NHO Day 3

Banking 101

COMMON GROUND
Challenge

Your Mission:
Find 5 things that you all have in common.

Rules:

- Everyone in the group must share the commonality
- Get creative
- No easy answers like:
  - We work here
  - We're in NHO
  - We're humans

Fastest team wins!

AGENDA
Overview

8:30 – 8:45	Welcome & Intro
8:45 – 9:45	Foundations of Banking
9:45 – 12:00	Banking Products & Profit
12:00 – 1:00	Lunch
1:05 – 2:30	SHINE in Your Role
2:35 – 3:30	Staying Safe: Regulations, Regulators, & Risk
3:30 – 4:30	Living the Values Workshop

1

You may repeat what **YOU** say or do during this training.

2

You may repeat what the **INSTRUCTOR** says during this training.

3

You **MAY NOT** repeat what **ANOTHER PARTICIPANT** says or does in this training without their consent.

SAFE CLASSROOM

rules

TODAY'S OBJECTIVES

- Explain the purpose of banking and its role in supporting individuals, businesses, and communities
- Identify key types of banks and services offered within the industry
- Describe how banks make money through products like deposits and loans
- Recognize the importance of regulations and risk management in maintaining trust and stability
- Apply New Leaf Bank core values to everyday customer interactions

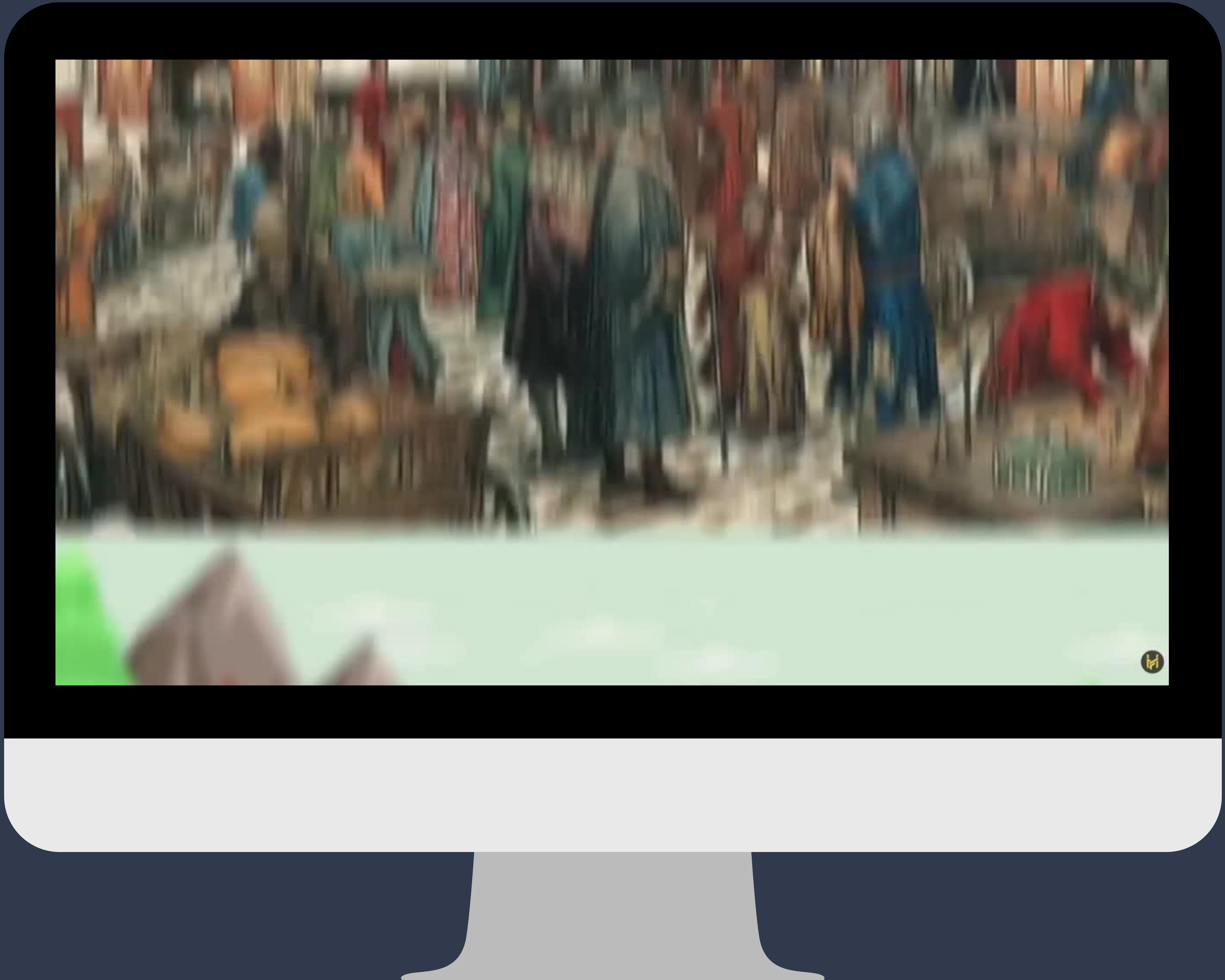
FOUNDATIONS OF *Banking*

In this section you will...

- Understand the evolution of money and the role of banks
- Recognize different types of banks and their purposes

EVOLUTION OF *Money & Banking*

What is money?



EVOLUTION OF *Money & Banking*

What is money?

Medium of Exchange

Store of *Value*

Unit of Account

MEDIUM OF *Exchange*

Everyone agrees on its *value*, so transactions are smoother.

Money is what we use to trade for *goods* and *services*.

It makes exchanging things easier than *bartering*.

STORE OF *Value*

Money can be *saved* and used later.

It holds its *value* over time (within reason).

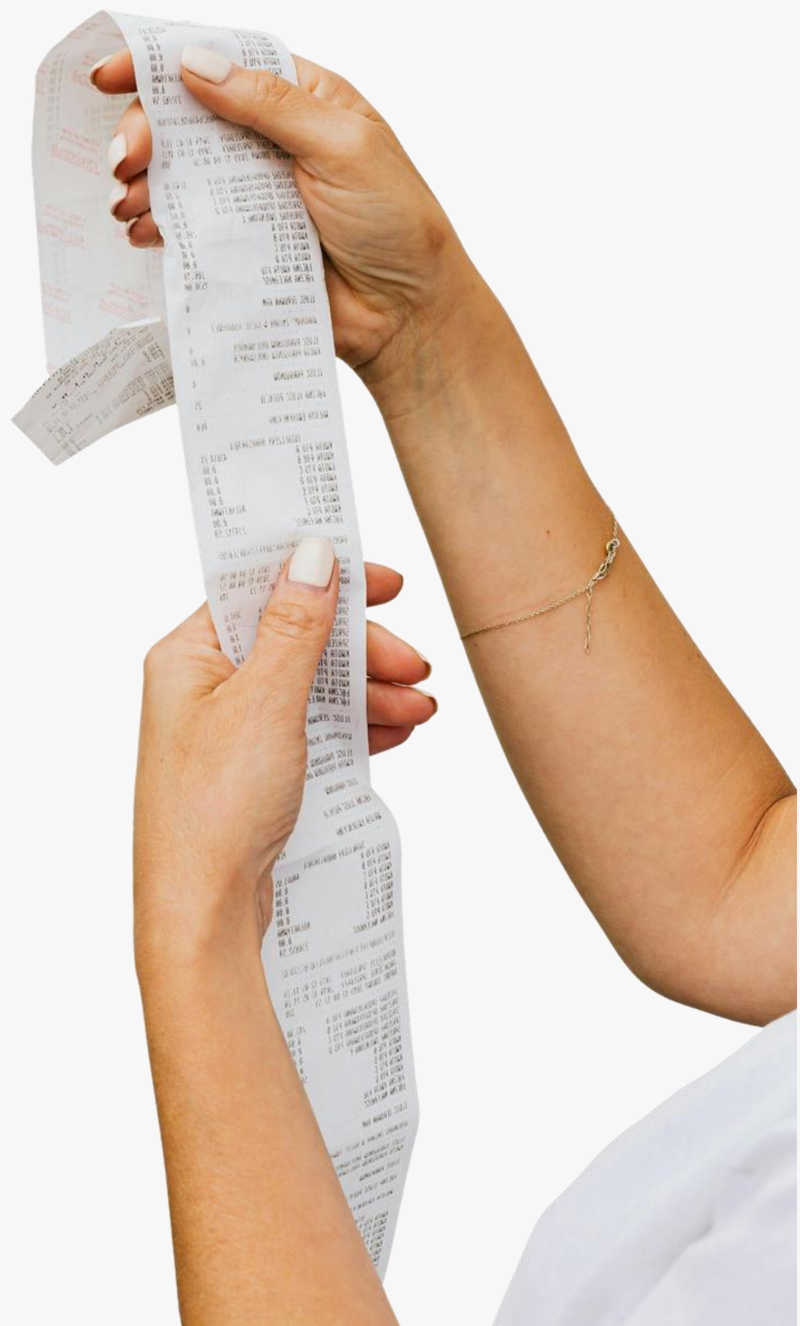
Allows people to *plan* and make future *purchases*.

UNIT OF *Account*

Money helps us measure *value*.

It allows us to *compare* prices easily.

Provides a common way to *track* and *record* transactions.



EVOLUTION OF *Money & Banking*

Why do we need banks?

EVOLUTION OF *Money & Banking*

Why do we need banks?

- Safeguard Assets
- Provide Credit
- Secure Transactions

SAFEGUARD *Assets*

Wealth was physical

Storing wealth personally carried risk: theft, loss, destruction.

Early banks offered secure storage and issued receipts.

Banking is built on trust and record-keeping.

PROVIDE *Credit*

People rely on loans to grow and make purchases.

People needed access to money before they earned it.

Banks connect those with money to those who need it.

ENABLE *Secure Transactions*

Growing trade made carrying cash risky.

Banks created checks, credit, and transfers to move money securely.

Money could move without physical cash.

Activity: *What Problem is Being Solved?*

Match each scenario to the correct banking function:

A. Safeguarding Assets
B. Providing Credit
C. Enabling Secure Transactions

___ A family takes out a mortgage to buy a house.

___ A business owner sends money electronically to a supplier in another state.

___ A person deposits their paycheck into a checking account instead of keeping cash at home.

___ A farmer borrows money to buy seeds and equipment before harvest season.

___ Someone uses their debit card to pay for groceries online.

___ A customer stores savings in a bank account protected from theft or loss.

TYPES OF *Banks*

There are two ways to classify banks

WHO they serve
& **WHERE**

WHAT they do


WHO they serve & **WHERE**
Community Banks
Regional Banks
National Banks

COMMUNITY *Banks*

WHO they serve & WHERE

Less than *$10* billion in assets

Smaller branch networks

Focus on local communities and businesses

REGIONAL *Banks*

WHO they serve & WHERE

$10 billion – $100 billion in assets

Operate across multiple cities or states

Balance scale with relationship banking

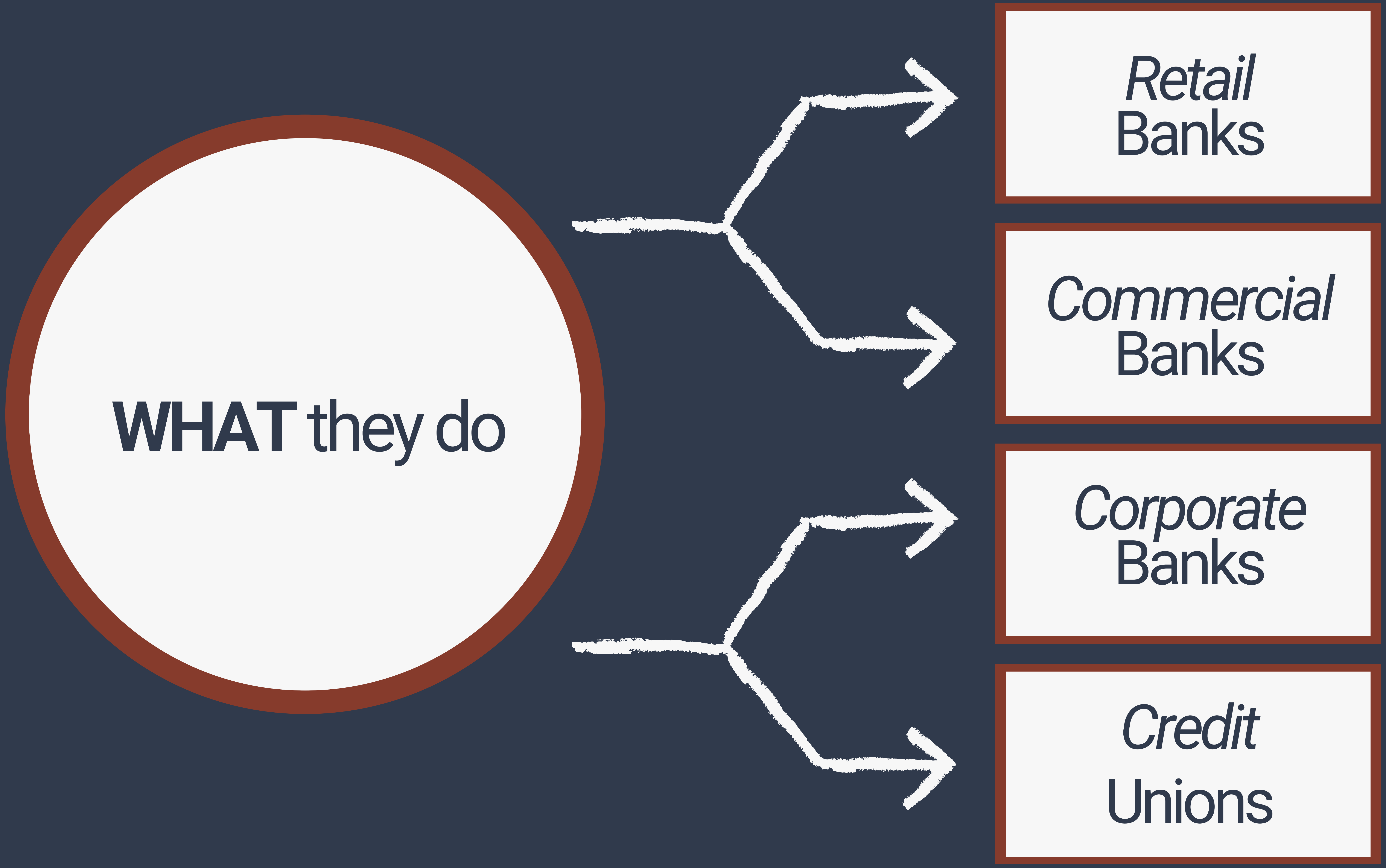
NATIONAL *Banks*

WHO they serve
& **WHERE**

Hundreds of billions or *trillions* in assets

Operate nationwide and sometimes globally

Depend on standardized & centralized decisions


WHAT they do
Retail Banks
Commercial Banks
Corporate Banks
Credit Unions

RETAIL *Banks*

WHAT they do

Serve

Individuals

Households

Provide

Checking & Savings

Cards

Auto

Mortgages

COMMERCIAL *Banks*

WHAT they do

Serve

Businesses

Provide

Loans

Credit

Payroll

Cash Flow Management

CORPORATE *Banks*

WHAT they do

Serve

Large Organizations

Provide

Stocks & Bonds

Mergers Advisory

Large Scale Financing

Risk Management

CREDIT *Unions*

WHAT they do

Serve

Members

Provide

Checking & Savings

Loans

Card

Member Dividends

What *is New Leaf Bank?*

2025 Total Assets:

$2.149 Billion

BANKING *Customers*

Retail Customers

Small Business Customers

Commercial Customers

Nonprofit Clients

Government Clients

RETAIL *Customers*

Who?

Individuals, families, students, homeowners

Common Products

- Checking & Savings
- Auto Loans
- Card
- Mortgage Loans

SMALL BUSINESS *Customers*

Who?

