

Financial Institutions Directors' Education under the ICLIF Leadership and Governance Centre

The Financial Institutions Directors' Education (FIDE) programme, introduced by the Bank and the Malaysia Deposit Insurance Corporation (PIDM) in November 2008, is now being offered under the International Centre for Leadership in Finance (ICLIF) as of September 2010. FIDE was developed with the aim of promoting high-impact boards in financial institutions by strengthening board competencies in dealing with corporate governance, risk management and strategic issues in the financial sector. Emphasis is placed on important current issues confronting the financial industry, drawing from the Bank's supervisory observations and global and domestic developments affecting financial institutions. Directors will have the opportunity to debate these issues at an intellectual level and examine their practical implications in the context of the environment they operate in. This is achieved through the extensive use of case studies and simulations developed based on real experiences in the financial sector. FIDE thus aims to equip directors with practical tools and knowledge to provide effective oversight on managements of financial institutions.

Over the two years since its launch, the FIDE programme has been continuously refined and enhanced to reinforce its key strengths, namely:

- (i) a unique and singular focus on governance within financial institutions which allows in-depth discussions to take place among like-minded directors on specific issues that they face on the board. It also facilitates the customisation of key modules such as that on risk management to address the different business considerations in banking, insurance and Islamic finance;
- (ii) the pooling of the extensive wealth of knowledge and practical insights of experienced directors who participate in the programme to provide an environment where directors learn from each other. This experience is carried over outside the classroom through ongoing support and tools provided to directors to maintain contact after the programme;
- (iii) a strong and diverse faculty consisting of thought leaders and practitioners drawn from various backgrounds, with vast experience in financial services and adult learning; and
- (iv) the extensive involvement of regulators and supervisors in providing content input and reinforcing the lessons learnt through the supervisory interactions with financial institutions. This ensures that education is translated into better board practices and preserves a strong link between the programme and desired financial stability outcomes.

The FIDE initiative which started with the core modular-based programme has also been expanded in response to strong interest from financial institutions' directors for further training. FIDE now provides, in addition to the core programme, training in a range of specialised and technical areas to cater for specific board roles (such as the audit committee, risk management committee and nominating committee) and the interest among directors to deepen their knowledge of particular aspects of their business (e.g. in information technology and Islamic finance). Since 2010, programmes were also provided for new directors to enhance their knowledge of basic banking and insurance business. FIDE is also supplemented by a series of talks and special lectures by renowned speakers and leading industry experts on topical issues which enable directors to keep abreast with current developments.

To date, more than 230 Malaysian financial institutions' directors have benefited from the FIDE programme, resulting in a significant strengthening of boardroom practices in the financial institutions. FIDE's success as well as a heightened awareness globally of the importance of governance and the need for effective boards to strengthen the resilience of financial institutions

and promote long-term financial stability has attracted increasing interest from directors of financial institutions from around the region to participate in the programme. In response to this interest and as part of efforts to deepen cross-border cooperation in promoting financial stability, FIDE's outreach has been expanded to make the programmes available to directors of financial institutions in the Asia Pacific, Middle East and African regions beginning from 2011. ICLIF will serve as the platform to manage, adapt and deliver the FIDE programme offering to the regions. As part of this move, ICLIF has established a Governance Centre and was renamed the ICLIF Leadership and Governance Centre to reflect its wider mandate.

The move will enable FIDE to leverage on ICLIF's core strength in developing leadership competencies to further enrich FIDE and complement FIDE's faculty with leadership and governance experts in ICLIF from world leading institutions. FIDE's commitment to lifelong learning and building an effective support network for directors of financial institutions will also be preserved and further reinforced. There will be enlarged resources dedicated under ICLIF to research, the development of new programmes and case studies, and the provision of a broad range of advisory services for directors.

To ensure the practical relevance of the programme to the industry and to take into account changes in the financial landscape, there is continuous interface with the industry so as to provide leading edge education for directors in the financial sector. Further information on FIDE can be obtained from its website at www.fide.org.my.

