

**NATIONAL UNIVERSITY OF SINGAPORE  
SCHOOL OF BUSINESS**

**FIN3117 BANK MANAGEMENT**

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**Session:** Semester I 2015/6

**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:**

| <b><u>Week</u></b> | <b><u>Topic</u></b>  | <b><u>Reading</u></b>    |
|--------------------|--|--------------------------|
| 1                  | Banking business   | Chapter 1                |
| 2                  | Areas of bank management<br>Strategies and licensing             | Chapter 3, 17 and 18     |
| 3                  | Regulations<br>Risks<br>(Interest Rate Risk in the Banking Bank) | Chapter 7                |
| 4                  | Risks<br>(Interest Rate Risk in the Banking Bank continued)      | Chapter 7                |
| 5                  | Risks<br>(Credit Risk)   | Chapter 16               |
| 6                  | Quiz 1   |                          |
| Semester break     |  |                          |
| 7                  | Risks<br>(Credit Risk continued)                                 | Chapter 16               |
| 8                  | Risks<br>(Market Risk)   | Chapter 10               |
| 9                  | Risks<br>(Operational Risk)                                      | Chapter 4                |
| 10                 | Risks<br>(Liquidity Risk)<br>Capital                             | Chapter 11<br>Chapter 15 |
| 11                 | Performance Measurement  | Chapter 6                |
| 12                 | Quiz 2   |                          |

### **Recommended Reference:**

Bank Management and Financial Services, 9<sup>th</sup> ed, Rose and Hudgins, McGraw Hill, 2013

### **Weightage of Assessment:**

|                     |   |     |
|---------------------|---|-----|
| Quiz 1              | : | 20% |
| Quiz 2              | : | 45% |
| Term Paper          | : | 20% |
| Class Participation | : | 15% |

### **Term Paper**

A term paper of 20 – 25 double-spaced pages submitted by a group of 4 (residual group can be 3 or 5). The paper should analyse the cause(s) of failure of a specific bank (reported in the any news). Reasons include strategies, regulations, risks and capital. This report must be submitted 5pm on Week 13. A single copy of the report is to be emailed to the instructor. No hardcopy or presentation is required.

### **Class Participation**

Class Assignments will be discussed in class to provide an opportunity to grasp lecture content. A major portion of Class Participation marks is assigned to contributions during interactive discussion.

### **Quizzes**

These comprise both multiple choice and essay questions similar to review questions given out in class.