A BANK'S "T" ACCOUNT

Deposits

Loans

Reserves

Capital = Assets - Liabilities

These funds do not belong to the bank, they belong to Depositors

Money borrowers owe to banks

Assets	Liabilities

We use a “T” account to organize information

On the
"**Assets**" side
we list what the
bank **owns**

The cash the bank holds to pay withdrawals

On the "**Liabilities**" side we list what the bank **owes**

A BANK'S "T" ACCOUNT

We use a "T" account to organize information

On the "**Assets**" side we list what the bank **owns**

Assets	Liabilities
Reserves The cash the bank holds to pay withdrawals	**Deposits** These funds do not belong to the bank, they belong to Depositors
Loans Money borrowers owe to banks	

On the "**Liabilities**" side we list what the bank **owes**

Capital = Assets - Liabilities