

# Conversations to Have Before Attending GSBC

## Overview

The Graduate School of Banking at Colorado (GSBC) is committed to developing leaders for community banks. For more 70 years, GSBC has attracted bankers and regulators from all over the country with a variety of skillsets and backgrounds. Based on student feedback, we offer the following recommended conversations between you and the appropriate parties in your bank before you arrive on campus.

These conversations will enhance your understanding of how your bank approaches key issues, which will further your educational experience. Additionally, engaging in these discussions with people within your bank will invest them in your education.

## Corporate Questions

1. What is our organization's Mission, Vision and Values?
2. What are our organization's strategic priorities?
  - a. TASK: Reflect on how much your organization references #1 and #2 in day-to-day work.
3. What are the top challenges or risks for our bank this year?
4. What government entity (state banking commission or Office of the Comptroller of the Currency) issued the charter for our bank?
5. Have we changed, or have we ever considered changing, from a national to state charter (or vice versa)? If yes, what key factor(s) were considered?
6. Is our bank a member of the Federal Reserve system? (National banks are required to be Federal Reserve member banks; state banks may choose to join, or not. Most state banks choose not to be Federal Reserve members).

## Financial Questions

7. What committee or group of people have the responsibility for asset and liability management? What are their current priorities?
8. How does the bank measure profitability, return on assets or return on equity? What is the goal for this year?
9. Does the bank have a minimum capital ratio above the regulatory minimums?
10. While market interest rates remained at historic lows from 2009-2015, many banks wished for higher rates. Today that wish is coming true. Have rising rates been beneficial or challenging for our bank?
11. During 2022, total deposits for commercial banks reached historical levels, topping \$18 trillion, yet many in the industry today are sounding the liquidity alarm. Has our bank experienced deposit growth? What opportunities (or problems) has this created?
12. Core deposit pricing can be a tricky thing. Are our bank's core customers rate sensitive or not? Can you describe the behavior of our bank's "typical" deposit customer?

## Lending Questions

13. How would you describe our bank's credit culture?
14. What are our general Loan to Value/Loan to Cost loan policy thresholds?
15. Are loan policies different for asset classes and/or loan types?
16. Does the bank have any credit concentrations such as commercial real estate, commercial and industrial, or agriculture?
  - a. TASK: Read the standard form of corporate resolution that your bank uses whenever it opens an account for a corporate customer. See if you can cut through the mumbo jumbo and understand what it really says. Hint: It's like a letter that says: "(1) Dear bank: I am corporate secretary. (2) I went to a board meeting at which the board decided to do business with your bank. (3) The board designated people holding various titles (President, VP, etc.) to sign checks, promissory notes, etc. (4) The people holding those titles are \_\_\_\_, \_\_\_\_ and \_\_\_\_."
17. Has our bank ever been involved in lender liability litigation? If yes, please share a few details. (You will NOT be asked to share this info with anyone at GSBC.)

## Promoting the Bank

18. When we think about approaching customers and prospects about banking with us, what would you say our specific advantage is over our competitors?
19. What characteristics make for a great customer to target in our sales process?
20. If we can't be the lowest-cost bank for our clients, what do you think is important in creating higher value to win new deals?
21. How do you think community involvement lends to developing new business?

## Technology Questions

22. What are the elements of digital banking that our bank has deployed (ask what specific systems are customer facing, i.e., vendor/product name)?
23. Does our bank have a specific virtual branch strategy, i.e., is there a virtual branch established on the G/L to account for income and expense for customers who rarely or never use a physical branch?
24. If a small business needed access to a full suite of payment options, which ones could our bank provide via digital access? (ACH, Wire, Merchant Card Acquiring, Payment Dongles (swipe or dip cards into phone or tablet). Has our bank enabled faster payments, i.e., RTP or FedNow (when it launches) or same-day ACH?
25. What is our bank's stance on harvesting customer data for use in paternalistically advising the customer, either to avoid a problem (account alerts) or to proactively market the next best product recommendation to?

The discussion and information you learn from these conversations are strictly for your benefit. While an instructor may ask one of these questions to generate discussion, you will never be asked to share something you do not feel comfortable sharing.