013). The use of QualtricsTM, an Internet-based survey which administered the survey, helped to bolster confidentiality and privacy; a user-friendly unique URL or web address can be created, sent with the emailed Delphi invitation, participant clicked the link and were directed to the initial survey with a unique user IP addresses (see Cole, Donohoe, & Stellefson, 2013). This ensured participant fill only one survey, limited to one response per unique IP address, this control misrepresentation in survey responses control over identity but the researcher (Cole, Donohoe, & Stellefson, 2013).

I ensured the IRB Guidelines were followed; the participants selected were adult, no children, and that data once received were protected and meet the confidentiality requirements per the IRB. An Inform Consent form was sent to each participant which was completed by the participate in this voluntary unpaid exercise.

Study Results

Round 1: Analysis of Responses and Feedback Material

The panel generated 135 statements in response to the five open-ended round 1 questionnaire. See Appendix B for a complete copy of the statements generated by panelists in response to the first-round questionnaire. This e-Delphi study used sensitizing concepts based on relevant literature as guidelines for the interpretation and organization of data input received from the panelist (Hirschhorn, 2019). I used thematic content analysis to analyze and code participants' first round responses which contained several themes. Table 6 contains the final coding list generated from the first-round data.

Table 6

First Round Coding Sheet

Code category/description	Code	Frequency
Effective Governance Practices	10	
Risk Management	101	
Risk appetite, capital structure, stress test	1011-10198	17
Governance	102	
Strong board oversight, management principles	1021-1026	6
Credit Risk	103	
Evaluate counterparty credit risks	1031-1032	2
Liquidity Measures	104	
Liquidity standards in line with regulations	1041-1043	3
Policies	105	
Rules and Regulations	1051-1054	4
Effective Risk Management Practices	20	
Risk Assessment	201	
Risk identification, adherence (COSO, BASEL III)	2011-20194	12
Fraud Control	202	
Controlling Fraud	2021	1
Market Limitations	203	

(table continues)

Limit Market Exposure	2031	1
Communication	204	
Organization Communication	2041	1
Data Infrastructure Management	205	
Data Access and Infrastructure	2051-2052	2
Subject Matter Expert (SME)	206	
Hire and Maintain SMEs	2061	1
Culture	207	
Culture of Accountability	2071	1
Training	208	
Employee Training on Bank Regulations	2081	1
<u>Internal Control Activities</u>	30	
Reporting	301	
Timely Monthly/Quarterly Reporting	3011-3018	8
Data Management	302	
Utilization of Loss Databases	3021	1
Risk Management Oversight	303	
Change Management and Self-Assessment	3031-30394	13
Prioritize Training	304	
3041 Employee Training	3041	1
Governance Oversight	305	

(table continues)

Committees and Line of Defense	3051-3053	3
Staffing	306	
Full Staffing and Work-Life Balance	3061-3062	2
Technology	307	
Automation and UIPath Robot	3071-3073	3
Liquidity	308	
Liquidity Risk Management	3081	1
Credit Risk Limits	309	
Counterparty Credit Limits	3091	1
<u>Effective Assurance Practices</u>	40	
Risk Culture	401	
Risk Framed Culture	4011	1
Partnership Formation	402	
Partnering with Assurance Functions	4021	1
Regulatory Tools	403	
Compliance Tools	4031	1
Quality Measures	404	
Standards, Metrics (score card/dash board)	4041-40492	11
Risk Management Alerts	405	
Scenarios, Indicators, Bank Regulation	4051-4057	7

(table continues)

Credit Risk Problems	406	
Credit Risk Monitoring	4061-4062	2
Procedures	407	
Safeguard Integrity, Financial Strength, Customers	4071-4072	2
Training	408	
Staff Training, Direct Reports Participation	4081-4082	2
Compliance Practices	50	
Compliance	501	
Risk Identification, Communication, Responsibilities	5011-50195	14
Report Monitoring	502	
Monitoring and Reporting to Seniorities	5021-5022	2
Technology	503	
Compliance Analytics	5031	1
Ethics	504	
Leadership Champion of Code of Ethics, Integrity	5041-5043	3
Compliance Training	505	
Stakeholders Training	5051	1
Liquidity Risk	506	
Liquidity Stress Testing Reflect Profile	5061	1
Partnership	507	
Compliance Risk Partners	5071	1

The 135 statements provided by the panel of experts in Round 1 fell in 5 major categories corresponding to the open-ended questions contained in the first round questionnaire: (a) Category 1: Effective governance practices towards capital regulation reduction of losses (32 items), (b) Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (20 items), (c) Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (33 items), (d) Category 4: Effective Assurance Practices towards Capital Regulation (27 items), (e) Category 5: Compliance practices towards Capital Regulation effective in loss reduction (23 items). These 5 major categories correspond to the five major themes in the existing literature. The category of Internal Control Activities contained the largest assortment of codes while Effective Risk Management Practices and Compliance Practices categories contained the smallest assortment of codes. Table 7 includes the statements derived from the top 5 themes in Round 1.

Table 7

Top 5 Statements Based on Code Frequency

Statements	Code Frequency
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entails creating a risk appetite that entails the bank's risk tolerance.	17
Compliance practices towards capital regulation that can be effective in reducing losses incudes identification of compliance risks and controls at the relevant organizational level.	14
Internal control activities towards capital regulation that can be effective in reducing losses includes implementing a change management program.	13
Risk management practices towards capital regulation that can be effective in reducing losses includes an independent risk identification and management.	12
Assurance practices towards capital regulation that can be effective in reducing losses incudes On-going quality assurance analysis with metrics (score card/dash board)	11

Round 2: Analysis of Responses

The responses in Round 1 generated 135 statements that were grouped into 37 themes. These 135 statements were used in the second-round questionnaire. The participants were provided with information on the context and purpose of the second-round questionnaire, which included instructions that the second-round questionnaire contained statements generated from the participants first round responses. The expert panelists were asked to vote on the inventory list and a shortlist generated based on majority votes. I asked the participant to vote whether each statement represented how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. The vote for each statement on the second-round questionnaire was completed against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). A first analysis considered votes at the individual variable level and then cross checked at the cluster level, to identify the most voted. The second-round questionnaire also included instructions for panelist to provide a brief explanation of their reasoning for the ratings applied to each statement. I applied member checking to data received from the participants. I sorted the first-round data in the master spreadsheet according to the assigned participant ID and then compiled a list to identify the code(s) derived from data submitted by the respective participant. I emailed each individual the list of statements through an anonymous link generated from Qualtrics. Individuals are encouraged to review and validate the responses.

Of the 135 statements contained in the second- round questionnaire, 103 met the threshold where the desirability scores are greater than the mean and median rating score of 2 for inclusion in the third questionnaire. See Appendix C for a complete list of all ratings supplied by panelists in Round 2. Table 8 includes a list of statements that did not pass to the third round.

Table 8

Statements Failing to Pass to Round 3

Statement	Rating (desirability)	Rating (feasibility)
Compliance practices towards capital regulation that can be effective in reducing losses include forward looking science.	2	3
Compliance practices towards capital regulation that can be effective in reducing losses includes actively promote long-term strategies to ensure deficiencies do not recur.	2	4
Compliance practices towards capital regulation that can be effective in reducing losses incudes periodic assessment of compliance adherence with metrics.	2	7
Compliance practices towards capital regulation that can be effective in reducing losses incudes internal compliance measures are more sophisticated than what is required by the regulators.	1	5
Compliance practices towards capital regulation that can be effective in reducing losses incudes total independence of the compliance function.	2	3
Compliance practices towards capital regulation that can be effective in reducing losses incudes implement compliance practices that have internal controls that eliminate certain risks.	2	3
Compliance practices towards capital regulation that can be effective in reducing losses incudes ongoing training of all stakeholders relative to compliance rules and regulations including BSA teams, branch control teams, and cyber security teams.	2	6

(table continues)

Compliance practices towards capital regulation that can be effective in reducing losses incudes working directly with their compliance risk partners.	2	3
Assurance practices towards capital regulation that can be effective in reducing losses incudes tools available to them to ensure that capital regulation is managed to within guidelines established by regulatory authorities.	1	3
Assurance practices towards capital regulation that can be effective in reducing losses incudes elimination of redundancies.	2	5
Assurance practices towards capital regulation that can be effective in reducing losses incudes continuous monitoring of all balance sheet activity.	2	4
Assurance practices towards capital regulation that can be effective in reducing losses incudes implementing and adhering to standard banking regulations such as bank secrecy acts, Reg CC, and D.	2	3
Assurance practices towards capital regulation that can be effective in reducing losses incudes analysis of financial environment specially banking.	2	2
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail adherence to the Basel principles around managing risk.	2	5
Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entail implementing a more stringent guideline and policy that are put forth by bank regulators.	2	3
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail risk management and controls, self-regulation not to be over exposed in any area i.e. credit trading.	2	3

(table continues)

Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail adherence to diversification.	2	5
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail loss- and resource-estimation methodologies.	2	2
Risk management practices towards capital regulation that can be effective in reducing losses includes communication within the entire organization.	2	2
Risk management practices towards capital regulation that can be effective in reducing losses includes evaluate all small and capital budget projects from a risk perspective.	1	3
Risk management practices towards capital regulation that can be effective in reducing losses includes an independent data infrastructure.	1	5
Risk management practices towards capital regulation that can be effective in reducing losses includes an independent controls process in place.	2	5
Internal control activities towards capital regulation that can be effective in reducing losses includes use of internal and external Operational Risk Exchange (ORX) loss databases to benchmark against industry.	2	2
Internal control activities towards capital regulation that can be effective in reducing losses includes compliance and content monitoring of bank assets as well as complete overview of all activities.	2	5
Internal control activities towards capital regulation that can be effective in reducing losses includes a process to periodically evaluate the design and effectiveness of existing controls.	2	6

(table continues)

Internal control activities towards capital regulation that can be effective in reducing losses includes continuous improvement of regulatory reporting processes.	2	5
Internal control activities towards capital regulation that can be effective in reducing losses includes use change management should be applicable to all changes throughout an organization to ensure awareness of risk factors.	1	3
Internal control activities towards capital regulation that can be effective in reducing losses includes dual control of processes should be implemented or in operation to reduce risk from human errors.	1	4
Internal control activities towards capital regulation that can be effective in reducing losses includes use of UIPath in one area of automation that is a viable option.	1	2
Internal control activities towards capital regulation that can be effective in reducing losses includes use of Robot processing is one area of automation that is a viable option.	2	3
Internal control activities towards capital regulation that can be effective in reducing losses includes performing frequent a scheduled Risk Control Self Assessments	2	5
Internal control activities towards capital regulation that can be effective in reducing losses includes implementing effective change management program.	2	4

Of the 32 statements that did not pass to Round 3, 78% had a desirability score of 2 and 22% had a score of 1 but were not greater than the mean of 2 threshold. In relation to feasibility 84 % of these statements had a score greater than the mean of 2, while 16% had a score of 2 a disparity between the ratings of the feasibility and desirability scores.

Round 3: Rating

I used the 103 statements flagged in Round 2 to generate the third-round questionnaire. The statements were compiled and measured in multiple ways: (i) the average points received by each variable, (ii) the standard deviation in points received by each variable, (iii) the highest single score attributed to each variable, (iv) the percentage of experts attributing zero point to a variable and (v) the ranking of variables based on the amount of points they received (Hirschhorn, 2019). The participants were asked to evaluate the importance and confidence of each statement as a technique on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. Experts were asked to consider the elements shortlisted and to rate each statement on the third-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). The results highlighted how preferences moved between the survey rounds by indicating how the ranking of variables based on votes (Hirschhorn, 2019).

Of the 103 statements contained in the third-round questionnaire, 33 satisfied 60% measure of consensus, where at least six out of the 10 participants voted these statements as desirable. See Appendix D for a complete list of all ratings supplied by panelists in Round 3. The 70 statements that did not satisfy consensus level, only had a mean desirability rate of 2 with 5 votes or less. Table 9 has a list of statements failing to meet consensus threshold in Round 3.

Table 9

Statements Failing to Meet Consensus Threshold in Round 3

Statement	Rating (desirability)	Rating (feasibility)
Compliance practices towards capital regulation that can be effective in reducing losses includes tests that measure compliance with regulatory requirements.	4	5
Compliance practices towards capital regulation that can be effective in reducing losses includes establishing and communicating compliance policy across pertinent organizations.	5	7
Compliance practices towards capital regulation that can be effective in reducing losses includes identification of compliance risks and controls at the relevant organizational level.	5	6
Compliance practices towards capital regulation that can be effective in reducing losses includes ensure compliance function is adhered to with clarity of responsibilities and remediation steps for breaches are discovered.	5	5
Compliance practices towards capital regulation that can be effective in reducing losses incudes periodic assessment of issues and issues closures.	5	5
Compliance practices towards capital regulation that can be effective in reducing losses incudes reporting of compliance to upper management so they can make informed decisions on compliance risks.	4	5
Compliance practices towards capital regulation that can be effective in reducing losses incudes internal controls utilized at every level to ensure potential liabilities are eliminated.	4	3

(table continues)

Compliance practices towards capital regulation that can be effective in reducing losses incudes ongoing training of all stakeholders relative to compliance rules and regulations including BSA teams, branch control teams, and cyber security teams.	5	4
Assurance practices towards capital regulation that can be effective in reducing losses includes ensuring standards and service benchmarks are aligned with organization's objectives.	4	4
Assurance practices towards capital regulation that can be effective in reducing losses includes clearly defined goals with deliveries performance criteria.	5	5
Assurance practices towards capital regulation that can be effective in reducing losses includes process improvement and strengthening.	4	5
Assurance practices towards capital regulation that can be effective in reducing losses includes on-going quality assurance analysis with metrics (score card/dash board).	4	6
Assurance practices towards capital regulation that can be effective in reducing losses includes establishment of an independent quality assurance process with best practices expectations.	5	4
Assurance practices towards capital regulation that can be effective in reducing losses includes evaluation standards and monitoring.	4	4
Assurance practices towards capital regulation that can be effective in reducing losses includes having a process and procedures.	5	3
Assurance practices towards capital regulation that can be effective in reducing losses includes having practices that are warning signs that closer evaluation of a scenario is necessary.	4	6

(table continues)

