

POSTGRADUATE Syllabus	EXECUTIVE PROGRAMME IN INTERNATIONAL FINANCE
Course	INTERNACIONAL BANK MANAGEMENT
Course credit (ECTS):	3
Instructor:	Massa Gutiérrez Álamo, José Julián
Semester	Second
Office hours:	
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1.- COURSE DESCRIPTION, AIMS AND OBJECTIVES:

The International Bank Management course provides students with the basic concepts of International Bank Management, such as the main regulatory restrictions related to capital, liquidity, credit risk and balance sheet management. From a very practical view, the course includes an introduction to the main current business models, based on the existing regulatory environment. Students will gain knowledge of the bank crisis history, their origins and how it was managed.

The professors will provide the materials and/or presentation in advance with time enough for students to prepare it. At class, the professor will make the presentation on the subject of the day and will invite students to participate with questions and debate.

Professors will provide with actual articles, reports and other materials relevant for the course. In addition, students will have to do some written reports. They will have to prepare it in teams or individually and later, they will present it to the rest of the class.

The banking sector, local and international, is changing continuously, so its highly recommended to read international papers (WSJ, FT) and magazines (The Economist), as well as other specialized journals (The Banker, Bloomberg News...). As an incentive for students to be always up to date, every individual will be requested to prepare an article which content is related to the subjects discussed in class. In addition to the article, students will prepare a presentation on the article's subject.

2.- ASSESMENT:

Attendance and Class Participation:	10%
Assignments:	<p>30%. Two assignment will be done:</p> <p>a. Assignment 1. This assignment aims to understand and to analyse the trends in the global banking industry that are expected to drive the dynamics of the financial institutions landscape in the near future.</p> <p>b. Assignment 2. This assignment aims to analyse two banks: a retail bank (Santander) and a private bank (Julius Baer). The goal is not only to find out if their shares are cheap or expensive, the purpose of the assignment is also to explain the risks and opportunities of these banks. A SWOT analysis could be very helpful.</p>
Final Examination (Regular test):	Final test: 60% of the final qualification.
Restrictions:	To calculate the weighted average for the final grade, both for regular and resit examination, a student must obtain at least a 5 (out of 10) on the final examination. A student with an overall grade of less than 5 on the exam will be considered to have failed.
Final Examination (Resit):	<p>For the extraordinary examination (resit), the most favourable of the following two criteria will be applied to determine the student's final grade:</p> <p>→ The continuous evaluation (Class participation, assignments...) grade obtained during the course will be combined with the extraordinary exam grade with the weight that was established for continuous evaluation as defined in the course syllabus. The rest of the grade will come from the grade obtained on the final exam (extraordinary exam).</p> <p>→ The grade obtained on the extraordinary exam.</p>

COURSE SCHEDULE		
SESSION	Topic	Learning materials, recommended readings, case studies, and assignments.
1	Introduction to International Banking: Key concepts and role in the international markets.	Notes chapter 1. Presentation lecture 1.
2	The analysis of the Bank's Balance Sheet.	Notes chapter 2 & 3. Presentation lecture 2.
3	Bank's P& L analysis and main ratios	Notes chapter 3. Presentation lecture 3.
4	Metrics & Bank Valuation	Notes chapter 8. Presentation lecture 11
5	International banks: typology and main characteristics: Wholesale Banking, Private Banking and Asset Management models.	Notes chapter 4. Presentation lecture 4.
6	Case Study: Bank valuation	Presentation
7	Consumer Banking analysis. Case Study: Consumer Bank	Case Presentation 1
8	Bank Funding Strategies	Notes chapter 6 Presentation lecture 6.
9	Retail Banking Models: Characteristics and Challenges. Case Study: Retail Banking in Spain	Case Presentation 1
10	Securitization as liquidity buffer.	Notes chapter 7. Presentation lecture 10.
11	Fintech and new alternatives.	Presentation lecture 12
12	Management of Banking Crisis.	Notes chapter 9. Presentation lecture 13
13	Capital Management: Basel III changes	Notes chapter 5
14	New trends in Bank Management.	Presentation lecture 15
15	Summary and Q&A	

Session 1. Introduction to International Banking: Key concepts and role in the international markets.

During this session, students will understand the main aspects of the financial and banking industry. The role of the banks and the interactions with the real economy will be explained.

Session 2. The analysis of the Bank's Balance Sheet.

In session 2 the balance sheet of a bank will be understood. Asset, liabilities and equity will be explained in detail.

Session 3. Bank's P&L analysis and main ratios

During this session the P&L of banks will be discussed. The main ratios as ROE, ROA, Equity multiplier (EM) or Profit margin (PM). Also the main income sources will be studied such:

- Interest income
- Fees and commissions
- Insurance revenues
- Trading revenues
- Forex revenues
- Equity method revenues
- Other operating income (rentals, non-traditional banking revenues, etc.)