Local Businesses

Common Products

Checking Accounts

Lines of Credit

Treasury Services

Equipment Loans

COMMERCIAL *Customers*

Who?

Larger Organizations

Common Products

Commercial Loans

Cash Management

Real Estate Financing

Treasury Services

GOVERNMENT *Customers*

Who?

Government & Public Sector Clients

Common Products

Public Funds Deposits

Bond Financing

Treasury Services

NON-PROFIT *Customers*

Who?

Churches, Hospitals, Charities, & Foundations

Common Products

Checking Accounts

Financing

Treasury Services

BANKING *Through the Years*

Customer expectations were constantly changing.

'60s

‘80s

‘90s

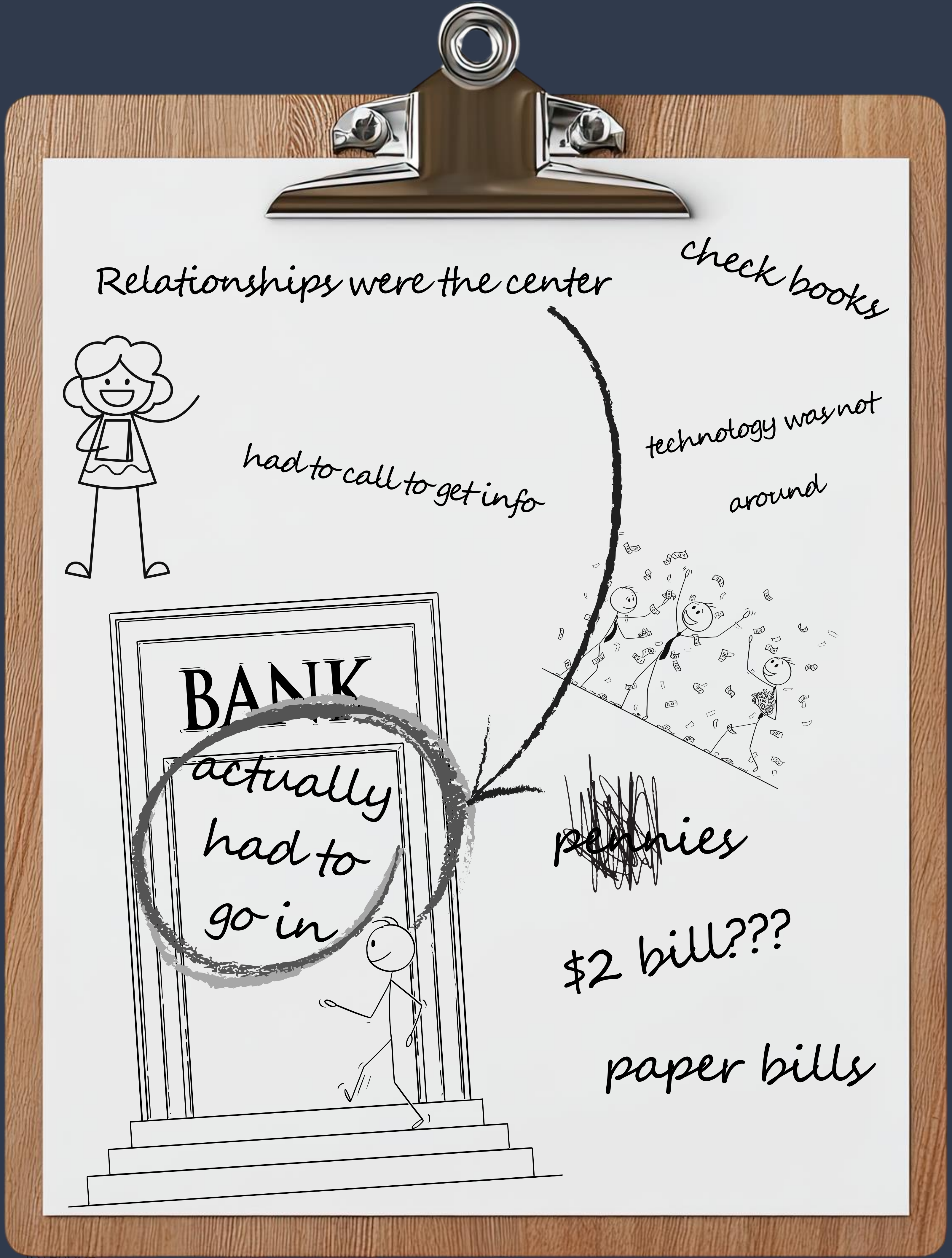
‘00s

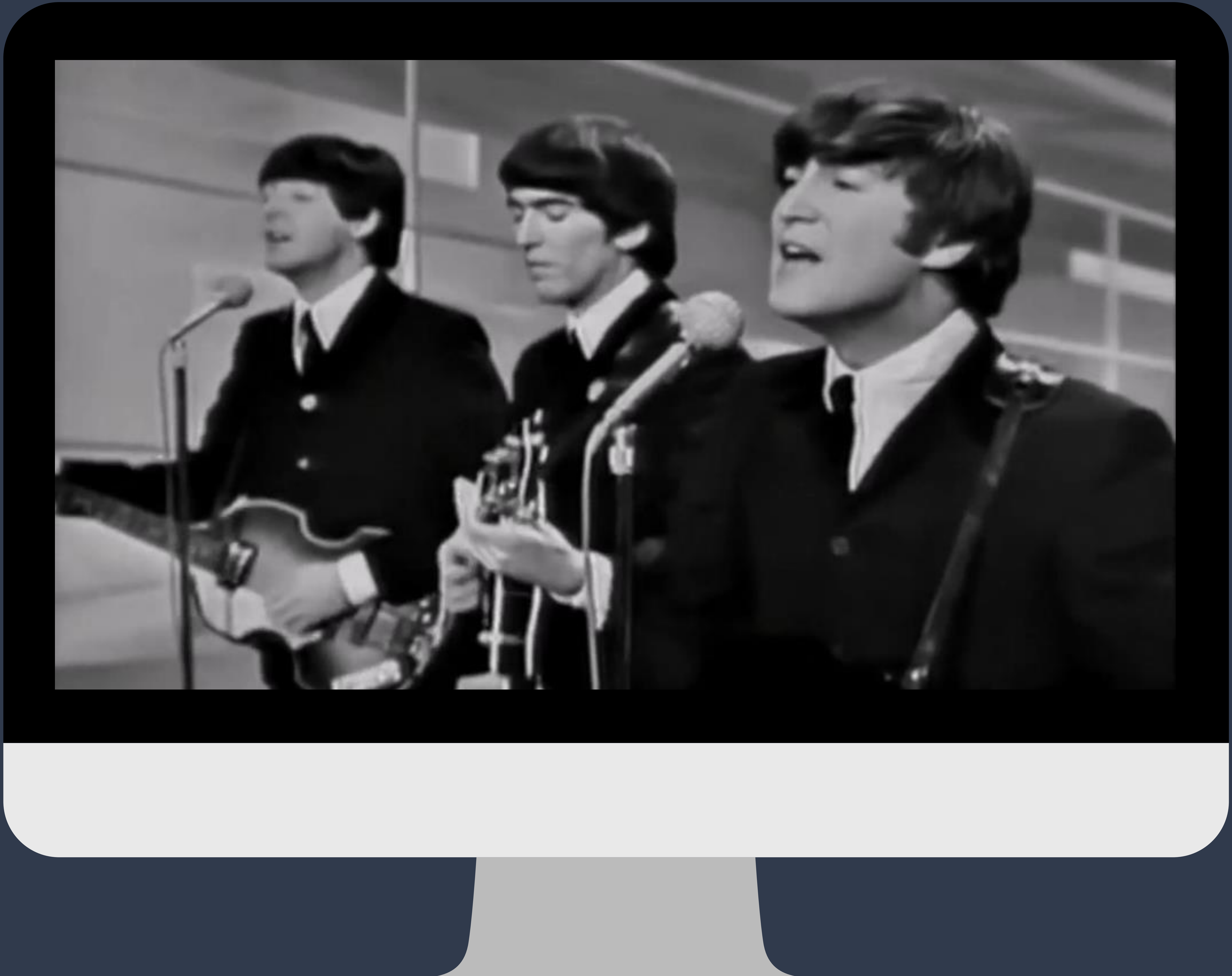
BANKING *Through the Years*

- How did people communicate?
- What technology was available?
- What did customers expect from businesses?
- How relationship-driven do you think banking was at that time?
- How might banking have been different from today?

What is a brain dump?

- Write anything that comes to mind
- No right or wrong answers
- Use words, phrases, or doodles
- Don’t overthink—just go





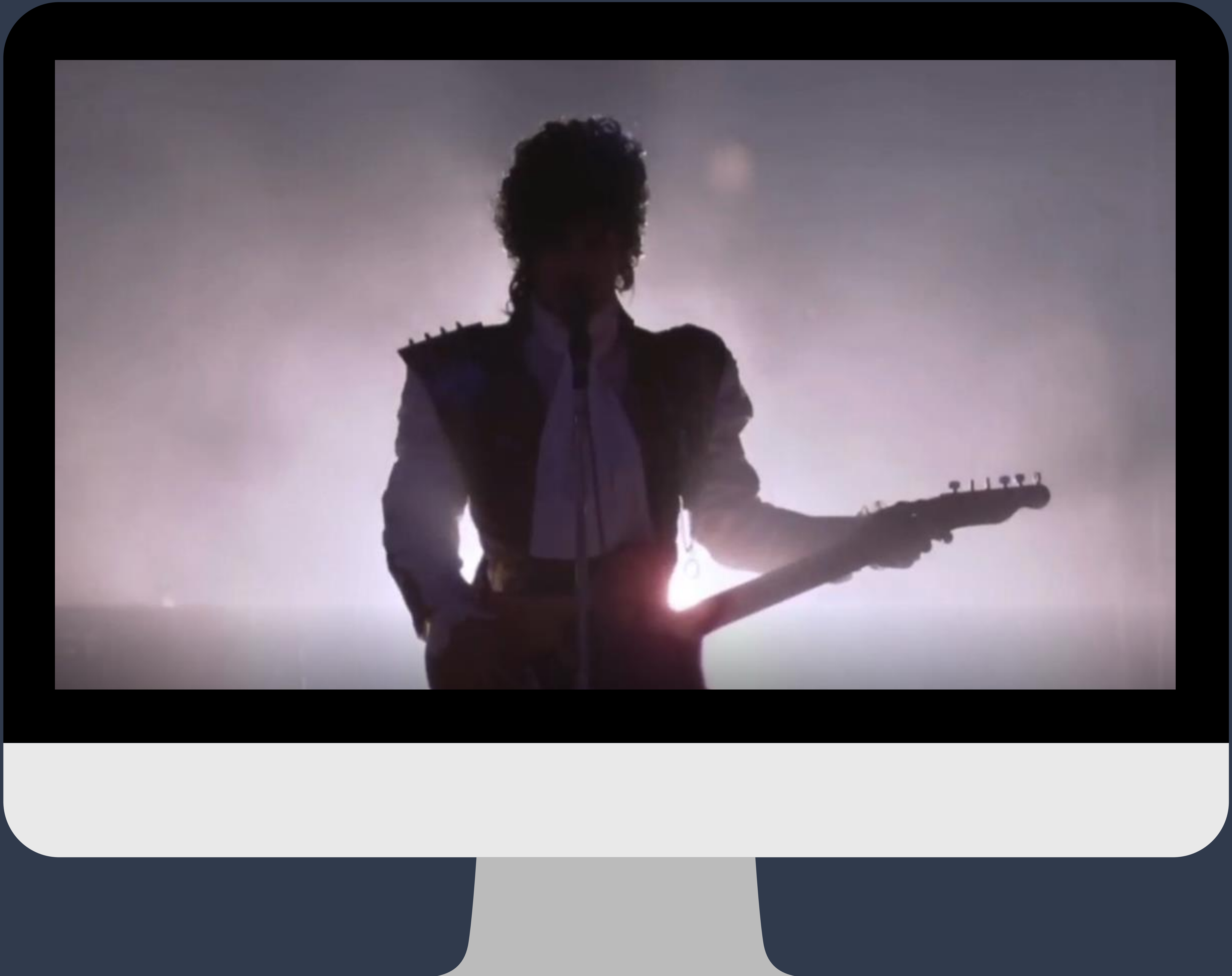
BANKING *in the 60s*

Banking was highly personal and relationship-driven

Most banking happened inside a local branch

Records and processes were paper-based and manual

Banking services were slower and limited by branch hours



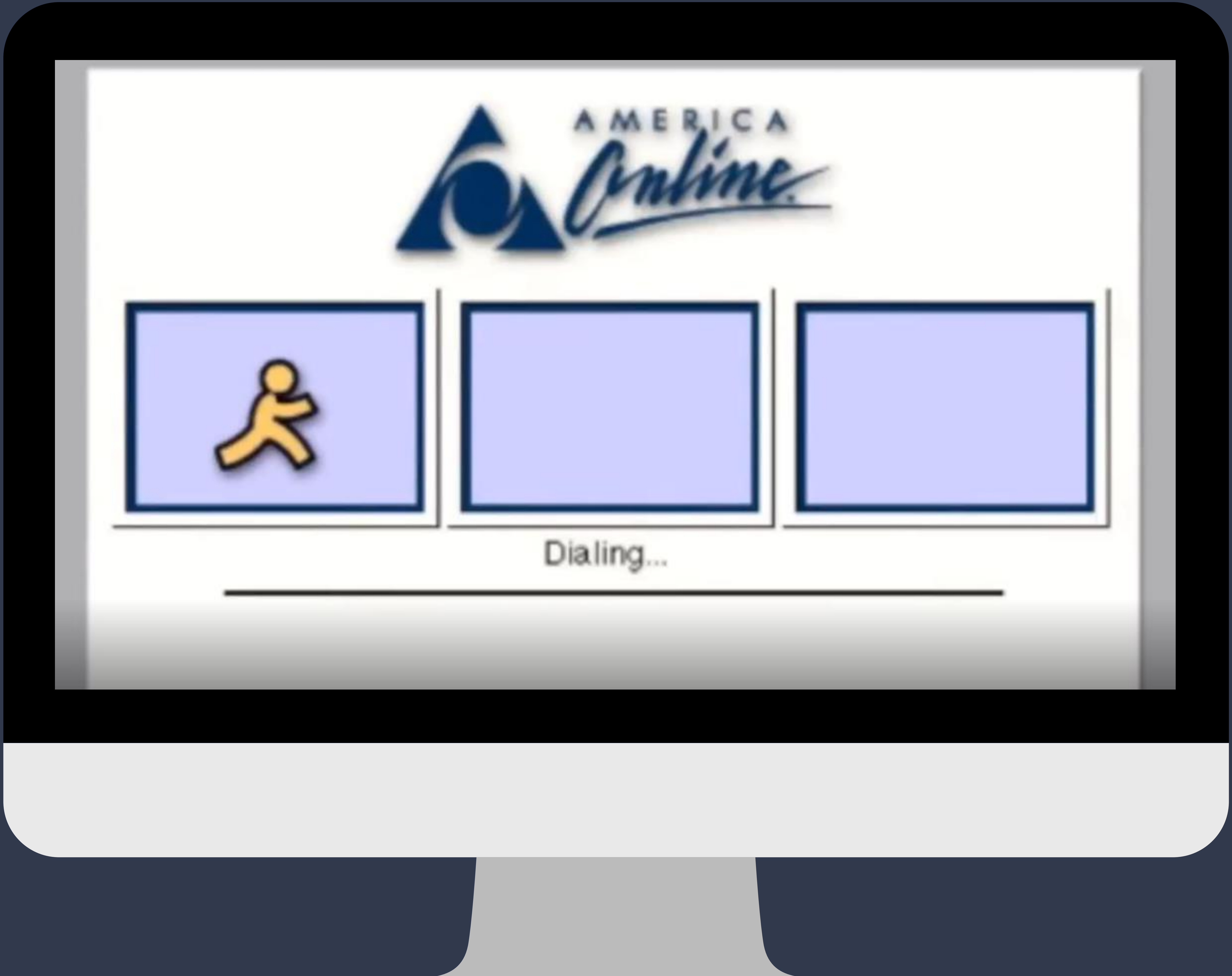
BANKING *in the 80s*

ATMs and computers began changing banking

Customers gained more convenience and extended access

Banking became more transactional and less personal

Credit cards and financial products became more common


AMERICA
Online
Dialing...

