



ABA STONIER GRADUATE SCHOOL OF BANKING

Course Catalog

Year 1 Core Course Descriptions

Achieving Sustainable Competitive Advantage*

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 industry and environmental changes, competitor actions, and customer/market shifts. 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.

Objectives:

- 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

Asset/Liability Management (ALM)*

Students select the Fundamentals or Applied Course

The Asset/Liability Management course series is a core subject in Stonier's first year program. This course is designed to provide a firm foundation for Year One coursework and progression through the ABA Stonier Graduate School of Banking. There will be three sessions of the Asset/Liability Management course.

Asset/Liability Management – Fundamentals

Recommended for students with little previous exposure to asset/liability management. The basic course for ALM is intended for students with little previous exposure to thinking about the bank from a balance sheet perspective or to the practice of asset/liability management. This course will cover the factors that drive the behavior of net interest income and margin, approaches to liquidity management, the measurement and management of the bank's interest rate risk exposure, the relevance of various trade-offs in managing interest rate risk, and the regulatory view of interest rate risk. The focus will be primarily on understanding the relevant concepts and tools, but there will be several applications-based exercises at a relatively basic level.

Asset/Liability Management - Applied

The advanced course for ALM is intended for those students with some experience, familiarity or training in asset/liability management or financial management. Students involved in ALCO activities of their banks should take this course, unless their involvement is fairly recent.

This course takes a practical, but more sophisticated, approach to balance sheet management issues and ideas. We will use as a classroom example the basic business of community banking to explore the liquidity measurement and management, and interest rate risk measurement and management. This course will challenge students to apply these basic concepts and ideas to actual case studies. We will discuss strategy formulation and documentation, including assessing risk, setting objectives, determining elements of strategies and tracking results. Both cash market and derivatives hedging strategies will be reviewed.

Bank Financial Analysis/High Performance Banking

The Bank Financial Analysis course series examines the factors that influence a bank's financial performance including balance sheet growth and composition, net interest margin, efficiency, liquidity, and loan equity. This course covers the following topics:

- Bank performance analysis
- Capital management
- Value at risk
- Non-deposit products
- Corporate governance.

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Capital Planning*

Effective management of capital is one of the keys to becoming a high performance banking company. This course will explore issues relating to the optimal use of capital. Discussions will include the strategic factors of capital formation, the impact of capital on various areas of the balance sheet, shareholder value and the external impacts of capital management.

Capstone Kick-off and Writing Your Capstone*

Accelerated Students Only

This course is designed for students prior to their final year at Stonier who will be writing a Capstone Strategic Project to their management to gain acceptance for their project idea. The capstone is a significant part of, not only the Stonier experience, but also the student's career. The Program begins with an overview of the Capstone process and is followed by an in depth review of the "Writing Your Capstone Guide." When the student finishes Year 2 and heads back to their day-to-day life, it's easy to lose the momentum built around the Capstone. The writing skills presented in this course are designed to help students get started, stay motivated, and finish their Capstone Projects. Taught by a Stonier alum and Capstone Advisor, students will learn how to improve their business writing skills, stay on task, optimize the time with their Advisor, and complete the Capstone on time.

Economic Update*

A course about the current Economic and Financial outlook for the US Economy. The course will examine where we stand after the financial crisis, what can bring about robust job growth, and are our federal spending plans sustainable even in the short run.

Enterprise Risk Management

While enterprise risk management (ERM) programs have a great deal of potential, traditional ERM approaches often struggle to generate sufficient buy-in from internal stakeholders. This course will respond to this challenge with a value-based ERM approach that transforms ERM into a strategic management process that enhances strategic planning and other business decision making.

The course will cover

- How to generate sufficient buy-in for your ERM program
- Ten key ERM criteria for evaluating the robustness of an ERM program
- Techniques to avoid the five common mistakes in risk identification
- Secrets to quantifying all types of risks, whether strategic, operational, or financial
- How to clearly define risk appetite and quantify it for use in the risk governance process
- How to integrate ERM information into decision-making processes
- How to use ERM to correct a critical flaw in balanced scorecards
- How to apply ERM to nonprofit organizations, government bodies, and individual
- The failures of bank risk management practices that contributed to the financial crisis.

Learning Community/HBDI*

Plus Accelerated Students

This course focuses on a discussion on 'building a learning community'. In order to develop themselves and eventually others, employees must continuously learn and develop their professional potential. Yet, high potential managers often need help in making the transition from their fast-paced work environment to a learning setting where it is essential for them to feel comfortable with reflective thinking, with unfamiliar questions or tasks, and with experimenting with new ideas or concepts. In addition to setting the learning tone for the program, this opening session introduces participants to each other, builds initial trust, and works on developing a learning community where participants support, foster and encourage each other's learning. As the kick-off event to a multi-day program, this session will introduce themes and topics to be developed in subsequent sessions. It reviews the opportunities and challenges of managerial learning through an interactive discussion of cases.

The Herrmann Brain Dominance Instrument (HBDI™) is a 120-question diagnostic survey, the answers to which indicate an individual's thinking style preferences. Our brains have preferred modes of operating that impact how we see the world, how we interpret what we see, and how we communicate with others who are also operating from their own preferred modes of thinking and speaking. Thinking preferences influence communication, decision-making, problem solving, and management styles. By understanding their thinking style preferences, participants will gain a new perspective of themselves and the people with whom they interact each day. In this HBDI session, a series of interactive exercises is used to get participants comfortable with the model, conversant about each of the 4 styles, and aware of the dangers of over-simplifying the process. This session offers a wide range of exercises and will choose a combination of exercises specific to each group's needs. Participants will also

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explore the “dark side,” or where each style becomes problematic. Through development of self-inventory, participants will learn about their own “hot buttons” and develop strategies for reaping the benefits of their style without falling into the traps of the dark side.

