

NAME OF THE COURSE		BANK MANAGEMENT				
Code	EUB412	Year of study	2.			
Course teacher	Associate professor Ana Kundid Novokmet, PhD Full professor Marijana Ćurak, PhD	Credits (ECTS)	5			
Associate teachers		Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	Obligatory/elective	Percentage of application of e-learning	30%			
COURSE DESCRIPTION						
Course objectives	To enable students to valorise the bank's financial performance, measure and evaluate the bank's exposure to certain types of risks, make recommendations on the choice of a bank strategy, and determine ways in which banks adjust to specific regulatory measures.					
Course enrolment requirements and entry competences required for the course	Requirements for the course enrolment are regulated by the Statute of the Faculty of Economics, Business and Tourism and by the Rulebook of study programs and studying system.					
	Knowledge of basic concepts in the field of financial markets, banking and financial management is required and passed exam from at least one course dealing with the aforementioned areas (in example: Financial Markets, Banking, Banking and Insurance, Financial Institutions and Markets, Financial Management, Stock Exchanges).					
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<p>Course learning outcome: Conclude on the performance of a particular bank, its strengths, weaknesses, opportunities and threats with the aim of making recommendations on the choice of the banking strategy in the context of regulatory prescriptions.</p> <p>Particular learning outcomes: 1. Compare the concepts of banking according to different criteria. 2. Valuate the success of a banking business based on a profitability indicators. 3. Identify key aspects of managing certain types of bank risks. 4. To justify the application of a particular banking strategy in the area of financial management and risk management. 5. Identify the effects of applying certain banking regulatory measures.</p>					
Course content broken down in detail by weekly class schedule (syllabus)	Week	Lectures		Exercise		
		Topics	hours	Topics	hours	
		1	Concepts of banking: conventional types. The choice of bank management strategy.	2	Information about the course. Trends in contemporary banking business. Bank balance sheet, bank profit and loss account.	2
		2	Alternative banking concepts: ethical banking.	2	Assignment: Comprehension check of the key banking concepts. Presence of the conventional banking concepts in Europe.	2
3	Bank performance assessment. Assessment of bank manager's contribution to bank performance throughout compensation payments.	2	Discussion of paper in the field of corporate social responsibility by banks. Determinants of bank profitability.	2		

	4	The basics of the theory of banking financial intermediation. Types of bank risks. General principles of bank risk management. Examples of risk identification and risk management measures. Possibility of risk measuring: a critique.	2	Practical tasks: Calculation of bank profitability ratios.	2
	5	Credit risk management (I): Identification and measurement.	2	Discussion of paper in the field of fulfilling the assumptions of contemporary financial models for risk measuring. Assignment: Comprehension check of key concepts in the behavioural finance area.	2
	6	Credit risk management (II): Determining credit price and credit rationing in the function of credit risk management.	2	Discussion of articles in the field of methodology of measuring credit risk throughout the credit scoring system and restrictive clauses usage in banking practice. Practical task: Appraisal of enterprise credit capacity (guest lecture exercise or exercise in internal performance).	2
	7	Credit risk management (III): Securitization, loan sales and credit derivatives usage in the credit risk management function.	2	Practical tasks: Examples of credit price calculation and borrower's profitability analysis.	2
	8	Credit risk management (IV): other management strategies, monitoring and control.	2	Discussion of paper in the field of the role of credit rating agencies in the credit derivatives business.	2
	9	Deposits management.	2	Selected topic in the credit risk area or financial innovations in the field of credit products.	2
	10	Non-deposit funding sources management.	2	Deposit insurance and money laundering prevention as key regulatory framework in deposits management.	2
	11	Interest rate risk management. Specificities of currency risk management.	2	Practical tasks: Examples of determining deposit price and calculations of bank financing costs.	2
	12	Bank liquidity management.	2	Practical tasks: Examples of calculations of interest rate risk exposure and management strategies.	2
	13	Regulation of the business of banking: capital requirements in focus. Adjustment modes of banks to the capital adequacy standards. Banking (in) stability from the microeconomic and macroeconomic point of view.	2	Practical tasks: Examples of measuring liquidity and management techniques. Selected topic in the banking stability area.	2