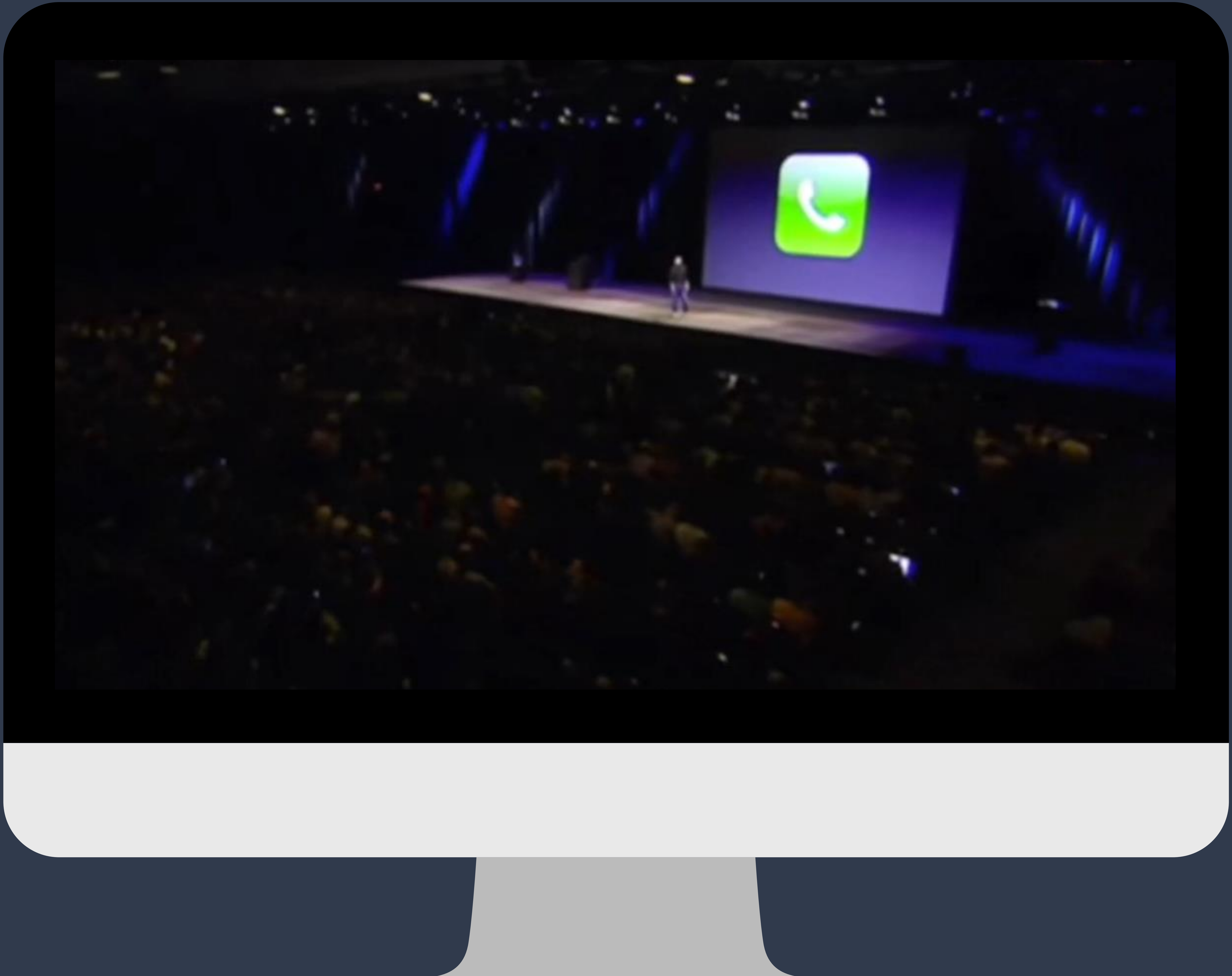
BANKING *in the 90s*

Computers and early online banking expanded rapidly

ATMs and phone banking became widely used

Customers expected faster and more convenient service

Banking became less relationship-focused and more digital



BANKING *in the 00s*

Online banking became mainstream

Early mobile banking and digital tools emerged

24/7 access and self-service became customer expectations

Banks increased focus on cybersecurity and fraud protection

PURPOSE *and Profit*

Partners, Not Opposites

Is it our job to move money efficiently?

Is our job to build customer relationships?

Why the bank exists beyond making money. It's about helping people, building and supporting communities, and maintaining trust.

How the bank sustains itself. Without profit, the bank can’t continue serving customers or investing in new tools, staff, or services.

WHY *Both Matter*

focus only on profit → may grow fast → lose customer trust

focus only on purpose → do good short term → will not last

WHY *Both Matter*

balance both → stability → long term success

GREENLEAF *Bank*

helping small businesses grow

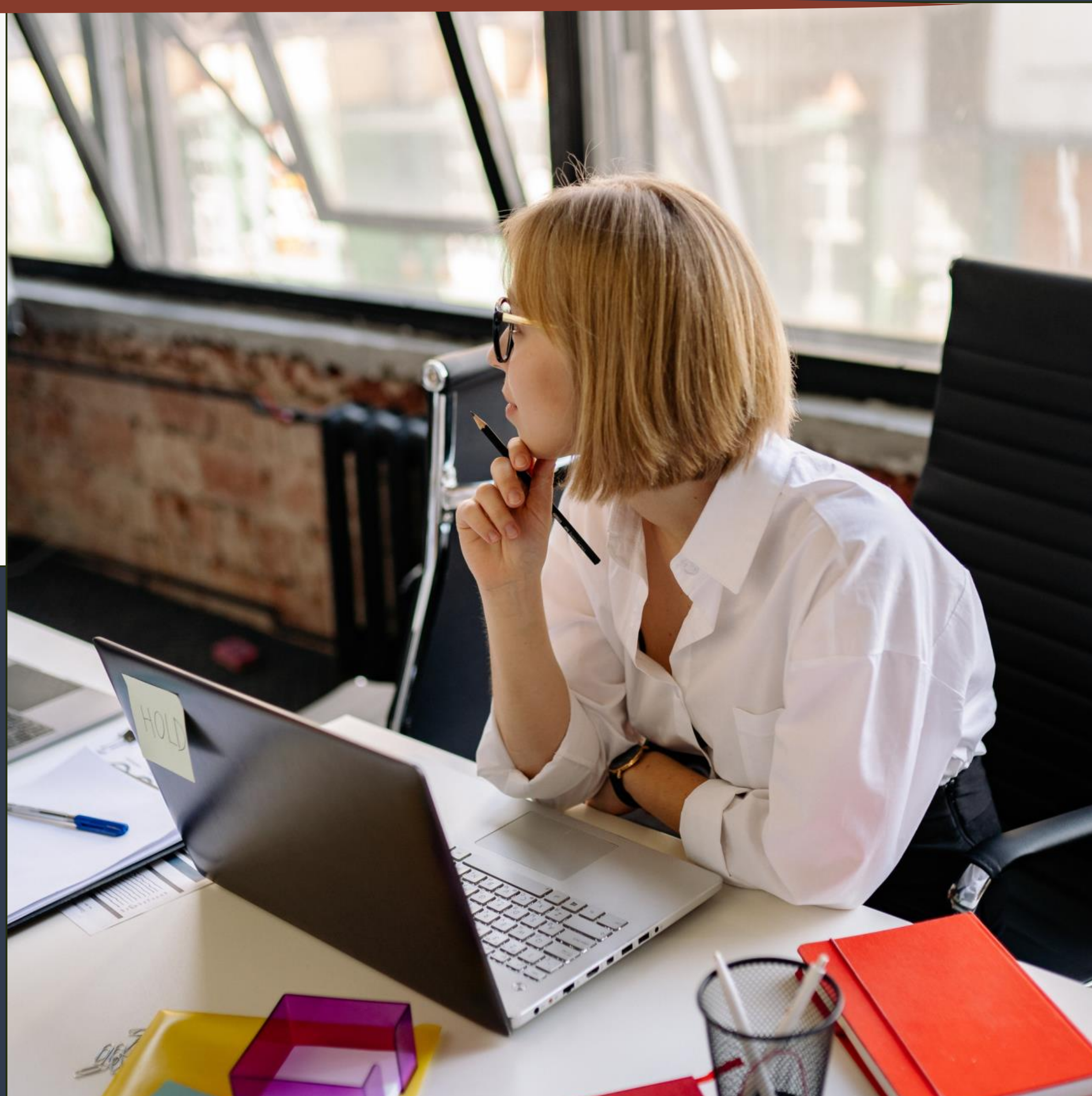
THE *Problem*

THE LOCAL BAKERY

wants a loan to buy new ovens

THE BANKER

sees the risk, but knows the ovens are essential for the bakery



THE *Solution*

The bank approves the loan because it helps the business succeed (purpose) and it’s structured so the bank can safely earn a return on its investment (profit).

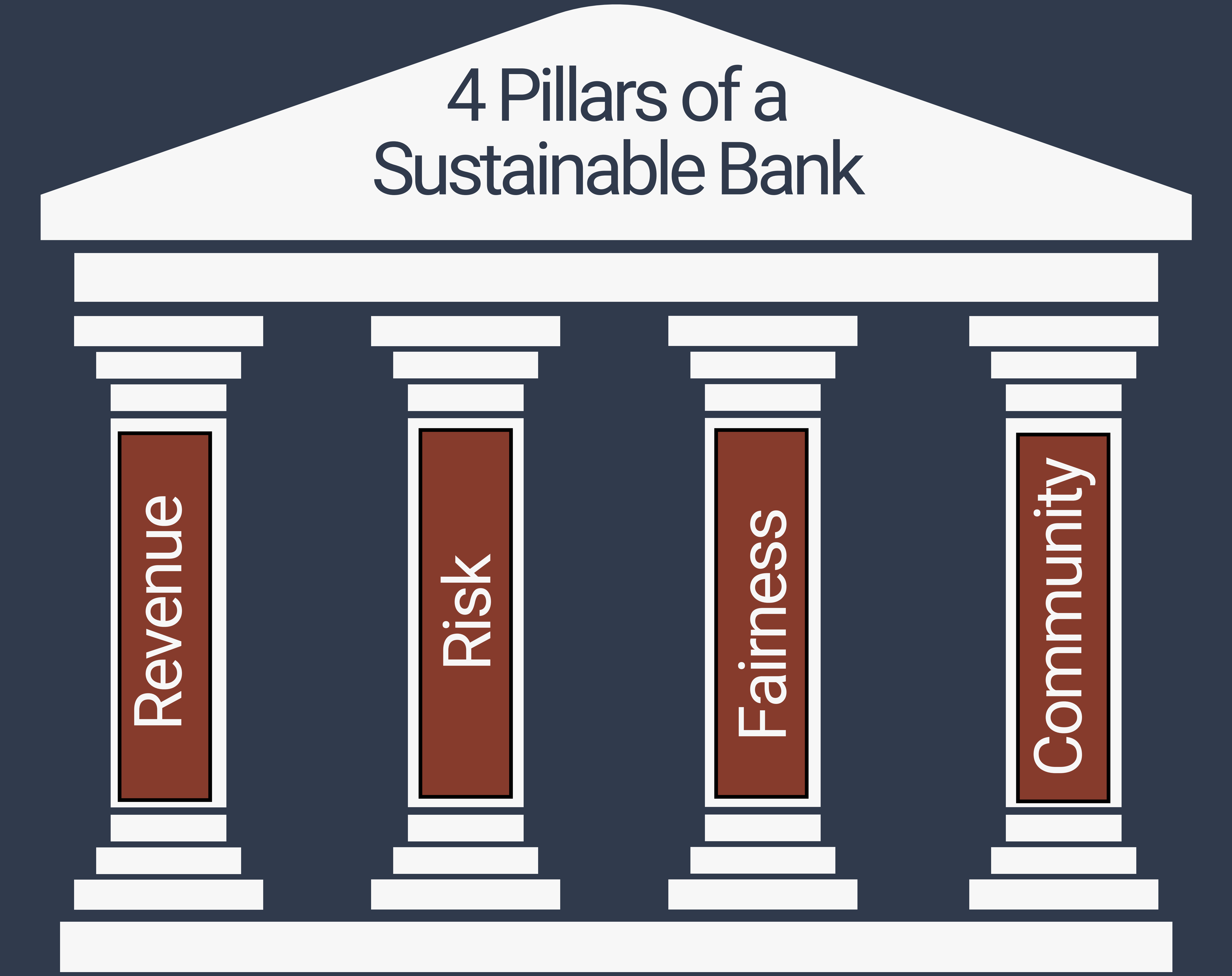
Stakeholders

What is a stakeholder?

- Anyone who has *interest* in the bank
- Can be *affected* by the bank's actions
- Can *influence* the bank

Stakeholder Capitalism

Organizations perform best when they consider the needs of all stakeholders


4 Pillars of a Sustainable Bank
Revenue
Risk
Fairness
Community

Revenue

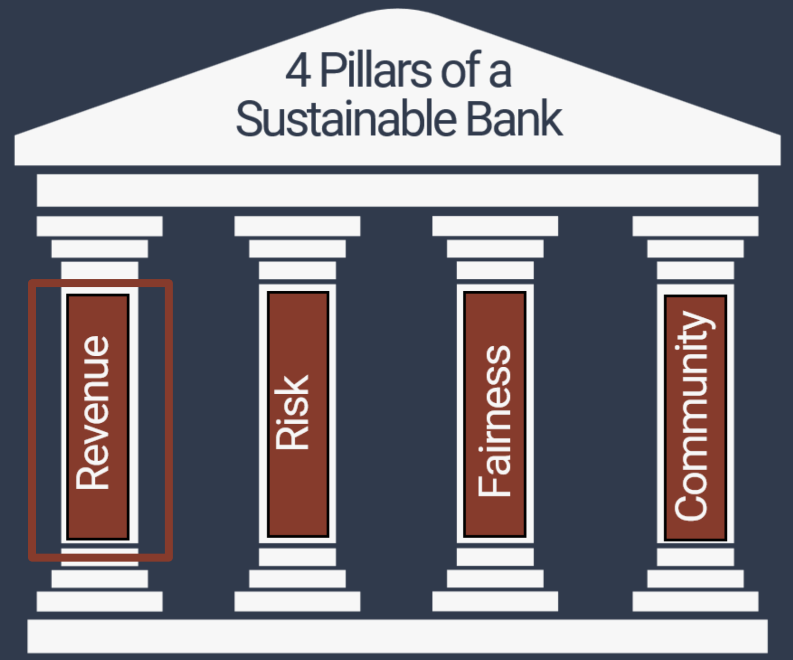
Why revenue matters in banking

Keeps Branches Running

Pays Employees

Funds Technology

Returns Value to Shareholders

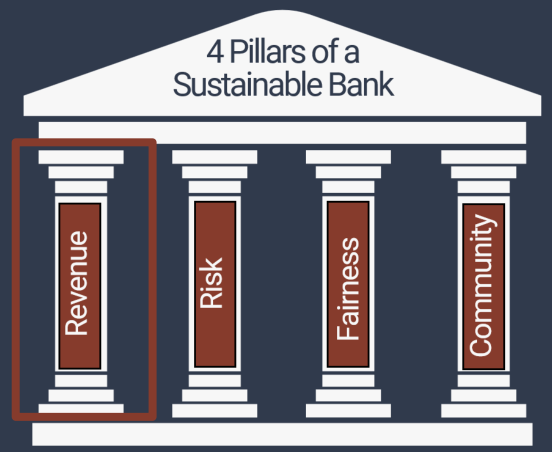


Scenario

Imagine a bank decides to keep fees extremely low and approves many loans without carefully pricing the risk. Customers love the low costs, but over time the bank earns less and less revenue. Eventually, the bank stops upgrading its systems. The mobile app becomes unreliable. Fraud monitoring falls behind. Customers begin moving their accounts elsewhere.

