Monetary Policy Transmission and Bank Risk-Taking: Insights from a Bibliometric Review

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Abstract

The study incorporates a systematic, organized literature review of the relationship between monetary policy (MP) and bank risk-taking (BRT) using bibliometric methods, complemented by thematic analysis. Financial intermediation and economic stability heavily rely on banks, and effective risk management is a key component of financial system resilience. Central banks have a key tool of macroeconomic governance, monetary policy, which affects credit conditions, liquidity, and risk incentives in the banking sector. The academic focus on the MPBRT nexus has grown rapidly, especially following the Global Financial Crisis (GFC) of 2008. This bibliometric evidence has identified a strong geographical concentration in research output, with the United States as the most influential contributor to research on monetary policy, the bank lending channel, and dual banking systems, and China is also a leading contributor to research on bank risk. The Journal of Banking and Finance is the most fruitful and the most cited in general bank risk literature. The major themes identified through keyword analysis are: bank risk-taking, risk management, monetary policy, financial crisis, and corporate governance. The thematic discussion shows that there is a risk-taking channel of monetary policy: accommodative policies and low interest rates lower perceived risk and encourage banks to take on more risk. Nevertheless, liquidity's impact is dynamic and situational, and global crises, including the GFC and the COVID-19 pandemic, substantially affect banks' risk behavior and policy performance.

Keywords: Monetary Policy; Bank Risk Taking; Bank Lending Channel; Financial Stability; Liquidity Risk; Dual Banking System; Islamic Banks; Bibliometric Analysis.

Introduction and Literature Review

Banks play a central role in national and global financial systems as intermediaries that facilitate the distribution of capital, liquidity, and economic activity. Banks enable economic growth by mobilizing deposits, providing credit, and conducting maturity transformation, yet they also face numerous risks, such as credit, liquidity, market, and operational risks. Thus, effective risk management practices play an important role in safeguarding individual banks and the financial system as a whole (Zhang, 2024).

One of the tools for attaining price stability, sustainable economic growth, and financial market stability in a given country is monetary policy, adopted by that country's central bank. Central banks can affect banks' decisions and behavior by adjusting interest rates, reserve requirements, and liquidity provisions, thereby influencing the cost of borrowing and the supply of credit.

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Although classic research has given priority to controlling inflation and stabilizing output, recent research has emphasized that monetary policy affects financial stability, particularly by regulating banks' risk-taking behavior (Jung & Uhlig, 2025; Zheng et al., 2024, 2023).

As shown, a loose monetary policy may stimulate riskier bank behavior, whereas a tight monetary policy may limit credit and raise the cost of funds. Monetary policy and regulatory requirements, including capital buffers, also influence banks' reactions to policy changes, underscoring the importance of good governance and risk management alongside macroeconomic policy (Zheng et al., 2023). Moreover, the economic environment, uncertainty, and structural differences across banks can also affect the relationship between monetary policy and risk-taking, and hence, banks respond differently across settings.

The global financial crisis (GFC) of 2007-2008 highlighted the possible existence of prolonged spells of low-interest rates and surplus liquidity to promote excessive risk-taking by banks in pursuit of yield. It is the so-called risk-taking channel of monetary policy, which holds that monetary accommodation can unintentionally undermine lending standards, increase leverage, and heighten the banking industry's susceptibility. This has made the question of how monetary policy affects banks' risk-taking behavior a key focus in modern finance literature.

The existence of this channel is supported by recent empirical evidence across different institutions. Indicatively, research in both developing and developed economies has identified that expansive monetary policy settings are associated with a high degree of bank risk, as evidenced by high levels of non-performing assets and exposure to risk (Gashi & Fetai, 2023; Saputra et al., 2025). In the same way, the U.S. experience demonstrates that reduced funding costs, implied by accommodative monetary policy, can increase banks' willingness to take on more risk (Girotti et al., 2023).

Further complications of the monetary policy- Risk nexus are the power of the regulatory frameworks. Zheng et al. (2023) illustrate the moderating role of Basel II regulatory standards in shaping the impact of monetary policy on banks' risk-taking behavior in an emerging economy. In addition to the control, there are also broader institutional and technological changes to this relationship: research indicates that the digital transformation of banking systems can modify conventional transmission mechanisms, thereby undermining the relationship between changes in policy rates and banks' risk management (Borja et al., 2023). Moreover, the theoretical literature underscores the complexity of the risk-taking channel and highlights that the impacts of monetary policy depend on the nature of banks, markets, and the macroeconomic environment (Zhang et al., 2024).

Despite the increase in studies in this area, research remains distributed across various regions, using diverse approaches and disciplinary perspectives, making it hard to identify general trends and directions. In a bid to combine this developing body of literature and to determine its intellectual structure, bibliometric analysis has become a useful technique. Bibliometric techniques provide a formal account of complex academic landscapes by quantitatively analysing metadata from publications: citation networks, authorship, and keyword co-occurrence can reveal dominant themes, contributors, and dynamic research communities.

Despite bibliometric research on similar topics, such as bank risk management and monetary policy transmission, comparative literature on the intersection of monetary policy and bank risk-taking is rather limited. The existing reviews tend to consider the effects of bank risk or monetary policy separately, without exploiting a concerted view. Besides, recent events, including the unconventional monetary policy used during the second part of the COVID-19 pandemic and afterward, indicate the need for new evaluations that reflect the current state of research.

The research fills these gaps by conducting a thorough bibliometric analysis of the literature on monetary policy and bank risk-taking. To be more precise, it will focus on tracing the intellectual organization of the area, identifying the most active authors, institutions, journals,

and countries, and identifying dominant and emerging themes. This way, the current study not only expands the previous bibliometric studies but also offers a newer synthesis of how this significant relationship has transformed over the past few years.
Although the literature on monetary policy and bank risk-taking has grown rapidly, it remains disjointed across regions, methodologies, and institutional contexts, making it impossible to develop a coherent picture of the field's intellectual organization. In addition, many existing reviews focus on analysing monetary policy transmission or bank risk individually rather than in close combination, particularly amid unconventional monetary policy and post-COVID conditions. As a result, the lack of a thorough and current bibliometric synthesis, to the extent that it would incorporate thematic development, research focus, and vistas that are open or developing in the monetary policy-bank risk-taking nexus, is evident.
In light of the identified gaps in the existing literature, this study addresses the following research questions: (i) What are the publication trends, growth patterns, and geographical distribution of research on monetary policy and bank risk-taking over time? (ii) Who are the most influential authors, institutions, countries, and journals shaping the intellectual structure of this research field? (iii) What are the dominant thematic clusters and emerging research fronts in the literature on monetary policy and bank risk-taking? (iv) How has the risk-taking channel of monetary policy been conceptualized across different institutional settings, including conventional and dual banking systems? (v) What critical gaps and underexplored areas emerge from the bibliometric evidence to inform future research?
This paper has threefold contributions. First, it provides a systematic, organized overview of the academic discussion of monetary policy and bank risk-taking, making learning in a voluminous, fast-expanding field easier. Second, it identifies key research clusters and gaps, thereby guiding future empirical and theoretical studies. Third, the results provide policymakers and regulators with relevant insights, enhancing understanding of the potential effects of monetary policy on bank behaviour and financial stability.

