



Graduate School of Banking at Colorado

2011 Course Curriculum



GSBC reserves the right to change the required curriculum and the schedule of classes offered. It will do so as needed to keep the curriculum current and dynamic. At GSBC, 190 hours of classroom instruction are provided over a two-week period for all three years - approximately 60-70 hours each year. Instructional techniques include lectures, discussions, case studies and simulations for at least eight hours a day. If a class requires pre-session work, students will be notified.

The curriculum is conceptually divided into four tracks: financial management, lending, general management, and leadership & human resource management. Courses are designed so that the student makes a natural progression from

core classes within each track to more advanced topics that build on the analysis and discussion from the core classes. Students are not formally required to follow one track, but are free to use the tracks as a guide to select elective classes within any track after completing the core classes. The areas of study will include the following course work and objectives outlined below. Also, students will complete an exam of 12 questions for each course completed.

KEY CODE:

- CORE
- ELECTIVE
- (CBE) Indicates a Computer-based Education course
- (CPEL#) Indicates CPE live credit and the number of credit hours associated with the class



First Year Course Descriptions

Students are required to complete all of the following core courses:

Asset & Liability Management I (CBE) (CPEL 9) (Class Hours 9)

Edward Krei

Asset & Liability Management I examines the responsibilities of a bank's Asset Liability function from a practical and performance oriented perspective. Topics to be discussed include interest rate risk management, liquidity and funding, pricing decisions, and capital management. The selection and use of A/L models, outsourcing decisions, staffing and managing the A/L process, and organizational issues will be addressed as well.

Upon completion of this course, the participant should understand the basic financial issues addressed by ALCO and how alternative strategies are effectively assessed and implemented with an objective of maximizing sustained long-term performance while managing risk. Students should gain an understanding of the Asset Liability management process as it relates to assessing and implementing financial and risk management strategies with particular focus on interest rate risk, liquidity risk, funding alternatives, capital management and the securities portfolio.

Students should gain a basic working knowledge of the ALCO process in his/her institution and

- Understand the fundamental drivers of *their* bank's net interest margin and gain appreciation for the challenges of balancing risk management with profitability.
- Understand how *well managed* institutions develop, evaluate and implement financial strategies in a highly competitive market and challenging economy.
- Develop an improved perspective about the financial markets and the alternatives that *their* institution may have in funding their bank and in maintaining adequate levels of liquidity.

Bank Financial Analysis (CBE) (CPEL 9) (Class Hours 9)

Michael L. Stevens

The course explains the principles of analyzing a bank's performance and financial condition. Utilizing the Uniform Bank Performance Report, students will be able to develop a risk profile of a financial institution; evaluate funds management practices; identify and quantify significant changes in a bank's net interest margin; identify credit, market, liquidity, operational, legal, & reputation risks. Key learning objectives of the course are to:

- Understand the key risk and performance drivers of your bank
- Connect asset quality issues with other risk areas like earnings, liquidity, and capital
- Learn how to perform a comprehensive analysis of your bank's condition and performance
- Evaluate management's impact on bank performance

Business Law in Financial Institutions (CBE) (CPEL 9) (Class Hours 7)

John Norwood, JD

This course provides a detailed look at the law affecting banks and bank operations. The course begins with an overview of law and the legal system and then proceeds to the following topics: Contracts under common law and the Uniform Commercial Code (UCC), Negotiable Instruments under Articles Three and Four of the UCC, Secured Transactions under Article Nine of the UCC, and Bankruptcy. Emphasis is on the practical application of established legal principles. Upon completion of this course, students will better:

- Understand the nature of business law and its practical application in banking
- Avoid legal problems caused by a misunderstanding of the applicable law
- Understand the legal process and its impact on banking

Commercial Lending - Level 1

Making the Commercial Credit Decision (CBE) (CPEL 9) (Class Hours 9)

Peter Shand

This session will focus on the importance of commercial lending to an institution, and will introduce loan request analysis and underwriting tools that are used to determine a borrower's creditworthiness. The session will include discussions of the loan approval process, credit analysis, risk ratings, appropriate loan structure, collateral considerations, loan pricing, and documentation. A case study will be utilized, in which participants will analyze fully a commercial loan request. Designed for participants who are new lenders, or for participants who work in non-lending areas of their bank.

Commercial Lending - Level 2

Managing Commercial Credit Risk (CBE) (CPEL 9) (Class Hours 9)

Peter Shand

This session will include topics relevant to credit officers and lenders managing an existing commercial loan portfolio. Lending Topics will include successful managing of commercial credit risk, identifying specific industry risks, advanced global cash flow analysis, commercial real estate lending issues, stress testing of individual loans, and early identification of problem loans. Portfolio management topics will include methodologies for the Allowance for Loan and Lease Loss (ALLL) and Troubled Debt Restructurings (TDR's). A case study will be utilized, in which participants will analyze a commercial loan request using advanced analysis tools. Designed for participants with commercial lending experience wishing to explore these areas in more detail.

