

LATEST NEWS**DNB Household Survey received Data Seal of Approval**

"The DNB Household Survey (DHS) has received the Data Seal of Approval (DSA) in August 2014. This international data label, established by a number of institutions committed to the long-term archiving of research data, indicates that the data is stored safely and in a sustainable way, and that they have been thoroughly checked for accuracy. The DSA is assigned by the DSA Board and renewed every year through a modification procedure. The Board consists of members from the following institutes: Alfred Wegener Institute (Germany), CINES (France), DANS (The Netherlands), ICPSR (USA), MPI for Psycholinguistics (The Netherlands), NESTOR (Germany) and UK Data Archive (United Kingdom)."

CONFERENCES**12-13 June 2014 - International Banking: Microfoundations and Macroeconomic Implications**

Programme: [link](#)

On June 12-13 a conference on International Banking took place at De Nederlandsche Bank (DNB).

The conference provided a forum for researchers to discuss innovative ways to measure and model how the activities of internationally active banks interact with the real economy. The conference was organized jointly by DNB, the IMF and IMF Economic Review. Selected papers will be published in a special issue of the *IMF Economic Review*.

In his welcome speech DNB governor Klaas Knot showed how the crisis has affected international banking. While the global share of bank assets owned

foreign banks has stayed rather stable, substantial differences between countries exist with some countries experiencing a sharp reduction in foreign ownership and others an increase. Furthermore, due to the withdrawal of some advanced economy banks, emerging market banks are starting to play a more prominent role. This has resulted in the global financial system becoming more regional in the wake of the global financial crisis.

The conference keynote speakers were Charles Calomiris (Columbia Business School) and Martin Hellwig (Max Planck Institute). Charles Calomiris discussed theory, empirics and policy with respect to bank capital regulation. He argued that raising minimum capital requirements has both social benefits but also costs, but that a good case can be made for substantially raising the requirements (to around 10% of assets). However, to be most effective other tools need to be used as well, specifically CoCos and cash requirements. Martin Hellwig focused on the need for banks to substantially increase capital ratios in order for the financial system to become more stable as discussed in his book "The Banker's New Clothes" that he wrote jointly with Anat Admati. He argued that even though new regulation that has been put in place after the collapse of Lehman Brother's made the financial system safer, it is still far from safe and therefore more needs to be done.

During the conference both theoretical and empirical papers were presented and it was clear that a lot of progress has recently been made in trying to understand what makes banks become internationally active and what the consequences are of international active banks. Papers addressed a variety of topics including how banks transmit

shocks internationally, the driving forces behind banking FDI and cross-border bank flows, the impact of global capital on financial fragility and the differences between intra and interbank flows.

There was one presentation by a DNB researcher. Neeltje van Horen presented her paper (Shocks abroad, pain at home?) with Steven Ongena (Zurich University) and Jose Luis Peydro (Universitat Pompeu Fabra and Cass Business School). Using a unique matched bank-firm level data for over 45,000 firms active in 14 Eastern European and Central Asian countries the authors show that foreign owned banks and domestic banks that had borrowed from the international capital market reduced credit to firms with negative consequences for the financing and real performance of firm's dependent on this credit. These negative consequences were especially severe for firms with a single bank relationship, small firms or firms with limited tangible assets. Firms in countries with lower growth or financial development, more reliance on foreign funding or slower contract enforcement were also affected more. The results clearly point towards the existence of spillover effects to the real sector through an international banking channel.

INTRODUCING MARTIN VAN DEN BERG

In september 2012 I joined DNB as an enterprise architect. At the same time I started with a PhD in that area.

Let me first introduce myself. I'm an enterprise architect with more than



15 years' experience in this area. I graduated at the Tilburg University with a degree in Business Economics. In 1984 I started my working career in the IT. I worked as a programmer, systems analyst and project manager. But once architecture gained a foothold in the Netherlands, I found my area of choice and managed to become one of the experts in this field. I worked as an architect in organizations like ABN

