Finance 471 - Commercial Bank Management
Stephen F. Austin State University
Spring 2020

Course Number: Finance 471

Course Title: Commercial Bank Management

Time / Location: 11:00 am to 12:15 pm - Tuesday and Thursday
BU 477

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, assignments 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.

Textbook: There is no textbook required for this course. Articles and reading materials will be posted on D2L for review, consideration and homework exercises.

Learning Objectives of the Course:
- To build student’s knowledge and understanding of the principles and theory of banking institution management from the perspective of executive management and the board of directors.
- 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 three examinations, a research report and presentation, and other learning related projects and administrative requirements as follows:

<table>
<thead>
<tr>
<th>Grade Weighting</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Examination #1</td>
<td>15.0%</td>
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<tr>
<td>Examination #2</td>
<td>15.0%</td>
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<tr>
<td>Examination #3</td>
<td>15.0%</td>
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<tr>
<td>Final Research Report and Presentation</td>
<td>20.0%</td>
</tr>
<tr>
<td>Economic Conditions/Rate Survey Project</td>
<td>5.0%</td>
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<tr>
<td>Economic Conditions/Rate Update #1</td>
<td>5.0%</td>
</tr>
<tr>
<td>Economic Conditions/Rate Update #2</td>
<td>5.0%</td>
</tr>
<tr>
<td>Homework Assignments</td>
<td>5.0%</td>
</tr>
<tr>
<td>Attendance and Participation</td>
<td>15.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Examinations:
There will be three examinations during the term. Examinations will be a combination of multiple choice and short answer questions as well as mathematical problems. While not comprehensive, the later material builds on concepts developed earlier in the course.

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

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 banks corporate culture, operating 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 CAMELS (Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk) analysis of the partner bank and rate each area in a manner similar to a regulatory examination.
• Complete a SWOT (strength, weaknesses, opportunities, threats) Analysis of the partner bank as of 12/31/19.
• Determine the partner banks economic outlook for 2020/2021 and their strategy for operating within the framework of their economic outlook.
• Answer the question: What are the three most significant issues facing the partner bank in 2020/2021, 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 will be made during the time allocated for the final exam. The presentation will be attended by the executive officers and guests of the partner bank and other members of the class.

The presentation should be in PowerPoint or an equilivant presentation format, 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 from the guests if necessary. Guests will provide feedback to the presenting group and will assist the instructor in grading.

As this is a group project, group members will be asked to evaluate each member of their 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.

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.

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 current 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.

**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.

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

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<tr>
<th>Percentage</th>
<th>Grade</th>
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<tr>
<td>90% and above</td>
<td>A</td>
</tr>
<tr>
<td>80% to 89%</td>
<td>B</td>
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<tr>
<td>70% to 79%</td>
<td>C</td>
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<tr>
<td>60% to 69%</td>
<td>D</td>
</tr>
<tr>
<td>&lt; 60%</td>
<td>F</td>
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**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.

**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.

**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.
**SACS Credit Hour /Contact Justification:** Finance 471 “Commercial Bank Management” (3 Credits) meets twice each week (Tuesday/Thursday) in 75 minute segments for 15 weeks and also meets for a final two hour research paper presentation session. Each class session requires preparation work; reviewing textbook material and/or industry specific topical articles in anticipation of classroom discussion. Students complete an economic conditions survey project and present two additional economic conditions updates to the class which require outside research and evaluation. Students complete three examinations covering classroom material. Working in groups, students complete a major case study review of a commercial bank that has agreed to participate in the study. The case study covers financial analysis, SWOT analysis, CAMELS analysis, strategic evaluation, marketplace assessment, competitive landscape, regulatory issues and key issue analysis. Students are required to meet with bank executives to complete the case study report. The case study results are presented to both the class and to the partner banks, with feedback and evaluation being provided by the partner bank. These activities require a minimum of 6 hours each week to prepare outside of classroom hours.

**Rusche College of Business- Syllabus Addendum**

**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/](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](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.