As always, the semester seems to go very quickly once we get started. This past semester has nonetheless been the same. I am very happy to report that the Commercial Banking Program is going strong and as we now hit the two-year mark from the start of our first cohort, and the first class, we have made significant progress and inroads in some exciting areas that are outlined in this newsletter. I hope you enjoy this update and I appreciate all your support throughout the semester.

Student Enrollment

Certainly, a major focus of the program is recruiting. Students are the lifeblood of our mission for the program here at Marquette. As part of this effort, I have developed a new tag line, which you will see on our materials going forward, “defining a new generation of bankers.” I believe this says it all and defines what we are trying to accomplish. This semester we began our recruiting process very early with our Commercial Banking Club participating in the annual club festival, Ofest, which occurs the first week of classes. Freshman become exposed to a variety of clubs to join and participate in several events which exposes them to commercial banking. In addition, we conducted a Careers in Banking afternoon, as well as our annual Careers in Finance event (pictured left). The latter event was extremely well attended (over 138 individuals) and consisted of three sessions on commercial banking, in addition to investment management, real estate, and finance break out sessions. Panelists included Sang Kim of BMO Harris, Keith Baisden of Town Bank, Symone Jackson of CIBC, Chris Marschka of PNC, and Geoffrey Steinbrenner of Bank of America. In addition, several of our graduates participated including Jen Gigot of BMO Harris, Michelle Frederick of Wells Fargo, Brandon Santos of First Midwest, and Dan Attwood of Wintrust. Matt Carroll of the Commercial Banking Program moderated the panel. Of all the break out sessions held commercial banking was most well attended. As a result we generated considerable interest in the program and subsequently accepted a total of 12 new students into the program in November, with 3 others under consideration, bringing the total to 42 (including those under consideration), since inception. We will begin our recruiting for the 2020 cohort this spring, focusing on the existing freshman class, for potential entry next fall. We anticipate a number of other recruiting events, such as a golf outing with bankers, possible field trips and other events to make students more aware of the significant opportunities available in a commercial banking career.

Advisory Board

The interest in our Commercial Banking Advisory Board continues to grow. This past semester four new professionals joined the Advisory Board, bringing the total to 25 board members. The four new members include: Mr. John Chidester from TCF Bank, Mr. Michael Monticello from CIBC, Mr. Geoffrey Steinbrenner from Bank of America Merrill Lynch, and Mr. John Wink from Reinhart Law. Mr. John Reichert, also of Reinhart Law, is leaving the advisory board after 3 year of service and as one of the first members to join the advisory board. I thank John for his support and involvement over the years and know that he will continue to remain engaged in supporting
the program in many ways in the future. In addition to providing guidance to the curriculum for this program, the advisory board is very active providing a wide range of support to the program including financial, hosting field trips, guest speaking in classrooms, mentorships, participating in conferences, sponsoring conferences and other events, advocating on behalf of the program, evaluating student presentations, interviewing students for the program, providing internships, and, most importantly, hiring students for full-time positions.

**Activities**

This past semester we have branched out into new areas and retained some activities that are very well received by the students. This semester we made our usual trip to Chicago’s financial district, LaSalle Street to visit the Federal Reserve Bank as well as the Canadian Imperial Bank Corporation (CIBC). The Fed’s Money Museum (pictured left with MU students) is always a great place to visit and learn about the central bank’s role in the US. In addition, we visited CIBC (below) on LaSalle street, and were happy to have the CFO of CIBC, Kevin Killips, speak to our students about careers in banking and CIBC. Students continue to provide exceptional reviews of this event as an “awesome experience” as well as an eye-opener to the world of commercial banking.

This semester we again enrolled in the Community Bank Supervisors annual white paper competition. We are fielding two teams in this competition, partnering with Town Bank and National Exchange Bank of Wisconsin. This competition will culminate with a study and resulting white paper, in conjunction with the participating banks, which will be judged in April.

One of our major activities this semester was to host our second banking conference. This semester the conference was held in Washington DC, and the topic was “Combating Financial Crime in the Commercial Banking Industry.” Through the hospitality of the firm Drinker, Biddle, and Reath, who provided the facilities, we had a very successful conference with exceptional industry speakers. Mr. Jeffrey Cannon, Section Chief of the Terrorist Financing Operations of the FBI (pictured left, in the center, along with John Byrne and myself), was the keynote speaker and included others professionals such as: Steven Dantuono, FBI Chief of the Financial Crimes Section, Dennis Lormel, former FBI Chief of the Financial Crimes Division and Don Fort, IRS Chief of Criminal Investigations, in addition to John Byrne, Commercial Banking Advisory board member and Vice Chairman of ACAMS and Hal Crawford, Managing Director of Alvarez and Marsal Financial Crimes. Two panel discussions were included in the half-day event featuring bank professionals in addition to an open discussion on strategies on how to detect and report financial crimes and a view from law enforcement (pictured on the next page). The conference was a definite success. We plan to repeat this on campus, at Marquette, in the spring term on March 19th. Invitations for this conference will be circulated after the start of the new year.
Curriculum

