Finance 471 - Commercial Bank Management
Stephen F. Austin State University
Spring 2019

Course Number: Finance 471
Course Title: Commercial Bank Management
Time / Location: 11:00 am to 12:15 pm - Tuesday and Thursday
BU 453
Instructor: David R. Kaiser
Lecturer / Director, Chadwick Family Banking Program
McGee 303J  Kaiserdr@sfasu.edu  936-468-1664
Office Hours: Tuesday 2:00 to 5:00, Wednesday 8:30 to 12:30, Thursday 2:00 to 5:00
Or – By Appointment
Communication: I will communicate outside of class through E-Mail using your “@jacks.sfa.edu” address. I will also post news and updates on D2L. (I do not check the email system contained in D2L).

Catalogue Description and Credit Hours of Course:
Commercial Bank Management - Designed to provide the student with an understanding of commercial bank operations and management. Three (3) Credit Hours.

Prerequisites:
Prerequisites: FIN 370 Banking Fundamentals.

Text:

A digital copy of the online textbook can be purchased from: www.textbookmedia.com ($34.95)
- Go to www.textbookmedia.com. Register. It will take about 60 seconds. You will be taken to My Account. You will see “You currently have no books to view.”
- To find your book, click on Booklist. Locate the book and click on Pricing Details. You will have options for the format (e-book, PDF, and three print formats). Read the descriptions and make your choice.
- Click on Add to Cart, then Checkout. Then you’ll see a page for Review Order. Once processed, e-book orders will be in My Account. Print orders may take up to seven business days, but you’ll have the online book immediately in My Account.
Supplemental Materials:
Supplemental study materials will be provided throughout the course and will be made available on D2L.

Learning Objectives of the Course:
- To build student’s knowledge and understanding of the principles and theory of banking institution management.
- Develop the student’s ability to analyze banking institutions from a financial, strategic and regulatory perspective.
- Provide the student with a basic understanding of the role and responsibilities of officers, executives, directors, and regulators within the banking industry.
- Assist students in connecting the links between financial markets, interest rates, economic cycles, regulatory oversight, technology, corporate oversight, and banking.
- Provide students with opportunities to build their interpersonal skills in teamwork and in expressing themselves both orally and in writing.

Instructor’s Goal for This Course:
Managing a commercial bank requires the practical high level application of each of the disciplines studied in business school including; finance, accounting, marketing, human resources, management, economics, ethics, business strategy, and business/governmental policy. My goal for this course is to provide students with the top down perspective of managing a public banking company as viewed by executive officers, directors, industry analysts and investors, and regulators.

If you are planning a career in banking this course will prove to be invaluable by providing a high level perspective into managing a financial institution, however, if your career goals take you in another direction the perspectives gained through this class will be transferable to leadership roles in other industries.

Course Evaluation Process:
The course will consist of two examinations, a research report and presentation, and other learning related projects and administrative requirements as follows:

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<thead>
<tr>
<th>Grade Weighting</th>
<th>Percent</th>
<th>Points</th>
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<tbody>
<tr>
<td>Examination #1</td>
<td>20.0%</td>
<td>60</td>
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<tr>
<td>Examination #2</td>
<td>20.0%</td>
<td>60</td>
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<tr>
<td>Final – Group Research Report</td>
<td>15.0%</td>
<td>45</td>
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<tr>
<td>Final – Group Research Presentation</td>
<td>10.0%</td>
<td>30</td>
</tr>
<tr>
<td>Economic Conditions/Rate Survey Project</td>
<td>5.0%</td>
<td>15</td>
</tr>
<tr>
<td>Group Economic Conditions/Rate Update #1</td>
<td>5.0%</td>
<td>15</td>
</tr>
<tr>
<td>Group Economic Conditions/Rate Update #2</td>
<td>5.0%</td>
<td>15</td>
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<tr>
<td>Professionalism</td>
<td>5.0%</td>
<td>15</td>
</tr>
<tr>
<td>Attendance and Participation</td>
<td>15.0%</td>
<td>45</td>
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<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>300</td>
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Examinations:
There will be two examinations during the term. Examinations will be a combination of multiple choice and short answer questions as well as mathematical problems.

Final Research Report and Presentation:
In lieu of a final exam, students will be assigned to groups by the instructor and the group will complete a research report and present their research findings to the class and invited guests.

Groups will be assigned to a “Partner” bank that has agreed to participate with the class in the project. Students will:

- Complete a brief history and operational profile of the partner bank.
- Describe the bank’s philosophy, market niche and its unique value proposition.
- Complete a thorough financial analysis of the bank versus peer group as of the most recent period end available using publically available information.
- Complete a SWOT (strength, weaknesses, opportunities, threats) Analysis of the partner bank as of 12/31/18.
- Determine the partner banks economic outlook for 2019/2020 and their strategy for operating within the framework of their economic outlook.
- Answer the question: What are the most significant issues facing the partner bank in 2019/2020, and what is the partner banks strategy to address the issues?

To successfully complete the research report, it will be necessary to meet with and interview executives of the partner bank, this may require travel to the bank’s location.

The research report should be of sufficient length to completely cover the assignment, but should be no more than 10 pages, plus supporting financial tables and documents.

The presentation should be in PowerPoint, and of sufficient length and detail to cover the key points, however, it should be no more than 20 minutes in length. There will be up to 10 minutes after the presentation for questions if necessary. Representatives from the partner bank will be invited to join the class and view the presentation, guests will assist the instructor in grading.