Economics for Community Bankers (CPEL 9) (Class Hours 9)

Scott Hein

This course develops a better understanding of the current economic/business conditions in the U.S. and the World. It has four sections. First, basic macroeconomic theory is reviewed. The effects of fiscal policy (federal revenues and expenditures) and monetary policy (Federal Reserve policies toward interest rates and money supply) on the economy are reviewed. Second, recent business conditions and government policies are reviewed. Third, key issues and uncertainties affecting economic forecasts for the next year and beyond are discussed. Fourth, the course concludes by analyzing the effects of various current economic/political issues and problems and how they affect the economy. These issues will include: International economic conditions (Europe and Japan) and exchange rates, U.S. competitiveness, International trade policies and the effects of "free trade" and NAFTA, current U.S. labor market conditions, Health Care, Welfare and Education Reform.

Upon completion of this course, students will be able to:

- Understand the many dimensions associated with the cause and depth of today's financial crisis.
 1. Recognize that the financial crisis has had the greatest adverse impact on the very large banks and financial institutions originally outside the banking industry.
 2. Be able to explain the major means by which the federal government and banking regulators have responded to mitigate major concerns and how this changed the financial landscape for your bank.
 3. Be able to explain the uniqueness of community banking and why this business model appears to have better weathered the financial crisis.
- Understand that interest rates move with market forces associated with inflation/deflation, economic growth, risk factors, maturity and tax differences..
 1. Be able to articulate the current level and structure of interest rates in the US financial system and how this effects your bank.
 2. Be able to explain why community bankers should worry about the future course of inflation, and be able to explain the distinction between nominal interest rates and real interest rates and why this distinction is important for your bank to understand.
 3. Be able to explain how market interest rates should evolve if the economy stops declining and once again starts growing.
- Understand and be able to explain the unique powers afforded the Federal Reserve System in the US Financial System.
 1. Be able to understand and explain the difference between the Federal Reserve and the US Treasury and why this matters for your bank.
 2. Be able to explain how the Fed has responded to the financial crisis and how the Fed's balance sheet has changed and how this has impacted your bank.
 3. Be able to explain why the expansionary forces of the Fed over the last year has not caused inflation yet, but might in the future. Be able to explain what to look for as to whether the Fed will succeed or not in preventing inflation over the next five years and how to position the bank to respond.
- Be able to explain the most important ways that your bank has been impacted by the unexpected changes in the economy.

1. Be able to explain the major reasons that your institution's net income has changed. Explain if there is an economic link or not.
 2. Explain how both credit losses and loan demand for your institution have changed over the last year and why. Explain if there is an economic link or not.
 3. Explain how your institution's capital base has changed over the last year and why. Explain if there is an economic link or not
- Be able to look forward and develop thoughts as to how the economy will evolve over the next five years.
 1. Be able to articulate the major economic matters facing the country and the current plan to deal with these matters.
 2. Be able to differentiate economic matters and policies from political matters and policies. Explain why this distinction is important to your bank.
 - Develop leadership skills by being knowledgeable about the key economic questions of the day and to be able to speak authoritatively on these matters.

Marketing Financial Services (CPEL 9) (Class Hours 7)

Rex Bennett, Ph.D.

This course focuses on competitive strategies that banks can use to attain strategic, sustainable advantage and achieve superior profitability over the long-term in spite of competitor actions, customer/market shifts, and even the incredible industry and business environment changes of past year. Customer-driven differentiation is the essence of such strategies. This course will focus on competitive advantage strategies, the profit implications of market strategies, factors affecting customer satisfaction/dissatisfaction, creating and sustaining high value-added experiences and identifying and reducing the three major GAPS that prevent a bank from achieving exceptional financial performance. The emphasis is on specific, practical techniques that bank managers can use to achieve competitive advantage and increased profitability for their branches, departments, or bank.

Achieving a Sustainable Competitive Advantage emphasizes the importance of developing effective strategies to enhance advantage and profitability in the increasing competitive and dynamic banking and financial industry. Technical and financial skills remain essential components of successful bank management; but, increasingly, skills in strategic and competitive analysis, organizational and market assessment, differentiation, and delivery of high-value added products/service which create exceptional customer satisfaction are critical for bank success and even survival.

The purpose of this course is to provide understanding of the profit implications of strategies and to develop skills in assessing and implementing these strategies for competitive advantage. After successfully completing this course, students will be able to:

- Describe a sustainable competitive advantage and identify the most important components for achieving it
- Examine strategies for customer acquisition and retention via advertising, websites, and the use of social media
- Understand the factors that affect profitability and a bank's ability to achieve superior profitability
- Recognize the negative impacts on profits associated with poor customer satisfaction and understand how to estimate these costs for your individual bank
- Use data gathering and models to estimate customer loss ratios and their impacts of profitability
- Understand and be able to measure and evaluate the three major GAPS that contribute to a bank's failure to achieve customer satisfaction, competitive advantage, and superior profitability

The Business of Retail Banking (CPEL 7) (Class Hours 7)

Kate Stackhouse

What business are banks really in? The Business of Retail Banking is part of the General Management Track at the Graduate School of Banking Colorado. This core course will expand and anchor the understanding of the contribution of the retail banking business within a community bank. As the economic conditions have changed so has the need to acquire and retain low cost source of funding for business activities. This course will examine the various ways a bank makes money and outline the contribution a retail banking model can have on the profitability of the institution. In addition, client mix, product offers, market opportunity and competition will be explored relative to their impact on the income of the bank.

