

AABD BANK DIRECTOR EDUCATION CERTIFICATION PROGRAM

CORE COURSE

Corporate governance/fiduciary duties

- What are a bank director's responsibilities
- how should the Board of Directors govern itself to help it do the job it is required to do
- how to avoid or address conflicts of interest
- how to manage communications between senior management and the Board of Directors
- what are the keys to Board independence?

Essential Board reports, financial statements, bank performance reports, and reports of examination

- what are they and how to read and understand them

Red Flags

- what are they
- how to become aware of them
- what to do about them?

Understanding external audit, internal audit, internal controls, and the role of the Audit Committee

- Audit Committee charter and members
- Minutes
- Relationship with internal and external auditors, management and the board
- Financial controls
- Recent changes in accounting principles
- Issues on expanding role into risk management, compliance, insider transactions, etc.

Lending and the role of the Board and loan committee

- Approval of loans – the risks and benefits, and measures to mitigate personal liability
- Loan committee charter and members
- Oversight role
- Separating oversight role from role of management

Asset/liability management and bank investments

Risk management principles and the role of the Board in enterprise risk management

- what do the bank regulators expect?

- what does the Board need to do
- What does the Board need to know
- Reports and how to use them
- Use of committees and board of directors
- Relationship with chief risk officer

The Board's role in strategic and capital planning

- Interrelationship with risk management and capital planning
- Corporate processes that will facilitate strategic planning
- Expectations of bank regulators
- Knowledge base and reporting
- Process
- Capital planning and capital raises

The offering of new products, and the use and control of third party vendors, suppliers, contractors and partners

- Latest regulatory rules and guidance
- Specific matters relating to cybersecurity
- Documentation and process
- Distinctions between the role of board and management

Evaluating the CEO and the Board

- Evaluating the CEO – tools, process, measurements
- Evaluation of the current board of directors
- Selection and nomination of new board members
- Role of the Nomination Committee

Director and officer compensation and Board oversight responsibilities

- Benchmarks on director and officer compensation and forms of compensation
- Role of Board Compensation Committee
- Regulatory limitations on compensation

Basic bank legal and regulatory rules that all bank directors need to know

- Regulation O
- Sections 23A and 23B of the Federal Reserve Act
- Lending limits
- Conflicts of interest

Consumer compliance issues from a Board oversight perspective

- Fair Lending
- CRA
- Flood insurance regulations
- Recent focus of CFPB and banking agencies
- Establishing a compliance process and the role of the Board

Bank Secrecy Act and USA PATRIOT programs

- The role of the Board
- Program violations
- SARs
- Systems and controls
- The latest developments and the empowerment of FinCEN

Role of the Board in examination and regulatory relations

Cyber security risks and mitigation strategies

Bank Director personal liability

- Understanding sources of personal liability
- Strategies to mitigate risk of liability
- Insurance, indemnification and the exculpatory clause