



BANKER 101 FOR THE NON-BANKING PROFESSIONAL

Description: This session is designed for potential bank investors. At completion, participants will understand the purpose and structure of banks and their supervising agencies and what affects the profitability of a banking institution. Information gained will assist potential investors in making sound investment decisions as well as acquaint them with responsibilities of ownership.

Banks and their Regulated Environment

This course introduces the types of banking institutions including bank holding companies and their differences. It also introduces the various regulatory agencies and how those supervise the banks.

Topics include:

- The purpose and structure of banks and regulatory agencies
- The general policies, principles of the regulators
- Regulator considerations with regard to organizing or acquiring groups
- Management selection
- Banking as a “risk” business
- Overview of regulations
- CAMELS Rating System

Introduction to the UBPR

This session introduces the Uniform Bank Performance Report (UBPR).

Topics Include:

- UPBR Format
- Peer groups
- Using the UBPR

Financial Analysis of Banks

This session introduces ratio analysis utilizing a “decision tree” to guide the analyst.

Topics include:

- Capital
 - Purpose
 - Capital Components
- Assets
 - Types
 - Asset quality
- Earnings
 - Return on Assets
 - Net interest margin (NIM)
 - NIM and gross earning asset yield
 - Non-interest income
 - Provision for loan losses
 - Overhead expenses
 - Efficiency
- Liquidity
 - Liquidity sources (assets and liabilities)
 - Holding companies and affiliates
- Sensitivity
 - Market risks
 - Evaluating market risks
 - Interest rate risks