

“*In questions of power, let no more be heard of confidence in man, but bind him down from mischief by the chains of the constitution.*”

Thomas Jefferson

Implementing Good Corporate Governance in Banks

OVERVIEW

This course is aimed at helping senior bankers to appreciate how the implementation of a modern Corporate Governance methodology within their institution will make the running of the bank easier and better controlled, and will boost profitability whilst maintaining the risk profile of the bank. The course focuses on several important aspects of Corporate Governance, including:

- *The procedures and methodologies needed to manage effectively the decision-making process within the bank.*
- *Structuring appropriately the relationship between the shareholders, the Board of Directors, and the executive management of the bank, to clarify who is responsible and accountable at each level of decision making.*
- *The Board, Committee, Divisional and Department structures that are needed to implement and control the governance of the bank.*

WHO SHOULD ATTEND?

The course is aimed at leaders or general managers in commercial banking in particular, especially those in supervisory or executive roles. It is equally relevant for those at the level of Chairman, members of the Board of Directors, Company Secretary, Chief Executive Officer, members of the Board of Management, and Heads of Divisions.

If you are asking yourself any of the following questions, then this course is for you:

- *How can I balance the interests of all the stakeholders in the bank, in particular the desire of the shareholders for profits and dividends, and the prudential requirements of the regulator and the depositors?*
- *What do we have to do to satisfy international lenders, rating agencies and stock exchanges, and thus reduce the cost of funding and loan capital?*
- *How do we improve the efficiency of the bank and enhance our reputation?*
- *What should be the roles and responsibilities of the different Boards, Committees and Executives, so that we allocate responsibilities effectively, avoid duplication, and prevent misunderstandings?*
- *Who is responsible for appointing whom within the bank?*

sharing knowledge, developing skills

OUTLINE

OBJECTIVES

Participants in the course will come away with:

- A clear understanding of what constitutes current best-practice Corporate Governance in banks
- An understanding of how this could, and probably should, be implemented in their bank
- Appreciation of what can go wrong in banks, and how good Corporate Governance can help avoid and rectify those problems
- Knowledge of best international practice in defining the roles and responsibilities of all Boards, Committees and Executives
- Specific ideas on how to embed Corporate Governance measures and targets within the performance appraisal process

COURSE DELIVERY

- This is a two-day course totaling **14 hours of delivery time**.
- It consists of **nine tutorial modules** providing a total of 10 hours of instruction.
- A further four hours of the schedule is dedicated to **intensive group work and exercises, underpinned by case studies**, all facilitated by the instructor.
- All hand-outs and instruction will be in English; participants should have a good working knowledge of English.
- The course is **customised** to the specific needs of the client, to ensure maximum relevance and benefit.
- Ideally delegates should have at least three years experience working in a bank either in a general management or leadership role.
- Because the course involves participative group work on case studies, and considerable interactivity during tutorials, the number of participants is limited to **no more than 20**.

TRAINING NEEDS ANALYSIS & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

OUTLINE

MODULE 1: WHAT IS CG AND WHY IS IT IMPORTANT?

- ⇒ Definition of good Corporate Governance
- ⇒ Identifying the main stakeholders
- ⇒ The decision-making structure within a bank
- ⇒ Organisation structure of a commercial bank
- ⇒ Responsibility for appointments

MODULE 2: HOW DOES GOOD CG BENEFIT A BANK?

- ⇒ Cost of capital and cost of borrowing
- ⇒ Risk control
- ⇒ Corporate efficiency and cost reduction
- ⇒ Consequences of CG failures

MODULE 3: COMPLIANCE WITH LAW AND REGULATION

- ⇒ OECD Corporate Governance principles
- ⇒ CG guidance from the Basel Committee
- ⇒ Company law, and stock exchange requirements
- ⇒ Rating agencies and international lenders

MODULE 4: THE ROLE OF SHAREHOLDERS

- ⇒ Shareholder rights and responsibilities
- ⇒ Profit vs. Risk
- ⇒ Dividend payments vs. Growth
- ⇒ The General Meeting of Shareholders

MODULE 5: THE CHAIRMAN AND BOARD OF DIRECTORS (BoD)

