UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

SYLLABUS DEL CORSO

Bank Management

2425-1-F1601M057

Learning objectives

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

1. Understand the main types of banking risks, with a focus on market risk, credit risk and interest rate risk, and the related measurement and management models.
2. Describe the evolution of prudential regulation (Basel II–III–"IV") and assess its impact on banks' business models and capital management.
3. Analyse and apply the main Asset & Liability Management (ALM) techniques and regulatory capital optimisation tools.
4. Understand the framework of internal processes for risk and capital management (ICAAP, ILAAP, RAF and Recovery Plans) and their interaction with ECB supervisory priorities and the SREP process.
5. Assess asset quality and NPL management strategies, including regulatory and strategic perspectives.
6. Integrate ESG and CSRD requirements into banking business models, risk management and reporting processes.
7. Understand the implications of digital transformation for the banking sector, with a focus on innovative payment services, digital money and crypto-assets.
8. Link capital and risk management to value creation for stakeholders within a rapidly evolving regulatory and market environment.

Contents

The Bank Management course provides an integrated view of banking management in a context of increasing regulatory complexity, digital transformation and focus on sustainability. After a thorough analysis of the main banking risks (credit, market, interest rate) and the related measurement models, the course examines the Basel regulatory framework and its implications on capital and on banks' strategic choices.

Significant attention is devoted to internal risk and capital processes (ICAAP, ILAAP, RAF, Recovery Plan), to ECB

supervisory priorities and the SREP process, as well as to asset quality and NPL management. The course also covers regulatory optimisation levers, the integration of ESG factors and reporting requirements (CSRD), and the impact of digitalisation on payment services, digital money and crypto-assets.

Detailed program

Module I –

1. Market risks: measurement models and management approaches
2. Classification of market risks (interest rate, FX, equity, commodity)
3. Measurement models (Value at Risk, volatility, stress testing)
4. Regulatory and managerial metrics, operating limits and governance
5. Hedging strategies and mitigation tools (derivatives, trading portfolios)
6. Credit risk: measurement models and management approaches
7. Basic notions of credit risk: PD, LGD, EAD, expected and unexpected loss
8. Standardised models and IRB approaches; internal ratings and scoring systems
9. Lending policies, monitoring and credit portfolio management
10. Link between credit risk, provisioning and regulatory capital
11. Capital regulation: the Basel framework
12. Asset & Liability Management and interest rate risk in financial institutions
13. Management tools (interest rate derivatives, pricing policies, hedging)
14. Tools for regulatory capital optimisation
15. RWA portfolio management: disposals, securitisations, guarantees
16. Pricing: challenges and opportunities

Module II

1. The evolution of the European and Italian credit markets
2. Trends in credit markets in Europe and Italy in the post-crisis period
3. Role of banks vs non-bank intermediaries
4. ICAAP, ILAAP, RAF and Recovery Plan
5. Integration between capital and liquidity within the risk framework
6. Consistency between RAF, ICAAP/ILAAP and corporate strategy
7. Supervisory expectations and market best practices
8. ECB supervisory priorities and the SREP process
9. Asset quality and NPL management
10. Regulatory strategies and optimisation levers
11. Sustainability in the banking sector
12. ESG reporting for financial services
13. Digital transformation of the banking system
14. The evolution of payment services: from innovative payments to new digital money
15. Crypto and its impacts on financial services

Prerequisites

none

Teaching methods

face-to-face lectures

Assessment methods

The exam consists of 10 closed-ended questions and 2 open-ended questions. The exam programme includes the bibliography available on the e-learning page and the slides and presentations used to support the seminar lectures.

The examination procedures provide for a possible oral integration upon the student’s request.

During 2026, the exams will be held on the same dates and at the same times as the course “Economia delle Istituzioni Finanziarie” of the Ecoban degree programme (in any case, please contact the instructor Paola Bongini).

Textbooks and Reading Materials

Beccalli e Massiah, Gestione bancaria avanzata, Pearson
slides e documents uploaded in the course elearning page

Semester

The course will take place in the 2nd term, differently from what planned before.

Teaching language

Italian

Sustainable Development Goals