Looking Glass Simulation

A proprietary simulation experience built and taught by Wharton. This simulation gives learners an exciting experience of being “disrupters” in an established industry. During the week, participants engage with questions of entrepreneurial strategy, customer acquisition, crisis leadership, ethical decision-making, and team dynamics. Over the course of several days, first-year students of the ABA Stonier program will be deeply engaged in the world of entrepreneurial disruption through the use of Wharton’s award winning Looking Glass platform. Organized on small teams, they will undergo a challenging simulated experience of being the “disrupters” in an established Internet of Things (IoT) industry (analogous to the current FinTech market), where they will be immersed in a competitive, multi-day mission that incorporates elements of entrepreneurial strategy and early-customer acquisition, security-privacy dilemmas, crisis leadership, and effective team dynamics.

In addition to a rich array of in-game interactions, the simulation’s core learning objectives will be underscored by expert-informed team feedback on key decisions and best practices, in addition to the game’s culminating debrief. This simulation is being custom created for the ABA Stonier program by award winning experts in simulations and gaming, Wharton Professor of Management Ethan Mollick and Senior Director of Wharton Interactive Sarah Toms.

Managing and Measuring Performance

This course will give you a holistic view of strategic HR management that includes principles of HR analytics to improve collaboration between employees, between departments to meet goals of innovation and efficiency. Including understanding the key factors in measuring performance and managing people.

Marketing Strategy

The Marketing Strategy course uses the Path to Superior Execution as its framework. This framework demonstrates that marketing strategies that produce superior execution generate higher and higher levels of revenue for the organization. This course emphasizes that marketing strategy is dependent on a number of different elements for it to be successful. Some examples of essential elements typically discussed are:

- A well thought-out competitive strategy focused on the customer and revenue generation
- Market segmentation
- Targeted marketing
- Employee engagement
- Key measures
- Leadership
- Accountability

Course Objectives:

After successfully completing this course, students will be able to:

- Identify the Path to Superior Execution and how marketing strategy relates to that path.
- Understand the dramatic changes that are occurring in the financial services industry and the effect those changes are having on the competitive landscape.
- Explain how the organization’s competitive strategy relates to its marketing efforts.
- Describe market segmentation and how it relates to an organization’s marketing, sales efforts, and service efforts.
- Identify the key factors necessary for your organization to achieve superior execution that generates higher and higher levels of revenue.

Operational and Cyber Risk

This course focuses on operational risk, trends and cyber security.

Payments Overview

This course focuses on the evolution of the payments system, where it’s been and where’s it’s going. The regulatory framework as well as future trends will be explored.

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Recent Economic Policy Changes and Their Prospective Effects*

This course focuses on the changes in monetary policy since the onset of the financial crisis and their impacts on the economy and the banking industry. Particular attention is devoted to new approaches to monetary policy adopted by the Federal Reserve during the recent financial crisis. At the completion of this course, students should be able to:

- Describe new approaches to monetary policy adopted by the Federal Reserve and their impacts on financial markets and financial institutions.
- Identify those changes in monetary policy in response to the financial crisis that were temporary and those that will be ongoing and continue to have impacts on financial markets and institutions.
- Identify differences among various types of Federal Reserve policy actions, including traditional open market operations; non-traditional asset purchases (called quantitative easing); credit programs associated with the Federal Reserve's role as lender of last resort; and other policy tools that affect reserves in the banking system such as the payment of interest on reserves.

Regulatory/Compliance Update*

The session includes discussion of recent regulatory changes and their impact. Topics discussed include Fair Lending, recent implications of Dodd-Frank, the role of the CFPB, with other regulatory agencies and UDAAP. The session includes an overview of the compliance process and its significant laws and regulations that impact the financial services industry.

Technology and Innovation

The topic of innovation is a large one, and will be broadly explored with an eye towards mandates for advancement, and the mandate for transformational talent.

Total Leadership

Leadership isn't just about business, it's about life. Today's business environment demands that leaders at all levels find better ways to align their vision, values, and everyday actions to perform well not only at work but also at home, in the community and society, and for the self (that is, mind, body, and spirit). In the innovative Total Leadership program, participants acquire practical tools for improving performance as a leader in all parts of life. This highly interactive program was originally developed by Stew Friedman, a Wharton Practice Professor, for Ford Motor Company's global executives. The program involves self-assessment and peer coaching about one's core values and vision, about performance expectations held by the most important people in the different domains of one's life, and about a real experiment designed to produce a "four-way win" – demonstrably better results in all domains. The Total Leadership program has been proven effective in a variety of organizations and regions of the world with participants in all stages of their careers.

Workshop – Inter-Session Assignments

The course provides an overview of the inter-session assignments to be completed between Year One and Year Two. The assignments cover Bank Performance Analysis, Economics, and Marketing. The discussion includes milestone dates, how the assignments link to the course content, and successful strategies for completion.

*Courses taken by first year Accelerated students (others found in Year 2)

Year 2 Core Course Descriptions

Year 2 Electives*

Year 2 Banking students have a choice of four elective courses. (See Elective Courses at the end of this catalogue.)

*Courses taken by first year Accelerated students (others found in Year 1)

ABA Bank Exec™ Simulation*

The ABA BankExec™ course combines training in financial management and economic analysis in the context of an innovative computer simulation. The exercise encompasses lessons on strategic management, team management and bank management in addition to the financial challenges. This dynamic simulation focuses on bank management from a balance-sheet perspective and clarifies how the balance sheet drives the income statement. Students participate in teams, analyzing the condition of their banks, making key managerial and pricing decisions and learning how their decisions affect the performance and risk profile of their banks.

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Capstone Kick-Off And Writing Your Capstone*

All Stonier students undertake a Capstone project before returning for their third year. The Capstone is the culminating component of the Stonier experience, and often has a career-changing impact. The Capstone requirements are slightly different depending on the type of organization where students are employed. The three options which are described below include: 1) Banker Capstone, 2) Regulatory Capstone, 3) Bank Services Capstone. All three Capstone options require a written final report as well as a face-to-face presentation to fellow students and a senior industry advisor. All students complete a course during year 2 that helps them plan and begin writing their Capstone. This course helps the student develop a strategy for completing their Capstone efficiently and sharpen their business writing skills. In addition, students work with a Capstone advisor who guides them through the Capstone process and evaluates the final product. Capstone advisors are all senior banking industry professionals.

