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Nota di contenuto	1 Introduction -- 2 IFRS 9 and the Expected Credit Loss Model -- 3 Covid-19 and European Banks -- 4 Hypothesis Development -- 5 Descriptive Statistics -- 6 Research design and results -- 7 Conclusion.
Sommario/riassunto	This book examines the effect of Covid-19 on loan loss provisions (LLPs) and earnings management of European banks. Specifically, the author analyzes how the high flexibility offered by prudential authorities and standard setters in the context of Covid-19 affects banks' use of discretion when accounting for loan loss provisions. She finds that during Covid-19 banks use discretionary LLPs to a greater extent than before Covid-19. This trend is more evident for banks located in countries that have implemented strong containment measures as a response to the Covid-19 pandemic. Moreover, while banks tend to overstate LLPs at the beginning of the pandemic, they do, on average, understate them during 2021. Finally, examining the direction of earnings management the author finds that during Covid-19 banks use upward earnings management, whereas before Covid-19 they engage in downward earnings management. About the Author Merjona Lamaj is a research associate and PhD student at the Vienna

University of Economics and Business (WU) in Austria. Her research focuses on international accounting with main interest in financial and insurance companies.
