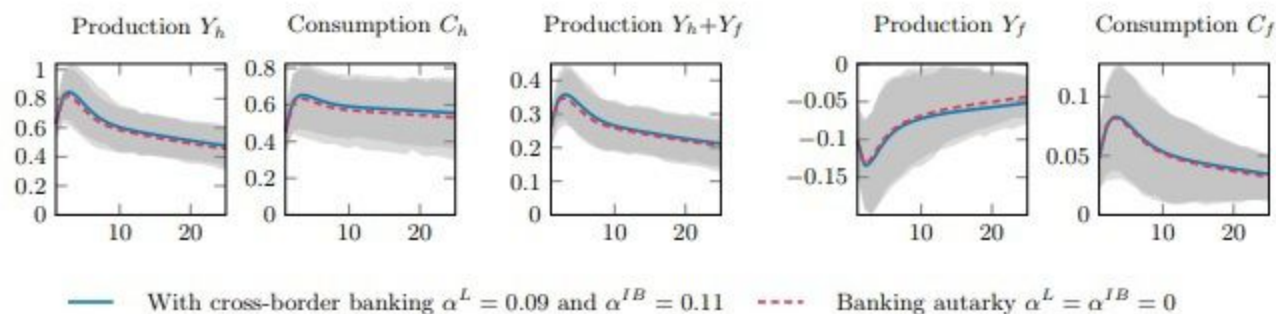| CORE COUNTRIES | | EURO AREA | PERIPHERAL COUNTRIES | |

Figure 6: Bayesian system response to an estimated positive productivity shock in core countries under banking globalization ($\alpha^L = 9\%$, $\alpha^{IB} = 11\%$) and autarky ($\alpha^L = \alpha^{IB} = 0\%$)
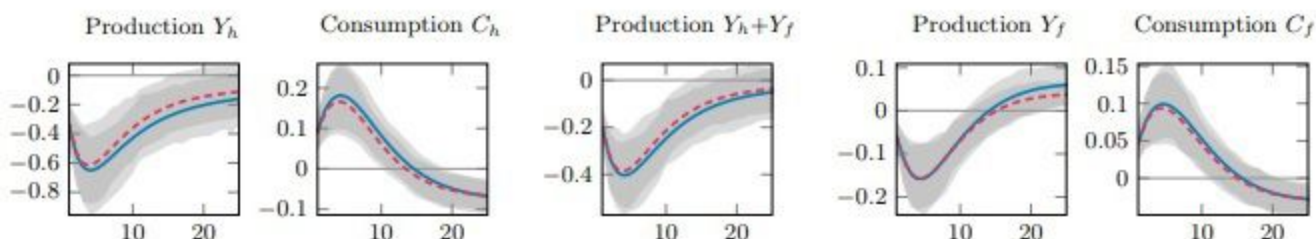
Figure 7: Bayesian system response to an estimated negative net wealth shock in core countries under banking globalization ($\alpha^L = 9\%$, $\alpha^{IB} = 11\%$) and autarky ($\alpha^L = \alpha^{IB} = 0\%$)
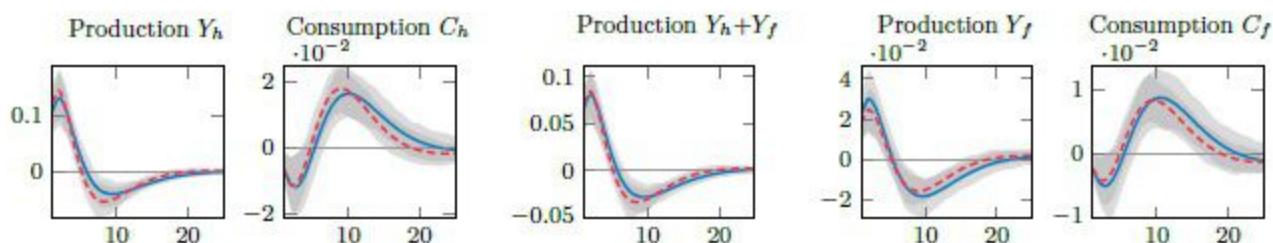
Figure 8: Bayesian system response to an estimated positive liabilities shock in the balance sheet of core countries banks under banking globalization ($\alpha^L = 9\%$, $\alpha^{IB} = 11\%$) and autarky ($\alpha^L = \alpha^{IB} = 0\%$)