Banker Capstone

Students completing the Banker Capstone select a problem or opportunity facing their bank and propose a course of action including an analysis of alternatives, a financial analysis, and an implementation plan. They are encouraged to select the most significant problem or opportunity that their bank will approve. Examples of topics include, but are not limited to, new investments in fixed assets or technology, new products or delivery systems, organizational restructurings, or significant strategic change initiatives. Students often find that successful completion of their Capstone significantly raises their visibility within the bank and the opportunities for advancement.

Regulatory Capstone and Bank Services Organization Capstone*

Employees of regulatory agencies or bank services organizations complete the project appropriate for their organization. Both projects require that students select a research topic of value to their organization and relevant to the banking industry. The topic should address a significant issue or problem involving bank performance, risk management, or banking regulation and supervision. Students will describe the methodology to be used in carrying out the research, assemble financial and/or economic data, and carry out a statistical analysis. The Project will conclude with the reported findings and conclusions, and offer any recommendations that might follow from the research.

Financial Management

Students select the Basic or Advanced Course

Financial Management (Basic)

Financial Management is aimed at students with no prior exposure to finance. The course covers the theory and practice of corporate finance with an emphasis on the practice. The focus of this course is on capital budgeting, and includes such topics as financial statement analysis and forecasting; the evaluation of capital investments under uncertainty; and estimating the cost of capital. The goal of the course is to provide a set of quantitative tools that you can use to make decisions on where your firm should invest its capital. Students with some prior finance experience, for example, loan officers who regularly conduct financial statement analysis, may not get maximum benefit out of this course. For those students, we recommend the "Advanced Financial Management" course.

Financial Management (Advanced)

The advanced course in financial management is intended for those students with some experience in valuation and discounted cash flow techniques as well as financial management. The course covers the basics of firm valuation. We use classroom examples in order to estimate a firm's cost of capital, cash flow and terminal value. The course encourages students to apply these concepts in order to find a market value (price) for a firm.

Leadership Through Organizational Culture

Organizational culture is the set of underlying assumptions and values that typify an organization, an "unwritten code" which helps employees know how to interact at work, and can have external influence in how a company is perceived by its constituencies. Organizational culture filters the way employees see their organizational world and thus is an important driver in employee performance, commitment and attitudes toward the workplace. Managing one's organizational culture effectively is a critical tool for successful management and leadership. In this session, participants will delve into the nature of organizational culture; how it operates; what it consists of; how they can recognize what the organizational culture is in their unit or organization; the role of organizational artifacts, symbolism and leader behavior; the importance of fit between an employee and an organization's culture; elements of strong cultures; drawbacks to strong cultures; the influence of subcultures in organizations; the role of selection and socialization in spreading organizational culture; and a discussion of the positive performance outcomes that can come from a strong culture. This is done through a combination of small group exercises, discussion, video case, and cutting edge research and theory via lecture. An important option for customization of this session

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is having participants in the session (and as many members of their workplace as desired) complete a 10-minute organizational culture assessment prior to the session. This data is then analyzed, showing the current status of the organization's culture. Analysis of differing cultures across sub-groups, such as business unit, tenure, function is conducted per the desire of the organization. In addition, the results are benchmarked against a large sample of employees (corporations) who have also taken the survey. This organizational culture assessment serves as an engaging way for participants to gain a deeper understanding of both the session material and their own organizational culture. Also, organizations have found that it can help to provide the basis of understanding and assessing not only the current culture of the organization, but can also offer insight into what and how to change within the current culture to achieve certain culture changes necessary for addressing and achieving defined organization goals.

Learning Community What is Success?

Based on Professor Richard Shell's popular Wharton course for full time students, this session explores the history and philosophy of two age-old questions: what does it mean to be "successful" and how does one achieve this elusive goal? Professor Shell surveys the group to reveal their life satisfaction and achievement perspectives en route to a multi-disciplinary discussion about the big three success metrics to include: Fame, Fortune and Happiness. Participants read brief vignettes about six different lives and are asked to rank them from most successful to least successful to learn how their internal values shape their definition of success. Professor Shell shares frameworks and models to help participants figure out how to best integrate their life to achieve success and a diagnostic to help participants assess where they are and which dimensions of their lives they want to improve over the short and long term. Participants not only learn more about their own internal success metrics, but they gain a deeper understanding about how others from different geographies and cultures view success and the implications to management, especially in how we think about motivation and incentives to achieve performance goals within our organizations.

Strategy in a World of Uncertainty

In an environment of increasing technological and global instability, the risks of ignoring uncertainty are greater than ever—but so are the rewards of actively addressing it. Traditionally, managers have viewed uncertainty as an obstacle interfering with the company's existing plans rather than as the unknown that can create opportunity. This program focuses on how to develop and test an organization's strategic direction in the face of uncertainty and complexity. It introduces a conceptual framework and methodology to assure innovative as well as disciplined strategic thinking in volatile and complex environments. Linking strategic vision to core capabilities, it presents the various steps of scenario-based strategic planning, and in a workshop format applies them to the participants' organizations, as well as their individual roles. Learning Objectives After this session you should be able to: - Be comfortable with ambiguity and see uncertainty as opportunity - Recognize the pitfalls associated with planning for a single future - Find a systematic approach to handle uncertainty- Learn how to integrate scenario planning into more traditional planning and budgeting processes.

Year 3 Core Course Descriptions

Benefits of Diversity in the Workplace

Business Strategy

This course provides an overview of Strategic Planning and value creation in a bank as a basis for setting Business Strategy in the banking world. A customer centric approach to planning is emphasized. This course provides a summarization to the overall Stonier experience by providing a point of intersection for work learned in other courses. Discussion of real strategies in a case study setting gives each student some action-oriented concepts to take back to apply at their banks. In this course, students learn how to interpret a bank's strategy simply by analyzing its publicly available information. Additionally, use of capital markets, seven ways to build value, de novo branching, product differentiation and use of leverage are discussed.

Capstone Strategic Project Presentations

Students participate in the Capstone Strategic Project, which gives them an opportunity to apply new skills and knowledge to a "real life" initiative within their organization. During the school session, students present their Capstone Strategic Project to a team of peers and a Capstone Facilitator. They receive constructive feedback on their individual presentations from their peers and advisor and provide constructive feedback in response to their peers' presentations.

