

> ACCELERATE LEARNING SOLUTION

## Simulation Round V

### United Piggy Bank

Banking Simulation Training  
Accelerated Learning Solution



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Bank name: **United Piggy Bank**

Quarter III  
Year 2

### Decisions Taken:

Savings Deposits Margin in BP:	50	
91 day CD new amount:	1,500	
1 year CD Rate in %:	12	
1 year CD Rate desired amount:	303.00	
5 year CD Rate in %:	11	
5 year CD Rate desired amount:	104.00	
Debentures:	10	
Security 91 days:	1,748	Rating Implication ▼
Security 182 day:	-	
Security 273 day:	-	
Security 365 day:	-	
Asset Bankers amount:	3,500	
Prime amount:	1,935	
Amount repayment cycles:	4	
Medium Risk spread above prime:	60	
Medium Risk desired amount:	3	
High Yield spread above medium:	70	
High Yield desired amount:	452	
Consumer amount:	402	
Amount repayment cycles:	4	
1 year Mortgage desired amount:	212	
1 year Mortgage basis points:	25	
5 year Mortgage desired amount:	300	
5 year Mortgage basis points:	25	
Marketing Savings Deposits:	5	
Marketing 1 year CD:	3	
Marketing 5 year CD:	2	
Marketing Medium Risk Loans:	-	
Marketing Credit Cards:	1	
Buy Marketing Information:	no	
Buy critical Marketing Information:	no	
Dividends:	18	
Change in Headcount:	no	
HR investment in training:	yes	
change in IT investment:	down	

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Quarter III  
Year 2

### Quarter

#### Balance Sheet

	I.Y1	II.Y1	III.Y1	IV.Y1	I.Y2	II.Y2	III.Y2	projected
<b>Assets</b>								
Cash	326	365	383	393	527	420	405	10,614
Bankers	1,500	1,250	2,800	3,000	4,000	3,500	3,500	-
Securities	4,850	3,713	4,000	6,206	5,275	4,204	5,351	-
Loans	21,882	23,885	22,840	21,653	22,320	20,515	18,075	12,259
Mortgages	7,200	8,320	8,700	10,450	10,873	11,385	11,887	11,887
Other Assets	3,060	3,201	3,201	3,201	3,260	3,260	3,260	3,325
<b>Total Assets</b>	38,818	40,733	41,923	44,902	46,255	43,284	42,478	38,085
<b>Liabilities</b>								
Bankers	1,640	1,600	3,297	4,148	6,000	4,735	2,953	-
Demand Deposits	6,018	6,428	6,327	5,979	6,597	6,116	6,150	6,391
Savings Deposits	16,298	17,188	18,193	18,956	19,392	20,176	20,884	20,884
Certificates of Deposits	12,545	13,045	11,471	13,110	10,033	9,467	9,624	7,924
Central Bank Advance	-	-	-	-	1,512	-	-	-
Subordinate Debt	1,110	1,210	1,320	1,350	1,380	1,390	1,400	1,400
Equity	1,207	1,262	1,314	1,359	1,341	1,399	1,465	1,485
<b>Total Liabilities</b>	38,818	40,733	41,923	44,902	46,255	43,284	42,478	38,085



