MAKERERE UNIVERSITY BUSINESS SCHOOL

FACULTY OF COMMERCE, DEPARTMENT OF FINANCE

ACADEMIC YEAR 2026/2027

COURSE OUTLINE

PROGRAMME	**:** BACHELOR OF COMMERCE
COURSE NAME	**:** BANK MANAGEMENT
COURSE CODE	**:** FIN 2222
CREDIT UNITS	: 4
YEAR OF STUDY	**:** THREE
SEMESTER	**:** ONE
FACILITATORS	**:** Ms. Ruth Kaala (0773 251063)
	Mr. Robert Obele (0706 958973)
	Mr. Jordan Owomugisha (0753 197555)

<u>Lecture days</u>

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

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

This course examines the management of commercial banks and other depository institutions within a modern, competitive, and regulated financial system. It covers bank organizational structure, asset-liability management, risk management (credit, liquidity, interest rate, operational, and market risk), capital adequacy and regulatory frameworks (Basel Accords), profitability analysis, and strategic issues such as digital banking, mergers, and international banking. The course blends theory with practical tools (financial statement/CAMEL analysis, GAP and duration analysis, loan pricing) used by bank managers and regulators.

COURSE OBJECTIVES

This course aims at enabling to;

- Examine the role of banks in financial intermediation and economic development
- Evaluate borrowers using qualitative and quantitative credit assessment techniques
- Identify, measure, and manage major banking risks
- Analyze bank financial performance and financial soundness

- Assess the impact of technological innovation and FinTech on banking operations and business models

LEARNING OUTCOMES:

By the end of the course, students will be able to:

- Understand the structure, functions, and regulatory environment of banks and the banking industry.
- Analyze bank financial statements and evaluate performance using key ratios (ROA, ROE, NIM, efficiency ratios, etc.).
- Explain the regulatory environment and its impact on bank strategy and operations.
- Apply asset-liability management (ALM) techniques, including gap analysis, duration, and earnings sensitivity.
- Assess and manage major banking risks (credit, interest-rate, liquidity, market, operational, and capital).
- Evaluate commercial and consumer loan requests and structure credit decisions.
- Discuss funding strategies, investment portfolio management, and capital planning.
- Understand contemporary issues including digital banking, fintech competition, and global banking activities.

S/N	TOPIC	TOPIC OBJECTIVES	DELIVERY METHODS	HOURS
Topic 1:	**Introduction to Bank Management** ▪ Banking defined and the evolution of banking worldwide and in Uganda ▪ Role of banks ▪ Understanding financial intermediation, theories of financial intermediation and why banks exist ▪ Market based vs Bank based systems and their implications ▪ Structure of the banking system and financial services sector in Uganda ▪ Trends reshaping banking (consolidation, technology, competition from non-banks, shadow banking)	Understand the origin and evolution of banking globally and in Uganda; Explain the role of banks and the theories underpinning financial intermediation; Compare market-based and bank-based financial systems; Describe the structure of Uganda's banking and financial services sector; Analyze	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	4Hrs

	▪ Organizational forms (unit, branch, holding company, interstate banking)	emerging trends and organizational forms shaping the banking industry		
Topic 2:	**Understanding the banking business** ▪ Banking products/services. ▪ Types of banks (Commercial, Investment, Development, central, Cooperative banks, etc.) ▪ Types of banking (retail banking, private banking, Corporate banking, investment banking, International banking, Islamic banking). ▪ The bank balance sheet and income statement and Off-balance-sheet activities ▪ Banks and the FinTech revolution.	Identify the range of products and services offered by banks; Distinguish between different types of banks and banking activities; Interpret a bank's balance sheet, income statement, and off-balance-sheet items	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	4 Hrs
Topic 3:	**Central Banking and Bank Regulation** ▪ Rationale and Functions of a central bank. ▪ Role of the central bank and monetary policy transmission through banks. ▪ Rationale for bank regulation. ▪ Types of regulation. ▪ Key legislation and regulators (historical and current frameworks). ▪ Impact of regulation on bank behavior and competition. ▪ Limitations of regulation.	Explain the functions and rationale of a central bank; Understand how monetary policy is transmitted through the banking system; Examine the rationale, types, and legal frameworks for bank regulation; Assess the impact and limitations of regulation on	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	6 Hrs

		bank behavior and competition		
Topic 4:	**Credit management** ▪ Introduction to credit management ▪ Types of bank credit ▪ Credit policies and procedures ▪ Credit evaluation and analysis; including use of qualitative and quantitative techniques to assess borrowers. ▪ Credit assessment process ▪ Loan security and collateral management ▪ Loan pricing ▪ Credit documentation ▪ Credit monitoring and supervision ▪ Non-performing loans (NPLs)	Understand the principles and process of bank credit management; Apply qualitative and quantitative techniques to evaluate borrowers; Explain loan security, pricing, and documentation requirements; Describe methods for credit monitoring, supervision, and managing NPLs	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	8 Hrs
Topic 5:	**Funding the Bank and Capital Management** ▪ Deposit and Non-deposit borrowings (money markets, wholesale funding) ▪ Cost of funds and pricing ▪ Bank capital: role/functions of capital, types of capital, Regulatory approach to evaluating capital needs using Basel Accords, planning to meet capital needs (raise capital internally and externally).	Identify sources of bank funding, including deposits and wholesale borrowing; Analyze the cost of funds and its effect on pricing decisions; Explain the role and types of bank capital; Apply Basel Accord principles to assess and plan for capital adequacy	Guest Lecture	8 Hrs

