MOORAD CHOUDHRY’S ANTHOLOGY

Reviewed by Dr. Edward Bace

Already a very prolific producer of highly praised texts on aspects of banking and finance, Professor Moorad Choudhry has inspirationally and comprehensively brought together in this volume the up to date essentials of banking, risk and regulation, strategic ALM and the future of banking, supplemented by relevant case studies.

Anthology builds upon Moorad’s previous indispensable handbooks, “The Principles of Banking”, “Introduction to VaR”, “Fixed Income Markets”, and many others. I was saddened to read in the preface that this is likely to be his last book, but in terms of its breadth and depth, it will no doubt prove useful for decades to come, even hopefully helping to steer practitioners in the right direction, as outlined in the work, both philosophically and technically. Encouragingly, Anthology also includes some previously unpublished material, especially around the sorely needed reinforcement of principles of governance and culture, as well as the ultimate goal of any successful commercial enterprise: paramount customer service.

The volume is well structured, starting with basic matters such as financial instruments, derivatives, the yield curve and structured finance, all written in a highly accessible manner and amply illustrated by practical examples such as Bloomberg screenshots and graphs aplenty. Practice exercises are given along the way to reinforce the principles. In fact, so much is packed into this densely written 1250-page volume that the reader will feel obliged to return to it again and again to consult on a particular topic. Although it is clearly pitched at senior, more specialist levels, much can also be gained by the relative beginner. While it has its share of mathematical equations illustrating the concepts, these are not overwhelming, reflecting the author’s penchant for practically applying the sophisticated models pioneered by academics, so that we can see the forest for the trees. The well-constructed table of contents and index allows for quick reference to a particular topic or graphic without having to spend an inordinate amount of time wading through pages of peripheral material.

Bank risk management appropriately occupies a meaningful portion of the text, as it relates to regulation and best practice, capital and liquidity. But I found the meatiest part of the book to be that section articulating strategic asset-liability and balance sheet management, wherein the author turns around the traditional approach to the treasury operating model. This is set forth in great detail, from reporting structure to committee

The meatiest part of the book to be is that section articulating strategic asset-liability and balance sheet management, wherein the author turns around the traditional approach to the treasury operating model.
Anthology, destined to become a classic in its field is an extremely useful compilation of the 16 other titles Moorad has produced not necessarily as a substitute for those, but as a compendium of the highlights of his previous works, and as a platform for further debate on the often misunderstood topic of banking and financial risk management.