

BANK HETEROGENEITY, DEPOSITS, AND THE PASS-THROUGH OF INTEREST RATES

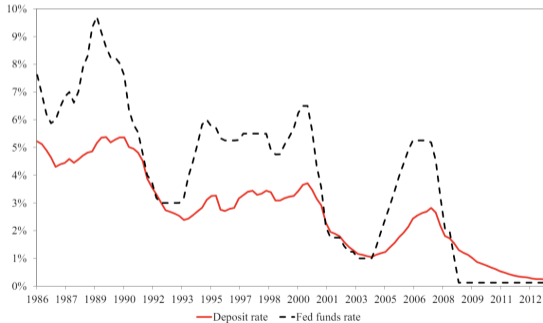
BY OLIVER DE GROOT AND GUSTAVO MELLIOR

Discussion by Marco Bellifemine
LSE

QCGBF Annual Conference, July 2, 2024

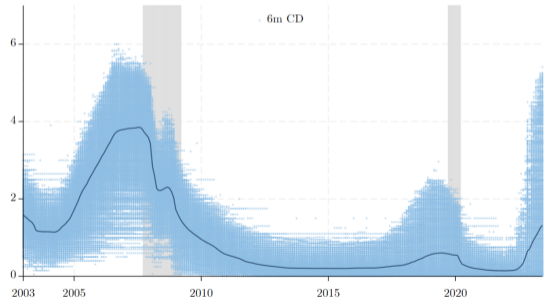
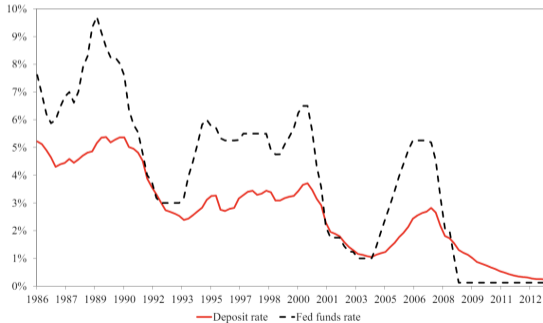
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- ▶ This paper: yes, but **heterogeneity**



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- ▶ Next: two quibbles + some suggestions

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- ▶ More generally, why do we need three different empirical exercises?
 - ◇ Only robustness, or can we learn something more?

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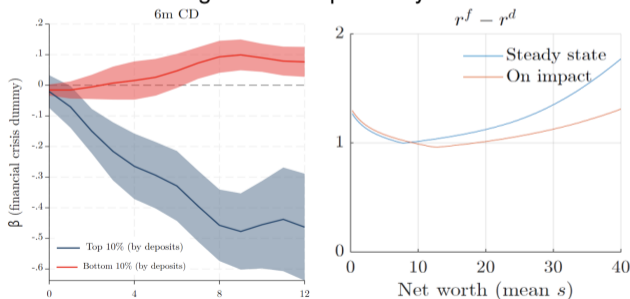
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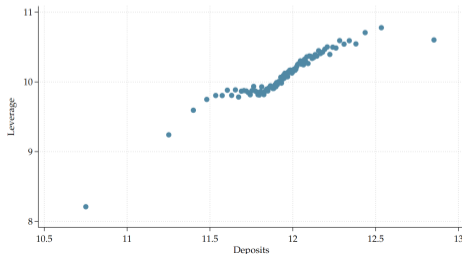
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- ◇ **Data:** big banks cut rates by more during crises. **Model:** big banks cut rates by less?

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- ▶ Should you control for size and leverage **jointly** in your LPs?



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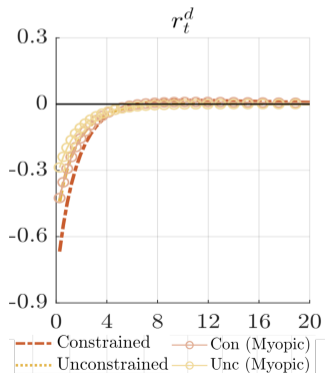
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◇ What does this mean for **allocative efficiency**? (Baqaei, Farhi and Sangani, 2024)

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III **State-dependent transmission of shocks** (Ottonello and Winberry, 2020)

◇ Does it matter whether highly levered banks have a large deposit base?

CONCLUSION

- ▶ Great paper! Timely and very policy relevant.
- ▶ Very nice framework, lots of interesting exercises to explore!
- ▶ Looking forward to the next version!