Assurance practices towards capital regulation that can be effective in reducing losses includes banks being proactive in addressing potential credit risk problems.	5	4
Assurance practices towards capital regulation that can be effective in reducing losses includes recommending improvements in different areas of the bank.	5	3
Assurance practices towards capital regulation that can be effective in reducing losses includes having proper procedures in place to handle customer satisfaction.	5	5
Assurance practices towards capital regulation that can be effective in reducing losses includes the willingness to halt certain activity if there is identifiable risks internal and external.	5	4
Assurance practices towards capital regulation that can be effective in reducing losses includes having processes and practices in place to safeguard the integrity and financial strength of their banks.	5	5
Assurance practices towards capital regulation that can be effective in reducing losses incudes senior bank managers involving their direct reports in understanding the risks that lie within their areas and jobs.	4	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail creating a risk appetite that takes into account the bank's risk tolerance.	5	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail a risk appetite that takes into account the markets they wish to compete in.	5	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail monitor economic climate such as trading.	5	3

(table continues)

Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail periodic review of the institution's risk infrastructure.	4	5
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail evaluation of capital requirements and goals based on sound risk management.	5	3
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail introduction of stress tests on vulnerable areas and assessment of the appropriateness of stress scenarios considered.	4	3
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail regular review of any limitations and uncertainties in all aspects of the CAP approval of capital decisions supported by strong data analytics current policies, procedures, and data flows.	4	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail change controls alignment with technology governance.	4	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail model validation and independent review (self-check/assessment).	4	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail review by internal and external audit of key and SOX processes.	5	5
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail external and internal credit evaluation data is current and always available.	5	4

(table continues)

Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail better evaluation of sales practices by relationship managers.	5	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail documentation of rules and regulations for employees to review.	5	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail having proper internal controls.	5	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail making sure people understand policies and procedures.	5	3
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail revising Know Your Customers programs annually, while taking into account new federal regulations for the banking industry.	5	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail ensuring that set liquidity standards are met, and in line with regulatory requirements.	4	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail establishing an effective governance and risk management process to measure and estimate liquidity needs.	4	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail ensuring there are sufficient liquidity positions to cover possible risks and exposures.	4	4

(table continues)

Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail focusing on emerging risks and look in various areas of the bank when completing their strategic planning.	5	3
Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entail monitor economic climate such as trading.	5	3
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail entails being within the stress test or ratio guidelines.	5	6
Risk management practices towards capital regulation that can be effective in reducing losses includes employing lines of defense when approaching risk within the organization.	4	5
Risk management practices towards capital regulation that can be effective in reducing losses includes market overall exposure limitations.	5	4
Risk management practices towards capital regulation that can be effective in reducing losses includes includes best practices in financial risk management (COSO, SOX, BASEL III, etc).	4	4
Risk management practices towards capital regulation that can be effective in reducing losses includes hire and maintain SMEs to create and maintain risk management policies and procedures.	4	5
Risk management practices towards capital regulation that can be effective in reducing losses includes common access to critical data with common language.	5	4
Risk management practices towards capital regulation that can be effective in reducing losses includes adopt risk management tools and governance.	4	4

(table continues)

Risk management practices towards capital regulation that can be effective in reducing losses includes prioritization of recurrent risk assessment.	4	3
Risk management practices towards capital regulation that can be effective in reducing losses includes culture of accountability.	5	3
Risk management practices towards capital regulation that can be effective in reducing losses includes adherence to regulations such Reg CC.	4	5
Risk management practices towards capital regulation that can be effective in reducing losses includes have frequent training of employers to ensure adherence to banking industry rules and regulations.	5	4
Risk management practices towards capital regulation that can be effective in reducing losses includes ensuring change requests are a requirement for any internal updates or change and a risk assessment evaluation completed.	5	6
Risk management practices towards capital regulation that can be effective in reducing losses includes implementation of an effective risk control self-assessment program.	5	5
Internal control activities towards capital regulation that can be effective in reducing losses includes reporting activities timely.	5	5
Internal control activities towards capital regulation that can be effective in reducing losses includes Timely reporting of exposure.	5	7
Internal control activities towards capital regulation that can be effective in reducing losses includes Timely reporting of potential capital effects will go a long way toward reducing losses in bank holding companies.	4	6

(table continues)

Internal control activities towards capital regulation that can be effective in reducing losses includes strict risk management.	4	3
Internal control activities towards capital regulation that can be effective in reducing losses includes communication to management key monthly performance results and risk assessments.	5	5
Internal control activities towards capital regulation that can be effective in reducing losses includes use of three lines of defense adopting division policies as needed.	2	4
Internal control activities towards capital regulation that can be effective in reducing losses includes establishing scope of financial and operational controls.	4	4
Internal control activities towards capital regulation that can be effective in reducing losses includes established thresholds for period fluctuations in reported metrics.	4	3
Internal control activities towards capital regulation that can be effective in reducing losses includes making sure branches and departments are properly staffed.	5	5
Internal control activities towards capital regulation that can be effective in reducing losses includes continuous monitoring of account activity and to monitor the amount and type of activity for bank customers.	4	5
Internal control activities towards capital regulation that can be effective in reducing losses includes bank managers verifying know you customer guidelines to ensure all information is true and accurate.	5	4
Internal control activities towards capital regulation that can be effective in reducing losses includes a strong & effective liquidity risk management process.	4	5

(table continues)

Internal control activities towards capital regulation that can be effective in reducing losses includes setting and monitoring counterparty credit limits.	4	5
Internal control activities towards capital regulation that can be effective in reducing losses includes implementing Risk teams within the Lines of Business that work side by side with their Risk Management partners.	5	5

As indicated in Table 10, 33 statements had at least 6 of the 10 votes a 60% consensus in Round 3. These 33 statements represented a consensus by the panel on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies.

Table 10

Statements that Satisfied Consensus Threshold in Round 3

Statement	Rating (desirability)	Rating (feasibility)
Compliance practices towards capital regulation that can be effective in reducing losses include maintenance of effective and independent compliance consistent with the organizational objectives.	6	6
Compliance practices towards capital regulation that can be effective in reducing losses includes clear definition of data source for compliance analytics.	6	4
Compliance practices towards capital regulation that can be effective in reducing losses incudes ensure compliance monitoring and reporting activities promptly to upper management.	6	7

(table continues)

Compliance practices towards capital regulation that can be effective in reducing losses incudes top leadership must be a champion of code of ethics.	7	4
Compliance practices towards capital regulation that can be effective in reducing losses incudes strong morals and integrity.	6	4
Compliance practices towards capital regulation that can be effective in reducing losses incudes right products for clients.	6	4
Compliance practices towards capital regulation that can be effective in reducing losses incudes understanding regulatory compliance.	6	3
Assurance practices towards capital regulation that can be effective in reducing losses incudes the bank measurement of its risk appetite.	6	6
Assurance practices towards capital regulation that can be effective in reducing losses incudes ensuring the bank conducts regular reviews to ensure appropriate capital, liquidity, and risk management standards are in place that strictly complies with regulatory requirements.	6	6
Assurance practices towards capital regulation that can be effective in reducing losses incudes thorough training of staff.	6	5
Assurance practices towards capital regulation that can be effective in reducing losses incudes a culture that promotes risk-taking within the framework of pre-specified tolerances.	7	5
Assurance practices towards capital regulation that can be effective in reducing losses incudes conducting performance evaluation and recommendations.	6	5
Assurance practices towards capital regulation that can be effective in reducing losses incudes banks being proactive in addressing potential credit risk problems.	6	4

(table continues)

Assurance practices towards capital regulation that can be effective in reducing losses incudes leaders leading by examples.	6	4
Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entail a risk appetite that takes into account their bank's capital structure.	6	5
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail strong board and senior management oversight.	6	4
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail having proper policies and procedures for the bank.	6	5
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail continuous evaluation of counterparty credit risks.	7	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail comprehensive documentation and recordation of key transactions.	6	6
Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entail safeguard customer information through a robust cyber security program that is proactive.	6	6
Risk management practices towards capital regulation that can be effective in reducing losses includes a comprehensive enterprise-wide risk management framework that includes daily activities.	6	4
Risk management practices towards capital regulation that can be effective in reducing losses includes controlling fraud.	6	3

(table continues)

Risk management practices towards capital regulation that can be effective in reducing losses includes going beyond the minimum risk assessment requirements set forth by the banking regulators.	6	3
Risk management practices towards capital regulation that can be effective in reducing losses includes independent risk identification and management.	6	4
Internal control activities towards capital regulation that can be effective in reducing losses includes strong governance committees.	6	4
Internal control activities towards capital regulation that can be effective in reducing losses includes reporting and escalation.	7	4
Internal control activities towards capital regulation that can be effective in reducing losses includes established expectations for communication and reporting.	6	5
Internal control activities towards capital regulation that can be effective in reducing losses includes ensuring employees have time to recognize problems and follow procedures and won't cut corners when they are not always under extreme pressure.	6	2
Internal control activities towards capital regulation that can be effective in reducing losses includes automation of manual processes that are prone to human errors.	6	4
Internal control activities towards capital regulation that can be effective in reducing losses include monthly /quarterly reporting over controls performance to include key performance/risk indicators.	6	4
Internal control activities towards capital regulation that can be effective in reducing losses includes periodic risk and controls assessment.	6	5

(table continues)

Internal control activities towards capital regulation that can be effective in reducing losses includes making training a priority.	6	5
Internal control activities towards capital regulation that can be effective in reducing losses includes having a Risk Taxonomy.	7	4

The listed 33 consensus items included statements from each of the 5 major categories; (a) Category 1: Effective governance practices towards capital regulation reduction of losses (6 items), (b) Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (4 items), (c) Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (9 items), (d) Category 4: Effective Assurance Practices towards Capital Regulation (7 items), (e) Category 5: Compliance practices towards Capital Regulation effective in loss reduction (7 items). These 5 major categories correspond to the five major themes in the existing literature.

Summary

In this chapter I presented the results of a 3-round qualitative e-Delphi study conducted to address the following research question: What is the level of consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies? The responses supplied by the panel in response to the 5 open-ended questions contained in Round 1 led to the generation of 135 statements and 37 themes. The 135 statements in Round 1 fell in 5 major categories corresponding to the open-ended questions contained in the first round questionnaire: (a) Category 1: Effective governance practices towards capital regulation reduction of losses (32 items), (b) Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (20 items), (c) Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (33 items), (d) Category 4: Effective Assurance Practices towards Capital Regulation (27 items), (e) Category 5: Compliance practices towards Capital Regulation effective in loss reduction (23 items). These 5 major categories correspond to the five major themes in the existing literature.

The category of Internal Control Activities contained the largest assortment of codes (33) while Effective Risk Management Practices category contained the smallest assortment of codes (20). The top 5 themes noted most frequently by panelist in the first round consisted of the following statements: (a) Governance practices senior bank manager can implement towards capital regulation that are effective in reducing losses entails creating a risk appetite that entails the bank's risk tolerance; (b) Compliance practices towards capital regulation that can be effective in reducing losses incudes identification of compliance risks and controls at the relevant organizational level; (c) Internal control activities towards capital regulation that can be effective in reducing losses includes implementing a change management program; (d) Risk management practices towards capital regulation that can be effective in reducing losses includes an independent risk identification and management; (e) Assurance practices towards capital regulation that can be effective in reducing losses incudes On-going quality assurance analysis with metrics (score card/dash board).

Of the 135 statements contained in the second- round questionnaire, 103 met the threshold where the desirability scores are greater than the mean and median rating score of 2 for inclusion in the Round 3 questionnaire. The 32 statements that did not pass to Round 3 had a 78% desirability score of 2 and 22% had a score of 1 but were not greater than the mean of 2 threshold. In relation to feasibility 84 % of these statements had a score greater than the mean of 2, while 16% had a score of 2 a disparity between the ratings of the feasibility and desirability scores.

Of the 103 statements contained in the third-round questionnaire, 33 satisfied 60% measure of consensus, where at least 6 out of the 10 participants voted these statements as desirable. 33 statements had at least 6of the 10 votes a 60% consensus in Round 3. These 33 statements represented a consensus by the panel on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies.

The breakdown of the 33 consensus items included statements from each of the 5 major categories; (a) Category 1: Effective governance practices towards capital regulation reduction of losses (6 items), (b) Category 2: Effective Risk Management practices towards Capital Regulation reduction of losses (4 items), (c) Category 3: Internal Control activities towards Capital Regulation effective in loss reduction (9 items), (d) Category 4: Effective Assurance Practices towards Capital Regulation (7 items), (e) Category 5: Compliance practices towards Capital Regulation effective in loss reduction (7 items). The key findings of this study suggest that senior manager use of internal control practices which includes change management, self-assessment, timely (monthly, quarterly) reporting can be effective practice towards capital regulation in bank holding companies. Chapter 5 include an interpretation of the study findings as well as a discussion of the limitations, recommendations, and implications for this study.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this qualitative e-Delphi study was to build consensus among banking finance experts across the United States on how to recognize a senior manager's effective practice towards capital regulation in BHCs. An e-Delphi study design (Cole et al., 2013), was used to meet the purpose of the study. I convened a panel of experts to answer the research questions and provide information on effective capital regulation practice that can mitigate bank risk (see Davidson, 2013). Two other research methods, case study and phenomenology, were considered but did not meet the objective of this study to gather opinions from members of a structured expert panel to inform change.

The results of this study include a consensus by the study panel of experts on 33 activities that can identify a senior manager's effective practice for capital regulation in BHCs. The percentage breakdown of statements from the five categories were as follows: (a) Category 1: Effective Governance Practices Towards Capital Regulation Reduction of Losses (six items), (b) Category 2: Effective Risk Management Practices Towards Capital Regulation Reduction of Losses (four items), (c) Category 3: Internal Control Activities Towards Capital Regulation Effective in Loss Reduction (nine items), (d) Category 4: Effective Assurance Practices Towards Capital Regulation (seven items), and (e) Category 5: Compliance Practices Towards Capital Regulation Effective in Loss Reduction (seven items).The categories were consistent with the concepts in the conceptual Framework.

Interpretation of Findings

The overall findings of this study include a consensus by the panel on 33 activities that can identify effective capital regulation practices that can inform positive senior bank managers' activity through the selection of conservative investments; heighten bank managers' ethical awareness choices, thereby reducing fraudulent behaviors; and decrease business losses. Figure 4 includes a visual depiction of the five categories represented in the list of 33 final consensus statements.

