



**University of
Zurich** ^{UZH}

The impact of stress test announcements on US banks.

Research topic: stress testing in banking.

Master Thesis

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Abstract

In our study we provide evidence that the Federal Reserve stress test disclosures produce information for both the stress tested and the non stress tested US based BHCs. Our measures go beyond the standard event study methodology, which cannot differentiate between small abnormal returns and large but opposite signed abnormal stock returns. The question that we are trying to answer is how the FED stress test disclosures affect the investors' assessments for the value of the treated BHCs, in relation to the non-treated ones. Our finding complements prior research by finding evidence that the DFAST and CCAR stress test disclosures in general do not affect the investors' assessments for the value of both the treated and non-treated BHCs.