



BANKING DEMANDS LEADERSHIP. GSB BUILDS LEADERS.

NEW PROGRAM! THE BUSINESS OF BANKING

Ideal Program for New Hires or Staff Refresher Training – Convenient Online Delivery

January 19 & 20, 9:30-11:30 a.m. Central Recording available through 2022 REGISTER HERE

This affordable, convenient online program, led by GSB instructor and faculty committee member Mike Wear, is ideally suited for those who are new to banking – both frontline staff and those newly hired to leadership positions who gained their experience in other industries. Participants will learn the language of banking, including an understanding of key ratios – and gain a clearer understanding of how the bank functions as a business. Best of all, when you register, you can take advantage of the recording throughout 2022!

The program is split into two parts:

- *Part 1 - Risky Business* – An overview of the business of banking and industry trends, with an emphasis on risk management using the “Big 5” risks for banks – Credit Risk, Market Risk, Liquidity Risk, Operational/Legal Risk, and Regulatory/Reputation Risk – as our guide.
- *Part 2 - An Open Book – to a Degree* – Using the risk criteria as above, participants will learn to look up their own bank’s key performance management ratios, comparing to FDIC peer group and national averages.



Topics include:

- How a bank makes and loses money
- An overview of a bank’s balance sheet and income statement
- The importance of your bank to the local economy using the money multiplier as an example
- Risk arbitrage for both borrowers and depositors
- Enterprise Risk Management (ERM)
- Industry trends and current conditions
- How to manage each of the “Big 5” risks with examples and stories
- 4 key areas of bank financial management
- How to look up and use bank ratios (with UBPR and SDI tools provided)
- Overview of CAMELS and regulatory enforcement actions, and,
- How to ‘thrive’ in a recession

The following ratios will be explained: ROA, ROE, Efficiency Ratio, Past Dues, Non-Accruals, Charge-offs, Loan Loss Reserve level and coverage, Spread/NIM, Loan-to-Deposit Ratio, Core Deposit Funding, and Equity Capital Ratio. Participants will receive their bank’s UBPR (Uniform Bank Performance Report) and Excel template to quickly enter ratios and chart trends with comparisons to industry guidelines. ■



GSB ALUMNI SPOTLIGHT: KEN THOMPSON



Ken Thompson,
President/CEO
Capitol Bank
Madison, Wisconsin

As a college student, Ken Thompson, like many young adults, was uncertain about the career path he would choose. But after an insightful conversation with an experienced banker, he decided to pursue a business degree and determined he was well-suited to become a loan officer. "I enjoy interacting and helping people," he says. "But I also thought I would be effective at assisting clients with their financial decision making, so these interests pointed me in this direction."

After graduating from University of Wisconsin-Stevens Point in 1983, he began his banking career in credit and collections after being advised by a seasoned lender that this experience would help him learn the aspects of lending that you want to avoid," he recalls. "That was a good way to learn about what not to do as a lender."

He then took a pivotal step in his career by joining M&I Bank in Madison, Wisconsin, where they were growing their mortgage banking function. "I was thrust into a responsible role of leading the mortgage function as we grew it," Thompson says. "At an early age, I managed a considerable number of employees which was quite a learning experience. While both humbling and challenging, it was also an exciting time to grow as a banker. This opportunity introduced me to important issues related to legal, compliance, human resources and customer service."

It was at M&I Bank where Thompson would meet Jim Dolister who ultimately left M&I Bank to found Capitol Bank, Madison, Wisconsin, in 1995 and recruited Thompson to help him start and grow the bank. Thompson was named president in 2003 and as he recently celebrated his 25th year with the bank, he reflects on his new role as chair of the Wisconsin Bankers Association, the future of the banking industry, and the Graduate School of Banking (GSB).

"2021 is the year when bankers can leverage their goodwill earned over the past year by taking action," he says. "As financial experts, we need to engage with policy makers at the local, state, and national level and make our voices heard. Bankers are at the forefront of economic development so we should have a say in policy making." He also stresses the importance of bankers engaging in the community by volunteering or joining a local committee/board and then sharing the good news of their efforts.

"Historically bankers have been quietly doing good things but seeking no recognition for their work," he says. "Now is the time to share the positive impact we have on the financial health on the communities we serve."



Ken Thompson with his wife, Kristine and children Lucas and Leah

In 2020, the financial services' industry had to quickly pivot to virtual and digital as the default, learning to serve customers in new ways. However, Thompson sees a return to, a resurgence in, and a demand for the skills that have long made bankers trusted allies to consumers.

"Since the pandemic has accelerated the use of technology to conduct banking transactions, thereby reducing lobby traffic, bankers have found it more difficult to interact with customers in-person. As a result, they have to be more outwardly focused. Bankers need to be proactive to initiate customer contacts, whereas years ago, clients would simply come to the bank, and you'd interact with them naturally. Currently, that is not happening as much which may undermine bankers' ability to retain their loyal customers."