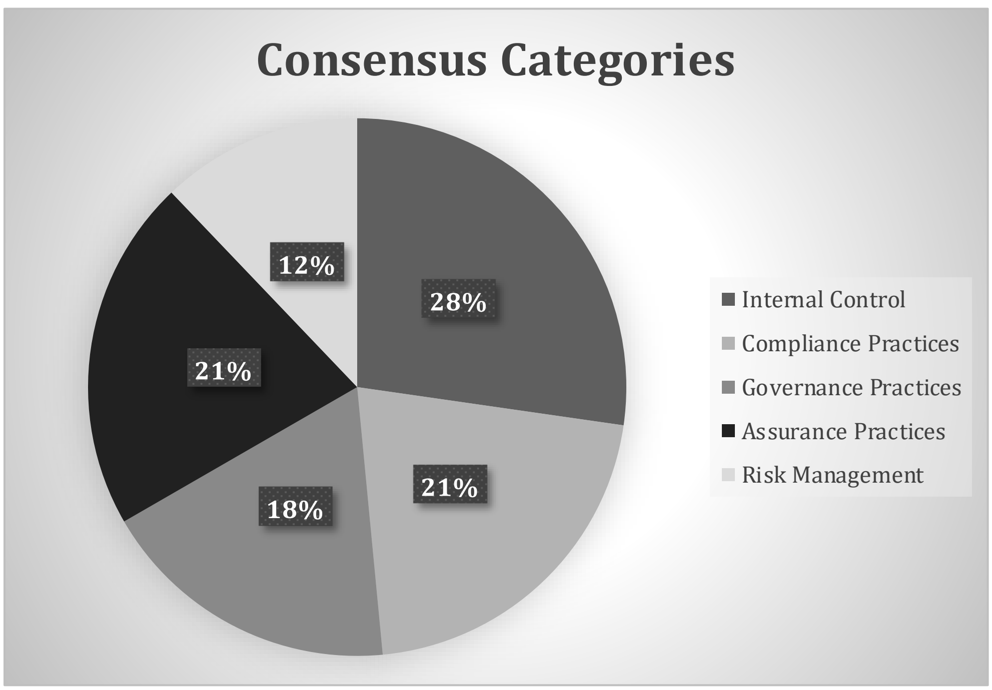

Figure 4. Breakdown of five categories with the 34 final consensus statements.

The key findings of this study indicate that senior managers' use of internal control practices, which include change management, self-assessment, and timely (e.g., monthly or quarterly) reporting, can be effective practice towards capital regulation in BHCs. In this chapter, I compare the findings to the peer-reviewed literature in Chapter 2;

analyze and interpret the findings in the context of the theoretical framework; identify limitations, recommendations, and implications; and provide the conclusion of the study.

Of the 135 original theme statements, 101 failed to satisfy a 50% consensus in Rounds 2 and 3 collectively. Nonconsensus and final consensus both highlight the areas for banks to consider when addressing the central problem of this study. Table 11 contains data corresponding to findings from each round of the study.

Table 11

Overall Study Findings

Category	Round 1 generated statements	Round 2 statements	Round 3 statements	Consensus statements	Portion of statements representing consensus
Governance Practices	32	32	27	6	18%
Risk Management	20	20	16	4	12%
Internal Control	33	33	23	9	28%
Assurance Practices	27	27	22	7	21%
Compliance Practices	23	23	15	7	21%

Delphi Study Round 1: Ratings

The first round of the questionnaire had five open-ended questions based on the main themes in the existing literature and the conceptual framework. Ten participants responded to the first round of the questionnaire, leading to the generation of 135 individual statements spanning five categories corresponding to the open-ended questions from the first round of the questionnaire: (a) Category 1: Effective Governance Practices Towards Capital Regulation Reduction of Losses (32 items), (b) Category 2: Effective Risk Management Practices Towards Capital Regulation Reduction of Losses (20 items), (c) Category 3: Internal Control Activities Towards Capital Regulation Effective in Loss Reduction (33 items), (d) Category 4: Effective Assurance Practices Towards Capital Regulation (27 items), and (e) Category 5: Compliance Practices Towards Capital Regulation Effective in Loss Reduction (23 items). Figure 5 is a graphical representation of the top 5 themes based on frequency.

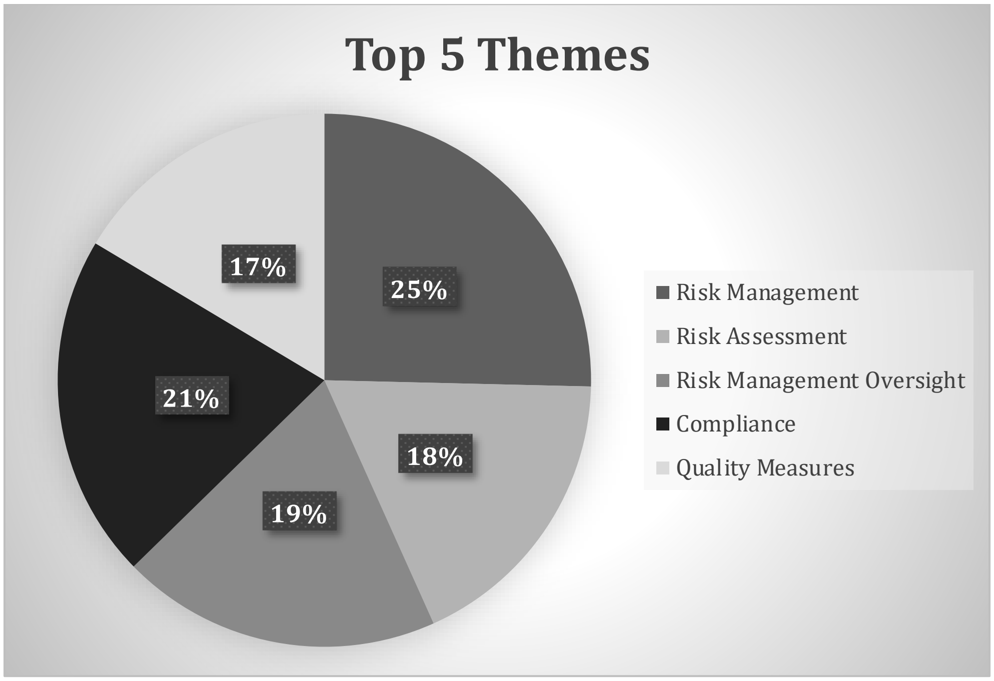

Figure 5. Top 5 statements based on frequency.

Effective governance practices towards capital regulation reduction of losses. The panel recommendations to this first open-ended question in the first-round questionnaire generated 32 statements used in the second round of the questionnaire aligned to the following subcategories: risk management, credit risk, liquidity measures, policies and procedures. Figure 6 contains a visual representation of the first-round codes relating to effective governance practices.

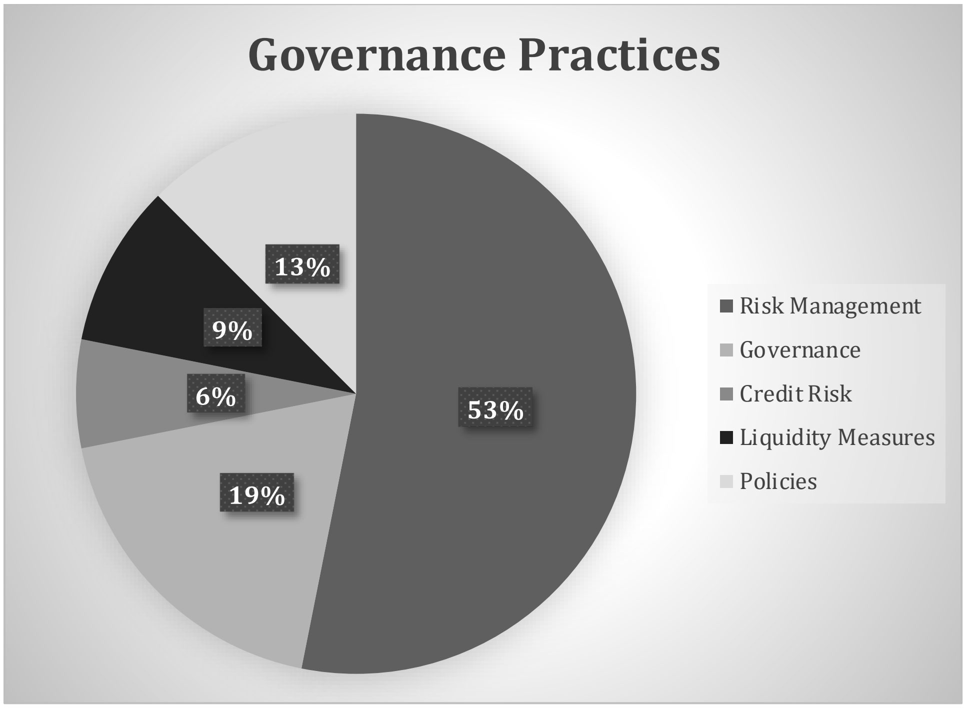

Figure 6. Codes related to Effective Governance Practices.

Relative to the other four categories generated by the first-round data, this category contained the second largest assortment of codes (32), which had the largest frequency of codes (17). The panelists made 17 references collectively in the Round 1 questionnaire to risk appetite, capital structure, and stress test as effective practices that can be used to recognize a senior manager's effective practice towards capital regulation in bank holding companies. This is consistent with suggestions by researchers in the literature that linking risk appetite, stress-testing processes, and capital plans can capture the bank's full range of material exposures, activities, and employ sound activities and approaches (Lee, 2015). A mixed approach that incorporates capital requirements, cash reserves, and other measures should be considered (Aiyar et al., 2015); the maintenance of sufficient capital allows banks to provide for loan losses and mitigate the effects of financial shocks during crises and recessions (Petersen et al., 2009). Based on the number of references, I expected that statements with these concepts would pass to the third round.

Effective risk management practices towards capital regulation reduction of losses. The panel recommendations from this second open-ended question in the first-round questionnaire generated 20 statements used in the second round of the questionnaire aligned to the following subcategories: risk management, fraud control, market limitations, communication data management, subject matter expert (SME), culture, and training. Relative to the other four categories generated by the first-round data, this category contained the fewest assortment codes (20) with its largest frequency of codes (12). The panelists made references collectively to risk identification, and adherence to COSO, BASEL III as effective practices that can be used to recognize a senior manager's effective practice towards capital regulation in bank holding companies. Based on the number of references to the concept, I expected that statements with these concepts may pass to the third round.

Internal control activities towards capital regulation effective in loss reduction. The panel recommendations from this third open-ended question in the first-round questionnaire generated 33 statements used in the second round of the questionnaire aligned to the following subcategories: reporting, data management, risk management, training, governance, staffing technology, liquidity, and credit risk. Figure 7 contains a visual representation of the first-round codes relating to internal control.

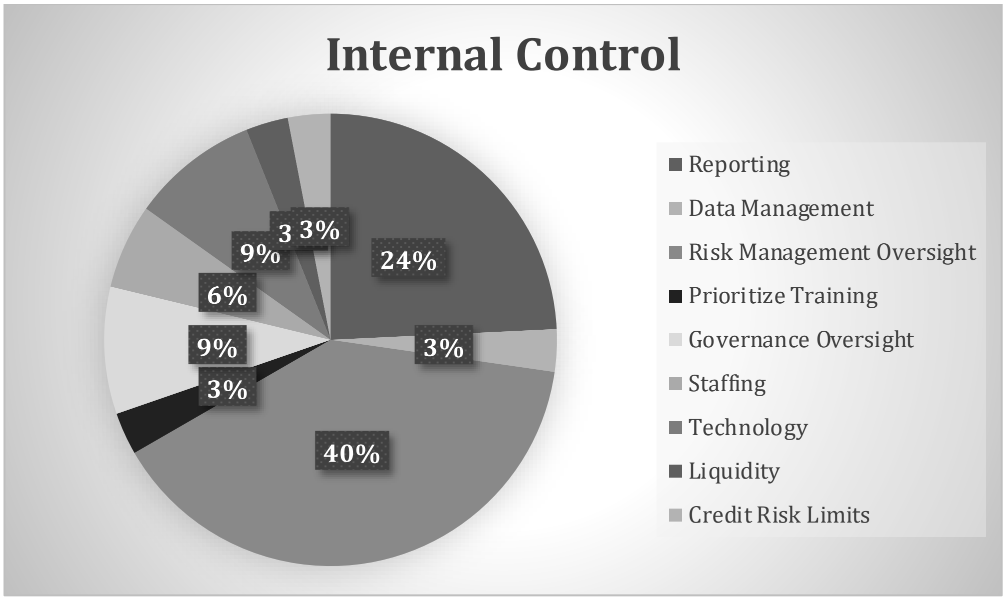

Figure 7. First-round codes related to internal control.

Relative to the other four categories generated by the first-round data, this category contained the largest assortment of codes (33) which had the third largest frequency of codes of (13). The panelists made references collectively to the Round 1 questionnaire to change management, technology and self-assessment as effective practices that can be used to recognize a senior manager's effective practice towards capital regulation in bank holding companies. This is consistent with suggestions by researchers in the literature that self-assessment can improve use of limited resources, improve oversight, and develop best practices (Fischer, 2015). Technology and automation can help businesses comply with regulation compliance requirements and reduce time and cost burden associated with these regulations (Meager, 2017). RegTech developments can be useful to banks when there is automation of mass administrative tasks imposed by the regulatory environment (Meager, 2017); this is primarily useful in areas of the banks such as prudential risk management, compliance, capital optimization, trading, portfolio management, and cybersecurity (Lai ,2018). Based on the number of references, I expected that statements with these concepts would pass to the third round.

Effective assurance practices towards capital regulation. The panel recommendations regarding this fourth open-ended question in the first-round questionnaire generated 27 statements used in the second round of the questionnaire aligned to the following subcategories: risk culture, partnership formation, regulatory tool, quality measures, risk management, credit risk, procedures, and training. Relative to the other four categories generated by the first-round data, this category contained one of the least assortment codes (27) which had the least frequency of codes of (11). The panelists made 11 references collectively to the Round 1 questionnaire to standards and metrics (score card/dash board) as effective practices that can be used to recognize a senior manager's effective practice towards capital regulation in bank holding companies. Based on the number of references to the concept, I expected that statements with these concepts might pass to the third round.