The instructor will support the participants in evaluating various retail banking models and each participant will be expected to evaluate the contribution and make up of retail banking within their own organization.

Participants will be asked to gather specific financial and customer data of their bank prior to attending the class. This information will be used by the participant to draw conclusions and share general insights on the financial contribution of retail banking within their organization.

Note: It is not an expectation that specific non public financial data be shared with others.

Using Myers-Briggs to Better Understand Yourself and Others (CPEL 7) (Class Hours 7)

Allyson Aragon-Fenton

In this course the Myers-Briggs Type Indicator (MBTI) will be used to provide students with an accurate picture of their personality type. The MBTI instrument determines preferences on four dichotomies: - Extraversion–Introversion: describes where people prefer to focus their attention and get their energy—from the outer world of people and activity or their inner world of ideas and experiences - Sensing–Intuition: describes how people prefer to take in information—focused on what is real and actual or on patterns and meanings in data - Thinking–Feeling: describes how people prefer to make decisions—based on logical analysis or guided by concern for their impact on others - Judging–Perceiving: describes how people prefer to deal with the outer world—in a planned orderly way, or in a flexible spontaneous way We will look at how the combinations of these preferences result in 16 distinct personality types and how the characteristics unique to each personality type, provides insight on how they influence an individual's way of communicating and interacting with others.

Upon completion of this class, students will:

- Increase self-awareness and confirm self-perception
- Discover normal differences in people concerning:
 - Energy Source
 - Information Gathering
 - Decision Making
 - Life Style
- Appreciate their gifts and strengths as well as those of others
- Learn how to capitalize on their strengths and the strengths of others
- Supplement and augment those areas that they may overlook or those areas that do not come easily to them
- Apply the knowledge about personality type

Second Year Course Descriptions

Students are required to complete all of the following core courses:

Enterprise Risk Management for Community Banks - Level 1 (CBE) (CPEL 9) (Class Hours 9)

Timothy W. Koch, Ph.D.

This course builds on the foundation provided in Asset and Liability Management I by examining in detail the various components to bank profits and aspects of risk management at community banks. The primary focus is on the management of net interest income and economic value of equity, deposit strategies, alternative funding strategies, liquidity planning and the management of capital. Specific topics include how to incorporate current economic data in planning, GAP and earnings sensitivity analysis, duration and economic value of equity sensitivity analysis, core deposit analytics, managing liquidity via balance sheet measures and cash flow measures, the choice of maturities in funding decisions and the choice of loans and securities, and external capital management. The course also introduces the basics of interest rate swaps, caps and floors. Particular emphasis is placed on the nature of policy statements and their use in managing risk. Participants will engage in several exercises requiring risk management decisions with a comprehensive case study of a bank's ALCO information and risk management practices.

Upon completion of this class, students will be able to:

- Assess the importance of key economic indicators for managing interest rate and liquidity risk,
- Understand how to measure and manage interest rate risk according to GAP and earnings sensitivity analysis,
- Understand how to measure and manage interest rate risk according to duration-based measures of risk and economic value of equity sensitivity analysis,
- Evaluate the strengths and weaknesses of balance sheet measures of liquidity risk and cash flow measures/models of liquidity risk,
- Evaluate funding strategies involving FHLB advances and other leverage alternatives,
- Critique the costs and benefits of different forms of external capital,
- Evaluate the implied value of options embedded in callable bonds and mortgage-backed securities,
- Critique specific policy objectives and policy targets for interest rate risk and liquidity risk.

Enterprise Risk Management for Community Banks - Level 2 (CBE) (CPEL 9) (Class Hours 9)

Timothy W. Koch, Ph.D.

This course is intended for participants with a strong background in finance and/or asset and liability management. It will examine detailed models of interest rate risk analytics in order to identify key underlying assumptions, requirements for back testing outcomes, and the implications for policies. It will document the nature of options embedded in balance sheet items and demonstrate applications of interest rate swaps, caps and floors for pricing and risk management purposes at community banks. The course also addresses issues related to transfer pricing, measuring product or line of business profitability, contingency funding, and option-adjusted spread analysis applied to a community bank's bond portfolio. Emphasis will be on identifying and measuring risk, monitoring risk, and setting policy targets.

