

The International Banking Library (IBL)

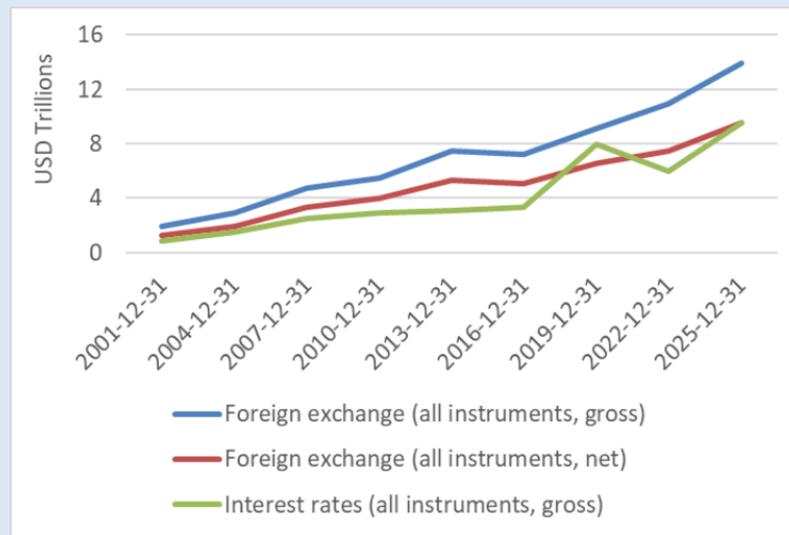
is a web-based platform for the exchange of research on cross-border banking. The IBL Newsletter addresses researchers working on topics related to international banking and provides the latest updates on new research and conferences in the field. The **45th issue** of the newsletter presents new research on bank capital losses during crises and regulatory risk tolerance next to new findings on households' and banks' assessment of deposits.

Triennial Central Bank Survey of foreign exchange and over-the-counter (OTC) derivatives markets

The graph on the right shows turnover in global foreign exchange and OTC derivatives markets in millions of USD. The data trends are further explored in the BIS report on [FX](#) and [interest rate derivatives](#) as of September 2025. Trading in OTC FX markets reached USD 9.6 trillion per day on a net-net basis showing an upward trend. FX swaps are the main instruments traded. Global FX markets continue to be dominated by the US dollar, while most of the FX trading happens in four main jurisdictions (United Kingdom, the United States, Singapore and Hong Kong SAR). Interest rate derivatives show an upward trend with overnight index swaps being the most traded instrument and a high share of contracts being denominated in Euro.

Editors' Note: Comments and suggestions are welcome! [Bankinglibrary.com](#) is supported by the Halle Institute for Economic Research and Leipzig University.

Global foreign exchange and OTC derivatives markets, turnover notional amounts



Source: Own illustration based on data provided by the Bank for International Settlements (2026), [Triennial Survey](#).

At the Research Frontier

What's new in international banking?

Quarterly Selected Study The Editors' Pick

- **Why Care About Debt-to-GDP?**

J. B. Berk, J. H. van Binsbergen (2026), NBER Working Paper 34629.

- **Household borrowing and monetary policy transmission: post-pandemic insights from nine European credit registers**

Challenges for Monetary Policy Transmission in a Changing World Network (2025), ECB Working Paper Series No 3146.

- **Banks' regulatory risk tolerance**

M. Juselius, A. Ponte Marques and N. Tarashev (2025), BIS Working Papers No 1287.

Permanent Capital Losses after Banking Crises

M. Baron, L. Laeven, J. Pénasse and Y. Usenko (2026), *The Quarterly Journal of Economics*, 141(1).

- **Research Question:** What are the drivers of bank losses across the history of banking crises? What is the role of government interventions in restoring bank capitalization?
- **Data:** The authors construct new historical datasets on stock returns, bank losses, and banking crisis interventions across 46 economies since 1870 by building on and extending existing data sources related to banking crises, government interventions and bank balance sheets.
- **Main Findings:** When analyzing whether banking crises are temporary or permanent shocks to bank value, a key finding is that large declines in bank equity primarily reflect permanent and earnings-driven losses for the banking sector. These permanent losses can be explained by a deterioration in asset quality. Hence, it is rather a sluggish write-down of non-performing loans compared to immediate realized losses due to fire sales driving the long-term effects of banking crises. Policy interventions have limited impact in preventing under-capitalization in the banking sector.

- **The hidden maturity of non-maturing deposits: How banks model it**

In this SUERF Policy Brief L. Coulier, C. Pancaro, L. Pancotto and A. Reghezza discuss how banks consider the behavioural maturity of non-maturing deposits (NMDs). Results suggest that banks' internal models assign only 20% of NMDs to have zero maturity.

- **Governing Council proposes simplification of EU banking rules**

The High-Level Task Force of the ECB's Governing Council recommends changes to bank supervision and regulation in order to reduce complexity. An in-depth analysis of these recommendations by the Economic Governance and EMU Scrutiny Unit of the European Parliament can be found [here](#).

- **Households' inaction in the deposit market**

In this VOXEU column, F. Cirelli and A. Olafsson evaluate based on data for Iceland how depositors responded to increasing interest rates. They find that even when equally safe assets are available, the average household does not reallocate low-yield deposits.

- **Balance Sheets and Income Statements of Commercial Banks: 1959 to 2025**

A consistent dataset on balance sheet and income statements for U.S. commercial banks is provided by S. A. Correia, S. Luck and E. Verner.

- **13th Corporate Finance Theory Symposium 2026**

Cambridge, UK | September 15-16, 2026
CfP deadline: February 25, 2026

- **Edinburgh Financial Technology Conference**

Edinburgh, UK | September 2-3, 2026
CfP deadline: March 26, 2026

- **IBEFAs Annual Meeting at the 2027 ASSA Conference**

Washington DC, US | January 03-05, 2027
CfP deadline: March 30, 2026

- **Research in Behavioral Finance Conference**

Amsterdam, NL | September 18-19, 2026
CfP deadline: May 31, 2026