Reflection

At what point did the bank's good intentions start creating a problem?



Risk

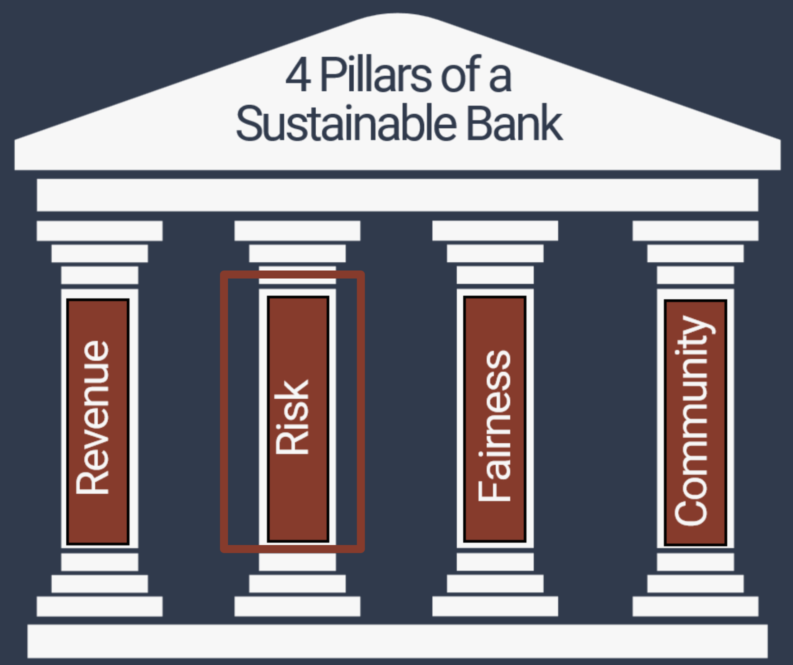
Why managing risk matters in banking

Fraud Risk

Regulatory Issues

Borrowers may not repay loans

Economic conditions may change

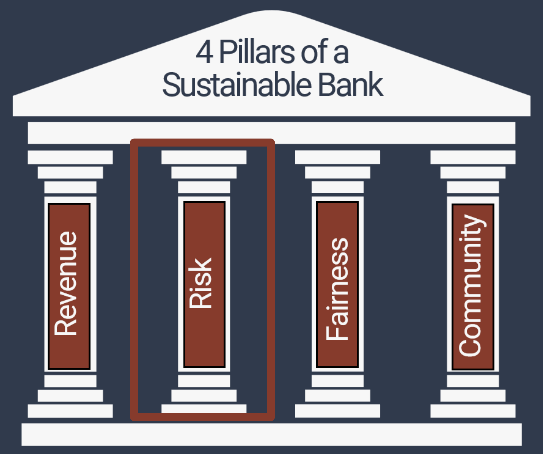


Scenario

A banker wants to help a new business owner open a restaurant. The business plan looks exciting, and the owner is passionate. Wanting to support the community, the banker approves the loan quickly without fully reviewing the financial projections. A year later, the restaurant closes and the loan goes unpaid.

Reflection

Where should the banker have slowed down in this decision?



Fairness

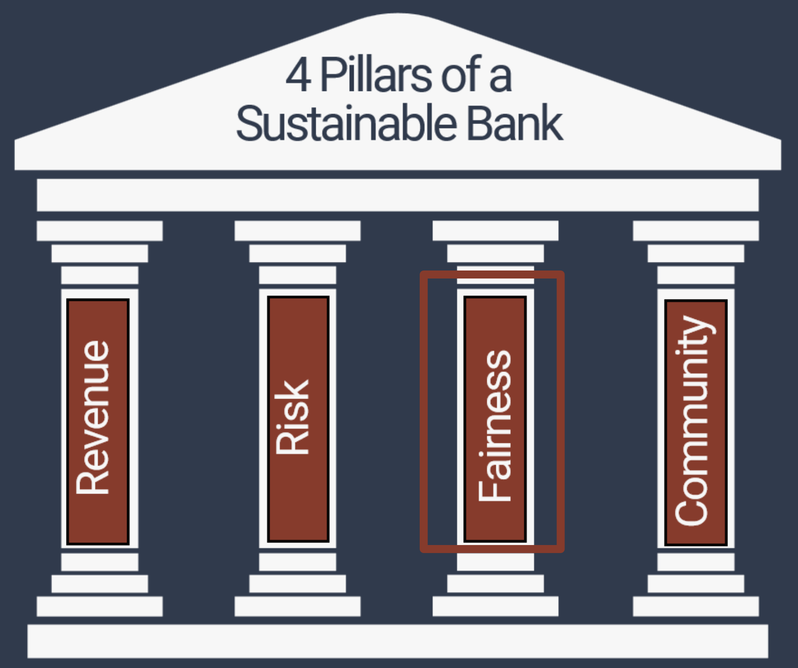
Why fairness matters in banking:

Clear About Fees & Terms

Protect Customer Information

Lend Responsibly

Explain Products in Plain Language

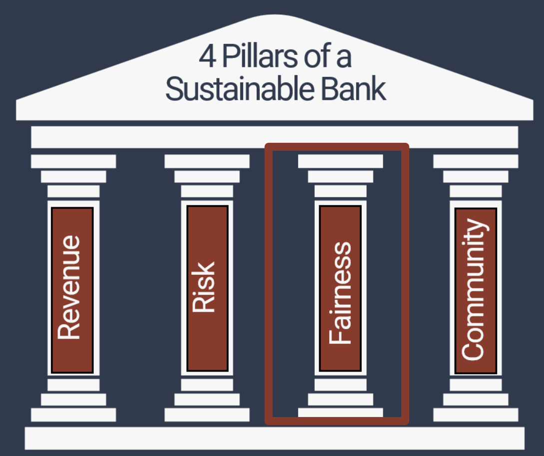


Scenario

A customer opens a new account because of a promotional offer. Later, they discover several fees they didn't fully understand when they signed up. Technically the fees were disclosed, but the explanation was buried in paperwork and never clearly discussed.

Reflection

Did the bank treat the customer fairly?



Community

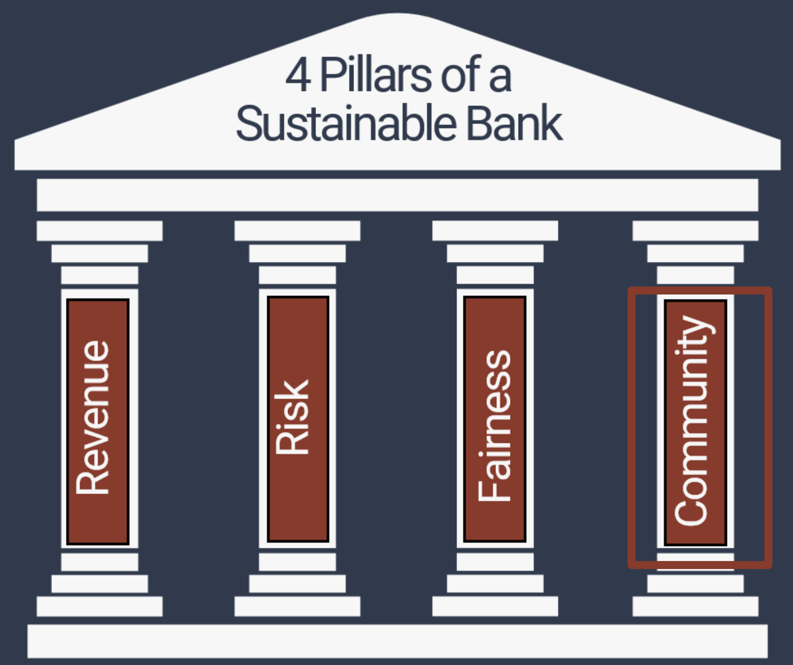
Why community matters in banking

Lend to Small Businesses

Access to Services

Neighborhood Investment

Teach Financial Education

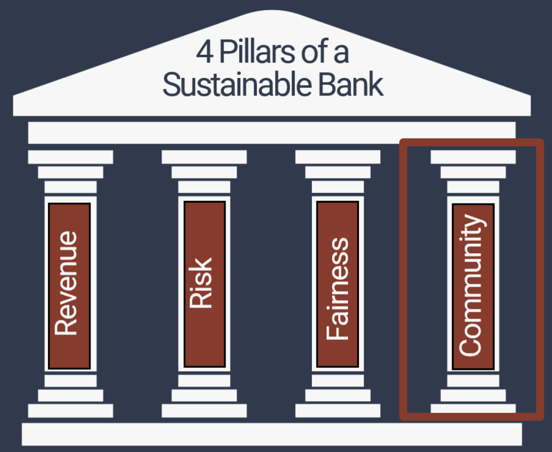


Scenario

A small construction company wants to expand and hire more workers. The bank provides financing that allows the company to purchase new equipment. Within two years the company doubles in size, hires additional employees, and begins working on larger community projects.

Reflection

Who benefits from this decision besides the business owner?



WORK *that Matters*

Every action supports the bank, customers, and community.

How Your Work Supports the Bank's Purpose

Connecting Purpose + Profit to Your Role

Every action builds trust — that matters.

OUR *Commitment*

Our Values

Community Impact

OUR *Values*

Care

Do What is Right

Go Above & Beyond

Community Focused

Service Over Sales

Purpose Driven

OUR *Impact*

6,000 Volunteer Hours in 2025

- Learning & Education Programs
- Support Hard Work
- Supply Local Needs
- Grow Experiences

BANKING PRODUCTS & *Profits*

In this section you will...

- Recognize the key features, benefits, risks, and appropriate uses of common banking products and payment methods.
- Understand how banks make money.

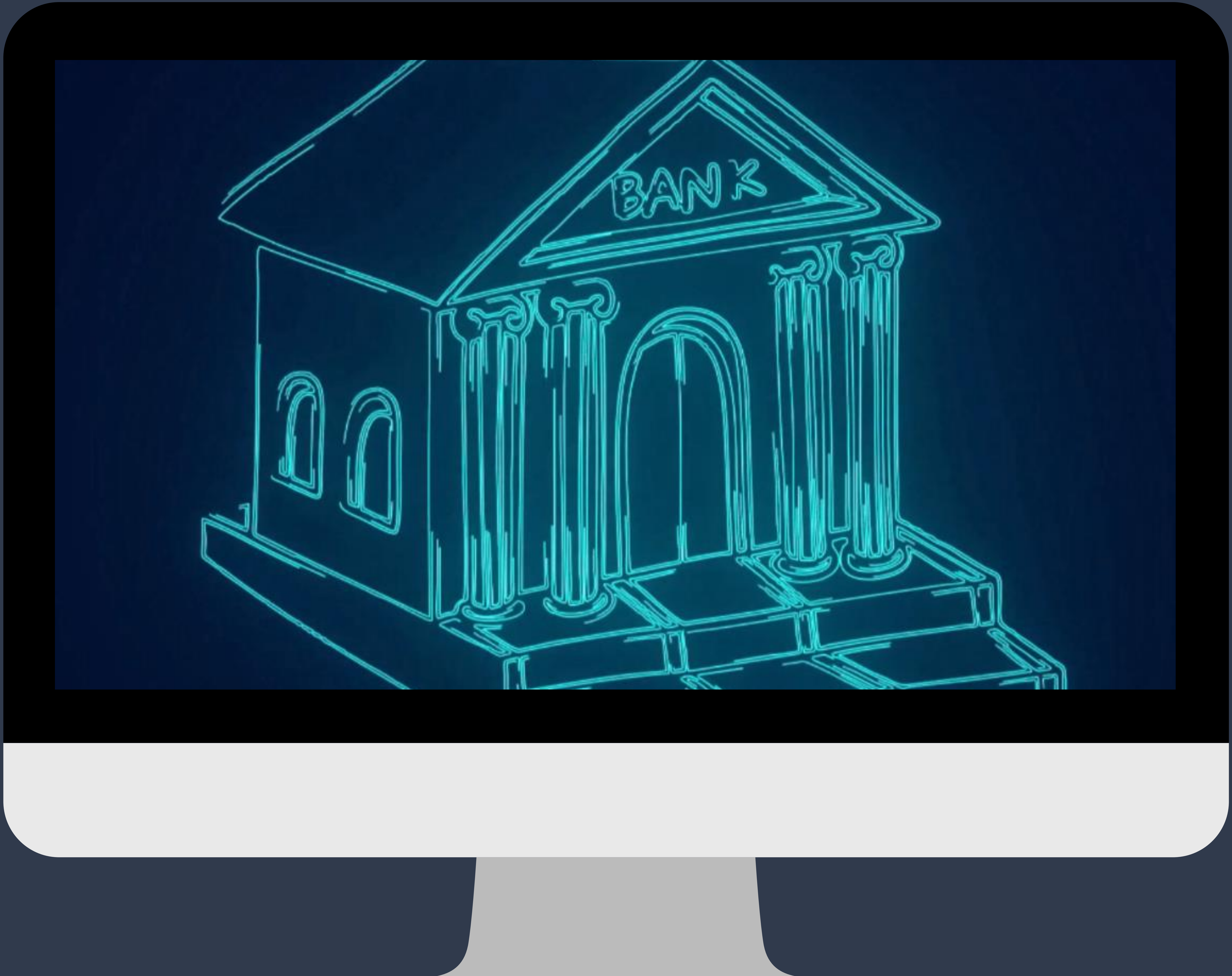
BANKING *Profits*

How do banks make money?

