Streszczenie popularno-naukowe

A well-functioning financial sector is crucial for economic growth. Financial innovation has been shown to be an important contributor to the efficient functioning of financial institutions and markets (Myers and Majluf, 1984; Merton, 1992; Boot and Thakor, 1993; Allen and Gale, 1988; Grinblatt and Longstaff, 2000; Berger, 2003; Tirole, 2006; Houston et al., 2010; Laeven et al., 2015). However, the sub-prime crisis of 2008-2010 has shown that such development does not come without problems. One of the lessons learnt from the crisis is that innovation might also have significant drawbacks, which demonstrates the importance of careful and pre-mature monitoring of the financial sector to identify and assess potential risks, in order to prevent future crises. The impact of recent rapid technology adoption in the financial sector is powerful and far-reaching. Many significant developments take place today, from growing influence of FinTechs and BigTechs to introduction of cryptocurrencies and electronic payment technologies. This development has been changing the current financial landscape. Simultaneously, digital transformation gives rise to new forms of risk for banks and individuals, posing challenges for central banks and supervisory authority. Thus, the aim of the project is to collect unique qualitative and quantitative financial industry information in order to empirically evaluate how the on-going technological development affects the behavior of banks, profitability and their risk as well as SME lending. Our sample will include all stock listed and systemic important banks in the EU. **Our novel results will definitely provide an important contribution to academic literature. Moreover, they will also be of high importance for regulators, supervisors, politicians as well as the whole society.**