



EINLADUNG ZUR NÄCHSTEN VERANSTALTUNG DES POTSDAM RESEARCH SEMINAR IN ECONOMICS

Wir laden Sie herzlich zur nächsten Veranstaltung des Potsdam Research Seminar in Economics am **31.01.2017** ein.

Das Seminar findet von **14.00 bis 16.00 Uhr** (c.t.) in Raum **3.06.S 27** statt.

Referent:

Ulrich Eydam

Universität Potsdam

Thema des Vortrages:

**The Bank Recovery and Resolution Directive:
End of the Sovereign-Bank Doom Loop in the European Union?**

Abstract:

In this paper we examine the relationship between the default risk of banks and sovereigns, i.e. the 'doom-loop'. Specifically we try to assess the effectiveness of the implementation of the new recovery and resolution framework in the European Union. We use a panel with daily data on European banks and sovereigns ranging from 2012 to 2016 in order to test the effects of the BRRD on the two-way feedback process. We find that there was a pronounced feedback loop between banks and sovereigns from 2012 to 2014. However, this feedback loop seems to have disappeared after the implementation of the new regulatory framework. This finding is robust across several specifications.

Wir freuen uns auf Ihre Teilnahme.