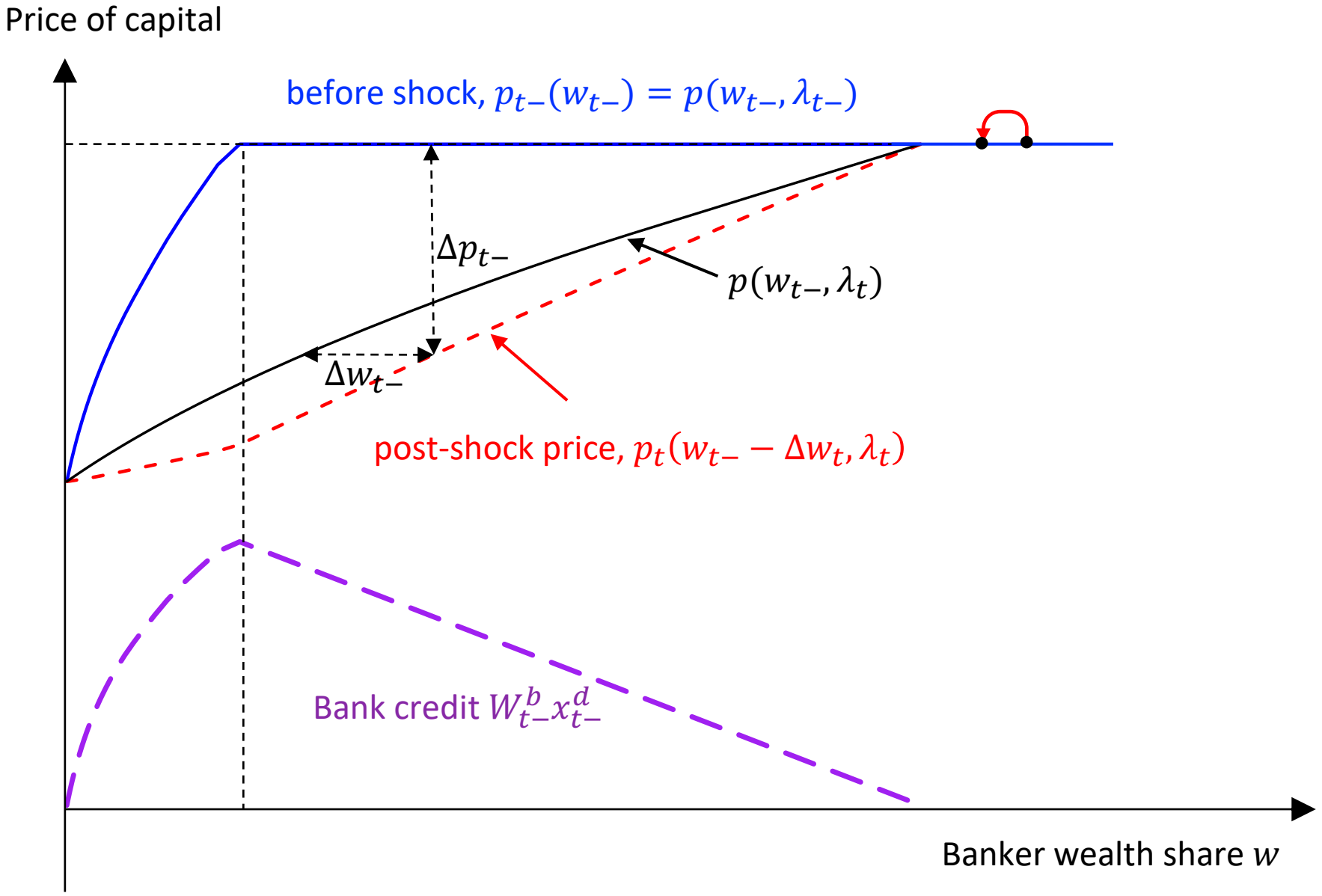
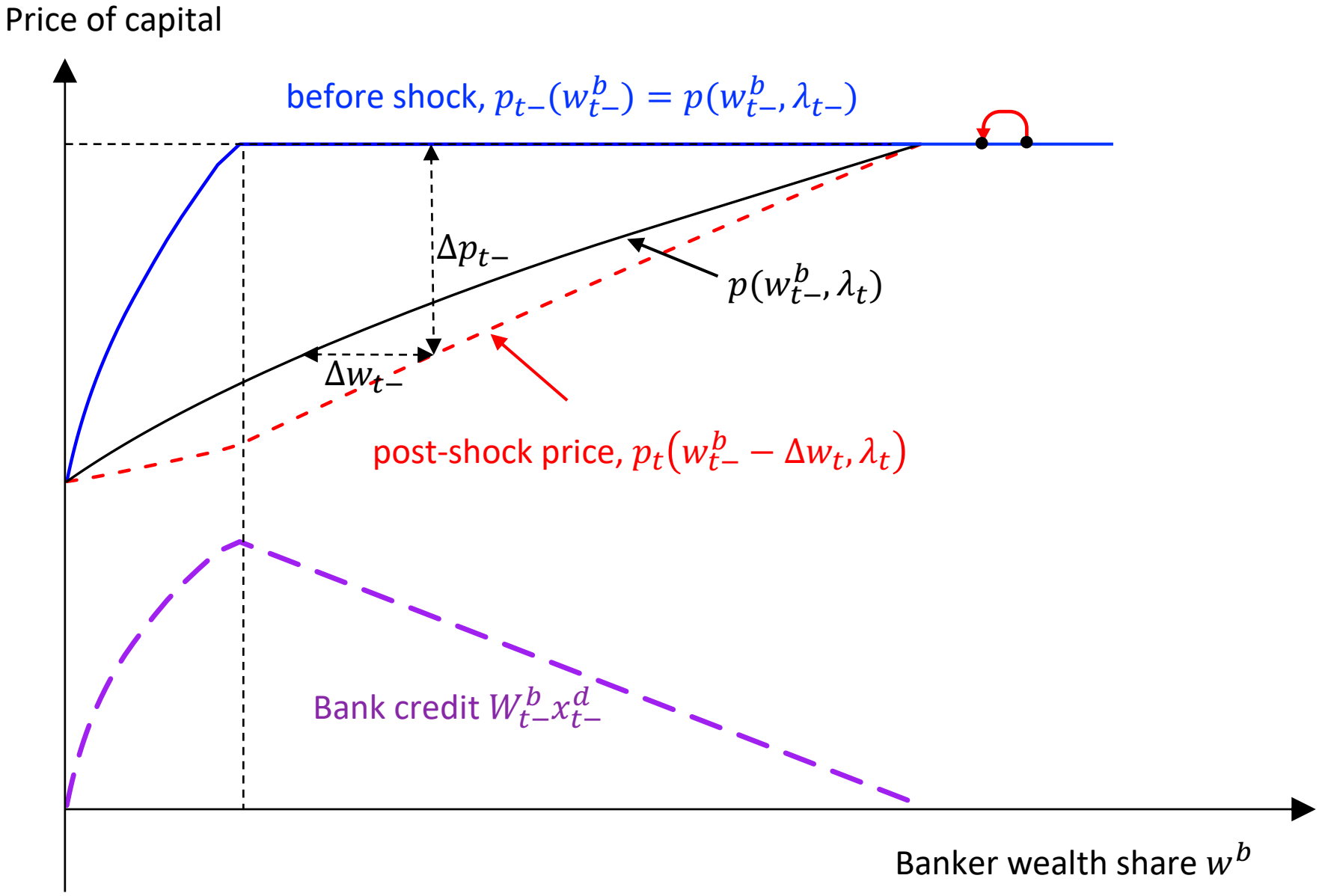
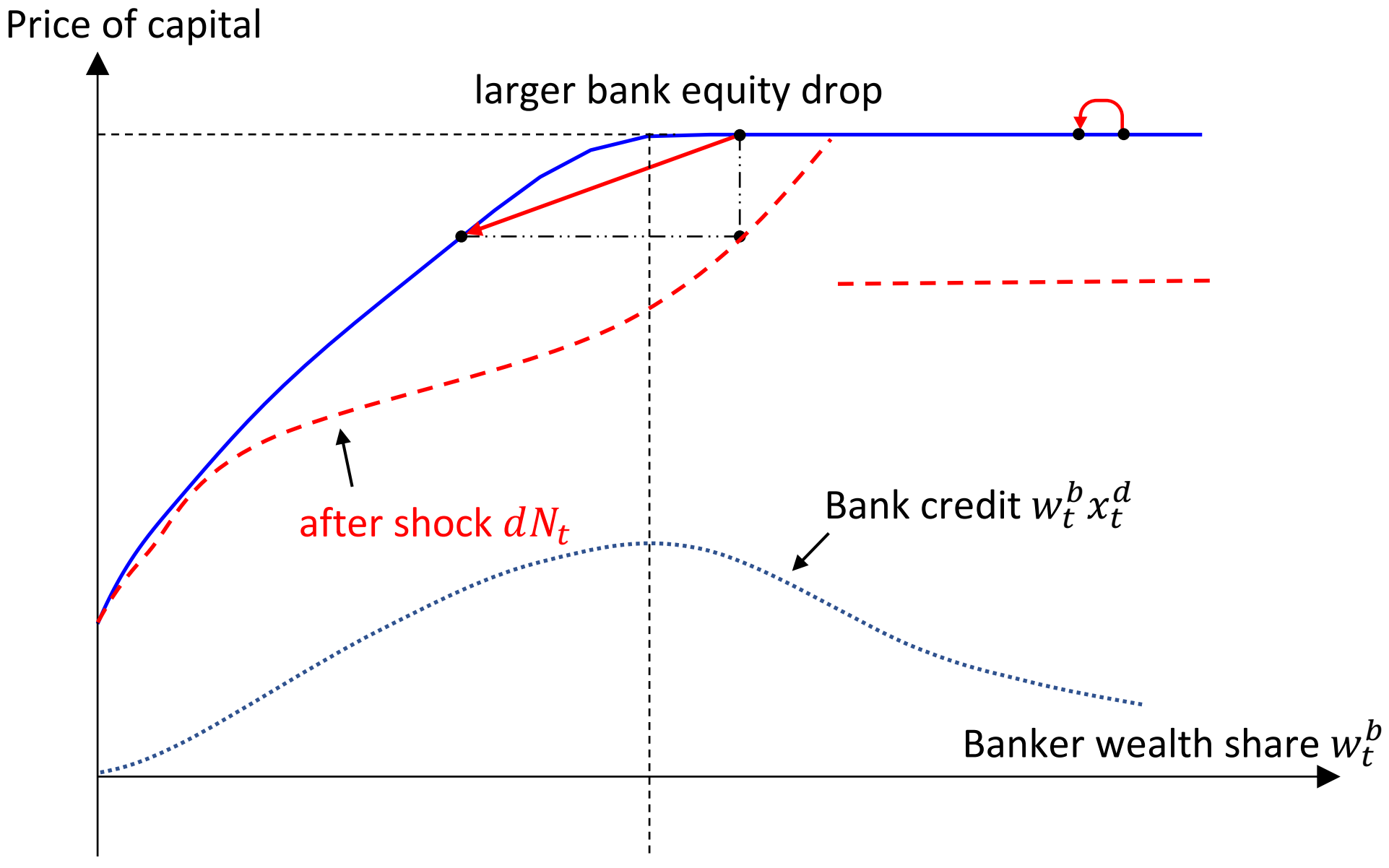

Price of capital
before shock, $p_{t-}(w_{t-}) = p(w_{t-}, \lambda_{t-})$
Δp_{t-}
$p(w_{t-}, \lambda_t)$
Δw_{t-}
post-shock price, $p_t(w_{t-} - \Delta w_t, \lambda_t)$
Bank credit $W_{t-}^b x_{t-}^d$
Banker wealth share w


Price of capital
before shock, $p_{t-}(w^b_{t-}) = p(w^b_{t-}, \lambda_{t-})$
Δp_{t-}
$p(w^b_{t-}, \lambda_t)$
Δw_{t-}
post-shock price, $p_t(w^b_{t-} - \Delta w_t, \lambda_t)$
Bank credit $W^b_{t-} x^d_{t-}$
Banker wealth share w^b


Price of capital
larger bank equity drop
after shock dN_t
Bank credit $w_t^b x_t^d$
Banker wealth share w_t^b