

The International Banking Library (IBL)

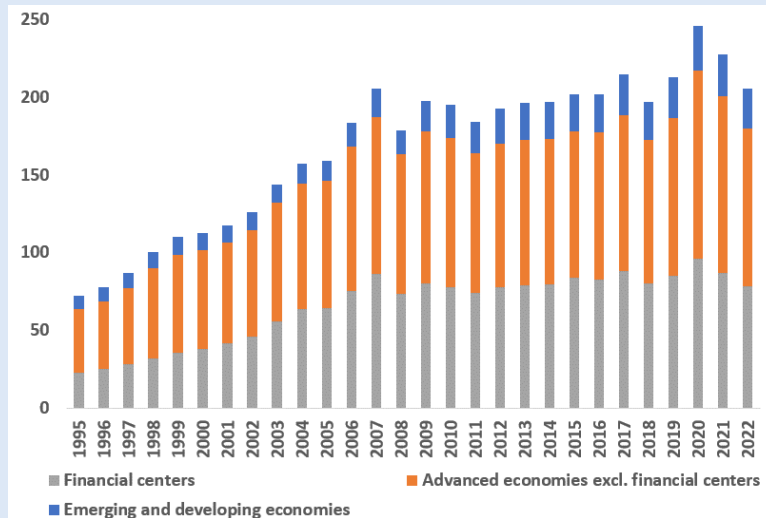
is a web-based platform for the exchange of research on cross-border banking. The IBL-Newsletter addresses researchers working on topics related to international banking and provides the latest updates on new research and conferences in the field. The first issue of 2024 presents multiple papers covering advantages of local bank supervision and monetary policy developments over the past two decades. The Editor's Pick focuses on the analysis of differences in deposit-pricing behavior by large and small banks.

Is there Evidence for a Decline in Global Cross-Border Holdings in 2022?

The figure illustrates the decline in global cross-border liabilities as a share of world GDP. Countries categorized into three groups – financial centers, advanced economies, and emerging & developing economies – experienced a common decline in 2022. Three main factors triggered this downturn: declining asset price values, global inflation and thus increased values of nominal GDP in the denominator of the depicted ratio, and weak financial flows due to e.g. geopolitical risks. The graph is based on the updated External Wealth of Nations database.

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World External Liabilities (percent of world GDP)



Source: Gian Maria Milesi-Ferretti, "The decline in global cross-border holdings in 2022: Declining asset prices, weak financial flows"

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Local Bank Supervision**

Di Gong, Thomas Lambert, Wolf Wagner
CEPR Discussion Paper No. 18571

- **Central Banking in the Americas: Lessons from Two Decades**

BIS Representative Office for the Americas
BIS Papers No. 143

- **Monetary Tightening, Commercial Real Estate Distress, and US Bank Fragility**

Erica Xuwei Jiang, Gregor Matvos, Tomasz Piskorski, Amit Seru
NBER Working Paper No. 31970

The Deposit Business at Large vs. Small Banks

Adrien d'Avernas, Andrea L. Eisfeldt, Can Huang, Richard Stanton, Nancy Wallace
NBER Working Paper No. 31865

- **Research Question:** What factors drive the variation in deposit-pricing behavior between large and small banks?
- **Data:** The analysis relies on two primary datasets to retrieve information on deposit rates. RateWatch Data is used to obtain branch-level deposit rates and Bank Call Reports contain information on bank-level deposit rates.
- **Main Findings:** The study highlights the differences in deposit business models of large and small banks, which are argued to be primarily attributed to variances in customer preferences and technologies rather than market power. Large banks provide superior liquidity services but offer lower deposit rates compared to smaller banks. This contrast extends to their asset and liability structures, with large banks holding complex financial assets and small banks focusing more on agriculture loans and highly liquid assets.

- **A Journal Ranking Based on Central Bank Citations**

The article by Auer, Cornelli and Zimmermann discusses how economic policy is shaped by research and which academic journals are particularly influential for central banks and international financial institutions. The paper introduces a ranking methodology prioritizing citations which appear in central bank publications. Journals with a focus on central bank related topics are more likely to show up in top positions compared to, for example, econometrics related journals.

- **Empirical Financial Intermediation (EFI) Network**

The EFI Network is an initiative focused on encouraging collaboration and discussion among researchers interested in empirical financial intermediation. The network organizes small workshops that bring together researchers with varying levels of experience to discuss high-quality papers.

- **EU Banks' Liquidity Coverage Ratio Declined but Remains Well Above the Minimum Requirement**

The European Banking Authority's published a report monitoring and evaluating the liquidity coverage requirements in the EU. The findings indicate fluctuations in the components of the liquidity coverage ratio (LCR) driven by changes in bank funding and central bank liquidity.

- **4th Workshop for Women in Macroeconomics, Finance, and Economic History**

Berlin, Germany | May 2-3, 2024
DIW Berlin
CfP deadline: February 19, 2024

- **Oxford Saïd - VU SBE Macro-Finance Conference**

Oxford, United Kingdom | June 20-21, 2024
Saïd Business School
CfP deadline: March 6, 2024

- **Conference on Finance, Labor and Inequality**

Capri, Italy | June 20-21, 2024
Centre for Studies in Economics and Finance
CfP deadline: March 18, 2024