Bibliometric Analysis and Research Trends

Bibliometric analysis is a quantitative and systematic methodology for assessing scientific publications and charting the intellectual organization of a research domain. Bibliometric techniques can help researchers identify high-impact contributors, prevailing themes, emerging trends, and gaps in the research that could be addressed in current bodies of academic literature by analysing publication metadata (authorship, citations, keywords, and collaboration networks) (Donthu et al., 2021; Passas, 2024). This method permits studying trends in research production, citation networks, and subject development over time, providing information about a field's development and future (Passas, 2024; Özturk, 2024). Bibliometric analysis appears to become a highly popular and more potent instrument of research in finance and banking studies in the recent years, as it allows synthesizing fragmented and quickly growing bodies of literature, revealing the nature of collaboration, and identifying the research frontiers in the fields of financial technology, Islamic finance, and risk assessment (Bollani & Chmet, 2025; Raza & Arshed, 2023).
The popular bibliometric tools include VOSviewer, Scopus, CiteSpace, Biblioshiny (R package), and Publish or Perish by Harzing, which are used to extract, analyze, and visualize bibliometric networks. These resources support co-authorship analysis, co-citation mapping, analysis of Keyword co-occurrence, and trend visualization, and thus offer a macro-view of research on monetary policy, bank risk-taking, and banking systems.

Table 1: Data Extraction Query

Phase	Query	Documents
1	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank"))	364
2	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI"))	339
3	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI")) AND (LIMIT-TO (DOCTYPE , "ar"))	287
4	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (PUBSTAGE , "final"))	276
5	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (PUBSTAGE , "final")) AND (LIMIT-TO (SRCTYPE , "j"))	274
6	(TITLE-ABS-KEY ("monetary policy ") AND TITLE-ABS-KEY ("risk management") OR TITLE-ABS-KEY ("risk taking") AND TITLE-ABS-KEY ("bank")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (PUBSTAGE , "final")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (LANGUAGE , "English"))	267

Source: Author's Creation

Table 1 clearly describes in a stepwise manner, the manner in which the final sample of studies used in the bibliometric analysis was systematically built, by going through several filtering processes. Based on a general Scopus search of monetary policy and bank risk management or risk taking, 364 documents were first found. The sample was narrowed down to 339 by limiting it to the pertinent areas of subject matter economics, business and social sciences, thus the disciplinary relevance was achieved. Additional constraint of the results to peer reviewed journal articles further reduced the number of the studies to 287 studies with further reduction of 276 studies which were not in the final publication phase. The use of one more filter to filter out only journal sources culled the number to 274 and the last limitation to the English language resulted in a strong and narrow corpus of 267 articles. Generally, the table reflects a comprehensive and methodological effective data extraction protocol which balances breadth adequately with quality control which is that the final sample is a true mirror of high quality, relevant and accessible scholarly work that addresses the monetary policy and bank risk taking nexus.

Publication Activity and Geographic Focus

This development of the publication activity shows that there is a gradually increasing academic interest in the field of banking risk management and the topics closely related to it, including bank risk-taking (BRT). A search of literature on risk management and the banking industry by using the Web of Science (WoS) database (2004-2024) reveals that there was a total of 377 articles. The annual publication tendency demonstrates a certain increase starting

approximately 2017, with the research output reaching its peak in 2020, when 41 articles were released. This influx aligns with a rise in scholarly interest in the problem of financial stability as a result of regulatory changes after the GFC and as a result of macroeconomic instability.
This trend is also reflected in the monetary policy in dual banking systems literature, as the publication activity rises steadily since 2015 and peaks between 2021 and 2023. This indicates a rise in the need to know the interaction between conventional and Islamic banking structures and the transmission of the monetary policy and risk dynamics.
Geographically, the United States plays a significant role in various strands of the literature. The USA is the top-ranked by number of publications (93), number of citations (5,025), and h-index (32), which is the most important result in the study of monetary policy and the bank lending channel (2000-2023). Among the sources dedicated to the monetary policy in the dual banking system (2015-2024), the USA has the highest amount of link strength (372), which means that the country collaborates and influences other countries intensively, still, Indonesia has the most number of publications (19), which is relevant to the topicality of the dual banking system in developing economies.
In a wider bank risk literature, which includes publications from 1978 to 2022, the USA has an estimated 26% of the total publications, followed by China (16%). The large input of China, the United States, and the United Kingdom underlines these countries as major centers of the research activity in banking risk and monetary policy making, as a result of the highly developed financial system and academic support.

Figure 1: Annual Trend in Publications on Monetary Policy and Bank Risk Taking

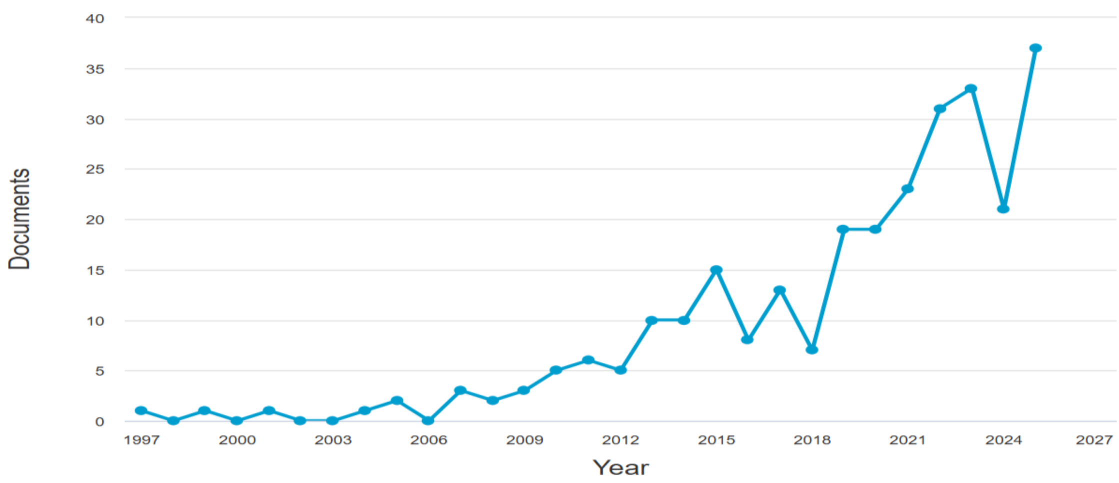


Figure 1 shows how the number of scholarly publications on monetary policy and bank risk-taking has evolved throughout a lengthy period of time. The number indicates that there was little research published before the mid-2000s, meaning that the issue was not seriously studied in universities. Since approximately 2008, the number of publications has been increasing gradually, and it is likely related to the increased interest after the Global Financial Crisis and some increasing concerns about financial stability and the behavior of banks. The upward trend intensifies further beyond 2015, and it is due to widening research, empirical, and policy based on unconventional monetary policies, reforms in regulations, and incentives to take risks. Although there were certain fluctuations in the number of publications in the past 2 years, there was a sudden increase in publications after 2019, and the past years show an evident peak, which indicates the high and steady importance of the given field of research in the background of prolonged monetary accommodation, pandemic-related shocks, and the new arguments about the resilience of the banking sector.

