The DNB Research programme 2010 outlined several research projects. This document reports about the outcomes of the projects. The order of the overview is the same as in the 2010 programme.

1. Monetary strategy and price stability

*Have market views on the sustainability of fiscal burdens influenced monetary authorities’ credibility? Gabriele Galati, John Lewis, Steven Poelhekke, Chen Zhou*

**Status:** will soon be published as DNB Working Paper.

*A microeconomic experiment on the formation of inflation*  
Gabriele Galati, Peter Heemeijer, Richhild Moessner (BIS)  

*Regional influences on ECB policymaking?*  
Janko Gorter, Jan Jacobs (RUG), Jakob de Haan  
**Status:** published as DNB Working Paper 272. Submitted to journal (Fauve Stolwijk added as co-author)

*Inflation differentials in the euro area and market flexibility*  
Jakob de Haan, Leo de Haan  
**Status:** project will be continued in 2011.

*An experimental investigation of inflation and output gap expectations under different monetary policy rules*  
Peter Heemeijer, Cars Hommes (UvA), Domenico Massaro (UvA), Tiziana Assenza (University of Milan, UvA)  
**Status:** will soon be published as DNB Working Paper.

*An experimental investigation of inflation expectations in a multi-agent overlapping generations economy*  
Peter Heemeijer, Cars Hommes (UvA), Joep Sonnemans (UvA), Jan Tuinstra (UvA)  
**Status:** published as DNB Working Paper 241.

*Price dispersion squeezing during economic downturns*  
Marco Hoeberichts, Ad Stokman  
**Status:** published as DNB Working Paper 285.

*The zero lower bound, ECB interest rate policy and the financial crisis*  
John Lewis, Stefan Gerlach  
**Status:** published as DNB Working Paper 254.

*Home equity, mobility and the macro economy*  
Vincent Sterk  
**Status:** published as DNB Working Paper 265.

*Trade costs slow down price level convergence in Europe*  
Ad Stokman  
**Status:** will be published as DNB Working paper in 2011 (data analysis done).
2. Central bank transparency and communication

*The dynamic voting patterns of the Bank of England's MPC*
Jan Marc Berk, Beata Bierut, Ellen E. Meade (American University)
**Status:** published as DNB Working Paper 261; re-submitted to journal.

*How much does the public know about the ECB’s monetary policy? Evidence from a survey of Dutch households*
Carin van der Cruijsen, David-Jan Jansen, Jakob de Haan
**Status:** published as DNB Working Paper 252; submitted to journal.

*The role of information in decision-making*
Maria Demertzis, Nicola Viegi (University of Pretoria)
**Status:** will soon be published as DNB Working Paper (as: Public versus private information) by Demertzis.

*A new perspective on the consistency of ECB communication*
David-Jan Jansen, Jakob de Haan
**Status:** published as DNB Working Paper 259; submitted for publication in book.

*Transparency of banking supervisors*
Franka Liedorp, Robert Mosch, Carin van der Cruijsen, Jakob de Haan
**Status:** will be published as DNB Working Paper in 2011 (survey done, first draft of the paper ready)

*Does central bank communication really lead to better forecasts of policy decisions? New evidence based on a Taylor rule model for the ECB*
Jan-Egbert Sturm (ETH, Zuerich), Jakob de Haan
**Status:** accepted for publication in Weltwirtschaftliches Archiv/Review of World Economy (B)
3. Financial stability and macro-prudential supervision

Monetary policy and excessive bank risk taking
Itai Agur, Maria Demertzis

Labour market flexibility and the impact of the financial crisis
I Kadek Dian Sutrisna Artha (RUG) Jakob de Haan
Status: published as DNB Working Paper 280; accepted for publication in Kyklos (B)

Can systemic risk arising from settlement risk exposures be eliminated?
Ron Berndsen
Status: project will be continued in 2011.

Impact of increasing bank capital and liquidity requirements on credit supply and interest rates
Beata Bierut, Jan Willem van den End
Status: published as DNB Occasional Study vol. 8 no. 3 (with Robert Paul Berben and Jan Kakes).

Complex theory and economic systems
Wilko Bolt, Maria Demertzis, Chen Zhou
Status: project will be continued in 2011.

Payments and electronics
Wilko Bolt, Bob Chakravorti (FRB Chicago)

Bank credit constraints and automatic stabilizers
Willem Heeringa, Job Swank
Status: project will be continued in 2011.

The empirical relationship between demographics and real house prices: the Netherlands versus the US
Willem Heeringa, Job Swank
Status: project will be continued in 2011.

The private credit insurance effect on trade
Koen van der Veer

Hidden linkages of exchange crises
Chen Zhou
Status: project will be continued in 2011.

Why does micro-prudential regulation fail?
Chen Zhou
4. Microprudential supervision and behaviour of financial institutions

Capital requirements and credit rationing
Itai Agur

On the possibility of credit rationing in the Stiglitz-Weiss model: A comment
Itai Agur

Bank capital channel: evidence for the Netherlands
Robert-Paul Berben, Jan Willem van den End
Status: published as DNB Occasional Study 8/3.

