

FIN 530: Financial Management of Banks

Special Focus: Bank Deposits—Risk, Stability & Strategy

FOSTER
SCHOOL OF BUSINESS

W UNIVERSITY *of* WASHINGTON

Financial Management of Banks

This course is designed to give students a comprehensive introduction to the banking sector. The course begins with foundational topics like types and roles of financial intermediaries, then progresses to advanced concepts such as credit and interest risks in banks' assets, payment system, bank runs and bank supervision. A special focus is on deposits covers pricing, stability and run risk, and how funding structure, interest rates, and regulation shape banks' resilience through data-driven exercises. Students will deepen their understanding of the financial system and how it impacts our daily life and investment decisions.

Class Time

Thursday Evenings,
Winter 2026 (Jan 5 – Mar 13, 2025)

Building the Bank & Market Basics

(Week 1-3)

What it covers: What banks do, how money moves, and how interest rates work.

Learning goal: mini balance sheet, pricing a simple bond ladder, 1-page takeaway per team for deposit acquisition plans.

Managing Risk & Performance

(Weeks 4–6)

What it covers: Interest-rate risk, hedging trade-offs, and a practical view of bank health.

Learning goal: think as CFO/CRO/Treasurer, make portfolio/hedge decisions, and see the impact live in their dashboards.

Banking Regulation & Monetary Policy

(Weeks 7–10)

What it covers: Bank runs & asymmetric information, banking regulation, and central bank's policy transmission through banks.

Learning goal: understand how policy affects banking, and see how it impacts overall economic activities through bank lending and deposit rate pass-through.