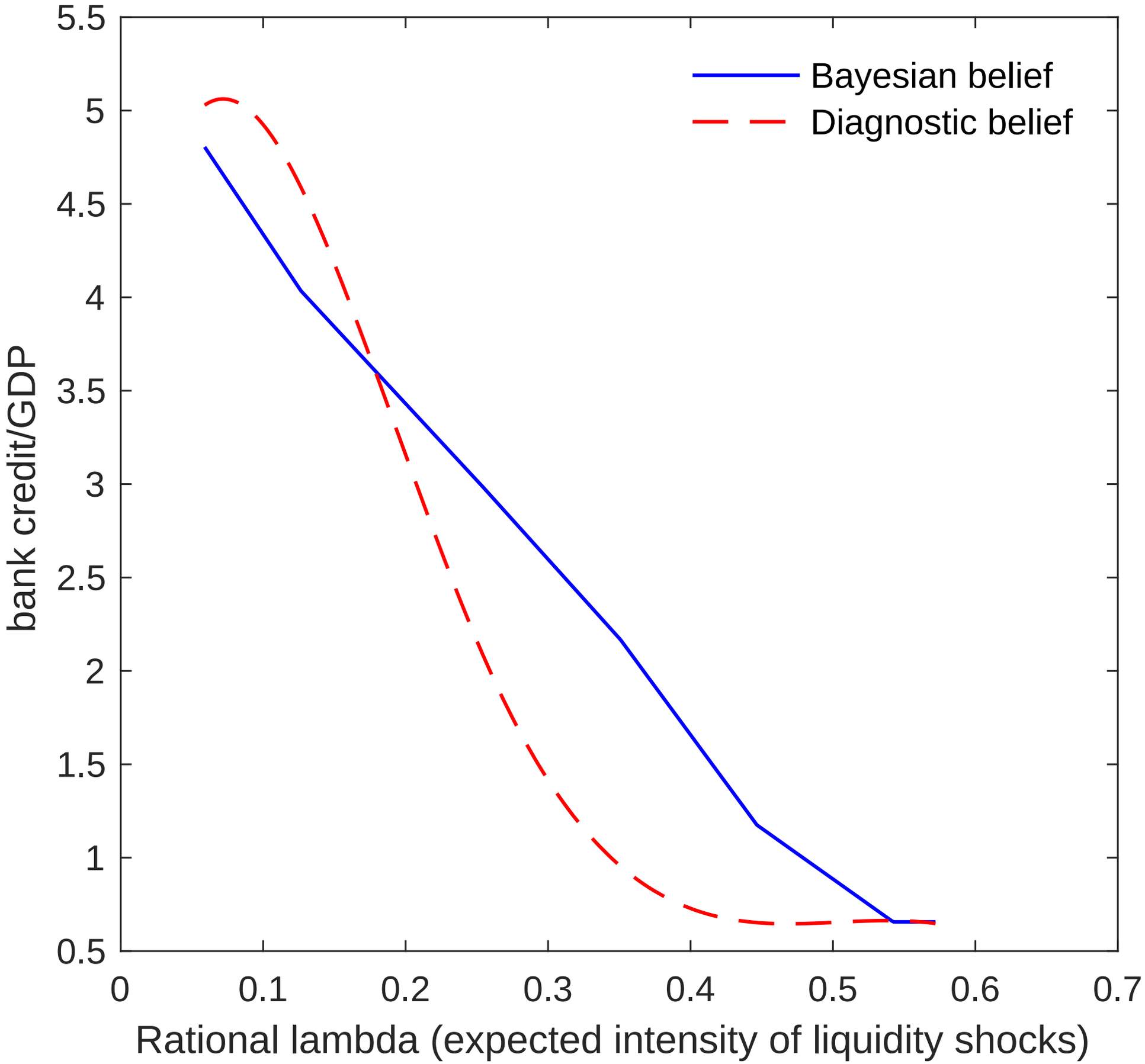
Bayesian belief
Diagnostic belief
bank credit/GDP
Rational lambda (expected intensity of liquidity shocks)
5.5
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7