Thompson acknowledges that there are consumers and business owners who need and value a banker as a trusted resource. "They appreciate dealing with decision-makers which is what community bankers provide over and above an internet-based bank or an electronic channel. To do that, you have to be a strong, experienced banker to differentiate yourself. Bankers need to continually develop their skill sets so they are seen as a resource. If you're not on your game, customers won't seek you out as a resource."

In exploring the evolving landscape of banking, Thompson sees many opportunities. "All areas of banking will provide career opportunities," he says. "The ones that rise up include technology, management, sales, lending, operations and customer service. Now more than ever, successful bankers will have to be tech savvy, detailed and customer-focused." He indicates that finding employees with a combination of these skills is critical in helping banks differentiate themselves from the competition.

This is why Thompson places such an emphasis on education. "Bankers must stay vigilant," he says. "This past year demonstrated the need to be equipped and prepared for the unknown challenges of the future. What better way to do that than to embrace education and a learning attitude regardless of what stage you are in your career?"

He, himself, was halfway through an MBA program at University

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of Wisconsin-Madison when he started at Capitol Bank and after completion of that degree, felt that the next natural step was to attend GSB.

"The great benefit of GSB, which I believe is known by virtually all bankers, is you get this cross pollination," he says. "GSB exposes you to all aspects of banking. I thought it was a perfect forum for me to expand my expertise - and it really did." The 2004 graduate credits the program with providing him with a comprehensive banking foundation beyond his knowledge of lending, exposing him to retail, operations, HR, and ALCO.

Thompson states that with the scope of knowledge he gained at GSB, he was able to promptly put into practice what he was learning, and his bank is still reaping the benefits. "Whenever you attend GSB, you have a certain economic condition that is prevalent," he says. "Back then liquidity within the banking system was very tight which is dramatically different than it is now. As a denovo bank, it was more difficult to attract core deposits and lower-cost deposits. Without question, I learned and implemented key strategies on how to build a stronger core deposit base at a lower cost. As a result, our bank has since enjoyed a lower cost of funds than our peer group—and that was 20 years ago."

Thompson further acknowledges that while operating a small bank,

leaders may not have the resources to invest in untested strategies. However, he was quickly convinced to utilize the tools he learned from the GSB human resources training on how to attract, retain and develop employees.

Other classes also stood out for Thompson. "The ALCO sessions were beneficial as was the bank simulation exercise. You realize that banks operate, in some cases, dramatically different from one another based on their local markets and risk tolerance. It opened my eyes to a wide variety of effective strategies."

He says among his biggest takeaways from the program are the connections he has made and friendships he has developed with his fellow classmates and instructors.

In his leisure, Thompson enjoys spending time with his wife, Kristine, and children, Leah (22), and Lucas (19). He also enjoys hunting, fishing, skiing, hiking and virtually anything outdoors. He adds that people who know him might be surprised to learn that he has skied nine Birkies—an annual long-distance ski race held in Hayward, Wisconsin. Growing up in a family with eight siblings—he's number six—he appreciates spending time with them camping and roughing it. "It is nice to experience the basics associated with wilderness camping and the outdoors which is vastly different than the typical day in the life of a banker." ■

WATCH THE GSB WEBSITE FOR THE 2022 ONLINE SEMINAR SERIES –

Programs start in
January and will be
posted soon!

SCHOLARSHIP OPPORTUNITIES AT GSB

Each year, GSB offers scholarships to bankers entering the Human Resource Management School or their Freshman year at GSB who wish to improve their careers and organizations through education.

Contact your bankers association education director for information about scholarships available in your state or region. You may also be interested in these scholarships that are available through the GSB website:

GSB Ann Kleist Scholarship

Application deadline: March 31, 2022

At-Large GSB Outstanding Leader Scholarships

Application deadline: March 31, 2022

Association of Military Banks (AMBA) Raleigh A. "Andy" Trovillion Scholarship

Application deadline: March 31, 2022

NEARLY
\$300,000
IN SCHOLARSHIPS
AVAILABLE ANNUALLY

At-Large GSB Human Resource Management School Scholarship

Application deadline: January 31, 2022

ENROLL TODAY FOR SPRING SCHOOLS

In-Person Programs Returning Spring 2022



BANK TECHNOLOGY MANAGEMENT SCHOOL March 28-April 1, 2022

**Fluno Center for Executive Education
Madison, Wisconsin
Enrollment Deadline: February 28**

The school will allow both senior managers and IT professionals to explore penetration and vulnerability testing, security attacks, early detection of data breaches and more. Take advantage of this opportunity to learn from experts in the banking industry about today's key issues in information technology management and how those critical issues relate to the bank's goals and bottom line. ■

HUMAN RESOURCE MANAGEMENT SCHOOL April 4-8, 2022

**Fluno Center for Executive Education
Madison, Wisconsin
Enrollment Deadline: March 4**

More and more demands are being placed on human resource professionals as banks realize the important role they play in a bank's profitability. This school offers an opportunity for HR leaders in banking to learn from respected industry experts about today's key issues in human resource management and how they relate to the bank's bottom line profits. Whether you're an HR veteran who is new to banking, a seasoned HR and banking leader or new to the HR role, you'll take away important strategies to improve your organization through impactful HR leadership – plus, you'll develop a network of HR leaders and build lasting relationships with colleagues. ■

Human Resource Management School program coordinator Terry Saber was recently interviewed by Today's Banker Digest about the current challenges facing HR leaders in banking.

