

NANYANG TECHNOLOGICAL UNIVERSITY
NANYANG BUSINESS SCHOOL

BF2210 Risk Management of Financial Institutions

A) Course Aims/Description

This course introduces the rationale, measurement, and practical tools of risk management in financial institutions. Students who are in their second years or above can take this course. This course will help you prepare the potential interviews in entry-level positions in risk management, perform daily tasks in the financial institutions, and pursue future advanced courses in the general finance field.

B) Intended Learning Outcomes (ILO)/Objectives

1. Explain economic rationales for risk management.
2. Apply the correct methods to assess risk in financial institutions.
3. Develop ways to manage risks in various financial using an integrated approach, which focuses on and off balance sheet techniques.
4. Evaluate the effectiveness of risk management in different economic and regulatory environments.

C) Course Content

Interest rate risks; market risks; credit risks; liquidity risks.
Securitization.
Asset-Liability Management, Off-Balance Sheet Management.

D) Assessment (includes both continuous and summative assessment)

Component	Weightage	Team/Individual
1. Final Examination	60%	Individual
2. Assignments	15%	Individual
3. Case studies	15%	Team
4. Participation	10%	Individual/Group
Total	100%	

Planned Weekly Schedule

Week	Topic
1	Roles of Financial Intermediaries; Fundamental Issues of Risk Management
2	Financial Accounting of Banks; Fixed Income Securities
3	Interest Rate Risk: The Repricing Model and The Duration Model
4	Interest Rate Risk: The Duration Model and Asset-Liability Management
5	Off-Balance Sheet Approaches to Interest Rate Risk Management
6	Term Structure Model and Forecasting
7	Market Risks (1)
8	Market Risks (2)
9	Credit Risks (1)
10	Credit Risks (2)
11	Liquidity Risks
12	Securitization and Financial Crisis