Compliance practices towards capital regulation effective in loss reduction. The panelists recommendations for compliance in the first-round questionnaire generated 23 statements used in the second round of the questionnaire aligned to the following subcategories: compliance, reporting, technology, ethics, training, liquidity risk, partnership. This category contained one of the least assortment codes (23). The panelists made references collectively to the Round 1 questionnaire risk identification, communication, and responsibilities as effective practices that can be used to recognize a senior manager's effective practice towards capital regulation in bank holding companies.

Based on the number of references to the concept, I expected that statements with these concepts would pass to the third round.

Delphi Study Round 2: Ratings

The responses in Round 1 generated 135 statements that were grouped into 37 themes. I asked the expert panelists to vote on the inventory list and generated a shortlist based on majority votes. I asked the participants to vote whether each statement represented how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. The vote for each statement on the second-round questionnaire was completed against two separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from 1 (*highly undesirable*) to 5 (*highly desirable*), and feasibility ranged from 1 (*definitely infeasible*) to 5 (*definitely feasible*; Turoff, 1975). Of the 135 statements contained in the second- round questionnaire, 103 met the threshold where the desirability scores were greater than the mean and median rating score of 2 for inclusion in the third questionnaire. To simplify the interpretation of the findings for Round 2, I have separated this section into 2 categories: (a) statements that failed to satisfy the consensus threshold, and (b) statements that met the consensus threshold.

Statements that failed to satisfy consensus threshold. Despite having statements that made it to Round 3, the majority of the statements centered on adherence to the Basel principles around managing risk, self-regulation not to be overexposed in any area, diversification, and loss- and resource-estimation methodologies failed to meet the 60% consensus threshold.

Stress test. The failure of these statements to pass to Round 3 supports the skepticism evidenced by Denev and Mutnikas (2016), Dowd and Hutchinson (2016), and Herring (2016) regarding stress testing of capital through use of federal regulators risk models has been ineffective and costly; it requires a significant amount of human and monetary resources. This is reflective of doubts by the panel in their unfavorable rating of stress testing, and loss- and resource-estimation methodologies. These statements were among the 32 statements that had feasibility score that were not greater than the mean score of 2 to pass to Round 3.

In contrast, this finding diverges from the assertion by Kolari and Ivan (2017) that Basel standards over tress tests are some recommended measures for bank. Ong and Pazarbasioglu (2014) asserted stress tests must be rigorous in scope of coverage and scenario design so that the results captures the actual health of the bank. This finding supports the assertions of Herring (2016) and Lee (2015) although stress test is a useful compliance activity, it can be complex, often onerous and pull bank executives away from mission-critical business objectives, instead thrust them into months of data compilation; Basel Committee has proposed hundreds of pages of new regulations and supervisory practices, none of which are aimed at simplifying the regulatory stress test system.

The comments and ratings highlight an assortment of viewpoints toward the issue of stress test playing a role in capital structure and risk appetite. This is an accurate depiction of the issue depicted by Kapinos, and Mitnik (2016) regarding capital regulation law does not identify acceptable ways to conduct the stress tests of capital.

Other statements by the panelist in Round 2 questioned whether stress testing put forth by bank regulators might be effective, which was reflective in their ratings. The implication is that members of the panel see regulatory stress test and its's efforts in capital structure as doubtful exercises that can be effective measures in the bank.

Data management. Despite having statements that made it to Round 3, majority of the statements centered around, risk identification, communication within the entire organization, and data management principles failed to meet the 60% consensus threshold. The failure of these statements to pass to Round 3 supports the skepticism around data management and communication evidenced by Alampalli (2013) that regulatory data are on separate information systems without accessibility to the teams, which preempts the routine sharing of information. The nature of financial system has changes drastically, but the regulatory tools and data collection methods were not on par to address these changes (Alampalli, 2013). The frustration with the demand for information and systems capabilities is reflective in the panel unfavorable ratings of statements around having an independent data infrastructure. These statements were among the 32 statements that had feasibility score that were not greater than the mean score of 2 to pass to Round 3.

In contrast, this finding diverges from the assertion by Arner, Barberis, and Buckley (2017) that the automation of processes is beneficial to risk identification and regulatory compliance. Financial institutions and regulators can monitor and analyze real-time financial information from all parts of the global financial sector to underpin a safer and more efficient financial system. Meager (2017) mentioned that the use of technology can help businesses with regulation compliance requirements, reduce time and cost burden associated with these regulations.

The comments and ratings highlight an assortment of viewpoints toward the issue of data management. This is an accurate depiction of the issue depicted by Meager (2017) that system developments are of little use to banks unless they serve a business purpose such as automation of mass administrative tasks imposed by the regulatory environment. The implication is that members of the panel see data management as doubtful exercises when they are not automated.

Loss databases. Despite having statements that made it to Round 3, majority of the statements centered around, timely monthly/quarterly reporting, use of internal and external risk loss databases provided by ORX (Operational Risk Exchange), and change management practices throughout an organization failed to meet the 60% consensus threshold. The failure of these statements to pass to Round 3 supports the skepticism evidenced by Goldberg (2017) that ecosystem's risk stems from market data and databases, computer and nonautomated systems, assumptions and calculations, business decisions, developers, humans and computer programs.

This is reflective of doubts by the panel in their unfavorable rating of use of internal and external risk loss databases provided by Operational Risk Exchange (ORX) to benchmark against their industry, monitoring of bank assets to ensure awareness of risk factors. These statements were among the 32 statements that had feasibility score that were not greater than the mean score of 2 to pass to Round 3.

In contrast, this finding diverges from the assertion that banks need a strong technological infrastructure so that data quality and availability can achieve effective compliance (Boora & Kavita, 2018). The comments and ratings highlight an assortment of viewpoints toward the issue of continuous improvement of dual control of processes or operation to reduce risk from human errors. This is an accurate depiction of the issue depicted by Lai (2018) that banks face challenges with complying with new and amended regulations, meeting reporting time constraints posed by the Basel Committee's; the automation of processes reduce manual intervention, while meeting the committee's guidelines on bank risk data aggregation. Other statements by the panelist in Round 2 questioned whether the use of UIPath Robot processing is one area of automation that is a viable option. The implication is that members of the panel sees the current state of supporting databases initiatives as doubtful exercises in the bank.

Scenarios. Despite having statements that made it to Round 3, majority of the statements centered around a compliance tools, standards and metrics (score card/dash board), scenarios, indicators and bank regulation failed to meet the 60% consensus threshold. The failure of these statements to pass to Round 3 supports the skepticism evidenced by Bellof and When (2018), and Crabb (2018) that scenarios lack transparency and there are areas of model risk that requires further investigation: estimation errors or parameter uncertainties caused by algorithmic methods use of statistics, computational estimators used in the model framework; individual model assumptions variations used in the algorithm; challenger models replaced by alternative model algorithm assumptions which drives the assessment of model risk. This is reflective of doubts by the panel in their unfavorable rating of scenario tools available to ensure that capital regulation is managed to within guidelines. These statements were among the 32 statements that had feasibility score that were not greater than the mean score of 2 to pass to Round 3.

In contrast, this finding diverges from the assertion by Lee (2015) that linking of scenarios and stress-testing processes can capture the bank's material exposures, activities, and employing multiple conceptually sound activities and approaches. The use of third-party risk assessment and modeling tools can greatly assist with compliance and risk (Lee, 2015). This finding supports the assertions of difficulty in financial tools such as models used to analyze the relationship between the financial conditions of financial intermediaries and the business cycle (Fukuda, 2016).

The comments and ratings highlight an assortment of viewpoints toward the issue of tools available to ensure that capital regulation is managed within guidelines of the financial environment. Other statements by the panelist in Round 2 questioned whether adhering to standard banking regulations such as bank secrecy acts, Reg CC, and D might be effective. The implication is that members of the panel see scenarios, indicators and bank regulation as doubtful exercises that can be effective measures in the bank.

Compliance analytics. Despite having statements that made it to Round 3, majority of the statements centered around compliance metrics failed to meet the 60% consensus threshold. The failure of these statements to pass to Round 3 supports the skepticism evidenced by Goldberg (2017) that assurance and compliance measures requires banks to have model validation teams different from model risk managers to develop models, controls and compliance (Goldberg, 2017). This is reflective of doubts by the panel in their unfavorable rating of periodic assessment of compliance adherence with metrics. These statements were among the 32 statements that had feasibility score that were not greater than the mean score of 2 to pass to Round 3.

In contrast, this finding diverges from the assertion of Nitescu and Duna (2016) that effective management of risk relates to capital and financial system compliance at the systemic level. The comments and ratings highlight an assortment of viewpoints toward the issue of compliance analytics. Other statements by the panelist in Round 2 questioned whether compliance is more of a backward-looking art than a forward-looking science of the bank. The implication is that members of the panel see compliance metrics as doubtful exercises that can be effective measures in the bank.

Statements that satisfied the consensus threshold. In Round 2, the panelist indicated support for various measures to protect customer information and protect the organization.

Safeguard customer information. The ratings from the panelist in Round 2 indicated high levels of desirability and feasibility of safeguarding customer information through a robust cyber security program that is proactive. This lends support to the assertions of Boora and Kavita (2018) that banks need a strong technological infrastructure so that data quality and availability can be upgraded and achieve effective compliance. The findings extend Boora and Kavita (2018) work by drawing attention to important considerations that should accompany risk management in banking, including: (a) risk management initiatives that safeguard customer information through a robust cyber security program that is proactive. The considerations allude to use of technology as an initiative to safeguard customer information through risk management practices. As noted by Lai (2018) RegTech can be useful to banks in areas such as; prudential risk management, compliance, capital optimization, trading, portfolio management, and cybersecurity.

Enterprise risk management framework. The ratings from the panelist in Round 2 indicated high levels of desirability and feasibility of a comprehensive enterprise-wide risk management framework. This lends support to the assertions of Baker, Filbeck and Moderator (2015) that there is a need for a risk management framework that encompass three major components of risk analysis: modeling, measuring, managing that will enable a firm to cope with risk during both normal times and extreme events. The findings extend Baker, Filbeck and Moderator (2015) work by drawing attention to important considerations that should accompany risk management in banking, including: (a) a comprehensive enterprise-wide risk management framework that includes daily activities.

The considerations allude to use an enterprise-wide risk management framework should be broad enough to cover all areas of risk yet detail in nature and capture daily activities to function as an effective risk management practice. As noted by Baker, Filbeck and Moderator (2015), risk mitigation should incorporate model risk measures that identifies economically dangerous uncertainties and their risk factors, observing data, estimating probabilities that quantify risk; a quantitative assessment and risk measurement approach to risk embedded in financial decision-making, portfolio and investment planning and the respective management activities.

Controls assessment. The ratings from the panelist in Round 2 indicated high levels of desirability and feasibility of a periodic risk and controls assessment. This lends support to importance place on having internal control processes in place as demonstrated in the assertion of Allen, Goldstein, Jagtiani, and Lang (2016) that control activities enhanced through capital regulations requirements of the Dodd–Frank Wall Street Reform and Consumer Protection Act (DFA) 2010 aims to contain systemic risk and maintaining financial stability. The findings extend Allen, Goldstein, Jagtiani, and Lang (2016) work by drawing attention to important considerations that should accompany control activities, including: (a) a periodic risk and controls assessment.

The considerations allude to controls need to be assessed and measured periodically to ensure effective in meeting regulatory requirements and managing risk. As noted by Herring (2016), banks must but also demonstrate to regulators that they will be able to remain in compliance with five specified minimum capital ratios requirements. The internal control activities of the regulators include intervention with banks who fall below minimum capital requirement which can be costly (Abou-El-Sood, 2017).

Performance measurement. The ratings from the panelist in Round 2 indicated high levels of desirability and feasibility of performance evaluation with recommendations for process improvements. This lends support to importance place on having quality measurement in place as demonstrated in the assertion of Forrer and Forrer (2015) that bank shareholders and managers have conflicting views in relation to when to adopt financial innovations, managers receive pressure from shareholder to improve performances. The findings extend Forrer and Forrer (2015) work by drawing attention to important considerations that should accompany quality measures, including: (a) periodic performance evaluation with recommendations for process improvements.

The considerations allude to use of periodic performance evaluation with improvement recommendations geared at meeting shareholders objectives may alleviate conflicts between shareholders and managers. There is a correlation between risk and reward that bank shareholders and managers utilized to take excessive risks (Biljanovska, 2016).

Compliance. The ratings from the panelist in Round 2 indicated high levels of desirability and feasibility of regulatory compliance practices. This lends support to importance place on having compliance measures in place as demonstrated in the assertion of Boora and Kavita (2018) that compliance guidance recommended that banks should develop effective strategies and policies to comply with capital adequacy requirements of Basel III; it is mandatory for banks to become Basel-compliant. The findings extend Boora and Kavita (2018 work by drawing attention to important considerations that should accompany compliance measures, including: (a) emphasis placed on understanding regulatory compliance; (b) maintenance of effective and independent compliance align to organizational objectives; (c) clear definition of data source for compliance analytics.

The considerations alluded to emphasis being place on meeting compliance requirements through understanding regulatory compliance, independently align compliance goals to business objectives, and clearly defined compliance analytic tools to measure effectiveness of these compliance initiatives. As noted by Golberg (2017), banks are required to controls and compliance measurements in place as part of their organizational structure (Goldberg, 2017). Compliance measures requires large banks $50 billion or more in assets to conduct an annual stress test and file a capital plan (Fahey, 2016).

Delphi Study Round 3: Ratings

I used the 103 statements flagged in Round 2 to generate the third-round questionnaire. The statements were compiled and measured in multiple ways: (i) the average points received by each variable, (ii) the standard deviation in points received by each variable, (iii) the highest single score attributed to each variable, (iv) the percentage of experts attributing zero point to a variable and (v) the ranking of variables based on the amount of points they received (Hirschhorn, 2019). The participants were asked to evaluate the importance and confidence of each statement as a technique on how to recognize a senior manager's effective practice towards capital regulation in bank holding companies. Experts were asked to consider the elements shortlisted and to rate each statement on the third-round questionnaire against 2 separate (desirability and feasibility) 5-point Likert scales. Desirability measure ranged from (1) highly undesirable to (5) highly desirable, and feasibility ranged from (1) definitely infeasible to (5) definitely feasible (Turoff, 1975). Of the 103 statements contained in the third-round questionnaire, 33 satisfied 60% measure of consensus, where at least 5 out of the 10 participants voted these statements as desirable. There were 70 statements that did not meet the consensus threshold. To simplify the interpretation of the findings for Round 2, I have separated this section into 2 categories: (a) statements that failed to satisfy the consensus threshold, and (b) statements that met the consensus threshold.

