



Bank & Financial Institution Modeling: Course Outline

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The topics in *Bank & Financial Institution Modeling* teach you everything you need to know about accounting, regulatory capital, operating models, valuation, and merger models and buyout models for **banks, insurance firms, and other companies that make money... with money.**

- In total, there are **103 lessons** with accompanying Excel files as well as **quick reference guide PDFs** and **extensive written notes** on key topics. That amounts to **nearly 45 hours of video** altogether – but you also get **full transcripts**, so you can quickly skip to any topic you need.
- **All the content is downloadable to your preferred device** (desktops, laptops, smartphones, tablets, etc.).
- This course is the **only one in the world** that includes a **detailed, 32-page stock pitch** for a commercial bank, along with a **13-page equity research report** and a **48-slide investment banking pitch book**. You'll learn how to use bank valuation and modeling *to invest successfully in real life*, not just answer interview questions.
- **Easily keep track of your progress:** As you move through the lessons, you can check off what you've completed and what's still on your "to-do" list.
- **Fast answers to all your questions:** Our expert support team is standing by to answer any questions you have about any of the content, for up to 24 months after you sign up.
- **Quizzes and Certifications.** After you have completed the course, you will be eligible to take our challenging Certification Quiz. Once you pass the Quiz, you'll receive a Certificate that you can add to your resume / CV and refer to in interviews. The course also includes over 150 practice quiz questions so you can test yourself in advance.
- **Lifetime Access:** You also get **lifetime access**, so you can come back to the Course whenever you need it – whether that's in one month, one year, or ten years.

What Others Are Saying About Our Modeling Courses...

"I interned at a BB bank this past summer in the Financial Institutions Group and the material that I have learned in the Bank & Financial Institution Modeling course is incredible."

Mar 26 (1 day ago) ☆

to Breaking ▾

Brian -

I interned at a BB bank this past summer in the Financial Institutions Group and the material that I have learned in the Bank & Financial Institution Modeling course is incredible. Not only do I recommend this course for FIG - focused interviews but I also recommend this course for incoming FIG analysts. If you want to be ranked as the top analyst, you need the modeling skills that even internships cannot offer.

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Bank & Financial Institution Modeling Course Highlights

Module 1: Bank Overview: Accounting, Valuation, and Regulations

- In this module, you'll get a **crash course** on commercial bank accounting, valuation, and regulatory capital.
- You'll learn how a commercial bank's **financial statements** differ from those of normal companies, what **regulatory capital** under Basel III and CRD IV means, and how loan loss accounting works.
- You'll also learn **how to link the statements** for a bank, how to answer accounting interview questions, and how to project the three financial statements.
- You will then learn **how to value a bank**, why and how the P/E and P/BV multiples are so important, and how to build a dividend discount model. The last few lessons cover **CRD IV** in Europe and **Dodd-Frank** in the U.S.

Module 2: Bank Operating Model (Shawbrook)

- In this module of the course, you will build a **3-statement projection model** for Shawbrook based on its annual and interim reports, channel checks, the case study document, and additional industry research you've done.
- You'll analyze the company's **loan portfolio** and total addressable market, project its charge-offs, interest-earning assets, and interest-bearing liabilities, and use those figures to forecast its financial statements.
- Then, you'll project the bank's **regulatory capital**, including its CET 1, Tier 1, and Total Capital, and use those figures to determine its dividend issuances in the future. You will also estimate the Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III and CRD IV.
- You'll conclude by creating a **summary tab** and a set of key operating metrics and ratios for the company, and tweaking several assumptions to produce results that are more in-line with consensus views of the company (at least in the Upside Case of the model).

Module 3: Bank Valuation (Shawbrook)

- In this module, you'll complete a **full valuation** of Shawbrook and use that valuation to draft a detailed hedge fund/asset management **stock pitch**, an **equity research report**, and a **client advisory recommendation** for an investment bank.
- You'll start by selecting **comparable public companies**, adjusting their financial figures for non-recurring charges and excess or deficit capital, and calculating the key metrics and valuation multiples for them.
- Then, you'll select **comparable M&A deals** and calculate valuation multiples for them, and you'll complete a Regression Analysis based on ROTCE and P / TBV that provides an alternate way to assess the bank's intrinsic value.
- Next, you'll complete a 15-year, **multi-stage dividend discount model (DDM)** based on the 3-statement model for Shawbrook and longer-term projections beyond that, and you'll build a Residual Income (Excess Returns) Model based on a similar, but slightly tweaked, concept.
- Finally, you'll **interpret** the valuation across all the operating scenarios and create a 32-page stock pitch, an equity research report, and an investment banking client advisory presentation.