Figure 2: Geographic Distribution and Research Influence in Monetary Policy and Bank Risk Literature

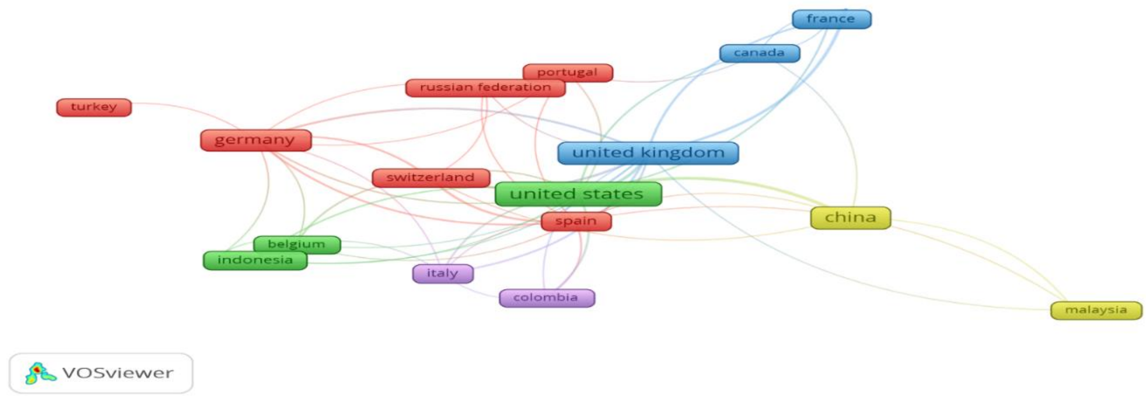


Figure 2 shows a strong geographical concentration in the production and impact of research in the literature on monetary policy, bank lending, and bank risk taking. It is evident that the United States is the largest contributor, dominating in the number of publications, the number of citation and the strength of collaborative links, which portrays its core position of influence in conceptual and empirical discourses in this area. China and the United Kingdom are also listed among key research centers, which demonstrates the increasing role of both developed and large emerging economies in the study of banking and financial stability. Simultaneously, the fact that countries like Indonesia, Germany, and France, as well as Switzerland, are also present points to the growing scholarly interest in a different context, and especially where the banking organization, regulation, and mechanisms of money transmission are not depictable in the traditional Western paradigm. In general, the number indicates that, although the research agenda is still quite dominated by several main economies, it is becoming increasingly internationally diversified due to the globalization of the topic of monetary policy/bank risks.

Figure 3: Country-Level Contribution to Monetary Policy and Bank Risk Literature

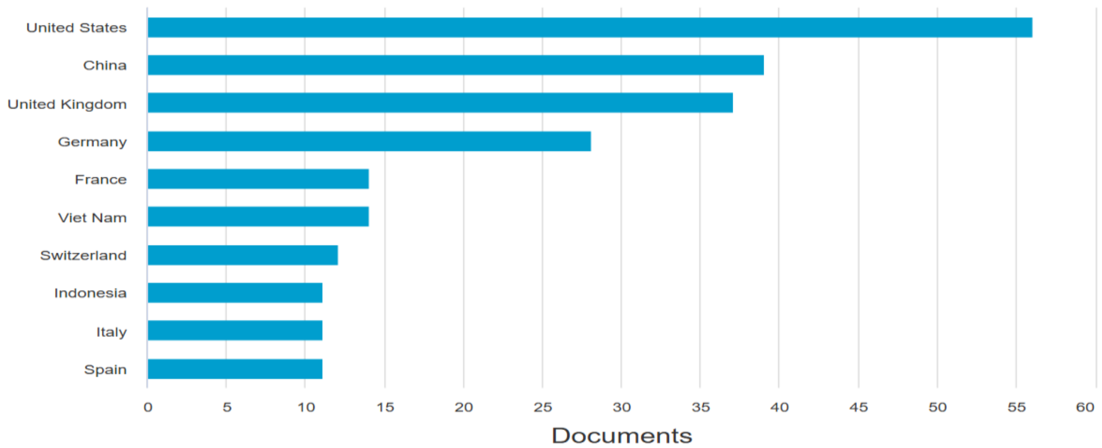


Figure 3 demonstrates the allocation of the scholarly output among countries and shows that the contribution to the literature on monetary policy and bank risk taking is significantly different across countries. Its biggest contributor is the United States, which is a manifestation of its dominance in the world of finance, data, and educational capacity. The proportion of publications represented in China and the United Kingdom is also quite substantial, which highlights the increased role of both big-emerging economies and the long-standing financial hubs in the further evolution of the banking risk and monetary transmission studies. The availability of European economies like Germany, France, Italy, and Spain, as well as the emerging economies like Indonesia and Vietnam, means a more internationalized research agenda. Altogether, the number indicates that even though the research activity is still confined to several developed nations, there is a tendency toward the expansion of the field to cover a range of institutional and regulatory settings, which increases the applicability of the empirical and policy knowledge globally.

Table 2: Leading Countries by Research Output in Monetary Policy and Bank Risk Studies

Sr. No.	Countries	No. Of Times
1	United States	56
2	China	39
3	United Kingdom	37
4	Germany	28
5	France	14
6	Viet Nam	14
7	Switzerland	12
8	Indonesia	11
9	Italy	11
10	Spain	11

Source: Author's Creation

Table 2 outlines the country-wise distribution of scholarly contributions, which is clearly an indication of a research activity being concentrated on a few economies. The US is the leader in terms of contribution, which supports its hegemonic role in influencing the empirical and theoretical discussion of monetary policy and bank risk-taking. China and the United Kingdom are the closest runners after this, which is consistent with their robust academic systems and applicability of the banking systems to the discussion of financial stability in the world. Other European views are also prominent in this literature, with Germany and France being the main characters. The fact that the lists also include countries like Vietnam, Indonesia, Italy, Spain, and Switzerland suggests that the emerging, as well as developed economies, are increasingly taking part in the exercise, especially in areas where changes within the banking sector are relevant, and also where monetary policy issues are also relevant. Comprehensively, the table highlights the geographically skewed yet diversifying trend in the research in this area, whereby more research is being given to diverse institutional and economic settings.