Loan Interest

Investments

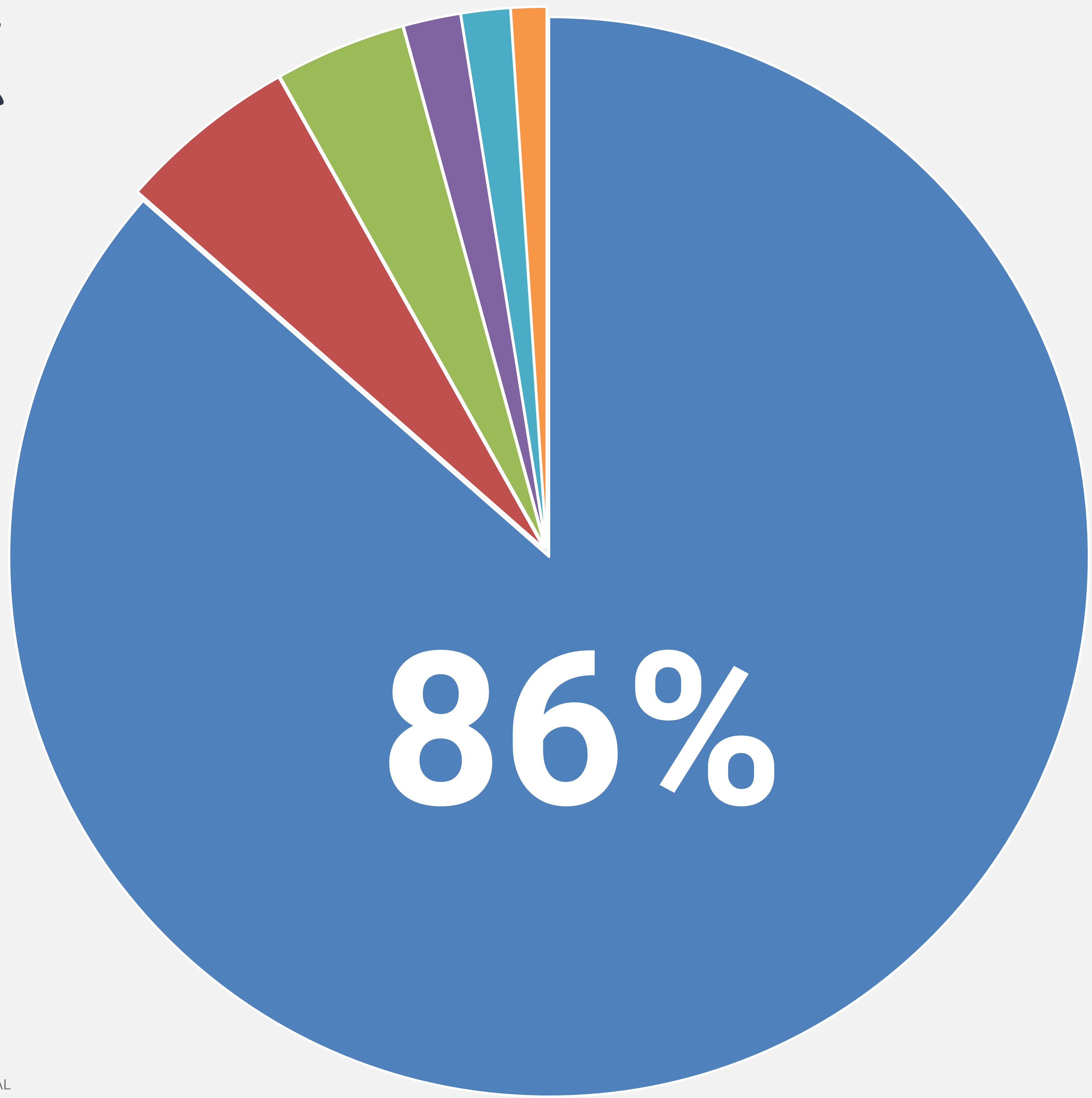
Fees


BANK

New Leaf Bank

Revenue

- Loans (Net Interest Income & Fees)
- Investment Securities (5%)
- Interest Income from Due Accounts (4%)
- Overdraft Income (2%)
- Debit Card Income (2%)
- Trust (1%)



Kahoot

How Banks Make Money Review

SHINE *in* *Your Role*

In this section you will...

- Develop key professional habits that build trust and reliability
- Apply stakeholder awareness and ethical decision-making

S STEADY

H HUMBLE

I INTEGRITY

N NOTICE

E EMPATHY

Steady

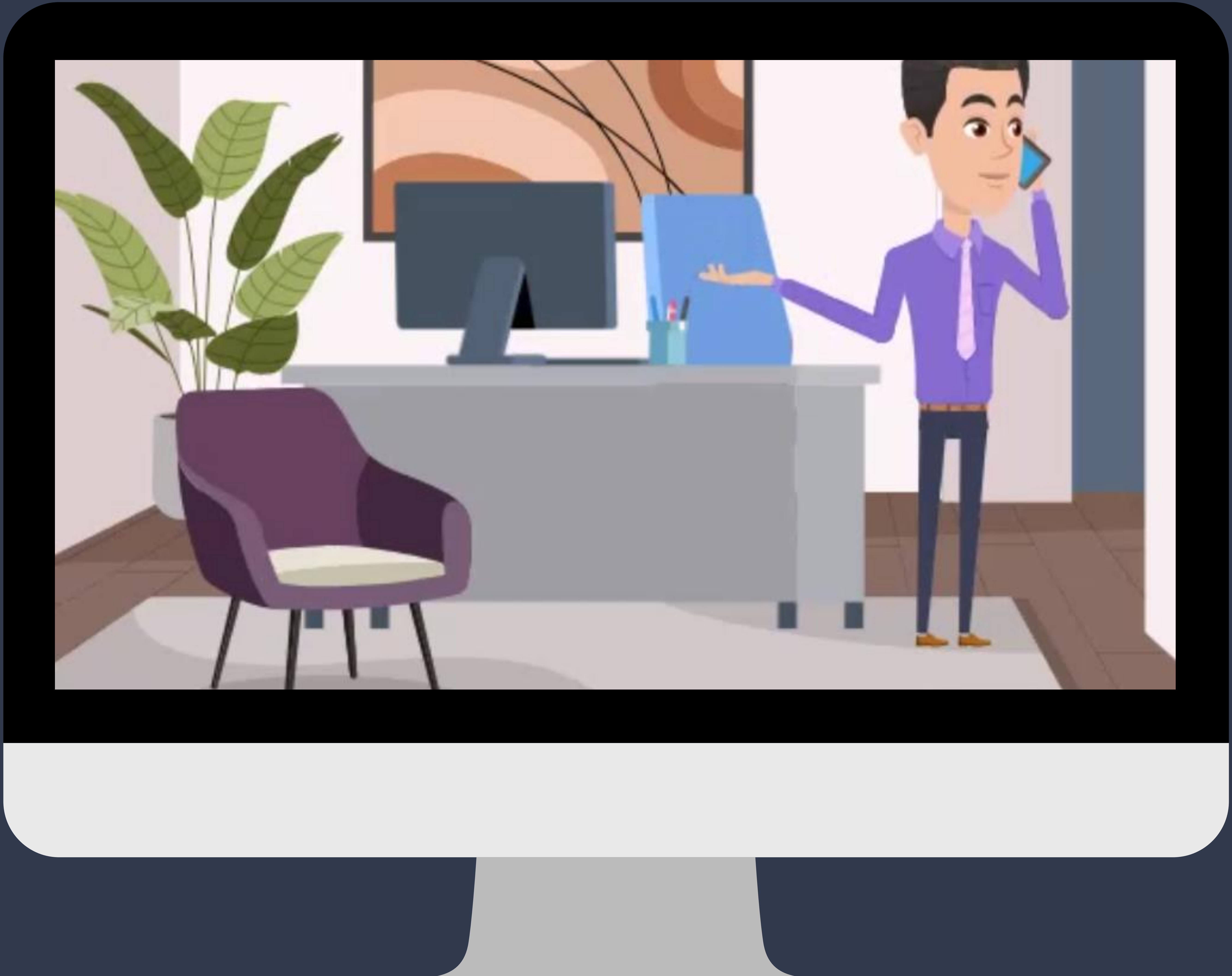
"Build trust through consistency."

- ★ Remain calm and *professional*
- ★ Reliable & *consistent* in your work
- ★ Follow through on *commitments*

Humble

“Stay open and keep learning”

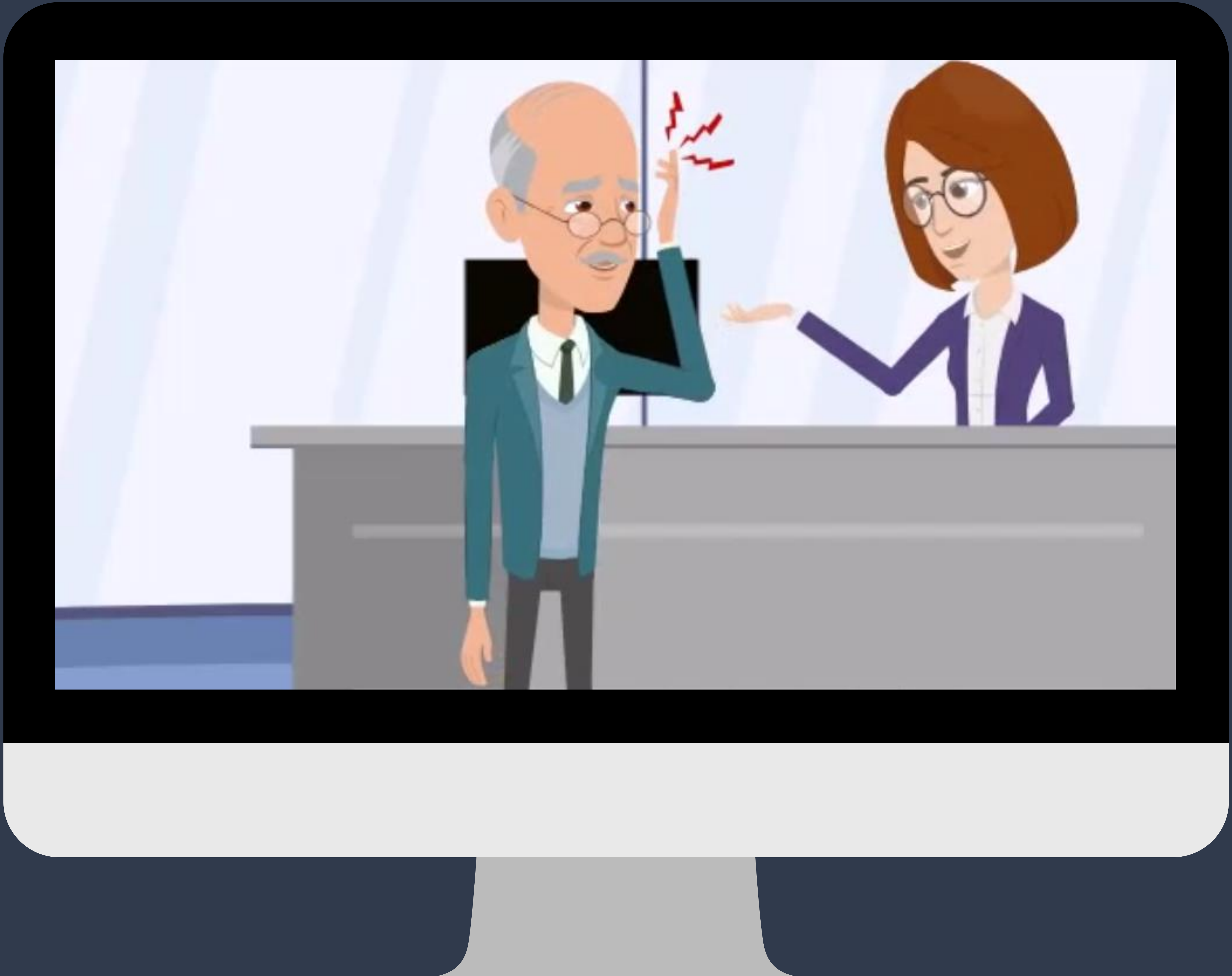
- ★ Willing to *learn*
- ★ Open to *feedback*
- ★ Recognize others‘ *contributions*



Integrity

"Do what's right – always."

- ★ Protect customer *trust*
- ★ Align *actions* with *values* and policies
- ★ Make the *right* choice – even when no one is watchi



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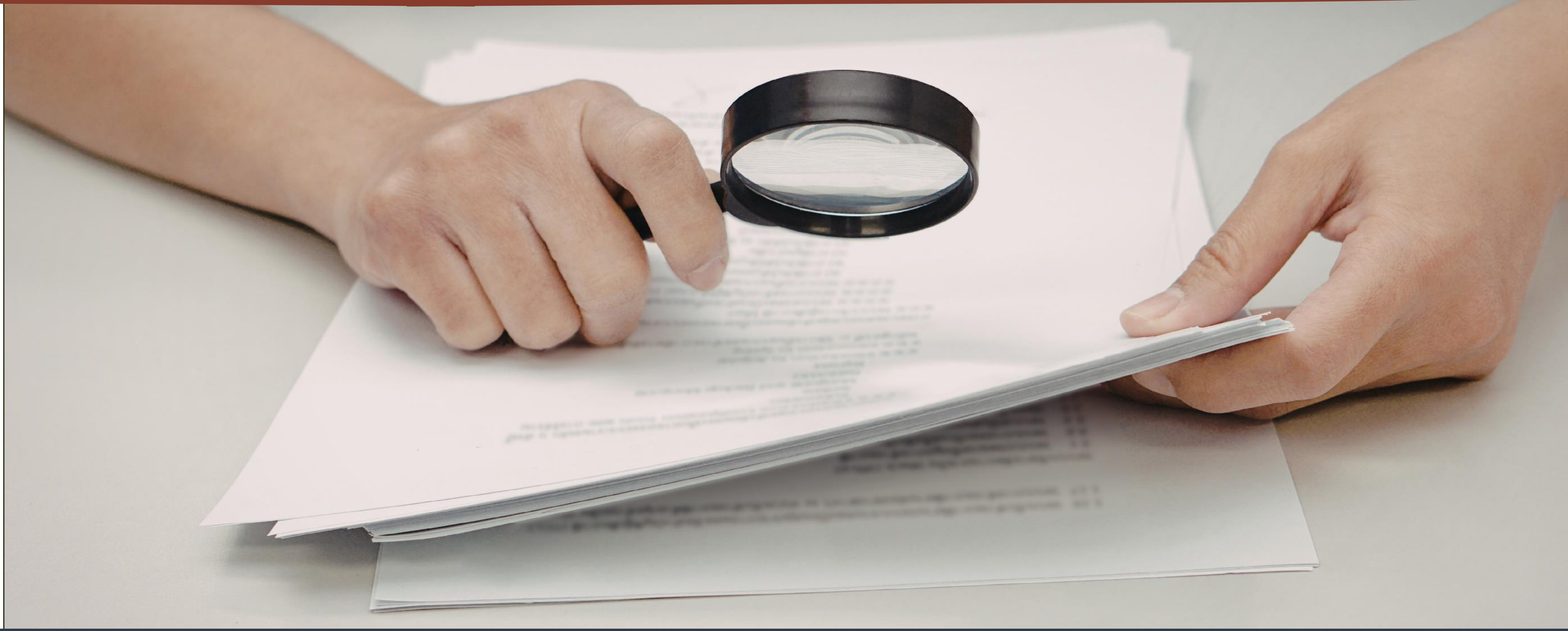
Notice



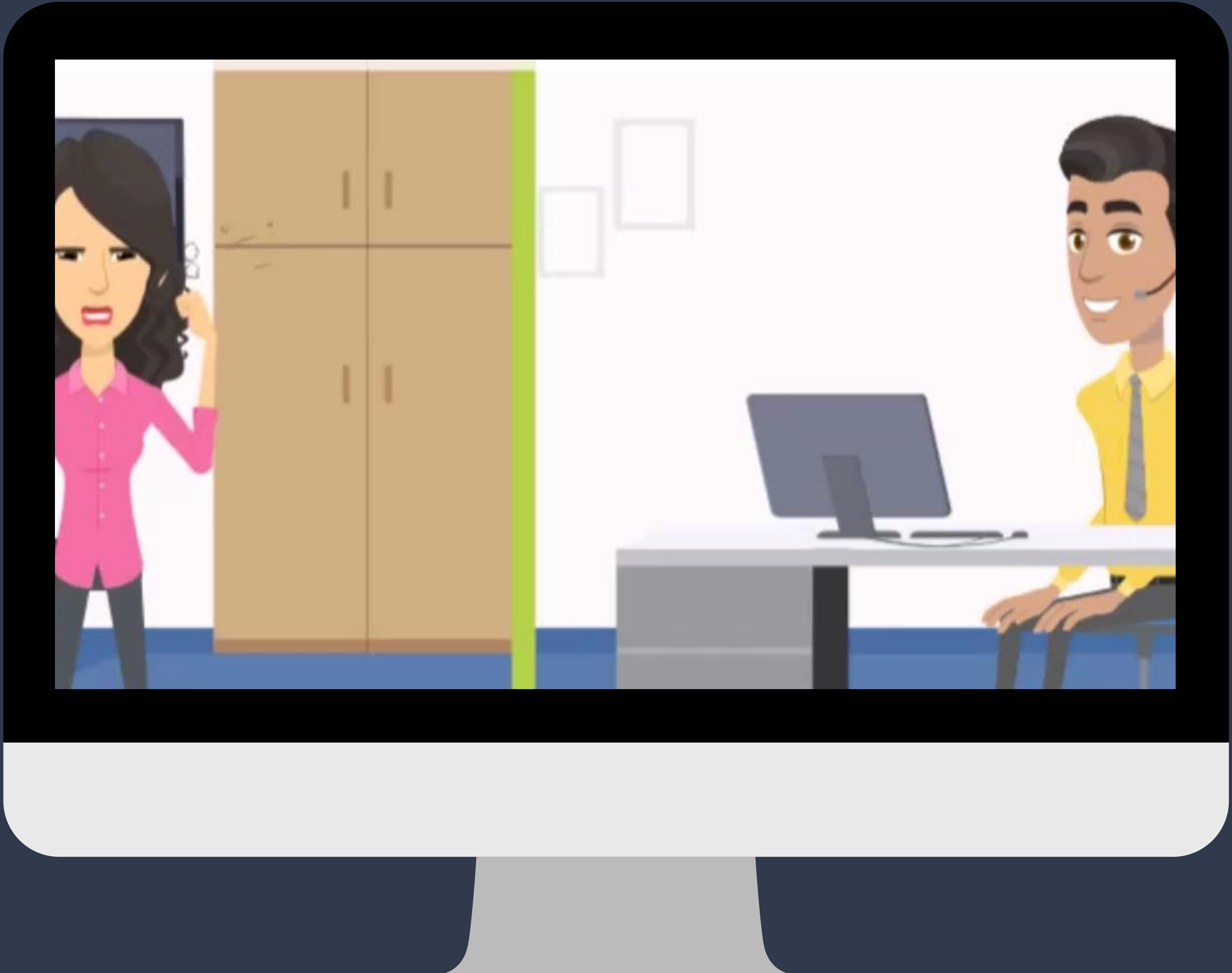
"Pay attention to what matters."

