

Course title		Banking						ECTS code		14.3.EM.SL.1964													
								ECTS credits		3													
Name of unit administrating study		IHZ		Field of study		MSG**		Field of specialisation		IB;													
Teaching staff		Magdalena Markiewicz, Ph.D.																					
Number of hours																							
Lectures	0	Classes	0	Tutorials	30	Laboratory	0	Seminars	0	Language classes	0												
Forma aktywności							Year&Type of studies*		2 SS1,														
Hours with the participation of the academic teacher (including office hours, exams, others):					48		Semester:		4,														
Hours without the participation of the academic teacher (student's self-study, homeworks):					2		Type of course:		obligatory														
Total number of hours:					50		Language of instruction:		English														
Teaching form		in-class learning																					
Teaching methods		Lectures including multimodal presentations, Collaborating, group activities, Case studies, Activating methods in training classes, The use of English-language sources and scientific literature (academic English)																					
Prerequisites (required courses and introductory requirements)																							
Required courses		Finance																					
Introductory requirements		General knowledge on finance, the skill of calculating.																					
Assessment method, forms and criteria																							
Assessment method		Exam																					
Assessment criteria		<p>20% of a grade will come from a presentation prepared according to the preliminary conditions. The subject of the presentation is chosen from the list and referring to the course.</p> <p>80% is based on tasks and activity during a course.</p> <p>in case of not fulfilling the above criteria, 80% of a grade comes from the written test that evaluates the knowledge from the lectures and a reading study.</p>																					
Course objectives																							
Students get the knowledge on bank products and services, their costs and benefits. They understand the problems connected with the banking performance. The aim of a course is also to achieve fluency in advanced vocabulary of finance and banking world.																							
Learning outcomes																							
Knowledge		MSG1_W04	Students have knowledge about banking operations and procedures, bank performance and risk assessment. They know the specific financial terminology concerning banking products and services and specific features of different types of banks and relations between financial institutions.																				
		MSG1_W12	Students consider banks' goals, strategy and governance, the changes, challenges and risk connected with banking market products and services. Students have knowledge about functioning of the banking sectors in the domestic and international context.																				
		MSG1_W17	Students know the rules of banking management, including credit risk management and operational management. Students realize the importance of ethical rules and code of conduct at the banking market, moral hazard and the development of supervisory, legal regulations and intermediation processes in a banking sector. Students recognize general goals in bank management and bank governance structure. They know the relations and participation of banks in the financial markets, methods of managing interest rate risk in banks. They analyse bank performance: liquidity and profitability, banking financial statements and indicators. Students know factors influencing performance measures.																				
Verification of learning outcomes - Knowledge																							
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Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG1_W04			X		X		X	X			
MSG1_W12			X		X		X	X			
MSG1_W17			X		X		X	X			

Skills		
MSG1_U02	Students identify the problems of functioning the banking sector from the point of view of institutions and consumers, identifies the relations between the institutions within the banking sector, use and interpret necessary statistical data and economic indicators concerning the banking sector functioning and bank management.	
MSG1_U03	Students make critical assessment of the impact of new products and services on the customers' risk and are aware of changes in banking sector development and its influence on relations between the institutions and customers. Students identify the banking products and services' risk, benefits and costs.	
MSG1_U04	Students use properly terms and definitions concerning the banking sector features, regulations and operations in a domestic and international scale.	
MSG1_U13	Students prepare presentations concerning selected practical issues and market examples using the terminology specialized for a banking sector. They are able to interpret the collected data and find various recognized sources providing the background for interpretations and conclusions.	

Verification of learning outcomes - Skills

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG1_U02			X		X			X			
MSG1_U03			X		X		X	X			
MSG1_U04			X		X		X	X			
MSG1_U13							X	X			

Attitudes		
MSG1_K01	Students know the limitations of own knowledge and skills and the need of long-life amendments of it. Students are able to cooperate in a group and take part in the projects aiming for a specific result.	
MSG1_K04	Students identify the banking products and services' risk, benefits and costs preparing to the analysis of bank performance and identifying the conditions, challenges and opportunities of changes.	
MSG1_K05	Students will gain the skills of critical analysis and comparison of data, agreements, notifications and other information in the financial operations concerning banking products. They are able to choose the product or service which is best fitted to their needs, knowing how to use them, and they consider the benefits and risks of them.	

