

<b>Subject Code</b>	AF5358
<b>Subject Title</b>	International Banking
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Completion of six year-1 compulsory subjects
<b>Role and Purposes</b>	<p>Banks play a very important role in the global financial markets. The increasing publicity associated with the international banking industry, and the vast career opportunities offered by various department of banks, call for a need to more thoroughly understand what banks do and the functions they perform in the financial markets.</p> <p>The course aims to provide students a practical perspective of how banking works, so that they can better understand this industry (and the skill sets involved) and be better prepared for their career in banking upon graduation.</p> <p>This course contributes to the achievement of the programme by enabling students to apply conceptual frameworks drawn from Accounting, Risk Management, Economics, Quantitative Method, Business Ethics and Law to the analysis of investment and corporate finance issues (Outcome 1), solve asset management/corporate finance problems as they present themselves in real-life situations (Outcome 2), and formulate financial strategies and envision their outcomes (Outcome 3).</p>
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Understand and explain the role of banks and how they operate;</li> <li>Understand and explain how various front and back office business lines of a bank work;</li> <li>Understand and explain the various funding options employed by banks;</li> <li>Apply practical methodologies in the equity and credit rating analysis of banks.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Banking Overview</b></p> <p>Banks' role and function; Key banking players; International financial markets; Foreign exchange markets.</p> <p><b>Bank Analysis</b></p> <p>Bank equity analysis; Bank credit analysis.</p> <p><b>Bank Business Operations</b></p> <p>Corporate and consumer banking; Corporate finance; Sales and trading; Credit and market risk management; Interest rate risk management; Bank capital management (Basel I, II and III).</p>

	<b>Bank Funding</b> Securitization.						
<b>Teaching/Learning Methodology</b>	The theoretical aspects of this course will be covered in the class through lectures. This allows direct contact and discussion between the lecturer and students. Assignments, magazine and newspaper articles, and case studies will be used to illustrate the application of the theories, and to encourage independent learning skills.						
<b>Assessment Methods in Alignment with Intended Learning Outcomes</b>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	
	Class Presentation/Participation	15 %	✓	✓	✓	✓	
	Written assignment/test	35 %	✓	✓	✓	✓	
	Final Examination	50 %	✓	✓	✓	✓	
	Total	100 %					
	<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Class discussions, presentations and written assignment/test enable students to identify real life banking issues and explain the related observations or phenomena, apply up-to-date professional knowledge acquired in the course to solve similar banking problems in real case situations, and analyse systematically and theoretically the underlying factors and reasons that lead to new banking problems they may not have encountered before, and to critically examine how the existing internal and external situations relate to such problems.</p> <p><b>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</b></p>						
<b>Student Study Effort Expected</b>	Class contact:						
	▪ Lectures / Seminars						39 Hrs.
	Other student study effort:						
	▪ Review of course materials						40 Hrs.
	▪ Working on assignments						40 Hrs.
	Total student study effort						119 Hrs.
<b>Reading List and</b>	<u>Main Text</u> <b>Saunders, A. &amp; Cornett, M.M. (2017) <i>Financial Institutions</i></b>						

<p><b>References</b></p>	<p><b><i>Management – a Risk Management approach, 9/e, McGraw Hill.</i></b></p> <p><u>References</u></p> <p>Rose, P.S. and Hudgins, S.C. (2010) <i>Bank Management &amp; Financial Services</i>, 8/e, McGraw Hill. (or the earlier edition you can find from the PolyU library)</p> <p>Gardner, M.J., Mills, D.L. and Cooperman, E.S. (2005) <i>Managing Financial Institutions</i>, 5/e, Thomson South-Western.</p> <p>James W. Kolari and Benton E. Gup, <i>Commercial Banking: The Management of Risk</i>, Wiley, 2004</p> <p>Mullineux, A.W. and V. Murinde, <i>Handbook of International Banking</i>, Edward Elgar, 2003</p> <p>Annual reports of various financial institutions.</p> <p>Articles from US Federal Reserve, Bank for International Settlement, Hong Kong Monetary Authority, and various newspapers such as Financial Times.</p> <p><u>The following references contain good discussion on the 2007-09 US financial crisis:</u></p> <p>Financial Crisis Inquiry Commission (2011) <i>The Financial Crisis Inquiry Report</i>, Authorized edition, Public Affairs Reports.</p> <p>Stiglitz, J.E. (2010) <i>Freefall – America, Free Markets, and the Sinking of the World Economy</i>, Norton.</p> <p>Acharya, V. V. &amp; Richardson, M. ed. (2009) <i>Restoring Financial Stability – How to Repair a Failed System</i>, Wiley.</p> <p>Paulson, H. M. Jr. (2010) <i>On the Brink – Inside the Race to Stop the Collapse of the Global Financial System</i>, Business Plus.</p> <p>Sorkin, A. R. (2009) <i>Too Big To Fail – Inside the Battle to Save Wall Street</i>, Allen Lane.</p>
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