Upon completion of this class, students will be able to:

- Assess the importance of key economic indicators for managing interest rate and liquidity risk,
- Understand how to measure and manage interest rate risk according to GAP and earnings sensitivity analysis,
- Understand how to measure and manage interest rate risk according to duration-based measures of risk and economic value of equity sensitivity analysis,
- Evaluate the strengths and weaknesses of balance sheet measures of liquidity risk and cash flow measures/models of liquidity risk,
- Evaluate funding strategies involving FHLB advances and other leverage alternatives,
- Critique the costs and benefits of different forms of external capital,
- Evaluate the implied value of options embedded in callable bonds and mortgage-backed securities,
- Critique specific policy objectives and policy targets for interest rate risk and liquidity risk.

Banking Small Business (CPEL 9) (Class Hours 9)

Ryan Sheaffer

This class is unique because it is both sales and credit training together and is tailored for all bankers who have contact with business owners. It discusses how to call on and effectively serve small business clients and build and sustain relationship banking. It is both practical and hands-on, as it uses actual case experiences and role plays to reveal the problems of entrepreneurs and gives bankers the tools to understand and communicate with non-financially oriented owners or managers of businesses with sales under \$15 million. This course provides insights into small business owners' expectations and attitudes that will help create the ability to add value to customer relationships.

Loan Portfolio Management (CPEL 9) (Class Hours 9)

John Barrickman

This five-day course introduces participants to a strategic framework for portfolio credit risk management focusing on the integration of priorities, culture, risk strategy, and risk controls. Risk management consists of two components - the types and magnitude of risks assumed and how the institution manages the risk. Students will have the opportunity to develop a subjective credit risk profile for their institution integrating transaction, intrinsic and concentration risk. The profile will allow students to assess their bank's vulnerability to the three deadly sins of portfolio management. Students will then have an opportunity to benchmark their bank's credit risk management practices against best practices.

The course has an intersession assignment, which will provide students an opportunity to develop an objective risk profile for their institution and make specific recommendations to improve their bank's credit risk management practices.

At the conclusion of this course students will be able to:

1. Utilize a structured framework to model and manage the financial institution's loan portfolio
2. Identify and understand the components of Strategic Loan Portfolio Management:
 - a. Establishing priorities
 - b. Selecting a culture
 - c. Determining risk strategy
 - d. Implementing Risk Controls
3. Identify and understand the importance of different types of risk:
 - a. Transaction risk
 - b. Intrinsic risk
 - c. Concentration risk
4. Assess the bank's vulnerability to the Three Deadly Sins of portfolio credit risk management.
5. Benchmark the bank's credit process against best practices in credit risk management.
6. Assess common lender mistakes in managing portfolio credit risk

Understanding Your Firm's Corporate Culture for Strategic Alignment (CPEL 9) (Class Hours 9)

David Nowling

This course will offer insight into what today's top leaders and managers do to align their strategies with their culture. Do you understand your bank's culture and how it affects your leadership strategies? Do you know how to attract and retain top talent that is right for your bank? How do you change and align your culture with your strategies and the markets in which you operate? What is your sense for the urgency for change and your readiness to change? These are just some of the questions that will be discussed in this course. This course will include the completion of several assessment tools, as well as discussion around essential competencies required in today's changing economy. It will provide the student with proven strategies for building your bank into a true "premier employer of choice". It will also serve as the building block for your own continued personal assessment and development.

Second Year, First Week Electives

Second year students will select two of the following courses:

Commercial Real Estate Lending (CPEL 9) (Class Hours 9)

Richard Hamm

Commercial real estate (CRE) loans are a large and important component of the total loan portfolio of most banks. In their purest form, CRE loans involve income-producing properties where rent received from unaffiliated third parties is the primary source repayment. Other forms of CRE loans involve manufacturing plants and warehouses for use by the business that owns the property-where the income of the business is the bank's analytical focus. Still other CRE situations involve hotels, convenience stores and churches. This diverse range of lending requires special skills and experience, centered around the six "keys" to successful CRE lending. Accordingly, by the end of this class participants will be able to:

1. Identify the major risk areas in CRE lending, along with ways to mitigate or reduce the risks
2. Differentiate the CRE analysis and underwriting process by property or project types
3. Explain the concept of sponsorship (guarantor experience)
4. Identify appraisal and environmental policies and regulations
5. Administer and monitor loans post-closing
6. Identify the primary steps to maintain CRE portfolio diversification

In addition to the objectives based on the six keys, participants will also:

- Calculate and evaluate the net operating income (NOI) of an income-producing property, plus related ratios such as debt service coverage (DSC) and loan to value (LTV)
- Conduct and evaluate – at the transaction level – stress testing of the analytical ratios
- Determine a project's supportable loan amount and break-even points for vacancy and loan interest rate
- Explain the capitalization ("cap") rate and its function in valuing a commercial property

The class will include analytical cases and group exercises to achieve these objectives.