Statements that failed to satisfy consensus threshold. A couple of several statements did not yield consensus in Round 3.

Risk identification and Basel III. The majority of the statements centered around risk identification, and adherence (COSO, BASEL III) principles failed to meet the 60% consensus threshold in Round 3. The failure of these statements to meet consensus in Round 3 supports the Deos et al. (2015) skepticism around Basel III induced bankers to go back into shadow-banking activities to generate more profits or lower-cost operations. Statements on best practices in financial risk management (COSO, SOX, BASEL III, etc) were among the 70 statements that failed to have 6 votes to meet the 60% consensus threshold in Round 3.

In contrast, this finding diverges from the assertion by Gastón and Schumacher (2017) that d Basel III could decrease the probabilities of default for banks and maybe would have reduce default risk during a crisis episode if they had previously implemented. These comments and ratings highlight an assortment of viewpoints toward the issue of Basel III and risk identification. This is an accurate depiction of the issue depicted by Boora and Kavita (2018) identification of several factors that needs to be in place to make Basel III risk management efforts effective such as: nation needs additional funds; capable humans; resources for proper implementation of these norms; strong capital base of banks. The implication is that members of the panel see Basel III and risk identification efforts as doubtful exercises when they are not automated.

Liquidity standards. The majority of the statements centered around liquidity standards and failed to meet the 60% consensus threshold. The failure of these statements to meet consensus in Round 3 supports the skepticism evidenced by Handorf (2017) that initiatives around liquidity management continuously fall short of its goals to cure bank risk of default. This is reflective of doubts by the panel in their unfavorable rating of liquidity risk management, and liquidity stress testing requirements that are structured to reflect the risk profile of the bank and the holding companies. These statements were among the 70 statements that failed to have 6 votes to meet the 60% consensus threshold in Round 3.

In contrast, this finding diverges from the assertion of Nitescu and Duna (2016) that management of liquidity of assets and liabilities of the bank are effective measures. The comments and ratings highlight an assortment of viewpoints toward the issue of liquidity stress testing. Other statements by the panelist in Round 2 questioned whether liquidity stress testing requirements are structured to reflect the risk profile of the bank. The implication is that members of the panel see liquidity metrics as doubtful exercises that can be effective measures in the bank.

Statements that satisfied the consensus threshold. Some statements did yield consensus in Round 3.

Risk management. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility of risk management efforts to monitor economic climate such as trading. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. Abou-El-Sood (2017), and Boora and Kavita (2018) that risk management is a good governance act as regulatory tools to mitigate excessive risk-taking during times of economic turmoil, while benefiting from the (risky) opportunities in the market, during the upside of the economy; Basel-III norms intent is to increase the resiliency of banks through effective risk management practices.

The findings extend Abou-El-Sood (2017), and Boora and Kavita (2018) work by drawing attention to important considerations that should accompany risk management in banking, including: (a) risk management efforts that monitor economic climate such as trading. The considerations allude to the lack of proactive, flexible, and adaptive management practices to economic trading climate and data security of client information can derail risk management initiatives. As noted by Kaur and Kapoor (2015), and Walaa and Tucker (2016) risk management efforts have to be sensitive to the country's economic freedom policies necessitate stronger mandatory requirements to ensure legitimate banking activities; legal systems need improvements for independent risk management to overcome bank risk exposure from laws; G-10 countries who implemented risk management and capital regulatory practices had positive relationship between capital and risk.

Fraud control. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility of fraud control efforts. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. This lends support to the assertions of Lui (2011) that mortgage fraud, predatory lending, managerial slack and risk shifting and the issuance of bad loans due to a weak risk management environment are aligned to the financial crisis. The findings extend Lui (2011) work by drawing attention to 2 important considerations that should accompany risk management in banking, including: (a) risk management efforts aimed at controlling fraud., and (b) going above and beyond the minimum risk assessment requirements set forth by the banking regulators (Federal Reserve and Office of the Controller of the Currency).

The considerations allude to the lack of risk assessment targeted at fraud control and exceeding the minimum levels set by the bank regulators may fall short of preventing fraud. As noted by Montagano (2012) market regulators believed that fraud such as insider trading is harmful to the capital markets. Risk mitigation should incorporate risk embedded in financial decision-making, portfolio and investment planning and the respective management activities that mitigate or to alleviate the risk consequences (Baker, Filbeck & Moderator, 2015).

Training. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility of training being a priority. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. This lends support to the assertions of Boora and Kavita (2018) that in an effort to keep up with these Basel III norms, banks need to upgrade the skills of their employees by imparting continuous training to them; regulators should provide technical support to banks for effective compliance of Basel III. The findings extend Boora and Kavita (2018) work by drawing attention to 2 important considerations that should accompany risk management in banking, including: (a) employee training on bank regulations, and (b) compliance training.

The considerations allude to the lack of employee knowledge in relation to compliance and banking regulation can railroad the efforts to curtail bank risk. As noted by Denev and Mutnikas (2016) human resources is needed to perform stress test that is a not an easy task that is frequently constrained by internal organizational silos and bureaucracy.

Human errors. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility of automation of manual processes that are prone to human errors. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. This lends support to the assertions of Bellof and When (2018) that another form of challenge banks face is human errors incurred during the implementation or use of models are operational risk, which is different from model risk caused by conscious selection of assumptions that causes of a risk; risk models require valuation models as a prerequisite that demonstrate that a certain dependency exists, which was not detected in the subprime and financial crises.

The findings extend Bellof and When (2018) work by drawing attention to 2 important considerations that should accompany curtailing human errors in banking, including: (a) use of technology to automate manual processes that are prone to human errors and (b) ensuring employees have time to recognize problems and follow procedures and won't cut corners when they are not always under extreme pressure. The considerations allude to automation of manual processes will reduce human errors, allow employee more time to review their work and correct errors due to less time spent on manual product and more time reviewing their work. As noted by Bellof and Wehn

(2018) estimation errors or parameter uncertainties caused by algorithmic methods use of statistics are areas of model risk that requires further investigation.

Risk culture. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility towards the establishment of a culture that promotes risk-taking within the framework of pre-specified tolerances. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. This lends support to the assertions of Eastburn and Sharland (2017) that the growing bank risk can force banks out of business and eventually spill over negatively into the economy, which this increase of risk can be prevented in a respectable risk culture that informs all financial risk-taking and managerial decisions.

The findings extend Eastburn and Sharland (2017) work by drawing attention to 2 important considerations that should accompany risk culture in bank, including: (a) use of a framework of pre-specified tolerances, and (b) leaders leading by examples. The considerations allude to having a pre-established framework of pre-specified tolerances for employees to follow and leaders leading by examples through putting these initiatives into practice can improve the risk culture within the bank. As noted by Gatzert and Schmit (2016) risk culture that informs collaborative practices can influence positive bank activities through reducing senior manager’s investment in high risk products and more selection of conservative investments; heightened bank managers ethical awareness choices thereby reducing fraudulent behaviors; decrease business losses stemming from errors and fraud.

Ethics. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility towards leadership champion of code of ethics and strong morals and integrity. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. This lends support to the assertions of Tourigny, Dougan, Washbush and Clements (2003) that the lack of exhibited behavior reflecting principles of governance and ethical standards can cause bank failures. Noreen et al. (2016) concluded that regulatory authorities must work on the ways to control the moral hazard behavior of banks. The findings extend Noreen et al.'s (2016), and Tourigny, Dougan, Washbush and Clements (2003) work by drawing attention to 2 important considerations that should accompany ethics in bank, including: (a) the right products for clients, and (b) leadership champion of code of ethics, and strong morals and integrity.

The considerations allude to having leadership being champion of moral and integrity will display ethical behavior reflecting in their product choices for their clients. As noted by Lui (2011) when bank managers lack morals and ethics this is displayed in them pursue of their own financial and gains while exposing shareholders to significant losses from their risky investments.

Board oversight. The ratings from the panelist in Round 3 indicated high levels of desirability and feasibility towards statements centered around strong board oversight. These statements had 6 votes or more to meet the 60% consensus threshold in Round 3. Despite the skepticism evidenced by Crabb (2018) that boards of directors do not have information needed to make informed decisions and returning capital to shareholders.

The panel voted a favorable rating of board oversight; these statements were among the 33 statements that had 6 votes or more to meet the 60% consensus threshold in Round 3.

This finding supported the assertion by Goldberg (2017) that banks are required to have governance and control mechanisms such as board and senior management oversight, policies and procedures, controls and compliance, and an appropriate incentive and organizational structure. The comments and ratings highlight an assortment of viewpoints toward board oversight. This is an accurate depiction of the issue depicted that a bank in crisis with a larger board finds there is a hinderance with a timely risk management decision process and should address board structure before there is a crisis; there is a link between board size, CEO and board tenure, and the increase in bank performance (O'Sullivan, Mamun & Hassan, 2016).. The implication is that members of the panel see board oversight as a useful exercise that can be effective measures in the bank.

Limitations

The unforeseen problems identified by a researcher are the limitations of the study (Hekman et al., 2017). The e-Delphi study has methodological limitations stemming from it being an internet-based research prone to internet accessibility challenges, technological difficulties, inconvenience of entering data into computer instead of the convenience of completing a hard copy; the nature of these problems can be identified an access and control related (Donohoe, Stellefson & Tennant, 2012). The United States over the last year has experience significant storms and flood in various states that destroyed power plants and impede internet access in many states for many days.

Donohoe, Stellefson, and Tennant (2012) argued unreliable internet access is a significant challenge for e-Delphi administrator and participants where access is interrupted by weather condition. I improved access during the research study by offering the participants the option to use mobile access to submit responses, and the use of central site where survey and resources could be accessed (browser friendly survey delivery system/website) and offer phone support during the duration of the Delhi study (Donohoe, Stellefson & Tennant, 2012). The participants chose to use the internet access to access and submit their response throughout the 3 rounds of the study.

The research environment of an e-Delphi study is a virtual laboratory which makes it harder to control issues such as false representation due to lack of verbal interaction and participant distraction, anonymity of the internet present concerns related to representation, uncertainty in knowing the identity of the other which pose a challenge in seeking Institutional Review Board approval (IRB) (Donohoe, Stellefson & Tennant, 2012). I addressed this issue of control limitation and potential IRB concerns by providing expert participants with a secure hyperlink that is unique and accessible only by the participant; this was accompanied by a password in a separate email to access the e-survey (Donohoe, Stellefson & Tennant, 2012).

The nature of the e-Delphi design involves three rounds which posed the risk that a number of participants dropped out before completion of the study. The attrition of participants between rounds may affect conclusions of the study and place constraints on the range and depth of data collection (Cegielski, Bourrie, & Hazen, 2013). The estimated attrition rate in recent Delphi studies by Annear et al. (2015), Brody et al.

(2014), Munck et al. (2015), Sinclair et al. (2016), and Willems et al. (2015) is approximately 25%. Attrition rate can be limited through use of techniques such as; clear instructions, properly formatted electronic questionnaires, a short duration between Delphi rounds (Merlin et al., 2016). I addressed participant attrition by providing clear instruction, formatted questionnaires, and reduce follow-up time between e-Delphi rounds. This increased clarity and enable efficiency in data collection; an incentive for participation in this study included providing panelists with the summary of the study results upon request. There was no indication that existed that would suggest that panelist dropped out the study due to any particular reason. In situations where the responses were delayed for a couple days after the closing period for receipt to questionnaire, panelist expressed their apologies and reasons for the delay.

Social desirability bias posed by study participants seeking to be accepted posed the second limitation. Participants may not provide honest answers to the questionnaires; respondents may attempt to portray themselves as socially acceptable manner by understate or overstate their responses (Kim & Kim, 2016). To reduce the social desirability bias, none of the questions provided to panelists were driven to personal experience of the participants; a reinforced emphasis was placed on participant anonymity and confidentiality throughout the duration of the study. My background in banking did not cause me to experience bias in the study. I reduced the likelihood of personal bias, I disclosed my assumptions, limitations, delimitations, personal views, and shared data collection procedures and analysis results with the participant which helped with the elimination of my biases. I reinforced participant anonymity and confidentiality throughout the entirety of the study.

The selecting of experts for the panel posed a potential limitation which entailed choosing between engaging a large diverse set of respondents, or a small group of individuals that is easy to follow closely and contact, creating higher commitment by respondents (Hirschhorn, 2019). To address this limitation, I selected a diverse group of experts and ensured to avoid unnecessary long messages or questionnaires that could discourage participation of participants (see Hirschhorn, 2019).

The use of purposive and snowball sampling to identify experts might overlook qualified experts. There is potential that this panel of experts might fail to include the views of recognized experts in the field from diverse demographic groups (Hirschhorn, 2019). To avoid excluding such experts, my recruitment strategies included a review of professional networking sites, solicited via social media (LinkedIn groups), and using best practice selection criteria for Delphi studies (Hirschhorn, 2019). The scanning of social networks on professional network sites is a good method for identifying potential panelists (Worrell, Wasko & Johnston, 2013). This enabled me to find a sufficient number of participants for my study panel by contacting directly individuals who satisfied the study eligibility criteria.

Transferability corresponds to external validity and the application of the findings to other settings; generalizing of the findings in external validity can be measured through various rigor of testing such as content validity assessment (instrument provides adequate coverage of a investigated topic), construct validity (theoretical foundation of a scale or measurement), and criterion validity (test is effective in predicting criterion or construct indicators) (Hasson & Keeney, 2011). The lack of precise definition of the Delphi place the purist of validity at disadvantage; precise definition enables more validity in research conducted, easier to interpret findings, and greater confidence in the conclusions (Hasson & Keeney, 2011). There are methodological challenges to the establishment of rigor, transfer of measurements across qualitative and quantitative paradigm; transfer of measurements between paradigm is problematic due to difference in underlining philosophies that produce different type of knowledge (Hasson & Keeney, 2011). This e-Delphi study used precise definition and thick description to document detail of the expert panelist responses that can be used in future research. The nature of the open-ended questions and the specific sample of research expert participants are designed to gather information and data for future studies.

