De Nederlandsche Bank
Eurosysteem

RESEARCH NEWSLETTER No. 21

(September 2012)

LATEST NEWS

- A paper of Neeltje van Horen (jointly with Ralph de Haas of the EBRD) entitled "Running for the exit? International bank lending during a financial crisis" has been accepted for publication in the Review of Financial Studies. Using data on syndicated lending the authors provide insights in how banks reduced cross-border lending after the collapse of Lehman Brothers. The paper shows that substantial heterogeneity existed in the extent to which different banks retrenched from the same country: there was no blanket 'run for the exit'. Instead, banks reduced credit less to markets that were geographically close; where they had more lending experience; where they operated a subsidiary; and where they were integrated into a network of domestic co-lenders. These results show that deeper financial integration is associated with more stable cross-border credit during times of crisis.
- Since 16 July Manu de Veirman works as an economist in the research department of EBO. Previously he worked in the research department of the Reserve Bank of New Zealand. He received his Ph.D. at the Johns Hopkins University.
- On 20 September Mark Mink graduated at the University of Groningen. The thesis "Financial System Instability: Contagion, or Common Shocks?" develops a theoretical model of banks' vulnerability to common shocks, as well as empirical models of contagion from stock market crises, bank distress, and country defaults. The analyses suggest that adverse common shocks are more important than contagion effects as causes for financial system instability. As such, they have implications for academic research as well as for economic policies aimed at preventing and managing financial crises.
  Mark will start at 1 November 2012 on a secondment at the Federal Reserve Board in Washington, where he will be working for the Division of Research & Statistics.

FORTHCOMING CONFERENCES

- 25-26 October 2012: 15th Annual DNB Research Conference 'Household Finances and Behavior in Times of Crisis.' mailto:dnb_researchconference@dnb.nl
- 8-9 November 2012: DNB/CGIC Workshop on Corporate Governance of Financial Institutions. The programme is still preliminary. Link: http://www.dnb.nl/en/onderzoek-2/test-conferences/other-conferences/conferences/dnb269565.jsp
  To registrate please fill in the form.

Registratieformulier conferentie 8-9 nove

mailto:secretariaat-ebo@dnb.nl

FORTHCOMING RESEARCH SEMINARS

(Please follow this link to read how you can attend)

11 October 2012 – Tanju Yorulmazer – Federal Reserve Bank of New York
23 October 2012 - Bertrand Candelon - Maastricht University
13 November 2012 - Rodney Garratt - University of California
20 November 2012 - Yuliy Sannikov - Princeton University
22 November 2012 - Andrew Rose - University of California
27 November 2012 – Florian Heider – European Central Bank
13 December 2012 – Alan Taylor – Virginia University
18 December 2012 - Anastasia Zervou Texas A&M

PUBLISHED ARTICLES (SINCE JULY 2012)

- **Impact of bank competition on the interest rate pass-through in the euro area**, Michiel van Leuvensteijn, Christoffer Kok Sørensen, Jacob Bikker and Adrian van Rixtel, Applied Economics, 2013, 45(11), 1359-1380
- **The relationship between size, growth and profitability of commercial banks,** Tanveer Shehzad, Jakob de Haan and Bert Scholtens, Applied Economics, 2013, 45(13), 1751-1765
- **The political economy of financial reform: How robust are Huang's findings?,** Eelco Zandberg, Jakob de Haan and Paul Elhorst, Journal of Applied Econometrics, 2012, 27(4), 695-699
- **Pension fund finance and sponsoring companies,** Phil Davis and Leo de Haan, Journal of Pension Economics and Finance, 2012, 11(3), 439-463
- **A probit model for insolvency risk among insurance companies,** Leo de Haan and Jan Kakes, Frontiers in Finance and Economics, 2012, 9(1), 33-55
- **Bank profitability during recessions,** Wilko Bolt, Leo de Haan, Marco Hoeberichts, Maarten van Oordt and Job Swank, Journal of Banking and Finance, 2012, 36(9), 2552-2564
- **Did accelerated filing requirements and SOX Section 404 affect the timeliness of 10-K filings?,** Joost Impink, Martien Lubberink, Bart van Praag and David Veenman, Review of Accounting Studies, 2012, 17(2), 227-253
- **Non-linear and stable perturbation-based approximations,** Wouter den Haan and Joris de Wind, Journal of Economic Dynamics and Control, 2012, 36(10), 1477-1497
- **Investor sophistication and risk taking**, Jan de Dreu and Jaap Bikker, Journal of Banking and Finance, 2012, 36(7), 2145-2156
- **The impact of scale, complexity, and service quality on the administrative costs of pension funds: A cross-country comparison**, Jacob Bikker, Onno Steenbeek and Federico Torracchi, Journal of Risk and Insurance, 2012, 79(2), 477-514
- **Pension funds' asset allocation and participant age: A test of the life-cycle model**, Jacob Bikker, Dirk Broeders, David