Figure 4: Documents by Year

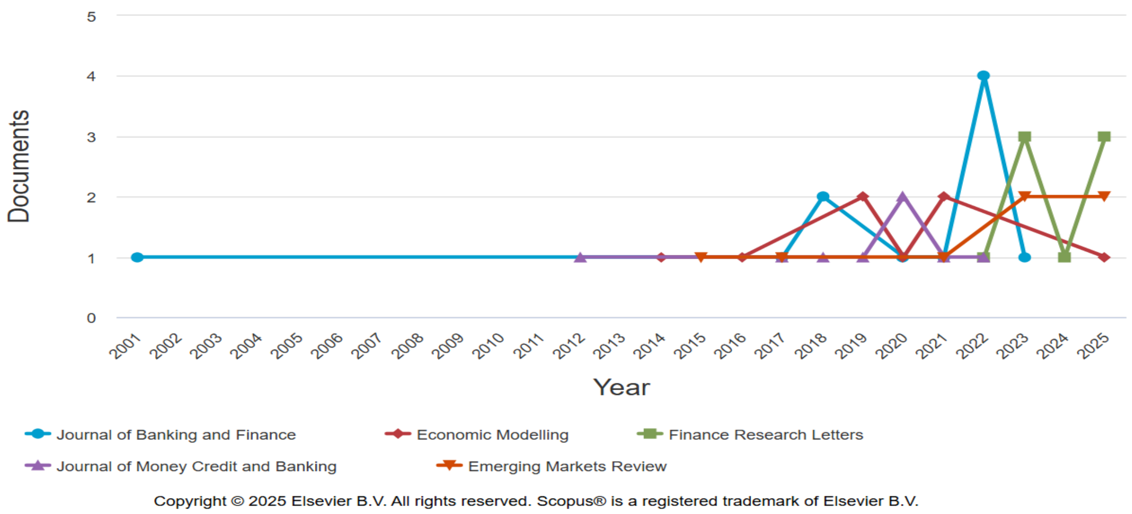


Figure 4 shows the development of publications over time, and it reflects the contribution of the different journals to the literature development. The figure shows that publication output is growing in high-impact and specialized finance journals in the past few years, and more so after the year 2012. This trend corresponds to a process of consolidation in which major journals have emerged as the key sources of publication of influential studies on monetary policy and bank risk-taking. The fact that the number of sources is becoming more diverse as time passes also points to the fact that the topic of the subject has become accepted in the wider context of the related studies, including finance, economics, banking, and applied policy analysis.

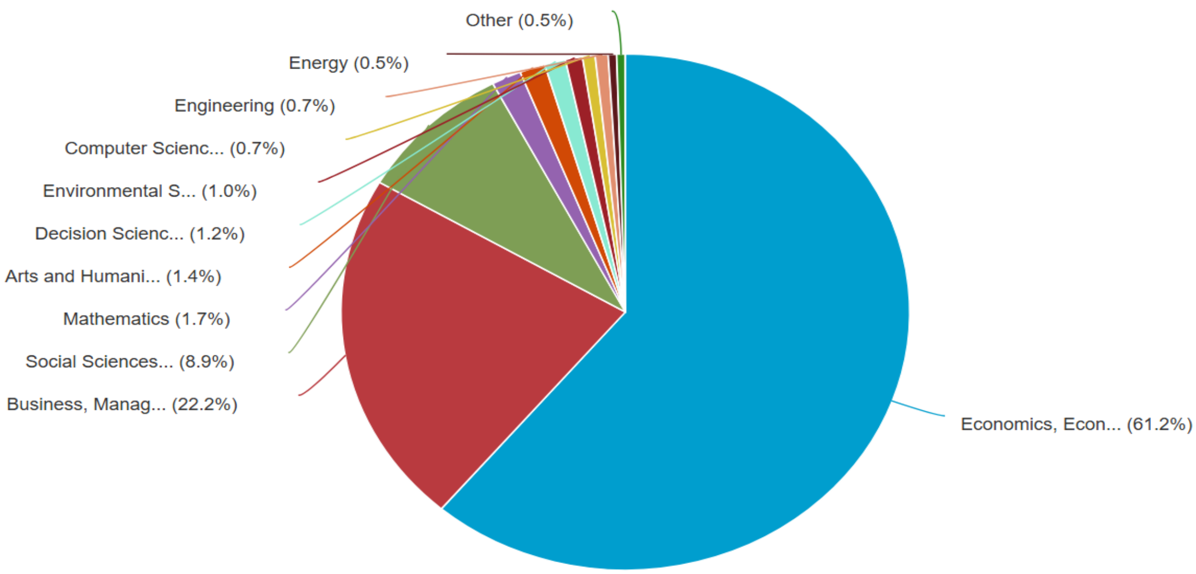
Table 3: Table Summary of the number of articles published in different years

Sr. No.	Subject Area	No. of Publications
1	2025	37
2	2024	21
3	2023	33
4	2022	31
5	2021	23
6	2020	19
7	2019	19
8	2018	7
9	2017	13
10	2016	8

Source: Author's Creation

Table 3 shows the annual publication of the research on monetary policy and bank risk taking, and evidently shows that the activity of research is increasing over the years. Until 2018, the number of studies is rather low, and it is possible to state that during that time, scholarly interest towards this nexus was still young. Since 2019, the number of publications has risen significantly, which can be attributed to the current academic and policy interest in the relationship between monetary policy, financial stability, and bank behavior. This positive trend is especially strong after 2021, when it is expected to reach the maximum number of publications. The recent years can be attributed to increased uncertainty in the world, the continued exercise of unorthodox monetary policies since the Global Financial Crisis, and newfound uncertainty worries of over-risk-taking, liquidity management, and financial strength.

Figure 5: Documents by Subject Area



The distribution of publications within the subject areas in Figure 5 indicates that the study of monetary policy and the risk-taking by banks is interdisciplinary. The figure shows that economics and finance are the main subject areas, as would be anticipated based on the macro financial orientation of the monetary policy and the banking stability. Nonetheless, the apparent contribution of the relevant disciplines, including business, management, and social sciences, indicates that the subject is becoming more explored through a wider institutional, governance, and behavioral lens. This spreading out is a sign of an increasing awareness that the risk-taking of banks is not solely determined by macroeconomic policy but also by organizational structures, regulatory settings, and managerial decision-making.