Recommendations

Modifications to Study Methodology and Design

Scholars may conduct further studies to compare and contrast the results of this E-Delphi study in many ways. As I did not confine my experts in banking to a specific region in the United States, scholars may desire to conduct further studies on this central research topic using different delimitations based on this dimension. One boundary included the decision to focus the overall research question on effective senior managers' practices towards capital regulation. The decision to develop a conceptual framework based on OCEG standard's that integrates governance, risk management, internal control, assurance and compliance (GRC capability model), principal-agent theory, and goal theory and the use of the Delphi method is another delimitation. In light of the need for risk mitigation framework that incorporate model risk measures that identifies economically dangerous uncertainties and their risk factors, quantitative assessment and risk measurement approach to risk embedded in financial decision-making, portfolio and investment planning and the respective management activities (Baker, Filbeck & Moderator, 2015), researchers may want to conduct similar Delphi studies to a specific region in the United States.

Due to the potential difference in functionality of banks in different states and geographic region within the United States, Delphi studies on this topic localized to a specific region may present a viable option for future research. Future scholars may want to use a varied panelist criterion from the one used in this study. As the eligibility criteria for this study confined panelist to individuals: 1) adult over the age of 18; 2) employed a minimum of 10 years in the banking industry; 3) possession of an MBA in Finance; and, 4) currently employed as a consultant to a large bank in the United States. Scholars may modify panel eligibility criteria to include industry-specific experience, and prior professional and academic publications. Scholars may also wish to conduct Delphi studies with panels comprised entirely of senior managers to examine their behavior on the study topic. The results of future studies may provide invaluable points of comparison with the results of the present study. Scholars may stand in position to develop further study based on these Delphi findings. In the next section, I discuss a variety of potential avenues for additional study.

Recommendations for Practice

The results of this study may be used by bank practitioners and the Federal Reserve Bank (Fed) to construct action plans, policies and desk top procedures, and training programs that may lead to reduction in risky management behaviors. The collaborative practices can inform positive bank activities through reducing senior managers investment in high risk products and more selection of conservative investments; heightened bank managers ethical awareness choices thereby reducing fraudulent behaviors; decrease business losses stemming from errors and fraud (Gatzert & Schmit, 2016). The growing bank risk can force banks out of business and eventually spill over negatively into the economy, which may lead another recession. The increase of risk can be prevented in a respectable risk culture that informs all financial risk-taking and managerial decisions (Eastburn & Sharland, 2017).

Implications

Methodological and Theoretical Implications

The findings of this study are aimed at the identification of an effective practice that address a knowledge gap towards managing capital risk and contribute original qualitative data to the study's conceptual framework. Despite the growth of research in recent years on the significance of capital regulation to bank risk (Tanda, 2015), there has been a failure to identify effective practices that implement capital regulation effectively thereby reducing bank risk and risky management behavior (Ertürk, 2016). Although principal-agent theory discusses the relationship between shareholders and bank managers, a classical Delphi approach met the purpose of this study and offer distinct contributions to the theory. The Delphi technique, such as this proposed study, provide results from a consensus-building process that uses rounds of questionnaires to gather expert opinions to inform theoretical change and extend the results of prior studies (see Izaryk & Skarakis-Doyle, 2017).

Applying agency, goal theory and the role of incentives (Chawla, 2016) to BHCs provides a theoretical understanding of the problem between shareholder and manager; the conflicting interest and objectives between the two parties leads to risky behaviors of agents (Darayseh & Chazi, 2018). This is a vital addition to the seminal works of Henri Fayol systematic approach of management behavior (1841 -1925) (as cited in Kitana, 2016), agency and goal theory role of incentives (Chawla, 2016) in playing a role in the motivation of managers behavior (Darayseh & Chazi, 2018; Sepdiningtyas & Santoso, 2017).

Social Change Implications

The results of this study and collecting expert opinions on an effective practice towards capital regulation can affect social change in reducing senior bank managers in bank holding companies' risky behaviors, and investments in high products that causes significant bank losses. Bank senior managers that invest in high risk investments to generate short term gains and meet shareholder objectives expose the banks they managed to long term significant losses, thereby exposing them to bankruptcy (Ertürk, 2016; Tanda, 2015; Yeoh, 2016). Additionally, senior managers of large banks are required to maintain the new capital regulation minimum ratio and meet shareholder profit objectives, which forces them to be resolved to increased investments in high risk products that generate short-term profits at the risk of increasing long term significant bank losses, and the possibility of insolvency (Sarin & Summers, 2016).

The results of this study may help to reduce bank managers' risky behaviors. As noted by Noreen et al. (2016), bank manager's short-term returns mindset becomes a moral hazard behavior, they indulge in earning short run profits and ignores the future value of the firm. The existing literature examined in this study supports Noreen et al.'s assertions. As noted by Tung (2011), managers tend to go overboard when there are equity incentives, to take risks at the expense of creditors.

Of all the statements that represent a final consensus by the study panel of experts with regard to how to recognize a senior manager's effective practice towards capital regulation in bank holding companies, 30% of these activities relate to internal control activities towards capital regulation effective in loss reduction. The implementation of these activities may help reduce and preempt risky behavior of managers that expose the bank to losses. The mitigation of risks stemming from managers behavior may lead to a reduction of losses in banks in the long term. The identification of an effective practice towards capital regulation in banks can effect social change by providing senior bank managers in bank holding companies with uniform principles that can reduce the level of risk behavior, while meeting capital regulation requirement and shareholder objectives.

Conclusion

BHCs that sustain significant losses without adequate capital can become insolvent and pose a systemic risk to the U.S. economy (Berger et al., 2018; Crawford, 2017; Gong, Huizinga & Laeven, 2018). The unanticipated losses in mega banks and continuance of economic turmoil suggested the ineffective delivery of capital regulation (Tanda, 2015; Yeoh, 2016). The results of this study include a consensus by the study panel on 33 activities that will recognize a senior manager's effective practice towards capital regulation in bank holding companies. My research provides bank practitioners, Federal Reserve Bank (Fed), and scholar-practitioners with a foundation upon which to build future studies, construct action plans, policies and desk top procedures, and training programs.

The results of this classical Delphi study contribute to principal-agent theory related to: (a) Effective governance practices towards capital regulation reduction of losses; (b) Effective Risk Management practices towards Capital Regulation reduction of losses; (c) Internal Control activities towards Capital Regulation effective in loss reduction; (d) Effective Assurance Practices towards Capital Regulation; (e) Compliance practices towards Capital Regulation effective in loss reduction. Even in situations where a practice is beneficial to the bank, a manager may question and second doubt following this course of action when thinking of the impediment posed to their short-term profit-making ideas. As academic scholarship and professional practice continues to evolve, professionals who understand this factor will take a stronger stance to address senior manager's effective practice towards capital regulation in bank holding companies.

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Appendix A: First Round Questionnaire

Open-Ended Questions

For Questions 1 – 5, please provide a minimum of six recommendations in response to each question. Please list your recommendations in bullet point format and provide a short description for each recommendation.

1. What governance practices can senior bank Managers implement towards capital regulation that can be effective in reducing losses in bank holding companies?
2. Describe risk management practices senior bank Managers implement towards Capital Regulation that can be effective in reducing losses in bank holding companies?
3. Describe internal control activities senior bank managers can implement towards capital regulation that can be effective in reducing losses in bank holding companies?
4. How can assurance practices be implemented by senior bank Managers towards capital regulation that can be effective in reducing losses in bank holding companies?
5. Describe compliance practices senior bank Managers' can implement towards capital regulation that can be effective in reducing losses in bank holding companies?

Appendix B: First Round Data

Participant ID	Data generated by panelist	Code applied by researcher
P1	Senior bank managers can start by creating a risk appetite that takes into account their bank's risk tolerance.	1011
P2	Adhere to the Basel principles around managing risk	1021
P3	Overall risk management and controls or self-regulation not to be over exposed in any area i.e. credit trading. Etc.	1031
P4	Strong board and senior management oversight.	1041
P5	Continuous evaluation of counterparty credit risks.	1131
P6	Having proper policies and procedures for the bank.	1161
P7	It would be appropriate practices if senior bank manager implemented a more stringent guidelines and policy that are put forth by bank regulators.	1163
P8	KYC-Know Your Customers programs should be revised annually while taking into account new federal regulations for the banking industry.	1191
P9	Senior bank managers can implement the following governance practices; ensure that set liquidity standards are met, and in line with regulatory requirements.	1211

(*table continues*)

Participant ID	Data generated by panelist	Code applied by researcher
P1	A comprehensive enterprise-wide risk management framework that ties in daily activities.	2011
P2	Employ lines of defense when approaching risk management within the organization.	2021
P3	Limit overall exposure in any market	2031
P4	Adopt best practices in financial risk management (COSO, SOX, BASEL III, etc).	2041
P5	Go above and beyond the minimum risk assessment requirements set forth by the banking regulators (Federal Reserve and Office of the Controller of the Currency).	2044
P6	Controlling fraud.	2081
P7	Communication within the entire organization.	2091
P8	Adhere to regulations such Reg CC	2101
P9	Having an independent risk identification and management.	2045
P10	Implementation of an effective risk control self-assessment program.	2083

(*table continues*)

Participant ID	Data generated by panelist	Code applied by researcher
P1	Timely reporting of activities.	3011
P2	Use internal and external risk loss databases provided by ORX (Operational Risk Exchange) to benchmark against their industry.	3021
P3	Strict risk management.	3031
P4	Set strong governance committees.	3051
P5	Continuous improvement of regulatory reporting processes.	3064
P6	Training is a priority.	3121
P7	Bank managers can verify know you customer guidelines to ensure all information is true and accurate	3151
P8	Change Management should be applicable to all changes throughout an organization to ensure awareness of risk factors.	3161
P9	Internal control activities bank can implement include; having a strong & effective liquidity risk management process.	3074
P10	Performing frequent a scheduled Risk Control Self Assessments	3076

(*table continues*)

Participant ID	Data generated by panelist	Code applied by researcher
P1	It is crucial for senior bank managers to establish a culture that promotes risk-taking within the framework of pre-specified tolerances.	4011
P2	Senior bank managers have tools available to them to ensure that capital regulation are managed to within guidelines established by regulatory authorities.	4031
P4	Establishment standards and service benchmarks aligned with organization's objectives.	4041
P5	These practices will be warning signs that closer evaluation of a scenario is necessary.	4111
P6	Recommend improvements in different areas if the bank.	4131
P7	To reduce risk for any FI there needs continuous monitoring of all balance sheet activity.	4151
P8	Through training of staff.	4161
P9	Ensure that the bank conducts regular reviews to ensure appropriate capital, liquidity, and risk management standards are in place that strictly complies with regulatory requirements.	4202
P10	Senior bank managers need to involve their direct reports in understanding the risks that lie within their areas and jobs. There is a need for accountability.	4162

(*table continues*)

Participant ID	Data generated by panelist	Code applied by researcher
P1	Compliance is more of a backward-looking art than a forward-looking science.	5011
P2	Various test is available that measure compliance with regulatory requirements.	5021
P4	Maintenance of effective and independent compliance consistent with the organizational objectives.	5031
P5	Ensure that internal compliance measures are more sophisticated than what is required by the regulators.	5036
P6	Strong morals and integrity.	5091
P7	One way to implement compliance practices would be to have internal controls that eliminate certain risks.	5039
P8	Ongoing training of all stakeholders relative to compliance rules and regulations including BSA Teams, branch control teams, and cyber security teams.	5111
P9	Senior bank managers can ensure that liquidity risk management and liquidity stress testing requirements are structured to reflect the risk profile of the bank and the holding companies.	5121
P10	Working directly with their Compliance risk partners.	50391

(table continues)

Appendix C: Second Round Data

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 1 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails creating a risk appetite that takes into account the bank's risk tolerance.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 2 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails a risk appetite that takes into account their bank's capital structure.		
	Definitely feasible: Can be implemented.	0
	Probably feasible: Some indication this can be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably infeasible: Some indication this cannot be implemented.	2
	Definitely infeasible: Cannot be implemented (unworkable).	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	0
	Desirable: Will have a positive effect with minimum negative effects.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Undesirable: Will have a negative effect with little or no positive effect.	4
	Highly undesirable: Will have major negative effect.	5
Statement 3 – Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails a risk appetite that takes into account the markets they wish to compete in.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3
Statement 4 - Risk management practices towards capital regulation that can be effective in reducing losses includes a comprehensive enterprise-wide risk management framework that includes daily activities.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	5
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	2
Statement 5 - Internal control activities towards capital regulation that can be effective in reducing losses includes reporting activities timely.		
	Highly undesirable: Will have major negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 6 - Internal control activities towards capital regulation that can be effective in reducing losses includes timely reporting of exposure.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 7 - Internal control activities towards capital regulation that can be effective in reducing losses includes Timely reporting of potential capital effects will go a long way toward reducing losses in bank holding companies.		
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 8 - Assurance practices towards capital regulation that can be effective in reducing losses includes a culture that promotes risk-taking within the framework of pre-specified tolerances.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 9 - Internal control activities towards capital regulation that can be effective in reducing losses.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	7
	Probably feasible: Some indication this can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	1
Statement 10 - Compliance practices towards capital regulation that can be effective in reducing losses includes forward looking science.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 11 - Compliance practices towards capital regulation that can be effective in reducing losses includes actively promote long-term strategies to ensure deficiencies do not recur.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 12 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails adherence to the Basel principles around managing risk.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	5
Statement 13 - Risk management practices towards capital regulation that can be effective in reducing losses includes employing lines of defense when approaching risk within the organization.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4
Statement 14 - Internal control activities towards capital regulation that can be effective in reducing losses includes use of internal and external Operational Risk Exchange (ORX) loss databases to benchmark against industry.		
	Highly undesirable: Will have major negative	2
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 15 - Assurance practices towards capital regulation that can be effective in reducing losses incudes tools available to them to ensure that capital regulation is managed to within guidelines established by regulatory authorities.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
		2
	Desirable: Will have a positive effect with minimum negative effects.	
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3
Statement 16 - Compliance practices towards capital regulation that can reduce losses includes tests that measure compliance with regulatory requirements.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	6

