



# **Schools of Banking**

*School of Banking Fundamentals*  
**Session Objectives**

## **ACCOUNTING – SESSION OBJECTIVES**

- Identify basic bank accounting categories through completion of exercises.
- Define verbally basic bank accounting terms.
- Diagram how a bank is a vehicle for the flow of funds.
- Identify debits and credits and their effects on the balance sheet and income statement by completing exercises.
- Briefly define the differences between cash and accrual accounting.
- Record a simple transaction using the accrual method.
- Identify the basic bank financial categories – assets, liabilities, income, and expense – and record accounting transactions.
- Identify assets, liabilities, income, and expense items through completion of exercises.
- Identify basic financial statements of a bank.
- Identify the information sources available to answer accounting questions.
- Explain verbally the importance of bank accounting.
- Complete a risk-based capital calculation and identify the effect of risk-based capital requirements on the bank's mix of assets and liabilities.
- Learn that accounting is fun.

## **ASSET/LIABILITY MANAGEMENT – SESSION OBJECTIVES**

- Define the concept of asset/liability management and describe the basic goal of asset/liability management.
- Define and identify rate sensitive assets and rate sensitive liabilities, using a bank's statement of condition.
- Calculate the effect interest rate changes can have on net interest margin.

## **BANK EXAMINATIONS – SESSION OBJECTIVES**

- Identify the types of examining agencies and their major areas of responsibilities.
- Explain the purpose of examinations and the regulator's role.
- Identify the various types of examinations to which a bank is subject.
- Gain an introduction to bank ratings.
- Describe how examiners use bank information in the examination process.

## **BANKING & THE FINANCIAL SERVICES INDUSTRY SESSION OBJECTIVES**

- Overview the current banking environment.
- Understand banking legislative history – challenges and opportunities.
- Understand the individual banker's role with regard to the future of the industry and the legislative/political arena.
- Briefly review the various banking products and services.
- Identify and evaluate today's non-bank competition.
- Define what it means to provide superior service in the financial services industry.
- Explore what banks must do to compete.
- Understand characteristics to be a winning bank.

## **UNDERSTANDING YOUR BANK THROUGH THE CALL REPORT – SESSION OBJECTIVES**

- List the uses of Call Report information.
- Identify key sections of the Call Report and the key financial information contained within.
- Calculate common ratios such as ROA, ROE, NIM, capital-to-assets ratio, loan-to-deposits ratio, earning assets ratio and overhead ratios.
- Verbally explain the meaning of these common ratios.
- **IMPORTANT** – Will **not** be explaining how to fill out, but merely discussing results.

## **COMPLIANCE IN BANKING – SESSION OBJECTIVES**

- Overview methods for compliance management and compliance monitoring.
- Examine compliance training and education methods.
- Describe the reasons behind the implementation of individual federal regulations.
- Describe the most common requirements of the major regulations.

## **INVESTMENTS – SESSION OBJECTIVES**

- List and describe investment goals.
- Describe the basic characteristics of different types of securities.
- Discuss the role of the Investment portfolio in a bank.
- Discuss accounting for investment securities.

## **LENDING – SESSION OBJECTIVES**

- Identify verbally three ways in which lending positively impacts the bank.
- List four major loan types and the forms of collateralization used for each type.
- Identify verbally the six C's of credit.
- Describe verbally the risks inherent in lending.
- Describe the supporting information and documents the customer provides the bank for the application process.
- Calculate the common ratios used by banks in the loan determination process.

## **INTRODUCTION TO MONETARY POLICY – SESSION OBJECTIVES**

- Describe the structure and core missions of the Federal Reserve System.
- Define monetary policy and explain how the Fed implements its policy decisions with open market operations, the discount rate, and reserve requirements.

## **OPERATIONS – SESSION OBJECTIVES**

- Define common operations terms.
- Identify the various types of deposit accounts.
- Describe the distinguishing features of the various types of account ownership arrangements.
- Identify the types of bank documents that define the bank's contract with its customers.

*NOTE: Bank contracts are subject to state laws, whose requirements may vary from state to state. The material in this session is intended to be general in nature and is not legal advice. Legal questions should be referred to your bank's compliance officer or legal counsel.*

- Identify the types of endorsements and the legal implications of each.
- Diagram the traditional process and flow of checking transactions through the banking system, including legal requirements placed upon the bank in processing transactions and the requirements of Check 21.
- Identify how technology is impacting the payments systems and operations.
- Describe the future of the payments systems.
- Discuss the purpose of the bank's daily money position and identify investment alternatives.
- Identify bank record retention requirements.
- Overview issues related to bank security

## **SALES & THE FINANCIAL SERVICES INDUSTRY – SESSION OBJECTIVES**

- Define basic selling concepts and determine its importance to the banking industry.
- Identify human relations skills needed for sales effectiveness.
- Define the selling process and its basic tenants: prospecting, listening, probing, matching products and needs, closing the sale and overcoming objections.
- Develop benefit statements.
- Role-play to exercise new concepts.

- Discuss and address individual sales challenges, most common objections and best sales efforts.
- Recognize the importance of developing relationships with customers.

### **SECURITY IN A TECHNOLOGICAL AGE – SESSION OBJECTIVES**

- Explore the latest technology with regard to information security.
- Review technological security issues faced by financial institutions.
- Understand the information security requirements as defined by GLBA.
- Examine examples of information security risks.