

COVER SHEET FOR HOME STUDY PROBLEM  
SOUTH CAROLINA BANKERS SCHOOL

FIRST-YEAR CLASS--2023 School Session

HOME STUDY PROBLEM II

Based on Lectures in **Analyzing Bank Financial Performance**

Instructor **Mrs. Lauren Nilan**

Submitted by: Name \_\_\_\_\_

Bank \_\_\_\_\_

Bank's Mailing Address \_\_\_\_\_

\_\_\_\_\_  
ZIP CODE

List the other members of your class with whom you worked in preparing this solution:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that this home study problem is my original work and that all writings by any other person, business, or organization, including my own bank, have been carefully documented. I have not shared my completed work with any other SCBS student nor have I read the completed work of any other students.

Signature: \_\_\_\_\_

**Due Date** **November 8, 2023**

Date Submitted \_\_\_\_\_

Date SCBS Received \_\_\_\_\_

Date Returned to Student \_\_\_\_\_

**ATTENTION STUDENT: UPLOAD TO SCBA's PORTAL OR MAIL HOME STUDY PROBLEM TO:**

South Carolina Bankers School  
Post Office Box 1483  
Columbia, S.C. 29202

**OR EXPRESS/REGISTERED MAIL TO: 2009 Park Street, Columbia, SC 29201**

Analyzing Bank Performance  
Home Study Problem

Balance Sheet Management Discussion

Scenario:

Rising rates have increased funding costs and put pressure on net interest margins despite increasing loan yields. The rising rates have also depressed investment portfolio values and decreased mortgage origination volume. Additionally, recent bank failures and the federal regulatory response have created a liquidity crunch. Using the attached Balance Sheet, please develop answers to the following questions.

There are no wrong answers to the questions. You can forecast any economic scenario in your answer. This is an exercise to help develop your balance sheet management understanding.

**Question 1:** Highlight at least 3 balance sheet items and discuss a strategy to improve earnings based on what we have learned in class to improve the bank's performance.

**Question 2:** Identify 3 ideas for lowering the cost of funding sources and why.

**Question 3:** Identify sources of liquidity on the balance sheet (or explain why such sources do not exist and identify outside sources of liquidity you would pursue).

**Question 4:** Based on your understanding of the current economic conditions, what do you think is a longer-term strategy to deal with bank's current balance sheet?