AMRO, ING, Rabobank and Shell. In September 2012 I joined DNB and found a place where I can combine practice and research in the area of enterprise architecture. I'm one of the founders of an architecture framework called "DYA", DYnamic Architecture, and co-authored three books on DYA. DYA is one of the most popular architecture frameworks in The Netherlands and Sweden. I teach architecture in the Master of Informatics at Hogeschool Utrecht. I am also a member of the program board of the annual Dutch Architecture Conference which is one of the largest IT-conferences in The Netherlands with about 600-700 visitors. The subject of my PhD is enterprise architecture and IT decision-making. Enterprise architecture (EA) is a relatively young discipline which is seeking ways to fully exploit its potential. EA can be considered

both a design discipline and a business function. As a design discipline, EA is an instrument to create a high-level design of the future state of an enterprise covering both business processes and IT capabilities. As a business function EA supports senior management in making decisions with regard to the design and evolution of the enterprise. One of the key outputs of the EA function is improved decision-making regarding the solutions to complex organizational problems. That raises the question to what extent EA is used in decision-making and whether decision-making does indeed improve when EA is involved. Most EA definitions explicitly mention the areas that constitute the design of a future enterprise. Information systems (IS) and information technology (IT) are among these areas, indicated by terms like information systems, applications and IT infrastructure. It was in fact the IS discipline where the notion of EA originated with the Zachman framework. If effects of EA on decision-making would be visible, IS and IT should certainly be the areas to look for. However, little is known of how IS and IT decisions have improved due to EA. It seems as if a big gap exists between the current and desired state of decision-making as an EA objective. Previous research indicates that although EA provides valuable insights, these insights have limited effects on real contributions to the business, like cost reduction or the ability to manage complexity. There appears to be a gap between EA insights and the way these insights are used in IT decision-making.

The main goal of my research is to find ways how enterprise architecture can improve IT decision-making. As a first step I conducted a systematic literature review in IT decision-making. The result was a paper called "Enterprise Architects Should Follow the Money". The paper was accepted on the Conference on Business Informatics 2014 and is part of the conference proceedings published by IEEE.

A finding from the systematic literature review was the lack of literature on how exactly IT decision-making takes place. That is the reason why I am now conducting a case study at DNB. The objective of this case study is to find answers on the following research questions:

- What kind of IT decisions are made at DNB?
- How are these IT decisions made? What kind of variables and factors do play a role? What is the process that is followed?
- Who makes the decision?
- Who provides input for the decision?
- What is the role of the enterprise architecture function in these decisions?

If you are interested in my research please give me a call or drop me an email. You can reach me at: m.j.b.k.van.den.berg@dnb.nl.

PAPERS

"Diagnosing the distribution of GARCH innovations", Chen Zhou
A new paper by [Chen Zhou](#) (jointly with Pengfei Sun (Deutsche Bank)) entitled "Diagnosing the distribution of GARCH innovations" has been accepted for publication in *Journal of Empirical Finance*. In this paper, the authors investigate methods on diagnosing the distribution of the innovations in the Generalized Autoregressive Conditional Heteroscedasticity (GARCH) model. For GARCH processes that are close to integrated-GARCH (IGARCH), the paper proposes a test based on analyzing the tail index of GARCH series. This paper contributes to the literature of quantitative risk management by arguing that it is necessary to consider conditional heavy-tailed distributions when modeling financial time series by GARCH models.

FORTHCOMING CONFERENCES

4th Workshop on 'Financial Determinants of Exchange Rates', Amsterdam 17-18 December 2014

De Nederlandsche Bank (DNB) will host the 4th edition of the workshop on financial determinants of foreign exchange rates jointly organized with the Banca d'Italia and the European Central Bank. The workshop will take place in Amsterdam on 17 and 18 December 2014. In line with the previous three editions, it aims to provide a forum for discussing innovative research on the financial determinants of foreign exchange rates. Economists working in central banks as well as academics and private sector economists and quantitative analysts are welcome to participate. Barbara Rossi (Universitat Pompeu Fabra) and Rosa Abrantes-Metz (Global Economics Group and New York University) have accepted to give keynote lectures. The workshop will also feature a policy panel on key topics for foreign exchange rates and practitioner sessions with contributions of economists working in the industry. Please use this [link](#) for the call for papers.

DNB Annual Research Conference 2014 will take place at De Nederlandsche Bank in Amsterdam on 13-14 November 2014 is about "Forward guidance and communication about unconventional monetary policy". Keynote speeches will be given by Charles Evans (President, FED Chicago) and David Miles (Monetary Policy Committee member, Bank of England). Please use this [link](#) for the call for papers.