- ⇒ How are the Chairman and Board members appointed?
- ⇒ The role of the Chairman
- ⇒ The role and responsibilities of the BoD, and the importance of independent Directors
- ⇒ Personal liability of Directors / obtaining Directors and Officers insurance
- ⇒ Role and responsibilities of the Company Secretary

MODULE 6: COMMITTEES OF THE BoD

- ⇒ The Nomination Committee
- ⇒ The Remuneration Committee – fair reward for achievement and co-operation, without greed
- ⇒ The Audit Committee

MODULE 7: THE CEO AND MANAGEMENT

- ⇒ How is the CEO appointed?
- ⇒ Composition and responsibilities of Board of Management (BoM)
- ⇒ Structure of the executive of the bank
- ⇒ Board committees, credit committee and ALCO
- ⇒ The concept of collective responsibility

MODULE 8: MECHANISMS FOR IMPLEMENTING GOOD BANK CG

- ⇒ Ensuring compliance with law, regulation and loan agreements, international and domestic
- ⇒ A fully operational Assets & Liabilities Committee (ALCO) and the need for stress testing
- ⇒ Control through the bank's Strategic Plan
- ⇒ The role of an independent Risk Management division
- ⇒ Professionalism, trust, good organisational culture, and team-work

MODULE 9: TYPICAL CG PROBLEMS, ISSUES AND DILEMMAS

- ⇒ The challenges of full transparency
- ⇒ Shareholder interference, related-party lending, and conflicts of interest
- ⇒ Tendency of BoD to micro-manage
- ⇒ BoD members with insufficient understanding of the business and the risks being taken
- ⇒ Managing an over-dominant CEO
- ⇒ Lack of control and inadequate risk management
- ⇒ Innovative products not properly risk assessed
- ⇒ Mis-selling of inappropriate financial products to customers, damaging the bank's reputation
- ⇒ Obsession with growth and market dominance

DETAILS

TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate to make a tangible improvement to policy and practice in their own bank.

This course includes:

- ➔ **Draft Charters for all the main Boards and Committees**
- ➔ **Sample job descriptions for the main roles**
- ➔ **Typical organisation chart for a commercial bank**
- ➔ **Copies of main international codes of Corporate Governance practice**
- ➔ **Case studies of documented failures of Corporate Governance**

EARLY BOOKING DISCOUNT!
SCHEDULE A COURSE BEFORE THE
31st OF AUGUST 2014 FOR A 10%
DISCOUNT ON COURSE FEES.

TERMS & CONDITIONS

Total fee cost for the off-site delivery of the three-day course as described is US\$ 8,800 (eight thousand eight hundred United States Dollars). This is EXCLUSIVE of:

- Flights (discounted business class);
- Accommodation (min. 4★) for every night required off-site;
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course on-site at or near our London headquarters for an all-inclusive fee of US\$ 8,800 including VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants.

A 60% deposit is payable one-month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings.

For more information or to arrange a booking, please contact Jeremy Denton-Clark at:

Jeremy.denton-clark@gbrw.com

Note: Terms and Conditions valid until 31st December 2014

INSTRUCTOR



Jeremy Denton-Clark
Director,
GBRW Ltd

Jeremy has been a director of GBRW Consulting for over 15 years and has worked on around 40 projects in some 20 countries. Prior to this he was for 32 years working in banks in London, the last 8 as the CEO of a merchant bank.

Jeremy has been for a number of years a member of the Board of Directors of a bank in SE Europe and the London representative of a bank in Mongolia.

In addition to his vast experience in strategy, organisation, ALM, risk management, and Corporate/SME lending Jeremy has a particular interest in Corporate Governance. He designed this course in response to the challenges faced by banks in emerging markets seeking to implement corporate governance, often in the face of misunderstanding or even opposition. He believes that the benefits of good CG far outweigh the difficulties and are essential for working with international creditors and investors.

Jeremy combines his expertise with an enthusiastic and friendly style, creating a lively and memorable experience for delegates.

To find out more about Jeremy, his credentials, and previous experience, please visit his LinkedIn profile page at:

LinkedIn

<http://uk.linkedin.com/in/jeremydentonclark>

ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

For more information, visit our website at:

<http://www.gbrw.com/training>

To discuss your specific requirements email us at:

mail@gbrw.com