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Quarter III  
Year 2

### Quarter

#### Income Statement

	I.Y1	II.Y1	III.Y1	IV.Y1	I.Y2	II.Y2	III.Y2	projected
<b>Revenues</b>								
<b>Interest Revenue</b>								
from Bankers	32.23	31.60	70.78	75.45	114.76	90.68	80.51	0.00
from Loans	662.00	799.58	800.42	727.63	561.44	672.15	534.49	373.99
from Mortgages	208.57	245.59	250.26	309.70	338.27	353.12	367.40	367.40
from Securities	20.00	32.51	46.75	84.20	106.21	115.41	156.18	175.69
<b>Total Interest Revenue</b>	922.80	1109.28	1168.20	1196.98	1120.68	1231.37	1138.58	916.97
<b>Interest Expense</b>								
from Bankers	34.73	39.43	85.43	101.73	165.51	125.68	64.67	0.00
from Demand Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
from Savings	288.38	385.60	405.85	381.89	419.10	439.89	382.73	382.73
from CD's	299.22	323.58	296.10	328.64	274.19	245.05	262.46	210.60
from Debentures	31.57	34.62	38.27	39.20	40.20	40.53	40.77	40.77
from Central Bank	0.00	0.00	0.00	0.00	61.71	0.00	0.00	0.00
<b>Total Interest Expense</b>	653.88	783.24	825.66	851.46	960.70	851.14	750.63	634.10
<b>Net Interest Revenue</b>	268.92	326.04	342.55	345.52	159.98	380.22	387.95	282.87
<b>Fees Income</b>	86.81	118.81	120.78	119.53	204.63	138.24	180.49	111.57
<b>Total Revenue</b>	355.73	444.85	463.33	465.05	364.61	518.47	568.44	394.44
<b>Expenses</b>								
Staff costs	58.88	59.86	65.32	67.83	72.31	75.89	78.16	78.16
IT Cost	8.39	8.97	9.78	10.95	12.27	13.74	14.02	14.30
Administrative expenses	119.80	205.52	224.88	236.71	269.30	266.85	296.66	261.66
<b>Intelligence</b>								
Market Information	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Critical Market Information	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00
<b>Marketing</b>								
Saving Deposits	2.00	9.00	10.00	10.00	5.00	5.00	5.00	0.00
1-year CD	2.00	4.00	5.00	10.00	3.00	3.00	3.00	0.00
5-year CD	2.00	4.00	4.00	1.00	3.00	2.00	2.00	0.00
Medium Risk loans	2.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
Credit Cards	2.00	3.00	4.00	4.00	2.00	1.00	1.00	0.00
<b>Total Expenses</b>	202.07	304.36	328.98	346.50	368.88	367.48	399.84	354.32
<b>Profit before Tax</b>	153.66	140.49	134.35	118.55	-4.27	150.99	168.60	40.12
<b>Taxes</b>	76.83	70.25	67.18	59.27	-2.13	75.50	84.30	20.06
<b>Net Profit</b>	76.83	70.25	67.18	59.27	-2.13	75.50	84.30	20.06
<b>Net Profit ex Div.</b>	56.83	55.25	52.18	44.27	-17.13	57.50	66.30	20.06



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Bank name: <b>United Piggy Bank</b>		Quarter III Year 2
<b>Performance Information</b>		
Dividends in mln	18	
Earnings per share (EPS)	1.69	
Share Price	22.34	
Number of Shares	50,000,000	
Market Capitalisation	1,117,178,069	
Cost of Capital (yoy)	10.93	
Economic Profit	44,255,693	
Return on Equity (yoy)	18.10	
Interest Margin	1.52	
Leverage	28.99	
Employees	2,756	
Net Profit per Employee	30,588	
Assets per Employee	15,413,276	
Cost/Income Ratio	70.34%	
Total loan losses	143,033,202	
Capital Adequacy Rate	10.2407	
Rating this quarter	AAA	
Rating next quarter	A	
<b>Economic Forecast</b>		
	This Quarter	Next Quarter
Housing starts	110,000	100,000
Inflation	107.50	108.00
Unemployment change	2.00	3.00
GDP growth	1.00	0.75
Money supply growth	2.00	3.00
91 day CD rate (AAA)	14.62	11.79 <small>AAA=0.0,AA=0.125,A=0.25; BBB=0.875,BB=1.75</small>
91 day Securities	8.60	
182 day Securities	8.80	
273 day Securities	8.95	
365 day Securities	9.10	
Subordinate Debt (AAA)	9.48	9.08 <small>AAA=0.125,AA=0.0,A=0.5; BBB=1.5,BB=3.5</small>
Asset Bankers	9.10	classified
Saving rate	7.25	<small>AAA=0.25,AA=0.125,A=0; BBB=0.375,BB=0.75</small>

