



Advanced School of Banking – Year 1
Session Objectives

ASSET/LIABILITY MANAGEMENT

- Understand the context of asset/liability management within a bank
- Identify the objectives of effective asset/liability and interest rate risk management
- Define key terms used in asset/liability management
- Understand the components of interest rate risk
- Interpret reports of a bank's interest rate risk sensitivity
- Analyze the strengths and weaknesses of various measures of a bank's interest rate risk
- Calculate gap, cumulative gap and gap ratios
- Evaluate a bank's risk/reward position relative to its gap position and various interest rate scenarios
- Identify factors (rate, mix, volume) that cause net interest margin and spread to change and calculate NIM and spread
- Understand the role of ALCO within a bank

BANK FINANCIAL ANALYSIS

- Understand and recognize balance sheet and income statement accounts and their relationship to each other
- Identify key ratios that signify the degree of credit risk, liquidity risk, interest rate risk, operational risk and capital risk assumed by a bank
- Become familiar with Uniform Bank Performance Reports in determination of overall bank condition
- Explain factors affecting a bank's CAMELS rating.
- Calculate key ratios and assign a CAMEL rating to an actual bank

- Understand the structuring and proper calculation of financial ratios
- Establish acceptable performance standards for pertinent ratios
- Relate key financial concepts and data to planning and managing a bank
- Understand the function of bank capital and how capital requirements affect management decisions regarding asset growth and asset/liability composition
- Become familiar with capital ratios and risk-based capital standards
- Become familiar with the concept of sources and uses of funds

DEVELOPING A SALES CULTURE

- Identify elements of a successful sales culture, including relationship development, gaining commitment and making referrals, recommending solutions, identifying financial needs and building rapport and trust.
- Review methods for efficiently managing the sales environment.
- Understand the unique needs of customers in the financial services industry as it relates to bank profitability.
- Explore qualities related to effective leadership in a sales environment.
- Discuss elements related to the employment and identification of sales-oriented personnel.
- Participate in a case study related to business expansion and development efforts.

ECONOMICS

- Explain the difference between saving and investment and how these activities influence national spending and income
- Role of financial intermediaries in facilitating economic growth
- What is money, why do people hold it and how do we measure the nation's money supply?
- What is the relationship between the money supply, inflation, GDP, interest rates, employment and the dollar and how do changes impact a bank's strategies?
- How does fiscal policy differ from monetary policy, who does these and how does each affect the banking system and economy?

EFFECTIVE LEADERSHIP IN CHANGING TIMES

- Review the factors impacting team dynamics and complete a “brief personality assessment”
- Determine the roles you and your teammates play in the work environment and collect ideas for improving working relationships as well as understanding yourself better
- Understand the condition of learned helplessness and its role in presenting barriers to change
- Recognize typical responses to change events
- Identify one’s personal responses to change and whether participants have played an instrumental, irrelevant, or detrimental part
- Gain strategies to lead in organizations faced with change that rally their teams to respond to the challenge, while maintaining one hundred percent accountability
- Define the difference between managing change and leading through transition
- Understand the three stages of the change process
- To assist participants in understanding the change process so that change becomes a catalyst for action and creation rather than a paralyzing factor

INVESTMENTS

- Understand the objectives of a bank’s investment portfolio
- Define key terms used in bank investment portfolio management
- Describe the basic characteristics of different types of securities
- Recognize the risk characteristics of common investment securities
- Understand how the prevailing interest rate environment provides information regarding the economy and investment options
- Discuss accounting for investment decisions, including the effect of SFAS 115 on investment decisions

LENDING – TRACK I

- Understand the major types and mixes of bank loans
- Understand the impact the lending area has on bank earnings

- Understand portfolio composition and how it differs in small vs. large banks
- Understand the factors involved in a credit decision
- Identify the importance of cash flow vs. earnings in analyzing a credit
- Understand the elements of a bank's loan policy
- Identify the issues in managing a loan portfolio (including mix/yield, portfolio risk, growth, loan losses, rates, trends, competition and marketplace factors)

LENDING – TRACK II

- Identify several environmental credit issues affecting Ag, Commercial and Retail lending
- Uniquely define loan “effective underwriting”
- Identify the “real” sources of loan repayment
- Estimate the working investment necessary to run a business & complete the operating cycle
- Be able to identify financial, non-financial, and bank early warning signals for problem loans
- Identify and select possible options for classified loans
- Identify four steps in establishing a strategic credit risk management program
- Identify three ways to measure credit risk in the loan portfolio

MANAGING EMPLOYEES IN THE 21ST CENTURY

- Understand the basic laws and regulations affecting the employment process and management's responsibilities within these laws.
- Understand the importance of the role of the manager in the employment process including recruiting, interviewing and selection.
- Identify various factors affecting retention and development of employees throughout the employment process.