Leading Organizational Change in the 21st Century (CPEL 9) (Class Hours 9)

David P. Nowling

A constant theme throughout the history of modern management has been the rate and frequency of organizational change. The last two decades has seen a dramatic change in the pace, scope and complexity of change and the impact to our organizations, consumers, employees and the marketplace has been significant. Unfortunately, study after study has found that only upwards of only 30% of strategic change initiatives meet the desired results. In the years ahead, a key component of most organization's success will be directly dependent upon their ability to quickly plan and implement complex change. A key component of effective leaders will continue to be the ability to skillfully guide organizations, both large and small, through a process of sustainable change and improvement. This course will build upon concepts taught in other GSBC programs such as Strategic Planning, Understanding your Corporate Culture and the Myers Briggs Type Indicator in order to help the participant see themselves as change agents, ready to positively influence their organizations strategic direction when called upon to do so.

Objectives:

- Understand the differences and interdependences between strategy, change and transition.
- Learn the critical components of effective strategic leadership.
- Learn what's required to effectively lead people through transition.
- Develop a comprehensive plan to improve strategic, change and transition leadership in yourself and your organization.

Liquidity, Deposit Strategy & Funding (CPEL 7) (Class Hours: 9)

Karl Nelson

During the course of the past fifteen years, our industry has been faced with many new and exciting challenges. These challenges have enhanced our industry in many ways and have significantly expanded the basic banking model. Two of the most interesting changes relate to how we manage the "L" in CAMELS and how we fund our lending and investment business. More aggressive liquidity management and funding techniques correlate very well to superior bank profitability performance and all bankers should have a basic understanding of these two important issues. This course is designed to make bankers from every discipline within the organization aware of these

changes and how they impact performance. Additionally, the course will review the dynamics that drive this search for an ever increasing ROA and ROE.

Learning objectives:

- Understand the difference between ratio analysis and contingency funding plans for measuring liquidity
- Understand key relationships impacting deposit gathering
- Understand deposit pricing models that stress profitability
- Understand wholesale funding techniques
- Assess relative values of various funding concepts
- Develop an appreciation for wholesale vs. retail funding concepts

Strategic Planning (CPEL 9) (Class Hours 9)

Donald Musso

This course will provide an overview of Strategic Planning and Mergers and Acquisitions as a basis for setting Business Strategy in the banking world. Discussion of real strategies in a case study setting will give each student some action oriented concepts to take back to apply at their banks. In this course, students will learn how to interpret a bank's strategy simply by analyzing its' balance sheet and income statement. Additionally, M&A, de novo branching, product differentiation and use of leverage will be discussed. The course will be interactive and participative, not lecture. There will be some upfront work required specific to the students' institution.

Third Year Course Descriptions

Students are required to complete both of the following core courses:

Bank Management Simulation (CPEL 27) (Class Hours 27)

Bill Campbell, Roger Guerin, Julie Nelson Meers, J.R. Buckner II, Brent Klanderud, Jeff Phillips, Scott Greenup

Bank Management Simulation is an interactive computer bank management simulation. Students assume the role of senior management of a commercial bank, involving themselves in the group dynamics and managerial skills of managing a bank in a competitive environment with changing economic conditions. The participant develops a better understanding of the sources and uses of funds and their alternative investment strategies. Participants make decisions affecting the investment portfolio, deposit generation, lending function and capital funding. Upon completion, the participant should understand maximizing tax free income, interest rate sensitivity, funds and capital management and the role of the CEO in managing people, setting goals, forecasting results and measuring performance.

Enhancing Shareholder Value With or Without Sale (CPEL 9) (Class Hours 9)

Jeff Gerrish

Many community banks are in the process of deciding what the future holds. The obligation of the community bank board of directors and senior officers is to maintain or enhance shareholder value. This may involve dealing with the regulators during turbulent times, or taking advantage of opportunities such as buying another institution or a branch, selling their institution or simply remaining independent and using one of several means to enhance shareholder value without sale of the bank. This course will provide a fundamental knowledge of not only regulatory enforcement issues but of the sale opportunities and the merger and acquisition market. It will also provide specific steps to enhance shareholder value without sale, including use of the bank holding company, stock repurchase planning, employee incentives, ESOPs, S corporation, best practices for corporate governance, and other techniques.

Upon completion of this class, students will understand:

- the impact of the regulatory environment on enhancing shareholder value
- how to design and measure whether the institution is enhancing shareholder value
- the basic techniques to enhance shareholder value, including:
 - Bank Holding Company Formation and Use
 - Stock Redemption
 - Dividend Policies
 - Alternative Lines of Business
 - Attracting and Retaining Human Resources

- Enhancing value through Appropriate Corporate Governance
- the mechanics of mergers and acquisitions
- the important issues regarding negotiating mergers and acquisitions
- the fundamentals with respect to pricing an acquisition of a bank or a branch
- the fundamentals of acquiring a failed bank from the FDIC or a troubled bank from its owners

Third Year, First Week Electives

Third Year Students (first week electives) must select two of the following courses:

Agriculture Credit (CBE) (CPEL 9) (Class Hours 9)

David M. Kohl, Ph.D.