Format of instruction	<input type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work	<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> guest lecture by the expert from the practice				
Student responsibilities	<p>To attain a signature, student has to regularly attend course – for the full-time student, minimum is 60% of lectures and exercises, and for the part-time student, minimum is 30% of lectures and exercises. To attain a signature, student is also required to actively participate in lectures and exercises. During the semester, in the weeks in which lectures and exercises are held, 4 self-evaluation tests will be organized. Students are required to try to solve each of the 4 online self-evaluation tests, which will be composed of problem tasks. Solving self-evaluation tests successfully is not a substitute for the written tests or exam, but can contribute to a higher positive grade. Two self-evaluation tests precede the first written test, after which the other self-evaluation tests will follow.</p>					
Screening student work (name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Class attendance	0,7	Research		Practical training	
	Experimental work		Report		Self-evaluation tests	0,3
	Essay		Seminar essay		(Other)	
	Tests	4*	Oral exam		(Other)	
	Written exam	4	Project		(Other)	
Grading and evaluating student work in class and at the final exam	<p>Two written tests, written exam. The exam is conducted by the course teacher. The student can pass the exam if he/she passes both tests. In addition, the student's activity in the exercises will be evaluated. Students who are actively involved in exercise discussions, problem-solving and case studies and/or correctly write and present the paper on the topics offered can increase the final grade.</p> <p>* Positive assessment of both tests replaces the final written exam.</p> <p>During the semester there will be two written tests. A positively evaluated first written test is a requirement for the student's admission on second test. A student who achieves a positive assessment from both tests is not required to undertake the final written exam. The final grade is formed as the average grade of written tests grades and can be increased in case of special student's engagement in the exercises.</p> <p>Exam dates will be defined by exam calendar. Written exam consists of 10 questions/question blocks. Each answer is evaluated with maximum 10 points. For positive assessment, the student has to achieve minimum of 55 points. Score thresholds and corresponding grades for written exams: 55-69 points = sufficient (2); 70-79 points = good (3); 80-89 points = very good (4) and 90-100 points = excellent (5).</p>					
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media	
	1. Course materials.			/	Moodle	
	2. Kundić, A. (2014) <i>Etičko bankarstvo – novi koncept bankarstva</i> , chapter in Čurak, M., Kundić, A. and Visković, J. (eds.) <i>Financije nakon krize: forenzika, etika i održivost</i> , Split: Sveučilište u Splitu, Ekonomski fakultet, pp. 243-264.			12	Moodle/Internet	
	3. Kundić, A. (2010) <i>Indikatori profitabilnosti bankovnog poslovanja</i> , Računovodstveno – financijske informacije, Vol. 55, No. 12, pp. 17-26.			1	Moodle	
	4. Rose, P. S., Hudgins, S. C. (2015) <i>Upravljanje bankama i financijske usluge</i> . Zagreb: MATE.			12	/	

	5. Rose, P. S., Hudgins, S. C. (2013) <i>Bank Management & Financial Services</i> . USA: McGraw-Hill.		
	6. Articles selected for discussion.	/	Moodle
Optional literature (at the time of submission of study programme proposal)	<ol style="list-style-type: none"> 1. Wernz, J. (2020) <i>Bank Management and Control: Strategy, Pricing, Capital and Risk Management</i>. Springer. 2. Beck, T., Casu, B. (eds.) (2016) <i>The Palgrave Handbook of European Banking</i>. UK: Palgrave MacMillan. 3. Ayadi, R., Cucinelli, D., de Groen, W. P. (2019) <i>Banking Business Models Monitor – Europe: Performance, Risk, Response to Regulation and Resolution: 2005-2017</i>. Cass Business School. https://www.ceps.eu/ceps-publications/banking-business-models-monitor-2019-europe/ 4. Kjellman, A., Kangas, T., Tainio, R. (2021) <i>Nuclear Finance: Bank Management in Disruption</i>. Novum pro. 5. Kundid, A., Škrabić, B., Ercegovac, R. (2011) <i>Determinants of Bank Profitability in Croatia</i>, Croatian Operational Research Review, Vol. 2, pp. 168-182. 6. Kundid, A., Ercegovac, R. (2011) <i>Credit Rationing in Financial Distress: Croatia SMEs' Finance Approach</i>, International Journal of Law and Management, Vol. 53, No. 1, pp. 62-84. 7. Kundid, A. (2012) <i>Mala poduzeća, velike banke i nepremostive razlike u kreditnom odnosu: istina, mit ili izazov?</i> chapter in Vidučić, Lj. (eds.) <i>Mala i srednja poduzeća – Financijska politika i ekonomsko – financijski okvir podrške</i>, Split: Sveučilište u Splitu, Ekonomski fakultet, pp. 33-56. 8. Kundid Novokmet, A., Pečarić, M., Vukadin, M. (2016) <i>Strategije upravljanja likvidnošću banaka u Hrvatskoj: osvrt na pretkrizno razdoblje</i>, chapter in Stojanović, A. and Šimović, H. (eds.) <i>Aktualni problemi i izazovi razvoja financijskog sustava</i>, Zagreb: Sveučilište u Zagrebu, Ekonomski fakultet, pp. 43-62. 9. Ercegovac, R., Kundid, A. (2011) <i>Interbank Deposit Market Relevance for Croatian Banking System Sustainability</i>, Ekonomski pregled, Vol. 62, No. 1-2, pp. 48-66. 10. Kundid Novokmet, A. (2015) <i>Kontroverze regulacije banaka kroz kapitalne zahtjeve</i>, Ekonomski pregled, Vol. 66, No. 2, pp. 156-176. 11. Kundid Novokmet, A. (2021) <i>Troubles with the Chf Loans in Croatia: The Story of a Case Still Waiting to Be Closed</i>, Journal of Risk and Financial Management 14(2), 75. 12. Kundid Novokmet, A. (2021) <i>The Role of Capital in Bank Failures across EU-15 Countries: Backward LR Approach</i>, Croatian Operational Research Review, Vol. 12, No. 2, str. 175-187. 		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> • Monitoring the class attendance and execution of other student's obligations (Teacher) • Teaching Supervision (The Vice-Dean for academic and student affairs) • Analysis of the studying performance for all courses of the study program (The Vice-Dean for academic and student affairs) • Student survey on the quality of teachers and teaching for each course of the study program (UNIST, Centre for Quality Improvement) • All learning outcomes of the course are examined by the examination conducted by the course teacher. • Periodic examination of the content of the exam is conducted in order to verify the appropriateness of the method of validating the learning outcomes (The Vice-Dean for academic and student affairs). 		
Other (as the proposer wishes to add)	Lectures in Croatian language.		