N.E.D. (Netherlands Economists Day) 2014

31 October 2014: CPB, DNB, ESB and KVS organize the Nederlandse Economendag (Netherlands Economists Day, N.E.D.). Researchers present their work and discuss the implications of their results with policymakers. The day concludes with a lecture by Prof. Dr. Lawrence H. Summers (Harvard University). For a call for papers and more information, please use this [link](#).

Conference on Macroprudential Regulation: from Theory to Implementation

De Nederlandsche Bank, the European Banking Center and the *Journal of Financial Stability* organize this conference on January 29-30 2015 at the Nederlandsche Bank.

Recent years have seen tremendous progress in the modelling of systemic risk. At the same time, regulators around the world have made large strides towards redesigning financial architecture with the view of incorporating macroprudential elements. However, a significant gap exists between theoretical and empirical research of macroprudential regulation and its implementation. This conference aims to bring together leading academics and policy makers working on macroprudential regulation. We invite high-quality submissions on macroprudential regulation and its implementation. Please use this [link](#) for the call for papers.

FORTHCOMING POLICY LECTURES

'New German power: Problem or Solution?', by **Marnix Krop**. This lecture will take place at De Nederlandsche Bank in Amsterdam on 22 October 2014, 13.00-14.00. Lunch will be provided before the start of the lecture at 12.00.



Marnix Krop, former Dutch ambassador in Berlin and Warsaw and former DG European Cooperation at the Ministry of Foreign Affairs will reflect upon the changed role of Germany within Europe during the crisis. From a more modest role alongside France, Germany has developed itself into a leading nation, coupling European support for problem countries to austerity and structural reforms. Aerdts Houben, division director Financial Stability at DNB, will act as discussant.

Please use this email address to register: <mailto:evenementen@dnb.nl>.

FORTHCOMING RESEARCH SEMINARS

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

9 October 2014	- Michael Kumhof / International Monetary Fund
14 October 2014	- Stefanie Kleimeier / Maastricht University
21 October 2014	- Sylvia Kaufmann / Study Centre Gernzensee
28 October 2014	- Andre Lucas / VU University Amsterdam
4 November 2014	- Petra Gerlach-Kristen / Swiss National Bank
25 November 2014	- Macro Lo Duca / European Central Bank
2 December 2014	- Simon van Norden / HEC Montreal

9 December 2014	- Rosanna Merole / The Economic and Social Research Institute
10 February 2015	- Ralph Koijen / London Business School
19 March 2015	- Jan Jacobs / University of Groningen
24 March 2015	- Michael Massmann / VU University Amsterdam
31 March 2015	- Francesco Zanetti / University of Oxford
7 April 2015	- Dion Bongaerts / Erasmus University

PUBLISHED ARTICLES AND BOOKS (NEW SINCE JUNE 2014)

- **Testing uncovered interest rate parity using LIBOR, Muhammad Omer, Jakob de Haan and Bert Scholtens, Applied Economics, 2014, 46(30), 3708-3723**
- **Are European sovereign bonds fairly priced? The role of modelling uncertainty, Leo de Haan, Jeroen Hessel and Jan Willem van den End, Journal of International Money and Finance, 2014, 47, 239-267**
- **Sudden stops and currency crashes, Yanping Zhao, Jakob de Haan, Bert Scholtens and Haizhen Yang, Review of International Economics, 2014, 22(4), 660-685**
- **The missing link: China's contracted engineering projects in Africa, Yin-Wong Cheung, Jakob de Haan, XingWang Qian and Shu Yu, Review of Development Economics, 2014, 18(3), 564-580**
- **Competition in bank-provided payment services, Wilko Bolt and David Humphrey, Journal of Financial Market Infrastructures, 2014, 2(4), 21-51**
- **Reserve creation and reserve pooling in the international monetary system, Richhild Moessner and Bill Allen, World Economics, 2014, 15(2), 59-75**
- **Inflation expectations, central bank credibility and the global financial crisis, Petra Gerlach-Kristen and Richhild Moessner, Swiss Journal of Economics and Statistics, 2014, 150(2), 55-87**

- **Collective pension schemes and individual choice**, Jules van Binsbergen, Dirk Broeders, Ralph Koijen and Mythe de Jong, *Journal of Pension Economics and Finance*, 2014, 13(2), 210-225
- **The break-down of the money multiplier at the zero lower bound**, Jan Willem van den End, *Applied Economics Letters*, 2014, 21(13), 875-87
- **What drives pension indexation in turbulent times? An empirical examination of Dutch pension funds**, Dirk Broeders, Paul Hilbers, David Rijsbergen and Ningli Shen, *De Economist*, 2014, 162(1), 41-70
- **Democracy, elections, and government budget deficits**, Jakob de Haan, *German Economic Review*, 2014, 15(1), 131-142

