

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Finance
FIN3117/3713 Bank Management

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Course Description

The banking industry is a key pillar of any economy. It plays critical roles in facilitating commerce and providing the liquidity needed for an economy to function and flourish. Because of its pivotal role, the banking industry is highly regulated so as to minimize the systemic risk that a bank failure can have on its customers, the society and economy.

Financial intermediaries such as banks provide a wide range of financial products and services and have their unique sets of risks to manage. Continuous innovations by the banks in their products and services have also meant that both bank risk management and regulations evolve over time.

This course will cover various banking models, the businesses that banks operate, bank financials and its performance, the risks that banks have to manage, and the regulations they are subjected to. The focus of the lectures is on banks, but non-traditional financial intermediaries are also discussed.

Course Outline:

Banking Business and Performance

- Bank Structures and Models
- Bank Functions and Businesses
- Bank Financials and Performance

Risk Management in Banks

- Managing Credit Risks
- Managing Market Risks
- Managing Liquidity Risks
- Asset and Liability Management
- Operation Risks & Management

Banking Regulations

- Basel Regulations
- MAS Regulations (Singapore)
- Capital Management

Prerequisites:

- FIN2004: Finance
- FIN3102: Investment Analysis and Portfolio Management

The subject matter of banking is very broad and complex. Students taking this program should be committed and willing to put in their time and efforts.

Assessment

The final grade for each student in this course is computed based on the following:

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|------------------------------|-----|
| Class Participation/Homework | 15% |
| MCQ Test 1 | 30% |
| MCQ Test 2 | 30% |
| Group Project & Presentation | 25% |

Under ***Class Participation/Homework***, students are expected to participate in in-class case discussions and work on homework that will help students to understand the lectures better. Class participation during lectures and any guest speaker session are encouraged. Class participation can be in the form of responding to questions, asking questions, or sharing relevant perspectives, information and experience during the class. In addition, class attendance during the last 2 weeks of the course is mandatory.

The ***MCQ Tests*** require students to demonstrate that they have acquired sufficient knowledge and understanding about the materials taught in class and are able to apply them to the scenario provided in the Tests. The Tests will focus on key concepts and knowledge related to the lectures. Tests are open book.

In ***Group Project Presentation***, students will be split into small groups to carry out research and make presentations to the class about selected topics. The projects provide the opportunities for the students to apply what they have learned in class to their research and analysis of the topics. The presentations are also part of the learning process for the rest of the class. The project presentations will be rated based on research insights and clarity of presentation. The latter also reflects the quality of teamwork.

The above assessment approaches may be modified by the changing Covid-19 guidelines.

Textbooks:

- “An Introduction to Banking – Principles, Strategy, and Risk Management” by Moorad Choudry, Wiley 2nd Edition. ISBN 978-1119-115892 Paperback. (Required)
- “Bank Management & Financial Services” by Peter S. Rose, Sylvia C. Hudgins, McGraw-Hill 9th Edition. ISBN 978-0071-326421. (For Reference Only)

Academic Honesty & Plagiarism

Academic integrity and honesty are essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. *In case of any doubts, you should consult your instructor.*

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>