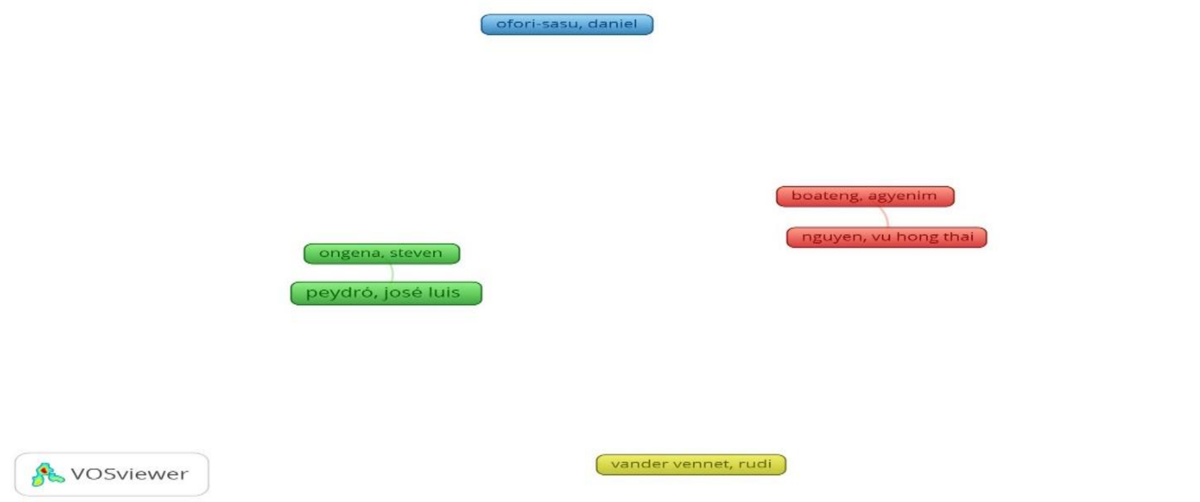
Influential Authors and Journals

A survey of the influential authors displays a high level of concentration of a lot of scholars in a small number. Leonardo Gambacorta is the most influential figure in the literature on transmission of monetary policy via the bank lending channel, with nine publications and 1,169 citations, which displays the longevity and relevance of his work in studying the processes of monetary policy and bank behavior.

The journal distribution of publications also depicts the intellectual bases of the field. The Journal of International Money and Finance proves the most prolific (17 publications) in monetary policy and the bank lending channel studies, whereas the Journal of Banking and Finance has a rather high citation impact (average of 70 citations per article). The Journal of Banking and Finance again stands out as the most prolific journal in the wider literature of the field of bank risk and has acquired 2,874 citations since 1978, which highlights its central role in the development of research on banking risk.

In the case of research that specifically focuses on monetary policy in dual banking systems, the Journal of Islamic Accounting and Business Research is the journal with the highest total link strength, which shows that it has a significant role in the publication of research in the area of Islamic finance, monetary policy, and the stability of banking systems.

Figure 6: Influential Journals and Citation Concentration in Monetary Policy and Bank Risk Studies



The distribution of publications and citation influence in monetary policy and bank risk literature across journals is shown in Figure 6, but it is highly concentrated in a small number of high-impact journals. The major nodes become journals like the Journal of Banking and Finance and the Journal of International Money and Finance since they are considered to be the most effective in terms of publishing research that is influential in the sphere of bank risk taking, monetary transmission, and financial stability. The fact that these journals are the leading ones suggests that major debates in the area are formed mostly in well-established finance and banking journals with high methodological and policy orientations. Meanwhile, the availability of a broader range of journals with smaller publication shares points to the extension of the topical range, to which articles of journals devoted to Islamic finance, financial economics, and applied policy analysis belong. In general, the number indicates the stratification of knowledge sharing within this field, with a small set of pioneering journals on one side and a large periphery on the other side to diversify the literature and open a new layer of research interest.

Figure 7: Author Level Contribution Patterns in Monetary Policy and Bank Risk Research

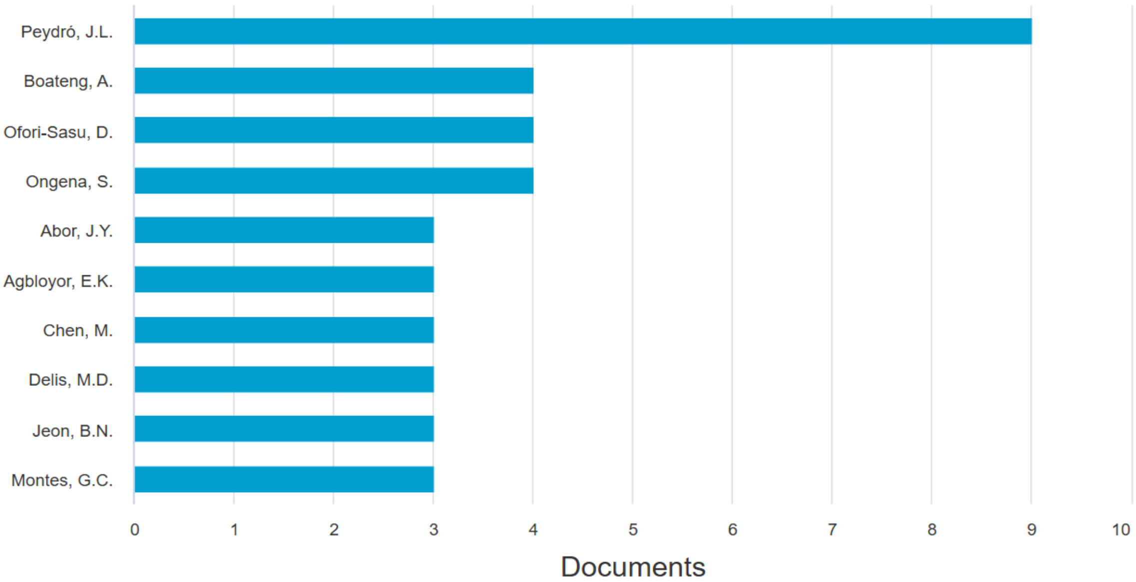


Figure 7 shows how the scholarly output is distributed among the individual authors, and it can be seen that the authorship structure in the literature on monetary policy and bank risk taking is very concentrated. A relatively high proportion of publications is explained by a small number of researchers who demonstrate long and specialized involvement in this research agenda. Big players, including Peydró, Boateng, Ongena, and Delis, are mentioned more than once, and this indicates that there are indeed the core scholars in the field who influence the direction of theoretical development, empirical strategies, and policy-oriented debates. Conversely, the long tail of authors with a limited number of publications indicates a more widespread but less frequent involvement, which is usually related to a particular country situation, dataset, or an emergent theme. On the whole, the figure emphasizes the reign of a small group of influential writers, and the possibility of newcomers to the sphere, which has to be viewed as a balance between intellectual conservation and the diversification of the subject matter.

Table 3: Number of Times Authors Worked

Sr. No.	Authors Name	No. of Times
1	Peydró, J.L.	9
2	Boateng, A.	4
3	Ofori-Sasu, D.	4
4	Ongena, S.	4
5	Abor, J.Y.	3
6	Agbloyor, E.K.	3
7	Chen, M.	3
8	Delis, M.D.	3
9	Jeon, B.N.	3
10	Montes, G.C.	3

Source: Author's Creation

Table 3 presents the most active authors in the field, highlighting repeated contributions by scholars such as Peydró, Boateng, Ongena, Delis, and Abor, which indicates sustained research engagement and thematic specialization.

