

BANKING 101

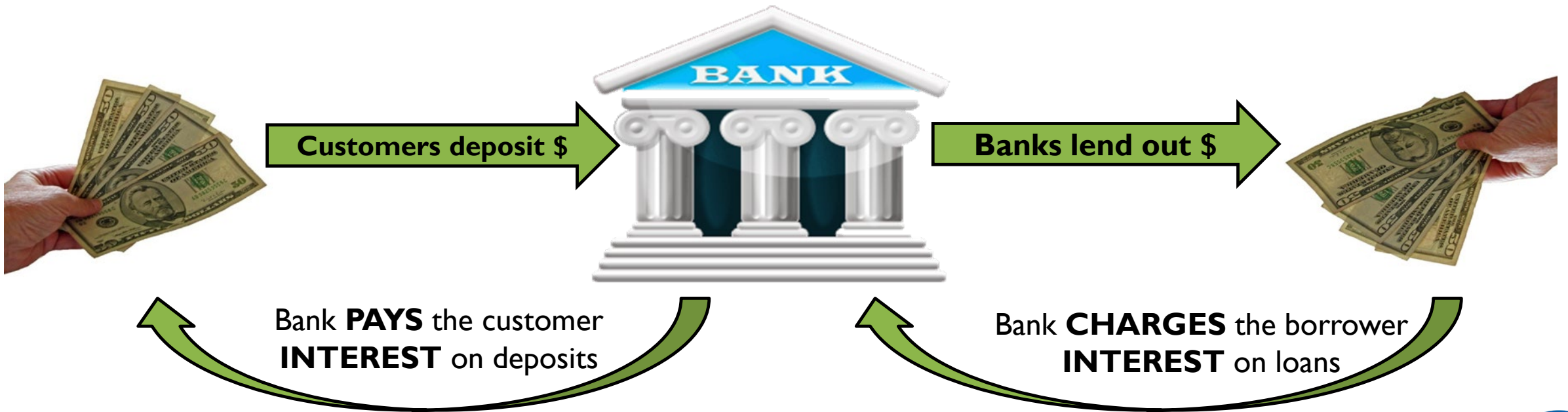
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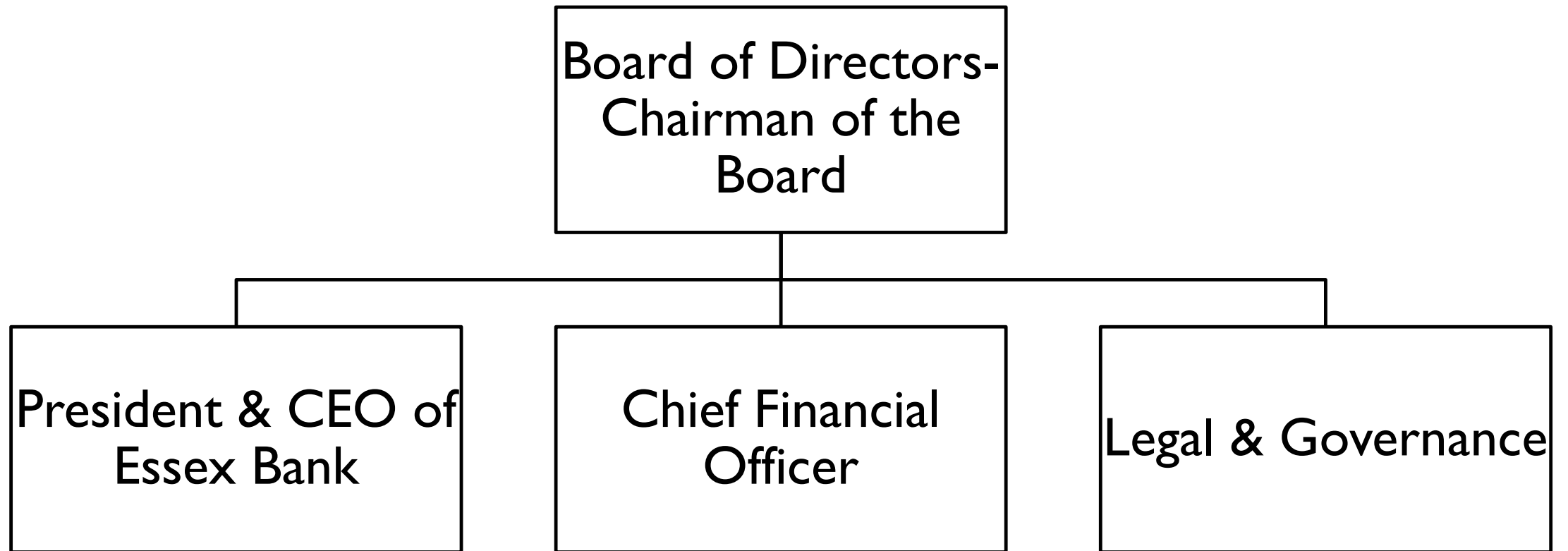
BASIC BANK FUNCTION

