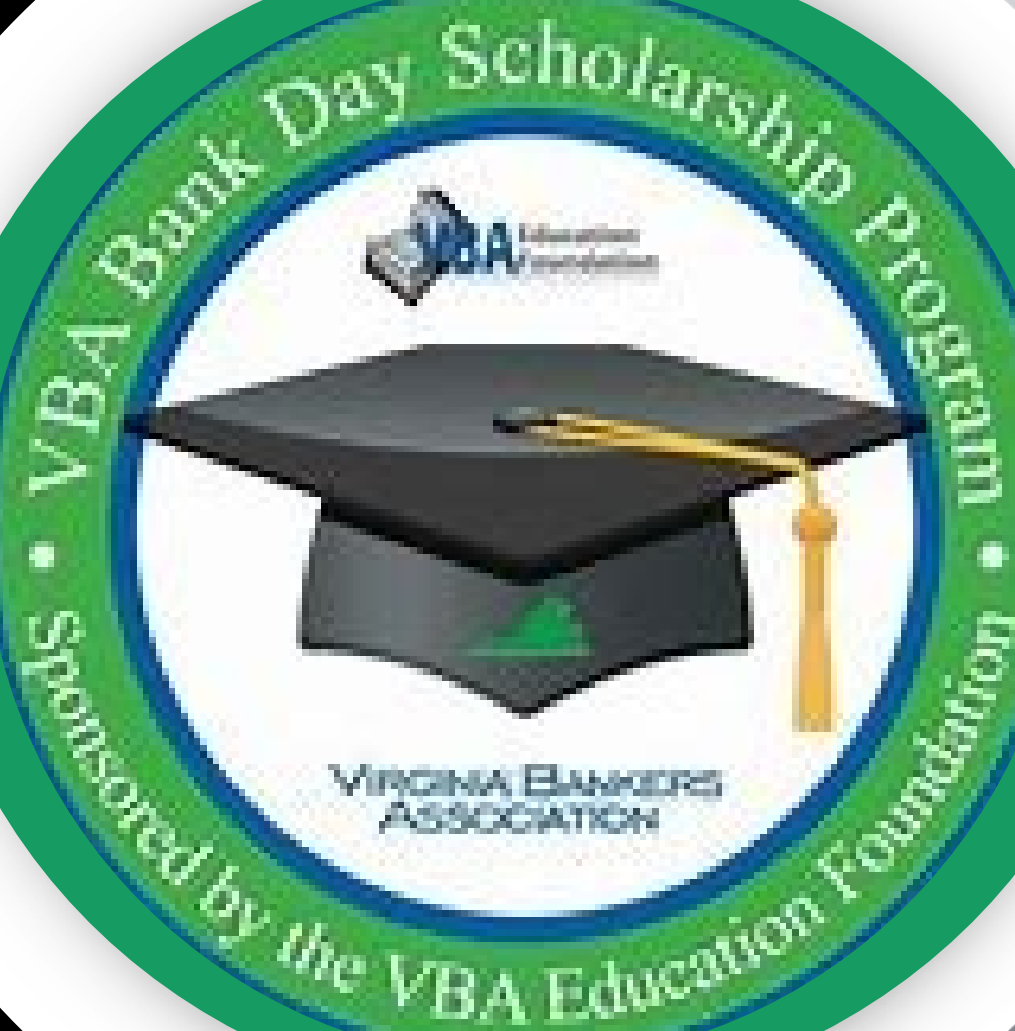


# Banking 101

## VBA Bank Day Scholarship Program



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SAFE Act Officer  
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804-302-4147



# Banking 101



The basic function of a bank



Careers in banking

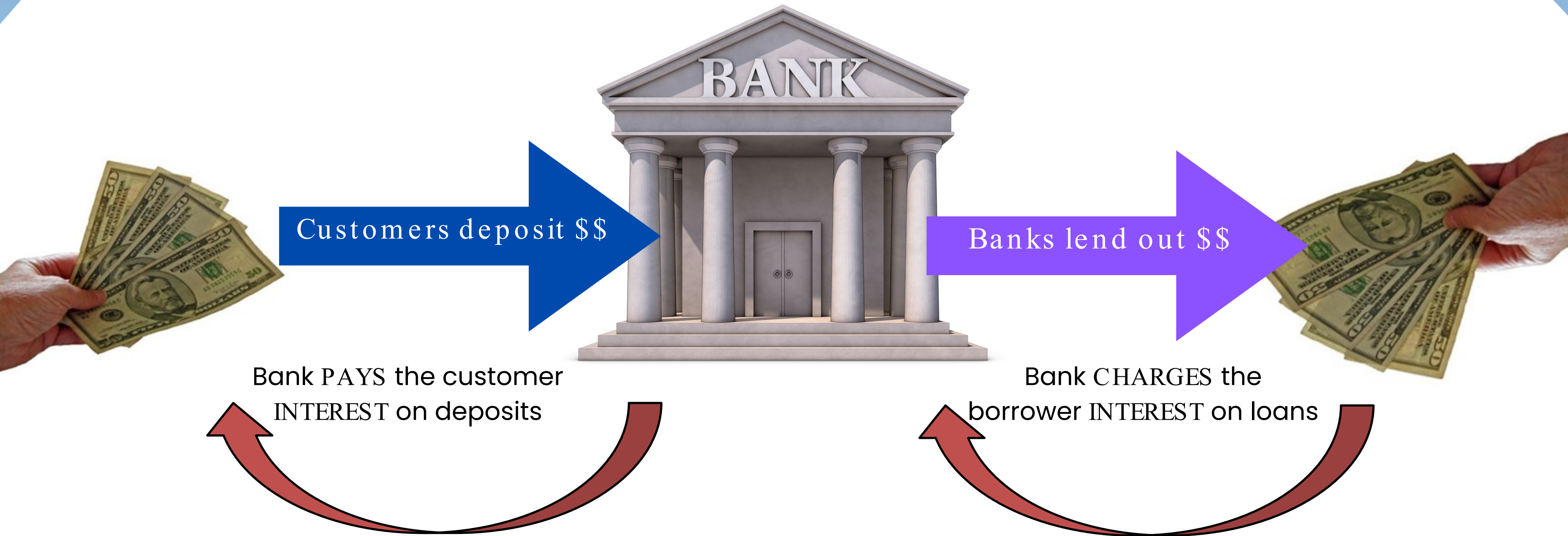


Bank Deposit & Loan Products



FDIC Insurance (in a nutshell)