Bank name: <b>United Piggy Bank</b>		Quarter III Year 2					
<b>Loan Portfolio and Credit Risk</b> (as per end of quarter 3/Y2)							
	Prime	Medium	High Yield				
<b>Starting balance</b>	<b>5,502</b>	<b>2,206</b>	<b>3,054</b>				
J. Repayments	1,870	780	-				
J. Defaults	29.15	9.10	62.60				
+ New loans	1,935	3	452				
<b>Ending balance</b>	<b>5,538</b>	<b>1,419</b>	<b>3,443</b>				
Interest ex. Loan loss	168.24	52.80	41.97				
fee income	65.07	14.58	78.26				
Interest rate p.a. (%)	10.50	11.10	11.80				
Default rate per Q. (%)	0.53	0.64	1.82				
Repayments next quarter	2,354	781	-				
	Credit Cards	Consumer					
<b>Starting balance</b>	<b>1,761</b>	<b>7,992</b>					
J. Repayments	-	2,438					
J. Defaults	16.92	25.27					
+ New loans	-	402					
<b>Ending balance</b>	<b>1,744</b>	<b>5,931</b>					
Interest ex. Loan loss	58.76	212.72					
fee income	5.33	17.25					
Interest rate p.a. (%)	17.00	13.00					
Default rate per Q. (%)	0.97	0.43					
Repayments next quarter	-	2,538					
<b>Default per Asset (%)</b>	<b>1.35</b>	<b>Rating implication</b> ▼					
<b>Default per R.W.A. (%)</b>	<b>2.04</b>	<b>Average default per R.W.A. (%)</b>	<b>1.74</b>				
<b>Interest inc./total inc. (%)</b>	<b>68.25</b>						
<b>Mortgage Portfolio</b> (as per end of quarter 3/Y2)							
<b>Mortgage with 1 year fixed rate</b>			<b>Mortgage with 5 year fixed rate</b>				
Interest change	Tenor	Rate	Amount	Interest change	Tenor	Rate	Amount
Quarter I.Y2	20 years	11.07	3,600	Quarter I.Y6	20 years	11.85	3,600
Quarter II.Y2	20 years	12.75	560	Quarter II.Y6	20 years	13.40	560
Quarter III.Y2	20 years	12.00	190	Quarter III.Y6	20 years	12.50	190
Quarter IV.Y2	20 years	11.55	650	Quarter IV.Y6	20 years	12.00	1,100
Quarter I.Y3	20 years	12.70	298	Quarter I.Y7	20 years	13.25	125
Quarter II.Y3	20 years	12.00	212	Quarter II.Y7	20 years	12.50	300
Quarter III.Y3	20 years	11.25	212	Quarter III.Y7	20 years	11.75	290
Quarter IV.Y3	20 years			Quarter IV.Y7	20 years		
Quarter I.Y4	20 years			Quarter I.Y8	20 years		
<b>Total</b>		<b>5.722</b>		<b>Total</b>		<b>6.165</b>	

Bank name: <b>United Piggy Bank</b>		Quarter III Year 2				
<b>Securities Portfolio</b> (as per end of quarter 3/Y2)						
	Amount	Interest				
Quarter III.Y2	3,204.00	156.18				
Quarter IV.Y2	5,351.05	175.59				
Quarter I.Y3	-	-	lowered interest rate due to too large security portfolio			
Quarter II.Y3	-	-	below minimum requirement = automated hike in securities			
Quarter III.Y3	-	-				
Quarter IV.Y3	-	-				
Quarter I.Y4	-	-				
Quarter III.Y4	-	-				
Quarter IV.Y4	-	-				
Quarter I.Y5	-	-				
Quarter II.Y5	-	-				
Quarter III.Y5	-	-				
<b>Total</b>	<b>5,351.05</b>	<b>175.59</b>				
<b>Certificates of Deposit Portfolio</b> (as per end of quarter 3/Y2)						
	91-day CD		1-year CD		5-year CD	
	Rate	Amount	Interest	Rate *	Amount	Interest
Quarter III.Y2	14.62	1,500	55.43		806	23.08
Quarter IV.Y2					7,318	183.94
Quarter I.Y3					606	17.77
Quarter II.Y3					7,318	183.94
Quarter III.Y3					606	17.77
Quarter IV.Y3					11.60	303
Quarter I.Y4					7,318	183.94
Quarter II.Y4					7,318	183.94
Quarter III.Y4					7,318	183.94
Quarter IV.Y4					7,318	183.94
Quarter I.Y5					1,318	35.31
Quarter II.Y5					823	23.05
Quarter III.Y5					323	9.15
Quarter IV.Y5					318	9.01
Quarter I.Y6					208	5.94
Quarter II.Y6					208	5.94
Quarter III.Y6					11.30	104
Quarter IV.Y6						
Quarter I.Y7						
Quarter II.Y7						
Quarter III.Y7						
Quarter IV.Y7						
Quarter I.Y8						
Quarter II.Y8						
<b>Interest Rate</b>	<b>8.663</b>	<small>AAA=0.0625,AA=0.125,A=0.25; BBB=0.75,BB=1.5</small>				
<b>Liability Bankers</b> (as per end of quarter 3/Y2)						

Bank name: <b>United Piggy Bank</b>		Quarter III Year 2	
<b>Savings</b>			
Savings	20,884		
New Amount	708		
rate for total savings	7.25		
<b>Debentures Portfolio</b> (as per end of quarter 3/Y2)			
	Amount	Rate	Interest
Quarter I.Y1	1,110	11.25	31.57
Quarter II.Y1	100	12.10	3.06
Quarter III.Y1	110	13.10	3.64
Quarter IV.Y1	30	12.30	0.93
Quarter I.Y2	30	13.18	1.00
Quarter II.Y2	10	13.10	0.33
Quarter III.Y2	10	9.48	0.24
Quarter I.Y3			
Quarter II.Y3			
<b>Total</b>	<b>1,400</b>		<b>40.77</b>
<b>Central Bank</b>			
Amount	-		
Rate	13.90		
<b>Gap and min. Requirements</b>			
<b>Interest Rate Gap</b>	<b>-1,775.40</b>		
<b>Minimum Cash Requirement next quarter:</b>	396.13 = 1%		
<b>Minimum Security Requirement next quarter:</b>	3,961.25 = 10%		



