

# SKEMA BUSINESS SCHOOL

## SUMMER SCHOOL FINANCE AND BANKING PARIS CAMPUS, 7-13 JULY 2017



## ABOUT SKEMA

### SCHOOL OF KNOWLEDGE ECONOMY AND MANAGEMENT

SKEMA is the fulfillment of an ambitious plan: to establish a school of leadership with a worldwide presence that will mould decision makers capable of understanding their environment, adapting to it, and creating lasting performance. The international faculty is specialised in teaching and research within the knowledge economy.

#### ▶ A MULTI-CAMPUS CURRICULUM

The school has six campuses, both in France (Lille, Paris and Sophia Antipolis) and abroad (Suzhou in China, Raleigh in the USA and Belo Horizonte in Brazil).

#### ▶ RICH EDUCATIONAL PROGRAMMES

SKEMA's learning programmes reflect the latest research into the challenges posed by the management of innovative and high-tech projects, the management of information, customer relations, globalisation and economic dynamics.

### ▶ ACCREDITATIONS AND INTERNATIONAL RECOGNITION

SKEMA is among the one percent of business schools worldwide with the triple accreditation EQUIS, AACSB and AMBA.

SKEMA's Master in Management and Master in finance programmes are placed 26<sup>th</sup> and 10<sup>th</sup> in the 2016 Financial Times worldwide rankings.

#### ▶ KEY FIGURES

- › 7,500 students
- › 160 professors, 75% holding a PhD or a French doctorate
- › 37,000 alumni worldwide



## SUMMER SCHOOL IN FINANCE

# FINANCE AND BANKING MODULE

The financial world has changed over the last 30 years. These changes have influenced the global financial system and corporate finance. From a state-oriented system, we have moved to a market-oriented system, which is more unstable, volatile and risky.

How has this happened? Why do banks exist? What is the role of financial markets? How can we manage risk in a volatile market? What is sustainable finance based on sustainable performance? What is the solution for a more sustainable world?

The seminar tries to provide relevant answers to those questions. This approach offers the keys and the basic tools of modern finance.

### COURSE OBJECTIVES

- ▶ To provide students with a personalised academic environment to obtain a solid understanding of International banking and financial system, risk and sustainable finance.
- ▶ The course aims at analysing and assessing globalised banking strategies. It is opened to non-specialists and gives a clear understanding of international banking forces, the global economy, regulation and financial instability in globalised economy.
- ▶ The course will assess the impact of financial deregulation, as well as structural reforms upon banking business models.
- ▶ The course will allow students to work in the financial department of corporations, to join investment banks or international financial institutions, or to hold a position of responsibility in a company working with international banks. Accordingly, these students need a deeper understanding of international banking issues.

### LEARNING OUTCOMES

The student is expected to be able to:

- ▶ Identify the place and the role of the banking system in a financial context with its instability and systemic risks.
- ▶ Understand the process of measuring or assessing the actual or potential dangers of a particular situation.
- ▶ Know types of risk: credit, operational, reputational...
- ▶ Understand the general approach of portfolio credit risk.
- ▶ Develop a special macro-prudential approach in order to understand the role of regulation in a globalised banking system.
- ▶ Understand the utility of sustainable finance.

At the end of the 40-hour course, we expect the students to be able to use the framework analysis taught in this course to understand and analyse current development in international banking as a part of their practical work decision making.

### TEACHING METHODS

- ▶ Lectures and team workgroup.
- ▶ **Homework prior to the course will be required.**  
More details and advices will be sent after the registration.



### DHAFER SAIDANE

COURSE COORDINATOR  
- FINANCE TRACK -



Dr Dhafer Saïdane is affiliated professor at SKEMA. He is a researcher in banking and finance. He is associate member of the SKEMA Research Center LSMRC (Lille School of Management Research Center). He holds a Master in Money, Banking and Finance, a PhD in Banking from University of Paris 1 - Sorbonne and an HDR (French Graduate in Economics from the same university).

Dr Dhafer Saïdane has 20 years of teaching and research experience in banking, money and finance. He is a consultant at the United Nations - Economic Commission for Africa (UNECA - North Africa Office, Rabat, Morocco) and at the UNCTAD (United Nations Conference on Trade and Development, Trade and Development Board, Switzerland) and at the Observatoire des Métiers de la Banque (Paris).

