



Essentials of Banking

This course provides an overview of the fundamental principles underlying the money and banking system in the United States.

Available Session(s):

03-Nov-2008 -- 04-Nov-2008 New York USD \$2375

NY Institute of Finance - 9:00am - 4:30pm Mon Tue
Downtown

Instructor(s):[Henry Pullman;]

Targeted Audience

Commercial bankers, financial analysts and others who want a basic understanding of money and banking.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Learning Objectives

Students will be able to:

- Understand how securities markets are regulated
- Gain insight into how banks manage credit risk and funding
- Gain an appreciation for the impact banks have on the economy
- Become familiar with major policy issues
- Appreciate the key performance indicators for banks

Alumni Comments

"The background of the instructor and the real-life experiences he brought to the seminar were definite strengths."

"This course was very helpful! We discussed the fundamentals of banking, but also the issues of the current market."

"There was a lot of open discussion, which helped tie in current issues with the market."

Level: Basic

CPE Credits: 14

Instructional Method: Group-Live

Detailed Outline

DAY ONE

Brief Overview of the Capital Markets

- The Traditional Role of Banks

Money - What is it? How does it work?

- Function and Properties
- Definitions and Measures
- Creation and Velocity

The Federal Reserve - Power, Presence, Policy

- How the Fed controls the money supply
- Reserve requirement
- Discount rate
- OMC
- Regulatory importance

Macro Economic Issues

- Monetary vs. Fiscal Policy
- The Keynesians and the Monetarists
- Mr. Keynes and Mr. Friedman

Political Issues: Growth and Inflation

- Chairman Bernanke on Risk and Uncertainty

Banks as Financial Intermediaries

- Loans and Deposits
- Size and Diversity

DAY TWO

The Yield Curve - Why is it important?

- Its Shape
- Theories

Interest Rates

- Asset - Liability Management
- Cost of Funds
- Pricing a loan

How a Large Commercial Money Center Bank Makes Money: Let's Go to the Balance Sheet

- Loans
- Branches
- Securities Processing
- Trust and Estates

The Treasury Function - Managing the Gap & Minimizing the Cost of Capital (Borrowing Cheap and Lending Dear)

- Money Market Instruments
- Fed Funds
- Repos
- CDs
- Commercial Paper
- Bankers Acceptances

Capital Adequacy

- Retail vs. Money Center

- Reserve requirements
- Off balance sheet risk
- Managing Risk: How Are Loans Like Bonds?
- Credit Risk
- Interest Rate Risk

How Investment Banks Make Money - Back to the Balance Sheet

- Traditional Separation between Investment and Commercial Banks
- Mergers and Acquisitions
- Initial Public Offerings (IPO's)
- Financial Advisory
- Asset Management

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