Expectation for a Community Bank Safety and Soundness Examination

This class will provide an understanding of the safety and soundness examination process for community banks (Assets less than \$10 billion). The primary focus is how regulators review the financial elements within the call report, while also and providing how regulators apply supervisory ratings (CAMELS components).

Influence & Persuasion

Is your organization going through turmoil after a merger or reorganization? Are you having trouble getting the attention of a critical decision maker? Does the budget process always turn into a war—or a game of hide and seek? At the pivotal persuasion moment, when your career depends on the difference between “no” and “yes,” you need more than expertise in your functional area to effectively communicate your idea. You need answers to four key questions before you can sell it:

- Who are you and what is your natural persuasion style?
- Who, exactly, is the other party and what channel is he or she tuned to today?
- What is the communication culture in your organization?
- What, at this moment, is the optimal influence tool?

“Strategic Persuasion: The Art and Science of Selling Ideas” is an intensive, personalized, down-to-earth session that provides executives with critical tools to sell their ideas at work. The session is complementary to the upcoming book “The Art of WOO: Using Strategic Persuasion to Sell Your Ideas,” co-authored by G. Richard Shell and Mario Moussa, the faculty of this session. Persuasion and influence are learned skills, not mysterious talents. Once you gain perspective on your own tendencies, you will be able to identify how others tend to react—and adjust your approach to suit your audience. This session takes an “inside-out” approach to help you recognize which persuasion styles come most naturally and enables you to understand the steps you must take to gain influence, credibility and confidence in your organization. The learning objectives of this session include:

- Learn about the six channels of influence and how to use them effectively.
- Optimize each message so it appeals directly to your counterpart’s style and interests.
- Measure your progress on real problems you bring to the program and see immediate results.
- Map the political landscape of your organization to see where the landmines are buried and where your allies can help you.

Persuasion and influence inside organizations is a core skill for everyone who has to get things done in a complex work environment. These include managers at every level, as well as people who work for government, international agencies, and nonprofit groups. Nobody ever gets too skilled at influencing those around them so that the right things get done more often and more efficiently. You will apply your skills immediately to your organizational challenges—working in real time on your own influence challenges.

Innovation in the Financial Services Industry

Management of Change: Leadership and Overcoming Resistance

This seminar is designed to help managers successfully deal with the rapidly changing financial industry business environment while learning skills that enable them to identify and capitalize on opportunities created by those changes. **At the conclusion of the seminar, students will:**

- Understand the change management process and the roles they, as leaders, can plan in facilitating that process
- See how employees respond to organizational change, why adverse reactions occur, and how to overcome subtle and obvious resistance to change
- Learn how to establish and participate in a dialogue with employees that will build real time broad-based support for change.

For the class session, the Gallup’s StrengthFinder assessment and text will be used as a pre-session exercise for you to complete prior to coming onsite. With most of their executive education leadership and development work, the faculty members have found the incorporation of StrengthFinder to be a valuable tool. The course content will be most helpful in the implementation of the students’ Capstone Strategic Projects.

Winning Communication Strategies: Political Advocacy

The banking industry is undergoing the greatest change since the great depression. Reform of the industry is underway in Washington and pressure is building from all sides for the banking industry to do more in a tough economic and political climate. This is also coupled with responsibilities to manage and communicate their bank’s strategy within their communities.

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This course is designed to give participants a greater understanding of the political process, how to get their message out and communicate effectively to their customers and people they serve.

Unconscious Bias

Electives

Elective Course Descriptions (35 – 40 electives offered each year for accelerated, Year 2 and Year 3 participants to augment their learning and educational experience.)

Effectively Use Social Media to Advance Your Bank's Brand

In this session, we discuss the strategy and planning required to succeed in the fast-changing world of social media marketing. Social networks are constantly stepping up their game to keep users engaged and entertained. Your organization's social strategy should be doing the same. Whether you're focused on developing business opportunities, highlighting community involvement, promoting bank products, becoming a thought leader, or extending your customer service offerings, this session will show you how to achieve results in the social space by incorporating the following six truths.

1. **Appealing** – If you want to build a strong social audience and customer base, you have to be appealing. With today's vast array of banking options within the financial industry, your bank's brand, culture, staff, products, technology and service standards need to be attractive to your audience.
2. **Authentic** – Authenticity is more important than ever. Consumers no longer need perfection from a company. They crave authenticity. Be who you really are and nothing else. You'll be applauded for it.
3. **Approachable** – When done right, social media can humanize your bank's brand and help create a desire for consumers to want to be a part of your story.
4. **Accessible** – In today's hyper-connected world, customers expect quality service from companies they do business with and expect it fast. Sometimes it's through self-service and other times through contacting an actual customer service rep. We live in a world inundated with real-time interactions, instant feedback, agile platforms, and cross-channel experiences, so it's important that you are always accessible to your customers—whenever, wherever and however they want to connect with you.
5. **Admirable** – Today's customers want to spend their money with companies and brands that they admire. They often choose to do business with companies and brands that share the same values that they personally hold near and dear.
6. **Adaptable** – Because social media changes so frequently, it's critical that you have a passion for learning and trying new things within the social space. Failures will happen, but you will miss out on opportunities if you don't at least try.

Wide World of Crypto Currencies and Digital Payments

This course will dive into the new world of digital currency and payments as well as a high level look at blockchain technology that drives this amazing form of trade. Students will learn about Bitcoin, Ethereum and other forms of cryptocurrencies, and why, if more greatly adopted, these currencies could be a major disruptor in the payments game. In addition, we will discuss geo-fencing, geo-conquesting and other forms of digital and mobile content placement.

By the end of the session, we will cover the 101s about buying, selling, mining and investing in cryptocurrency, especially bitcoin; a broader discussion on digital payments; and what impact on the financial industry these new payment methods and finally an understanding of digital content placement through digital and mobile applications.