Key Keywords and Thematic Clusters

The co-occurrence analysis of keywords gives useful information on the prevailing research themes and how they have changed over the years. The highest number of keywords (129 times) in the general bank risk literature on 1978-2022 is bank risk, and bank risk-taking (61 times), then risk management (33 times), financial crisis (32 times), monetary policy (31 times), and corporate governance (29 times). These keywords are signs of a great concern about the financial stability, regulatory controls, and the macroeconomic conditions of bank actions. When focusing on the research on monetary policy in dual banking systems, such key words as monetary policy, dual banking system, and Islamic banks dominate the list of keywords, as the increasing focus of scholars on heterogeneous banking systems and their implications on policy transmission.

Additional thematic implications are drawn through a study of the behavior of financial risk-taking during the global financial crisis (2004-2012). In the post-crisis era, such keywords as attitude, corporate governance, choice, and determinant became more dominating indicating the shift of the focus to the institutional and governance-based explanations of risk-taking. Interestingly, behavioral aspects, e.g., investor sentiment, emotions, and psychological aspects, are not among the most commonly used keywords, indicating the possibility that bank risk is commonly modelled without any behavioral implications. This observation is an indicator of a possible future interdisciplinary research.

Figure 8: Trends in Scholarly Output on Banking Risk and Monetary Policy

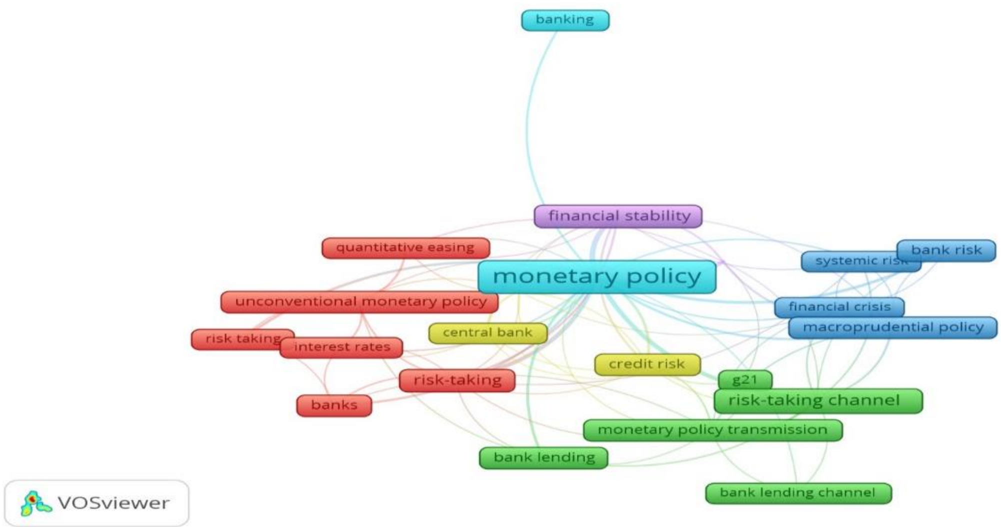


Figure 8 depicts a long-term and continuous increase in scholarly attention to the topic of banking risk management and the associated themes. Publication activity reveals a fairly low level of output during the initial years of operation, and then a noticeable increase after 2017, which has reached its peak around 2020. It coincides with an increase in interest regarding financial stability in the post Global Financial Crisis era and represents a step towards more academic interest in investigating bank risk-taking under regulatory reforms, under atypical monetary policies, and growing macroeconomic uncertainty. The high rate of publications that have followed since then is a pointer that the nexus between monetary policy, bank behavior, and risk management is now an established and long-lasting research agenda and not a one-off reaction to the conditions of crises. On the whole, the figure emphasizes the increasing topicality of the given area and the necessity to conduct a systematic bibliometric synthesis to trace the progression of this field and the prevailing tendencies in its studies.

Table 4: Table Document by Type

Sr. No.	Document Type	No. of Documents
1	Article	276

Source: Author's Creation

Table 4, the tabulation of publications by document type, indicates that the peer-reviewed journal articles take up the vast majority of the research output in the monetary policy and bank risk literature. Such a preponderance of articles is a pointer that the discipline is majorly spurred by theoretically based and empirically based research that are highly subject to scrutiny by academic review.

Figure 9 : Documents by Type

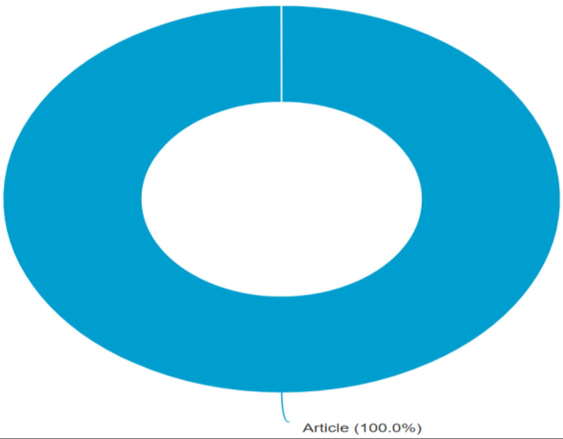


Figure 9 presents the distribution of the literature on monetary policy and bank risk taking by document type, and it is evident that the journal articles form the majority of scholarly output in relation to the other types of scholarly output. This trend shows that the study in this area is mainly presented in peer-reviewed scholarly journals, which signifies a heavy concern for the rigor of the methods, empirical validation, and theory development.

Figure 10: Documents by Funding Sponsor

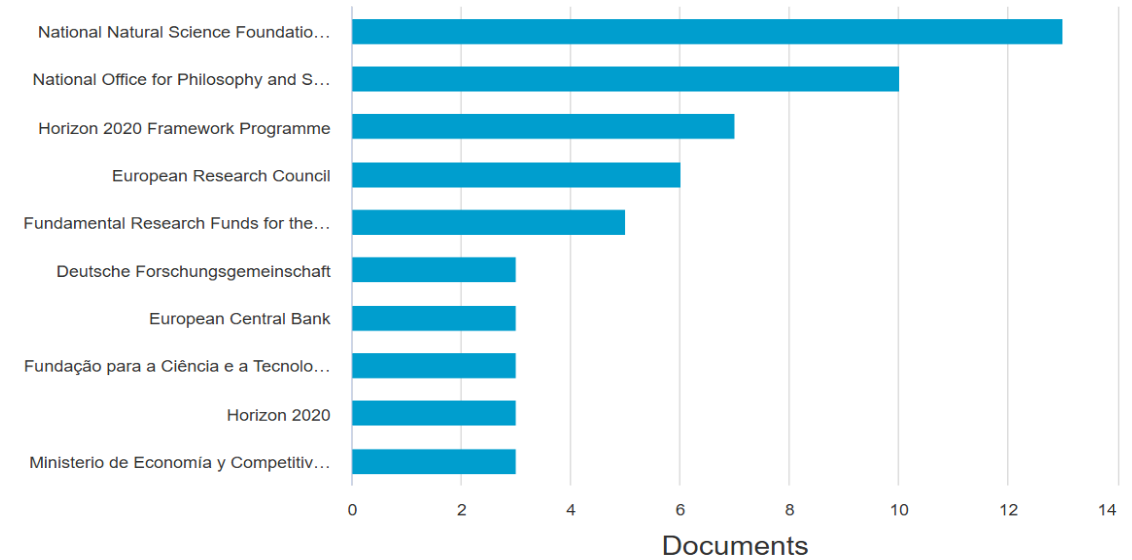


Figure 10 shows the document distribution based on the funding sponsors, which illuminates the influences of institutional and financial funding on the development of research on monetary policy and the risk of banks. According to the figure, the publications are funded by the public institutions, national research councils, and central banks, or produced without any clear external financing. This trend reveals the topicality of the policy aspect as the directly related interest of both the population and the regulators in learning about bank risk-taking and financial transmission mechanisms. Meanwhile, the availability of unfunded or independently funded research studies is a sign of high intrinsic academic motivation and the availability of secondary data sources in the study field.

