| # | Parameter | Restriction | Meaning | Value |
|---|---|---|---|---|
| | Households | | | |
| 1. | $\beta$ | $0 < \beta < 1$ | discount factor | 0.99 |
| | $f$ | | fraction of bankers in the household | |
| | $(1-f)$ | | fraction of workers | |
| | $\theta$ | $0 < \theta < 1$ | prob. bankes stay bankers in the next period | |
| | $\frac{1}{1-\theta}$ | | average survival time | |
| 2. | $h$ | $0 < h < 1$ | Habit parameter | 0.815 |
| 3. | $\chi$ | $0 < \chi$ | Relative utility weight of labor | 3.409 |
| 4. | $\varphi$ | $0 < \varphi$ | Inverse Frisch elasticity of labor | 0.276 |
| | Financial Intermediate | | | |
| | $\lambda$ | | fraction of Banker's possible diverable assets | |
| | $\tau$ | | central bank efficiency cost per unit supplied | |
| | $\delta$, $\delta(U)$ | | depreciation rate | 0.025 |

```
        betta: 0.9900
          sig: 1
           hh: 0.8150
       varphi: 0.2760
        zetta: 7.2000
        theta: 0.9716
         alfa: 0.3300
        delta: 0.0250
     G_over_Y: 0.2000
        eta_i: 1.7280
      epsilon: 4.1670
          gam: 0.7790
        gam_P: 0.2410
     kappa_pi: 1.5000
      kappa_y: -0.1250
        rho_i: 0
      rho_ksi: 0.6600
    sigma_ksi: 0.0500
        rho_a: 0.9500
      sigma_a: 0.0100
        rho_g: 0.9500
      sigma_g: 0.0100
     sigma_Ne: 0.0100
      sigma_i: 0.0100
rho_shock_psi: 0.6600
    sigma_psi: 0.0720
        kappa: 10
          tau: 1.0000e-03
```

| # | Variable | Meaning |
|---|---|---|
| | Households | |
| 1. | $C_t$ | consumption |
| 2. | $L_t$ | Family labor supply |
| 3. | $R_t$ | Gross real return from $t-1$ to $t$ |
| 4. | $B_t$ | total quantity short term debt the household acquires |
| 5. | $W_t$ | Real Wage |
| 6. | $\Pi_t$ | net payouts to the households from ownership of (non)-financial firms |
| 7. | $T_t$ | lump sum tax |
| 8. | $\varrho_t$ | marginal utility of consumption |
| 9. | $\Lambda = \frac{\varrho_{t+1}}{\varrho_t}$ | |
| | Capital Producing Firms | |
| | $I_t$ | gross capital created |
| | $\delta(U_t)\xi_t K_t$ | quantity of capital refurbished |
| | $I_{nt} \equiv I_t - \delta(U_t)\xi_t K_t$ | net capital created |
| | $I_{ss}$ | steady state investment |
| | Financial intermediaries | |
| 9. | $N_{jt}$ | amount of net worth that Banker j has at the end of periot $t$ |
| 10. | $S_{jt}$ | the quantity of financial claims on non-financial firms on the intermdiary's balance sheet |
| 11. | $Q_t$ | the relative price of each claim |
| 12. | $B_{jt}$ | the intermediary's debt |
| 13. | $R_{kt+1}$ | intermediary's return on assets |
| 14. | $\beta\Lambda_{t,t+1}$ | stochastic discount the banker at $t$ |
| 15. | $V_{jt}$ | banker's losts from diverting |
| 16. | $x_{t,t+i}$ | gross rate in assets between $t$ and $t+i$ |
| 17. | $z_{t,t+i}$ | gross rate of net worth |
| 18. | $\nu_t$ | expected discounted marginal gain of the banker of expanding assets $Q_t S_{jt}$ by a unit |
| 18. | $\mu_t$ | expected discounted value of having another unity of $N_{j,t}$ |
| 19. | $Q_t S_{jt}$ | value of assets Banker $j$ holds |
| 20. | $\phi_t$ | ratio of privatly intermediated assets to equity |
| 21. | $N_{et}$ | sum of net worth of entering banker |
| 22. | $N_{nt}$ | net worth of entering bankers |
| 23. | $\frac{\omega}{1-\theta}$ | value of asset intermediated via government |
| | Credit policy | |
| 24. | $Q_t S_{gt}$ | value of assets intermediated via government |
| 25. | $\psi_t$ | fraction central bank is willing to fund of intermediated assets |
| 26 | $\phi_{ct}$ | leverage ratio for total intermediated funds |
| | Firm | |
| 27. | $K_{t+1}$ | Kapital acquired by the firm |
| 28. | $Y_t$ | output produced by the firm |
| 29. | $U_t$ | Utilization rate of capital |
| 30. | $A_t$ | total factor productivity |