

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.

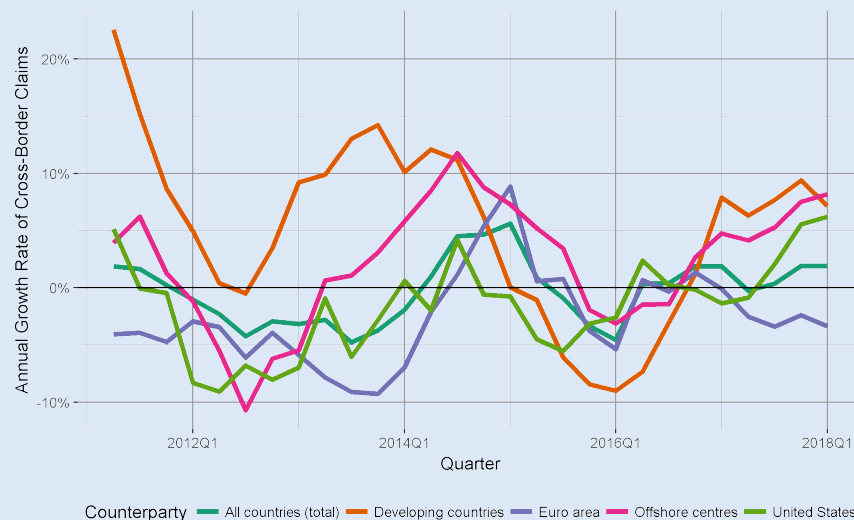
The third issue of 2018 features information on the latest developments in cross-border bank claims, lending behavior of foreign versus domestic banks following the financial crisis, updated macro-prudential data and innovative technologies employed in banking supervision.

BIS international banking statistics 2018

The latest update of the BIS international banking statistics reveals an increase in cross-border bank claims on all regions except for the Euro Area resulting in a 2% year-on-year growth rate in total. Cross-border credit to emerging market economies grew by 7% compared to last year and cross-border credit to non-bank financial firms rose by 8%. The graph on the right depicts the evolution of cross-border credit to selected country groups.

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Cross-border bank claims on selected country groups



Source: BIS international banking statistics at end-March 2018, BIS locational banking statistics (Table A1).

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Bank Resolution and the Structure of Global Banks**

Patrick Bolton and Martin Oehmke
NBER Working Paper No. 24737

- **Foreign Currency Bank Funding and Global Factors**

Signe Krogstrup and Cédric Tille
CEPR Working Paper 12933

- **International Currencies and Capital Allocation**

Matteo Maggiori, Brent Neiman and Jesse Schreger
NBER Working Paper 24673

Who Pays for Financial Crises? Price and Quantity Rationing of Different Borrowers by Domestic and Foreign Banks

Allen N. Berger, Tanakorn Makaew and Rima Turk-Ariss
IMF Working Paper No. 18/158

- **Research Question:** Do foreign and domestic banks differ in their change in lending behavior following the financial crisis? Do public and private borrowers differ in their constraints due to banks' post-crisis lending behavior?
- **Data:** Loan data from DealScan merged with bank data from BankScope and Classens and Van Horen (2014), borrower fundamentals from Orbis and listing status from Osiris, encompasses 2004-2011 annual data from 50 countries.
- **Main findings:** The **effects** on loan quantities and prices heavily **depend on** the combination of **borrower and bank types**: Publicly listed firms experienced an increase in lending quantities, but also an increase in interest rate spreads. Private borrowers experienced substantial rationing, but a very small price increase. Foreign banks reduced lending quantities by more, but increased loan prices by less than domestic banks.

Articles and Posts

Latest Updates

- **New financial technology for banking supervision**

The BIS report on early usage of innovative technology in financial supervision (suptech) suggests an increase in effectiveness, cost reduction and increased capabilities due to the employment of such technologies.

- **Warning of potential flaws in 2016 EBA stress tests**

This VoxEU column argues that the involvement of banks' own stress models in the EBA stress tests might have helped hiding banks' risks and shaped the results in some banks' favour.

- **ESRB updated database of macroprudential measures**

The European Systemic Risk Board released an updated version of its overview of national measures of macro-prudential interest. The overview covers various capital buffers, reciprocation measures, as well as other measures including leverage ratios, liquidity ratios, loss-given-default, risk weights, and stress test results.

Research Agenda

Forthcoming Conferences

- **7th International Conference on Complex Networks and Their Applications**

Cambridge, United Kingdom, December 11-13, 2018
University of Cambridge
Deadline CfP: **September 4, 2018**

- **Conference on the Interconnectedness of Financial Systems**

Washington DC, United States, March 7-8, 2019
Federal Reserve Board, Washington DC
Deadline CfP: **October 15, 2018**

- **12th Swiss Winter Conference on Financial Intermediation**

Lenzerheide, Switzerland, March 31-April 3, 2019
CESifo, University of St. Gallen, BIS, University of Zurich, SFI, KU Leuven and CEPR
Deadline CfP: **October 15, 2018**