

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 **44th issue** of the newsletter teams up with [FYI - Insights for Young Researchers in Finance](#) to showcase promising job market papers in a special edition of “At the Research Frontier”. Additionally, the newsletter addresses systemic risks from non-bank financial institutions, the role of intermediaries in capital flows, and the link between financial literacy and trust in deposit guarantees. We further present data on investor risk taking behavior and insights into the BIS debt securities statistics.

Risk-On Risk-Off Index

The graph on the right shows global investor risk taking behavior based on the [Risk-On Risk-Off Index](#) compiled by Anusha Chari, Karlye Dilts Stedman, and Christian Lundblad over time. The index uses daily data from asset markets in the United States and the Euro Area to measure the variation in global investors’ risk appetites from 2003 to 2025. It is based on four broad categories reflecting variation in advanced economy credit risk, equity market volatility, funding conditions, and currencies and gold. The measure is further explored in the authors’ [accompanying paper](#).

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Risk-On Risk-Off Index over Time

Cumulative Sum of Daily Shocks



Source: Own illustration based on data provided by Chari et al. (2024).

At the Research Frontier

What's new in international banking?

Job Market Special Edition

in collaboration with FYI - Insights for Young Researchers in Finance

Transmission of Negative Interest Rates: Reversal or Amplification?

Jan Lukas Schäfer – CEMFI

- **Summary:** How do negative monetary policy rates affect bank lending when deposit rates cannot fall below zero? The paper develops a dynamic model calibrated to Germany showing how this "deposit zero lower bound" shapes loan pricing and financial stability.
- **Main Findings:** When policy rates turn negative, but deposit rates stay at zero, well-capitalized banks lower loan rates and expand credit. Consequently, negative monetary policy rates stimulate the economy beyond conventional policy but only if enough banks in the financial system are not capital constrained.

Wrong Buffer? Liquidity Requirements and Bank Fragility in the Pre-Capital Regulation Era

Sameedh Sharma - King's College London

- **Summary:** Do liquidity requirements strengthen or weaken banks in times when capital regulation is absent? The paper uses Indian bank data to estimate effects of unexpected changes in liquidity regulation on banks' default risk.
- **Main Findings:** Higher liquidity requirements increase fragility by reducing bank profitability. A one pp rise in the minimum Statutory Liquidity Ratio cuts Z-scores by about 27% over five years. Holding low-yielding securities compresses margins and slows capital growth. Undercapitalized banks adjust more aggressively toward liquid assets.

Private Listings and Their Consequences for Startups: Evidence from Private Secondary Markets

Luiz Bissoto - EPFL and Swiss Finance Institute

- **Summary:** How do private equity trading platforms affect startup financing? Using new firm-level data on US venture-backed startups, the study examines why firms decide for private listing, and how it influences funding and growth.
- **Main Findings:** Privately listed startups face significantly higher fundraising uncertainty and declining share prices post-listing. However, when fundraising does succeed, they experience sharper price gains than unlisted peers, especially in favorable markets. This reveals a risk-return trade-off driven by price discovery.

- **When NBFIs become systemic: lessons for emerging and advanced economies**

In this SUERF Policy Brief C. Müller, M. Ossandon Busch, M. Sarmiento and F. Pinzon-Puerto examine how redemption shocks in investment funds can transmit to bank lending conditions through the withdrawal of wholesale deposits.

- **International finance through the lens of BIS statistics: bond markets, domestic and international**

This BIS Quarterly Review, by T. Chan, G. von Peter and P. Wooldridge provides an overview of how the BIS debt securities statistics can be used to examine the size and structure of bond financing, including its sectoral and currency composition.

- **Financial intermediaries and pressures on international capital flows**

In this Blog post for Liberty Street Economics L.S. Goldberg and S. Hirschhorn show that the features of financial institutions in the source countries for international capital influence how destination countries experience currency pressures when risk conditions change.

- **Bank run and financial literacy: assessing trust in deposit guarantee schemes from a third mission perspective. Evidence from Italy**

This paper by P. Murè, S. Giorgio and A. Crisafulli shows that increased knowledge and awareness regarding Deposit Guarantee Schemes could help mitigate the risk of bank runs.

- **BIS-CEPR-Gerzensee-SFI Conference on Financial Intermediation**

Gerzensee, Switzerland | May 10-13, 2026
BIS, CEPR, Study Center Gerzensee & Swiss Finance Institute

CfP deadline: November 21, 2025

- **Joint BIS, BoE, ECB and IMF Spillover Conference 2026**

Washington D.C., US | April 28-29, 2026
BoE, BIS, ECB & IMF

CfP deadline: November 30, 2025

- **The 2026 Federal Reserve Financial and Monetary History Conference**

New York, US | May 6-7, 2026
Federal Reserve Bank of New York
CfP deadline: January 15, 2026