

EMPIRICAL BANKING

Prof Barbara Casu

Outline

This course aims to provide an overview of important topics in empirical banking. Students will be introduced to the relevant literature and presented with empirical applications of relevant policy questions. The key objective is to read and understand scientific papers in empirical banking. To achieve this objective, emphasis is placed on introducing research methodologies used in empirical banking and illustrating the application of these methodologies to selected topics.

Based on up-to-date literature and empirical methods, this course will enable students to develop research ideas independently and employ the appropriate econometric methods to test hypotheses based on a sound understanding of financial intermediation theory.

Indicative content

(Please note that the above is only an indicative outline. Given the turbulent times in banking and financial markets, the lecturer may deem appropriate to dedicate time to current issues).

Part I: The theory of banking

- The role of banks in the financial system
- Banking and financial markets
- Shadow banking

Part II: Bank Regulation and Financial Stability

- Bank regulation and supervision
- Bank capital and liquidity
- Systemic risk in banking
-

Part III: Bank Performance and Innovation

- Competition in banking
- Bank efficiency and performance
- Technological change and financial innovation

Recommended reading

Selected chapters from:

- Berger, A., Molyneux, P. and Wilson, J.O.S. (eds), (2015) ***Oxford Handbook of Banking***. Oxford: Oxford University Press. 2nd edition. Selected chapters.
- Beck T. and B. Casu (eds.) (2016) ***The Palgrave Handbook of European Banking***. Palgrave MacMillan Springer.
- Degryse, H., Kim, M., and Ongena, S. (2009) ***Microeconometrics of Banking Methods, Applications, and Results***. Oxford University Press.

Students will be referred to additional readings during lectures.