

**NATIONAL UNIVERSITY OF SINGAPORE
SCHOOL OF BUSINESS**

FIN3117 BANK MANAGEMENT (Modular Credits: 4)

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Session: Semester II 2017/8

Course Objectives:

Banking is a part of financial services but as a business, it is not quite the same as running a bank. With the systematic development of a knowledge base, there is now a greater understanding of why banks exist and how they have to fight for the right to exist. There is also a realisation that the different economic value components of a bank can be substituted by niche financial services firms. Aside from the business aspect, regulatory, risk and capital management have attracted special attention as they have been in the past. This course aims to cover both the business and operational aspects of banking incorporating current industry conditions.

Course Outline:

<u>Week</u>	<u>Topic</u>	<u>Reading</u>
1	The banking business	pp 8-24
2	Economic activities and value-adds	Slides
3	Licensing and regulations	Chapter 2
4	Performance assessment and risk capital	Chapter 3, 10
5	Product pricing	Slides
6	Asset-Liability Management (ALM) 1	Chapter 7
	Semester break	
7	Quiz 1	
8	Asset-Liability Management (ALM) 2	Chapter 7
9	Credit risk	pp 102-104, Chapter 14, 15
10	Market risk	pp 109-110 Chapter 6
11	Quiz 2	
12	Operational and liquidity risk	p 110, Chapter 18
13	Quiz 3 (Sat before)	

Recommended Reference:

Bank Management: A Decision Making Perspective, Koch et al, 2014, Cengage Learning

Weightage of Assessment:

Quiz 1 (10 March 2018)	:	20%
Quiz 2 (7 April 2018)	:	20%
Quiz 3 (14 April 2018)	:	25%
Term Paper	:	20%
Class participation	:	15%

Term Paper

A term paper of no more than 20 double-spaced pages submitted by a group of 6 (residual group can be 5 or 7). The paper should choose and analyse the management and performance of an assigned Australian bank using the CAMEL framework using two peer banks as benchmarks. Assessment is based on depth of analysis and insights beyond the annual report. The paper is to be uploaded to the Workbin by 20 April 2018 5pm.

Quizzes

These comprise both multiple choice and essay questions homework and class assignments.