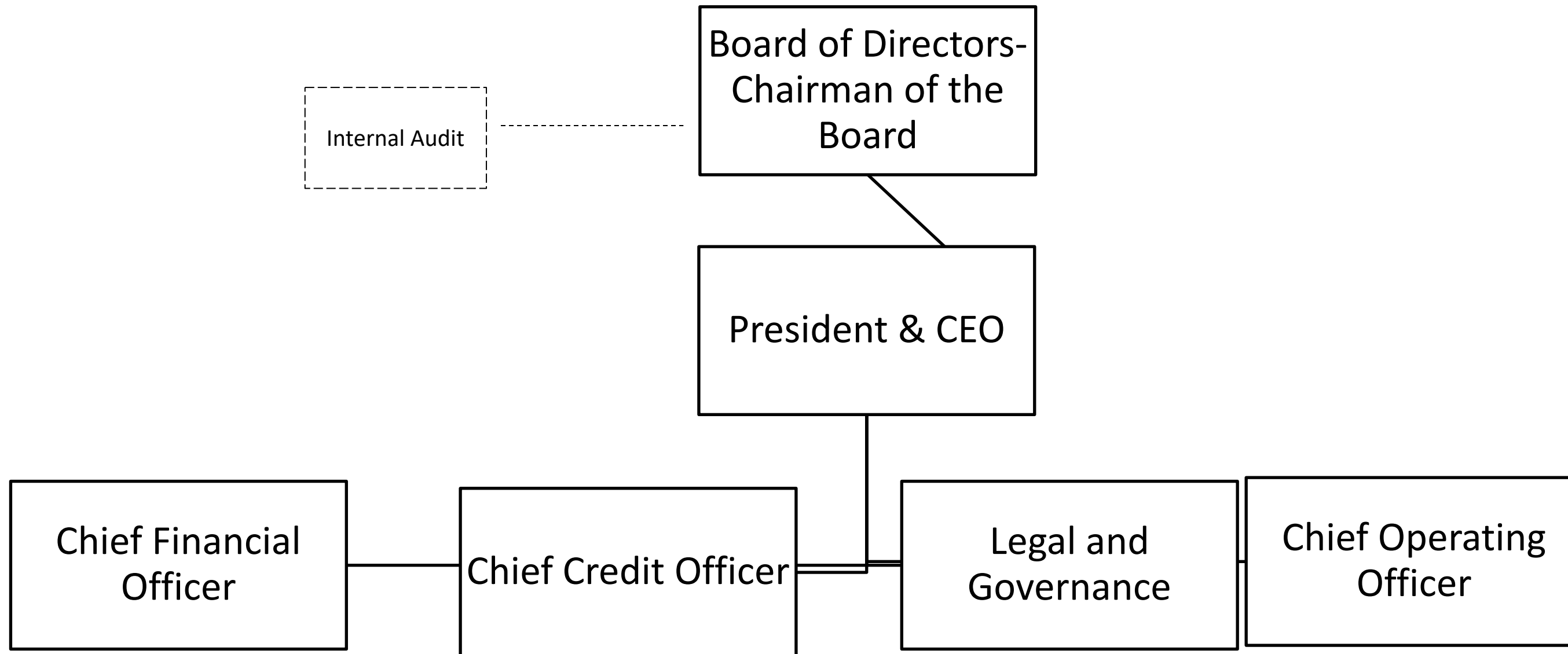
# Banks collect **DEPOSITS** that it **LENDS** out to borrowers



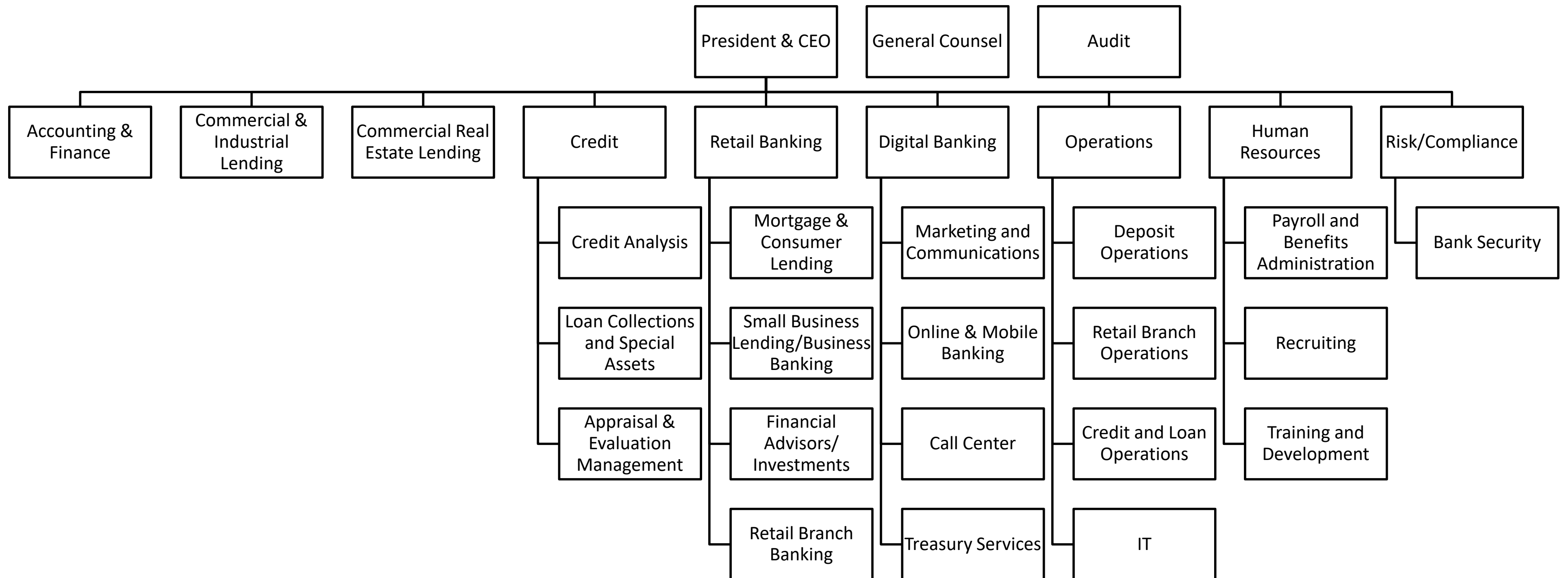
$(\text{Interest Charged on Loans}) - (\text{Interest Paid on Deposits}) = \text{PROFIT}$



