

# Advanced Banking

## Infos pratiques

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- > ECTS : 3.0
- > Nombre d'heures : 33.0
- > Langue(s) d'enseignement : Anglais
- > Niveau d'étude : BAC +5
- > Période de l'année : Enseignement neuvième semestre
- > Méthodes d'enseignement : En présence
- > Forme d'enseignement : Cours magistral et Travaux dirigés
- > Ouvert aux étudiants en échange : Oui
- > Composante : Sciences économiques, gestion, mathématiques et informatique
- > Code ELP : 4EgBMAVI

## Présentation

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The course addresses the following questions:

- \* Why do banks exist?
- \* How does the loan market work?
- \* Why and how should banks be regulated?
- \* Systemic risk in the banking sector: definition, measurement, evolution and regulation
- \* The role of market discipline

Topics covered: The role of financial intermediaries, the lender-borrower relationship, credit market rationing, competition in the banking sector, the regulation of banks, regulatory failures and the 2007-2009 financial crisis, macroprudential regulation, market discipline.

### Program

- Lecture 1 Introduction
- Lecture 2 Banks as liquidity providers
- Lecture 3 Banks as delegated monitors
- Lecture 4 Design of a Loan Contract
- Lecture 5 Credit Rationing
- Lecture 6 Bank Competition
- Lecture 7 Relationship Banking

- Lecture 8 The regulation of banks: why and how?
- Lecture 9 Regulatory failures and the Global Crisis
- Lecture 10 Systemic risk and contagion
- Lecture 11 The regulation of systemic risk
- Lecture 12 Market Discipline

## Objectifs

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We will develop simple theoretical models with information asymmetry and review the recent empirical literature on bank stability and regulation. The objective of this class is to get a better understanding of the role of banks in the economy, highlight the sources of fragility of the banking sector and discuss regulatory responses.

## Évaluation

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30% written mid-term -average grade of 3 out of 6 homeworks

70% final written exam

- \* Closed book
- \* No electronic device
- \* One hour

### Prise en compte de la situation sanitaire :

*Si, pour tenir compte de la situation sanitaire, des restrictions ou des contraintes sont imposées à l'Université Paris Nanterre ou à l'UFR SEGMI, tout ou partie des épreuves, contrôles de connaissances et examens terminaux de la session 1 et de la session 2, ainsi que des sessions de rattrapages, pourront se dérouler en mode distancié.*

## Pré-requis nécessaires

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Intermediate microeconomics

Intermediate econometrics

## Compétences visées

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At the end of the course, you should be able to understand the functioning of these models and be able to analyze and interpret banking data.

## Examens

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written exam

## Bibliographie

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Freixas, X. and J.C. Rochet. "Microeconomics of Banking", MIT Press, second edition

Degryse, H., M. Kim and S. Ongena. "Microeconometrics of Banking", Oxford University Press

Various scientific papers