The experience of Chase Manhattan Bank in hiring a diverse group of college graduates and preparing them to be entry-level relationship managers is discussed. The objectives and procedures followed by the bank in recruitment and training of new staff are addressed. Trainees are screened for six mental abilities that correlate with success in this position: memory, learning speed, logical reasoning, divergent thinking, convergent thinking, and affinity for numbers. As of 1981, about one-third of the bank's trainees had majors in the humanities; over two-thirds had majors in liberal arts and sciences disciplines. Success on the job had a negative correlation with collegiate education: sixty percent of the most successful managers held only bachelor of arts degrees, while a similar percentage of the least successful managers had master's of business administration degrees. It is concluded that hiring students with diverse academic backgrounds and then providing specialized training are effective in an organization having a wide variety of jobs and career paths. Focusing on specific mental abilities is critical for recruiting, training, and job success. Some skills are needed by the job applicant at the time of recruitment (logical reasoning ability) while other skills can be developed through training. (Author/SW)
From Student to Banker: Observations from the Chase Bank

Stanley Burns
Vice President,
Chase Manhattan Bank

An Overview

The Chase Manhattan Bank has a long history of hiring a very diverse selection of students and providing them with a wide range of opportunities to become successful bankers. We believe in diversity: we have it in the markets we serve and we have it in the people of our organization. The people at Chase who do well in their jobs are people with strong inherent abilities and a real determination to succeed. There is no single pattern for success at Chase—no one school, degree, or starting point in the Bank are good indicators of subsequent success.

Since the focus of this overall study is on relationships between undergraduate study and business careers, this paper will explain some aspects of how we recruit and train at the Chase Bank. It will try to put into an appropriate context our experiences with undergraduate students—the ways in which the recruiting and training of undergraduate students have worked well, and the problems we have experienced. All of what follows is based on one premise: the approach we use has evolved over many years and does work for us; others are welcome to our observations and are invited to use these ideas, but we are not suggesting that our approach is the best one or necessarily appropriate for others. We are eager for a dialogue in order to learn more about ideas that work well.

Just as we have been hiring undergraduates for many years, we have also been hiring graduate students. In recent years we have been increasingly selective in choosing graduate students. We have looked for those students who have specific skills and abilities needed
for certain jobs. Students with Master of International Affairs or Master of International Management degrees are needed for a wide variety of international jobs now. MBA students are hired for jobs requiring corporate finance or other specialized backgrounds. We do not hire graduate students just because of a broader academic background, but rather because we think they can do some jobs better than undergraduates.

In developing new bankers, we keep close ties from recruiting to training to job placement. We have identified certain specific skills and abilities that are important in banking at Chase. We seek students who have those skills and abilities, and then provide training and job experiences that build on that base. We focus a great deal on the specificity of various job requirements and the characteristics needed for success in specific jobs.

In this paper we will share a variety of our findings from studying our recruiting and training processes. We are hopeful that this endeavor will encourage both further research and more communication. As we share our views we are eager to hear the views of educators—what do you believe is working well in preparing students for business careers? We hope you will hear our comments but not try to meet all of our needs since what we need might well differ from what GE or Kodak or Exxon needs. You ought not view all of us as your clients..your client is a diverse society with many needs.

Recruiting and Training at Chase Manhattan

The Chase Manhattan Bank hires a substantial number of people with undergraduate and graduate degrees to enter a wide variety of jobs. In 1982, Chase hired 343 recent graduates in the United States. Those people were hired for lending, product management, operations, or systems jobs and underwent a variety of training experiences. The training is specific for each function and is intended to complement the skills and characteristics the people had on arrival at Chase in preparation for specific jobs.

The group hired in 1982 is quite diverse. There is a wide range of academic backgrounds, ethnic backgrounds, men and women in nearly equal numbers, some with previous work experience and others directly from school. The reason for the diversity in the group of new hires is the diversity of our business. No longer can the term "banker" provoke a single image, but it
now encompasses a broad variety of functions. Some of the functions are quite distinct technically—designing computer systems versus lending money—while others are less dramatically different—lending money to global, specialized companies versus lending to medium size, local companies. The resulting job differences, whether dramatic or subtle, have different criteria for success and require different skills and characteristics.

