



INTERNATIONAL JOURNAL OF CENTRAL BANKING

Optimal Negative Interest Rate under Uncertainty

Kuk Mo Jung

Exchange Rate Pass-Through: What Has Changed Since the Crisis?

Martina Jašová, Richhild Moessner, and Előd Takáts

What Drives the Strength of Monetary Policy Transmission?

Jakub Matějů

Banks' Wealth, Banks' Creation of Money, and Central Banking

Tianxi Wang

Macroeconomic Effects of Banking-Sector Losses across Structural Models

Luca Guerrieri, Matteo Iacoviello, Francisco Covas, John C. Driscoll, Mohammad Jahan-Parvar, Michael Kiley, Albert Queralto, and Jae Sim

Deleveraging and Consumer Credit Supply in the Wake of the 2008–09 Financial Crisis

Reint Gropp, John Krainer, and Elizabeth Laderman

What Drives Bank-Intermediated Trade Finance? Evidence from Cross-Country Analysis

José María Serena Garralda and Garima Vasishtha

Comparing Fiscal Consolidation Multipliers across Models in Europe

Juha Kilponen, Massimiliano Pisani, Sebastian Schmidt, Vesna Corbo, Tibor Hledik, Josef Hollmayr, Samuel Hurtado, Paulo Júlio, Dmitry Kulikov, Matthieu Lemoine, Matija Lozej, Henrik Lundvall, José R. Maria, Brian Micallef, Dimitris Papageorgiou, Jakub Rysanek, Dimitrios Sideris, Carlos Thomas, and Gregory de Walque



Optimal Negative Interest Rate under Uncertainty <i>Kuk Mo Jung</i>	1
Exchange Rate Pass-Through: What Has Changed Since the Crisis? <i>Martina Jašová, Richhild Moessner, and Előd Takáts</i>	27
What Drives the Strength of Monetary Policy Transmission? <i>Jakub Matějů</i>	59
Banks' Wealth, Banks' Creation of Money, and Central Banking <i>Tianxi Wang</i>	89
Macroeconomic Effects of Banking-Sector Losses across Structural Models <i>Luca Guerrieri, Matteo Iacoviello, Francisco Covas, John C. Driscoll, Mohammad Jahan-Parvar, Michael Kiley, Albert Queralto, and Jae Sim</i>	137
Deleveraging and Consumer Credit Supply in the Wake of the 2008–09 Financial Crisis <i>Reint Gropp, John Krainer, and Elizabeth Laderman</i>	205
What Drives Bank-Intermediated Trade Finance? Evidence from Cross-Country Analysis <i>José María Serena Garralda and Garima Vasishtha</i>	253
Comparing Fiscal Consolidation Multipliers across Models in Europe <i>Juha Kilponen, Massimiliano Pisani, Sebastian Schmidt, Vesna Corbo, Tibor Hledik, Josef Hollmayr, Samuel Hurtado, Paulo Júlio, Dmitry Kulikov, Matthieu Lemoine, Matija Lozej, Henrik Lundvall, José R. Maria, Brian Micallef, Dimitris Papageorgiou, Jakub Rysanek, Dimitrios Sideris, Carlos Thomas, and Gregory de Walque</i>	285

Copyright © 2019 by the Association of the International Journal of Central Banking. All rights reserved. Brief excerpts may be reproduced or translated provided the source is cited. Consult www.ijcb.org for further information.

The *International Journal of Central Banking* is published quarterly (ISSN: 1815-4654). Online access to the publication is available free of charge at www.ijcb.org. Individual print subscriptions are available. Orders may be placed by phone (001 216 579 3125), via fax (001 216 579 2886), or by e-mail (editor@ijcb.org).

Renewals, claims, address changes, and requests for permission to reprint material from this journal should be addressed to:

International Journal of Central Banking
Executive Office Department
Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, OH 44101-1387
USA
Phone: 001 216 579 3125
Fax: 001 216 579 2886
E-mail: editor@ijcb.org

The views expressed in this journal do not necessarily represent the views of the Association of the International Journal of Central Banking or any of its members.

ISSN: 1815-4654

International Journal of Central Banking

Board of Directors

Chairman

Claudio Borio, *Bank for International Settlements*

Board Members

Q. Farooq Akram, *Norges Bank*
Abdulaziz Al-Furaih, *Saudi Arabian
Monetary Agency*

David E. Altig, *Federal Reserve Bank of Atlanta*
Carlos Hamilton Vasconcelos Araujo, *Central Bank
of Brazil*

Jan Marc Berk, *The Nederlandsche Bank*
Mohamed Tahar Bouhouche, *Bank of Algeria*
Jan Bruha, *Czech National Bank*

Lillian Cheung, *Hong Kong Monetary Authority*
Laurent Clerc, *Bank of France*

Francisco G. Dakila Jr., *Central Bank of
the Philippines*

Mary Daly, *Federal Reserve Bank of San Francisco*
Piti Disyatat, *Bank of Thailand*