Retail Sales Management

This course, by the author of the widely used book on retail sales management, provides a comprehensive overview of the sales management and relationship management process as applied to retail banking. It will take a practical "how-to" approach to establish and maintain a sales and service culture. Examples will be drawn from successful programs employed by banks from across the country. Emphasis will be placed on retaining and developing your best customers. Current research describing why good customers leave banks will be discussed. The format will be lecture and classroom discussion, supplemented by some use of videotapes and PowerPoint slides. Students will be provided with a detailed checklist that can be used to evaluate the sales and service practices at their institutions. The results of current research that indicates that as much as 60% of all cross-sell activity in most U.S. banks reduces profitability. The implications of these dramatic findings on bank practices, procedures, and policies will also be reviewed.

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Classroom discussion will cover:

- Techniques that can be used to evaluate the organization's sales and service programs with regard to sales skills, product knowledge, employee attitude toward sales, and service quality
- Methods for identifying and removing root causes of customer defection
- Proven segmentation approaches for expanding profitable customer relationships and increasing non-interest income
- Considerations for changing the branch system in response to declining transactions
- How to set goals and maintain measurement programs
- Techniques for improving sales incentive systems

Innovation 360^o

What do you think of when you hear the word "innovation?" Leading edge technology? New products? Yes, and much more. This session is designed to go beyond the traditional path and examines all aspects of innovation in your business model. From sales and marketing to business process, discover potential areas of focus and why they are prime for innovation and can help you build a competitive advantage. The presentation offers a range of strategic thought leadership exercises as well as practical tools and techniques to take back to your financial institution for mobilization.

Strategies for Increasing Non-Interest Income in Community Banks

As community banks continue to work toward insuring profitability, increasing non-interest income (NII) remains a top priority. The course is intended for community bankers who are familiar with many areas of the bank and are interested in effective implementation of NII strategies. Exploring traditional and non-traditional sources of NII, students will discuss and learn about specific strategies including but not limited to: deposit product fees and profitability, debit card income, and various miscellaneous fee considerations. In addition to strategy and implementation, the impacts of regulatory change and the need to replace lost revenue will be examined. Discussion will include the impact on bank profitability and culture, incorporating common pitfalls in implementation and how to avoid them. By the end of the session, students will understand aspects of NII beyond just charging fees.

Principles of Lending for Non-Lenders

The focus of this course will be the activities associated with Qualitative and Quantitative Analysis when meeting with a commercial borrower. Once the analysis has been completed the real work of risk credit risk management begins. The credit must be structured, risk rated, priced, documented, monitored, and managed to achieve the best possible outcome for the institution. The course will discuss:

- Commercial banking and commercial credit including the operating environment, industry, business and management risk assessment.
- Financial analysis including cash flow drivers, ratio analysis, cash flow analysis and loan structuring
- The credit process framework components including risk rating and portfolio management.

Pricing Bank Services

This course covers the key factors to be considered in pricing bank products, but more importantly, the practical application of the pricing process in a bank. The course will focus on the technical aspects of pricing including capital allocation, funds transfer pricing, marginal vs. fully-loaded costs, impact from credit costs, pricing models and benchmark pricing, and key ratios. The course will also conduct discussions on the pricing process in banks focusing on the discipline needed with the asset/liability committee, key members and their roles, and how this drives a better pricing process. The course will focus on deposit, consumer loan, and commercial loan pricing, while touching on other fee for service activities/opportunities.

Course Objectives:

- Define and understand the key components of pricing and related models
- Explain how to build a disciplined pricing process in your bank
- Examine the role of pricing in the overall strategic vision of the bank and the impact on the bank's culture
- Focus on the role pricing plays in the bank's balance sheet strategy

Shadow Banking

Regulated banks remain at the center of the American financial system. But so-called "shadow banking" – entities that provide lending, deposit taking and/or payments services but are not regulated as banks – has grown dramatically (and largely under the radar) in recent years. What are the implications of such dramatic change in the financial system? This course will identify the key sectors of shadow banking (including consumer and commercial finance companies, business development companies, marketplace lenders, mutual funds, etc.). We will assess how the various components have evolved over time, including in the

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wake of the financial crisis. Recent key developments such as the growth of business development companies and the restructuring of GE Capital will be analyzed in detail. We will identify potential drivers of growth in shadow banking including differences in regulatory burdens, uneven tax treatment, more capable technology and normal swings in market cycles. Participants will be asked to assess the risks and opportunities of the rapid evolution of shadow banking, both for the banking industry as well as the financial system and economy as a whole.

Learning objectives:

- How does shadow banking fit into and impact banking and the financial system generally?
- What factors drive the growth and evolution of shadow banking?
- What competitive threats and other risks does shadow banking present to bankers?
- How can a banker capitalize on opportunities inherent in trends in shadow banking?

3RD Party And Vendor Management

Financial institutions of all sizes use outsourcing as a cost-efficient and effective way to handle a variety of services and functions. However, while vendors can provide value through their expertise and experience, the bank's board and senior management are ultimately responsible for all aspects of the bank's operations. Effective risk management is required to mitigate the risks associated with the loss of control and close oversight that often occurs with a vendor relationship.

This elective on Vendor Risk Management will look at the use of outsourcing from the banker and regulator's perspective. This session will explore the costs and benefits of outsourcing, including the vendor selection process, as well as best practices designed to mitigate risk. Following the presentation will be an interactive Q&A session.

Presentation Skills – Year 3, Year 2, Accelerated

The course is designed for Year 3 participants who will be presenting their capstone at the Stonier session. It is also designed to hone presentation skills, and give tips and suggestions on presenting ideas to increase effectiveness, and leadership capabilities.

Derivatives

This course will present a practical overview of interest rate derivative markets and products, as well as the strategies most often utilized by regional and community banks. The instructional team will also present role-specific, hands on case studies.

Branch Network Optimization

Despite the rampant growth in electronic channels, the branch remains the predominant venue for new account sales. Yet branches consume significant resources in capital and noninterest expenses. Given the operating cost of branches and the long-term impact of branching investments, it is critical to base branch open, close and relocation decisions upon thorough demographic, competitive, economic and financial analysis.

This course will address the evaluation of new branch opportunities, branch closure decisions, evaluation of merger candidates, market-level branching strategies, alternate delivery strategies, and performance and profitability measurement for both planned new branches and the current branch network. The course will also address strategies for integrating branch networks with electronic channels; branch design, technology, and equipment innovations that facilitate staff savings and sales efficiencies; and the impact of consumer trends and the national economic environment on branch expansion decisions.

