

30148 - MANAGEMENT OF FINANCIAL INSTITUTIONS

Course Director: *Brunella Bruno*
Instructors: *Brunella Bruno* (Office hours: Tuesday, 10 a.m., room 2d1-01)
Giacomo Nocera (Office hours: Wednesday, 2 p.m., room 2d2-05)
Stefano Zorzoli (Office hours: Tuesday, 9 a.m., room 2d1-11)

Course Objectives

The course aims at analyzing the main issues of financial institutions management, with a major focus on banking and insurance. Namely, the analysis is carried out along the following streams.

- The banking industry today: players, strategies, and regulation.
- Liabilities management and credit policy in banking: financial instruments and business practices.
- Banking business and financial risks.
- The fundamentals of risk management in modern banking.
- Financial statement analysis and performance measures in banking.
- The insurance industry today: players, strategies and regulation.
- Insurance process and insurance premiums.
- Risk and capital management for insurers.
- Financial statement analysis and performance measures in insurance.

Course Prerequisites

Students attending this course should be familiar with the concepts learnt in the following courses: Financial markets and institutions, Financial mathematics, Statistics.

Course Contents Summary

Part I. Banking

1. Liabilities management and funding strategies: deposits, certificates of deposits, bonds and notes.
2. Loan characteristics and credit policy: screening, monitoring, and loan portfolio management.
3. Cash management and liquidity planning.
4. The role of securitization in credit, liquidity, and funding management.
5. Capital and risk management.
6. Financial statement analysis and performance measurement.

Part II. Insurance

7. Insurance process and insurance premiums.
8. Insurance reserves.
9. Risk and capital management for insurers.
10. Financial statement analysis and performance measurement.

Textbooks

Management of Financial Institutions (chapters from Koch and MacDonald, "Bank Management", VII Edition), available at Egea bookshop. A selection of compulsory readings will be also available at the course web page.

Exams

Exams are written, in-class, closed book and closed notes and will cover all the topics discussed during the course. Students have the possibility to do a (written) mid-term exam. Both mid-term and general exams will consist of multiple choice questions. Exams dates:

Mid-term (I partial) exam: 26 October 2011 at 10.30 a.m.

Final (II partial) exam: 16 January 2010 at 10.30 a.m.

**Syllabus
(Class 31)**

Lesson #	Date	Topic / Contents	Material	Instructor
1	12/09	Intro to the course. The banking industry today		BB
2	14/09	Funding 1	Ch. 10	SZ
3	19/09	Funding 2	Ch. 10	SZ
4	21/09	Lending 1	Ch. 13	BB
5	26/09	Lending 2	Ch. 14	BB
6	28/09	Lending 3	Ch. 15	BB
7	03/10	Finance	Ch. 16	SZ
8	05/10	Liquidity	Ch. 11	SZ
9	10/10	Financial statement & performance 1	Ch.s 3 / 4	SZ
10	12/10	Financial statement & performance 2	Ch.s 3 / 4	SZ
11	17/10	Capital management & regulation 1	Ch. 12	BB
12	19/10	Capital management & regulation 2	Ch. 12	BB
<i>Mid-term Exam</i>				
13	07/11	Risk management 1	Ch.s 7 / 8	BB
14	08/11	Risk management 2	Ch.s 7 / 8	BB
15	09/11	Securitization and the financial crisis		BB
16	14/11	The insurance process	Teaching notes	GN
17	16/11	The insurance contract	Teaching notes	GN
18	21/11	Life insurance types	Teaching notes	GN
19	23/11	Insurance pricing 1	Teaching notes	GN
20	28/11	Insurance pricing 2	Teaching notes	GN
21	30/11	Insurance accounting basics	Teaching notes	GN
22	12/12	Analysis and valuation of insurance companies 1	Teaching notes	GN
23	13/12	Analysis and valuation of insurance companies 2	Teaching notes	GN
24	14/12	Regulatory issues in insurance	Teaching notes	GN

**Syllabus
(Class 32)**

Lesson #	Date	Topic / Contents	Material	Instructor
1	14/09	Intro to the course. The banking industry today		BB
2	15/09	Funding 1	Ch. 10	SZ
3	21/09	Funding 2	Ch. 10	SZ
4	22/09	Lending 1	Ch. 13	BB
5	28/09	Lending 2	Ch. 14	BB
6	29/09	Lending 3	Ch. 15	BB
7	05/10	Finance	Ch. 16	SZ
8	06/10	Liquidity	Ch. 11	SZ
9	12/10	Financial statement & performance 1	Ch.s 3 / 4	SZ
10	13/10	Financial statement & performance 2	Ch.s 3 / 4	SZ
11	19/10	Capital management & regulation 1	Ch. 12	BB
12	20/10	Capital management & regulation 2	Ch. 12	BB
<i>Mid-term Exam</i>				
13	08/11	Risk management 1	Ch.s 7 / 8	BB
14	09/11	Risk management 2	Ch.s 7 / 8	BB
15	10/11	Securitization and the financial crisis		BB
16	14/11	The insurance process	Teaching notes	GN
17	16/11	The insurance contract	Teaching notes	GN
18	17/11	Life insurance types	Teaching notes	GN
19	23/11	Insurance pricing 1	Teaching notes	GN
20	24/11	Insurance pricing 2	Teaching notes	GN
21	30/11	Insurance accounting basics	Teaching notes	GN
22	01/12	Analysis and valuation of insurance companies 1	Teaching notes	GN
23	14/12	Analysis and valuation of insurance companies 2	Teaching notes	GN
24	15/12	Regulatory issues in insurance	Teaching notes	GN