Mean reversion in stock returns and the consequences for the FTK continuity test
Jaap Bikker (DNB, UU), Pieter van den Hoek, Laura Spierdijk (RUG)

The impact of scale, complexity and service level on administration costs of pension funds: a cross country comparison
Jaap Bikker (DNB, UU), Onno Steenbeek (APG, EUR), Federico Torracchi

Bank profitability during recessions
Wilko Bolt, Leo de Haan, Marco Hoeberichts, Maarten van Oordt, Job Swank

Measuring bank competition across U.S. banks
Wilko Bolt, Dave Humphrey (FSU Tallahassee)
Status: project will be continued in 2011.

Equivalence of different regulatory pension regimes
Dirk Broeders, An Chen (Bonn University)

Liquidity management of banks under stress
Jan Willem van den End, Leo de Haan
Status: will soon be published as DNB Working Paper.

Investment behaviour of insurance companies
Janko Gorter (DNB, RUG), Jaap A. Bikker (DNB, UU)
Status: will soon be published as DNB Working Paper.

Bank size, market concentration, and U.S. bank earnings volatility in the wake of the global financial crisis
Jakob de Haan, Tigran Poghosyan (IMF)

Central bank intervention in large value payment systems: An experimental assessment of moral hazard risk
Peter Heemeijer, Ronald Heijmans, Frans van Winden (UvA)
Status: will start in 2011 and a working paper is aimed for in 2012.
The crisis as a wake up call. Do banks tighten monitoring and screening during a financial crisis?
Neeltje van Horen
**Status:** project will be continued in 2011.

Learning by doing in foreign banking
Neeltje van Horen
**Status:** project has been stopped

Banking risk and regulation: Does one size fit all?
Jeroen Klomp (CPB), Jakob de Haan
**Status:** under review (revise and resubmit) with journal.

Contextual determinants of banks’ liquid buffers
Iman van Lelyveld, Robert Zymek (Bank of England, Pompeu Fabra).
**Status:** project will be continued in 2011.

How do interbank market exposures affect bank risk? Evidence from a spatial lag model
Franka Liedorp, Iman van Lelyveld, Lydian Medema (RUG), Michael Koetter (RUG), Ruud Koning (RUG)
**Status:** published as DNB Working Paper 248.

An empirical analysis of interbank contagion during the subprime crisis
Mark Mink (DNB, RUG), Jakob de Haan (DNB, RUG), Jan P.A.M. Jacobs (RUG)
**Status:** published as DNB Working Paper 247 by Mink.

The impact of bank regulation and supervision on bank soundness
Choudhry Tanveer Shehzad (RUG) and Jakob de Haan
**Status:** project will be continued in 2011.
5. Financial literacy and behaviour of households and firms

Do lifecycle saving schemes provide a route to early retirement? The maturing of the Swiss occupational pension system
Monika Buetler (FGN-HSG Universität St. Gallen, CEPR & CESifo), Federica Teppa
Status: first draft is ready.

Expectations of banking supervision: evidence from a survey of Dutch households
Carin van der Cruijsen, David-Jan Jansen, Jakob de Haan, Robert Mosch

Household financial market and investment choices in financial crisis
Michael Hurd (RAND and NBER), Maarten van Rooij, Joachim Winter (University of Munich)
Status: project will be continued in 2011.

Credit card acceptance and surcharging: the role of costs and competition
Nicole Jonker
Status: project will be continued in 2011.

Choice of payments instruments and ethnicity
Anneke Kosse and David-Jan Jansen
Status: project will be continued in 2011.

Debitcard usage: the impact of newspaper articles about skimming fraud
Anneke Kosse
Status: project will be continued in 2011.

Macro and micro drivers of house market dynamics: An application to Dutch data
Federica Teppa, Gabriele Galati
Other research projects:

Employment protection, technology choice, and worker allocation
Eric J. Bartelsman (VU University Amsterdam, TI), Pieter A. Gautier (VU University Amsterdam, TI), Joris de Wind
**Status:** will soon be published as DNB Working Paper.

Key elements in banknote design
Hans de Heij
**Status:** published as DNB Occasional Study vol. 8 no. 4.

Estimating agricultural commodities’ extreme price risk
Maarten van Oordt, Philip Stork (Massey University), Casper de Vries (EUR)
**Status:** project has been stopped.

Reduced rank timevarying Vector Autoregressions
Joris de Wind (DNB, UvA) and Luca Gambetti (UAB, RECent)
**Status:** will soon be published as DNB Working Paper.

Determining the forecasting power of survey indicators in real time
Joris de Wind, Jasper de Winter
**Status:** project has been stopped.
No. 242  Leo de Haan and Jan Kakes, Momentum or Contrarian Investment Strategies: Evidence from Dutch institutional investors
No. 243  Ron Berndsen, Toward a Uniform Functional Model of Payment and Securities Settlement Systems
No. 244  Koen van der Veer and Eelke de Jong, IMF-Supported Programs: Stimulating Capital to Solvent Countries
No. 245  Anneke Kosse, The safety of cash and debit cards: a study on the perception and behaviour of Dutch consumers
No. 246  Kerstin Bernoth, Juergen von Hagen and Casper de Vries, The Forward Premium Puzzle and Latent Factors Day by Day
No. 247  Laura Spierdijk, Jacob Bikker and Pieter van den Hoek, Mean Reversion in International Stock Markets: An Empirical Analysis of the 20th Century
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