Module 4: Bank M&A and Merger Models (KeyBank / First Niagara)

- In this module, you'll learn how commercial bank M&A deals and merger models work, and you'll complete both a **simplified merger model** in a time-pressured, 2-hour case study and a **more complex merger model** based on KeyBank's \$4.1 billion acquisition of First Niagara in a 1-week case study.
- You'll start by learning about the high-level **differences** in bank M&A deals, from transaction funding to Deposit Divestitures, Core Deposit Intangibles, Mark-to-Market Adjustments, and the write-down of the Allowance for Loan Losses. You'll also learn how Regulatory Capital, Dividends, and the Income Statement and Balance Sheet combination differ.
- Next, you'll move to the more complex case study based on the **KeyBank / First Niagara deal** and learn how to combine all three statements, how to value the Seller before and after Synergies, and how to use real-life data from proxy filings to inform the Mark-to-Market Adjustments, Purchase Price Allocation, Balance Sheet Adjustments, and other schedules.
- You'll also value the **Cost Synergies** created in the deal, calculate the **IRR**, complete a **Relative Contribution Analysis**, and create a Summary page to lay out your conclusions and recommendations.
- Finally, you'll complete a **10-slide presentation** at the end that recommends for or against the deal and explains how your numbers and analysis compare to the estimates from KeyBank.

Module 5: Bank Growth Equity Deals (ANZ)

- In this module, you'll learn how **private equity activity**, including minority-stake investments and full buyouts, differs for commercial banks.

- You'll start by learning the key differences and reviewing a **simplified buyout model** for MidFirst Bank, a private, regional bank in the U.S.
- Then, you'll complete a detailed **half-year operating and equity investment model** for ANZ, one of the "Big 4" banks in Australia and New Zealand. You'll use this model to assess the feasibility of a \$10 billion equity investment in the company in the form of a follow-on offering.
- You'll learn how to build in Base, Upside, and Downside scenarios, how a half-year model differs from an annual one, and how **Regulatory Capital calculations and requirements** differ in Australia under the APRA rules.
- Finally, you'll answer a set of short case-study questions at the end, make an **investment recommendation**, and explain whether this deal would help the company achieve its goals, such as a higher Net Stable Funding Ratio (NSFR).

Module 6: Bank Buyout Deals (Philippine Bank of Communications)

- In this module, you'll learn how to build a "**bank buyout model**," similar to a traditional leveraged buyout model for a normal company, based on the Philippine Bank of Communications [PBC], a regional bank in Southeast Asia.
- You'll start by learning how to adjust and consolidate the bank's financial statements, and then you'll learn about the main idea behind the deal: A 100% acquisition funded by equity along with a **divestiture** of the bank's Nonperforming Loans (NPLs).
- You'll learn how to make the **assumptions and Balance Sheet adjustments** required to support this transaction, and you'll complete projections for the Interest-Earning Assets, Interest-Bearing Liabilities, and financial statements based on assumed loan yield and efficiency improvements.
- Then, you'll calculate the **returns to equity investors**, complete a Returns Attribution Analysis and sensitivity tables, and create a summary of the entire model.
- In the end, you'll write a **2-page investment recommendation** (or a 10-slide PowerPoint presentation), and you'll learn how to evaluate the deal in the Base, Upside, and Downside scenarios, as well as alternate cases that might make it more feasible.

BONUS – Module 7: Insurance Overview

- You'll get a crash course in the insurance sector in this set of lessons. We begin by explaining the **business model** of insurance companies and then walk through accounting, the financial statements, and valuation.
- We start off by showing you how **premiums** work, from Gross Written Premiums down to Ceded and Assumed Premiums and Net Written Premiums and Net Earned Premiums. On the expense side, we then walk you through key concepts such as the **Loss & LAE Ratio**, the Loss Reserve, and Deferred Acquisition Costs.



- After that, we delve into the **financial statements** of two real insurance companies – MetLife (Life) and Travelers Companies (P&C) – and you’ll learn how to construct a 3-statement model for a brand-new insurance company.
- Finally, you’ll learn about **valuation** for both P&C and Life Insurance companies, and you’ll see how to apply comps, valuation multiples, and intrinsic valuation. You’ll learn how methodologies such as the dividend discount model work differently, and how to use insurance-specific methodologies such as Embedded Value.

Our Promise to You...

- ✓ **Get Immediate Access.** The instant you sign up, you'll have immediate access to 103 lessons, 45 hours of video, extensive written notes and PDF Quick Start Guides, and full, word-for-word transcripts of all the lessons.
- ✓ **365-Day-Per-Year Expert Support.** We have a team of experienced bankers standing by to respond to your questions, comments, and emails 365 days per year. We will answer detailed career/technical/course questions for up to 24 months after you sign up.
- ✓ **Money-Back Guarantee.** *Breaking Into Wall Street* is the **first and only** financial modeling training program that comes with an unconditional 90-day money-back guarantee.
- ✓ **Course Certification.** After completing the course material, you’re eligible to take our Certification Quiz. Once you pass the quiz, you’ll receive a Certificate that you can add to your resume/CV and refer to in interviews.

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