Title: Crisis Transmission in the Global Banking Network (joint with Galina Hale and Tümer Kapan)

Abstract: In the wake of the global financial crisis much attention has been devoted to the role of complexity of bank linkages in the transmission of shocks. We shed light on this issue using a rich dataset on international syndicated bank lending matched with bank financial information. To study how financial crises spread through the global banking network, we distinguish among channels such as banks' direct exposures to crisis countries, indirect exposures through informational linkages, and banks' location in the network. We perform the analysis in a large panel of over 2,000 banks from 73 countries spanning the 1997-2010 period. We find that direct exposures to crisis countries through current and past lending hinder bank performance. We also find that a bank's position in the global banking network affects its performance during crises in its home country. Our results underscore the importance of bank linkages for the spread of financial crises internationally.