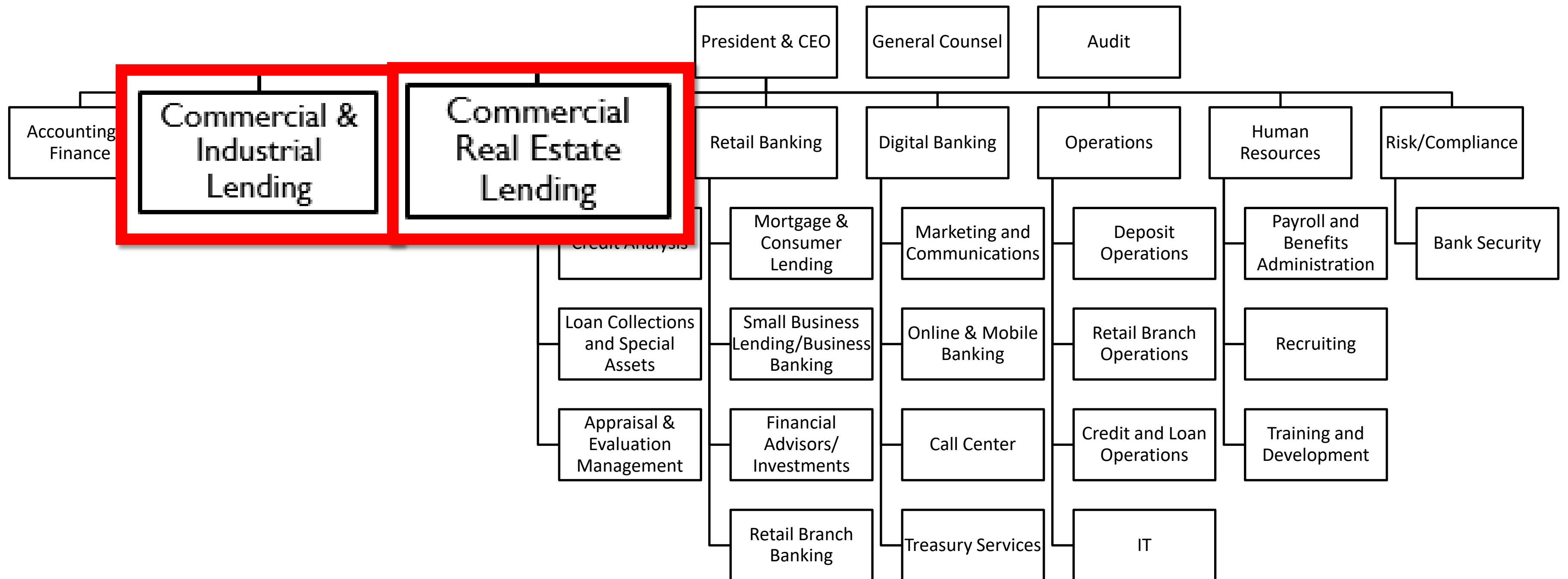
# Sample Corporate Structure



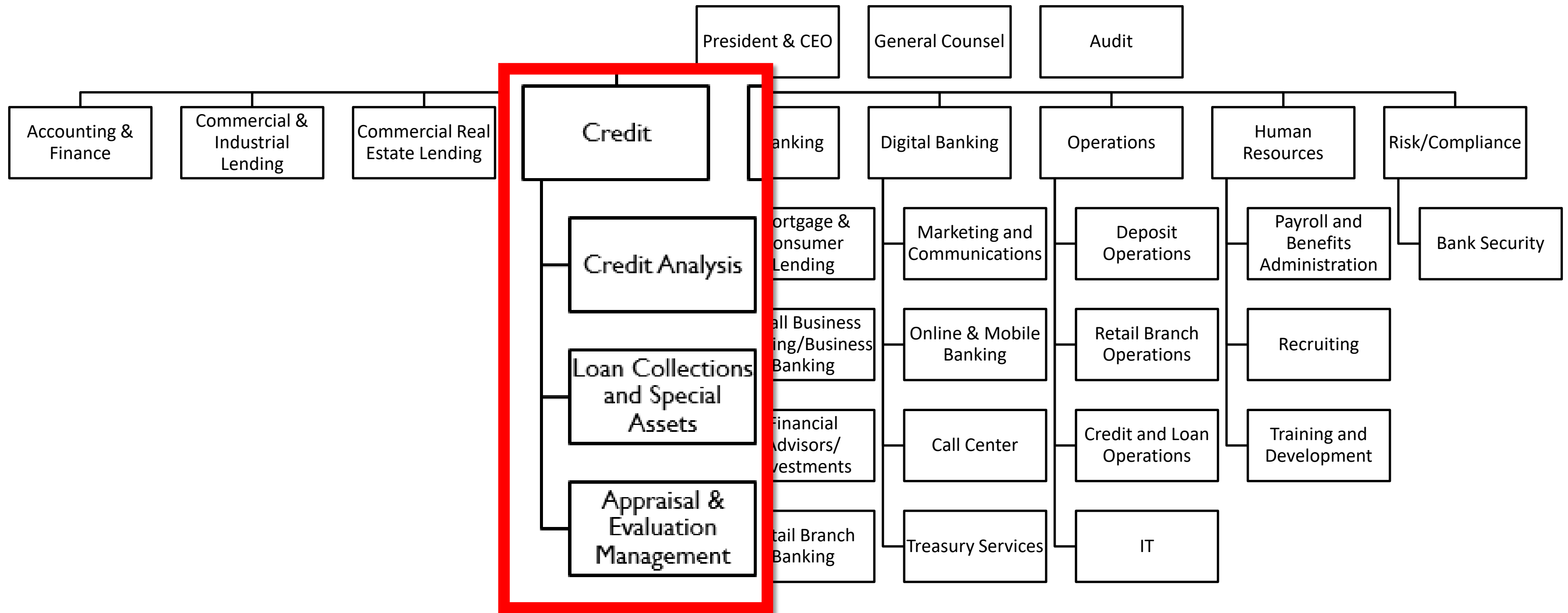
# Sample Bank Structure



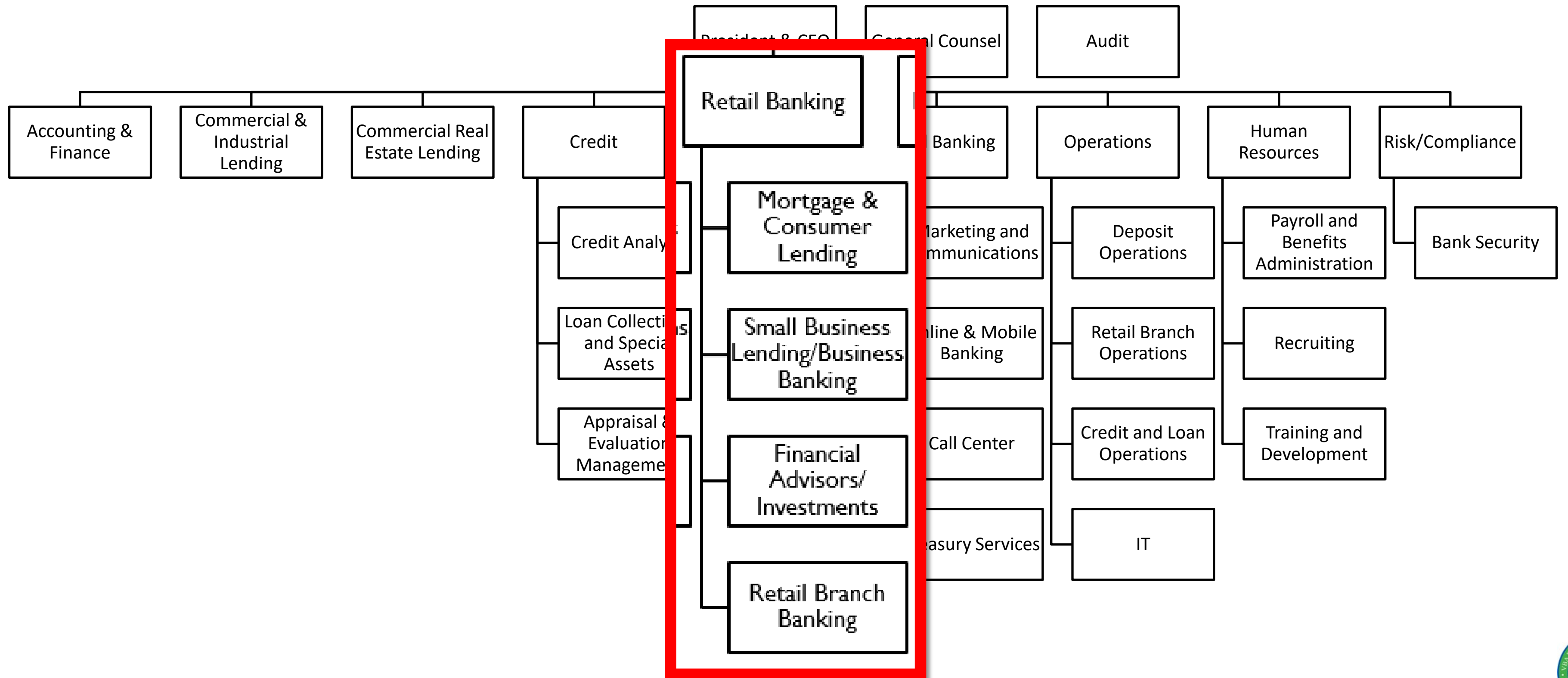
# Sample Bank Structure



# Sample Bank Structure

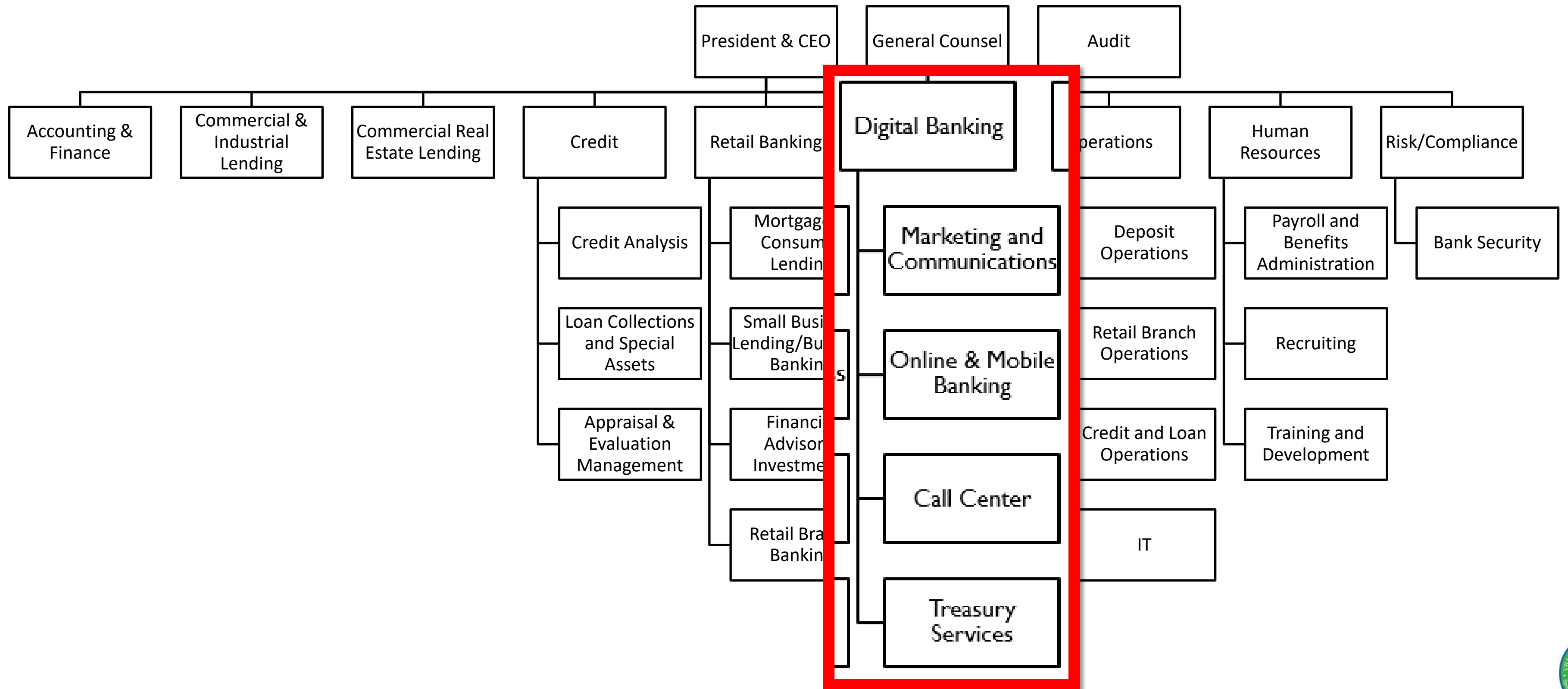


# Sample Bank Structure

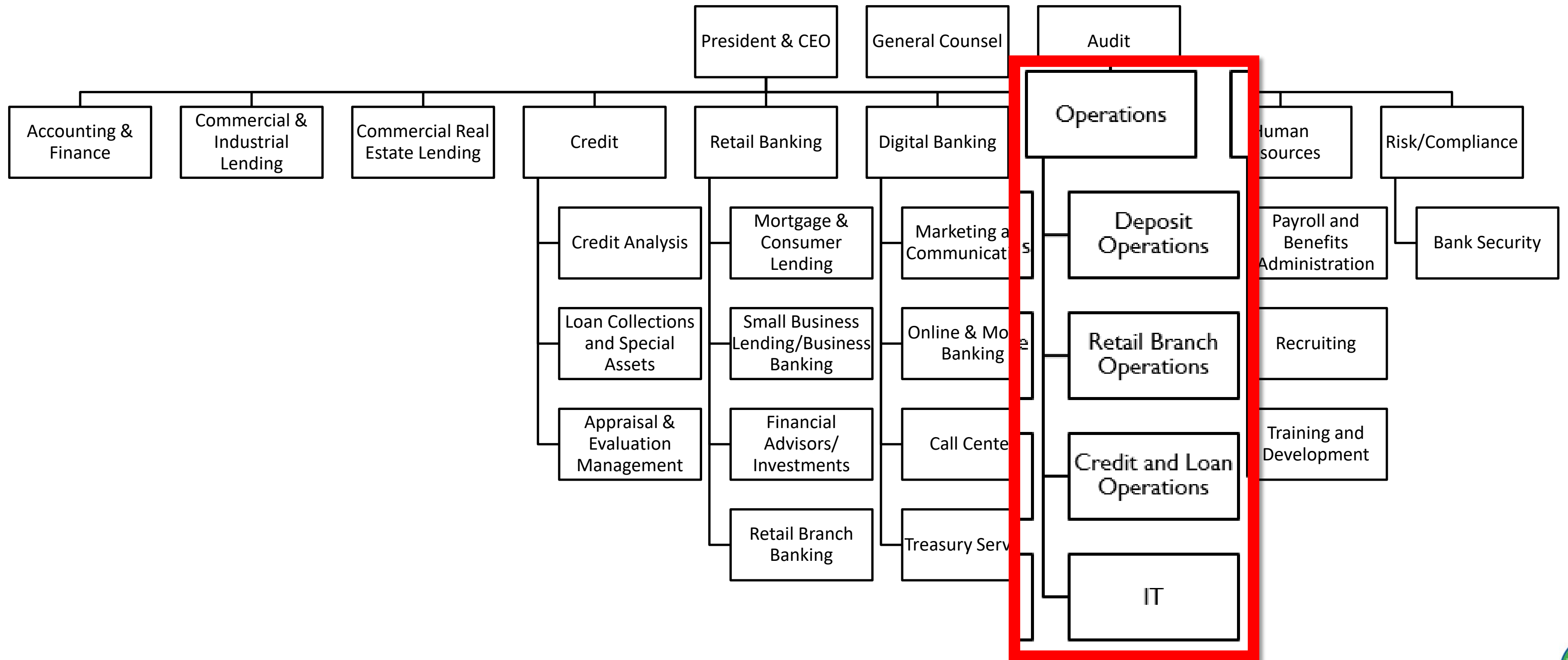




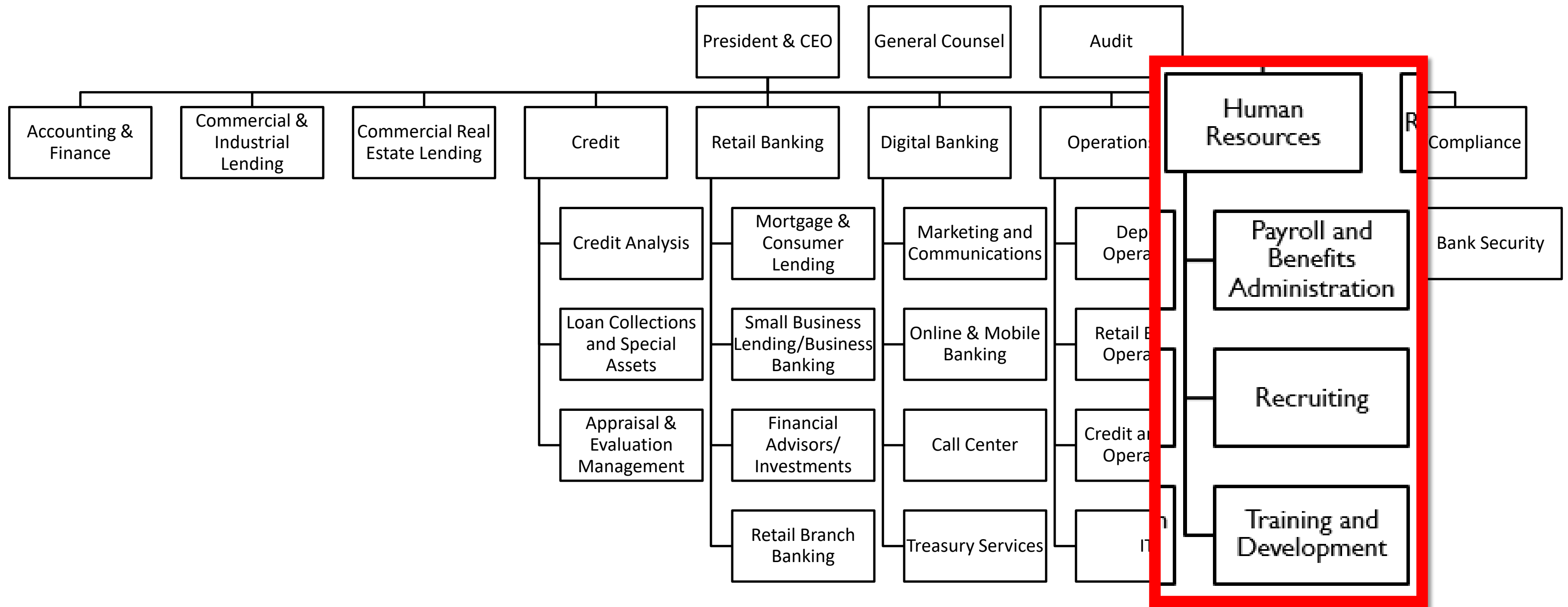
# Sample Bank Structure



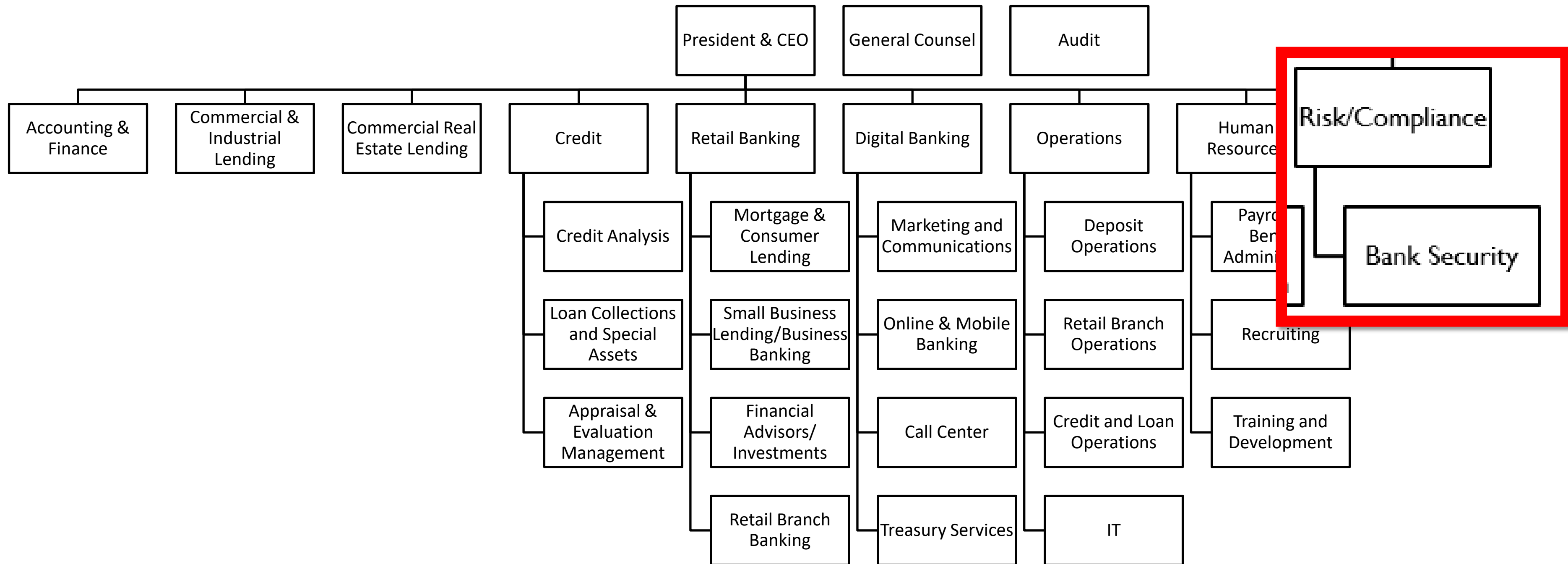
# Sample Bank Structure



# Sample Bank Structure



# Sample Bank Structure





# Bank Product Matching

## 1. Checking Account

## 2. Certificate of Deposit (CD)

## 3. Savings Account

## 4. Health Savings Account (HSA)

## 5. Individual Retirement Account (IRA)

## 6. Money Market Account

- A. A “liquid” investment account where funds are deposited and earn modest interest. They are great for ‘emergency funds’ and short term savings goals. They have limitations on how and how often funds can be withdrawn.
- B. An account that is used exclusively for the retirement savings that comes with strict IRS rules on the use of funds and contribution limits. They are typically held in a certificate of deposit.
- C. An account where funds are deposited and can be withdrawn using checks, debit card, online transaction...funds are ‘on demand’. These accounts are used for everyday use.
- D. An investment account where funds are deposited for a specific length of time earning a fixed interest rate during that time. Funds can not be withdrawn until the end of the specific term, without paying a penalty.
- E. 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. They are a hybrid between savings and checking accounts.
- F. A checking account where funds are deposited and are used to pay for medical expenses, tax free. There are strict IRS rules to follow on account use, contribution limits, and the kind of health insurance that qualifies.