Of the 343 recent graduates hired in the United States in 1982, 219 of them were hired for lending functions. These 219 are also a diverse group and will work in a wide variety of jobs. The jobs these people go into are described generically as "relationship manager" jobs, that is, managing our relationships with certain customers. They will all have the same classroom training experiences, and their more practical training on the job will vary depending on the structure of the job.

This paper will address how we recruit and train people for entry level relationship manager positions. It will describe our objectives and processes for recruiting and training, and will focus on a study we did in 1981 of certain ties from recruiting to training to performance on the job. The conclusions will share specific findings from our study and will raise issues of concern.

The relationship manager job requires a broad range of knowledge and skills: technical, business, and interpersonal skills and knowledge are required. Credit risk analysis is a skill common to all relationship manager positions. Other job requirements vary somewhat depending upon the type of customer and the type of business we do with that customer. For example, many customers use a wide variety of banking services and products in addition to loans. The relationship managers who are responsible for those customers must have knowledge of these services and products (such as cash management, trust, foreign exchange, personal banking) and additional marketing and selling skills.

Our training is structured to teach the common requirements—credit analysis skills—in a consistent, centralized manner, and to teach the other requirements in a decentralized way depending on the specifications of particular business units. Although the other requirements vary somewhat among the business units, we approach them systematically with a core of other training programs that can be tailored to meet specific needs.

For many years we have been hiring and training large numbers of undergraduates. We continue to do this for four reasons: 1) the track record has been
strong, 2) we like diversity among our staff, 3) increasingly we know with greater specificity the skills and characteristics needed for various types of jobs, and 4) hiring undergraduates is less expensive than hiring people with graduate degrees.

In terms of the track record we have good relationships with approximately thirty-five colleges and universities from which we recruit undergraduates. We also have a large number of people working successfully throughout our organization in a wide variety of jobs who have undergraduate educational backgrounds.

A sample of twenty-five senior people involved in various aspects of commercial lending reflects the diversity of academic backgrounds in our organization and the performance of undergraduates. In the sample, eight of the twenty-five have had only undergraduate academic study. Five more have undergraduate degrees plus some further non-academic degree studies. Nine have MBA's, and three have other academic graduate degrees. (See Appendix I)

Regarding diversity, we often find greater intellectual stimulation when members of a group approach a concern or issue from different perspectives. Also, as we identify requirements for successful job performance, specific mental abilities, which might well have been developed and demonstrated in a variety of academic fields, are critically important. Those mental abilities, as well as characteristics of motivation and interpersonal abilities, are as likely to be found among liberal arts undergraduates as among other students. Other students might have specific knowledge or other technical skills that will be required for certain jobs, but not necessarily for all.

In 1982, the average starting salary for undergraduates was approximately $8,000 to $10,000 lower than the average starting salary for MBA's. People with other graduate degrees started at salaries between undergraduates and MBA's. In assessing value for salary differentials for graduate students we look at both immediate and longer term benefits. Immediate benefits are skills or knowledge areas that enable that person to function more quickly and at a higher level of performance than other people. Some jobs require a broader base of general business knowledge which might come from advanced academic studies or from other work experiences.
Longer term benefits are more in the area of broader managerial skills. The question then becomes whether the investment today in people already having specialized skills and knowledge will produce an appropriate managerial return some years in the future. The backgrounds of our senior managers show that that return can result, but also that people with undergraduate backgrounds can acquire specialized managerial skills and knowledge through training, additional studies, and job experience.

Thus we come back to our point of diversity as a reason for continuing to recruit a mixed group of students. The hiring of students with advanced degrees is worth the additional investment at the outset in certain cases. For the most part, though, our people are able to acquire specialized characteristics for successful job performance if they have the right mental abilities and motivation for this work. Our 1981 performance study gave us additional insight into the early performance patterns of both undergraduates and MBA's. Specific discussion of that study is included further on in this paper. For the moment, a relevant point is that, in the group studied, relationship managers with undergraduate degrees performed, as a group, as well or better than the group of MBA's with their technical skills in the early years of relationship manager jobs.