FORTHCOMING ARTICLES (NEW SINCE JUNE 2014)

- **Does unconventional monetary policy affect inequality? Evidence from Japan**, Ayako Saiki and Jon Frost, *Applied Economics*
- **Diagnosing the distribution of GARCH innovations**, Pengfei Sun and Chen Zhou, *Journal of Empirical Finance*
- **Leading indicators of currency crises: Are they the same in different exchange rate regimes?**, Yanping Zhao, Jakob de Haan, Bert Scholtens and Haizhen Yang, *Open Economies Review*
- **Are international fund flows pro- or counter-cyclical?**, Suxiao Li, Jakob de Haan, Bert Scholtens and Haizhen Yang, *Applied Economics Letters*
- **Bank regulation, the quality of institutions and banking risk in emerging and developing countries: An empirical analysis**, Jeroen Klomp and Jakob de Haan, *Emerging Markets Finance and Trade*
- **Geographic diversification in banking**, Yiwei Fang and Iman van Lelyveld, *Journal of Financial Stability*
- **Finding the core: Network structure in interbank markets**, Daan in 't Veld and Iman van Lelyveld, *Journal of Banking and Finance*
- **Home bias and Dutch pension funds' behavior**, Ghulame Rubbaniy, Iman van Lelyveld and Willem Verschoor, *European Journal of Finance*
- **Effects of ECB balance sheet policy announcements on inflation expectations**, Richhild Moessner, *Applied Economics Letters*

- **Financial integration in the euro area: Pro-cyclical effects and economic convergence**, Saskia van Ewijk and Ivo Arnold, *Economic Modelling*
- **Sovereign risk and the relationship between deposit rates and deposit holdings in the euro area**, Ivo Arnold and Saskia van Ewijk, *Applied Financial Economics*
- **A state space approach to measuring the impact of sovereign and credit risk on interest rate convergence in the euro area**, Ivo Arnold and Saskia van Ewijk, *Journal of International Money and Finance*
- **Dating banking crises using incidence and size of bank failures: Four crises reconsidered**, Raymond Chaudron and Jakob de Haan, *Journal of Financial Stability*
- **Identifying banking crises using money market pressure: New evidence for a large set of countries**, Zhongbo Jing, Jakob de Haan, Jan Jacobs and Haizhen Yang, *Journal of Macroeconomics*

DNB Occasional Studies 2014

(please click on the title to open pdf)

- No. 2 – Malcolm Sparrow, Ceyla Pazarbasioglu, José María Roldán, Sheila Bair, Joanne Kellermann, Frédéric Visnovsky and Jan Sijbrand [Studies Beyond Finance - Financial Supervision in the 21st Century](#)
- No. 5 – Jeannette Capel and Anouk Levels [Collateral optimisation, re-use and transformation](#)

DNB WORKING PAPERS 2014

- No 427 – Richhild Moessner [International spillovers from US forward guidance to equity markets](#)
- No 428 – Julia Le Blanc, Alessandro Porpiglia, Federica Teppa, Junyi Zhu and Michael Ziegelmeier [Household saving behaviour and credit constraints in the Euro area](#)
- No 429 – Lola Hernandez, Nicole Jonker and Anneke Kosse [Cash versus debit card: the role of budget control](#)
- No 430 – Natalya Martynova, Lev Ratnovski and Razvan Vlahu [Franchise value and risk-taking in modern banks](#)

- No 431 – Thorsten Beck, Hans Degryse, Ralph de Haas and Neeltje van Horen
[When arm's length is too far. Relationship banking over the business cycle](#)
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- No 434 – Tigran Poghosyan, Charlotte Werger and Jakob de Haan
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- No 436 – Job Boerma
[Openness and the \(inverted\) aggregate demand logic](#)
- No 437 – Philip Wilms, Job Swank and Jakob de Haan
[Determinants of the real impact of banking crises: A review and new evidence](#)
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[What do we know about the effects of macroprudential policy?](#)
- No 441 – Jon Frost and Ruben van Tilburg
[Financial globalization or great financial expansion? The impact of capital flows on credit and banking crises](#)

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