- ★ Be *attentive* to details
- ★ Consider how *actions* affect others
- ★ Look for ways to *support* customers and teammat

Empathy

"Connect through understanding."

- ★ *Listen* carefully
- ★ Respond with *care* and *respect*
- ★ Understand others' *perspectives*



SHINE

Gallery Walk

STAYING SAFE: *Regulations, Regulators, & Risk*

In this section you will...

- Explain why banking regulations exist and how they protect customers and the financial system.
- Identify key banking risks and how risk management keeps banks safe and compliant.

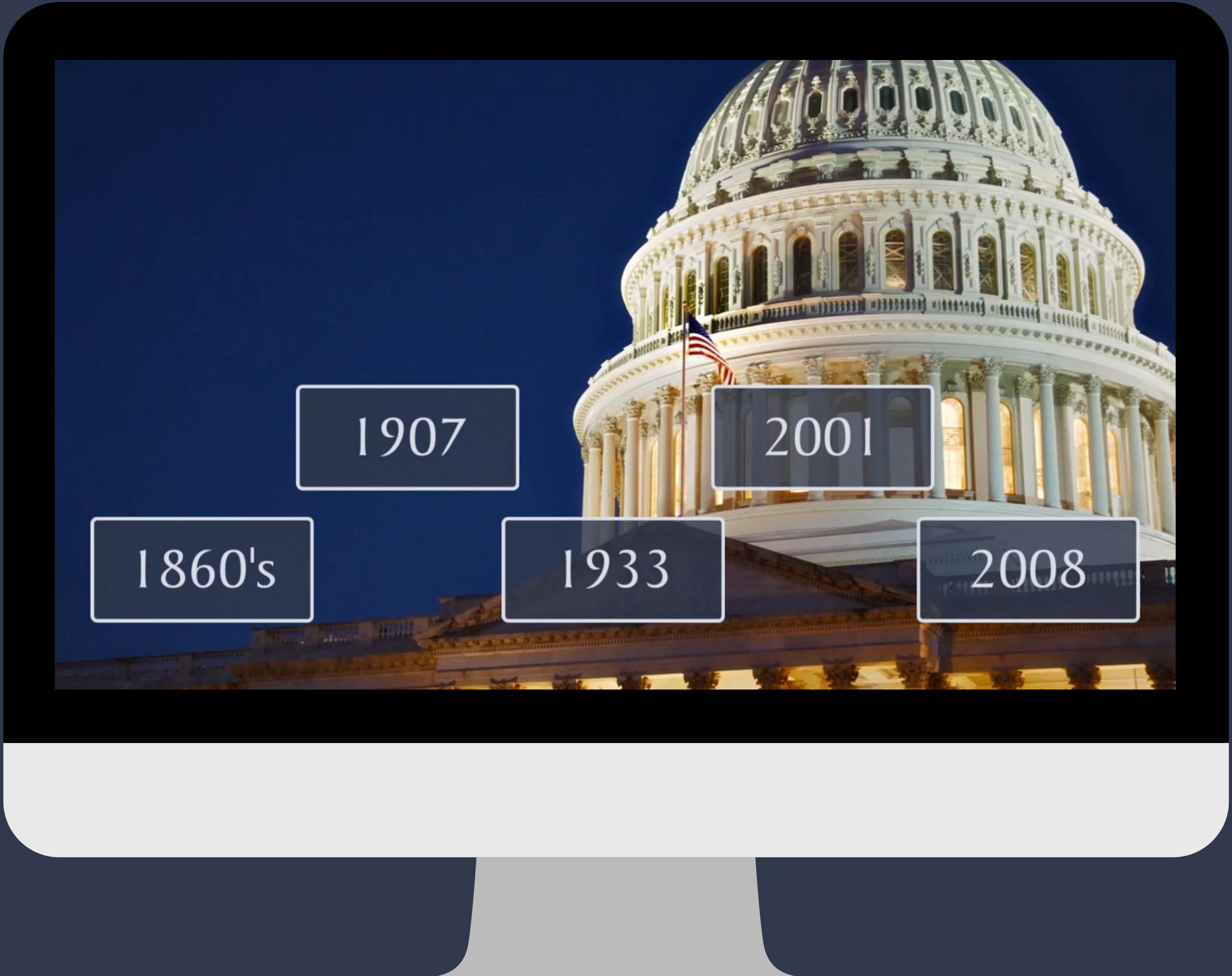
WHAT *is a Regulation?*

Regulations are sets of legal rules and guidelines imposed by the government or financial authorities.

REGULATIONS
& Regulators

Regulations were reactive.

Crisis → Reform → Stability


1907
2001
1860's
1933
2008

WHAT *is Risk?*

Risk is anything that could cause a bank to lose money, trust, or customers.

RISK *Management*

2 Big Responsibilities

Safety & Soundness

Consumer Compliance

SAFETY & *Soundness*

- Keep the bank *safe* and *strong*
- Make sure *mistakes* don't hurt the bank or its customers

SAFETY & SOUNDNESS
Examples

#1

Imagine a teller gives someone the wrong amount of cash — maybe $50 too much. It seems small, but if it happens often, the bank could lose money.

#2

A coworker skips checking a form carefully to save time. If there’s an error, it could cause bigger problems later.

CONSUMER *Compliance*

Keep customers *safe* and treated *fairly*

CONSUMER COMPLIANCE *Examples*

#1

A customer doesn't understand a fee. If you explain it wrong or skip telling them, they could lose money and feel tricked. That's compliance risk.

#2

A loan application is denied because the customer is receiving disability payments as their income. This is a violation of fair lending regulations.

RISK *Management*

5 Types of Risk

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Compliance Risk

5 TYPES OF *Risk*

Credit Risk

Example: A customer misses several loan payments. The bank loses both principal and expected interest.

Liquidity Risk

Example: It’s a busy Friday and everyone withdraws cash at the same time. The bank can’t cover everyone immediately.

5 TYPES OF *Risk*

Market Risk

Example: Interest rate changes can make loans less profitable for the bank.

Operational Risk

Example: A software glitch delays deposits, or an employee enters the wrong transaction amount.

5 TYPES OF *Risk*

Compliance Risk

Example: Failing to verify a customer’s identity could result in fines under the USA Patriot Act.


4 Pillars of
Risk Management
Risk Governance
Risk Identity & Assessment
Risk Control & Mitigation
Risk Monitoring & Reporting

4 PILLARS
of Risk Management

Risk Governance

This pillar is about *leadership* and *responsibility*.

It answers:

- Who decides how risk should be handled?
- What rules do we follow?
- Who is responsible if something goes wrong?

Who made the rules?

4 PILLARS
of Risk Management

Risk Identification & Assessment

This pillar is about spotting *problems* before they happen.

Banks look for risks like:

- Fraud or scams
- Customers not paying loans back
- Mistakes in data entry
- Cybersecurity threats

Then they ask:

- How likely is this to happen?
- How bad would it be if it did happen?

What could break or go wrong?

4 PILLARS *of Risk Management*

Risk Control & Mitigation

This pillar is about taking *action* to reduce risk.

Banks reduce risk using:

- Checklists
- Approval Steps
- Training
- System Limits
- Double-Checking Work

What steps stop mistakes?

4 PILLARS
of Risk Management

Risk Monitoring & Reporting

This pillar is about *watching* things over time.

Banks continuously review and monitor:

- Reports
- Alerts
- Dashboards
- Unusual Activity

Are our rules & protections working?

THE CASE OF THE *Unstable Branch*

For each clue:
- Read the clue aloud
- Discuss:
  - *What type of risk is this?*
  - *Is it Safety & Soundness or Consumer Compliance?*
  - *Which pillar does this relate to?*
- Record answers on the worksheet in your book
- Keep a tally of how many times each pillar appears

LIVING THE VALUES *Workshop*

In this section you will...

- Explain why banking regulations exist and how they protect customers and the financial system.
- Identify key banking risks and how risk management keeps banks safe and compliant.

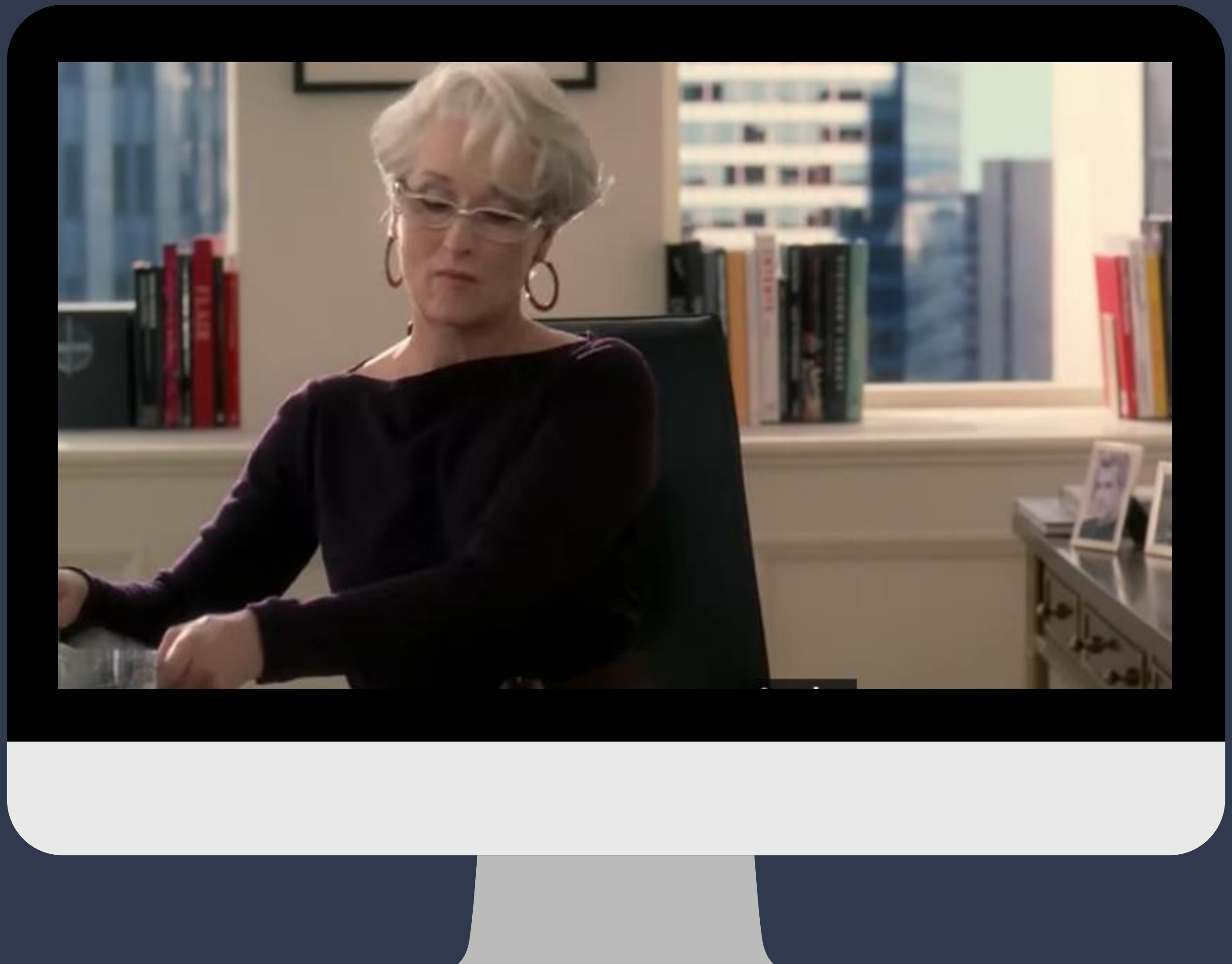
CORE VALUES *Card Sort*

Each card describes a behavior you might see in a branch or department.
Your job is to sort them based on which Core Value they represent — or whether they don't represent our values at all.

1. **Each group gets a stack of cards**
2. **Sort each card under**
    - Care
    - Do What is Right
    - Go Above & Beyond
    - Not a Value Behavior

CORE VALUES: *Care*

First Impressions - Missed Opportunity

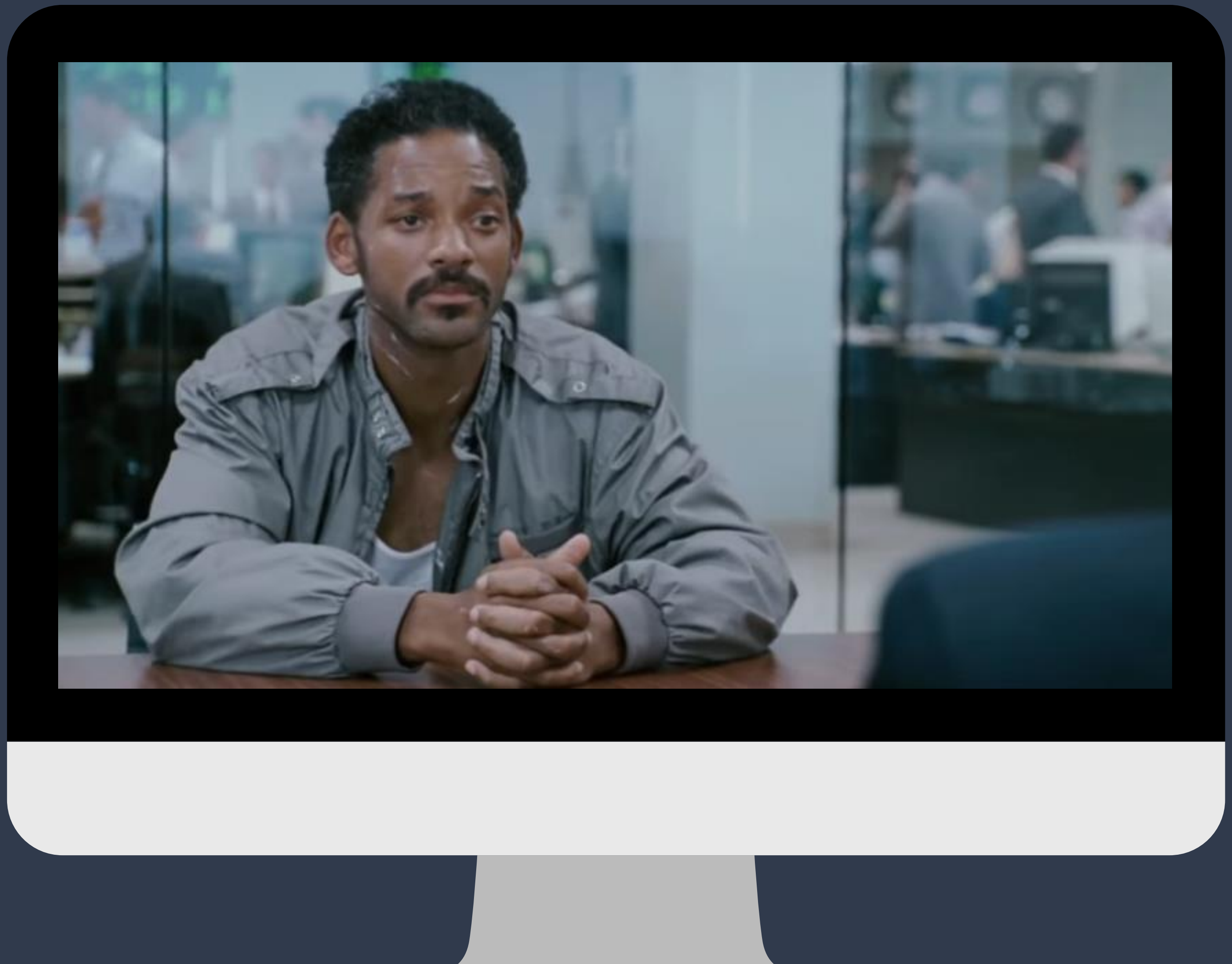


1. What message was being sent by the interviewer?

2. What did interviewee likely feel, and why?

CORE VALUES: *Care*

First Impressions - Example



1. What specific behaviors of the interviewer were different?
2. How did those behaviors change how the person probably felt?