# Bank Product Matching

**1. Checking Account C**

**2. Certificate of Deposit (CD) D**

**3. Savings Account A**

**4. Health Savings Account (HSA) F**

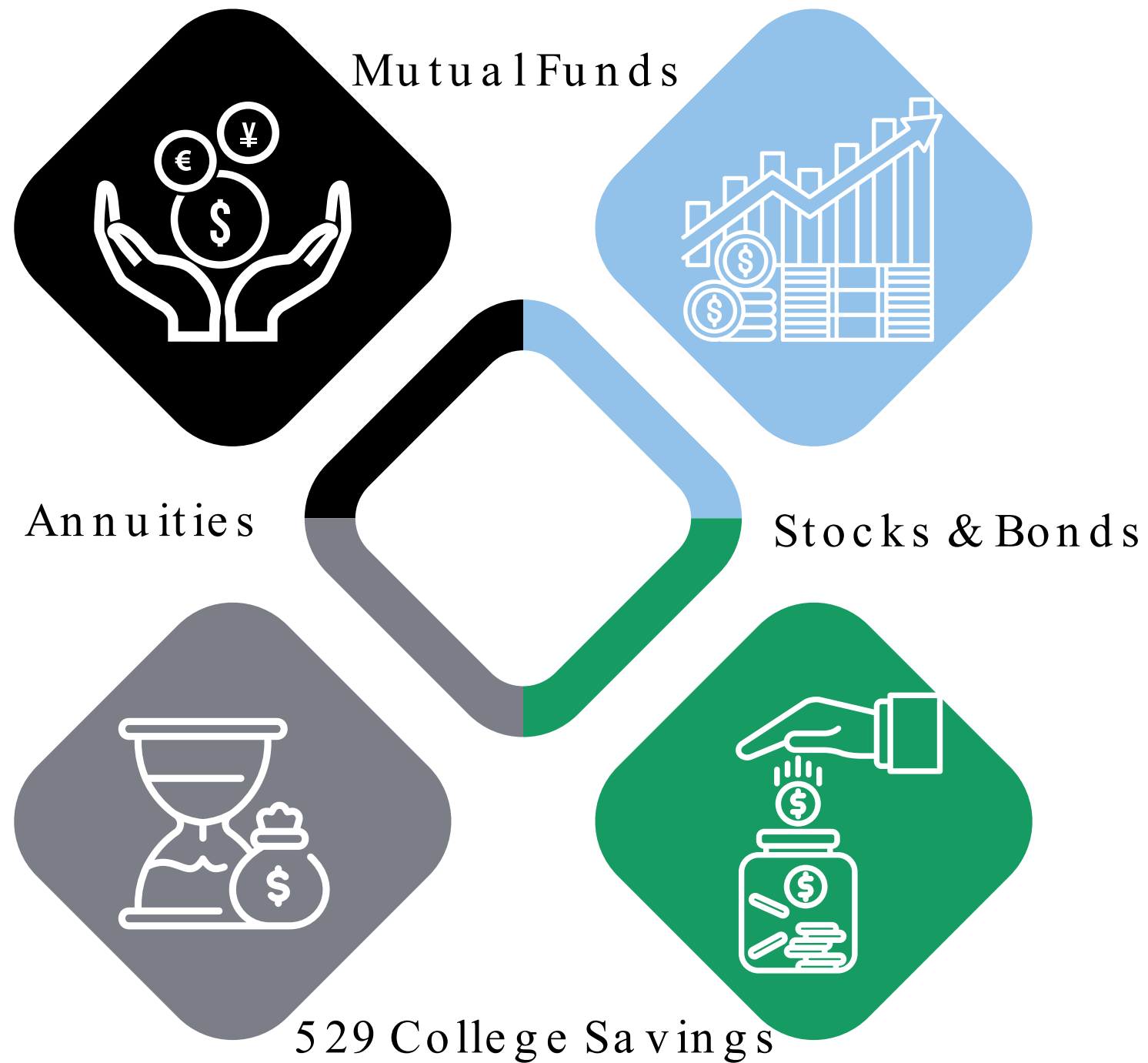
**5. Individual Retirement Account (IRA) B**

**6. Money Market Account E**

- A. A “liquid” investment account where funds are deposited and earn modest interest. They are great for ‘emergency funds’ and short term savings goals. They have limitations on how and how often funds can be withdrawn.
- B. An account that is used exclusively for the retirement savings that comes with strict IRS rules on the use of funds and contribution limits. They are typically held in a certificate of deposit.
- C. An account where funds are deposited and can be withdrawn using checks, debit card, online transaction...funds are ‘on demand’. These accounts are used for everyday use.
- D. An investment account where funds are deposited for a specific length of time earning a fixed interest rate during that time. Funds can not be withdrawn until the end of the specific term, without paying a penalty.
- E. 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. They are a hybrid between savings and checking accounts.
- F. A checking account where funds are deposited and are used to pay for medical expenses, tax free. There are strict IRS rules to follow on account use, contribution limits, and the kind of health insurance that qualifies.