This course will focus on the study of the global and domestic economy along with mega trends in agriculture that are impacting marketing and credit decisions, and how the competitive structure is changing.

Lender and business dashboard economic indicators will be introduced along with benchmarks to assess the economy and give insight. The differential credit analysis techniques will be introduced through short case studies; included will be the worksheets used for small and large commercial agricultural loans, ratio benchmarks for agricultural loans, common denominators of problem loans, and risk rating systems for both small and large agricultural loans. Upon completion of this course:

- Students will have an increased awareness and understanding of global and domestic economic trends. They will learn specific economic indicators, which can provide insight in proactively identifying and mitigating risk in an agricultural portfolio.
- Students will be provided with the latest guidelines and metrics that can be used in the management of an agricultural portfolio.
- Students will have a better understanding of what the “Elite of the Elite” agricultural lenders and leaders do to become peak performers
- The class will provide an environment of networking and sharing of ideas and techniques amongst the group that a participant can take back to their bank.

Dealing with Regulators & Regulations During Troubled Times (CPEL 9) (Class Hours 9)

Robert Monroe

This course will focus on current issues involving regulators, regulations, laws, bank examinations and other banking related matters. The primary focus of the course will be on (i) dealing with regulators, (ii) issuance of recent regulations/guidances/laws, (iii) "TARP and SBLF," (iv) what regulators are focusing on in exams, (v) negotiating regulatory orders, (vi) bank closing procedures, (vii) opportunities in the failed bank environment, (viii) issues and solutions in raising capital, (ix) reducing classified assets and CRE, (x) increased emphasis on fiduciary duties of directors, (xi) new CRA rules and (xii) overdraft legislation.

Upon completion of the class, students should have an understanding of:

- Key regulatory issues in today's environment
- Preparing for a regulatory exam
 - Understanding the "bailout products" (TARP and SBLF)
 - Negotiating informal and formal regulatory orders
 - Bank closing procedures
 - Capital raising options and alternatives
 - Strategies to attempt to reduce CRE and classified assets
 - Overdraft privilege legislation and guidance
 - The new CRA rules
 - The fiduciary duties of bank directors in these tumultuous times

EQ not IQ: The Key to Leadership Effectiveness (CPEL 9) (Class Hours 9)

Kent Stickler

This course features the groundbreaking research by Daniel Goleman called Emotional Intelligence (EQ) and the popular leadership program, Leader Effectiveness Training (LET). EQ is how well an individual manages her/himself and others. It's the people side of leadership.

Missing in the EQ research are the skills required for enabling emotional intelligence to develop. LET does this...teaches listening skills that enable others to find solutions to their problems, confronting skills helpful in influencing another to change her/his unacceptable behavior, and conflict resolution skills for solving disagreements in a way that everyone "wins."

Those who have good EQ demonstrated by their LET relationship skills make better employees, parents, teachers, spouses and bosses. The result is that these individuals are able to grow with greater peace of mind allowing them to concentrate on work, studies and even leisure.

Upon completion of this class, students will:

- Understand Emotional Intelligence (EQ) and why it's crucial for personal and professional success.
- See the connection between leadership effectiveness and the "bottom line".
- Take away practical key interpersonal skills necessary for EQ success.
- Learn how to listen in a way that enables others to solve their problems.
- See the importance of confronting others quickly and in the right way.
- Understand the six steps required for resolving conflict.

Second & Third Year Students, Second Week Electives

****CHOOSE TWO 4-DAY ELECTIVES OR CHOOSE ONE 4-DAY & TWO 2-DAY ELECTIVES***

4-DAY ELECTIVES

A CEO's Perspective on Bank Management (CPEL 7) (Class Hours 7)

Charles Funk

What skills are necessary to succeed as a CEO? What are the key performance ratios for a CEO to focus on? In this class, students will be exposed to a myriad of challenges that a CEO faces every day. Students will look at issues from one CEO's perspective. How do community banks compete with their national counterparts? And vice versa? How do you attract and retain good people? How do you identify and deal with non-performers and mediocre performers? What is the role of a strategic plan? How do you institute a sales culture? Just as a CEO's job is diverse, so is the class in terms of touching on many aspects of management and banking. The emphasis will be on practical experience. It will not be a theoretical exercise. Students should come prepared to ask questions and to discuss a broad range of topics related to bank management. One day will be devoted to showing and discussing a film on the Jack Welch approach to managing a company. The final day will involve the instructor discussing student questions specifically related to the duties of a CEO. Note that there is roughly 30 minutes of pre-session reading required.

- Very specific leadership skills will be discussed with application to the banking industry.
- Students will finish class with a better appreciation of daily challenges faced by bank CEO's
- Students will have a much better understanding of whether they have the potential and requisite skills to someday become a CEO.

