

The International Banking Library (IBL)

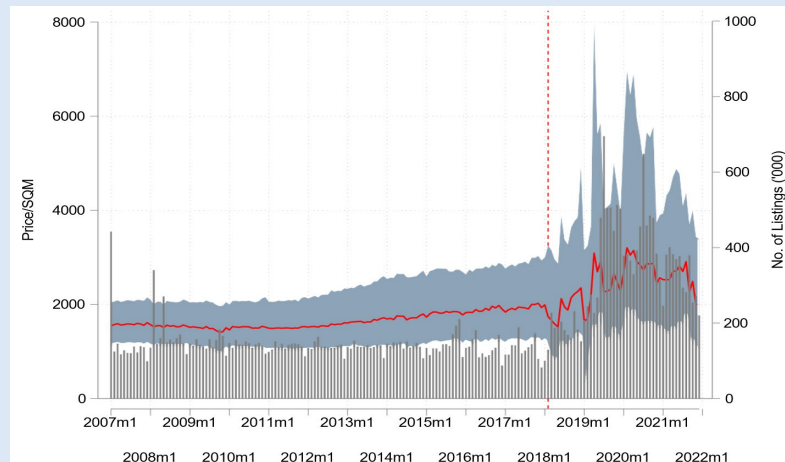
is a web-based platform for the exchange of research on cross-border banking. The IBL-Newsletter addresses researchers working on topics related to international banking, and provides the latest updates on new research and conferences in the field. The first issue of 2023 comes with new data related to the European real estate sector and empirical evidence on the change in lending standards in emerging markets during periods of high capital inflows.

European Real Estate Index (EREI)

Real estate markets are pivotal to financial stability given their dual role as the underlying asset of mortgage loans and asset-backed securities and the primary source of household wealth. However, detailed data about the developments in Europe's regional real estate market is scarce. The [IWH European Real Estate Index \(EREI\)](#) fills this gap by collecting data about residential properties through automated data collection techniques to gather monthly quotes on purchase prices, rents, and the number and type of listings from 17 European countries. The data is harmonized in an automated fashion resulting in a comprehensive price, rent, and market liquidity indicator available for researchers upon request.

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

Median Prices per Square Meter across Europe



Source: IWH Technical Reports No 3, 2022, European Real Estate Prices

Notes: The figure shows developments of prices for sales per square meter across all countries in our sample. The red line shows median values, whereas the blue-shaded area indicates the range between the 25th and 75th percentile. The gray bars indicate the number of listings.

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Financial Integration through Production Networks**

Indraneel Chakraborty, Saketh Chityala, Apoorva Javadekar, Rodney Ramcharan
Available on SSRN

- **Basel III Credit-to-GDP Gaps and the Origins of Their Unreliability: Introducing Historical Reliability Bands**

Josefine Quast
Available on SSRN

- **Cultural Stereotypes of Multinational Banks**

Barry Eichengreen, Orkun Saka
CESifo Working Paper No. 10123

How capital inflows translate into new bank lending: tracing the mechanism in Latin America

Carlos Cantú, Catherine Casanova, Rodrigo Alfaro, Fernando Chertman, Gerald Cisneros, Toni dos Santos, Roberto Lobato, Calixto López, Facundo Luna, David Moreno, Miguel Sarmiento and Rafael Nivin | BIS Working Paper No. 1051

- **Research Question:** How do local lending standards change in emerging market economies during periods of high capital inflows?
- **Data:** Loan and country-level data; based on credit registry data from Brazil, Chile, Colombia, Mexico and Peru
- **Main Findings:** The paper conducts a meta-analysis based on the findings derived from credit registry data of five Latin American countries. The findings reveal that banks with weak balance sheets generally tend to loosen their lending standards following high capital inflows. Weak banks typically exhibit higher credit growth and charge a lower premium to their borrowers compared to periods without capital inflow surges. Despite some country-level differences, the general conclusions on the effect of capital waves for lending standards remain the same.

- **Leveraged: The New Economics of Debt and Financial Fragility**

Similar to the 2008 financial crisis, the Covid-19 pandemic has highlighted the fragility of the financial system and the need for government and/ or central bank interventions in case of systemic distress. The book titled “Leveraged: The New Economics of Debt and Financial Fragility” and edited by Moritz Schularick is a compilation of essays written by leading scholars to take stock of what we have learned about the costs and causes of financial fragility.

- **ECB Sets Deadlines for Banks to Deal with Climate Risks**

The ECB has set staggering deadlines for banks to progressively meet all the supervisory expectations around identifying and managing climate and environmental risks. Notably, the ECB’s thematic review revealed that banks are not adequately dealing with climate and environmental risks as laid out in the ECB’s Guide on climate-related and environmental risks published in 2020.

- **The Global Capital Allocation Project**

This project by Matteo Maggiori, Brent Neiman & Jesse Schreger is a website that provides a number of tools including summary data around global capital markets. Given the growing scale and continuing shifts in cross-border financial linkages, the website documents and helps researchers better understand the drivers of global capital allocation.

- **LUISS Finance Workshop**

Rome, Italy | May 11 - 12, 2023
Luiss Guido Carli University/CEPR
CfP deadline: February 10, 2023

- **Women in Macroeconomics, Finance, and Economic History Workshop**

Berlin, Germany | May 3 - 4, 2023
German Institute for Economic Research
CfP deadline: February 19, 2023

- **Oxford Saïd – Risk Center at ETH Zürich Macro-finance conference 2023**

Oxford, UK | June 30 - July 1, 2023
Risk Center at ETH Zürich/Saïd Business School,
University of Oxford
CfP deadline: March 1, 2023