

Course Syllabus

Course	Economics and Regulation of European Banking
Lecturer	Raoul Minetti, Professor of Economics and Adjunct Professor of Finance, Michigan State University. Senior Fellow, Luiss School of European Political Economy
Course Description	This course introduces students to the key issues of the European regulation on bank capital adequacy. We first look at the most recent changes in the regulation. We then study their implications for the impact of banks on the macroeconomy and for the design of macroprudential policies. We further study the different impact that the regulations have on various categories of banks, and the possible consequences for the future structure of European banking
Primary References and Additional Materials	References, TBA
Course Objectives	<ul style="list-style-type: none"> • To understand the recent evolution of European regulation with respect to bank capital adequacy • To analyse the consequences of the regulation for the economy at large and for the design of macroprudential policies • To understand the implications for different bank categories
Prerequisite(s)	Banking and financial regulation
Teaching Method(s)	Formal lectures and in-class discussions
Assessment Method(s) and Grading Policy	Students will write a short essay on a selected topic chosen among an array of topics proposed by the instructor. An informal requirement will be class participation: sharing questions and comments with the rest of the class.

EXTENDED COURSE PLAN & LECTURE-SPECIFIC REFERENCES		
<i>*Lecture Duration: 3/4 hours</i>		
Lecture 1 (3 hours)	<i>Topic</i>	The evolution of bank capital adequacy regulation From Basel II to Basel III. The evolution of bank capital regulation and the implications for European banks.
	<i>References</i>	TBA
Lecture 2 (3 hours)	<i>Topic</i>	Bank capital regulation, its macroeconomic impact, and the design of macroprudential policies Bank capital regulation in the business cycle. Capital buffers. Countercyclical and procyclical capital regulation. Macroprudential policies.
	<i>References</i>	TBA
Lecture 3 (4 hours)	<i>Topic</i>	The impact of the regulation on bank categories and on the structure of European banking Bank capital regulation in the cross-section. Impact of Basel III on different bank categories. The one-size-fits-all approach and comparative analysis of the European and U.S. approaches.
	<i>References</i>	TBA