As this is a group project, group members will be asked to evaluate each member of the group as to their contribution and professionalism. The group will be assigned a group grade, and the peer evaluation will be utilized to adjust the individual member grades based on their peer’s assessment of their contribution and professionalism.

Economic Conditions/Rate Survey Project and Updates
Managing a commercial bank requires that management and the board make assumptions about the current and future trends of economic activity and interest rates. Throughout the term we will be monitoring the economy and interest rates.

- Economic Conditions/Rate Survey Project: Each student will complete an assessment of the economic outlook and interest rate trends, and prepare a brief report supporting their position.
Some reading materials will be provided by the instructor on D2L, students are encouraged to complete independent research also.

- **Economic Conditions/Rate Updates #1 and #2:** The class will be divided into groups that will prepare (on two occasions for each student) an update to the economic outlook and interest rate environment. This update will be turned in to the instructor and presented to the class, followed by discussion toward a consensus view of the economic trends.

**Professionalism:**
This class will include case based discussions of actual business situations and strategic decisions. Differences of opinion are expected, expanding comfort zones, open discussion and taking of positions will be encouraged. Professionalism requires that interactions at all times remain polite, respectful, considerate and thoughtful. Personal attacks, rude behavior and intolerance/belittling will not be tolerated.

**Confidentiality:**
Students will be speaking with executives at partner banks and may be exposed to proprietary or confidential financial and strategic information that if disclosed could cause damage to the bank or its shareholders. Students are to maintain the highest standards of confidentiality regarding the partner banks at all times.

**Attendance and Participation:**
Scheduling, time management and “showing up” are skills that are required to succeed professionally. Attendance in class is expected and will be taken each session. *Attendance is required to earn participation credit, participation credit will be deducted for each class session missed.* Excused absences will be considered on a case by case basis. Please be on time, late arrival is discourteous to others who managed to arrive on time and reflects poor time management skills. Avoid leaving the classroom early, unless previously agreed with the instructor.

**Extra Credit:**
Students may complete one extra credit project, which involves interviewing a “C” level executive (CEO, CFO, CLO, COO) officer of a commercial bank on the topic “Why Community Banks Are Important to the Economic Well Being of a Region”, and preparing and submitting a report of no more than 2 pages based upon the interview. Students completing the extra credit project will earn up to 20 points that can be added to their overall point total for the term.

Course grades are determined by applying the following scale to a students weighted average:

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<tr>
<th>Percentage Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>90% and above</td>
<td>A</td>
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<tr>
<td>80% to 89%</td>
<td>B</td>
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<td>70% to 79%</td>
<td>C</td>
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<tr>
<td>60% to 69%</td>
<td>D</td>
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<tr>
<td>&lt; 60%</td>
<td>F</td>
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**Texas Bankers Association Annual Convention:**
The Chadwick Family Banking Program from Stephen F Austin State University will be hosting a trade show booth at the Texas Banker’s Association Annual Convention in Austin Texas May 1-3 2019 (Wednesday, Thursday, Friday). The TBA has offered to make room for a limited number of students to attend the convention and assist with the booth as well as attending convention seminars and events. Participation in this activity is strictly voluntary, will be without credit, and involve overnight travel. More information regarding this opportunity will be available at a later date in the term.

**Missed Examinations/Presentations:**
*No makeup examinations or presentations will be offered.* If you promptly (preferably in advance) provide me verifiable evidence that an absence is excused based upon SFA policy (the absence was caused because of health, family emergencies, or student participation in approved university-sponsored events) reasonable accommodations will be made.

**Late Assignments:**
*No late assignments will be accepted for credit.* Professional success requires honoring commitments, meeting deadlines, and exceeding expectations.

**General Administration:**
This course is intended to be a professional learning experience in a professional environment. Students are expected to come prepared to participate and contribute. Electronic devices should be silenced and put away for the duration of the class period.
Program Learning Outcomes: Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at http://www.sfasu.edu/cob/ug-plo.asp

Student Academic Dishonesty (University Policy 4.1) Abiding by university policy on academic integrity is a responsibility of all university faculty and students. Definition of Academic Dishonesty. Academic dishonesty includes both cheating and plagiarism. Cheating includes, but is not limited to (1) using or attempting to use unauthorized materials on any assignment or exam; (2) falsifying or inventing of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were one’s own. Examples of plagiarism include, but are not limited to (1) submitting an assignment as if it were one’s own work when it is at least partly the work of another person; (2) submitting a work that has been purchased or otherwise obtained from the Internet or another source; and/or (3) incorporating the words or ideas of an author into one’s paper without giving the author credit. Penalties may include, but are not limited to reprimand, no credit for the assignment or exam, re-submission of the work, make-up exam, failure of the course, or expulsion from the university. Please read the complete policy at http://www.sfasu.edu/policies/student_academic_dishonesty.pdf

Course Grades (University Policy 5.5) At the discretion of the instructor of record and with the approval of the academic unit head, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F, except as allowed through policy related to active military service. If students register for the same course in future semesters, the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average. Please refer to the complete policy at http://www.sfasu.edu/policies/course-grades.pdf.

Students with Disabilities To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Room 325 in the Human Services Building, 468-3004/468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to: http://www.sfasu.edu/disabilityservices/

Student Conduct (University Policy 10.4) Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the full Student Conduct Code at http://www.sfasu.edu/policies/student-conduct-code.pdf.) Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/ inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare Early Alert Program. This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.