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**Prescription: 670 STRATEGIC MANAGEMENT FOR BANKING**


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**Elective prescription**

<b>Level</b>	6
<b>Credit</b>	20
<b>Version</b>	2
<b>Aim</b>	Students will apply principles of strategic management within the banking industry.
<b>Prerequisites</b>	nil
<b>Recommended Prior Knowledge</b>	500 Accounting Principles and 570 Introduction to Banking and Financial Services

**Assessment weightings**

Learning outcomes	Assessment weighting %
1. Students will analyse bank profitability.	20
2. Students will evaluate risk and risk management strategies in the banking industry.	20
3. Students will apply business planning processes to banks.	25
4. Students will apply marketing strategies to the banking industry.	15
5. Students will research a contemporary issue influencing banks.	20
<b>Total</b>	<b>100</b>

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

**Assessment note**

Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.

**Learning outcome one**

Students will analyse bank profitability.

Key elements:

- a) General Disclosure Statement, Key Information Summary and Financial Statement.
- b) Trends, changing components, net-interest income, non-interest income and the impact of interest rate movements.
- c) Revenue, expense and cost control.
- d) Capital requirements on banks' profitability, balance sheet and off balance sheet products.

**Learning outcome two**

Students will evaluate risk and risk management strategies in the banking industry.

Key elements:

- a) General Disclosure Statement, Key Information Summary and Financial Statement.
- b) Current and potential risks:
  - identification and evaluation
  - management strategies including risk elimination, minimisation and retention.
- c) Asset and liability management including consideration of risk/return trade-off.

**Learning outcome three**

Students will apply business planning processes to banks.

Key elements:

- a) Strategic choices for banks:
  - direction
  - pricing
  - types of products
  - advertising
  - clientele.
- b) Components of a business plan:
  - environmental scan
  - SWOT analysis
  - objectives
  - other relevant factor(s)
  - performance management targets.

**Learning outcome four**

Students will apply marketing strategies to the banking industry.

Key elements:

- a) Market segmentation, targeting and positioning.
- b) Marketing mix:
  - product
  - pricing
  - promotion including cross-selling
  - place/distribution.
- c) Marketing information and research.

**Learning outcome five**

Students will research a contemporary issue influencing banks.

Key element:

- a) A contemporary issue from one of the following topics:
  - technology
  - structure and composition of New Zealand banking sector
  - regulation and supervision
  - risk and security
  - future directions.

**Status information and last date for assessment for superseded versions**

<b>Process</b>	<b>Version</b>	<b>Date</b>	<b>Last Date for Assessment</b>
Introduced	1	2006	31 December 2015
Review	2	2013	N/A