

# INTERNATIONAL BANKING RESEARCH NETWORK

IBRN engages central bank researchers in a coordinated study of global banks and their activities internationally.

IBRN

## NEWSLETTER

*Issue No. 3, Sept 2022*

## IBRN members' publications

- In a special issue on bank complexity at the [Journal of Banking and Finance](#) (Vol 134, January 2022) 7 papers from IBRN teams were published. The members used data and analytical advances to generate rich cross-country insights on the complexity and riskiness of banking organizations. [Buch and Goldberg \(2022\)](#) highlighted the initiative's four key findings. First, the largest banks in countries tend to be the more complex ones. Yet, even controlling for size, there is substantial diversity across banking organizations in terms of complexity choices. Second, over the past decade, banking organizations have tended to reduce complexity by limiting the number of affiliates in both domestic and foreign locations. Third, regulatory changes can alter both banking organization complexity and the associated risk profiles. Fourth, the link between complexity and risks involves trade-offs: diversification benefits and reductions in liquidity risk may weigh against agency problems, monitoring costs, and systemic risk contributions arising from higher complexity.
- [IBRN researchers](#) from the Central Bank of Israel examined the interaction between macroprudential and monetary policies. Using panel data at the bank level, they found that macroprudential measures targeting the housing sector reduced housing credit growth and increased business credit growth so that macroprudential policy changed the composition of bank credit but did not affect the growth rate of total credit. They also found that accommodative monetary policy interacted with macroprudential policies targeting the housing market tended to increase consumer credit and total credit.

## ABOUT US

The International Banking Research Network (IBRN) brings together central bank researchers from around the world to analyze issues pertaining to global banks.

## Research publications

- [Avdjiev et al. \(2022\)](#) create a new quarterly dataset of international capital flows by sector. They have four main findings. First, banks account for the largest part of the external debt (stocks and flows) in advanced economies, whereas in emerging markets, banks, corporates, and sovereigns have roughly equal shares. Second, the high correlation between total capital inflows and outflows documented in the literature is driven by banking sector flows. Third, advanced economy banks and emerging market sovereigns drive the procyclicality of capital outflows. Fourth, different types of shocks create specific patterns of capital by sector.
- [Sen et al. \(2022\)](#) examine the role of bank ownership in influencing lending behaviour during the COVID-19 pandemic. Employing bank-level data from 2015-2020, the authors employ a difference-in-difference approach to analyse whether heterogeneity in lending during the pandemic is related to bank ownership. The authors find that there was a sharp decline in foreign banks' lending relative to domestic banks. When the severity of countries' lockdown measures is taken into account the reverse holds, whereby foreign banks' lending was higher relative to domestic banks, a finding particularly true for foreign banks in emerging economies.

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### Forthcoming events of interest

- The International Banking Research (IBRN) 10<sup>th</sup> Anniversary Conference, Deutsche Bundesbank, 6/7 October, 2022
- 3rd International Capital Flows and Financial Policies Workshop, Bank of England, Banque de France, IMF, Banca d'Italia and OECD, Washington DC, October 17, 2022
- 8th joint edition of International Macroeconomics Workshop, Banca d'Italia, the Bank of England and Banque de France, Rome, 8 November 2022
- IBEFA Young Economist Seminar Series (YESS) on financial economics
- 25th Annual Research Conference, Inflation Strikes Back: Drivers and Policy Reactions, De Nederlandsche Bank, November 10-11, 2022
- Winter School 2022, Delhi School of Economics, India, December 14-17, 2022
- 2023 Asia Meeting of the Econometric Society, South Central and Western Asia, Mumbai, India, Jan 10 - 12, 2023

### Past events of interest

- How effective were policy measures in supporting bank lending during the Covid-19 crisis, BCBS-CGFS conference, Basel, 10-11 May 2022
- 11th MoFiR Workshop on Banking, Banco de Portugal and Católica Lisbon School of Business and Economics, Lisbon, Portugal, 5-6 July, 2022
- Banco de Portugal Conference on Financial Intermediation, Lisbon, July 15-16 2022
- Federal Reserve Board conference on the International Roles of the US Dollar, Federal Reserve Board and Federal Reserve of New York, June 16 and 17, 2022
- Workshop on Banking and Institutions, Bank of Finland, Helsinki, 22-23 August 2022
- 2022 Annual Meeting of the Central Bank Research Association (CEBRA) co-organised by Banco de España, the Barcelona School of Economics (BSE) and the Leibniz Institute for Financial Research (included an IBRN session on “Bank Lending Interventions During Covid”)



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## Call for papers

- Special issue on “[Central Banking and Financial Stability](#)” in the Journal of Risk and Financial Management (an open access journal)
- [Special ESG Issue](#) in the Journal of Accounting Research: ESG Measurement, Reporting and Accountability for Sustainable Businesses
- [Federal Reserve System conference](#) on Financial Stability Considerations for Monetary Policy
- 18th European Winter [Finance Summit 2023](#)
- [27th International Conference](#) on Macroeconomic Analysis and International Finance

## Blogs/Speeches

- [Monetary policy in the euro area: the next phase](#) (Philip Lane, ECB Executive Board Member)
- [Monetary policy and the great volatility](#) (Isabel Schnabel, ECB Executive Board Member)
- [Monetary Policy and Price Stability](#) (Jerome Powell, Chair of the Board of Governors of the Federal Reserve System)
- The peak of globalisation myth: [Part 1](#), [part 2](#), [part 3](#), [part 4](#) (Richard Baldwin, founder and editor in chief of voxeu.org)
- [Back to the Future IV](#): challenges for financial stability policy in the next decade  
(Alina Barnett, Sinem Hacioglu Hoke and Simon Lloyd)