

Economics of Banking (F000681)

Course size *(nominal values; actual values may depend on programme)*

Credits 6.0

Study time 180 h

Course offerings and teaching methods in academic year 2025-2026

A (semester 1)

English

Gent

lecture

group work

Lecturers in academic year 2025-2026

Vander Venet, Rudi

EB21

lecturer-in-charge

Offered in the following programmes in 2025-2026

	crdts	offering
Master of Science in Teaching in Economics(main subject Economics)	6	A
Master of Science in Business Engineering(main subject Data Analytics)	6	A
Master of Science in Business Engineering(main subject Operations Management)	6	A
Master of Science in Complementary Studies in Economics	6	A
Master of Science in Economics	6	A
Master of Science in Economics (Double Degree)	6	A
Exchange programme in Economics and Business Administration	6	A

Teaching languages

English

Keywords

Financial institutions, bank risks, assets-liabilities management, bank competition, bank mergers, capital adequacy regulation

Position of the course

The students should acquire a thorough understanding of the main issues in European banking. At the end of the course the students should have the ability to (1) identify important trends in the changing regulatory environment of banks, (2) articulate and understand strategic issues in financial intermediation, (3) master up-to-date analytical and quantitative tools to analyze the return/risk profile of banks, (4) analyze banking issues in the current macroeconomic and monetary policy environment, (5) confront evidence obtained in the group assignment with the acquired body of theoretical and empirical knowledge in the field, and (6) critically assess competing paradigms of bank analysis.

Contents

- 1 European banking
 - Banking crisis, sovereign crisis and regulatory responses
 - Trends in European banking
 - Bank market structure
 - Market/book and determinants
- 2 Bank performance analysis
 - Bank financial statement analysis
 - Return/risk profiles in banking
 - Accounting-based and market-based risk analysis
- 3 Assets-liabilities management (ALM)
 - Sources and cost of funding
 - Interest rate risk
 - Interaction with monetary policy
- 4 Managing the loan portfolio

- Credit risk and loan pricing
- 5 Unconventional monetary policy and bank return/risk
- Impact analysis
- 6 Capital adequacy + liquidity rules
- Basel III + impact analysis
 - LCR, NSFR

Initial competences

Final objectives of financial economics courses (financial institutions, monetary economics).

Final competences

- 1 Be able to identify important trends in banking,
- 2 Be able to analyze the return/risk trade offs in financial institutions,
- 3 Be able to actively use modern quantitative and analytical methods for bank management,
- 4 Be able to confront results of own empirical work with theory and existing empirical findings,
- 5 Develop a critical attitude towards the various paradigms in bank research.
- 6 Analyse bank performance and present the results
- 7 Critically assess the economic and societal role of financial intermediaries
- 8 Perform a performance analysis of banks, independently and in team

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Group work, Lecture

Extra information on the teaching methods

Ex cathedra and presentations of papers prepared in small groups.

Study material

Type: Slides

Name: Economics of banking
 Indicative price: Free or paid by faculty
 Optional: no
 Language : English
 Oldest Usable Edition : Most recent
 Available on Ufora : Yes
 Online Available : Yes
 Available in the Library : No
 Available through Student Association : No

Type: Reader

Name: Economics of banking
 Indicative price: Free or paid by faculty
 Optional: no
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 Oldest Usable Edition : Most recent
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 Online Available : Yes
 Available in the Library : No
 Available through Student Association : No

References

See course site Ufora

Course content-related study coaching

By the professor.

Assessment moments

end-of-term and continuous assessment

Examination methods in case of periodic assessment during the first examination period

Oral assessment, Written assessment

Examination methods in case of periodic assessment during the second examination period

Oral assessment, Written assessment

Examination methods in case of permanent assessment

Oral assessment, Peer and/or self assessment, Assignment

Possibilities of retake in case of permanent assessment

examination during the second examination period is possible

Extra information on the examination methods

Oral and written exam. The written exam is a test of insights into the main trade-offs in terms of profitability/risk. The oral exam is intended to develop arguments and critically assess theories and empirical evidence.

The exam at the end of the teaching period is in principle written + oral (next to the group assignment in the framework of permanent assessment)

Calculation of the examination mark

Permanent (30%, based on the group assignment and defense) and end-of-term evaluation (70%), based on insight. End-of-term exam is written and oral exam (weights 60/40).

Facilities for Working Students

To be determined