The course “Strategic management in Banking” is the Major course for the Master level students of 38.04.08 “Finance and Credit” program. The course is read by Banking Department. It introduces students to the main trends of the strategic management and financial analysis in commercial bank. The main topics include:

(1) *Foundations of Business Strategy in Banks* (Introduction to Strategic Analysis: the SWOT, competitor, and environmental analysis tools. Analyzing Industry Structure: the five forces tool, a common and highly influential analytical framework. Analyzing Firm Capabilities. Determining Competitive Position: strategy mapping. Financial dimensions of the company: short term and long term horizons. The quality of capital and its measures at different stages of organizational life cycle)

(2) *Business Strategy Analysis in Banks* (Dynamic Strategy. International Strategy. Diversification Strategy. Stakeholder Strategy. Competitive Lifecycle, Internationalization and Stakeholder Analyses, and Diversification Matrices)

(3) *Business Growth Strategy: Specifics of Banks* (Growth through Scaling: Scenario Planning tool. Growth through Entry: game theory application. Growth through M&A deals: Acquisitions Analysis tool. Growth through Innovation: Real Options Analysis tool)

(4) *Strategic Planning and its Execution* (Connection of strategic analysis and strategy execution: Hypothesis Testing. Strategy Formulation: keys to effective strategy formulation. Strategy Implementation: alignment, ability, agility, and architecture. Practical Perspectives)

The course is based on the following recommended prerequisites implied by Bachelor program: Statistics, Microeconomics, Macroeconomics, Corporate Finance, Bank Management. The main points of the course can be used while preparing the Master thesis.

The course incorporates the up-to-date strategic financial knowledge and provides the better understanding and ability to make optimal strategic decisions by the example of leading foreign and Russian commercial banks and bank groups. Particular attention is paid to the main practically-oriented principles of the value based management of the listed corporate benchmarks in the emerging capital markets. The focus of the course is on the financial measuring of the corporate strategy in emerging capital markets (e.g. Russian companies). Students will learn how to execute financial analysis (capital, liabilities, risk ones) under the financial distress and different types of the macroeconomic turbulence in the frame of the long-term bank strategy. Participants are provided with the opportunity to collaborate with each other in small analytical teams. In each team the participant will develop skills of a strategy consultant: to present, to argue and to discuss the main findings and proposals in strategic decision making.

The main course objective is to summarize the set of new analytical tools to investigate a commercial bank as an overall entity and partially by separate business-units on the scope of its long-term business strategy. Finally, after completing the course the student will be able to:

- apply the up-to date strategic and financial models in order to measure the strategic performance for the particular bank;

- apply strategic tools to analyze decision-making process and strategic decisions;

- identify and analyze methods, models and empirical findings of value added (residual income, economic value added, shareholder value creation, cash value added, CFROI and other economic return metrics) of the companies from emerging and emerged capital markets;

- learn principles and methods, models and empirical findings of the value based benefits planning to understand and develop executive remuneration schemes and their alignment with residual income, shareholders‟ value added, stakeholder value creation, sustainable growth of the firm.

After completing the course the student develops the following competencies:

* is willing to work with information from a variety of sources (ИК- 4) – analytical tasks that assume the measurement of the corporate strategy based on the data from financial statements and integrated reporting;
* is willing to work in teams (СЛК-7) – cases, analytical tasks based on real information;
* is able to apply new measurement techniques and valuation methods (ПК-2) – cases, practical exercises, analytical tasks;
* is able to analyze and interpret financial and analytical information, work with adjusted data from financial statements (ПК-7) – cases, practical exercises, analytical tasks.
* is able to get and use the necessary information from open excess to apply it in strategic decision making (ПК-4) – cases, analytical tasks.

Grading in the course is based on the following criteria (total 100%): Team presentations (15%), Analytical report on the data of Russian bank (20%), Home-tasks (25%), Final project (40%).

The main course texts:

1. Bhattacharya H. Banking strategy, Credit Appraisal, and Lending Decisions. Oxford University Press. 2011.
2. **Lenox, Michael** and Jared Harris.  [The Strategist's Toolkit](http://store.darden.virginia.edu/the-strategists-toolkit-1). Darden Business Publishing, (2013).