Michael Dotsey, *Federal Reserve Bank of Philadelphia*
Gabriel Fagan, *Central Bank of Ireland*

Jiang Feng, *People's Bank of China*
Manuel Ramos Francia, *Bank of Mexico*

Jeffrey C. Fuhrer, *Federal Reserve Bank of Boston*
Niels Lynggård Hansen, *Danmarks Nationalbank*

Philipp Hartmann, *European Central Bank*
Elena Iorga, *National Bank of Romania*

Seung-Cheol Jeon, *Bank of Korea*
Juan F. Jimeno, *Bank of Spain*

George A. Kahn, *Federal Reserve Bank of Kansas City*
Sujit Kapadia, *Bank of England*

Ali Hakan Kara, *Central Bank of Turkey*
Christopher Kent, *Reserve Bank of Australia*

Evan Koenig, *Federal Reserve Bank of Dallas*
Thomas Laubach, *Federal Reserve Board*

Ana Christina Leal, *Bank of Portugal*
Carlos Lenz, *Swiss National Bank*
Jesper Lindé, *Sveriges Riksbank*

Choy Keen Meng, *Monetary Authority
of Singapore*

John McDermott, *Reserve Bank of New Zealand*
Emanuel Mönch, *Deutsche Bundesbank*

Alberto Naudon, *Central Bank of Chile*
Edward Offenbacher, *Bank of Israel*

Fabio Panetta, *Bank of Italy*
Michael D. Patra, *Reserve Bank of India*

Thórarinn G. Pétursson, *Central Bank of Iceland*
Ivan Ribnikar, *Bank of Slovenia*

Lawrence Schembri, *Bank of Canada*
Mark Schweitzer, *Federal Reserve Bank
of Cleveland*

Shigenori Shiratsuka, *Bank of Japan*
Jan Smets, *National Bank of Belgium*

Daniel Sullivan, *Federal Reserve Bank of
Chicago*

Juha Tarkka, *Bank of Finland*
George Travalas, *Bank of Greece*

Joseph Tracy, *Federal Reserve Bank of New York*
Dobieslaw Tymoczko, *National Bank of Poland*

Hernando Vargas Herrera, *Banco de la República*
Christopher Waller, *Federal Reserve Bank
of St. Louis*

John Weinberg, *Federal Reserve Bank of Richmond*
Mark Wright, *Federal Reserve Bank of Minneapolis*

Ksenia Yudaeva, *Central Bank of
Russian Federation*

Editorial Board

Managing Editor

Loretta Mester
Federal Reserve Bank of Cleveland

Co-editors

Tobias Adrian
International Monetary Fund

Boragan Aruoba
University of Maryland

Pierpaolo Benigno
LUISS Guido Carli

Elena Carletti
Bocconi University

Huberto Ennis
Federal Reserve Bank of
Richmond

Linda S. Goldberg
Federal Reserve Bank of
New York

Sharon Kozicki
Bank of Canada

Keith Kuester
University of Bonn

Luc Laeven
European Central Bank

Barbara Rossi
Universitat Pompeu Fabra

Associate Editors

Patrick Bolton
Columbia University

Michael D. Bordo
Rutgers University

Mark Carey
Federal Reserve Board

Pierre Collin-Dufresne
Columbia University

Guy Debelle
Reserve Bank of Australia

Douglas W. Diamond
University of Chicago Graduate
School of Business

Francis Diebold
University of Pennsylvania

Michael Dotsey
Federal Reserve Bank of
Philadelphia

Darrell Duffie
Stanford University

Jordi Galí
Centre de Recerca en Economia
Internacional (CREI)

Marvin Goodfriend
Carnegie Mellon University

Michael B. Gordy
Federal Reserve Board

Luigi Guiso
European University Institute

Andrew G. Haldane
Bank of England

Takatoshi Ito
Columbia University

David Lando
Copenhagen Business School

Phillip Lane
Trinity College Dublin

Francesco Lippi
University of Sassari

Carmen M. Reinhart
Harvard Kennedy School

Eli M. Remolona
Bank for International
Settlements

Hélène Rey
London Business School

Jean-Charles Rochet
University of Zurich

Andrew K. Rose
University of California,
Berkeley

Klaus Schmidt-Hebbel
Organisation for Economic
Co-operation and Development
(OECD)

Lars E.O. Svensson
Stockholm School of Economics

Jürgen von Hagen
University of Bonn

Ernst-Ludwig von Thadden
University of Mannheim

Tsutomu Watanabe
University of Tokyo

Advisory Board

Franklin Allen
The Wharton School
of the University of
Pennsylvania

Charles Goodhart
London School of Economics

Hyun Shin
Bank for International
Settlements

Kazuo Ueda
University of Tokyo

Carl E. Walsh
University of California
Michael Woodford
Columbia University

John Taylor
Stanford University