Recruiting Relationship Managers

The recruiting process at Chase is managed by the business units that will put these people to work in jobs after their initial training. Each business unit of the Bank is responsible for defining, on an ongoing basis, the number and types of people it needs. While there is a centralized recruiting staff, their function is to assure consistency throughout the Bank and to assure that overall human resource needs are being defined and met.

The reason business units are responsible for recruiting is because there is much diversity among the business units regarding job requirements. Many overseas jobs require specialized language skills as well as prior living experience overseas. Some jobs require well developed corporate finance backgrounds. Other jobs require specific business knowledge as a basis for intensive marketing activities.
In each case, the business unit has developed its own strategic business plan and the people hired must fit the objectives of that plan. We no longer hire people on a "pool basis" for the Chase Bank in general, assuming we can find an appropriate match of skills and job requirements after training. Rather, we hire people to work in specific parts of the Bank prior to their training based on a good understanding of skill and knowledge requirements.

The recruiting process generally includes several types of interviews. An initial interview, either on campus or in New York, determines whether in a general way overall abilities, motivation, and interpersonal skills seem to fit our requirements. Candidates are subsequently interviewed by a "human resource specialist" who accomplishes two purposes: 1) informs the candidate about our organizational structure and career opportunities, and 2) determines if the candidate meets the general criteria for a specific business unit. Finally, the candidate is interviewed by managers who assess very specific analytical and marketing skills.

Our methodology for this final step has evolved considerably over the past five years. We now provide detailed interview training to everyone who sees a candidate. In that training we focus on a methodology for assessing specific skills and knowledge. Each interviewer, then, assesses different requirements: some examine areas of general business or specific industry knowledge, others examine interpersonal skills, and one interview focuses on mental abilities.

The Credit Interview

In the mid-1970's we started to look more closely at the specific mental abilities that are required for successful performance both in our training program and in relationship manager jobs thereafter. We recognized that while many job requirements will vary from business unit to business unit, there are certain mental abilities in common that are needed if strong credit analytical skills are to develop.

We studied the content and structure of our training and of entry level relationship manager jobs to identify critical mental abilities. Working with
Theodore Ryan as a consultant*, we agreed on a common core of mental abilities, and developed a methodology for assessing those abilities in candidates.

This process, which we call "the credit interview," is today a highly sophisticated assessment and selection technique.

There are six mental abilities which we have determined are necessary prerequisites for the development of strong credit analytical skills. Those abilities are memory, learning speed, logical reasoning, divergent thinking, convergent thinking, and affinity for numbers. Our evidence from performance of trainees indicates that a satisfactory blend of these abilities is essential for this type of work. A serious gap with any one of these abilities has generally undermined the development of strong credit analytical skills and resulted in marginal performance.

In the training we cover very large amounts of material in a few months, so memory and learning speed are essential. As we move from the conceptual material in the training to the application phases, the reasoning and thinking abilities come into play. The ability to draw conclusions and inferences from a collection of facts and to understand and apply abstract concepts is very much a part of the training and of the relationship manager job. At the same time, creative thinking and practical judgment are both essential. Financial statement analysis requires one to draw conclusions and make judgements based on financial figures. Quantitative skills are necessary since the concepts of credit analysis and the reasoning and thinking patterns must be used with numerical information.

Having determined that these six mental abilities are important, the issue then is to develop a methodology to assess these abilities in students having a wide range of academic backgrounds. Our approach has been to develop a series of cases which we can use in an interview to focus on the mental abilities. We have constructed cases that are set in a banking context but do not necessarily require prior banking knowledge.

*Theodore G. Ryan, Ph.D., is an industrial/organizational psychologist specializing in human resources and organization development. His graduate work was done at Columbia University, and he presently heads a consulting firm in New Hope, Pennsylvania.
The interviewer describes the situation to be analyzed, provides background information or technical definitions, and begins to ask probing questions. The questions give the student the opportunity to think and work through the case, and thereby demonstrate these mental abilities.

The following is an excerpt from the evaluation guidelines for one case.