Identifying and Managing Problem Loans/Portfolio Analytics

This course will explore the lifecycle of a problem loan from its inception, through its identification to its resolution in order to provide bankers with the tools and techniques necessary to protect their Bank's investment in their loan portfolios. Students will be expected to compare their own problem asset processes with the problem asset management guidance offered in the course. The emphasis is on "what to do" when you think a loan is a potential problem and how to manage it through the workout or liquidation process to resolution. This course will cover both Commercial/Industrial loans and Commercial Real Estate Loans.

Course Objectives:

- Where a problem loan might surface?
- Developing strategies with the help of others – you're NOT alone!
- Negotiation/Workout skills
- To know "when to hold em and when to fold em". "Your first loss is your best loss"

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Top Risks and How to Deal With Them

In today's environment, senior leaders are faced with significant levels of uncertainty and expected to manage a wide variety of risks. Management's ability to understand these risks, organize the appropriate resources, and provide a quality response could be the difference between success and lost opportunity. This course will walk through several of today's top risks including areas such as regulatory expectations, vendor management, operational controls, information technology threats and governance structure. More importantly, students will have a chance to explore strategic and tactical methods to effectively deal with these risks by sharing valuable experiences with their peers.

Opportunities and Challenges in Commercial Real Estate

This course explores the current environment of commercial real estate (CRE) lending from both the bank's and the customer's perspective. Although commercial and residential property values remain lower than the high points of 2007, many markets are gaining momentum and developers are seeking financial partners. Banks face a dilemma of more aggressive underwriting at a time of more restrictive regulation. Are they missing out on solid opportunities? Are customers accurately assessing their exposure to losses? What about community banks' stated commitment to "local" investment? These and other questions are addressed as the class reviews the latest research and real world examples of successes and failures.

Fast paced discussion and "What would you do?" challenges help the students to understand both sides of the CRE market. The Biggest Mistakes and Key Success Factors provide a process for assessing and addressing CRE opportunities. Attendees are given market planners and other tools for use in their home markets. Note: This is not a deep dive into underwriting or loan policy, but rather a balanced look into the risk/reward every bank faces in managing its biggest asset category.

Major Objectives:

- Identify how causes and reactions to 2007-10 CRE crash affect banks and customers today
- Introduce a logical, balanced approach to CRE lending
- Apply this approach in specific "trouble spot" markets

Effective Collaboration in the New World of Work

Business trends indicate we are entering a new world of work that is characterized by flatter hierarchies, remote collaboration, more flexibility, and a faster pace. The tension this creates for leaders is that the more fragmented we become, the more important strong teamwork and collaboration skills will be. In this session, participants will learn a simple, effective framework for managing groups in this changing landscape.

We will begin with an overview of the trends that are reshaping how we work together and the challenges they create. We will then work through an intense, engaging team simulation designed to magnify this complex environment. Drawing on lessons from the simulation, we will learn a research-based toolkit for good collaboration and understand how to apply it in the workplace. The insights in this session are based on the book *Committed Teams*, which I co-authored with Wharton colleagues Mario Moussa and Madeline Boyer (Wiley Press, 2016).

Bank Financial Management: The Fortress Balances Sheet

A Fortress Balance Sheet is designed to withstand the perils of unexpected shocks while also delivering durable financial performance across the business cycle. It is a disciplined framework focused on balance sheet structure and proportion, alignment of risk and capacity, and optimizing shareholder returns. In this course, we will: (1) deconstruct the balance sheet into its component parts; (2) examine the risks, roles and performance characteristics of each balance sheet quadrant; (3) explore how to balance risk with capacity and performance; and, (4) rebuild our parts back into a stronger, more resilient and better performing whole. A look at relevant historical industry data will help shape our perspectives and validate our approach. We will identify where strength exists on the balance sheet and how different forms of strength provide different kinds of protection from risk. We will examine the behavior of the balance sheet across the business cycle in order to understand how our fortress responds to external pressures and dynamics. We will then apply these principles by examining actual case studies of several institutions and their experience through the financial crisis and the Great Recession that followed. This course will bring together many of the disciplines you have studied while at Stonier into a broader balance sheet strategy perspective.

Digitization – Big Data Revolution: A Strategic Approach

This session will guide participants through the process of establishing data driven customer solutions through comprehensive customer analysis as well as visualize the predictive capabilities of demographic and socioeconomic data. Ultimately, participants will walk away with a better understanding of how to utilize expansive customer and demographic datasets to create meaningful presentations for members of management and the board to support strategic decision making. Discussion will be encouraged so participants can share with their peers, the successes and failures of establishing, managing, visualizing

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and leveraging customer analytics to support the institutions strategy. A set of strategic initiatives will be created based upon sample data and analytics provided.

Presentation Skills – Year 2, 3 and Accelerated

The course is designed for Year 3 participants who will be presenting their capstone at the Stonier session. It is also designed to hone presentation skills and give tips and suggestions on presenting ideas to increase effectiveness, and leadership capabilities.

Negotiations

This elective course engages participants in a series of negotiation experiences that simulate situations in business and organizational negotiations. The focus is on developing basic negotiating skills for both one-time haggling situations, as well as situations that call for creating opportunities for mutual gain as part of a long-term business relationship. Because negotiating agreements is as much art as science, learning in this mini-course takes place mainly by doing experiential exercises, with research on negotiations used to supplement this learning.

Mergers and Acquisitions

This course will focus on the M&A process highlighting differences between the buy and sell side. Utilizing value contributors and detractors the class will learn to position a bank for M&A. The course will also delineate critical issues to consider in the M&A process and will discuss the pitfalls to avoid. Finally, a case study will bring together the concepts of the class into a real world environment.

Economics & Recent Monetary Changes

This course focuses on the changes in monetary policy since the onset of the financial crisis and their impacts on the economy and the banking industry. Particular attention is devoted to new approaches to monetary policy adopted by the Federal Reserve during the recent financial crisis.