Human Resource Management (CPEL 7) (Class Hours 7)

Donna de St. Aubin

This course exposes the student to the U.S. employment laws that impact the way we lead and manage in the workplace today. The history of the workplace at the time of the laws adoption is used as a backdrop for understanding the intent of the law. The course begins with interviewing and selection and works through the daily management activities including promoting, disciplining and terminating. We explain discrimination laws and ways of protecting the manager and the company. The course will consist of lecture, case study, individual and group exercises and is highly interactive. Key learning objectives include:

- To understand the key laws that have expanded and clarified the relationship between labor and management, employees and their employers.
- To gain knowledge of the federal laws that mandate certain minimum conditions and protections.
- To understand the role that customs and society play in the development of management and employee guidelines and protections.
- Best methods for selecting the right talent for a position and organization.
- Best methods for protecting the organization and self from employment litigation.
- To more broadly understand the best management tools to engage the workforce in a legal and socially acceptable manner.

Loan Workouts (CPEL 7) (Class Hours 7)

J. Michael Woody

The course “Loan Workouts” has been known by many names over the past thirty years. “Special Assets Management”, “Troubled Asset Resolutions”, and “Managing the Troubled Bank” are some of its former names. Whatever the name, this course has retained value because of its intensity, a high level of involvement between students and faculty, and proactive information that WORKS in the real world. The course emphasizes ideas, tactics, and strategies that can and are put to immediate use in your job and Bank. Controlling and minimizing the costs of troubled loans and assets are the ultimate goals of this instruction. The course addresses strategic challenges of Bank organization, policy support and implementation, Board involvement, personnel management, lender liability and maintaining/reestablishing regulatory credibility. Customer interface topics such as establishing definitive exit strategies, effective watch lists and loan review, debtor negotiation, collateral liquidation, debtor grid analysis, bankruptcy management, loan loss reserve methodologies, and “decision tree” methods in an effort to bring objective, scientific management to the resolution of troubled Bank assets. Expect to expand your thinking, have some fun, test your “core” beliefs, immediately increase your value to the Bank, and pay for your tuition with knowledge gained from this course! (Class Hours: an intense 7 with lots of conversation before and after class!)

Key goals of this course include:

- Don’t Get Mad at Your Own Money!
Be professional and employ objective, scientific exit strategies after you have carefully analyzed the debtor’s situation. Understand the Regulators’ analysis, “recipe for success in workout strategies, and standards.
- Organize for Success
Segregate the Bank in terms of reporting, management of specific assets, and continued marketing and growth of the Bank’s profitable relationships.
- Manage all the Constituents of the troubled asset relationships: the Borrower, the Market, the Public and the Regulators
There are four distinct parties involved in each work out: the borrower, the bank, the borrower’s counsel and the Bank’s counsel. Each must be effectively managed and each have sometimes very different agendas and end goal. Political and Economic Realities in Work outs.
- Become diagnostic and look for mutually acceptable solutions!
Work out management is essentially venture capital and demands innovation, aggressive ideas, guts, and stamina!

Learning objectives of the course are:

- Moving the work out from art form and witchcraft to scientific and objective management.
- Learning exit strategies and when to employ them in work out situations.
- Managing the regulatory environment, diagnostic analysis of the debtors and control of the work out parties.
- Organizing for success with clear lines of reporting, segregation of duties, and Board involvement.
- Understanding Litigation, Bankruptcy, Lender Liability, and Case Issues.

Managing the Investment Portfolio (CBE) (CPEL 7) (Class Hours 7)

Chris Thompson

An in-depth introduction, review, and application of the major aspects of building and managing an investment portfolio for a financial institution. The course will deal with the basic information related to the types of securities in which financial institutions may invest, and then introduce more complex methods with which to measure the investment risk/reward relationship and performance for both individual securities and the total portfolio.

Analytical concepts such as duration, average life, cash flows, total return, asset allocation, market timing and pre-purchase analysis will be introduced, reviewed, and applied to portfolio management. Prior to the course, students will be polled regarding any professional investment portfolio experience and particulars of their bank's investment portfolio.

Mastering Difficult Conversations: How To Talk About What Matters Most (CPEI 7) (Class Hours 7)

Robert Slade

This course offers students the opportunity to learn principles behind how to manage particularly challenging conversations in both professional and personal settings. Difficult conversations are defined by interactions where there are strong emotions at work, opposing opinions and high stakes, or the subject matter is of critical importance. The irony for most of us is that when the conversation matters most, we are often at our worst. The learning format involves brief lecturettes, small group exercises and role-playing scenarios. In addition, video vignettes supplement the learning by allowing students the opportunity to observe the skills being used successfully. Course participants will be learning practical skills, which will allow them to immediately improve the outcomes of the toughest conversations they may face.

