

# Bank capital and lending in South Africa

Alister Milner\* Xolani Sibande†

July 22, 2022

## Abstract

**Keywords:** Bank capital, Bank regulation, Credit

**JEL Codes:** G01, G18, G28, G32, G38

---

\*Loughborough University, School of Business and Economics, United Kingdom; Email: A.K.L.Milne@lboro.ac.uk

†South African Reserve Bank, South Africa; Email: xolani.sibande@resbank.co.za

## **1 Introduction**

## **2 Literature**

Osborne et al. (2017)

Jokipii and Milne (2008)

Gambacorta and Mistrulli (2004)

Schwert (2018)

Kim and Sohn (2017)

Carlson et al. (2013)

Tabak et al. (2011)

Altunbas et al. (2004)

Gambacorta and Shin (2018)

Berrospide and Edge (2010)

## **3 Data**

## **4 Methodology**

## **5 Results**

## **6 Conclusion**

## References

- Altunbas, Y, De Bondt, G and Marques-Ibanez, D. 2004. ‘Bank capital, bank lending, and monetary policy in the euro area’. *Kredit und Kapital* .
- Berrospide, J M and Edge, R M. 2010. ‘The effects of bank capital on lending: What do we know, and what does it mean?’ .
- Carlson, M, Shan, H and Warusawitharana, M. 2013. ‘Capital ratios and bank lending: A matched bank approach’. *Journal of Financial Intermediation* 22: 663–687.
- Gambacorta, L and Mistrulli, P E. 2004. ‘Does bank capital affect lending behavior?’ *Journal of Financial intermediation* 13: 436–457.
- Gambacorta, L and Shin, H S. 2018. ‘Why bank capital matters for monetary policy’. *Journal of Financial Intermediation* 35: 17–29.
- Jokipii, T and Milne, A. 2008. ‘The cyclical behaviour of european bank capital buffers’. *Journal of banking & finance* 32: 1440–1451.
- Kim, D and Sohn, W. 2017. ‘The effect of bank capital on lending: Does liquidity matter?’ *Journal of Banking & Finance* 77: 95–107.
- Osborne, M, Fuertes, A M and Milne, A. 2017. ‘In good times and in bad: Bank capital ratios and lending rates’. *International Review of Financial Analysis* 51: 102–112.
- Schwert, M. 2018. ‘Bank capital and lending relationships’. *The Journal of Finance* 73: 787–830.
- Tabak, B M, Noronha, A C and Cajueiro, D. 2011. ‘Bank capital buffers, lending growth and economic cycle: empirical evidence for brazil’, in *2nd BIS CCA Conference on “Monetary policy, financial stability and the business cycle*, Citeseer, 12–13.

# Appendices