BCOM 430: MANAGEMENT OF FINANCIAL INSTITUTIONS

1. Introduction to management of financial institutions.
   1. Introduction to financial institutions management.
   2. Financial institutions (Recap)
   3. Specific management problems facing financial institutions in Kenya.
   4. Emerging trends in financial institutions management (Overview).
      1. Information systems in financial institutions
         * Internet banking
         * Management information systems: The case of Metro Bank-UK
         * Share immobilization: The case of CDSC Kenya
      2. Globalization- cross border mergers and acquisitions (A look at CFC-Stanbic, mergers between Australia stock exchange and Singapore stock exchange), cross border expansions (Equity Bank, KCB), offshore investments (Mutual funds and Investment banks).
      3. Agency banking: The case of equity bank, Kenya.
      4. Competition among financial institutions (Commercial banks foray into investment banking and share brokerage, SACCO and Mobile phone cash transfers).
      5. Demutualization of stock exchanges (The case of NSE- Kenya).
      6. Securitization (Mortgage backed securities).
2. Financial intermediaries and their regulators.
   1. Financial intermediaries’ regulators in Kenya (Recap).
   2. Specific regulations in place in Kenya.
   3. Trends in regulation: Lessons and implications of the global financial crisis of 2008 on the regulation of financial institutions.
   4. The Basel Accords (Detailed discussion on Basel I, II, and III accords).
3. Liquidity management in financial institutions.
   1. Interest risk and the gap analysis
   2. Theories of liquidity management
   3. Priority in employment of funds.
4. Management of assets and liabilities.
   1. Balance sheet management strategies.
      1. Deposits.
      2. Loans and advances.
      3. Capital (capital adequacy; requirements and reporting in light of the Basel Accords and The Government of Kenya regulations).
5. Financial centers in eastern and southern Africa.
6. Application of management principles to specific institutions
   1. Investment banks.
   2. Insurance companies.
   3. Investment banks & stock brokerages.
   4. Stock exchanges.

Reference books