

INSTRUCTOR PROFILES

Wesley Brown is a retired investment banker, who spent 35 years in the industry. He finished his career as the managing director of KPMG Corporate Finance. He specializes in merger transactions and debt and equity financing for financial service companies. Wes earned an MBA from the University of Chicago and bachelor's degree from the University of Colorado - Boulder. He currently serves on the board of Jack Henry & Associates, and FirstBank, a \$20 billion commercial bank headquartered in Colorado. He also teaches at the Graduate School of Banking Colorado.

Matt Deines is president and CEO at First Federal Savings & Loan Association in Port Angeles. He previously was executive vice president and chief financial officer at Liberty Bay Bank, based in Poulsbo. He is an experienced leader and financial expert in the community bank space. He served as chief financial officer of Sound Community Bank from 2002 until 2018. During his tenure at Sound Community Bank, his responsibilities included management of investor relations, accounting, financial reporting, operations, marketing, mortgage servicing, secondary markets, and information technology. Matt's career began as an auditor with McGladrey and Pullen, LLP, and he received his Washington CPA certificate in 2000.

Shawn O'Brien is president of QwickRate, which provides bank research, analysis and regulatory reports for financial institutions. As president, he has helped enhance delivery of non-brokered funding through the company's CD marketplace, and has brought new offerings to QwickRate's more than 3,000 institutional subscribers. He is also sits on the board of directors for National Bank of St. Anne, an Illinois community bank.

Tony Repanich is the president and chief operating officer of Shield Compliance, based in Seattle. Tony served as a community banker for 25 years and is a former executive vice president for Peoples Bank, a \$1.5 billion community bank based in Washington State. He was responsible for all aspects of retail banking, mortgage lending, cash management, investment services, and corporate marketing. Under his leadership, the bank grew from less than \$200 million in assets to its current size. Prior to joining Shield Compliance, Tony operated a consulting firm focused on cannabis banking and finance, community banking, and financial technology. Tony also serves as the adviser for the Understanding Bank Performance program.

HOMWORK

Participants are required to complete monthly assignments. This prepares them to best understand the topics, challenges them to be proactive in their learning, and to seek out the advice of key individuals within their own institution when needed. Mentors are a required part of the program, and act as a sounding board to assist in understanding new concepts.



COST FOR PROGRAM

Registration must be received by January 10 to qualify for early bird pricing.

- WBA Members*: \$695 early bird, \$775 after 1/17
- Non Members: \$850 early bird, \$950 after 1/17

REGISTRATION FORM

(photocopy for additional registrants)

Name _____

Title _____

Bank/Firm _____

Work Address _____

City/State/Zip _____

Phone _____

Cell Phone _____

Email _____

Manager Name _____

Title and Bank _____

Phone Number _____

Email _____

Enclosed is a check for \$ _____

or

VISA/Mastercard # _____

Expiration Date _____

Name on Card _____

Registration: reg@wabankers.com

WBA, 1601 Fifth Avenue, Suite 2150, Seattle WA 98101

Call us at (206) 447-1700 or register online at www.wabankers.com/ubp.

*Attendance at WBA programs is limited to employees, officers and directors of WBA members, non-members eligible for membership in the WBA and members of other state banking associations which grant reciprocal privileges to WBA members.

Cancellation Policy: For all cancellations that occur up to seven days prior to the start date, a \$50 cancellation fee will be charged. For cancellations with less than seven days notice, there will be no refunds. A substitute can attend at no fee. For cancelled courses and/or seminars, full fees will be refunded. Cancellation Procedure: Cancellations must be sent in writing to the WBA office via email, fax, or mail. No refunds will be granted until a written cancellation request is received by WBA.



UNDERSTANDING BANK PERFORMANCE



WHO SHOULD ATTEND?

Participants will learn how to assess and analyze a bank's financial performance by working with data from real institutions. Using financial statements from one sample financial institution along with statements from their own banks, participants will become familiar with the ins and outs of balance sheets and income statements and learn how to apply key performance metrics to the data presented in these documents.

Having learned how to interpret and analyze a bank's financial statements, participants will gain deeper insight into the factors

affecting bank performance. Later sessions in this course will address ways in which performance may be hindered or improved by funding strategies and risk management. Ultimately, participants will be able to review a bank's financial statements to identify strengths and weaknesses and be able to recommend changes that will lead to improved performance.

In the final session of this course, participants will put what they have learned to practice. Participants will analyze a new data set, rate the bank's performance and suggest strategic adjustments that might benefit the bank.

As a banker, our daily decisions have a direct impact on our bank's profitability. This class helps bridge the gap between understanding the overall bank performance with my daily decisions. From credit decisions to expense management, this will help you gain a better understanding of how your actions can have a positive impact on your team's profitability and your bank's overall performance. I highly recommend this class to any banker wanting to improve their overall understanding of bank performance!

Jeane Daley, VP/Training & Development Manager, Heritage Bank University

Understanding Bank performance is an essential key to the development of any banker. This training will provide you with an enriched understanding of how the work you do impacts the overall performance of the bank. Whether you are new to banking or you have been in banking for years, this course will expand your breadth of knowledge.

Kelli Nielsen, EVP Retail Banking and Marketing, 1st Security Bank of Washington

Balance Sheet Fundamentals

January 23, 2020

This session will focus on the basics of a bank's balance sheet. By analyzing a sample bank balance sheet, participants will demonstrate understanding of the institution's primary sources of earning assets, funding liabilities and total capital. Participants will practice identifying potential risks and limitations on financial performance, and will leave with an understanding of how leverage, risk management and asset allocation impact earnings and performance.