"Evaluation guidelines in this section focus on two sets of mental abilities: those of logical reasoning, i.e., deductive and inductive thought; and those of convergent and divergent thinking. Throughout, the interviewer should keep in mind that what is being assessed is the interviewee's thought process and the quality of issues raised by that thought process. In no way should the interviewee be evaluated on exact numerical equivalents for the issue.

"Logical reasoning is assessed through examining what the immediate and long range effect of an increase in assets and liabilities will be, i.e., if this money is borrowed for a particular purpose, what will be the logical consequences, and then, if these logical consequences occur, what can then be deduced?

"Convergent and divergent thought are assessed by the interviewee's ability to think beyond the immediate issue of this one loan per se and put this single loan within a larger perspective."

We have recently studied the performance of 189 non-MBA's we hired for training in 1981. We looked at their results in several segments of the training and studied their credit interview evaluations to identify some relationships between interview results and training performance.

An initial finding has been that the interview is very successful in identifying specific abilities needed in certain segments of training. The correlation between interview prediction and training performance is highest regarding Accounting. The correlation is lower, but still significant, in looking at interview
prediction and a composite of training evaluations in various subject areas. The chart below shows predicted and actual grades, with a range from 5.0 (the highest) to 1.7 (the lowest).

<table>
<thead>
<tr>
<th>Credit Interview Prediction</th>
<th>Accounting Average</th>
<th>Composite Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group One</td>
<td>4.3 - 5.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Group Two</td>
<td>3.8 - 4.2</td>
<td>3.5</td>
</tr>
<tr>
<td>Group Three</td>
<td>3.0 - 3.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Group Four</td>
<td>1.7 - 2.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Another perspective on the predictive validity of the credit interview comes from looking at the distribution of unsatisfactory and satisfactory performances in training versus the interview prediction. The finding is that the lowest performers in training are heavily weighted in the lower predicted ranges; of those that were predicted to perform in the highest category, none performed at an unsatisfactory level. Those who did perform in training at an unsatisfactory level were mainly found in the lowest predicted range. (We do not hire anyone whose interview prediction is unsatisfactory, so the correlation between unsatisfactory interview prediction and unsatisfactory training performance cannot be fully tested.)

<table>
<thead>
<tr>
<th>Credit Interview Prediction</th>
<th>Percent Unsatisfactory In Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>0</td>
</tr>
<tr>
<td>Commendable</td>
<td>7.1</td>
</tr>
<tr>
<td>Highly Satisfactory</td>
<td>8.8</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>18.8</td>
</tr>
</tbody>
</table>

Using this methodology we have been able to identify liberal arts undergraduates who have the mental
abilities necessary for this work. The methodology separates these abilities from areas of technical knowledge. It also separates these abilities from interpersonal skills and motivation. Just as specific mental abilities are needed, so are certain interpersonal skills and motivation. Communications skills, teamwork ability, ambition and interest in banking are all important. Again, these latter characteristics might as easily be found among liberal arts undergraduates as among other students. Trainees in the Credit Development Program today have academic studies ranging from economics, political science, history, and philosophy to geology, mechanical engineering, Chinese history, linguistics, physics, and psychology. Our methodology enables us to select students who we believe have a high likelihood of success. Since we started using this methodology in the mid-1970's, the attrition rate in our training has fallen from over 20% to 10%.

The Training Process

The objective of the initial training for entry level relationship managers is to teach two skills: first, the ability to analyze the operational and financial risks in a company through the use of financial statement analysis, and second, the ability to structure financing arrangements which acknowledge and limit those operational and financial risks. Each of these two skills includes a number of specific technical skills and areas of knowledge which are outlined in the curriculum description which is Appendix II.

The structure of the initial training (which we call the Credit Development Program) integrates the conceptual understanding of risk analysis with the pragmatic ability to apply the concepts to realistic situations in the various markets in which we do business. We teach concepts in the classroom and we teach the application skills in cases and in "real" analyses done by trainees for experienced relationship managers. Our approach in teaching the application skills is to simulate on-the-job experience in order to have a pragmatic focus in applying risk analysis concepts.