He is academic supervisor at the French training centre of banking (CFPB - Paris), scientific advisor of the French financial academic journal Techniques Financières et Développement (Paris), advisor of the African bankers club "Club des dirigeants des banques et établissements de crédit d'Afrique" and visiting professor at WTO Studies School - Wuhan University (China) and Ecole Supérieure de Commerce de Tunis, Université de Sfax (Tunisia), Saint Jérôme Catholic University of Douala (Cameroon).

He has published numerous articles and books on banking and financial issues and banking strategies and industry.

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# FINANCE AND BANKING MODULE

## FRIDAY 7<sup>TH</sup> TO THURSDAY 13<sup>TH</sup> JULY 2017 COURSE PROGRAMME

### THIS SEMINAR IS WORTH 5 ECTS CREDITS - TEACHING HOURS: 40

#### DAY 1 – FINANCIAL DEREGULATION: THE BIG CHANGES (Friday July 7 - 9:00am to 5:30pm)

- ▶ Presentation of the programme and aims
- ▶ The recent financial crisis: the changes for world's banking industry: origin of the crisis, financial instability, systemic risks, weakness of global finance, bankruptcy, bank failures and major changes ("Big Five US" Merrill Lynch, Goldman Sachs, Morgan Stanley, Bear Stearns, Lehman Brothers), new banking business model "big is beautiful", "too big to fail", strengths and weaknesses of banks regulation in United States, European Union, China...Africa...
- ▶ Deregulation and risks in the 80's: the financial "Big Bang", new banking firm is born "universal banking" = "generate to distribute". Investment banking, high interest rate volatility, traditional assets and liabilities activity (loans, deposits vs bonds, securities, financial market): free fall? New services and business: off balance sheet > balance sheet.
- ▶ Why do bank exists? Microeconomic role and functions of the banking firm. Information management: hazard moral, adverse selection and informational asymmetry. Risk management and monitoring. Economies of scale and reduction of transactional costs. Microeconomic approach of banking firm as risk manager. Modelling the banking firm. Asset liabilities management model. Optimal liquidity risk management (Klein 1971). Excess of liquidity: opportunity cost. Deficit of liquidity: operational and financial costs (Baltensperger, 1980).
- ▶ Day team's synthesis

#### DAY 2: CREDIT RISK MANAGEMENT: MACRO-PRUDENTIAL AND MICRO-PRUDENTIAL APPROACHES (Saturday July 8 - 9:00am to 1:30pm)

- ▶ Categories of risk: credit, market, operational, reputational...The general approach of portfolio credit risk management. What is the expected return and variance of the portfolio? Statistical measures to assess financial risks.
- ▶ Can diversification eliminate risk?
- ▶ Day team's synthesis

#### DAY 3: CREDIT RISK MANAGEMENT: MACRO-PRUDENTIAL AND MICRO-PRUDENTIAL APPROACHES (Monday July 10 - 9:00am to 5:30pm)

- ▶ Macro-prudential approach and systemic credit risk: the role of regulation in a globalised banking system. Basle approach: Solvability, liquidity risks ratios. Pro-cyclical and contra-cyclical approaches. Basle 1, 2 and 3. VaR: measures of the potential loss. Capital adequacy of financial institutions. Banking regulations (Basel 2): requirement implementation of risk measures such as VaR
- ▶ Sustainable finance and sustainable bank. A new paradigm for finance. The strong link between "sustainability" and "doing well by doing good". Good governance = Good behaviour.
- ▶ Socially Responsible Investment (SRI) and Corporate Social Responsibility (CSR) and the Stakeholder approach (Edward FREEMAN, 1984).
- ▶ Sustainable performance - new evaluation of banking efficiency: an application to French banks
- ▶ Day team's synthesis

#### DAY 4: TEAM WORK (Tuesday July 11 - 9:00am to 5:30pm) - SEE THE WORK REQUIRED FILE

- ▶ Team contribution: Workgroup and student work presentation based on the homework done prior to the course.

#### DAY 5: VISITS IN PARIS (Wednesday - July 12 - 8 hours)

- ▶ Palais Brongniart, Euronext, trading room in a bank... comments and conferences
- ▶ Farewell dinner in the evening

#### DAY 6: TEAM WORK + FINAL SYNTHESIS AND ASSESSMENT (Thursday July 13 - 9:00am to 5:30pm)

- ▶ Final synthesis and assessment: What are our main findings? The main message? Contribution to new knowledge? New concepts identified and discussed? Suggestions for the future.