Verification of learning outcomes - Attitudes

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG1_K01					X		X	X			
MSG1_K04					X		X	X			
MSG1_K05			X		X			X			

Course contents

1. Introduction to a subject. Assessment rules and learning outcomes of a course. Banking environment and trends. Risk

dimensions of a banking business. Differences between retail and investment banks. Business challenges for a banking sector. Internationalization of banks and a banking sector.

2. Banking systems in the world: the British-style universal banking system and its characteristics. Historical development of the banking system in the United States and in China. Banking sector and banking mystery in Switzerland. Implications of Brexit for the financial system.

3-4. Regulation of banks. Moral hazard and adverse selection. Asymmetry of information and financial regulation. Safety net in the banking systems. Mistakes that led to Baring Bank default. Basle standards and the problems of risk and liquidity. Capital requirements for banks. Stress test scenarios, capital adequacy and asset quality. Liquidity requirements. Systematically Important Financial Institutions and Global Systematically Important Banks. Too big to fail rule. Government rescue and orderly liquidation. Consumer protection.

5. Legal separation of the banking and other financial services industries. The arguments for and against separation. Integrated supervisory over the banking system. Problems of financial and prudential supervision. Banking supervisory in selected countries.

6. Mobile banking and innovations in banking services. Fintechs and tech fins. Bricks or clicks - the future of banks. Types of financial innovations. Responses to changes in demand and supply conditions. Financial innovation and growth of shadow banking system. Disintermediation in the financial sector.

7. Bank goals, strategy and governance. General goals in bank management. Operating risk. Bank governance structure. Participation of banks in the financial markets. Interest rate risk. Net interest margin. Gap analysis. Interest rate gap. Methods of managing interest rate risk in banks. Duration gap. Maturity matching.

8. Banking analysis and performance: liquidity and profitability. Banking financial statements and indicators. Evaluation of bank performance. Factors influencing performance measures.

9. Liquidity management. Asset management and liability management. The bank balance sheet. Commercial bank operations, Credibility assessment. Credit scoring. Credit risk management. Measuring credit risk. Trade-off between credit risk and return. Market risk management. Market risk measures. Settlement risk and exchange rate risk.

10-11. Business goals of the banks. Case study. Banking branch - a business plan.

12. Banking sector structure and competition. Consolidation in the banking sectors. Economies of scope. Concentration measures in the banking sector. Bank mergers.

13. The impact of the crisis for the changes in the banking sector. Banking systemic crises, NPL level and SIVs. Assessment of risk management. Flight to liquidity and the crisis of trust. Rating deterioration. Case study of Iceland.

14. Ethics and social aspects in banking. ESG in banking, green banking. Corporate social responsibility of banks.

15. The role of anti-money laundering money regulations (AML). KYC/AML processes in banking.

Recommended reading lists

Carstens A., *Money in the digital age: what role for central banks?*, Bank for International Settlements, February 2018, <https://www.bis.org/speeches/sp180206.htm>

Madura J., *Financial Institutions and Markets*, South Western, Cengage Learning, 9th Edition, part 6, chapters 17,18,19 and 20.

Markiewicz M., *Bank size as a source of competitive advantage of Chinese global systemically important banks*, Gdańskie Studia Azji Wschodniej, January 2020,

Mishkin F. C., *The Economics of Money, Banking and Financial Markets*, Pearson, 2022.

Neal L., White E. N., *The Glass-Steagall Act in historical perspective*, The quarterly review of economics and finance, Vol. 52.2012, 2, p. 104-113.

Additional articles / materials recommended by a teacher.

Contact

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* SS1- undergraduate studies * SS2 - graduate studies * SDang - doctoral studies

** MSG - International Economic Relations