Session 4. Metrics and valuation

In this session several ratios for valuing banks will be learned. Methodologies as DDM and DCF will be explained. Also multiples as P/GOP or P/TBV will be reviewed in class.

Session 5. International banks: typology and main characteristics: Wholesale Banking, Private Banking and Asset Management models.

During session 4 different types of banks will be studied. Example of banks are:

- Commercial Banks /Retail Banks
- Corporate Banking
- Industrial Banks
- Investment Banks
- Personal Banking
- Private Banking
- Asset Management

Session 6. Case Study: Bank valuation

Students should present an assignment about an analysis of two banks.

This assignment aims to analyse two banks: a retail bank (Santander) and a private bank (Julius Baer). The goal is not only to find out if their shares are cheap or expensive, the purpose of the assignment is also to explain the risks and opportunities of these banks. A SWOT analysis could be very helpful.

Session 7. Consumer Banking analysis.

A real case of one of the largest consumer bank will be discuss in class. Main magnitudes and strategical positioning will be address. The main aspects of profitability and Balance Sheet dimensions will be covered.

Session 8. Bank funding strategies

During session 8 the different bank funding strategies will be explained. Retail funding and wholesale funding will be discussed. The class will focus on advantages and disadvantages of each funding strategy.

Session 9. Retail Banking Model

During the session the new challenges and threat will be exposed during the class from the perspective of a small middlebank.

Session 10. Securitization

The securitization is nowadays one of the main ways to solution of the short term and long term liquidity gaps of a financial institutions.

Session 11. Fintech and new alternatives

A new set of actors and new technologies are rapidly entering in this industry, the specialization and targeting the sectors less intensive in capital and more profitable will be covered in this session.

Session 12. Management of Banking Crisis

Focusing in two real life cases - Banco Popular and Deutsche Bank- will be discuss in depth to analyse the main two causes for a failure in a typical bank resolution.

Session 13. Capital Management: Bassel III

In this class, it will review the origins and the definition of Capital and the analysis the Bassell III directive.

Session 14. New trends in Bank Management

Banking is in a new paradigm of consumer trends and the inclusion of new ways to address the financial problems of the new clients. The disintermediation of our society with new markets, new consumers and new participants will be struggle in this new environment.

Session 15. Q&A and final review

Required text and materials:	<p>Saunders, A./Cornett, M. (2008): “Financial Institutions Management A Risk Management Approach”, Sep 2010.</p> <p>Frederic S. Mishkin. “Economics of Money, Banking and Financial Markets” (10th edition)</p>
Recommended Texts:	<ul style="list-style-type: none"> – <i>Basel III: A global regulatory framework for more resilient banks and banking systems - revised version June 2011</i> – <i>Basel III: International framework for liquidity risk measurement, standards and monitoring</i> – <i>ECB “Eu Banking Structures: September 2010”</i>

COMPETENCIAS
BÁSICAS Y GENERALES
CG1 - Capacidad para resolver problemas en entornos nuevos o poco conocidos.
CG2 - Capacidad de análisis, de síntesis y de formulación de juicios a partir de la información disponible.
CG3 - Capacidad de organización, planificación y toma de decisiones
CG4 - Capacidad de comunicación y trabajo en equipo.

CB6 - Poseer y comprender conocimientos que aporten una base u oportunidad de ser originales en el desarrollo y/o aplicación de ideas, a menudo en un contexto de investigación
CB7 - Que los estudiantes sepan aplicar los conocimientos adquiridos y su capacidad de resolución de problemas en entornos nuevos o poco conocidos dentro de contextos más amplios (o multidisciplinares) relacionados con su área de estudio
CB8 - Que los estudiantes sean capaces de integrar conocimientos y enfrentarse a la complejidad de formular juicios a partir de una información que, siendo incompleta o limitada, incluya reflexiones sobre las responsabilidades sociales y éticas vinculadas a la aplicación de sus conocimientos y juicios
CB9 - Que los estudiantes sepan comunicar sus conclusiones y los conocimientos y razones últimas que las sustentan a públicos especializados y no especializados de un modo claro y sin ambigüedades
CB10 - Que los estudiantes posean las habilidades de aprendizaje que les permitan continuar estudiando de un modo que habrá de ser en gran medida autodirigido o autónomo.
TRANSVERSALES
CT1 - Capacidad de búsqueda de información e investigación y de aprendizaje continuo.
CT2 - Capacidad para trabajar en entornos de presión.
CT3 - Capacidad de aplicar los conocimientos a la práctica.
CT4 - Usar tecnologías de la información y las telecomunicaciones.
CT5 - Capacidad para ejercer el liderazgo y mantener un espíritu emprendedor.
ESPECÍFICAS
CE9 - Comprender y entender el funcionamiento de las operaciones de financiación de proyectos y actividades desde la perspectiva de las actividades empresariales internacionales. (Competencia específica de la especialidad en Finanzas Internacionales)