

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.

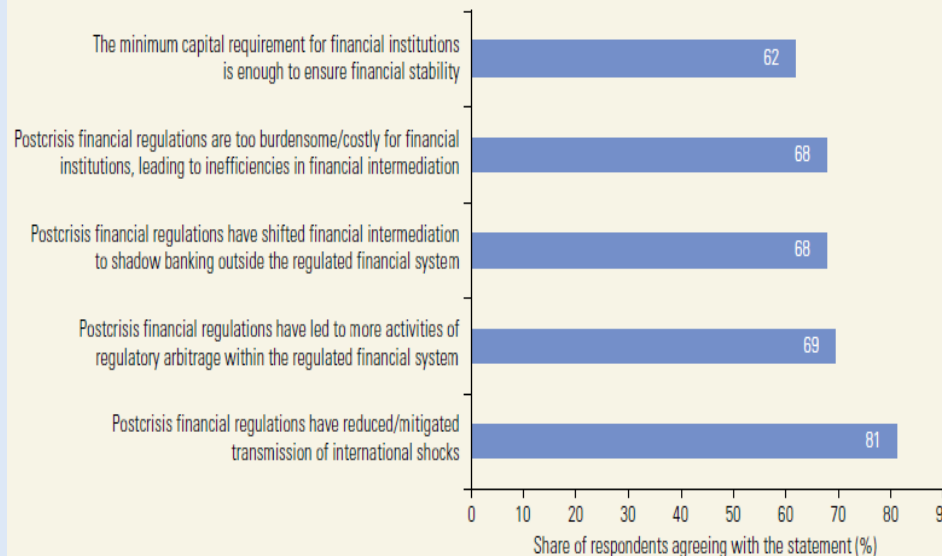
The first issue of 2020 features information about financial regulation after the crisis and its effect on bank risk-taking.

Global Financial Development Report 2019/2020

The World Bank's "Report on Global Financial Development: Bank Regulation and Supervision a Decade after the Financial Crisis" analyzes implemented regulatory efforts to stabilize the international financial system. It investigates the interaction between developing countries' and high income countries' supervisory frameworks and how bank capital regulation can be designed to improve financial stability. The right hand side graph illustrates survey results of regulators and practitioners on their assessment of postcrisis regulations (see also Anginer et al. (2019) for an update of the Bank Regulation and Supervision Survey (BRSS)).

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

FIGURE B0.3.1 Views on Postcrisis Regulations



Source: Financial Development Barometer, 2017–18 (database, World Bank).

Source: World Bank (2019).
Global Financial Development Report 2019/2020.

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Too many Voters to Fail: Influencing and Political Bargaining for Bailouts**

Linda Marlene Schilling
CEPR Discussion Paper 14243

- **Why is the Euro Punching below its Weight**

Ethan Ilzetzki, Carmen M. Reinhart, Kenneth Rogoff
CEPR Discussion Paper 14315

- **Countercyclical Capital Buffers: A Cautionary Tale**

Christoffer Koch, Gary Richardson, Patrick Van Horn
NBER Working Paper 26710

Banking Supervision, Monetary Policy and Risk-Taking: Big Data Evidence from 15 Credit Registers

Carlo Altavilla, Miguel Boucinha, Jose-Luis Peydro, Frank Smets
CEPR Working Paper 14288

- **Research Questions:** How does supranational versus national banking supervision affect banks' risk attitudes in supplying credit? Which types of banks drive the results? How do monetary policy and supranational supervision interact in driving bank risk-taking?
- **Data:** The data combines the information of 15 credit registers from both euro and non-euro areas. Bi-annual observations from 2012 to 2017 on loan contracts result in a total of 280 million observations.
- **Main findings:** Banks supervised on a supranational level reduce credit supply to more risky borrowers but raise lending to stronger firms. This effect is found to be driven by higher quality supervisors rather than by new regulatory incentives. Also, enhanced supervision offsets excessive risk-taking by banks induced by accommodative monetary policy.

Articles and Posts

Latest Updates

- **World Bank Global Economic Prospects**
The World Bank projects global GDP growth to be around 2.5 percent in 2020. Trade tensions, among other factors, drag on economic activities by introducing uncertainty. Emerging markets' productivity growth has slowed down, despite massive accumulations of debt.
- **Stress Tests can Limit the International Spillovers of Accommodative Monetary Policy**
This VoxEU article shows that domestic regulation of advanced economies can impact the spillover of monetary policy to emerging markets. Results suggest that only banks that performed well in the Fed's stress test expand emerging market lending when monetary policy eases.
- **The Green Swan**
This BIS review investigates the main challenges central banks face when addressing climate change risks. It argues that established risk models could be insufficient to accurately represent climate risks. Moreover, climate-related physical and transition risks could lead to financial stress.

Research Agenda

Forthcoming Conferences

- **Structural Changes in the Financial System: New Theory and Evidence**
Copenhagen, Denmark, August 20-21, 2020
Denmark's Nationalbank
Deadline CfP: **February 28, 2020**
- **Financial Innovation: Implications for Competition, Regulation, and Monetary Policy**
Basel, Switzerland, September 24-25, 2020
Bank for International Settlements, Bank of England, CEPR
Deadline CfP: **March 31, 2020**
- **6th IWH-FIN-FIRE Workshop on "Challenges to Financial Stability"**
Halle (Salle), Germany, August 17-18, 2020
Halle Institute for Economic Research (IWH)
Deadline CfP: **April 26, 2020**