
Bank Earnings and Balance Sheet Course: Margins, Provisions, Capital and Equity Returns

12 – 16 July 2027
Tokyo





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Programme Summary

Bank earnings and balance sheet analysis is the subject of this one-week training course for finance, credit and investment leaders at managerial level, ending in a bank assessment pack for one bank. Bank accounts are read differently from company accounts, because deposits are raw material, loans are the product and capital is the limit. The programme moves from statement structure to margins, provisions, funding, capital and equity returns, applied to a bank the participant selects. Mars Training Centre UK delivers this programme on bank earnings and balance sheet analysis to mixed-organisation cohorts.

The Business Case

Decisions to lend to, invest in or compete with a bank rest on a reading of its accounts, and ratios used for companies mislead when applied to a lender. Corporate treasurers, asset managers and bank strategy groups that read earnings quality, provisions and capital together can set limits and question management with evidence rather than headlines.

- Counterparty Judgement Quality: Improves as earnings, asset quality and capital are read on one set of figures.
- Limit Review Time: Falls as a standard bank assessment pack replaces ad hoc ratio tables.
- Surprise Write-Downs: Fall as provisions and concentrations are tested before exposure is extended.

Principles and Evidence Base

- Net Interest Margin Analysis: Separates yield, funding cost and volume effects on earnings, applied in Session 2.
- Asset Quality Assessment: Reads problem loans, provision coverage and concentrations as the test of earnings, applied in Session 3.
- Return on Equity Decomposition: Breaks reported returns into margin, efficiency, leverage and cost of risk, applied in Session 4.

Intended Participants

- Finance managers who judge banks as counterparties, depositaries or lenders.
- Credit and risk managers who set limits on financial institutions.
- Investment analysts and portfolio managers who value or hold bank securities.
- Strategy leads inside banks who benchmark against peers.
- Treasury managers who place funds and negotiate facilities with banks.

Typical functions include corporate treasuries, asset managers, banks and insurers.



Learning Outcomes

1. Participants will be able to construct a comparable view of a bank's income statement and balance sheet.
2. Participants will be able to diagnose changes in net interest margin as yield, funding cost or volume effects.
3. Participants will be able to evaluate asset quality using problem loan ratios, provision coverage and concentrations.
4. Participants will be able to prioritise funding and capital weaknesses that limit a bank's growth.
5. Participants will be able to compare return on equity across peer banks through decomposition.
6. Participants will be able to justify a judgement of one bank, with its limits, to a credit or investment committee.

Programme Structure

Day 1: Bank Earnings and Balance Sheet Foundations

How does a bank's income statement and balance sheet differ from a company's, and where do profits start?

- Bank Versus Corporate Statement Comparison
- Balance Sheet Anatomy Map
- Income Statement Walk
- Peer Group Selection Sheet
- Analysis Question Register

Day 2: Margins, Fees and Cost Efficiency

What drives a bank's earnings, and how efficiently are they produced?

- Net Interest Margin Bridge
- Yield and Funding Cost Table
- Fee Income Mix Review
- Cost-to-Income Trend Chart
- Earnings Quality Checklist

Day 3: Asset Quality and Provisions

How good is the loan book, and are provisions keeping pace with its risk?

- Loan Book Composition Sheet
- Problem Loan Ratio Tracker
- Provision Coverage Test
- Concentration Exposure Table
- Asset Quality Scorecard



Day 4: Funding, Capital and Equity Returns

Does the funding and capital position support the returns the bank reports?

- Funding Mix and Stability Review
- Capital Ratio Reading Sheet
- Return on Equity Decomposition
- Return Sustainability Test
- Peer Benchmark Table

Day 5: Bank Assessment Pack for One Bank

Do the earnings, asset quality, funding and capital views support one judgement of the bank?

- Applying the Session 2 Net Interest Margin Bridge
- Testing the Session 3 Provision Coverage Test
- Reviewing the Session 4 Return on Equity Decomposition
- Checking the Session 4 Peer Benchmark Table
- Completing the Bank Assessment Pack

Methodology

The programme uses a data workshop method built on a shared case of three commercial banks with several years of published statements and different funding mixes. Participants build each artefact on prepared figures, then adapt it to a bank they follow, with written facilitator feedback in every session.

- Suggested activity: Bridging a change in net interest margin into yield, funding and volume effects.
- Suggested activity: Testing whether provisions cover a rising problem loan ratio.
- Suggested activity: Presenting a judgement of one bank to a mock credit committee.

Capstone Output

Each participant completes a bank assessment pack for one bank. It holds a net interest margin bridge, an asset quality scorecard, a provision coverage test, a return on equity decomposition and a peer benchmark table. The pack is used at work to set or review exposure limits and brief a credit committee.

Frequently Asked Questions

Is bank earnings and balance sheet analysis training suitable for analysts who know company accounts but not banks?

Yes. Bank earnings and balance sheet analysis is taught through cases and templates, assuming experience reading company accounts but no earlier work on bank statements.



Which measures does bank earnings and balance sheet analysis training rest on?

Bank earnings and balance sheet analysis training rests on net interest margin analysis, asset quality assessment and return on equity decomposition, applied to published bank statements.

How is the pack from bank earnings and balance sheet analysis training used at work?

You use the bank assessment pack to set or review exposure limits and brief a credit committee.

How does bank earnings and balance sheet analysis differ from corporate financial analysis training?

Bank earnings and balance sheet analysis centres on margins, provisions, funding and capital, while corporate financial analysis training covers operating profit, working capital and cash conversion.