Since we use application exercises in the second half of the training that are a simulation of relationship manager functions, we have long assumed that there
should be a strong, positive correlation between performance in those training experiences and subsequent job performance. We have been less clear in assuming a tie between the classroom training performance and job performance, but have felt intuitively that there must be some relationship between certain subject matter and skills required to do the job well. We have also recognized that while credit analysis skills are generic and an essential component for success as a relationship manager, other skills (for example, marketing, interpersonal, and communication) and knowledge areas (specific industry or product knowledge) are also required. Since these latter skills and knowledge areas are not all addressed systematically in the Credit Development Program, a correlation between performance in that Program and subsequent performance as a relationship manager becomes a more complicated one.

The 1981 Performance Study

In 1981 we were considering certain changes in the structure of the curriculum of the Credit Development Program. The changes were to put either more or less emphasis on certain topics within the curriculum as well as on the application exercises. Our concern was twofold: 1) which components of the training were most critical for successful job performance, and 2) what is the relationship between performance in training and job performance? We wanted to move away from folklore and anecdotes to a specific understanding of certain links between abilities, skills, and performance.

We worked with Catherine Clark on a consulting basis* to develop a methodology for this study and to undertake an analysis of training and job performance. Our basic approach was to analyze the training and job performance of a relatively diverse sample of people who had completed the Credit Development Program and moved into relationship manager jobs in the preceding three years.

What follows is Catherine Clark's description of the methodology of her study.

* Catherine P. Clark is a management consultant in Austin, Texas specializing in strategic planning and educational finance. Her graduate work done at Stanford University.
The overall purpose of the Performance Study was to examine the relationship of evaluations in the Credit Development Program to actual job performance by domestic relationship managers. Credit officers evaluated the job performance of selected relationship managers working for them by rating their analytic credit skills. The skills they were asked to evaluate were those emphasized in the credit curriculum. The importance of this congruence was critical to the validity of the study.

Subjects for study were 147 domestic relationship managers who completed the credit training program between 1977 and 1980. Their records from Credit Development were combined with personal background data and Chase personnel data. In June 1981, questionnaires were sent to credit officers currently responsible for supervising and evaluating the work of 119 former analysts from the sample of 147. Sixty-six percent or seventy-nine of the questionnaires were returned. The instrument contained questions about the relationship manager's application of credit skills on the job with an emphasis on quantitative analytical ability. Scaled responses were structured for every question ranging from a score of (1), the poorest performance, to (4) or (5), the best performance. These data were added to training evaluations and personal data to form the data base from which the analyses were made.

From the questionnaire responses an index of job performance was developed which was used to rank the seventy-nine relationship managers relative to their job success. The individual with the highest scores on the questionnaire had the highest index value and was considered, for purposes of this study, the most successful. The index was used along with the other data to answer research questions about the relationship between training and job performance.

A relationship manager's exact position in a ranking of the success indexes is not critical. The standard deviation for the score is
about five rank positions, meaning that the person ranked twenty-fifth might really be ranked anywhere between twentieth and thirteenth. What the index does provide, however, is the ability to subdivide the sample of seventy-nine so that the performance of one quartile can be compared with another quartile.

This success index is based on a narrow definition of success. Performance in terms of credit skills, specifically those emphasized in credit training, did not take into account personal attitudes or skills like marketing or communications that might affect overall success on the job for a relationship manager. Major issues guiding the analysis were these: What is the nature of the relationship between performance in credit training and job performance? And what are the characteristics of successful analysts and relationship managers?

Four training evaluations were studied to identify those having the strongest correlations with job success. Those four evaluations are:

(1) The Classroom Grade
This is an average of the examination grades covering all classroom work during the first half of the training.

(2) The Referral Presentation Average
At approximately the mid-point of the training, each trainee prepared and presented six full analyses of actual Chase customers. We call these analyses "referrals," and they are highly structured, require a week of preparation, and are evaluated carefully to define the trainee's level of skill. These referrals are close simulations of the analytical work the trainee will do after becoming a relationship manager.

(3) The Average of Other Analytical Exercises
After the referral presentations, each trainee spent several months doing a wide variety
of other analytical work, much of it directly with relationship managers. This work is also evaluated, but on a less structured basis than the referral presentations.

(4) The Exit Average

A composite evaluation of performance throughout all aspects was given to each trainee at the conclusion of the training.