- Banks collect **DEPOSITS** that it then **LENDS** out to borrowers

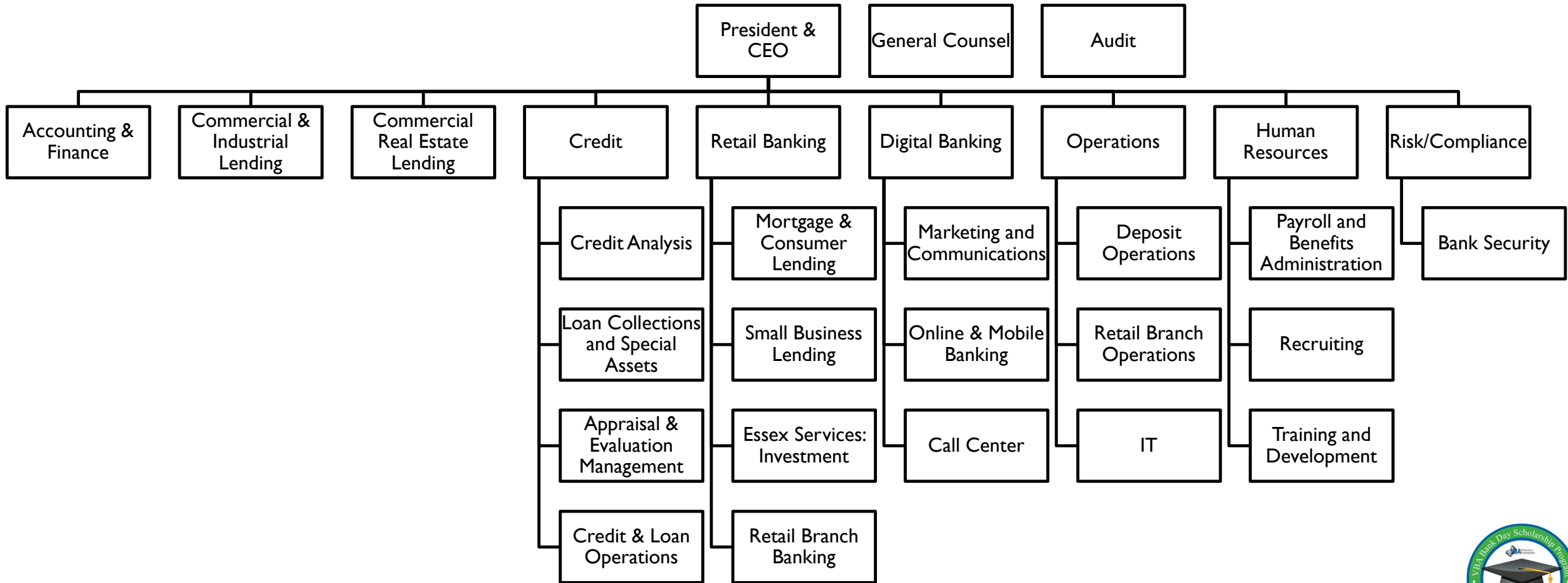


(Interest charged on Loans) – (Interest paid on deposits) = Profit

SAMPLE BANK STRUCTURE:



SAMPLE BANK STRUCTURE



BANK DEPOSIT PRODUCTS

- **Checking Account** → B. An account where funds are deposited and can be withdrawn using checks, debit card, online transaction...funds are 'on demand'
- **Savings Account** → A. An investment account where funds are deposited, earn interest, and can be accessed at an ATM or bank branch within certain limitations
- **Money Market Account** → C. An investment account where funds are deposited, earn higher interest than saving accounts, and can be accessed at an ATM, bank branch, check writing, and debit card within certain limitations

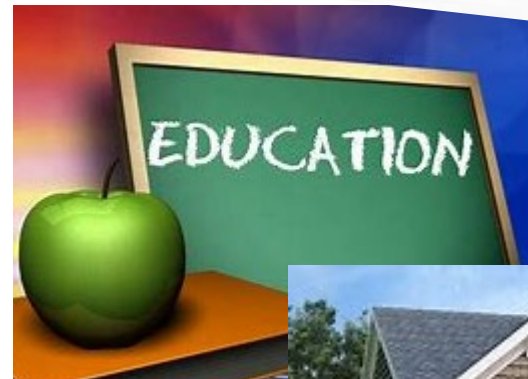
BANK DEPOSIT PRODUCTS

- **Certificate of Deposit (CD)**
- **Health Savings Account**
- **Individual Retirement Account**

- A. An account typically held as a certificate of deposit where funds are being saved specifically for retirement.
- B. An investment account where funds are deposited for a specific length of time earning fixed interest rate during that time. Funds can not be withdrawn until the end of the specific term.
- C. A checking account where funds are deposited and are used to pay for medical expenses, tax free.

BANK LOAN PRODUCTS

- Consumer Loan Products- Money needed for Life
 - Car Loans
 - Boat Loans
 - Mortgages
 - Home Equity Loans and Lines of Credit
 - Unsecured Loans



BANK LOAN PRODUCTS

- Commercial and Small Business Loans
 - Equipment
 - Agricultural
 - Commercial Real Estate
 - Lines of Credit