Upon completion of this elective, participants will:

- Understand the importance of managing critical conversations in their organizations as a key leadership competency.
- Be able to identify the vital behaviors which make some leaders more effective at influencing others.
- Learn to identify their own style for managing difficult conversations.
- Learn what separates difficult conversations from other, less challenging conversations.
- Understand that when we not achieving important results with others; it is usually a result of a conversation that needs to be held.
- Learn and practice a number of practical skills for improving outcomes in the most challenging conversations.

2-DAY ELECTIVES

High Performance Community Banking (CEPL 3.5) (Class Hours 3.5)

Mike Terrell

High Performance Community Banking examines three critical areas for modern bankers:

- What are the characteristics of High Performing Community Banks? Not from simply the loan to deposit ratio or the breakdown of the security portfolio, but from all facets from asset/liability to technology adoption.
- How Do High Performing Community Banks operate differently than non-high performing banks?
- What are the characteristics of High Performing Community Bankers? Because High Performing Community Banks are run by High Performing Community Bankers, it's critical to know what characteristics these bankers share in common.

Progressive Technology in Banking (CPEL 3.5) (Class Hours 3.5)

Craig & Laurie Goodlock

P2P, SMS, APPS, FMS, web-enabled cell phones, mobile deposit, money movement. Do these terms sound familiar to you? They should! According to recent research, the introduction of mobile banking services and personal financial management software can achieve an ROI of up to 300 percent for retail banks. This, coupled with the projected statistic that 400 million people worldwide will be engaged in mobile banking by 2013, makes for a compelling case for banks to invest in mobile banking.

This class will help you understand the dynamics of this new customer access channel and how it will ultimately affect the way customers relate to their financial information. If you're not currently in the mobile banking market, we'll give you the tools you need to take this product to the next level in your bank. If you're already out there, we'll help you understand ways to increase mobile banking awareness and how it can help you increase ROI.

2011 Evening Presentations

Monday, July 11, 2011

The Future of Community Banks

Wolf Law, CR101, 5:00-6:00pm

Thomas Hoenig

President & CEO, Federal Reserve Bank of Kansas City

Mr. Hoenig will address GSBC students and share his insights on the current state of community banking. He is a loyal supporter of community banks and the important role they play. During the recent financial crisis and its aftermath he has been especially vocal about the regulation of the financial industry, the need for addressing so-called “too big to fail” institutions and the role of monetary policy. He has also spoken frequently about the importance of the Federal Reserve’s role in community bank and bank holding company supervision, and how that role, along with the central bank’s decentralized regional structure, plays a vital role in the Federal Reserve’s monetary policy mission.

Tuesday, July 12, 2011

Compliance

Wolf Law, CR101, 5:00-6:00pm

Tyrone Beasley – Managing Director, RSM McGladrey, Inc.

This presentation will focus on the impact consumer compliance laws and regulations have on the banking industry. The presenter will usher in an understanding of the current compliance environment by providing a brief yet insightful historical view of some of the major laws and regulations and their impact on the industry today. The presentation will also include a high-level overview of new compliance requirements, including the myriad of requirements created by the Dodd-Frank Act. Compliance topics that have grown in importance over the years will be addressed, including Fair Lending and the Bank Secrecy Act, and how their importance grew to their current state. New challenging compliance requirements will be addressed as well, such as the new loan originator compensation rules and the S.A.F.E. Act.

The high level overview will allow students to gain an understanding of the challenges consumer compliance presents and their role as leaders in minimizing compliance issues and costs while serving customers in an efficient manner.

***Thursday, July 14, 2011**

Faculty Panel Discussion

Wolf Law, CR101, 5:00-6:00pm

Panel: Richard Hamm, Dave Kohl, Ed Krei, Don Musso

This is an annual favorite among GSBC students and faculty alike! Don’t miss this spirited discussion between GSBC faculty as they address current issues and challenges in the ever-changing banking industry.

***Tuesday, July 19, 2011**

Emerging Technology in Banking - 3 Things You Don’t Know: Why They Matter & What to Do Next

Wolf Law, CR101, 5:00-6:30pm

Lee Wetherington

Director of Strategic Insight, ProfitStars-A Division of Jack Henry

Three immutable facts frame the new era of banking. First, 70% of banking happens online, and 61% of online adults frequent social networks. Second, within two years, half of all mobile phones will be smartphones, and more people will access the Internet with mobile devices than with PCs. With adoption of mobile banking projected to more than double in 2011, and 50% of businesses willing to pay for the convenience, mobile banking offers unprecedented opportunities to extend low-cost service delivery and generate fee income while simultaneously reaching customers in ways never before possible—and the meteoric rise of Android devices, iPhone’s introduction on Verizon, and services like 4G must be considered carefully. Third, Gen Y is now the most populous generation, one that has bought more financial products and services in the past 18 months than any other. What does it all mean? Join Lee for a unique, bottom-line view of what banks must do to meet the new demands of post-recession consumer/business psychology and thrive in the new era.

Recommended reading, “Bank 2.0: How Customer Behavior and Technology Will Change the Future of Financial Services” by Brett King.

***Reception Following Presentation**