The correlation between these factors and job success are as follows:

- Rank in success index with exit average: .61
- Rank in success index with referral presentation average: .53
- Rank in success index with average of other analytical exercises: .48
- Rank in other success index with classroom grade: .37

In a linear regression equation using all of these training evaluations simultaneously, the referral presentation average has the strongest association with job success. Since the referral presentations closely parallel the analytical work done by relationship managers, and since they require the use and integration of a variety of skills (quantitative, reasoning, and communication), the high relative importance of that evaluation is easily understood.

When we analyze the relationship to job success of the various subjects taught in the classroom, Accounting is clearly the most important. Those who do well in Accounting are much more likely to do well in other aspects of training and on the job than those who do not perform well in Accounting. The analysis of the referral presentations indicates that it is a combination of skills that is critical for success, but the analysis of Accounting shows that this one skill is clearly essential and may be a prerequisite for developing the combination of skills.

The following are Catherine Clark's comments on characteristics of successful analysts and relationship managers based on her study of this sample.
Prior Experience

The number of years of work experience prior to coming to Credit Development is not a necessary criterion for success as it has been defined in this study. One way to consider this result is to suggest that work experience has not developed the specific technical skills that have been the subject of the study and, therefore, the relationship of prior experience to activities of a relationship manager is very low. Unlike many occupational studies where general job experience is a substitute for training, prior experience is not particularly useful here. Perhaps there are certain types of experience which are more important to success than others. Unfortunately, the sample was too small to study this in detail.

Work experience within Chase after exiting from Credit Development is also not strongly associated with job performance but relatively recent hiring of the relationship managers should be kept in mind at this point. If the sample provided data on individuals with ten and fifteen years of post-training experience, perhaps different patterns would emerge. Something else to note is that the definition of success does not include negotiation skills, marketing, or communication. There may be more relation between success, broadly defined, and prior work experience, but the narrow definition of this study does not show it.

Gender

Sex is not an important factor in predicting performance on the job, but some trends can be observed in the proportion of men and women in different performance groups. There are more men in the training program and more men in the sample (58 percent). Men tend to be slightly more successful in the training phase. In Accounting, for example, those with grades of ninety-five and over are more likely to be men (70 percent). In job performance, among the most successful third of the sample, thirty-seven percent are women and sixty-three percent are men. This is close to but not exactly proportional to representation in the sample.
Advanced Degrees

The correlation between job success and collegiate education is negative. A larger percentage of the highly successful relationship managers have only bachelor's degrees (about 60 percent), while a larger percentage of the least successful have MBA's (60 percent). The group with BA's has a higher average success index than the group with MBA's. In addition, analysts with bachelor's degrees perform equally well in credit training compared with their peers with advanced degrees of all types.
Final Observations

Our experience at Chase indicates that hiring students with diverse academic backgrounds and then providing specialized training is effective in an organization having a wide variety of jobs and career paths. Within our own organization, we look for specialized backgrounds and characteristics for more technical types of jobs. The approach we use is less likely to work well for companies with highly specialized technical jobs and more uniform career paths.

We have come to believe that focusing on specific mental abilities is critical for recruiting, training, and job success. The abilities we require range from the very specific - affinity for numbers - to the more general - logical reasoning. Other organizations might well need another mix of mental abilities, but we think that both the specific and the general mental abilities need to be addressed. We recognize that a wide range of other characteristics is also required for job success, but without the relevant mental abilities, the individual is not likely to succeed.

Close links between recruiting and training are essential. There needs to be a clear understanding of which abilities should be recruited and which can result from training. In our experience we have found that we can teach financial statement analysis and produce a satisfactory level of that skill. We generally are not able to develop logical reasoning patterns if they are absent in the students we recruit.

Further study and research would be beneficial to us in understanding better the relationships between abilities developed in academic study and subsequent career performance. For example, are students with the skills and abilities we seek more likely to be found among those studying certain disciplines as opposed to others? How might we, as bankers, become better able to assess academic performance? Also, are there pedagogical issues in our approach to training that are consistent with our objectives?