Hollanders and Eduard Ponds, Journal of Risk and Insurance, 2012, 79(3), 595-618

- **Do policital budget cycles really exist?**, Jeroen Klomp and Jakob de Haan, Applied Economics, 2013, 45(3), 329-341
- **The power of weather**, Christian Huurman, Francesco Ravazzolo and Chen Zhou, Computational Statistics and Data Analysis, 2012, 56(11), 3793–3807
- **Size and earnings volatility of US bank holding companies**, Jakob de Haan and Tigran Pogoshyan, Journal of Banking and Finance, 2012, 36(11), 3008–3016
- **Households' decisions on savings accounts after negative experiences with banks during the financial crisis**, Carin van der Cruijsen, Jakob de Haan, David-Jan Jansen and Robert Mosch, Journal of Consumer Affairs, 2012, 46(3), 436-456
- **Credit rationing when banks are funding constrained**, Itai Agur, North American Journal of Economics and Finance, 2012, 23(2), 220–227
- **Measuring coherence of output gaps with an application to the euro area**, Mark Mink, Jan Jacobs and Jakob de Haan, Oxford Economic Papers, 2012, 64(2), 217-236
- **Explaining dispersion in foreign exchange expectations: A heterogeneous agent approach**, Ron Jongen, Willem Verschoor, Christian Wolff and Remco Zwinkels, Journal of Economic Dynamics and Control, 2012, 36(5), 719-735
- **Using survey data to resolve the exchange risk exposure puzzle: Evidence from U.S. multinational firms**, Ron Jongen, Aline Muller and Willem Verschoor, Journal of International Money and Finance, 2012, 31(2), 148-169
- **Network dynamics of TOP payments**, Marc Pröpper, Iman van Lelyveld and Ronald Heijmans, in: Matti Hellqvist and Tatu Laine (eds.), Diagnostics for the Financial Markets – Computational Studies of Payments Systems, 2012, Bank of Finland Scientific monographs E:14, 235-266
- **Disruptions in large value payment systems: An experimental approach**, Klaus Abbink, Ronald Bosman, Ronald Heijmans and Frans van Winden, in: Matti Hellqvist and Tatu Laine (eds.), Diagnostics for the Financial Markets – Computational Studies of Payments Systems, 2012, Bank of Finland Scientific monographs E:14, 15-52
- **Is this bank ill? The diagnosis of doctor TARGET2**, Ronald Heijmans and Richard Heuver, in: Matti Hellqvist and Tatu Laine (eds.), Diagnostics for the Financial Markets – Computational Studies of Payments Systems, 2012, Bank of Finland Scientific monographs E:14, 77-118
- **Monitoring the unsecured interbank money market using TARGET2 data**, Ronald Heijmans, Richard Heuver and Danielle Walraven, in: Matti Hellqvist and Tatu Laine (eds.), Diagnostics for the Financial Markets – Computational Studies of Payments Systems, 2012, Bank of Finland Scientific monographs E:14, 135-169
- **Financial Markets and Institutions: A European Perspective**, Jakob de Haan, Sander Oosterloo and Dirk Schoenmaker, 2012, Cambridge University Press, 2nd edition

FORTHCOMING ARTICLES(NEW SINCE JULY 2012)

- **Assessing competition with the Panzar-Rosse model: The role of scale, costs, and equilibrium**, Jacob Bikker, Sherrill Shaffer and Laura Spierdijk, Review of Economics and Statistics
- **Gravity models of trade-based money laundering**, Joras Ferwerda, Mark Kattenberg, Han-Hsin Chang, Brigitte Unger, Loek Groot and Jacob Bikker, Applied Economics
- **From budgetary forecasts to ex-post fiscal data: Exploring the evolution of fiscal forecast errors in the EU**, Roel Beetsma, Benjamin Bluhm, Massimo Giuliodori and Peter Wierts, Contemporary Economic Policy
- **The impact of interaction effects among neighbouring countries on financial liberalization and reform: A dynamic spatial panel data approach**, Paul Elhorst, Eelco Zandberg and Jakob de Haan, Spatial Economic Analysis
- **Green havens and pollution havens**, Steven Poelhekke and Frederick van der Ploeg, World Economy
- **The quest for growth: The impact of bank strategy on interest margins**, Saskia van Ewijk and Ivo Arnold, Internation Review of Financial Analysis
- **Clarity of central bank communication about inflation**, Aleš Bulíř, Martin Čihák and David-Jan Jansen, Open Economics Review
- **Running for the exit? International bank lending during a financial crisis**, Ralph de Haas and Neeltje van Horen, Review of Financial Studies
- **Debt dynamics and the relation between consumption and transitory wealth changes**, Manu de Veirman and Ashley Dunstan, Economic Record
- **When did firms become more different? Time-varying firm-specific volatility in Japan**, Manu de Veirman and Andrew Levin, Journal of the Japanese and International Economies

- **Contagion during the Greek sovereign debt crisis**, Mark Mink and Jakob de Haan, Journal of International Money and Finance
- **An assessment of the consistency of ECB communication using wordscores**, David-Jan Jansen and Jakob de Haan, in: J-E. Sturm and P. Siklos (eds.), Central Bank Communication, Decision-making and Governance: The Issues, Challenges, and Case Studies, MIT Press

DNB Occasional Studies 2012

(please click on the title to open pdf)

- No. 4 – Federica Teppa and Corrie Vis, The CentERpanel and the DNB Household Survey: Methodological Aspects

DNB WORKING PAPERS 2012

- No. 345 - Pierre Lafourcade and Joris de Wind, Taking Trends Seriously in DSGE Models: An Application to the Dutch Economy
- No. 346 - Leo de Haan and Jan Willem van den End, Bank liquidity, the maturity ladder, and regulation
- No. 347 - Kyle Moore and Chen Zhou, Identifying systemically important financial institutions: size and other determinants
- No. 348 - Iman van Lelyveld and Daan in 't Veld, Finding the core: Network structure in interbank markets
- No. 349 - Daniel Kapp, The optimal size of the European Stability Mechanism: A cost-benefit analysis
- No. 350 - Janko Gorter, Commission Bans and the Source and Quality of Financial Advice

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