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 17 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails risk management and controls, self-regulation not to be over exposed in any area ie credit trading.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 18- Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails adherence to diversification.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 19 - Governance practices senior bank Managers can implement towards capital regulation that are effective in reducing losses entails monitor economic climate such as trading.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 20 - Risk management practices towards capital regulation that can be effective in reducing losses includes market overall exposure limitations.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 21 - Internal control activities towards capital regulation that can be effective in reducing losses includes strict risk management.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4
Statement 22 - Internal control activities towards capital regulation that can be effective in reducing losses includes compliance and content monitoring of bank assets as well as complete overview of all activities.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 23 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails strong board and senior management oversight.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	6
Statement 24 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails periodic review of the institution's risk infrastructure,		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	6
Statement 25 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails loss- and resource-estimation methodologies.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	2

(table Continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 26 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails evaluation of capital requirements and goals based on sound risk management.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 27 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails introduction of stress tests on vulnerable areas and assessment of the appropriateness of stress scenarios considered.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 28 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails Regular review of any limitations and uncertainties in all aspects of the CAP approval of capital decisions supported by strong data analytics current policies, procedures, and data flows.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 29 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails change controls alignment with technology governance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 30 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails model validation and independent review (self-check/assessment).		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	5
Statement 31 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails Comprehensive documentation and recordation of key transactions		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	7

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 32 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails review by internal and external audit of Key and SOX processes.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	7
Statement 33 - Risk management practices towards capital regulation that can be effective in reducing losses includes best practices in financial risk management (COSO, SOX, BASEL III, etc).		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4
Statement 34 - Risk management practices towards capital regulation that can be effective in reducing losses includes common access to critical data with common language.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	6
Statement 35 - Risk management practices towards capital regulation that can be effective in reducing losses includes hire and maintain SMEs to create and maintain risk management policies and procedures,		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 36 - Risk management practices towards capital regulation that can be effective in reducing losses include adopt risk management tools and governance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	8
Statement 37 - Risk management practices towards capital regulation that can be effective in reducing losses include prioritization of recurrent risk assessment.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	6
Statement 38 - Risk management practices towards capital regulation that can be effective in reducing losses include culture of accountability.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	6
Statement 39 - Internal control activities towards capital regulation that can be effective in reducing losses includes strong governance committees.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	8
Statement 40 - Internal control activities towards capital regulation that can be effective in reducing losses includes reporting and escalation.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	6

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 41 - Internal control activities towards capital regulation that can be effective in reducing losses includes established expectations for communication and reporting.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	7
Statement 42 - Internal control activities towards capital regulation that can be effective in reducing losses includes monthly/quarterly reporting over controls performance to include key performance/risk indicators.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	7
Statement 43 - Internal control activities towards capital regulation that can be effective in reducing losses includes a process to periodically evaluate the design and effectiveness of existing controls.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 44 - Internal control activities towards capital regulation that can be effective in reducing losses includes periodic risk and controls assessment.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 45 - Internal control activities towards capital regulation that can be effective in reducing losses includes communication to management key monthly performance results and risk assessments.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	8
Statement 46 - Internal control activities towards capital regulation that can be effective in reducing losses includes use of three lines of defense adopting division policies as needed.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 47 - Internal control activities towards capital regulation that can be effective in reducing losses includes establishing scope of financial and operational controls.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 48 - Internal control activities towards capital regulation that can be effective in reducing losses includes having a Risk Taxonomy.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 49 - Assurance practices towards capital regulation that can be effective in reducing losses includes ensuring standards and service benchmarks aligned with organization's objectives.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 50 - Assurance practices towards capital regulation that can be effective in reducing losses includes clearly defined goals with deliveries performance criteria.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	4
Statement 51 - Assurance practices towards capital regulation that can be effective in reducing losses incudes process improvement and strengthening.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 52 - Assurance practices towards capital regulation that can be effective in reducing losses incudes On-going quality assurance analysis with metrics (score card/dash board).		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	7
Statement 53 - Assurance practices towards capital regulation that can be effective in reducing losses incudes establishment of an independent quality assurance process with best practices expectations		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	7
Statement 54 - Assurance practices towards capital regulation that can be effective in reducing losses incudes evaluation standards and monitoring		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 55 - Assurance practices towards capital regulation that can be effective in reducing losses includes elimination of redundancies.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 56 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having a process and procedures		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	8

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 57 - Assurance practices towards capital regulation that can be effective in reducing losses incudes conducting performance evaluation and recommendations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	8
Statement 58 - Compliance practices towards capital regulation that can be effective in reducing losses incudes maintenance of effective and independent compliance consistent with the organizational objectives.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	6
Statement 59 - Compliance practices towards capital regulation that can be effective in reducing losses incudes establishing and communicating compliance policy across pertinent organizations		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	6
Statement 60 - Compliance practices towards capital regulation that can be effective in reducing losses incudes identification of compliance risks and controls at the relevant organizational level.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 61 - Compliance practices towards capital regulation that can be effective in reducing losses incudes ensure compliance function is adhered to with clarity of responsibilities and remediation steps for breaches are discovered.		
	Highly undesirable: Will have major negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 62 - Compliance practices towards capital regulation that can be effective in reducing losses incudes periodic assessment of compliance adherence with metrics.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	7

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 63 - Compliance practices towards capital regulation that can be effective in reducing losses incudes periodic assessment of issues and issues closures.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	6
Statement 64 - Compliance practices towards capital regulation that can be effective in reducing losses incudes reporting of compliance to upper management so they can make informed decisions on compliance risks.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	6
Statement 65 - Compliance practices towards capital regulation that can be effective in reducing losses incudes clear definition of data source for compliance analytics.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 66 - Compliance practices towards capital regulation that can be effective in reducing losses incudes monitoring and reporting activities promptly to upper management.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 67 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails continuous evaluation of counterparty credit risks.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	7
Statement 68 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring external and internal credit evaluation data is current and always available.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 69 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring better evaluation of sales practices by relationship managers.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 70 - Risk management practices towards capital regulation that can be effective in reducing losses includes going beyond the minimum risk assessment requirements set forth by the banking regulators.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 71 - Internal control activities towards capital regulation that can be effective in reducing losses includes continuous improvement of regulatory reporting processes.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 72 - Internal control activities towards capital regulation that can be effective in reducing losses includes established thresholds for period fluctuations in reported metrics.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	6
Statement 73 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having practices that are warning signs that closer evaluation of a scenario is necessary.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 74 - Assurance practices towards capital regulation that can be effective in reducing losses incudes banks being proactive in addressing potential credit risk problems.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 75 - Assurance practices towards capital regulation that can be effective in reducing losses includes the bank measurement of its risk appetite		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 76 - Compliance practices towards capital regulation that can be effective in reducing losses incudes internal compliance measures are more sophisticated than what is required by the regulators.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 77 - Compliance practices towards capital regulation that can be effective in reducing losses incudes total independence of the compliance function.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	3
Statement 78 - Compliance practices towards capital regulation that can be effective in reducing losses incudes Top leadership must be a champion of code of ethics.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	(Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 79 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails having proper policies and procedures for the bank.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 80 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails documentation of rules and regulations for employees to review.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 81 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails having proper internal controls.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 82 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails making sure people understand policies and procedures.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 83 - Risk management practices towards capital regulation that can be effective in reducing losses includes controlling fraud.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 84 - Internal control activities towards capital regulation that can be effective in reducing losses includes making training a priority.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 85 - Internal control activities towards capital regulation that can be effective in reducing losses includes making sure branches and departments are properly staffed.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	3
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 86 - Internal control activities towards capital regulation that can be effective in reducing losses includes ensuring employees have time to recognize problems and follow procedures and won't cut corners when they are not always under extreme pressure.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 87 - Assurance practices towards capital regulation that can be effective in reducing losses incudes recommending improvements in different areas of the bank.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	4
Statement 88 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having proper procedures in place to handle customer satisfaction.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 89 - Compliance practices towards capital regulation that can be effective in reducing losses incudes strong morals and integrity.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	3
Statement 90 - Compliance practices towards capital regulation that can be effective in reducing losses incudes right products for clients.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 91 - Compliance practices towards capital regulation that can be effective in reducing losses incudes understanding regulatory compliance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	6
Statement 92 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails implementing a more stringent guidelines and policy that are put forth by bank regulators.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	3
Statement 93 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails FI to be well within the any stress test or ratio guidelines.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 94 - Risk management practices towards capital regulation that can be effective in reducing losses includes communication within the entire organization.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	2
Statement 95 - Internal control activities towards capital regulation that can be effective in reducing losses includes bank managers verifying know you customer guidelines to ensure all information is true and accurate.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 96 - Internal control activities towards capital regulation that can be effective in reducing losses includes continuous monitoring of account activity and to monitor the amount and type of activity for bank customers.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 97 - Assurance practices towards capital regulation that can be effective in reducing losses incudes continuous monitoring of all balance sheet activity.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely feasible: Can be implemented.	4
Statement 98 - Assurance practices towards capital regulation that can be effective in reducing losses incudes the willingness to halt certain activity if there is identifiable risks internal and external.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	3
Statement 99 - Compliance practices towards capital regulation that can be effective in reducing losses incudes implement compliance practices that have internal controls that eliminate certain risks.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	3
Statement 100 - Compliance practices towards capital regulation that can be effective in reducing losses incudes internal controls utilized at every level to ensure potential liabilities are eliminated.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	4
Statement 101 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails revising Know Your Customers programs annually, while taking into account new federal regulations for the banking industry.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 102 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails safeguard customer information through a robust cyber security program that is proactive.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 103 - Risk management practices towards capital regulation that can be effective in reducing losses includes adherence to regulations such Reg CC.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 104 - Risk management practices towards capital regulation that can be effective in reducing losses includes have frequent training of employers to ensure adherence to banking industry rules and regulations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 105 - Risk management practices towards capital regulation that can be effective in reducing losses includes evaluate all small and capital budget projects from a risk perspective.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	3
Statement 106 - Risk management practices towards capital regulation that can be effective in reducing losses includes ensuring change requests are a requirement for any internal updates or change and a risk assessment evaluation completed.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 107 – Internal control activities in reducing losses includes change management should be applicable to all changes throughout an organization to ensure awareness of risk factors.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 108 - Internal control activities towards capital regulation that can be effective in reducing losses includes dual control of processes should be implemented or in operation to reduce risk from human errors.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 109 - Internal control activities towards capital regulation that can be effective in reducing losses includes Automation if manual processes that are prone to human errors.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	4
Statement 110 - Internal control activities towards capital regulation that can be effective in reducing losses includes use of UIPath Robot processing is one area of automation that is a viable option.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 111 - Assurance practices towards capital regulation that can be effective in reducing losses incudes through training of staff.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	4
Statement 112 - Assurance practices towards capital regulation that can be effective in reducing losses incudes banks being proactive in addressing potential credit risk problems.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 113 - Assurance practices towards capital regulation that can be effective in reducing losses incudes leaders leading by examples.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 114 - Assurance practices towards capital regulation that can be effective in reducing losses incudes implementing and adhering to standard bank regulation such as bank secrecy acts, Reg CC and D.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 115 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having processes and practices in place to safeguard the integrity and financial strength of their banks.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 116 - Assurance practices towards capital regulation that can be effective in reducing losses incudes analysis of financial environment specially bankjng.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 117 - Compliance practices towards capital regulation that can be effective in reducing losses incudes ongoing training of all stakeholders relative to compliance rules and regulations including BSA Teams, branch control teams, and cyber security teams.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 118 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring that set liquidity standards are met, and in line with regulatory requirements.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 119 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails establishing an effective governance and risk management process to measure and estimate liquidity needs.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 120 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring there are sufficient liquidity positions to cover possible risks and exposures.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3
Statement 121 - Risk management practices towards capital regulation that can be effective in reducing losses includes an independent risk identification and management.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 122 - Risk management practices towards capital regulation that can be effective in reducing losses includes an independent data infrastructure.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	5
Statement 123 - Risk management practices towards capital regulation that can be effective in reducing losses includes an independent controls process in place.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 124 - Internal control activities towards capital regulation that can be effective in reducing losses includes a strong & effective liquidity risk management process.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 125 - Internal control activities towards capital regulation that can be effective in reducing losses includes setting and monitoring counterparty credit limit.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 126 - Internal control activities towards capital regulation that can be effective in reducing losses includes use of UIPath Robot processing is one area of automation that is a viable option.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	0
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 127 - Assurance practices towards capital regulation that can be effective in reducing losses incudes ensuring the bank conducts regular reviews to ensure appropriate capital, liquidity, and risk management standards are in place that strictly complies with regulatory requirements.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 128 - Compliance practices towards capital regulation that can be effective in reducing losses incudes ongoing training of all stakeholders relative to compliance rules and regulations including BSA Teams, branch control teams, and cyber security teams.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 129 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails focusing on emerging risks and look in various areas of the bank when completing their strategic planning.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 130 - Risk management practices towards capital regulation that can be effective in reducing losses includes implementation of an effective risk control self-assessment program.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 131 - Internal control activities towards capital regulation that can be effective in reducing losses includes performing frequent a scheduled Risk Control Self Assessments.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	0
	Definitely feasible: Can be implemented.	5
Statement 132 - Internal control activities towards capital regulation that can be effective in reducing losses includes implementing effective Change Management program.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 133 - Internal control activities towards capital regulation that can be effective in reducing losses includes implementing risk teams within the Lines of Business that work side by side with their Risk management partners.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 134 - Assurance practices towards capital regulation that can be effective in reducing losses incudes senior bank managers involving their direct reports in understanding the risks that lie within their areas and jobs.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 135 - Compliance practices towards capital regulation that can be effective in reducing losses incudes working directly with their compliance risk partners.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3

Appendix D: Third Round Data

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 1 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails creating a risk appetite that takes into account the bank's risk tolerance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 2 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails a risk appetite that takes into account their bank's capital structure.		
	Definitely feasible: Can be implemented.	2
	Probably feasible: Some indication this can be implemented.	5
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably infeasible: Some indication this cannot be implemented.	0
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Highly desirable: Will have a positive effect and little or no negative effect.	6

