# Corporate, Investment Banking and Risk Management

## Prof. Stefano Monferrà; Prof. Francesca Pampurini

**Module 1 - Corporate and Investment Banking**

Prof. Stefano Monferrà

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to teach students about the organisation and management of corporate and investment banking services offered by financial intermediaries in an Italian and international context. Specifically, the main structured and extraordinary financial operations are introduced and analysed, especially from a financial point of view. Together with an understanding of an articulated set of financial structures, the course provides students with the tools for learning the logic that guides creditworthiness analyses and company evaluations.

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

* assess the economic and financial sustainability of the transactions analysed;
* understand the strategic logic underlying many structured and extraordinary financial transactions;
* know the analytical methods, behaviours and revenues achieved by intermediaries operating in the Corporate and Investment Banking sector by structuring and carrying out the various types of transactions analysed.

***COURSE CONTENT***

THE STRUCTURE OF THE SECTOR

* Investment banking: origins and development.
* Structural and organisational aspects of corporate and investment banking services.

CORPORATE BANKING SERVICES

* Analysis of the creditworthiness of financial transactions
* Evaluating a company from a market logic
* Structured financial transactions: LBO and Project Finance
* Capital operations: private equity and venture capital.
* The stock exchange listing process
* Operations on the debt market: corporate bonds and syndicated loans.
* Advisory services: M&A and restructuring operations of companies in crisis.

***READING LIST***

S. Monferrà - M. Cotugno - S. Mazzù; *Corporate e investment banking*, Franco Angeli 2017

Plus any material distributed via Blackboard

***TEACHING METHOD***

The course includes:

* Lectures and managerial testimonials
* Discussion sessions/practical exercises on specific topics.

During the course, the material will be distributed via Blackboard to allow for in-depth study/updating and discussion in class, and the carrying-out of practical exercises/business cases.

***ASSESSMENT METHOD AND CRITERIA***

For students attending lectures, 30% of the assessment is based on a group work that includes the presentation of a paper and a comparative judgment between the different groups. The remaining 70% is based on a final exam. The final written exam has a duration of 45 minutes and comprises 3 open-ended questions on the topics covered in class.

For non-attending students, the assessment is based on a written exam that will take place in the scheduled exam sessions. The final written exam lasts one hour and 15 minutes and comprises five open-ended questions.

The exam is aimed at assessing the student's knowledge and their command of the technical language used in the main problems discussed. The assessment will be based on the clarity and effectiveness of the student's presentation, the adherence of their answers to the question contents, their use of correct technical terminology, and the completeness of their arguments. No supplementary oral is envisaged.

The final mark for the Corporate, Investment Banking and Risk Management exam (Module 1 + Module 2) will be based on the average of the marks (if passed) obtained in the two individual sections.

For further clarification, please refer to the indications on Blackboard.

***NOTES AND PREREQUISITES***

There are no specific course prerequisites; however, a knowledge of basic finance will prove useful. Documentation material integral to the course will be made available on Blackboard.

Information on office hours available on the teacher's personal page at http://docenti.unicatt.it/.

**Module 2 - Advice on Bank Risk Management**

## Prof. Francesca Pampurini

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to provide the basic notions of risk management and the activities it carries out in the main categories of financial intermediaries and, in particular, banks. The course also aims to illustrate some of the main mathematical/statistical methodologies for measuring and managing the predominant risks in credit and financial activities.

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

* Identify the risks associated with lending and brokerage activities;
* Understand and use the main measurement techniques of each risk;
* Understand and manage the limitations and benefits of each risk measurement model.

***COURSE CONTENT***

The course covers the following topics:

* The taxonomy of risks.
* Pure risks and financial risks.
* The main types of risks: measurement and monitoring methods.
* Internal risk control and regulatory aspects.

***READING LIST***

The course reading list will be indicated by the lecturer during the first lecture. The single reference text is as follows: Sironi A., Resti A., 2008, *Rischio e valore nelle banche*, Ed. Egea. Students will have to base their preparation both on the materials presented in class and made available on Blackboard, and on the study of the manual (the reference chapters will be indicated by the lecturer). The course syllabus will also be published on the lecturer's web page with details of the topics covered and subject to examination.

***TEACHING METHOD***

The course involves the use of different teaching methods, mainly lectures and practical exercises focused on both the theoretical and technical aspects of the discipline. For those attending lectures, there will be discussions of business cases in addition to lectures. There are also testimonies from professionals who interact directly or indirectly with risk management in order to enrich students' analytical skills and critical spirit.

The detailed programme, which also contains the detailed calendar and all the teaching materials used in the course (lecturer's slides, readings, cases, videos, etc.) will be made available on the Blackboard platform.

***ASSESSMENT METHOD AND CRITERIA***

The Module 2 mark represents 50% of the final mark.

The assessment of students' skills and knowledge will take into account (i) the result of a written exam covering both the technical contents of the course and the practical exercises, and (ii) the result achieved in the discussion of an optional project.

The written exam will be marked out of thirty and will include two numerical exercises, an open-ended theoretical question, and a question (optional) on the topics discussed during the company testimonials. For the project, a mark from 0 to 2 will be added to the mark obtained in the written exam.

Both the written exam and the optional discussion of the project will be assessed on the accuracy and quality of students' answers, as well as on their command of the language used and ability to adequately justify their statements, analyses and judgments.

The final course assessment is marked out of thirty, and is based on the average of the marks (if passed) obtained in Module 1 and Module 2.

***NOTES AND PREREQUISITES***

To successfully attend the course, students should possess a basic knowledge of financial intermediaries management, bank balance sheets, and financial and derivative tools. A basic knowledge of statistics and financial mathematics are also required.

Information on office hours available on the teacher's personal page at http://docenti.unicatt.it/.