Curriculum is the reason for the existence of this program. Much work has been done for the fall semester on the courses being taught. The most exciting development occurred with the second core course in the program, Bank Leadership. This is an applied (hands-on) course which is designed to educate students on underwriting business loans. Throughout the semester, using texts and tools from Andy Keusal’s “Breaking into Banking” and the Risk Management Association’s (RMA) Credit Essentials curriculum, students learned the mechanics of analyzing businesses and underwriting small business loans. This was only a portion of the course. This year with the help of Town Bank (a Wintrust Bank) a revolving loan fund was provided to the program for the purpose of analyzing and making loans to small businesses in the community. Working in conjunction with the Wisconsin Women’s Business Initiative (WWBIC), a Milwaukee based micro-lender, the revolving loan fund is the source for Marquette Commercial Banking students to perform credit analysis of “live” prospects, leading to credit committee presentations and loan execution. This sets this program apart and provides advance lending education at an undergraduate level, unique in the Midwest and the better part of the country. Students, after completing this course, will participate in a Loan Portfolio Management course in the spring. During this course the students will spend the semester analyzing credits for loans, reporting on the portfolio, monitoring portfolio performance, gaining exposure to loan operations and workout. This course is completely “hands-on” and will serve to grow the portfolio each year. In addition to gaining this experience the loans made will support the Marquette University’s mission of service to the community and helping to support the development of the near west side. The program will generate prospects from a variety of sources including student run businesses, the 707 hub, both of Marquette, and WWBIC (a non-profit organization) for the expansion of small businesses and jobs in the community. This program was prominently featured in a recent exclusive American Banker article, which ran in October.

Beyond the development of the lending course, I have introduced a bank simulation into the Introduction to Commercial Banking course. Students work in teams to manage a bank through four quarters, predicting the economy and forecasting loan and deposit growth, as well as pricing strategies to ultimately grow the bank. Students present their results in the form of an earnings release, at the end of the semester, to actual bank CEOs and other senior leaders. Also, working with Secure Futures of Milwaukee, a financial planning model was introduced in class to educate students in personal financial planning and financial literacy topics.

Finally, the Bank Risk Management course will also evolve into a more hands-on course utilizing a risk-based simulation to allow students to manage financial risk operational risk, strategic risk, among the other key risks towards an Enterprise Risk Management approach, as a capstone to their education.

Overall, our goal is applied learning. Although lectures cannot be completely avoided these are coupled with real-world activities which help to solidify the more complex concepts which will set us apart in the country.

Support

Programs like ours do not exist without support. All the materials that are provided by this program are funded completely by contributions to the program. Exceptional class materials that are used by actual banks to help educate their staffs are being used in this program. Our students are exposed to the same educational material that are used today in banks, to make sure that they have the right knowledge and exposure to allow them to be immediately productive when they enter a bank, which is an exceptional value for any student who enters our Commercial Banking Program. Tools such as a subscription to the American Banker publication, online bank simulation models, RMA Credit Essentials materials, Andy Keusal’s Breaking into Banking text and video, field trips to Chicago, exposure to bank CEOs and other senior professionals and outside speakers make the program
unique and different than the traditional finance disciplines typically found. With an actual and pledged endowment at approximately $800,000 this places us at 20 percent of our endowment target. It is our hope that you see the on-going value of this program and the talent that it produces today, and in the future, and will support us in our quest for on-going sustainability and, the production of a new generation of bankers.

Results
One cannot talk about the need for support without justifying it with actual results. Last spring, our first graduating class of five students were all placed, 100%, with prominent commercial banks. This past summer 100% percent of our seniors secured bank internships, as did 87.5% of our juniors. To-date, of those same seniors, 53% have already secured full-time positions with, again, very prominent commercial banks. I fully anticipate that the 15 students from this program graduating in spring will be 100% placed. In addition to this, three students in the program have earned scholarships from the RMA ranging from $3,000 to $5,000 for quality written submissions. Finally, all students in the Bank Leadership course have earned the RMA Credit Essentials Skills Certificate for successfully passing the required proficiency exam.

Plans
In addition to the work thus far that has gone into the program, I am focused on several other initiatives that have significant strategic value for the program as well as the industry. Financial literacy continues to be a topic where we have the opportunity to partner, and lead, at Marquette University, for the betterment of our young people, as well as the communities we serve for both underbanked and unbanked individuals. I continue to be focused on the perception of commercial bankers and the professionalization of this important discipline in the economy. We are taking steps through this program to focus on ethics and education, to help elevate the profession to the levels it should be given its importance to the overall economy. I will be communicating more of our plans soon, as well as welcome your input.

Finally, we are planning for our new College of Business Administration building which has been approved and targeted in the near future. We believe this is an opportunity to create a center of learning for businesses unmatched in the Midwest, and with our applied learning focus, can help to make Marquette the destination business school it should be.

I hope you have a great holiday, a very Merry Christmas and a happy, prosperous New Year. Many thanks for your continued support.

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