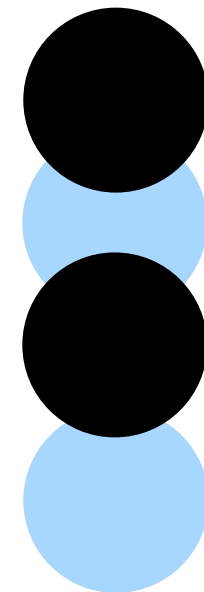


# Other Vehicles to Save and Invest: Financial Planning



## NON-DEPOSIT PRODUCTS

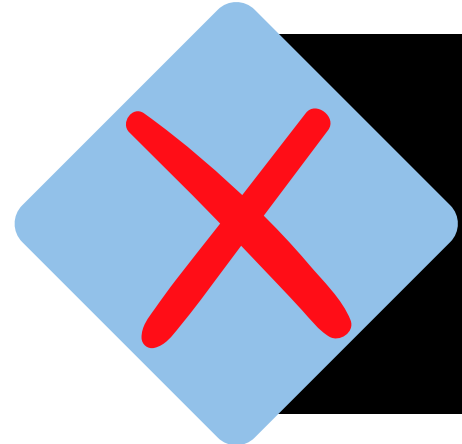
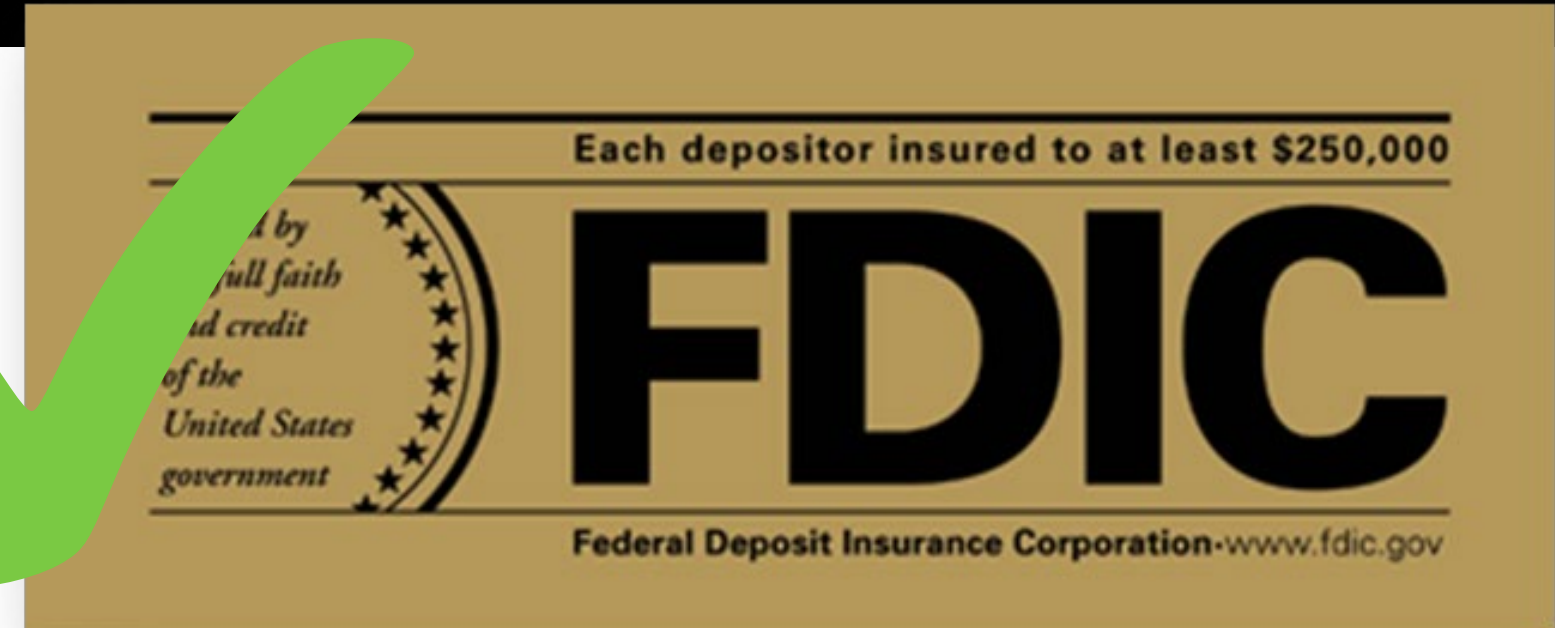
An array of products whose goal it is to...



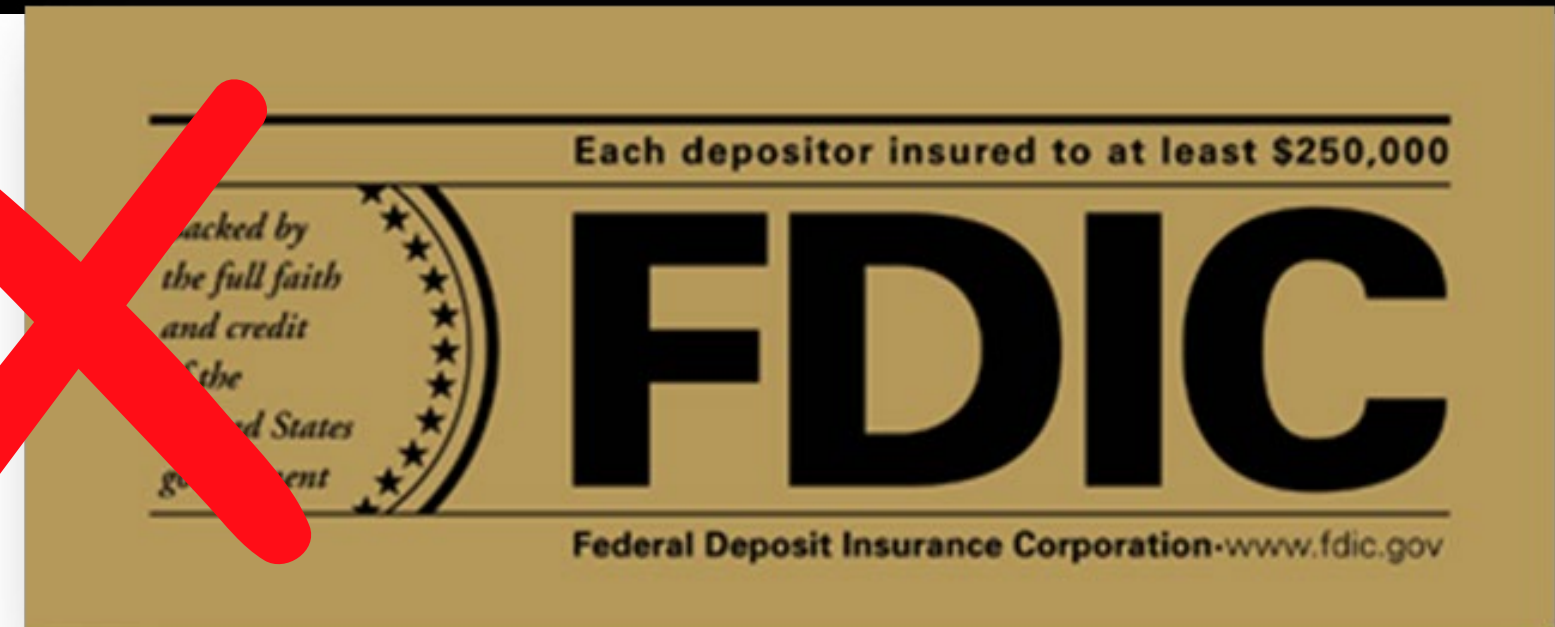
- ...help save for college,
- ...plan/invest for retirement (at any age),
- ...reduce tax liability,
- ...potential to earn higher returns than traditional bank savings products



