

The International Banking Library (IBL)

is a web-based platform for the exchange of research on cross-border banking. The IBL-Newsletter addresses researchers working on topics related to international banking, and provides the latest updates on new research and conferences in the field.

The second issue of 2018 features information on new evidence on the effectiveness and unintended consequences of macroprudential regulation.

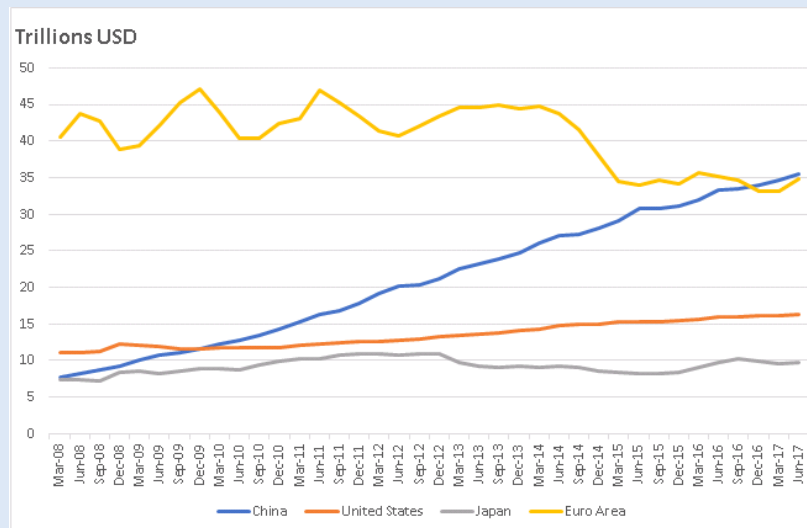
We are also happy to announce the new & updated version of our web-based platform www.bankinglibrary.com.

The increasing role of Chinese banks in global banking

Cerutti and Zhou (2018) report in a recent online article about the rapid expansion of Chinese banks both domestically and in terms of their cross-border operations. The analysis is based on a recent expansion of the BIS IBS database. While the domestic Chinese banking system became the largest banking sector worldwide in 2010, its cross-border assets have grown above domestic assets in the last years. The authors discuss to what extent this foreign expansion relates to outward FDI in contrast to trade connections.

Editors' Note: If you found this newsletter in your junk-mail folder, please [contact](#) us to give us the chance to resolve the problem.

Total bank assets for selected countries



Source: Eugenio M. Cerutti and Haonan Zhou (2018). The Chinese banking system: Much more than a domestic giant. VOX, CEPR's Policy Portal. Figure 1. URL: <https://voxeu.org/article/chinese-banking-system>

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Managing financial globalization: Insights from the recent literature**

Shang-Jin Wei

NBER Working Paper No. 24330

- **The international transmission of monetary policy**

Claudia M. Buch, Matthieu Bussiere, Linda Goldberg, and Robert Hills

NBER Working Paper No. 24454

- **Business models and dollar funding of global banks**

Iñaki Aldasoro, Torsten Ehlers and Egemen Eren

BIS Working Paper No. 708

Macprudential FX regulations: Shifting the snowbanks of FX vulnerability?

Toni Ahnert, Kristin Forbes, Christian Friedrich and Dennis Reinhardt

CEPR Discussion Paper No. 12766

- **Research Question:** Can macroprudential foreign exchange (FX) regulations targeting the banking sector reduce the macro vulnerabilities arising from FX debt exposure?
- **Data:** Information on FX regulation is retrieved from several datasets on macroprudential regulation. The sample covers 17 developed and 31 emerging countries. Data from the BIS International Banking Statistics are used to trace adjustments in cross-border capital flows.
- **Main findings:** FX regulation is effective in reducing banks' FX funding exposure and their sensitivity to exchange rate variation. However, the non-bank sector tends to increase its FX debt issuance and thus its exposure to exchange rate variation. This latter effect is discussed as an unintended consequence of macroprudential FX regulation.

Articles and Posts

Latest Updates

- **A new metric for exchange market pressures**

Linda Goldberg and Signe Krogstrup suggest a new metric to analyze the impact of global financial factors on capital flows by taking into account countries' different exchange rate regimes.

- **BIS reports the end-2017 data on global liquidity indicators**

Recently released data on the BIS global liquidity indicators show that foreign currency credit denominated in USD grew by 8.2% in 2017 (compared to a growth rate of 5.5% in 2016), against the backdrop of a period of USD depreciation. The BIS highlights the striking increase in international debt securities issued by non-banks in EMEs, which increased by 22% in the second half of 2017.

- **Report on the adoption of the Basel regulatory framework**

The Basel Committee has published a progress report on countries' adoption of the Basel regulatory framework. The report provides an updated overview as of March 2018 of the implementation of Basel III standards worldwide.

Research Agenda

Forthcoming Conferences

- **19th Jacques Polak Annual Research Conference on “International Spillovers and Cooperation”**

Washington DC, November 1-2, 2018

IMF

Deadline CfP: **June 1, 2018**

- **18th FDIC Annual Fall Research Conference**

Arlington, Virginia, September 6-7, 2018

FDIC's Center for Financial Research and JFSR

Deadline CfP: **June 14, 2018**

- **Banking, Credit and Macroprudential Policy: What can we learn from Micro Data?**

Dublin, Ireland, December 3, 2018

Central Bank of Ireland and IBEFA

Deadline CfP: **August 28, 2018**