International Banking Library
Hosted by the Halle Institute for Economic Research

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IWH - Halle Institute for Economic Research

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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 **43rd issue** of the newsletter addresses issues around banking regulation and supervision, presenting new data on political independence of regulators and supervisors, along with insights into the concept of "simplification without deregulation" to meet future challenges in the banking sector. Additionally, a new study investigates how macroeconomic expectations of banks' affect their credit supply.

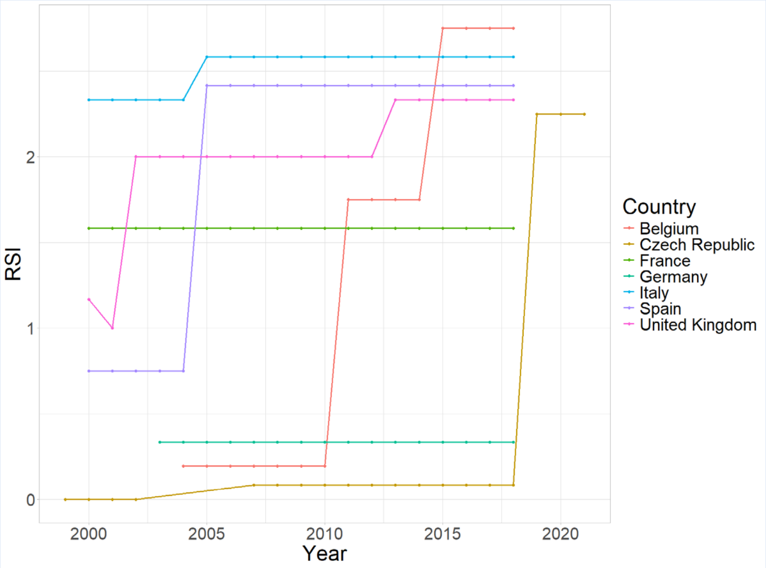
Regulatory and Supervisory Independence Index

The graph on the right shows the development of regulatory and supervisory independence for selected European countries based on the RSI dataset compiled by Fraccaroli, Sowerbutts and Whitworth. The graph indicates stable or increasing independence from 2000 onwards. The data is available for 98 countries from 1999 to 2019. The index measures the statutory independence of supervisors and regulators based on three aspects: institutional, regulatory, and budgetary. In their accompanying study the authors find that greater regulatory and supervisory independence is associated with improved financial stability.

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

Regulatory and Supervisory Independence

Development over time for selected European Countries



Source: Own illustration based on data provided by Fraccaroli et al. (2025).

At the Research Frontier

What's new in international banking?

- **Monetary Policy Transmission, Bank Market Power, and Income Source**
  Gödl-Hanisch, I and J Pandolfo (2025), CEPR Discussion Paper No. 20180.

- **Fragile Financing? How Corporate Reliance on Shadow Banking Affects their Access to Bank Liquidity**
  Acharya, V, M Gopal and S Steffen (2025), CEPR Discussion Paper No. 20179.

- **DeFiying gravity? An empirical analysis of cross-border Bitcoin, Ether and stablecoin flows**
  Auer, R, U Lewrick and J Paulick (2025), BIS Working Papers No. 1265.

Quarterly Selected Study

The Editors' Pick

Global Banks' Macroeconomic Expectations and Credit Supply

Xiang Li and Steven Ongena (2025), CEPR Discussion Paper No. 20342.

- **Research Question**: How do global banks' macroeconomic expectations for borrower countries influence their credit supply?

- **Data:** The study uses monthly observations of global banks' macroeconomic expectations from a novel dataset and combines them with syndicated loan data and balance sheet information of the banks. The final data set covers the period from 1993 to 2022 and includes loan-level data from 70 global banks lending to 5,209 borrowers across 17 countries.

- **Main Findings:** The authors find that banks with more optimistic GDP growth expectations for a borrower country supply more credit. Specifically, they find that a one standard deviation increase in growth expectations raises the bank's loan share by 8.46 percentage points (roughly $75.35 million on average). In contrast, they find no evidence for a significant impact of short-term inflation expectations on credit supply.

Articles and Posts

Latest Updates

- **Simplification without deregulation: European supervision, regulation and reporting in a changing environment**

  In her speech at the Goldman Sachs European Financials Conference 2025, Claudia Buch, Chair of the ECB Supervisory Board, discusses the challenges posed by today's rapidly evolving banking environment and advocates for simplification, without weakening regulation or supervision at the expense of resilience.

- **Retail investors in private credit**

  In this BIS Bulletin, Iñaki Aldasoro, Sebastian Doerr, and Karamfil Todorov describe that private credit is becoming more accessible to retail investors through vehicles like business development companies and new private credit ETFs. They argue that this development could lead to more transparency in the market, as well as drive secondary market development, which could erode the benefits of private credit as an asset class.

- **Reserves and Where to Find Them**

  In this Blog post for Liberty Street Economics Gara Afonso, Marco Cipriani, JC Martinez, and Matthew Plosser highlight the limited availability of information on reserve holdings of individual banks. They show how non-confidential data can be used to help examine the type of reserves banks hold, their concentration, and distribution.

Research Agenda

Forthcoming Conferences

- **The Sydney Banking and Financial Stability Conference (SBFC)**

  Sydney, Australia | December 15-16, 2025
  University of Sydney Business School
  CfP deadline: August 31, 2025

- **6th Conference on Contemporary Issues in Banking**

  St Andrews, UK| December 10-11, 2025
  Centre for Responsible Banking & Finance
  CfP deadline: September 8, 2025

- **JIE – GCAP – BGS Conference on Geoeconomics**

  Stanford, US | February 27-28, 2026
  Global Capital Allocation Project | Stanford Business, Government, & Society Initiative
  CfP deadline: September 15, 2025

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