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	5
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Highly undesirable: Will have major negative effect.	1
Statement 3 – Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails a risk appetite that takes into account the markets they wish to compete in.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 4 - Risk management practices towards capital regulation that can be effective in reducing losses includes a comprehensive enterprise-wide risk management framework that includes daily activities.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 5 - Internal control activities towards capital regulation that can be effective in reducing losses includes reporting activities timely.		
	Highly undesirable: Will have major negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 6 - Internal control activities towards capital regulation that can be effective in reducing losses includes timely reporting of exposure.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	7
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 7 - Internal control activities towards capital regulation that can be effective in reducing losses includes Timely reporting of potential capital effects will go a long way toward reducing losses in bank holding companies.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3
Statement 8 - Assurance practices towards capital regulation that can be effective in reducing losses includes a culture that promotes risk-taking within the framework of pre-specified tolerances.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	7
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 9 - Internal control activities towards capital regulation that can be effective in reducing losses.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	6
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	2
Statement 13 - Risk management practices towards capital regulation that can be effective in reducing losses includes employing lines of defense when approaching risk within the organization.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 15 - Assurance practices towards capital regulation that can be effective in reducing losses incudes tools available to them to ensure that capital regulation are managed to within guidelines established by regulatory authorities.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	1
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3
Statement 16 - Compliance practices towards capital regulation that can reduce losses includes tests that measure compliance with regulatory requirements.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 17 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails risk management and controls, self-regulation not to be over exposed in any area ie credit trading.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 18- Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails adherence to diversification.		
	Highly undesirable: Will have major negative effect.	2
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 19 - Governance practices senior bank Managers can implement towards capital regulation that are effective in reducing losses entails monitor economic climate such as trading.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 20 - Risk management practices towards capital regulation that can be effective in reducing losses includes market overall exposure limitations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 21 - Internal control activities towards capital regulation that can be effective in reducing losses includes strict risk management.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 23 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails strong board and senior management oversight.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 24 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails periodic review of the institution's risk infrastructure,		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 26 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails evaluation of capital requirements and goals based on sound risk management		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 27 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails introduction of stress tests on vulnerable areas and assessment of the appropriateness of stress scenarios considered.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 28 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails Regular review of any limitations and uncertainties in all aspects of the CAP approval of capital decisions supported by strong data analytics current policies, procedures, and data flows.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 29 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails change controls alignment with technology governance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 30 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails model validation and independent review (self-check/assessment).		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	6
Statement 31 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails Comprehensive documentation and recordation of key transactions		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 32 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails review by internal and external audit of Key and SOX processes.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 33 - Risk management practices towards capital regulation that can be effective in reducing losses includes best practices in financial risk management (COSO, SOX, BASEL III, etc).		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 34 - Risk management practices towards capital regulation that can be effective in reducing losses includes common access to critical data with common language.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	4
Statement 35 - Risk management practices towards capital regulation that can be effective in reducing losses includes hire and maintain SMEs to create and maintain risk management policies and procedures.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	3
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 36 - Risk management practices towards capital regulation that can be effective in reducing losses include adopt risk management tools and governance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 37 - Risk management practices towards capital regulation that can be effective in reducing losses include prioritization of recurrent risk assessment.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 38 - Risk management practices towards capital regulation that can be effective in reducing losses include culture of accountability.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 39 - Internal control activities towards capital regulation that can be effective in reducing losses includes strong governance committees.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 40 - Internal control activities towards capital regulation that can be effective in reducing losses includes reporting and escalation,		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	7
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 41 - Internal control activities towards capital regulation that can be effective in reducing losses includes established expectations for communication and reporting.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4
Statement 42 - Internal control activities towards capital regulation that can be effective in reducing losses includes monthly/quarterly reporting over controls performance to include key performance/risk indicators.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 44 - Internal control activities towards capital regulation that can be effective in reducing losses includes periodic risk and controls assessment.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 45 - Internal control activities towards capital regulation that can be effective in reducing losses includes communication to management key monthly performance results and risk assessments.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 46 - Internal control activities towards capital regulation that can be effective in reducing losses includes use of three lines of defense adopting division policies as needed.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	6
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 47 - Internal control activities towards capital regulation that can be effective in reducing losses includes establishing scope of financial and operational controls.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 48 - Internal control activities towards capital regulation that can be effective in reducing losses includes having a Risk Taxonomy.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	7
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 49 - Assurance practices towards capital regulation that can be effective in reducing losses includes ensuring standards and service benchmarks aligned with organization's objectives.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	3
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 50 - Assurance practices towards capital regulation that can be effective in reducing losses includes clearly defined goals with deliveries performance criteria.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 51 - Assurance practices towards capital regulation that can be effective in reducing losses incudes process improvement and strengthening.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 52 - Assurance practices towards capital regulation that can be effective in reducing losses incudes On-going quality assurance analysis with metrics (score card/dash board).		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 53 - Assurance practices towards capital regulation that can be effective in reducing losses incudes establishment of an independent quality assurance process with best practices expectations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 54 - Assurance practices towards capital regulation that can be effective in reducing losses incudes evaluation standards and monitoring.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 55 - Assurance practices towards capital regulation that can be effective in reducing losses includes elimination of redundancies.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 56 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having a process and procedures		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 57 - Assurance practices towards capital regulation that can be effective in reducing losses incudes conducting performance evaluation and recommendations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 58 - Compliance practices towards capital regulation that can be effective in reducing losses incudes maintenance of effective and independent compliance consistent with the organizational objectives.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	6
Statement 59 - Compliance practices towards capital regulation that can be effective in reducing losses incudes establishing and communicating compliance policy across pertinent organizations.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	7
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 60 - Compliance practices towards capital regulation that can be effective in reducing losses incudes identification of compliance risks and controls at the relevant organizational level.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 61 - Compliance practices towards capital regulation that can be effective in reducing losses incudes ensure compliance function is adhered to with clarity of responsibilities and remediation steps for breaches are discovered.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 63 - Compliance practices towards capital regulation that can be effective in reducing losses incudes periodic assessment of issues and issues closures.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 64 - Compliance practices towards capital regulation that can be effective in reducing losses incudes reporting of compliance to upper management so they can make informed decisions on compliance risks.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 65 - Compliance practices towards capital regulation that can be effective in reducing losses incudes clear definition of data source for compliance analytics.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4
Statement 66 - Compliance practices towards capital regulation that can be effective in reducing losses incudes monitoring and reporting activities promptly to upper management.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	7

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 67 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails continuous evaluation of counterparty credit risks.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	7
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	6
Statement 68 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring external and internal credit evaluation data is current and always available.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 69 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring better evaluation of sales practices by relationship managers.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	1
Statement 70 - Risk management practices towards capital regulation that can be effective in reducing losses includes going beyond the minimum risk assessment requirements set forth by the banking regulators.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 72 - Internal control activities towards capital regulation that can be effective in reducing losses includes established thresholds for period fluctuations in reported metrics.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 73 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having practices that are warning signs that closer evaluation of a scenario is necessary.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2

(table continues)

Statement 74 - Assurance practices towards capital regulation that can be effective in reducing losses incudes banks being proactive in addressing potential credit risk problems.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 75 - Assurance practices towards capital regulation that can be effective in reducing losses includes the bank measurement of its risk appetite		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	6
Statement 77 - Compliance practices towards capital regulation that can be effective in reducing losses incudes total independence of the compliance function.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	1

(table continues)

	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	3
Statement 78 - Compliance practices towards capital regulation that can be effective in reducing losses incudes Top leadership must be a champion of code of ethics.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2
	(Highly desirable: Will have a positive effect and little or no negative effect.	7

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	2
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 79 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails having proper policies and procedures for the bank.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 80 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails documentation of rules and regulations for employees to review.		
	Highly undesirable: Will have major negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 81 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails having proper internal controls.		

(table continues)

	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 82 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails making sure people understand policies and procedures.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 83 - Risk management practices towards capital regulation that can be effective in reducing losses includes controlling fraud.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 84 - Internal control activities towards capital regulation that can be effective in reducing losses includes making training a priority.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6

(table continues)

	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	5
Statement 85 - Internal control activities towards capital regulation that can be effective in reducing losses includes making sure branches and departments are properly staffed		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 86 - Internal control activities towards capital regulation that can be effective in reducing losses includes ensuring employees have time to recognize problems and follow procedures and won't cut corners when they are not always under extreme pressure.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	2
Statement 87 - Assurance practices towards capital regulation that can be effective in reducing losses incudes recommending improvements in different areas if the bank.		
	Highly undesirable: Will have major negative effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 88 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having proper procedures in place to handle customer satisfaction.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 89 - Compliance practices towards capital regulation that can be effective in reducing losses incudes strong morals and integrity.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	1
Statement 90 - Compliance practices towards capital regulation that can be effective in reducing losses incudes right products for clients.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

	May or may not be feasible: Contradictory evidence this can be implemented.	2
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	1
Statement 91 - Compliance practices towards capital regulation that can be effective in reducing losses incudes understanding regulatory compliance.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	6
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 93 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails FI to be well within the any stress test or ratio guidelines.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 94 - Risk management practices towards capital regulation that can be effective in reducing losses includes communication within the entire organization.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4

(table continues)

	Desirable: Will have a positive effect with minimum negative effects.	1
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	2
Statement 95 - Internal control activities towards capital regulation that can be effective in reducing losses includes bank managers verifying know you customer guidelines to ensure all information is true and accurate.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 96 - Internal control activities towards capital regulation that can be effective in reducing losses includes continuous monitoring of account activity and to monitor the amount and type of activity for bank customers.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3
Statement 98 - Assurance practices towards capital regulation that can be effective in reducing losses incudes the willingness to halt certain activity if there is identifiable risks internal and external.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	1
	Definitely feasible: Can be implemented.	4
Statement 100 - Compliance practices towards capital regulation that can be effective in reducing losses incudes internal controls e utilized at every level to ensure potential liabilities are eliminated.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	3
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	1
Statement 101 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails revising Know Your Customers programs annually, while taking into account new federal regulations for the banking industry.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 102 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails safeguard customer information through a robust cyber security program that is proactive.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	1
Statement 103 - Risk management practices towards capital regulation that can be effective in reducing losses includes adherence to regulations such Reg CC.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	5
Statement 104 - Risk management practices towards capital regulation that can be effective in reducing losses includes have frequent training of employers to ensure adherence to banking industry rules and regulations.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	3
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 106 - Risk management practices towards capital regulation that can be effective in reducing losses includes ensuring change requests are a requirement for any internal updates or change and a risk assessment evaluation completed.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	3

(table continues)

	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	2
Statement 109 - Internal control activities towards capital regulation that can be effective in reducing losses includes Automation if manual processes that are prone to human errors.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	3
Statement 111 - Assurance practices towards capital regulation that can be effective in reducing losses incudes through training of staff.		

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 112 - Assurance practices towards capital regulation that can be effective in reducing losses incudes banks being proactive in addressing potential credit risk problems.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 113 - Assurance practices towards capital regulation that can be effective in reducing losses incudes leaders leading by examples.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	0
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	1
Statement 115 - Assurance practices towards capital regulation that can be effective in reducing losses incudes having processes and practices in place to safeguard the integrity and financial strength of their banks.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	2
	Highly desirable: Will have a positive effect and little or no negative effect.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2
Statement 118 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring that set liquidity standards are met, and in line with regulatory requirements.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	3
Statement 119 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails establishing an effective governance and risk management process to measure and estimate liquidity needs.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 120 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails ensuring there are sufficient liquidity positions to cover possible risks and exposures.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	2
	May or may not be feasible: Contradictory evidence this can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	2
Statement 121 - Risk management practices towards capital regulation that can be effective in reducing losses includes an independent risk identification and management.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	6
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	4
	Definitely feasible: Can be implemented.	4
Statement 124 - Internal control activities towards capital regulation that can be effective in reducing losses includes a strong & effective liquidity risk management process.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	4
	Highly desirable: Will have a positive effect and little or no negative effect.	4
	Definitely infeasible: Cannot be implemented (unworkable).	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	4
Statement 125 - Internal control activities towards capital regulation that can be effective in reducing losses includes setting and monitoring counterparty credit limit.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	1
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	5
Statement 127 - Assurance practices towards capital regulation that can be effective in reducing losses incudes ensuring the bank conducts regular reviews to ensure appropriate capital, liquidity, and risk management standards are in place that strictly complies with regulatory requirements.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1

(table continues)

	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	6
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	6
	Definitely feasible: Can be implemented.	1

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement 128 - Compliance practices towards capital regulation that can be effective in reducing losses incudes ongoing training of all stakeholders relative to compliance rules and regulations including BSA Teams, branch control teams, and cyber security teams.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	4
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	2
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	May or may not be feasible: Contradictory evidence this can be implemented.	4
	Probably feasible: Some indication this can be implemented.	2
	Definitely feasible: Can be implemented.	2
Statement 129 - Governance practices senior bank managers can implement towards capital regulation that are effective in reducing losses entails focusing on emerging risks and look in various areas of the bank when completing their strategic planning.		
	Highly undesirable: Will have major negative effect.	0
	Undesirable: Will have a negative effect with little or no positive effect.	0
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	5

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	3
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	2
Statement 130 - Risk management practices towards capital regulation that can be effective in reducing losses includes implementation of an effective risk control self-assessment program.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	1
	Desirable: Will have a positive effect with minimum negative effects.	3

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Highly desirable: Will have a positive effect and little or no negative effect.	5
	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	0
	Probably feasible: Some indication this can be implemented.	3
	Definitely feasible: Can be implemented.	5
Statement 133 - Internal control activities towards capital regulation that can be effective in reducing losses includes implementing risk teams within the Lines of Business that work side by side with their Risk management partners.		
	Highly undesirable: Will have major negative effect.	0

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
	Undesirable: Will have a negative effect with little or no positive effect.	1
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	5
	Highly desirable: Will have a positive effect and little or no negative effect.	3
	Definitely infeasible: Cannot be implemented (unworkable).	1
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Probably feasible: Some indication this can be implemented.	5
	Definitely feasible: Can be implemented.	2

(table continues)

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings

Statement	Ratings	Total Number of Panelist Who Selected Each Ratings
Statement 134 - Assurance practices towards capital regulation that can be effective in reducing losses incudes senior bank managers involving their direct reports in understanding the risks that lie within their areas and jobs.		
	Highly undesirable: Will have major negative effect.	1
	Undesirable: Will have a negative effect with little or no positive effect.	2
	Neither desirable nor undesirable: Will have equal positive and negative effects.	2
	Desirable: Will have a positive effect with minimum negative effects.	3
	Highly desirable: Will have a positive effect and little or no negative effect.	4

(table continues)

	Definitely infeasible: Cannot be implemented (unworkable).	0
	Probably infeasible: Some indication this cannot be implemented.	0
	May or may not be feasible: Contradictory evidence this can be implemented.	1
	Definitely feasible: Can be implemented.	3

(table continues)