

The International Banking Library (IBL)

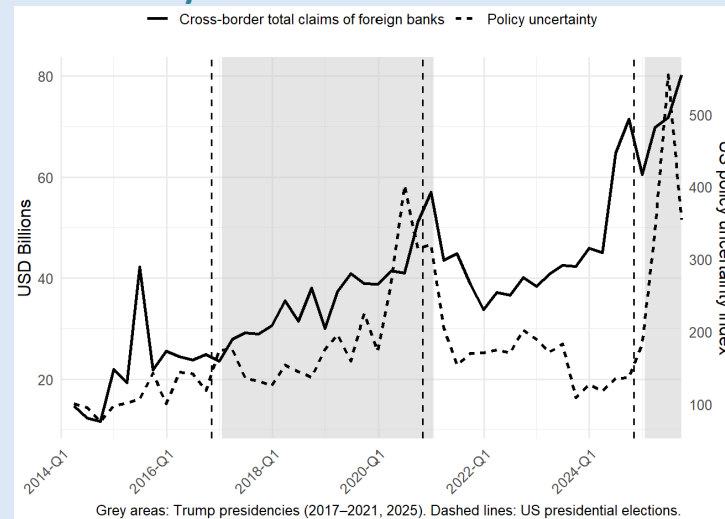
is a web-based platform for the exchange of research on cross-border banking. The IBL-Newsletter addresses researchers working on topics related to international banking and provides the latest updates on new research and conferences in the field. The **46th issue** of the newsletter presents new research on cross-border lending in the context of geopolitical risk and uncertainty.

Cross-Border Bank Lending to US Non-Bank Financial Institutions During Uncertain Times

The chart illustrates the evolution of cross-border claims of banks with headquarters in all countries vis-à-vis US residents in the counterpart category non-bank financial institutions (solid line, left axis), alongside the US Economic Policy Uncertainty Index (dashed line, right axis). Despite shorter-term fluctuations, cross-border bank claims on non-bank financial institutions show an upward trend (similar to banks' cross-border claims on all counterpart sectors), suggesting that the US remains an attractive destination for foreign bank lending. US presidential elections are marked by vertical dashed lines and the initial decline in cross-border bank lending to non-banks following the recent presidential election was not long-lasting.

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

Cross-Border Claims of Banks on US Non-Bank Financial Institutions & Economic Policy Uncertainty



Source: Own illustration based on data provided by the [Bank for International Settlements \(2026\)](#) and [Economic Policy Uncertainty \(2026\)](#).

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **How CCyBs travel – Internal capital markets & domestic borrowing**

Björn Imbierowicz, Axel Loeffler, Steven Ongena and Ursula Vogel (2026), Bundesbank Discussion Paper No. 12/2026.

- **When the Spare Tyre Goes Flat: Monetary Policy Transmission through Non-Banks**

Roman Goncharenko and Elizaveta Lukmanova (2026), Central Bank of Ireland Research Paper Series No. 2.

- **Drivers of Dollar Share in Foreign Exchange Reserves**

Linda S. Goldberg and Oliver Hannaoui (2026), NBER Working Paper 34888.

Geopolitical risk and cross-border bank lending

Dennis Reinhardt, Julian Reynolds and Rhiannon Sowerbutts (2025), *Bank of England Staff Working Paper No. 1,164*.

- **Research Question:** How does geopolitical risk affect cross-border bank lending?
- **Data:** The analysis covers the period 2015Q1 to 2024Q4 and draws on large exposures data developed by Covi et al. (2022) to capture UK banks cross-border lending to any counterpart located worldwide. For their proxy measure of geopolitical risk, the authors use a text-based approach based on firms' earnings call transcripts using the NL Analytics platform. This approach allows to observe how individual firms are exposed to geopolitical risk.
- **Main Findings:** The authors find that higher geopolitical risk significantly reduces cross-border bank lending, with a one standard deviation increase leading to a decline of about 4% after one year. This effect is heterogeneous: it is strongest for financial sector firms, insignificant for energy and defence sectors, and less pronounced for better-capitalised banks. The results further show that business cycle dynamics are a relevant moderator in the transmission of geopolitical risk.

- **Publicly available dataset on European bank regulation**

Maurice Bun and Eric Cuijpers have compiled a publicly available dataset on European bank regulation. The dataset brings together structured regulatory information on European banks and is intended to support academic and policy-oriented research.

- **How banks are adjusting to declining reserves**

In this ECB blog, experts analyse how euro area banks are adapting to declining central bank reserves as the central bank's balance sheet shrinks. Banks will increasingly rely on money markets to manage liquidity and more institutions approach their preferred reserve levels.

- **Banks and competitiveness: promoting competition, protecting resilience**

Claudia Buch discusses how strong supervision and capital standards support resilient bank business models. Amongst others, differences in competitiveness and bank profitability are explained and the scope to strengthen competition across borders within Europe is emphasized.

- **Why we need an EU perspective in the supervision of large asset managers**

ECB financial stability experts examine the role of large asset managers in Europe. They highlight that these firms operate across borders but are supervised mainly at the national level and argue for stronger EU-wide oversight to better capture systemic risks.

- **12th IWH-FIN-FIRE Workshop on "Challenges to Financial Stability"**

Halle (Saale), Germany | August 24-25, 2026
CfP deadline: May 11, 2026

- **Stigler Center-CEPR Conference Series on the Political Economy of Finance**

Chicago, US | November 6-7, 2026
CfP deadline: June 01, 2026

- **2026 New Zealand Finance Meeting**

Auckland, New Zealand | December 14-16, 2026
CfP deadline: July 15, 2026

- **Stability Implications of Nonbank Provision of Financial Services**

Copenhagen, Denmark | October 8-9, 2026
CfP deadline: July 24, 2026