Figure 11: Institutional Affiliation Patterns in Monetary Policy and Bank Risk Research

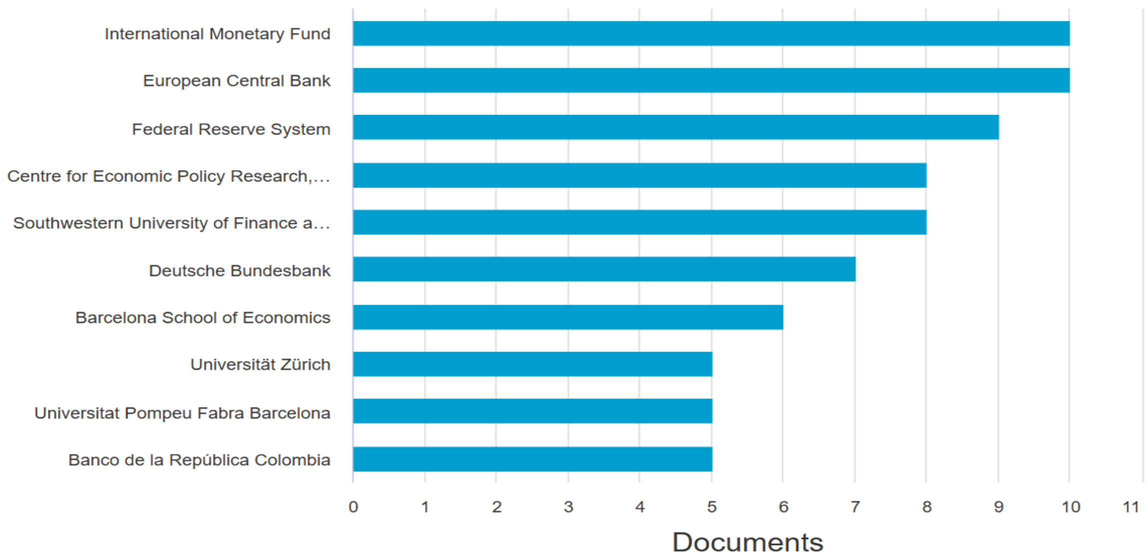


Figure 11 shows the distribution of research output by institutional affiliation and indicates that a few universities and research organizations dominate the literature on monetary policy and bank risk-taking. The appearance of institutions in the United States and other developed economies seems most noticeable and is associated with more advanced research facilities, access to high-quality data, and a set of traditions in banking and financial economics. The fact that several leading affiliations account for the majority of publications suggests that institutional capacity and academic networks are instrumental in sustaining long-term research output in this field. Simultaneously, the existence of a wide range of affiliations with small contributions suggests a slow dispersion of research activity and relocation to regions, especially in emerging economies, where the features of banking systems and monetary policy frameworks provide fertile ground for empirical exploration. In general, the number indicates the significance of institutional background in promoting scholarly impact and knowledge generation in the field of monetary policy and bank risk.

Thematic Discussion: Monetary Policy and Risk Channels

In this Section, the key thematic groupings in the bibliometric analysis are summarized, and the conceptualization and empirical testing of the relationship between monetary policy and bank risk-taking in the literature are discussed. The discussion has been organized around four prevailing themes: the risk-taking channel of monetary policy, the role of competition and pricing power, and the impact of global crises on bank risk-taking behaviour.

The Risk-Taking Channel of Monetary Policy

One of the most powerful theoretical and empirical models that connects central bank activity and bank behaviour is the risk-taking channel of monetary policy. According to this channel, the incentives, perceptions, and risk tolerance of banks in response to changes in the conditions of monetary policy are explained, outside the classical lending channel, which is the quantity-based channel. There is substantial empirical evidence supporting the existence of this mechanism in both developed and developing economies.

Interest Rates and Risk Perception: Expansionary monetary policy, which is normally defined as lowering policy interest rates, boosts asset prices, enhances the balance sheets of borrowers, and raises collateral values, incomes, and the profitability of banks. All these effects lead to a decrease in perceived credit and market risks, which, in turn, motivates banks to loosen lending conditions and become more exposed to risky borrowers. This can lead to banks shifting their portfolios toward higher-risk, high-yield assets, increasing their risk-taking (BRT). On the other hand, contractionary monetary policy raises the cost of funds and increases risk aversion, which prompts banks to reduce risky lending practices and enhance screening and monitoring procedures. This asymmetric reaction of bank risk behaviour to monetary easing and tightening is well documented in the literature.

Liquidity and Risk-Taking Behaviour: The linkage between bank liquidity and BRT is more subtle and, in most cases, involves trade-offs in the short and long run. One line of the literature argues that increasing deposit inflows and liquidity will reduce banks' liquidity risk, but this may lead to managerial overconfidence and lending to lower-quality borrowers. The implication of this mechanism is a positive correlation between liquidity availability and BRT. Conversely, other articles point out that stable funding frameworks and robust liquidity positions provide greater resiliency for the bank and reduce the risk of failure, suggesting a negative relationship between liquidity risk and the BRT.

Empirical evidence shows that such effects can change over time and across different institutional settings. For example, research on Vietnamese banks indicates that increased liquidity reduces BRT in the short run by prompting banks to adopt a more prudent lending approach. Nonetheless, in the long term, excessive liquidity can contribute to risk-taking by increasing banks' returns, which is in line with overconfidence and risk-shifting. These results show that the relationship between liquidity and risk is dynamic and that time horizons are significant in assessing the impact of monetary policy.

Competition, Pricing Power, and Monetary Effectiveness

The banking market structure is also a critical determinant of how shocks to monetary policy are transmitted to banks' risk-taking and liquidity creation. Specifically, the intensity of competition and banks' price power affect the effectiveness and success of monetary policy interventions.

