GHENT UNIVERSITY

Course Specifications

Valid in the academic year 2025-2026

Management of Financial Institutions (F000722)

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 independent work group work
B (semester 1)	English	Gent	independent work lecture group work

Lecturers in academic year 2025-2026

Vander Vennet, Rudi	EB21	lecturer-in-charge

Offered in the following programmes in 2025-2026	crdts	offering
Master of Science in Business Engineering (Double Degree)(main subject Finance)	6	B
Master of Science in Business Engineering(main subject Finance)	6	B
Master of Science in Banking and Finance	6	A
Exchange programme in Economics and Business Administration	6	B

Teaching languages

English

Keywords

Financial institutions: theory and trends, bank performance and risk: measurement and analysis, quantitative risk management, techniques for assets-liabilities management, Basel III

Position of the course

The students should acquire a thorough understanding of the main issues and the complex interactions in the management of modern banks. By the end of the course the students should have the ability to (1) identify and analyze important trends within the changing competitive environment of banks, (2) articulate and understand strategic issues in financial intermediation, (3) master up-to-date analytical and quantitative tools to tackle the key decisions in banks and to analyze the risks in banks, (4) propose and justify scientifically accurate and workable solutions for real-world problems, (5) confront evidence obtained in cases or research with the acquired body of theoretical and empirical knowledge in the field, and (6) critically assess competing paradigms of bank analysis.

Contents

1 The changing environment of financial intermediation
• Trends in European and world banking
• Relationship witht he interest rate environment and monetary policy
• Financial crisis and regulatory responses (Basel III, banking union, SSM, SRB, stress tests)
2 Performance analysis
• Bank statement analysis
• Analysis of return/risk profiles in banking using accounting and market data
• Bank profitability and risk over the business cycle: empirical assessment
3 Regulation in banking

• Basel III, TLAC, SREP, BRRD, stress tests
• Quantitative impact analysis
4 Assets-liabilities management (ALM)
• Sources and cost of funding
• Quantitative methods for managing interest rate risk
• Duration analysis, Value at risk models
• Impact of (unconventional) monetary policy
5 Managing the loan portfolio
• Credit risk and loan pricing
• Portfolio theory and lending decisions
6 Bank business models
• Analysis of bank business models in transition
• Impact of Fintech developments
Students also have to prepare and defend casework made in teams of around 5 students. The group assignment focuses on the analysis of performance and risk in listed European banks, using accounting-based information as well as market data (stock market returns). The objective of the group work is to apply appropriate quantitative techniques to investigate the return/risk trade-offs in European banks characterized by different business models. The outcome of the analysis is presented and defended.
Only for the MBF students: Shorter and more focused assignments allow the students to apply quantitative techniques in e.g. interest rate risk management and capital adequacy analysis.

Initial competences

Final objectives of financial economics courses (especially banking and finance). Students should master concepts and theories of banking, financial markets, interest rates, central banks and monetary policy. Since the casework involves econometric estimations, prior knowledge of econometric techniques is also required.

Final competences

1 Identify and understand fundamental trends in financial institutions.
2 Analyze the return/risk trade-offs in financial institutions using appropriate quantitative techniques.
3 Understand and apply modern quantitative and analytical methods for bank risk management and asset-liabilities management.
4 Analyze financial problems autonomously by selecting an appropriate methodology and interpret the results of own empirical work.
5 Identify workable solutions for real-world problems in financial institutions.
6 Confront results of own empirical work with theory and existing empirical findings.
7 Develop a critical attitude towards the various paradigms in bank research.
8 Report and present own work both in written and orally.
9 Integrate ethical considerations in the implementation of solutions to complex financial problems.

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, Independent work

Extra information on the teaching methods

Ex cathedra lectures, class discussions and presentation of papers prepared in groups.
Session A (Business Engineering, more focus on lectures and class discussions)
Session B (MBF), also focus on self study and casework.

Study material

Type: Slides

Name: Management of financial institutions
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: Management of financial institutions
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

References

Provided on the course Ufora site.

Course content-related study coaching

By the professor.

Assessment moments

continuous assessment

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

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

Examination methods in case of permanent assessment

Oral assessment, Peer and/or self assessment, Written assessment, Assignment

Possibilities of retake in case of permanent assessment

examination during the second examination period is possible in modified form

Extra information on the examination methods

BusEng FIN : written + oral exam. Written : 5 questions on 10 points. Oral is focused on arguments and solid reasoning. W 60%, O 40%.
MBF : Group assignment(s) (peer assessment is used) + paper presentations + regular assignements + written/oral exam. Permanent 70%, exam 30%.
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

BusEng FIN : written exam 60%, oral exam 40%.
MBF : papers 50% + presentations 20% + exam 30%

Facilities for Working Students

to be determined