



STUDY PROGRAMME

ECO + ECO-EEIB

ACADEMIC YEAR

2023 - 2024

SEMESTER

2

COURSE TITLE

EUROPEAN BANKING

COURSE PROFESSORS

A. MARQUES and W.P. DE GROEN

COURSE ASSISTANT

DMYTRO KAZAKOV

NATURE OF COURSE (COMPULSORY, OPTIONAL)

COMPULSORY

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

4.5

1. COURSE OBJECTIVE

To provide a comprehensive overview of the European banking landscape, including the diversity in business models and internationalisation. To give an overview and critically evaluate the regulatory and institutional framework for banks operating in the Banking Union and non-Banking Union EU Member States.

To understand the importance of financial stability for economic growth. After the 2007-09 great financial crisis, the stress-testing exercises and the bank capital requirements have become an important assessment tool for policymakers ensuring a banking system robust and resilient to adverse macro-financial shocks. These policies were primarily set up to reduce systemic risk build-up, and to make financial institutions equipped to withstand adverse shocks.

2. LEARNING OUTCOMES

On completion of this course, students should be able:

- A. to explain the main aspects of European banking landscape;
- B. to explain and critically evaluate the legislative and institutional framework for banks in the EU;
- C. to discuss proposals for the completion and reform of the Banking Union;
- D. to understand the need to ensure financial stability, by using the assessment tools used by policymakers to ensure a banking system robust and resilient to adverse macroeconomic shocks (e.g. bank capital requirements and EU-wide stress-test).

The learning outcomes for this course tie in with the following learning outcomes for the European Economic Studies programme:

1. use economic theory to assess current problems and policies;
2. think innovatively and provide constructive analytical commentary as well as potential



- recommendations on the evolution of the EU and its possible future development;
3. recognise the importance of empirical foundation for knowledge acquisition and evidence-based policies and use quantitative techniques and other empirical methods to evaluate theoretical knowledge;
 4. be autonomous in their preparation and review of materials for the courses as well as their completion of assignments bearing different requirements in terms of methodology workload and evaluation of the final work;
 5. demonstrate knowledge of the European Union's institutions, competences and substantive principles;
 6. recognise, analyse, explain and critique economic developments and economic policies in Europe;
 7. acquire a strong knowledge of broader social and political conditions and developments in Europe.

3. COURSE CONTENTS

- A. EU banking landscape
- B. Banking business models
- C. Banking regulation
- D. Risk-weighted assets
- E. EU-wide stress-testing
- F. Financial stability
- G. Deposit insurance
- H. Bank resolution

4. TEACHING METHOD(S)

Lectures with class participation, interactive exercise and assignments.

5. COURSE MATERIAL

Lecture notes and readings. The readings will be made available through the course web page.

6. EVALUATION

The evaluation in the first session will be based on:

- A. A closed-book written exam counting for 60% of the final grade.
- B. Two to four assignments counting for 40% of the final grade.

The evaluation in the second session will be based on a closed-book written exam counting for 100% of the final grade.