



# Banking Masterclass Course

Understanding the fundamentals  
of Banking!

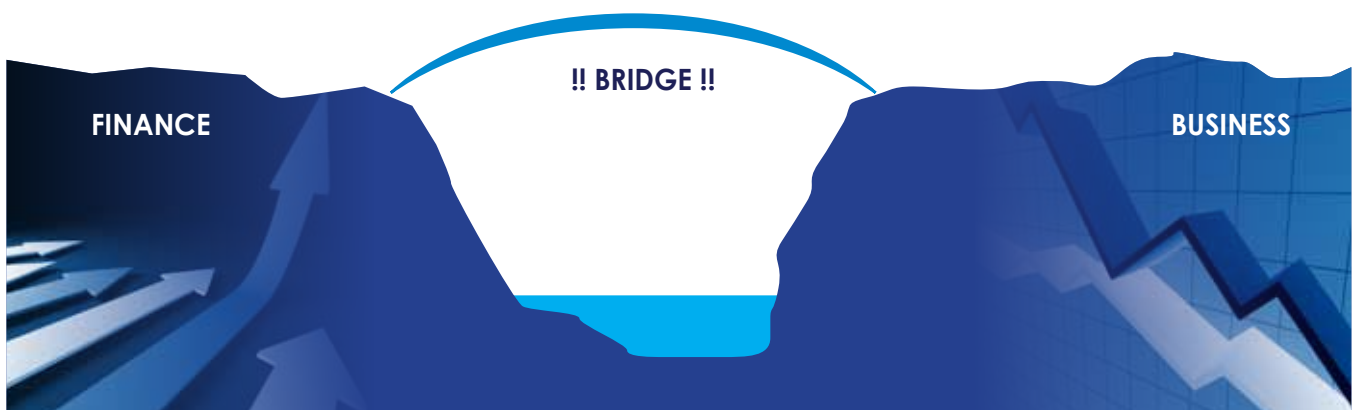
*"It helped me to understand the entire banking process and how all the elements of the bank work together. It helped me to understand the drivers of profitability and how to unpack the drivers of income streams. Truly enjoyed it. I learned how to manage a bank in a playful way."*

*(Neil Rosslee, Finance - Business Markets)*

# Course Information

## Banking decision makers are constantly confronted with the following questions:

- Which product should be sold to which customer segment through which channel?
- What should the price of products and services be?
- In which channels to invest and disinvest to maximize returns for shareholders?
- What should investment be in back office activities to ensure process efficiency?
- How can sales, service and back office effectiveness be improved?
- How much capital is required?
- How to manage the risks associated with interest rate movements, liquidity and credit risk?
- Where must marketing focus be?
- What is the impact of the economic cycle on the financial performance?
- What is the impact of Banking Regulations on the operations?
- How does all of the above-mentioned reflect in the financial performance?



## Research has also indicated:

A study on strategic planning execution authored by Renaissance Solutions, notes that of the 101 corporate participants surveyed, 57% report only "little or some" linkage between the priorities of long-range strategy and the annual budget.

*Source: The Corporate Strategy Board, Congruence of Strategic Planning and Budgeting Process*

The whale curve for cumulative profitability typically reveals that the most profitable 20% of customers generate between 150 - 300 % of total profits. The middle 70% of customers about breakeven, and the least profitable 10% of customers lose 50 - 200% of total profits, leaving the company with its 100% of total profits.

*Source: Dr Kaplan author of a research paper on Customer Profitability*

All of this implies that it is difficult for decision makers to understand the impact of their actions on financial performance over time; especially because of the complexity of the financial statements and that banks are usually functionally structured. It is therefore difficult to integrate all the information and see the "bigger" picture. This leads to inefficiencies and a "trial and error" method of learning.

*"I learned how to use both Financial and Non-Financial information in the decision-making process. It also broadens your thinking capacity and it teaches you how a bank operates. It was very beneficial." (Nana Sekati, Barclays Shared Services)*

Four former banking managers from different functional areas come together and developed this **Banking Masterclass training course** with the view to fast track the learning of employees and expose them to all these banking concepts in an integrated, interactive banking simulation with a theoretical underpin.

# Course Content

## Day 1: Banking Simulation

Participants will, through a live interactive Banking simulation, be required to:

- 1 Manage the financial performance of a bank
- 2 Integrate underlying dynamics of the business- and economic environment
- 3 Assess and counter competitor behavior
- 4 Understand and manage the associated risk

**Note:** The impact of the teams' business decisions will be seen in the financial statements and the bank's share price will be influenced by the successful execution of strategies.

