**MAKERERE UNIVERSITY BUSINESS SCHOOL**

**FACULTY OF COMMERCE, DEPARTMENT OF FINANCE**

**ACADEMIC YEAR 2025/2026**

**COURSE OUTLINE**

**PROGRAMME :** BACHELOR OF COMMERCE

**COURSE NAME :** BANK MANAGEMENT

**COURSE CODE :** FIN 2222

**YEAR OF STUDY :** THREE

**SEMESTER :** ONE

**FACILITATORS :** Mr. Robert Obele (0706 958973)

Mr. Abdul Karim Mwesigwa (07516 92309)

 Mr. Owomugisha Jordan (0753197555)

**Lecture days**

**Group A : Monday *(08:00am-10:00am) & Thursday (08:00am-10:00am)***

**Group B : Monday *(05:30pm-07:30pm) & Thursday (05:30pm-07:30pm)***

**Course Description**

The course banking management has been designed keeping in view the various aspects of the commercial banking and the rules and regulations that are needed to be followed in the commercial banking sector. This course gives students an overview of banks’ operation. Students will gain an understanding of banking sector development. The course also focuses on how the macro-economic environment and evolving landscape may bear on bank organization and management.

**Course Objectives**

This course aims at enabling the students to understand and to contribute to the strategic operational policies and practices of commercial bank management in a competitive environment.

**Learning Outcomes**

At the end of this course, students should be able to;

* Know what it means to be or take to become a “player” in this business.
* Understand the banking businesses actually add value for their customers and, make money for their employees, partners and shareholders
* Understand the synergies and conflicts exist across the various banking business lines and practices
* Understand the recent developments banking industry and what role can you play in that future either as a practitioner or client.

**DETAILED OUTLINE**

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| **No.** | **Unit** | **Objectives of the topic** | **Method of teaching** | **Hrs**  | **Facilitator**  |
| **1** | **Overview of the course Bank Management** |  | Straight lectures | 2 | Mr. Obele |
| **2** | **Introduction to the business of banking and financial services management** * Introduction.
* Banking defined.
* The financial system and competing financial services institutions
* Services offered by banks.
* Banking regulation and supervision
* Key trends affecting financial service firms.
 | To enable students appreciate powerful forces reshaping banking and financial services today.To help students understand the role of the financial system and the competitive challenge for banks in it. To help students know the impact of government policy on banking regulation.  | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Obele |
| **3** | **Bank Lending policies and procedures*** Introduction
* Types of Loans
* Lending policy
* Steps in the lending process
* Credit analysis; what makes a good loan?
* Loan agreements and loan review
* Handling problem loans
* Sources of credit information
 | Students should be able to;Understand the function of lending within banks, including the core loan products, lending policies and processes.  | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Owomugisha |
| **4** | **Lending to business firms and pricing business loans*** Introduction
* Brief history of business lending
* Types of business loans
* Analyzing business loan applications
* Determining the rate of interest and other loan terms.
 | To enable students appreciate the unique value that lending to businesses presents to banks.To understand the principles of credit evaluation of loan applications | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Owomugisha |
| **5** | **Risk management** * Introduction
* Risk defined
* Categories of bank risks
* Unsystematic risk e.g., operational risk, compliance risk
* Systematic risk e.g., liquidity risk, market risk.
* Management of risks
* Elements of a sound risk management framework
* Risk management process
* Risk management using Asset Backed Securities.
 | Students should be able to;* distinguish between the different risks that financial institutions are facing.
* Understand the policies, frameworks employed to reduce the effect of these risks on financial institutions’ performance and survival.
 | Straight lectures |  | Mr. Owomugisha |
| **6** | Asset Liability Management * Introduction
* The concept of ALM
* Role/function of ALM
* ALM strategies
* Interest rate risk management
* Forces determining interest rates
* Components of interest rates
* Interest sensitive gap management
* Duration gap management
 | Students should be able to;* Understand the concept of ALM, its role and function in the bank

Know the different strategies to ALM and its linkage to other areas of risk management in the bank | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Obele |
| **7** | **Managing investment portfolios & liquidity positions of banks.** * Introduction
* Investment instruments available to financial firms
* Money market instruments; treasury bills, commercial papers, certificate of deposits etc.
* Capital market instruments;treasury notes and bonds, municipal notes and bonds, corporate notes and bonds.
* Investment securities held by banks
* Factors affecting choice of investment securities
 | To enable students appreciate the variety of financial instruments available to banks to manage their investment portfolios, and the influencing factors on the choice of securities held.  | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Mwesigwa |
| **8** | **The management of capital** * Introduction
* The role of capital
* Types of capital in use
* Regulatory approach to evaluating capital needs using Basel Accords.
* Planning to meet capital needs.
* Raising capital internally
* Raising capital externally
 | Students should be able to;Understand the many tasks capital plays in a bankAppreciate the relative importance of the different sources of capital | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Obele |
| **9** | **Financial statements and Bank financial performance*** Introduction.
* Determining long term objectives.
* Maximizing the value of the firm.
* Impact of size, location and regulation on bank performance.
* Using financial ratios and other analytical tools to track bank performance.
 | Students should be able to; understand how to measure the performance of banks using the different ratios and models | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Mwesigwa |
| **10** | **Bank management in the global market place.** * Mergers and acquisitions in financial services management.
* International banking and the future of banking.
 | Students should be able to;Appreciate the motives behind the rise of mergers and acquisitionsUnderstand the dynamics of banking in the global market place | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Obele |
| **11** | **Fintech*** Introduction to Fintech
* History of FinTech and Traditional Banking Technologies.
* Fintech in modern banking
* Credit
* Payments
* Saving and investments
* Trading
* insurance
* Fintech and money
* Digital Payments
* Cryptocurrencies
* Blockchain

  | Students should be able to; learn the technology behind payments, loans, trading and asset management as well as applications of machine learning and blockchain technology for finance and transactions. | * Straight lectures
* In class and group presentations
* Case study analysis
 |  | Mr. Mwesigwa |
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**MODE OF TEACHING**

* Straight lectures
* In class and group presentations
* Case study analysis

**MODE OF ASSESSMENT**

Course Examination 30%

Final examination 70%

**Total 100%**

**Text and Readings**

1. Frederic S. Mishkin (2013), The Economics of Money, Banking and Financial Markets (Global Edition)
2. Timothy W. Koch, S. Scott MacDonald, Vic Edwards & Randall E. Duran (2014), Bank Management – A Decision-Making Perspective
3. Michel Crouhy, Dan Galai, Robert Mark (2006), The Essentials of Risk Management.
4. Peter S. Rose & Sylvia C. Hudgins (2013), Bank Management & Financial Services
5. Koch W Timothy and Scott S Macdonald (2005) "Bank Management" Thomson (South-Western), Bangalore

Prepared by …………………………… Date………………………

**(Team Leader)**

Approved by………………….. Date………………………………

**(H.O.D Finance)**