Table 1. **Determinants of banking sector capital flows.** This table reports panel regressions for banking sector capital flows with country fixed effects. The dependent variable is the quarterly log difference of external loans of BIS reporting banks as given by the difference in the values between Table 7A - Table 7B of the BIS Locational Statistics. Global Leverage is the leverage of the US broker dealer sector and Global Leverage growth is its quarterly growth. Global Equity growth is the change in the dollar value of equity of the top 10 non-US banks. Local Leverage and Local Leverage growth are the bank assets to capital ratio in levels and its growth, respectively. Local Equity growth is the commercial banks' net income to total assets ratio. ΔInterest Spread is the first difference in the spread between the local lending rate and the US Fed Fund rate. Other local variables are the log difference of the real exchange rate, GDP growth, Debt to GDP ratio growth, growth of M2 money stock, and Inflation. p-values are reported in parantheses. Standard errors are clustered at the country level.

	1	2	3	4	5	6
Global Leverage	0.0043***			0.0038***		0.0033***
	[0.000]			[0.000]		[0.006]
Local Leverage	-0.2191			-0.083		-0.1488
	[0.160]			[0.545]		[0.372]
Global Equity Growth		0.0346***		-0.0224		-0.0234
		[0.002]		[0.136]		[0.173]
Local Equity Growth		1.5900***		1.9706***		2.2129***
		[0.000]		[0.000]		[0.001]
Global Leverage Growth			0.1746***	0.1203***		0.1518***
			[0.000]	[0.002]		[0.002]
Local Leverage Growth			0.016	0.0265		0.034
			[0.526]	[0.294]		[0.293]
ΔRER	-0.2204***	-0.1841***	-0.2100***	-0.1858***		-0.1320**
	[0.000]	[0.002]	[0.000]	[0.000]		[0.022]
ΔM2	0.0837**	0.1014***	0.1005**	0.0783**		0.0879**
	[0.015]	[0.001]	[0.015]	[0.014]		[0.015]
ΔGDP	0.1464*	0.1457*	0.3690***	0.0347		-0.0042
	[0.067]	[0.060]	[0.000]	[0.687]		[0.965]
ΔDebt/GDP	-0.0988***	-0.0695***	-0.1089***	-0.0471		-0.0829*
	[0.005]	[0.007]	[0.005]	[0.215]		[0.056]
Inflation	-0.4083***	-0.3117**	-0.4648***	-0.1458		-0.2115
	[0.002]	[0.016]	[0.005]	[0.378]		[0.243]
ΔInterest Spread					0.0038***	0.0233
					[0.001]	[0.919]
Constant	0.0212	0.0368***	0.0712***	-0.024	0.0296***	0.0188
	[0.527]	[0.006]	[0.001]	[0.530]	[0.000]	[0.665]
Observations	1,872	2,192	1,676	1,672	2,459	1,266
R-squared	0.086	0.072	0.076	0.102	0.001	0.090
# Countries	46	46	46	46	45	41