At the completion of this course, students should be able to:

- Describe new approaches to monetary policy adopted by the Federal Reserve and their impacts on financial markets and financial institutions.
- Identify those changes in monetary policy in response to the financial crisis that were temporary and those that will be ongoing and continue to have impacts on financial markets and institutions.
- Identify differences among various types of Federal Reserve policy actions, including traditional open market operations; non-traditional asset purchases (called quantitative easing); credit programs associated with the Federal Reserve's role as lender of last resort; and other policy tools that affect reserves in the banking system such as the payment of interest on reserves.

Cyber Security Overview

This course will cover the evolving cyber threats specifically in financial services, regulatory issues, and best practices for cyber risk management. Specific reference will be made to two case studies on major cyber breaches in financial services.

Bank Portfolio Investments

This course takes a broad based look at the typical Bank Investment Portfolio. It focuses on the yield and risk features of investment alternatives currently available in the Capital Markets. Real World tools and analytics will be utilized to demonstrate how these products are selected and managed. Added emphasis will be given to Mortgage Backed Securities.

Managing Technology

No matter what specialization or career path a banker takes, understanding technology will be a crucial requirement for success. The banking business is fast-becoming "the information business," highly dependent on real-time management, work flow and deliver systems. In this session, industry expert Steve Williams will provide practical tips for how non-technical bankers can succeed in managing technology. Williams will provide an overview of key industry technology trends, as well as predictions concerning what lies on the horizon for our industry. In addition, Williams will provide pragmatic management tools that bankers can use to evaluate new technologies, justify new business investments and manage new system implementations. As opposed to a pure "bits and bytes" discussion, this session will explore how the integration of business know-how and technical expertise can create new competitive advantages for financial institutions. Any bank executive of the future will need to understand this process to effectively lead their institution.

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CECL and Credit Risk: Addressing the Practical Challenges

The CECL accounting standard is more than just accounting. It requires banks to measure the credit risk that they are managing. Starting from a very basic level, ABA SVP Mike Gullette will progress to how banks should address CECL implementation, not to merely comply, but to address the practical concerns risk officers, board members, and investors will have. Special attention will be spent on operational challenges banks will face, both large and smaller institutions.

Corporate Governance

This course is designed to give the banking executive an overview of the most important issues of modern corporate governance. After completing this class, the participants will be able to interact effectively with their board of directors. Topics discussed include the role of independent outside directors, executive compensation, institutional investor activism, the market for corporate control, governance guidelines, and issues related to the Sarbanes-Oxley Act.

Small Business Lending

This course focuses on small business lending strategies, taking account of the challenges presented by the availability of relatively low volume of borrower information, thin management depth and prospective conflicts in business vs. owner financial interests. We consider how to address these challenges, including discussion of government guaranty programs that can provide tools to shore up credit gaps and other risks while serving client needs. Having considered the various risks and rewards of small business lending, participants will learn how to balance their credit risk parameters with revenue and market share goals.

Compensation and Employee Value Proposition

During this session we will explore the importance of understanding, managing, and effectively communicating compensation decisions to employees. The area of employee compensation is often both overlooked and over-exaggerated when it comes to rewarding, motivating, and retaining employees. Many people struggle with conducting conversations around this topic. However, a good understanding of the compensation components paired with coaching and emotional intelligence will foster increased trust, perceived fairness, and employee satisfaction, which in turn results in improved employee relations, retention, motivation, and therefore improvement in both employee and organizational performance. Base pay is in most cases the largest component and the foundation of an employee's total compensation package. Payroll is, for most organizations, its highest cost item. Failing to manage compensation effectively can have huge implications. In the end, the responsibility for the communication resides with the manager, no matter how much say he or she had in the decision.

By its nature and importance, compensation is a very emotional topic and often a source of conflict between employee and manager. By being more knowledgeable, better prepared and more confident, you can use compensation conversations to drive motivation and performance.

Learning Objectives:

- Understanding and mastering the basics of compensation (theory): base pay, incentive compensation, total compensation.
- Discuss the purpose of compensation management, linking it to performance and motivation.
- Learn how to conduct effective compensation conversations.

This session is focused predominantly on base pay management and compensation conversations. We will touch on short-term incentive compensation, but not in-depth. Long-term incentives and deferred compensation are not part of this course.

Deposit Gathering for Community Banks – Growth Strategies for Today and Tomorrow

The old adage, "If you're not growing, you're dying," continues to be applicable to community banks and our industry as a whole. As the race for core customer relationships, core deposits, and talent intensifies, it is imperative to have your bank positioned for growth if you want to survive ... and thrive. During this session, we will explore specific and actionable strategies to: (1) grow core customers, (2) increase core deposits, (3) develop your team, and (4) improve overall financial performance.

Please describe the primary Learning Outcome Goals for this Course:

1. Identify strategies to grow core deposits and deepen core customer relationships
2. Understand how organizations create value internally and externally
3. Explore the link between leadership, execution, and results

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International Banking & Foreign Exchange

The world is becoming more and more globalized and levels of interdependence are growing in most industries. Cross-border trade has increased and accelerates: whether it's foreign assets or receivables, direct inward foreign investments, overseas supply chains, or the continued expansion of multinational corporations, banking professionals are faced with an element of international business that is the highest it's ever been. Meanwhile the US dollar is being challenged by the emergence of other currencies, such as the Euro and more recently the Chinese Renminbi. With \$5 trillion average daily transaction volume, the foreign exchange market that results is the world's largest market.

The goal of this class is to equip participants with knowledge regarding two main aspects on international banking: (1) the theoretical underpinnings and structure of currency markets; and (2) the practical implications for participating in international transactions and dealing in foreign currencies, in markets such as payments and managing of currency risk.

Introduction to Process Improvement Techniques

This course will introduce the Process Improvement techniques and strategies commonly used in the Financial Services Industry with a focus on Lean Six Sigma. The benefits and synergy of applying Lean and Six Sigma will be explored. Students will learn about the history and development of the Lean and Six Sigma methodologies, and will explore the DMAIC (Define, Measure, Analyze, Improve, Control) approach to problem solving as the primary focus of the sessions. Common tools and techniques for each phase of the DMAIC approach will be introduced and explained. Throughout the course, examples of how Lean Six Sigma has been used in the Financial Services industry will be applied.