# Bank Deposit Products

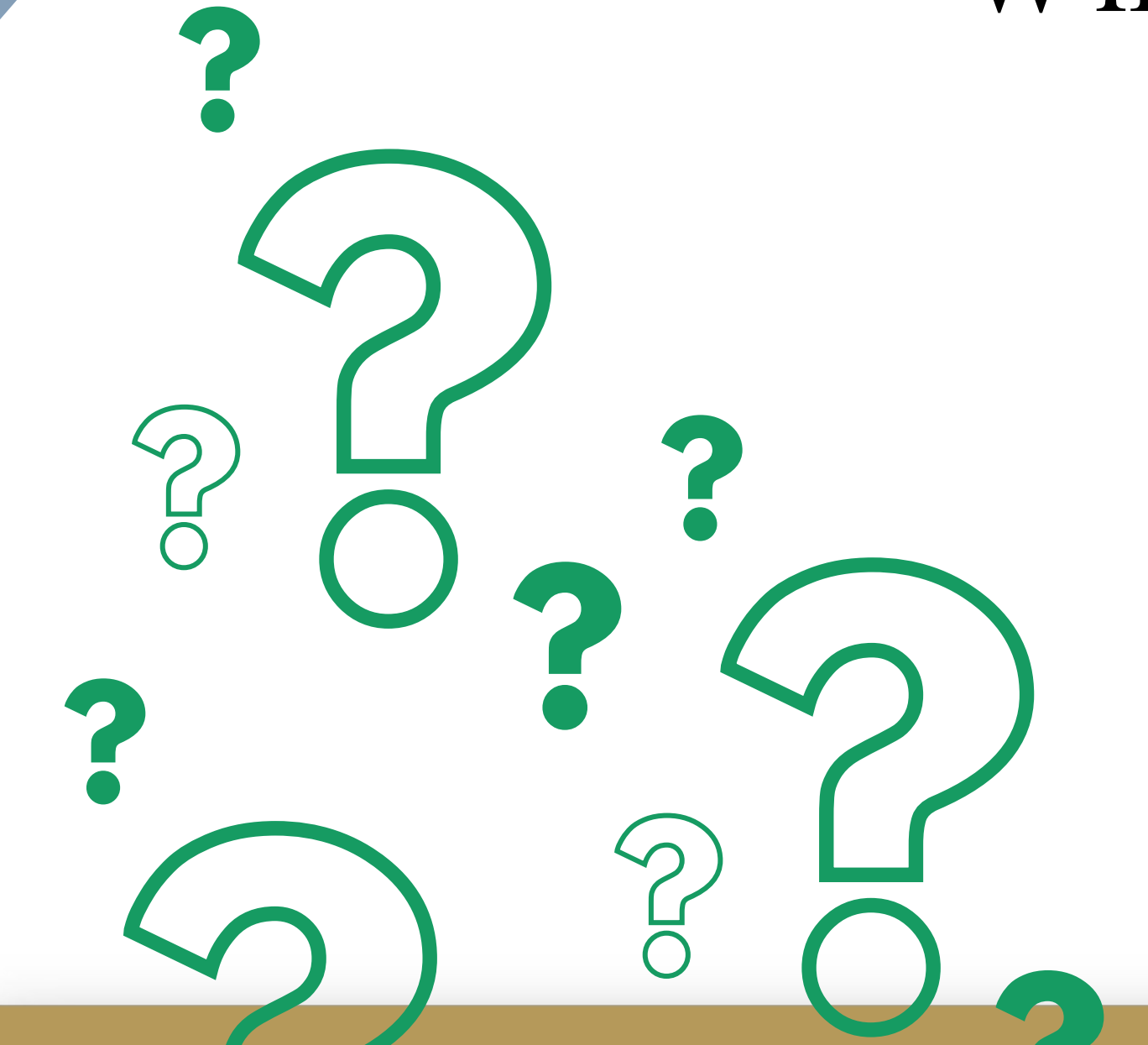


# Non-Deposit Products (Investment Products)






# What is FDIC?



Each depositor insured to at least \$250,000

Backed by  
the full faith  
and credit  
of the  
United States  
government



# FDIC

Federal Deposit Insurance Corporation - [www.fdic.gov](http://www.fdic.gov)



www.fdic.gov --> Resources --> Consumer Resources

An official website of the United States government

Search FDIC.gov



ABOUT

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Resources

## Consumer Resource Center

Information and resources to educate and protect consumers, promote economic inclusion, and connect people with financial resources in their communities.

Visite nuestra página de recursos al consumidor en español

February 2, 2024

Share This:     

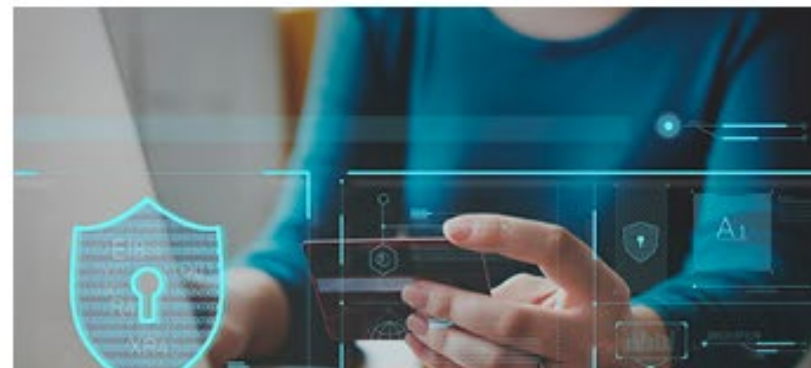
 Submit a Complaint or Request Help

Submit a question, deposit insurance coverage inquiry, or complaint against an FDIC-insured institution



 FDIC Knowledge Center

Search and view our center of Frequently Asked Questions



Resources to learn more!





# Consumer Loan Products



- Car Loans
- Boat Loans
- Mortgages
- Home Equity Loans
- Home Equity Lines of Credit
- Unsecured Loans
- Credit Cards
- Education Loans





# Commercial and Small Business Loan Products



- Equipment Loans
- Money for working capital
- Agriculture
- Commercial Real Estate
- Industrial Loans







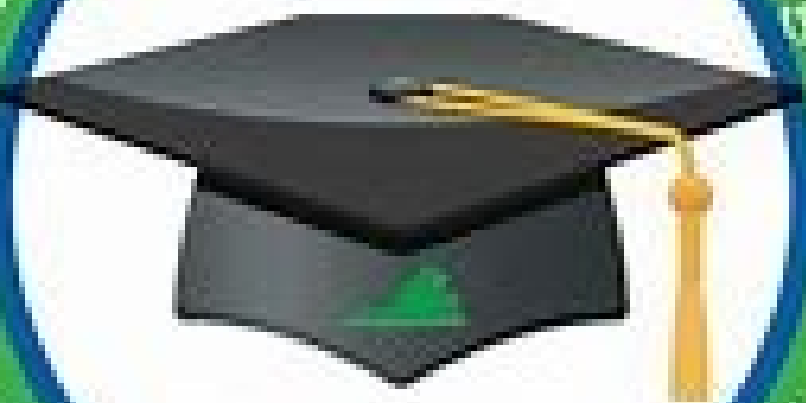
# HELPFUL TIPS

1. Create a **BUDGET** and stick to it! Don't spend what you don't make.
2. Pay your bills **ON TIME**.
3. Know what your **BANK** has to offer (online services, credit, savings options, etc)
4. **SAVE NOW!** Always pay yourself first and work toward having a rainy day fund.
5. Don't be afraid to **ASK**. Ask your parents/banker about any financial questions you have.
6. Don't **TRUST** just anyone with your money.
7. Use **CREDIT** wisely. If you can eat it or wear it, you shouldn't use credit to purchase it. Begin building your credit history now and do it responsibly.
8. Begin a **RETIREMENT** plan as soon as possible—there is no such thing as too early to save for your retirement.
9. Beware of **SOCIAL MEDIA!** What you post never goes away. Employers might search for your social profiles and hackers might try to steal your identity using information you share online.

# Thank you!

Good luck with your essays!

VBA Bank Day Scholarship Program  
Sponsored by the VBA Education Foundation



VIRGINIA BANKERS  
ASSOCIATION



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