Finally, how do we become more sensitive to elusive definitions of success and to the realization that personal growth and development are ongoing processes? Those who succeed are found throughout an organization, not just as the top levels of the chart.
And they probably succeed because they keep growing, building on abilities that were developed early in their lives, and learning to apply their skills in increasingly diverse ways. We in a large and diverse organization need to continue emphasizing the importance of job experiences and continuing education and training as the catalysts for personal development and job success.
THE CHASE MANHATTAN CORPORATION

CHAIRMAN & CHIEF EXECUTIVE OFFICER

VICE CHAIRMAN & CHIEF FINANCIAL OFFICER

PRESIDENT & CHIEF OPERATING OFFICER

CORPORATE COMMUNICATIONS

CORPORATE OPERATIONS & SYSTEMS

CORPORATE HUMAN RESOURCES

CORPORATE & INSTITUTIONAL RELATIONS

ADMINISTRATION SERVICES

GENERAL AUDITING

STRATEGIC PLANNING & GENERAL COUNSEL

Corp Planning & Development
Nationwide Positioning

Vice Chairman
CREDIT POLICY

TREASURY

CHASE MANHATTAN CAPITAL MARKETS

CAPITAL PLANNING

CORPORATE CONTROLLER

FINANCIAL PLANNING & BUDGETING

ECONOMICS

CONSUMER BANKING

COMMUNITY FINANCIAL SERVICES

NATIONAL FINANCIAL SERVICES

DIRECT RESPONSE LENDING

INDIRECT FINANCIAL SERVICES

CORPORATE INDUSTRIES

GLOBAL SPECIALIZED INDUSTRIES

GLOBAL INDUSTRIES

U.S. NATIONAL INDUSTRIES

U.S. REGIONAL BANKING

REAL ESTATE FINANCE

ASSET-BASED FINANCIAL SERVICES

INTERNATIONAL BANKING

AFRICA

ASIA - PACIFIC

EUROPE

MIDDLE EAST

WESTERN HEMISPHERE

TRADE & EXPORT FINANCE

INSTITUTIONAL BANKING INFORMATION & INVESTMENT SERVICES

INTERNATIONAL INSTITUTIONAL BANKING

DOMESTIC INSTITUTIONAL BANKING

INFORMATION SERVICES

GLOBAL PRIVATE BANKING

GLOBAL TRUST

CHASE INVESTORS MANAGEMENT

COUNTRY RISK POLICY

CREDIT RISK MANAGEMENT

Credit Risk
Credit Risk
Credit Risk

APPENDIX I

20
## Credit Development Program Curriculum

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>DAYS</th>
<th>CUMULATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FINANCIAL SERVICES OVERVIEW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part One: Orientation</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Part Two: Money &amp; Capital Markets</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>2. BASIC ACCOUNTING</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>3. FINANCIAL STATEMENT ANALYSIS</td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td>4. ADVANCED ACCOUNTING</td>
<td>11</td>
<td>42</td>
</tr>
<tr>
<td>5. CASH FLOW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part One: Cash Flow Mechanics</td>
<td>7</td>
<td>49</td>
</tr>
<tr>
<td>Part Two: Cash Flow Lending</td>
<td>10</td>
<td>59</td>
</tr>
<tr>
<td>Part Three: Projection Case</td>
<td>6</td>
<td>65</td>
</tr>
<tr>
<td>6. CORPORATE FINANCE</td>
<td>6</td>
<td>71</td>
</tr>
<tr>
<td>7. ASSET PROTECTION/TRADE FINANCE</td>
<td>11</td>
<td>82</td>
</tr>
<tr>
<td>8. MINI DESK REFERRAL</td>
<td>10</td>
<td>92</td>
</tr>
<tr>
<td>9. EFFECTIVE COMMUNICATION</td>
<td>5</td>
<td>97</td>
</tr>
<tr>
<td>- Effective Writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Effective Presentations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. CASES/REFERRALS</td>
<td>45</td>
<td>142</td>
</tr>
<tr>
<td>- International Case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Financial Services Case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Term Loan Lending Case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. DESK REFERRALS</td>
<td>18</td>
<td>160</td>
</tr>
<tr>
<td>12. REFERRALS/PRODUCT SEMINARS</td>
<td>40</td>
<td>200</td>
</tr>
</tbody>
</table>