Pricing power and liquidity creation: Empirical research in concentrated banking markets, including Germany, found that banks with increasing individual pricing power, typically measured by the Lerner Index, were less inclined to generate liquidity. This result is in line with the classical theory of monopolistic behaviour, which holds that companies with greater market power undersupply financial services to maximize profits. A decrease in the liquidity creation, in turn, may inhibit credit supply and reduce the effectiveness of monetary policy transmission.

Interaction with monetary policy: The literature also shows that high price power reduces the effects of sudden shocks on interest rates by creating bank liquidity. In less competitive banking systems, policy changes in monetary policy can have less impact on banks' decisions to lend and to hold or dispose of liquidity, because major banks can absorb or neutralize the policy shock by adjusting prices. This interaction implies that the quality of monetary policy depends not only on the macroeconomic situation but also on the competitive situation in the banking sector.

Role of Capitalization: The capitalization of the banks also moderates these effects. It has been shown that poorly capitalized banks have a more adverse effect on liquidity creation than well-capitalized banks. Those banks that are less capitalized are subject to greater regulatory imposition, and can react to market power by reducing the liquidity services supplied to satisfy capital adequacy requirements. This interaction highlights the interplay between market structure and balance sheet strength in shaping banks' responses to monetary policy.

Dual Banking Systems and Policy Transmission

In nations that practice dual banking systems, i.e., Islamic and conventional banks work side by side, the transmission of the monetary policy has rather peculiar features, as these financial institutions have different operational principles, funding sources, and risk-sharing models.

Sensitivity: Some studies conclude that Islamic banks have an active bank lending channel that responds to changes in monetary policy, especially adjustments in policy interest rates. It seems that Islamic bank depositors are more sensitive to interest rate changes than their conventional counterparts, even though interest is prohibited in Islamic finance. This hypersensitivity suggests that Islamic banks have relied heavily on deposit-based financing and have been under competitive pressure from conventional banks.

Contraction: A tight monetary policy would tend to be coupled with a greater reduction in Islamic bank lending, which could be characterized by their greater involvement in financing small and medium-sized businesses (SMEs) and by the lack of access to other sources of financing. But the evidence is inconsistent across nations. Islamic credit in Malaysia, however, has been observed to be less sensitive to interest rate shocks than conventional credit in both high-growth and low-growth economic regimes. These contradictory results indicate that institutional environments, regulatory structures, and market maturity are decisive factors in policy transmission within dual banking systems.

The Impact of Global Crises

Global financial crises are extreme stress tests for banking systems, and they play major roles in banks' risk-taking behaviour, both directly and indirectly through changes in monetary policy.

Crisis Effectiveness: Let the market be free; thus, empirical data show that monetary policy is the most effective in the hardest times in the system, as in the case of the Global Financial Crisis (GFC) of 2007-2009. The adjustment of the balance sheets by banks during this time also indicates that, in the conditions of crisis, the transmission of monetary policy is stronger in this case than during the period when interest rates are low or normal, suggesting that the transmission of the monetary policy is stronger during the crisis period than in other periods.

Risk Behaviour during Crises: However, the crisis's effect on BRT varies across episodes. The GFC has been linked to reduced risk-taking by banks, with bank managers' more conservative behaviour driven by increased uncertainty and regulation. Conversely, the COVID-19 pandemic has also been associated with higher BRT in a variety of situations, possibly because of extended monetary accommodation, government guarantees, and regulatory forbearance, which may have undermined market discipline and increased bank fragility.

Liquidity Management: This has also changed bank liquidity behaviour due to the extended spell of ultra-low interest rates in place since 2012. There have been documented reports of a notable acceleration in the liability-side concentrated liquidity creation, which has increased total liquidity but could have contributed to the amplification of risk buildup in the banking system. These forces remind us of the implications of a continued accommodative monetary policy for long-term financial stability.

Conclusion and Future Directions

The study is a comprehensive bibliometric and thematic synthesis of the literature that focuses on the relationship between monetary policy and banks' risk-taking behaviour. The results indicate that the research field is not only mature but also rapidly developing, with a high concentration of the academic output in a few countries, and most importantly, the United States and China, and also a profound level of impact that is caused by a few authors who are prolific in the study of the bank lending and risk-taking mechanism of monetary policy. The fact that the Journal of Banking and Finance has remained at the forefront further underscores the centrality of banking risk within the broader finance literature and the long-standing academic concern about it.

The thematic and bibliometric evidence provide important insights. To begin with, the risk-taking channel has a dual, context-dependent effect on bank risk-taking through monetary policy. Expansionary monetary policies, typified by low interest rates and high liquidity, are likely to promote risk-taking by lowering perceived risk and squeezing margins, whereas contractionary policies tend to discourage risk-taking. Second, the effects differ across institutions and markets. The transmission of monetary policy to bank risk behaviour is greatly moderated by regulatory factors, such as capital adequacy, liquidity requirements, and supervisory intensity, as well as structural factors, such as market competition and pricing power. Third, both single- and dual-banking systems show different transmission dynamics, where Islamic banks tend to be sensitive to changes in policy because of how they are funded and governed, and because they are more connected to the actual economy.

Although the available research is broad, the analysis demonstrates several critical gaps and potential research areas. To begin with, theoretical development is still rather narrow. Although the literature gives preponderance to empirical studies, there is a clear need for more robust theoretical frameworks to explain the underlying mechanisms linking monetary policy to bank risk-taking. Further work on behavioral and emotional determinants of risk-taking decisions,

including managerial overconfidence, risk perception, and sentiment, which are currently underrepresented but strongly influence risk-taking, should be a direction for future research.
Second, there are the risks that emerge and the digital transformation that warrant further investigation. The accelerated digitalization of the banking sector, driven by fintech, digital platforms, and artificial intelligence, has radically changed banks' risk profile. The interplay between monetary policy and digital banking should be examined to address emerging risks, including cyber, operational, legal, and reputational risks. Moreover, climate financial risks can be considered an even more significant aspect that is not well incorporated into the monetary policy-bank risk literature.
Third, cross-sectoral and macro-financial linkages should be given greater attention. Monetary policy, bank risk, and economic growth are usually studied separately in existing literature. Future studies should clearly examine how these variables relate to one another, particularly in relation to financial stability and sustainable growth. This is particularly true in dual banking, where Islamic finance principles can yield varied trade-offs among growth, stability, and risk-sharing.
Fourth, the innovation in methods is highly promoted. Further research should employ more comprehensive, integrated data, including combining Scopus and Web of Science records, to eliminate bias in databases. Besides, more bibliometric analyses should be complemented by qualitative reviews, econometric modelling, or case-based reviews to provide deeper, context-sensitive information that goes beyond what metadata-driven patterns can reveal.
Lastly, growing economies and those with less scholarly literature should be given greater attention. Despite China's dominance in the current literature, most developing and low-income countries remain underrepresented. Future studies ought to be conducted on how the institutional quality, regulatory capacity, cultural and financial development levels influence the monetary policy-bank risk nexus in such settings and consequently augment the global applicability and policy applicability of the literature.

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