Community Reinvestment Act

This introductory session covers the history, framework and implementation of the Community Reinvestment Act (CRA). Presented by two experts in the regulatory field, the session will encompass methodology, differentiation between small, intermediate and large bank institutions, based on FFIEC examples and bring forth tenants of sound CRA programs.

Understanding Behavioral Differences

COURSE GOAL: To enhance communication and interpersonal skills and knowledge to allow successful interactions with others to produce desired results.

COURSE DESCRIPTION: To be successful in your organization it is important to develop and maintain effective interpersonal skills. Through the application of the Social Style Model™ you will understand behavioral patterns that affect interpersonal relationships at all levels. The program provides an understanding and appreciation of the value of the diverse behavioral styles that are demonstrated every day. Because each interaction has the potential of working for or against you in producing desired results, this session provides specific strategies that will allow you to “adapt” your behavior to gain greater endorsement from others.

The program combines video, group discussion, and two self-assessments into a powerful learning experience. Upon completion of this session, participants will be able to identify:

- How current behavior is helping, or hindering, performance when working with others
- Key strengths and weaknesses of each Social Style behavioral theme
- Clear strategies for identifying the different Social Styles of a customer or associates
- The importance of using behavior appropriately and the steps necessary to increase productive relationships with others

Liquidity Management

The course provides students a practical opportunity to study a case bank's liquidity position. Participants will be able to evaluate how traditional liquidity metrics compare to today's new regulatory requirements. There will be specific focus on the Liquidity Coverage Ratio (“LCR”). Students will investigate how it is calculated and impacted by balance sheet management activities. The class is designed to provide both an introduction to participants with limited financial exposure and an engaging challenge to those with deeper financial backgrounds. The group is divided into teams each with their own case-study bank to manage. Each team will access the simulation via a tablet app. Teams will compete to have the bank with the highest overall Net Income while trying to manage four important banking metrics: Liquidity Risk, Capital, Asset Quality Risk, and Rate Risk. During the simulation the teams will engage in customer market activity. This highly interactive part of the simulation requires all teams to distribute, trade, and otherwise negotiate for customer loans and deposits, as well as engage in financial and capital market activities. The winning teams will be the banks that generate the highest income and those that do the best job minimizing risks.

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Advanced Payments – Emerging Issues

Usually we think of payments systems as a way to get money from point A to point B. But, did you know that check, wire transfers, cards and the automated clearing house are full of missed revenue opportunities? This course is intended to make you think of payments differently at your bank to get ahead of the competition. In this course we will help banks identify when a payment should move through a specific payments channel, mitigating risk and increasing potential revenue. We will discuss the evolution of payments models in the US, including the future of emerging payments like real time payments and cryptocurrencies. We will also discuss the legal framework, fraud problems and compliance issues that your bank needs to know to mitigate its risk when using each payment system.

Bank Stock Outlook, Forecasting and Valuation

This course will focus on the outlook for the U.S. Large-Cap banking industry, keying in on current income statement and balance sheet trends and expectations, as well as the evolving regulatory landscape. We will also run through the key factors that that bank stock investors are currently contemplating. We also intend to examine the drivers of earnings growth and look at how to forecast future results. Using these results, we will examine various ways investors value bank stocks, using Super Regional banks as an example.

Talent Management and Succession Planning

Succession planning can be a paradox. Many organizations recognize the need for succession planning yet they fail to address it directly. If your bank is one of those, you are not alone. In this interactive session, learn how talent management programs such as recruiting, development and succession planning align with your bank's strategy and practice how you can help your bank prepare for the future.

Socially Responsible Banking

There is a growing urgency to build responsible businesses that maximize returns for all their stakeholders –shareholders, customers, employees, the communities that they live and the planet. In addition, these very stakeholders are demanding a focus on longer term returns i.e. longer than quarterly profits. Finally, socially responsible businesses also demonstrate lower risk profiles than others.

The Course will seek to provide an introduction to the evolving world of Socially Responsible Banking and, more broadly, Socially Responsible Investing. We will discuss the three legs of the stool i.e. screening, engagement and community investing. We will then focus on the Community Development Financial Institutions (“CDFI”) sector that finances socially responsible businesses. Finally, we will discuss various tools that mainstream bankers can use to provide patient capital (loans and equity) to businesses and intermediary CDFIs that create triple bottom-line results.

The Course is designed to be practitioner oriented so that finance professionals can use all the tools to create long term sustainable change

Customer Experience as a Competitive Advantage

This course provides instruction for developing a Customer Centric Strategy & Key Components to establishing and sustaining the strategy. Students will begin by building clear strategy and holistic understanding of levers necessary to realize the strategy. Emphasis is placed using leading edge tools such as Journey Mapping, Voice of the Customer programs, Metrics including Key Performance Indicators to drive Accountability across the enterprise. A case study may be used to support application and learning.

The primary Learning Outcome Goals for this Course:

- Introduce various key concepts relevant to Customer Centric Strategy to class
- Facilitate development of next steps framework
- Provide potential direction for launch, enhance, & sustain a Customer Experience

Understanding the Cash Flow Statement

This course provides participants with the fundamentals of cash flow analysis to increase their understanding of how a company can repay a loan from its cash flow. It builds on the participant's foundation in traditional financial statement analysis. This introductory course provides additional tools for effectively evaluating the financial strengths of a company and its ability to repay a loan.

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Through group discussion, and group exercises the instructor will also work through a cash flow construction exercise, with participants then constructing their own cash flow statement. There will also be mini-exercises to reinforce key concepts in the class.

Crucial Performance Conversations

Leaders must sometimes have conversations that are unavoidable, difficult and uncomfortable. We try to figure out the best approach; what to say, what not to say – and then wonder if we said the right things. In this course, Leaders will discover reasons that may require them to be, “Courageous” or “Fierce”, and learn tools and techniques to address unpleasant situations while treating others with respect. Some topics covered:

- Understanding why conversations can be difficult and require courage
- How to avoid the emotional traps these conversations can reveal
- Keep difficult conversations focused and free from derailment
- Learn to turn difficult conversations into productive dialogue to achieve mutually beneficial results