CORE VALUES: *Care*

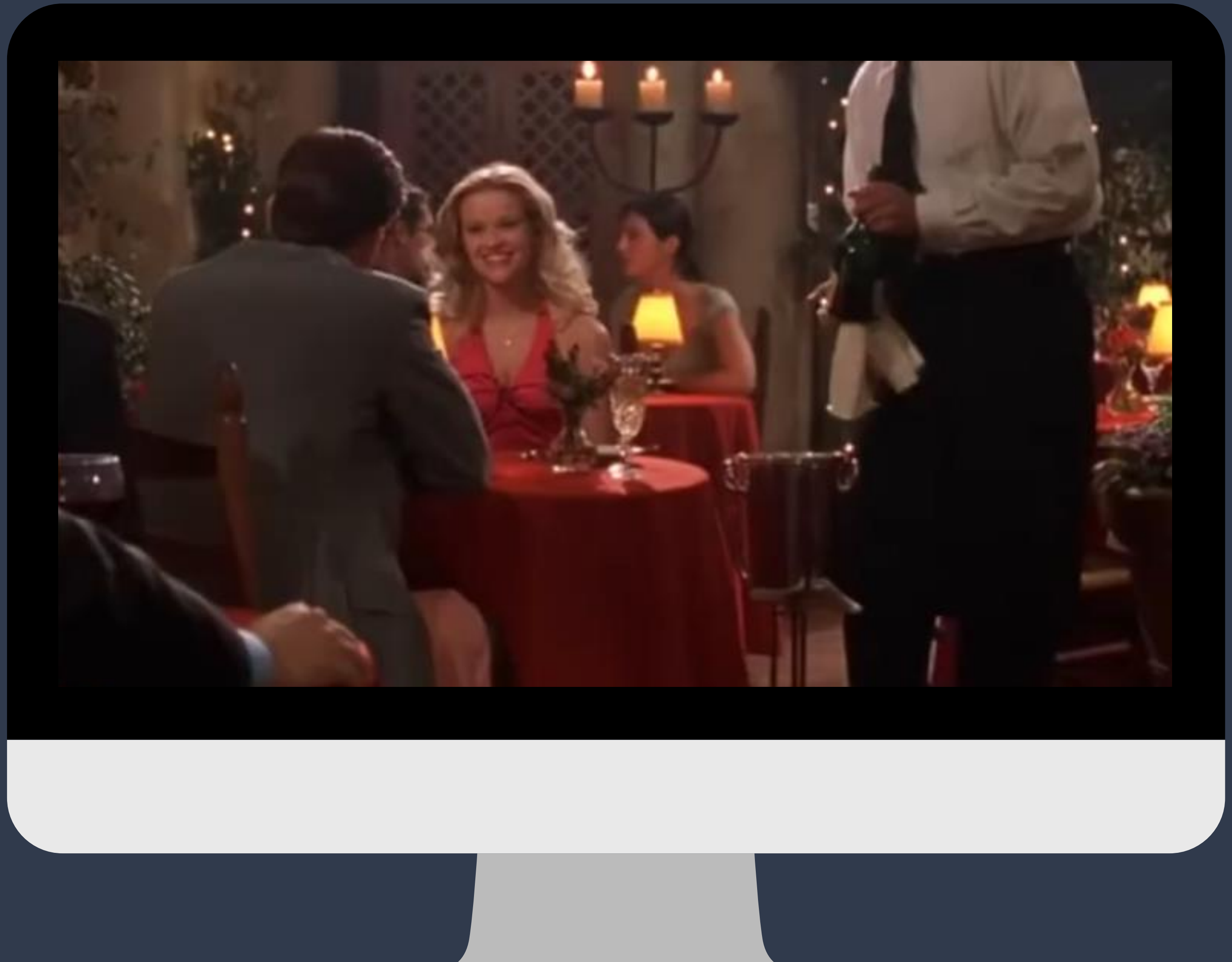
Active Listening - Missed Opportunity

1. What specific behaviors made the interviewer’s listening feel dismissive or disengaged?

2. What important information might be missed when someone listens this way?

CORE VALUES: *Care*

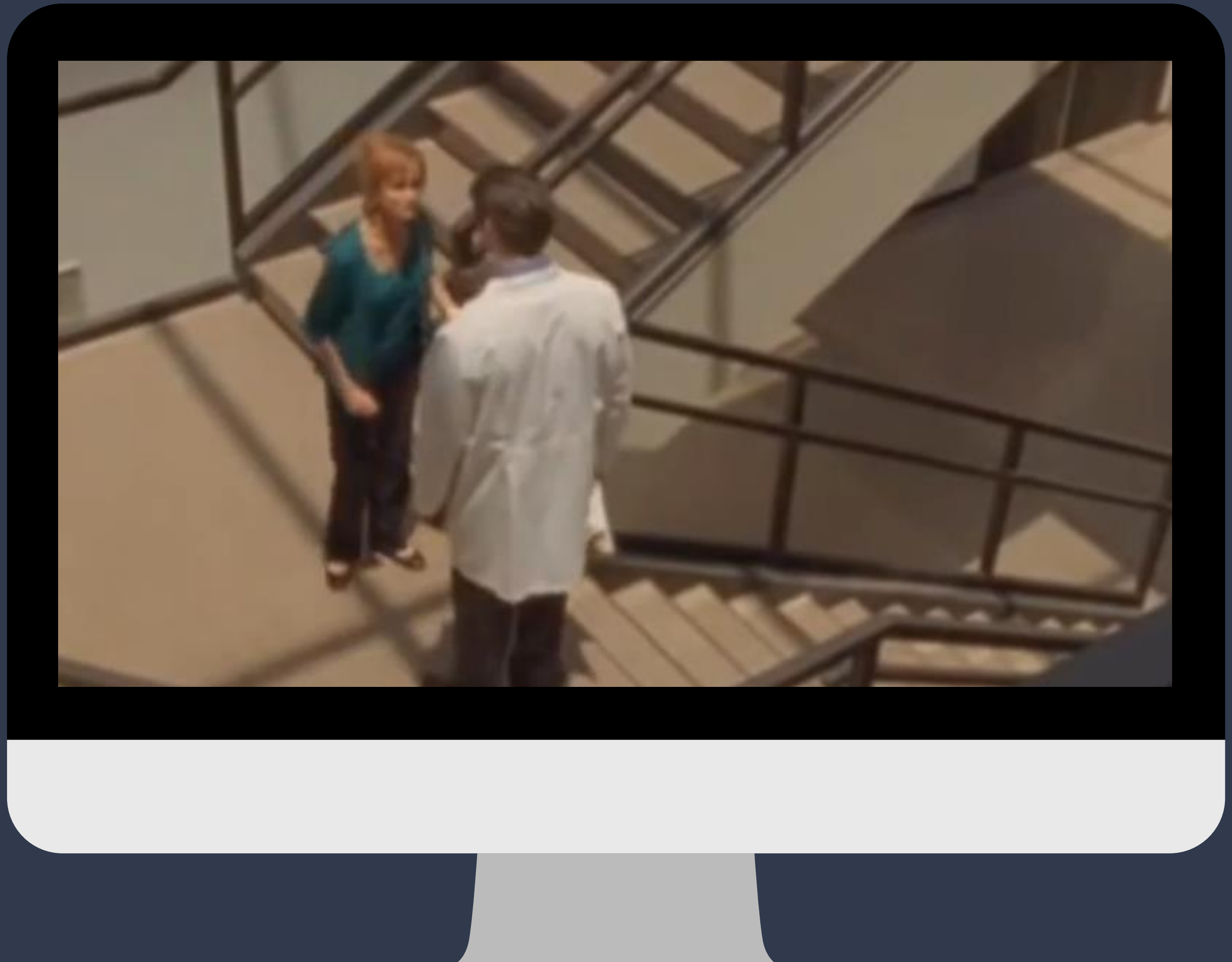
Active Listening - Example



1. How did her body language and facial expressions support active listening?
2. What does this scene show about the difference between hearing words and actually listening?

CORE VALUES: *Care*

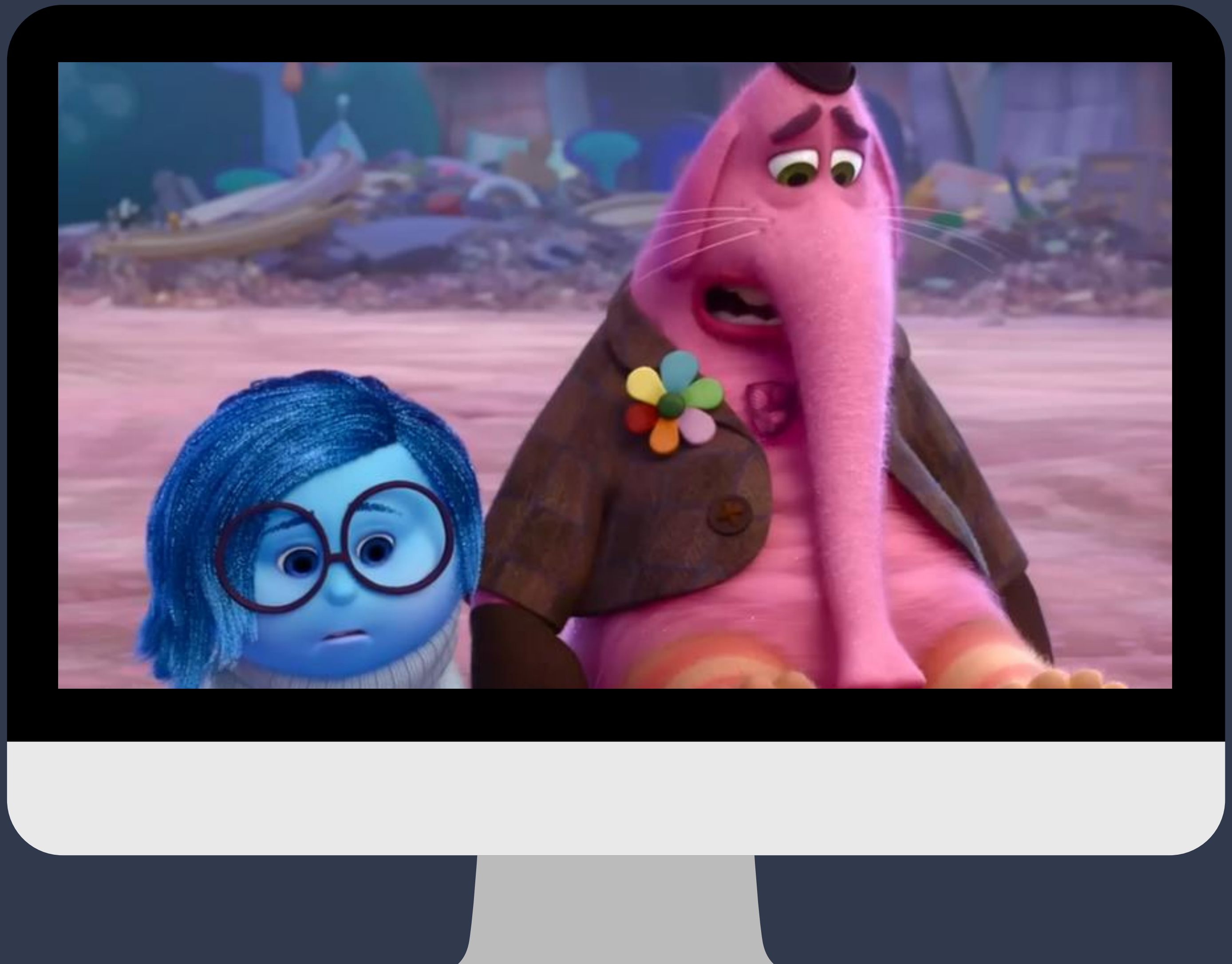
Showing Empathy- Missed Opportunity



1. What specific behaviors showed a lack of empathy in this scene?
2. What message did the doctor unintentionally send through their behavior?

CORE VALUES: *Care*

Showing Empathy - Example



1. How did her listening style differ from Joy’s earlier approach?

2. What did Sadness do that demonstrated genuine empathy?

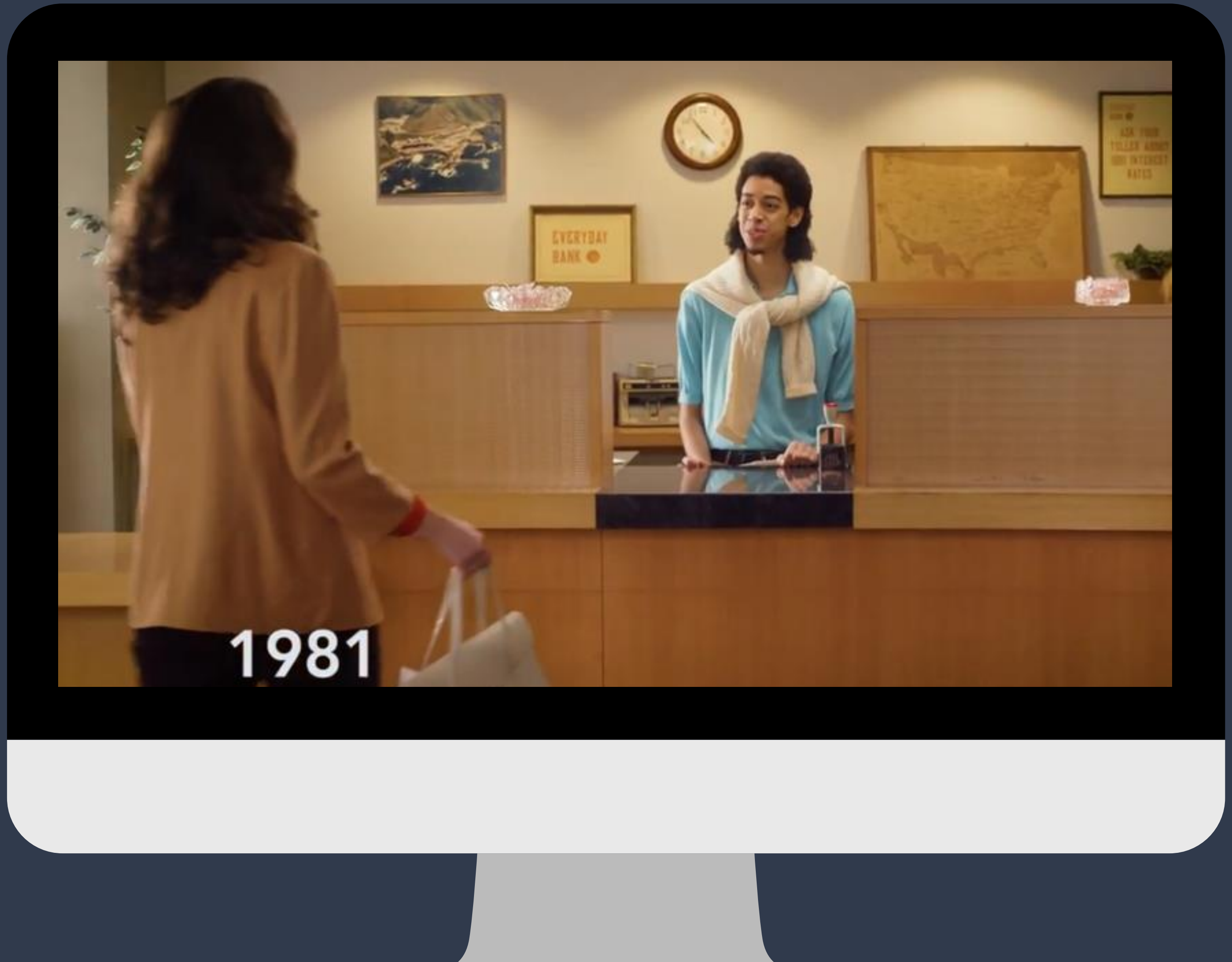
CORE VALUES: *Care*

Knowing Your Customer - Missed Opportunity

1. What signals did he ignore about how customers were feeling?
2. How did the customers react to being treated this way?