*"This training helped me to see the bigger picture and focus on all the links (variables) that impact on the business. You need to have a strategy in place and adapt this strategy after analysing your results. "Systems thinking" is key to a business's success. The training can be practically applied in business. I enjoyed it very much." (Rita de Bruyn, Home Loans, Management Information)*

## Day 2: Understanding Financial Performance

### 1 Understanding the current Economic Climate

The participants will be exposed to the following concepts: Economic Cycle, Inflation, Financial Markets and their impact on financial performance.

### 2 Risk Management

The participants will be exposed to the following concepts: Risk Management with specific focus on capital adequacy risk, liquidity risk, credit risk, operational risk, currency risk, interest rate risk, market - and reputational risk as well as bank supervision and regulations. We will also review the role of the South African Reserve Bank.

### 3 Linking Strategic Planning to Financial Performance

The participants will be exposed to the following concepts: ROE decomposition, Systems Thinking, Strategy Dynamics, Modelling and Matched Funds Transfer Pricing. We will review the financial statements of a bank and deconstruct each element in the financial statements and indicate the non-financial drivers that influence these elements. Systems thinking will be used to link financial and non- performance. Key financial ratio's will be used to evaluate the Bank's performance.

### 4 Practical Application

The Banking Simulation of the previous day will be used to practically demonstrate how to apply the above-mentioned concepts.

*"I liked the way in which you methodically decompose a business to understand the levers and drivers. It is more than theory and its more than just business, its practical and it can be applied to your personal life as well. Brilliant course, thanks."*

*(Yolandi van Heerden, Finance Credit Card)*

# Who should attend?

**This course has been developed for all banking employees. It could be:**

- Entire functional teams
- New to bank employees
- Targeted groups for example business bankers, or Retail bankers
- Graduate program students, or this course could form part of
- An existing management training program.

*"Opened my eyes (on) how to break a big problem into smaller pieces and link management objectives to results. It is relevant for anyone that makes decisions in a bank." (Chiriez Dafel, Group Finance)*

*"It was an excellent way of understanding the bigger picture and how all SBU's fit together and interact with each other. It highlighted the critical success factors and KPI's that need to be measured and benchmarked for a Bank. It is relevant to every position working in a Bank, especially if you do not have a banking background." (Kishen Govender, Consumer Markets)*

## About the Course Developers

**Marius Joubert** is the owner and founder of IMPACT Business Services that specialises in Financial and Business skills training and financial turn-around consulting projects. He holds a Masters degree in Cost and Management Accounting and was a project leader in developing account level profitability for a Bank (Absa) and the General Manager for the Finance Learning Academy. He has presented various Top Talent, Decision Support, Business Skills and Personal Finance programs to Finance employees, Business Bankers, CIMA students, other business analysts and Business owners. He also assisted various SME businesses to enhance their financial performance and has done numerous financial modelling projects in the banking environment.

**Rica Viljoen** is a Master Organisational Development specialist, with 20 years strategy, facilitation and psychometric experience in various industries such as finance (Absa), financial services (Sanlam) and as consultant in mining, health, retail and transport -internationally. She holds a Doctorate in Business Leadership, a MBL and various post graduate diplomas in industrial psychology. She is the Managing Director of Mandala Consulting, that focused on multi-cultural dynamics, research and engagement. She is the Head of Department of People Management at the Da Vinci Institute and a senior research fellow at the University of Johannesburg. Her experience will assist participants to enable human performance in organisations that result in business indicators such as increased levels of customer satisfaction and productivity.

**Fanie Bothma** has specific skills in Treasury, Funding/Liquidity management, as well as ALM (Asset and Liability Management). He holds a B. Com., Hons (Bus Econ) and M.Com. He worked in the banking industry before joining a private company that provides services to the banking industry. Fanie has presented Treasury & Risk / ALM seminars & courses in various countries. He has guest lectured at universities as well as various banking institutes and colleges around the world. The training programs are practically orientated with many case studies, practical work & simulations to give participant hand-on experience.

**Anne-marie le Roux** is a Strategy & Marketing specialist, with 20 years' experience in both the Retail (Woolworths) and Financial Services (Absa) industries. She holds a B.Sc. (Hons) and a MBA degree, as well as a CAIB Diploma and is currently a business development coach and consultant, as well as lecturing part-time faculty at both UCT and USB Business Schools. Her experience will assist participants to translate strategy into practise, using a systems approach to optimise performance.

## Course Fees

Standardised course fees will apply, but it could be influence by the number of participants and the frequency of the course. The Banking Masterclass course can also be customised to fit your organisation's unique requirements.

## Services SETA Accreditation

The Services SETA has provided accreditation (Decision Number 1976) to Mandala Consulting for the delivery of learning programs. Organisations can claim back on their levies for training provided by Mandala Consulting.

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