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Advanced Banking Course

14th April - 10th May 1985

PRE-COURSE PROJECT

In view of a 10 per cent inflation the results are lagging behind. Total cost as a percentage of total net income is rising steadily from 37.9% to 44.7%.

Besides all information on the quality of staff and the quality on the portfolio, the basic question is how can we improve the results. What are the parameters set forth by the Central Bank and competition (margins??)? Can we expand on the asset side or do we have to concentrate on the appropriate funding mix? Taking into account the quality of the staff in our office, which are our strong points and our weak points in the market. Are there areas where we can increase efficiency? Is the staff turning out a full day of work, presently? Since it seems that the margins as well as the size of the loan portfolio are remaining stable and we cannot increase the volume of fee income business (for instance non fund based commissions) to keep pace with the inflation, we have no choice than to monitor closely the cost and the expenses of the branch. In which area is there room for further savings?

A.D. Dirkzwager,
Manager