CORE VALUES: *Care*

Knowing Your Customer - Example



1. What small details did they pick up on that made the interaction feel personal?

2. What signs did you see that the customer felt valued or understood?

CARE *Gallery Walk*

Instructions:

- ✓ Move through each station
- ✓ Write your ideas on the papers around the room
- ✓ How can you show Care in each scenario?

  How would you make the customer feel welcome

  How would you listen and respond empathetically

  What would you do to know the customer better

DO *What is Right*

Honest & Transparent *Communication*

Solving the Real *Problem*

Accountability & *Ownership*

Delivering *Unwanted* News

ACTIVITY: *Green, Yellow, or Red Flag?*

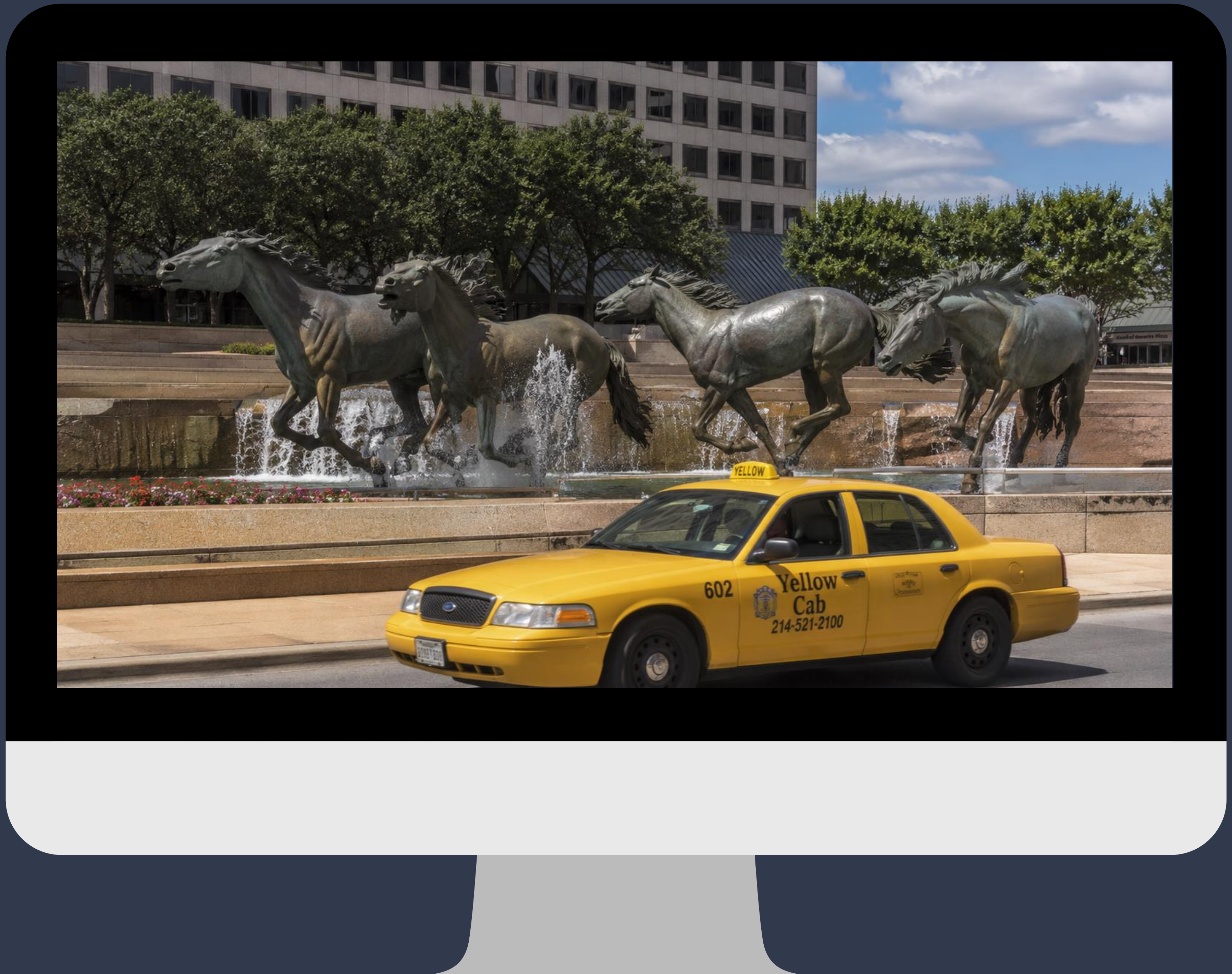
Step 1: Review Your Cards

Step 2: Decide as a Group

- Choose: Green, Yellow, or Red
  - 🟢 Green = Builds trust (honest, clear, takes ownership)
  - 🟡 Yellow = Could go either way (vague, incomplete, or risky)
  - 🔴 Red = Damages trust (avoids responsibility, shuts down conversation)
- If you have a yellow or red flag, what can you say to turn it into a green flag?

Step 3: Be Ready to Share

GO *Above & Beyond*



GO *Above & Beyond*

Anticipate Customer *Needs*

***Connecting* Customers to Solutions**

Creating *Memorable* Experiences

Taking the *Bank* to the Customer

ACTIVITY: *Creating WOW Moments*

Step 1: Review the Scenarios

Step 2: Choose a WOW Moment

- Decide which WOW moment (from your workbook) would have the greatest impact for that customer.
- More than one answer may be right—focus on what would make the biggest difference.

Step 3: Place Your Answer

- Write the corresponding letter of your chosen WOW moment on a sticky note
- Place it in the matching scenario box on the poster

Step 4: Be Ready to Share

SCENARIO *1*

A young couple is opening their first joint account. They're excited but clearly overwhelmed by the number of forms and options.

SCENARIO 2

A business owner makes frequent deposits and visibly rushes through each visit. They've mentioned being short-staffed.

SCENARIO 3

A customer has just been approved for their first mortgage. They're happy, but anxious about what happens next and worried about missing something.

SCENARIO 4

A customer who has banked with you for years is frustrated about a fee they weren't expecting and feels disappointed.

SCENARIO 5

A customer is opening their first checking account ever and asks very basic questions, seeming embarrassed.

SCENARIO *6*

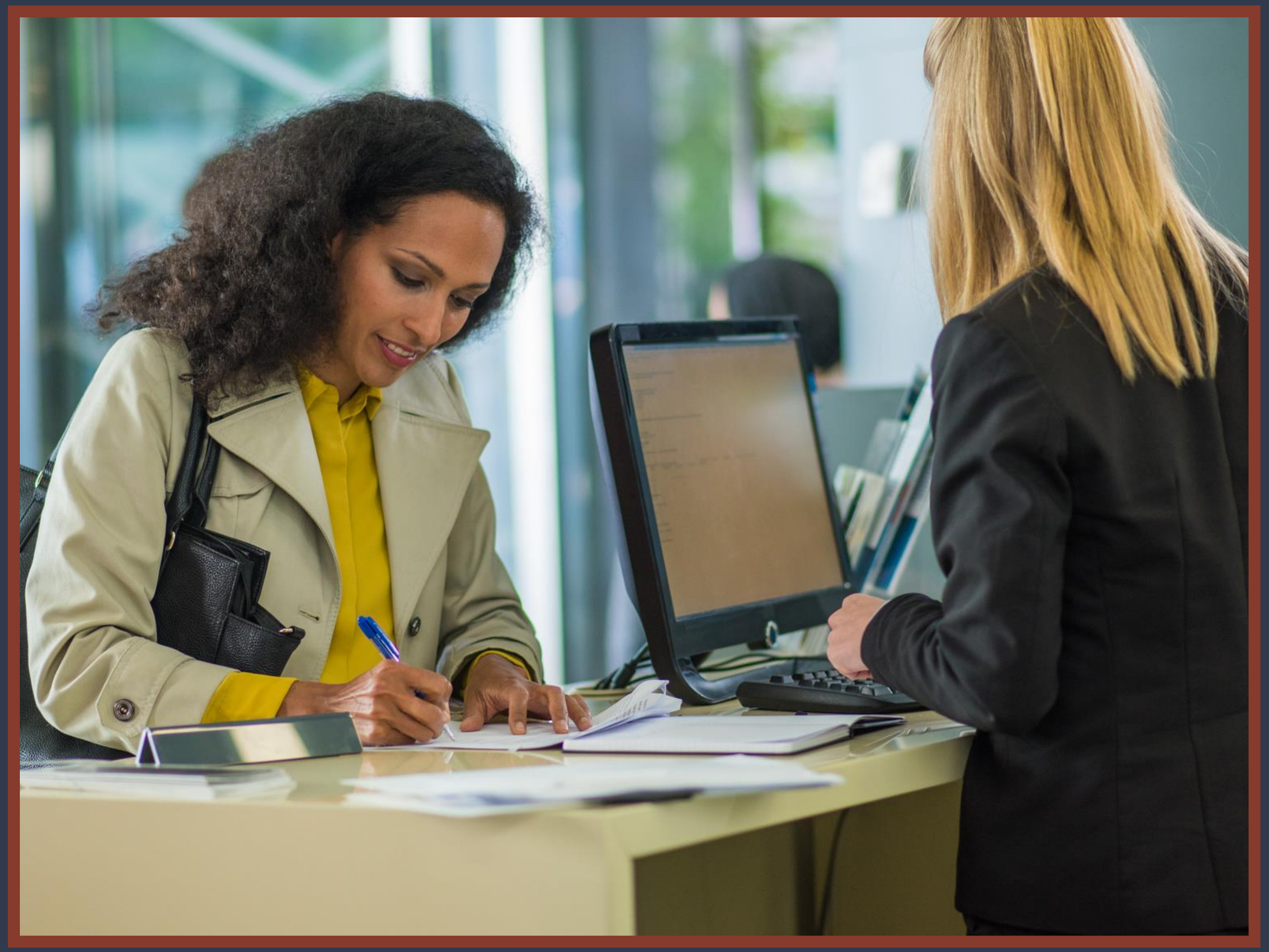
A customer mentions they're recently widowed and are unsure what financial changes they should consider.

SCENARIO 7

A colleague frequently emails questions but hesitates to ask during meetings and seems unsure about procedures.

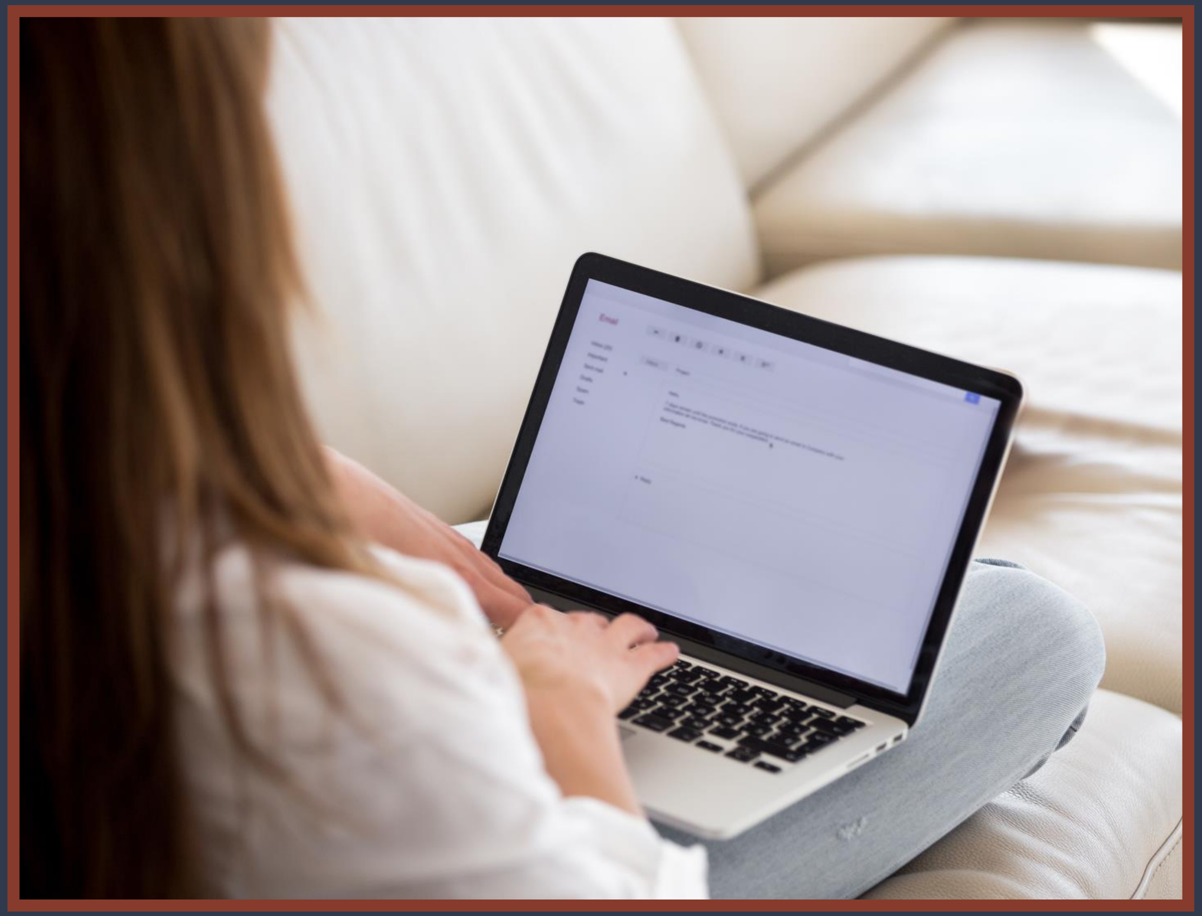
SCENARIO *8*

A customer who usually banks online comes into a branch confused about a notification they received.



SCENARIO 9

A customer has been waiting longer than expected for a loan decision and is starting to follow up repeatedly.



SCENARIO *10*

A long-time customer hints they're thinking about moving their accounts because another institution is offering incentives.