#### REFERENCES - Academic and scientific papers

Allen F. et A.M. Santomero, 2001, What do financial intermediaries do?, Journal of Banking and Finance, 25, 271-294.  
Battacharya S., Thakor A.V., 1993, "Contemporary Banking Theory", Journal of Financial Intermediation, 3.  
La Porta, Lopez-de-Silanes, Shleifer et Vishny (1997), "Legal Determinants of External Finance", Journal of Finance, 52(3).  
Lewis M. K., 1992, "Modern Banking in Theory and Practice",

Revue économique, n°2, Mars.

Saidane D. (2010), "How to Identify the Best Target in the M&A Banking Operations? Case of Cross-Border Strategies in Europe by Line of Activity", Review of Quantitative Finance and Accounting.

Saidane D. (2010), "Banking transparency: a good idea but difficult to implement", Bankers Markets & Investors.

Saidane D; and Grandin P. (2010), "What are the main causes of Bank Merger and Acquisition?" Bankers Markets & Investors, n°104, January-February 2010.

## LOCATION

Courses are taught on the SKEMA Paris campus in the modern Pôle Léonard de Vinci, La Défense, only 10 minutes' metro journey from the heart of the city.

## REQUIREMENTS

- ▶ Students with at least one or two years' bachelor's studies are welcome to apply
- ▶ TOEFL IBT (86), TOEIC (750), IELTS (6.0) or equivalent

## HOW TO APPLY

Apply online:

[www.skema.edu/summer-school/registration](http://www.skema.edu/summer-school/registration)

## COURSE FEES

€1490, including lunch, coffee breaks for the six days of courses and a farewell dinner on the Wednesday evening.

Course fees do not include travelling expenses nor accommodation.

SKEMA reserves the right to close a group if there are fewer than a minimum number of students enrolled.

## PRACTICAL INFORMATION, HOUSING & FOOD

### Accommodation

SKEMA doesn't organise student accommodation for the summer school programme. However students can find information on our housing portal: <http://housing.skema.edu/> or contact: [skemahousing@skema.edu](mailto:skemahousing@skema.edu)

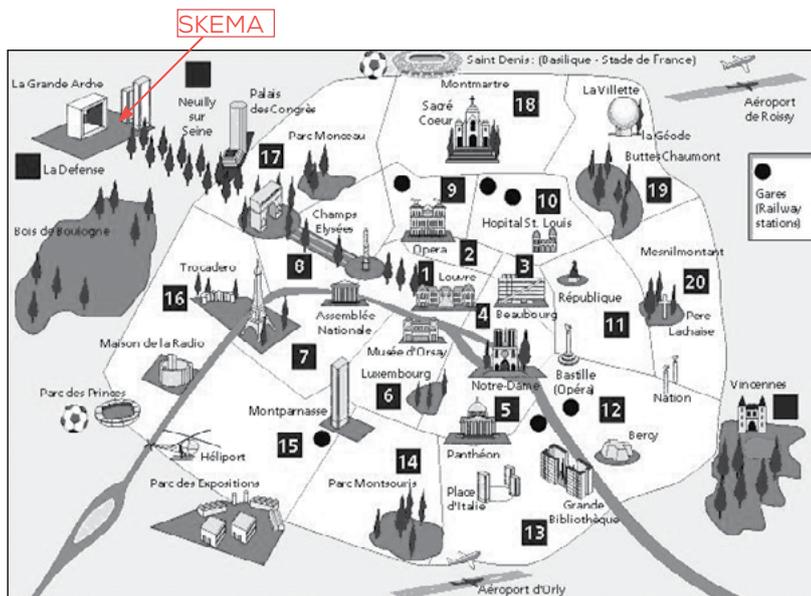
Students are responsible for organising their own lodgings as is also the case for lunch (when not included in a day of classes) and dinner; there are plenty of restaurants, bistros and snack bars in the vicinity of the business school.

**Living costs:** approximately €100 per day for accommodation, dinner and local transportation (RATP Navigo weekly transportation card: €20,40, or €13,70 for 10 tickets).

Other suggested accommodation and student support sites:

Campus France - <http://www.campusfrance.org/en/node/6549>

<http://www.parisyearabroad.com/student-accomodation-paris/>



PARIS LA DÉFENSE CAMPUS



## CONTACT

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