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Bank name: <b>United Piggy Bank</b>		Quarter III Year 2			
<b>Competitors Watch</b>					
	City Bank	Loxo Bank	The Bank	DD Bank	Super Bank
Cash	417	435	417	442	763
Bankers	1,500	2,250	500	1,002	2,070
Securities	4,410	6,690	6,830	8,690	5,179
Loans	24,992	28,038	23,470	24,856	22,694
Mortgages	10,450	11,000	12,635	12,805	9,934
Other Assets	3,371	3,606	3,308	3,508	3,319
<b>Total Assets</b>	<b>45,140</b>	<b>51,919</b>	<b>47,170</b>	<b>51,303</b>	<b>43,958</b>
Bankers	1,287	3,375	750	1,504	-
Demand Deposits	7,051	7,465	7,178	7,224	7,165
Savings Deposits	20,527	20,409	20,562	20,530	20,804
Certificates of Deposits	13,281	14,668	14,228	16,754	13,266
Central Bank Advance	-	2,068	1,475	2,538	-
Subordinate Debt	1,475	1,546	1,460	1,393	1,260
Equity	1,519	1,489	1,517	1,361	1,464
<b>Total Liabilities</b>	<b>45,140</b>	<b>51,919</b>	<b>47,170</b>	<b>51,303</b>	<b>43,958</b>
Net Interest Revenue	380.90	285.28	386.89	91.53	327.16
<b>Total Revenue</b>	<b>599.17</b>	<b>511.95</b>	<b>600.70</b>	<b>309.01</b>	<b>534.26</b>
Staff costs	78.16	85.69	78.16	75.16	80.74
IT Cost	15.39	15.39	15.39	15.39	15.39
Administrative expenses	302.32	282.93	303.65	245.90	288.11
Other	14.00	23.00	15.00	22.00	23.00
<b>Total Expenses</b>	<b>499.87</b>	<b>497.01</b>	<b>412.20</b>	<b>358.45</b>	<b>467.24</b>
Profit before Tax	189.31	104.94	188.51	- 49.43	127.02
Net Profit ex Div.	64.65	34.47	69.25	- 44.72	42.51

Bank name: <b>United Piggy Bank</b>		Quarter III Year 2			
<b>Competitors Watch</b>					
	City Bank	Loxo Bank	The Bank	DD Bank	Super Bank
Share Price	29.86	24.11	28.27	17.46	24.94
Cost/Income Ratio	classified	classified	classified	classified	classified
Capital Adequacy Rate	classified	classified	classified	classified	classified
Total loan losses in mln.	classified	classified	classified	classified	classified
Total Fee Income	classified	classified	classified	classified	classified
Saving rate	classified	classified	classified	classified	classified
Savings Marketing	classified	classified	classified	classified	classified
91 day CD rate	classified	classified	classified	classified	classified
91 day CD amount	classified	classified	classified	classified	classified
91 day CD rate next quarter	classified	classified	classified	classified	classified
1 year CD rate	classified	classified	classified	classified	classified
1 year CD rate new amount	classified	classified	classified	classified	classified
5 year CD rate	classified	classified	classified	classified	classified
5 year CD rate new amount	classified	classified	classified	classified	classified
5 year CD Marketing	classified	classified	classified	classified	classified
Prime new amount	classified	classified	classified	classified	classified
Medium Risk rate	classified	classified	classified	classified	classified
Medium Risk new amount	classified	classified	classified	classified	classified
Medium Marketing	classified	classified	classified	classified	classified
High Yield rate	classified	classified	classified	classified	classified
High Yield new amount	classified	classified	classified	classified	classified
Credit Card new amount	classified	classified	classified	classified	classified
Credit Card Marketing	classified	classified	classified	classified	classified
1 year Mortgage new amount	classified	classified	classified	classified	classified
1 year Mortgage basis points:	classified	classified	classified	classified	classified
5 year Mortgage new amount	classified	classified	classified	classified	classified
5 year Mortgage basis points:	classified	classified	classified	classified	classified
Rating	classified	classified	classified	classified	classified
Rating (next quarter)	classified	classified	classified	classified	classified
GAP	classified	classified	classified	classified	classified
Total Marketing	classified	classified	classified	classified	classified
Employees	classified	classified	classified	classified	classified
Net Income per Employee	classified	classified	classified	classified	classified
Cost of Capital (yoy)	classified	classified	classified	classified	classified



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