[Watch it now.](#)



Digital Banking School - Timely and Affordable

DIGITAL BANKING SCHOOL
Virtual School – Held Online Tuesday/Thursday Half Days, April 11 - May 5, 2022

To remain competitive today—and viable tomorrow—community banks need to devote attention, staffing and financial resources to innovation, digital product mix, online customer engagement, technological advances, vendor partnerships and more. GSB's Digital Banking School is the first school of its kind—focused exclusively on demystifying these sometimes-intimidating topics—to help community banks move into and/or grow in the digital banking space.

This immersive eight-session program is held online to allow cross-functional teams from the bank to attend together and will share important elements for your bank to create and grow an effective digital presence. The school brings together industry thought leaders who are experts in digital banking and innovation to round out its exceptional faculty. Limited to 30 banks – don't delay! ■



GSB LENDING LIBRARY

Quality Programs, Expert Instruction

The GSB Lending Library features a comprehensive source of training for all aspects of commercial lending, facilitated by esteemed instructor Richard Hamm. These programs are exclusive to GSB – you won't find them anywhere else – and are available live or recorded for 90 days for your scheduling convenience. Watch the GSB Online Seminars page for specific registration links coming soon; and for now, mark your calendars to make these exceptional programs part of your or your teams' 2022 professional development. **Save 15% with bundled pricing when you sign up for each program in a category!**

Business Financial Statements and Tax Returns

Advanced Cash Flow Issues: Working Capital and Fixed Asset Expenditures
May 17, 10:30 am - 12:00 pm

Cash vs. Accrual Accounting Refresher
April 5, 8:30-10:00 am

Components of Business Financial Statements & Tax Returns
March 29, 8:30-10:00 am

Developing and Analyzing a Statement of Cash Flows
May 3 10:30 am - 12:00 pm

Developing and Analyzing Key Financial Ratios
April 19, 8:30-10:00 am

Developing and Analyzing the Uniform Credit Analysis (UCA) Model
May 10, 10:30 am - 12:00 pm

Navigating and Analyzing a Business Tax Return
April 12, 8:30-10:00 am

Commercial Lending

Best Practices for Lines of Credit, Term Loans and Other Credit Facilities
April 5, 10:30 am - 12:00 pm

Expanding from Global Cash Flow into Global Analysis
May 17, 1:00-2:30 pm

Five Keys to Better Credit Memos and Loan Packages
April 19, 10:30 am - 12:00 pm

Four Keys to Loan Structuring
March 29, 10:30 am - 12:00 pm

Global Cash Flow Mechanics, Including Living Expense
May 10, 1:00-2:30 pm

Improving Commercial Loan Pricing and Profitability
April 19, 1:00-2:30 pm

Introduction to Global Cash Flow
May 3, 1:00-2:30 pm

Loan Agreements and Covenants
April 12, 10:30 am - 12:00 pm

Construction Lending

Administering and Monitoring Commercial Construction Loans
May 10, 8:30-10:00 am

Administering and Monitoring Residential Construction Loans
May 17, 8:30-10:00 am

Issues in Underwriting Commercial Construction Loans
May 3, 8:30-10:00 am

Consumer Lending

Analyzing Personal Financial Statements and Loan Applications
March 29, 1:00-2:30 pm

Overview of Residential Mortgages and Home Equity Lending
April 12, 1:00-2:30 pm

Overview of Credit History and the Role of Collateral
April 5, 1:00-2:30 pm

CRE Appraisals

Appraisal Approaches to Value Demystified
February 22, 10:30 am - 12:00 pm

Key Appraisal Components Beyond the Approaches to Value
March 1, 10:30 am - 12:00 pm

Overview of Appraisal Rules/Guidelines and the Review Process
February 15, 10:30 am - 12:00 pm

Overview of Evaluations and Other Valuation Options
March 8, 10:30 am - 12:00 pm

CRE Lending

Cap Rates and Factors Beyond Debt Coverage and Loan-to-Value
February 22, 8:30-10:00 am

Developing a Cash Flow and Key Ratios
February 15, 8:30-10:00 am

Developing a Global Analysis of Property Holding, March 8, 8:30-10:00 am

Issues with Property Types & Lease Structure, March 1, 8:30-10:00 am

Personal Tax Returns and Cash Flow

Advanced Personal Cash Flow Issues, Including Capital Gains
March 8, 1:00-2:30 pm

Focus on Global Cash Flow as an Underwriting Tool for Businesses and Owners
March 1, 1:00-2:30 pm

Focus on Pass-Through Entities and Schedule K-1s
February 22, 1:00-2:30 pm

Focus on Sole Proprietorships, Rental Property and Farms
February 15, 1:00-2:30 pm