Topic 6:	**Banking risks and risk management** ▪ Introduction to risk management; risk defined, risk appetite & risk tolerance, risk management framework. ▪ Credit risk and its management ▪ Liquidity risk and its management ▪ Interest rate risk and its management ▪ Operational risk and its management ▪ Market risk and its management	Define risk, risk appetite, and risk tolerance within a risk management framework; Identify and analyze major banking risks (credit, liquidity, interest rate, operational, market); Apply appropriate strategies for managing each risk category	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	8 Hrs
Topic 7:	**Asset Liability Management** ▪ Definition of Asset-Liability Management ▪ Objectives and importance of ALM in commercial banks ▪ Structure of bank assets and liabilities ▪ The ALM governance and the (ALCO) ▪ ALM tools/strategies	Define Asset-Liability Management and its objectives; Understand the structure of bank assets and liabilities; Explain the role of the ALCO in ALM governance; Apply ALM tools and strategies to manage bank balance sheet risks	Guest Lecture	6 Hrs
Topic 8:	**Managing investment portfolios of banks** ▪ Investment instruments available to financial firms; Money market instruments; treasury bills, commercial papers, certificate of deposits etc; Capital market instruments; treasury	Identify money market and capital market investment instruments available to banks; Understand the types of investment	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	4 Hrs

	notes and bonds, municipal notes and bonds, corporate notes and bonds. ▪ Investment securities held by banks ▪ Investment Portfolio Structure and Composition ▪ Portfolio monitoring, stress testing and rebalancing ▪ Factors affecting choice of investment securities ▪ Investment governance, ethics and internal controls	securities held by banks; Evaluate the factors influencing the choice of investment securities		
Topic 9:	**Bank Financial Statements and Performance Analysis** ▪ Understanding financial statements of the bank (Balance sheet, Income statement, cashflow statement etc.). ▪ Users of bank financial statements (including their key interests) ▪ Using financial ratios and other analytical tools to track bank performance (CAMELS ratings, trend and comparative analysis) ▪ Factors that influence bank performance	Appreciate the uniqueness of bank financial statements Apply financial ratios and the CAMELS framework to evaluate bank performance Examine the factors that influence the performance of banks.	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	8 Hrs
Topic 10:	**Contemporary Issues in Bank Management** ▪ Innovation and technology in banking (Fintech in modern banking; credit, payments, savings, investment, trading)	Examine the impact of innovation and FinTech on modern banking; Analyze trends in bank mergers,	▪ Straight lectures ▪ In class and group presentations ▪ Case study analysis	4 Hrs

	▪ Bank mergers, acquisitions, and consolidation ▪ ESG and climate risk issues ▪ Impact of globalization and free movement of capital on financial sector development and the real economic activity.	acquisitions, and consolidation; Understand ESG and climate risk considerations in banking; Evaluate the effects of globalization and capital mobility on financial sector and economic development		

MODES OF TEACHING

- Straight lectures
- Guest lectures
- In class and group presentations
- Case study analysis

MODES OF ASSESSMENT

Course tests 30%

Final examination 70%

Total 100%

Reading List/References

1. Challoumis, C., & Eriotis, N. (2025). Evolution of banking systems: A comprehensive historical analysis. *Journal of Contemporary Research in Business, Economics and Finance*, *7*(1), 1–21. https://doi.org/10.55214/jcrbef.v7i1.4245

2. Magaji, B. M. (n.d.). *Legal History of Banking in Uganda from Pre-Independence to Present Day*.

3. Rose, P. S., & Hudgins, S. C. (2010). *Bank management & financial services* (9th ed.). McGraw-Hill/Irwin.Casu, B., Girardone, C., & Molyneux, P. (2022). *Introduction to banking* (Third edition). Pearson.
4. Buckle, M., & Beccalli, E. (n.d.). *Principles of banking and finance*.
5. Choudhry, M. (2018). *An Introduction to Banking: Principles, Strategy and Risk Management* (1st ed.). Wiley. https://doi.org/10.1002/9781119115922
6. Choudhry, M. (2012). *The Principles of Banking*.
7. Dermine, J. (2015). *Bank valuation and value-based management: Deposit and loan pricing, performance evaluation, and risk management* (Second edition). McGraw-Hill Education.
8. Phillips, R. L. (2018). *Pricing Credit Products*. Stanford University Press. https://doi.org/10.1515/9781503605657
9. Mishkin, F. S. (2022). *The economics of money, banking, and financial markets* (Thirteenth edition). Pearson.
10. Basel Committee on Bank Supervision. (2015). *Corporate governance principles for banks*.

Prepared by ……………………………… Date………………………

(Team Leader)

Approved by………………….. Date………………………………

(H.O.D Finance)