Session Objectives:

- Recognize the basics of financial statement accounting by identifying the major categories on a bank's balance sheet
- Describe the relationship between assets, liabilities and capital
- Describe the bank's general funding strategy
- Review risk weighting for various asset categories
- Demonstrate understanding of the importance of balance sheet and leverage strategies
- Analyze capital position on the impact it may have on growth

Income Statements Basics

Participants will analyze a sample bank income statement and relate it to the institution's balance sheet. This session will address the differences between interest and non-interest income. Participants will learn how to analyze and explain a bank's overall cost structure based on its balance sheet and income statement. The material covered will empower participants to interpret a bank's financial statements and understand cash flow on both sides of the balance sheet.

Session Objectives:

- Analyze and explain net interest income and non-interest income
- Link income items to corresponding sections of the balance sheet
- Recognize drivers of costs and how they relate to an institution's business plan

Instructor: Matt Deines, President & CEO, First Federal

Ratio Analysis, Part I

February 25, 2020

Participants will be introduced to the six key ratios that measure bank performance, examine the ways in which these ratios are interdependent, and consider the ways in which business decisions might affect these ratios. Using a sample balance sheet and income statement, participants will learn how to apply various performance metrics by calculating these key ratios.

Topics covered: ROA, ROE, Efficiency Ratio, Net Interest Margin, Loan to Deposit, Leverage, Loan Loss Allowance, Delinquency and NPAs.

Session Objectives:

- Identify the metrics used to assess the fundamental financial performance of banks
- Evaluate the components of performance, and be able to identify the key contributors to performance
- Calculate and explain how changes in leverage and ROA impact ROE

Ratio Analysis, Part II

Participants will gain a higher-level understanding of factors impacting a bank's performance metrics and the oversight of these metrics by financial regulators. Participants will rate the performance of their own banks using the key ratios and will give a brief class presentation explaining their findings.

Session Objectives:

- Analyze and recommend changes that positively impact ROA
- Demonstrate a high-level understanding of regulators' expectations regarding the financial metrics
- Demonstrate understanding of how to break apart the performance of a bank, both for risk and return, going beyond the basic measurements
- Assess both "absolute" and "relative" performance

Instructor: Shawn O'Brien, President, QwickRate

Fundamentals of Funding - Virtual

April 23, 2020 • 10:00 - 11:30 am

How efficiently a bank funds its earning assets is one of the single largest determinants of financial performance and is a critical component of an institution's overall business plan. Participants will examine how funding strategies impact a bank's overall liquidity and operational costs. Building on key concepts developed in earlier sessions, participants will arrive at a detailed understanding of how banks fund themselves and how various factors come into play in this process.

Session Objectives:

- Identify the different costs and attributes of each deposit category within the bank's deposit mix
- Assess the impact of core vs. non-core deposits
- Compare the pros and cons of brokered deposits and alternative liquidity
- Examine overnight borrowings/quick rate
- Evaluate operational considerations based on mix

Instructor: Tony Repanich, President & COO, Shield Compliance

Capital & Investor Relations - Virtual

May 5, 2020 • 10:00 - 11:30 am

This session focuses on capital components, strategies, attributes, structure and other factors that drive value. Participants will consider these topics from several different perspectives, first learning the basics and then progressing through increasingly complex analyses of the subjects covered. By considering how a wide array of variables interact with one another to affect performance, participants will arrive at a dynamic understanding of the role of capital in banking.

Session Objectives:

- Deconstruct and analyze capital sources, costs, value and structures
- Demonstrate how capital differs from funding and liquidity
- Interpret the role of investor relations
- Identify and evaluate potential problems related to a bank's capital

Instructor: Wesley Brown, Instructor, Colorado Graduate School of Banking

Linking Risk & Return - Virtual

May 19, 2020 • 10:00 - 11:30 am

Financial performance is a function of leverage, earnings and expenses. As banks make decisions affecting each of these three factors, they also increase or decrease the risk of loss to shareholders and may impact the deposit insurance fund. Participants will gain a broad understanding of risk considerations as they relate to a bank's financial performance.

Session Objectives:

- Analyze real-life cases illustrating the potential hazards of excessive financial risk
- Identify and assess potential risk within a given bank by reviewing financial statements
- Demonstrate a high-level understanding of some of the regulatory controls designed to prevent excessive risk
- Evaluate risk assessment based on the financial statements of the sample bank, drawing conclusions about areas in which the bank could lower risk and areas in which it might acceptably increase risk

Instructor: Tony Repanich, President & COO, Shield Compliance

Capstone Recap - Virtual

June 2, 2020 • 10:00 - 11:30 am

The capstone session will bring together the core lessons from previous sessions and allow participants an opportunity to test their mastery of the topics covered. In this final session, participants will be presented with a new set of financial statements from a bank not previously considered. Using the information contained in these statements, participants will be expected to assess various aspects of the bank's performance and make suggestions related to increasing performance and managing risk.

Session Objectives:

- Evaluate a bank's overall financial performance based on financial statements, identifying strengths and weaknesses
- Construct written and verbal summaries of an institution's financial performance
- Apply the skills studied in earlier sessions, use a structured approach to quickly rate and review a given financial institution
- Demonstrate a working knowledge of commercially available tools for the review of banks' financial data

Instructor: Tony Repanich, President & COO, Shield Compliance