

## The IER Seminar in Empirical Economics

We would like to invite you to the **Empirical Seminar** series organized by the Institute of Economic Research, Slovak Academy of Sciences, Šancová 56 that will be held in hybrid form (online and at the library of the Institute of Economic Research, Slovak Academy of Sciences). The seminar will take place on **April 10<sup>th</sup>, 2024 at 10.30 a.m. (CET)**.

The speaker will be **Michael Sigmund** (Oesterreichische Nationalbank, Austria).

The topic of the seminar is: ***Restoring Confidence in Systemically Important Banks: SSM Effects on Bank Performance***

**Author:** Michael Sigmund

### **Abstract**

Under the Single Supervisory Mechanism (SSM), introduced in 2014, the European Central Bank directly supervises over 110 major euro area banks. We examine the impact of SSM on profitability and risk-taking of these banks. We find positive direct SSM effects on return on assets and return on risk-weighted assets, indicating increased confidence in banks' soundness and risk management. The SSM also positively influences income and lending growth while reducing risk-taking. Overall, our results suggest that direct supervision by the ECB increased the stability of the European banking sector, offsetting higher supervisory costs with benefits in terms of profitability and risk taking.

The seminar will be co-chaired by Mária Širaňová.

**Link:** <https://teams.microsoft.com/l/meetup-join/19%3aN1DbFP4xWw8up59Qx5Y-CJmz8Q-Y4jniJZWjqs6Q9RA1%40thread.tacv2/1711545271148?context=%7b%22Tid%22%3a%2217c92093-1286-4bb4-b6ea-02f3119dd49c%22%2c%22Oid%22%3a%22dab7fd44-1715-4397-8059-4adfa112d04a%22%7d>