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Online Appendix for

The Impact of Domestic Monetary Policy and External Liquidity Shocks on Inequality in the Republic of Korea

By

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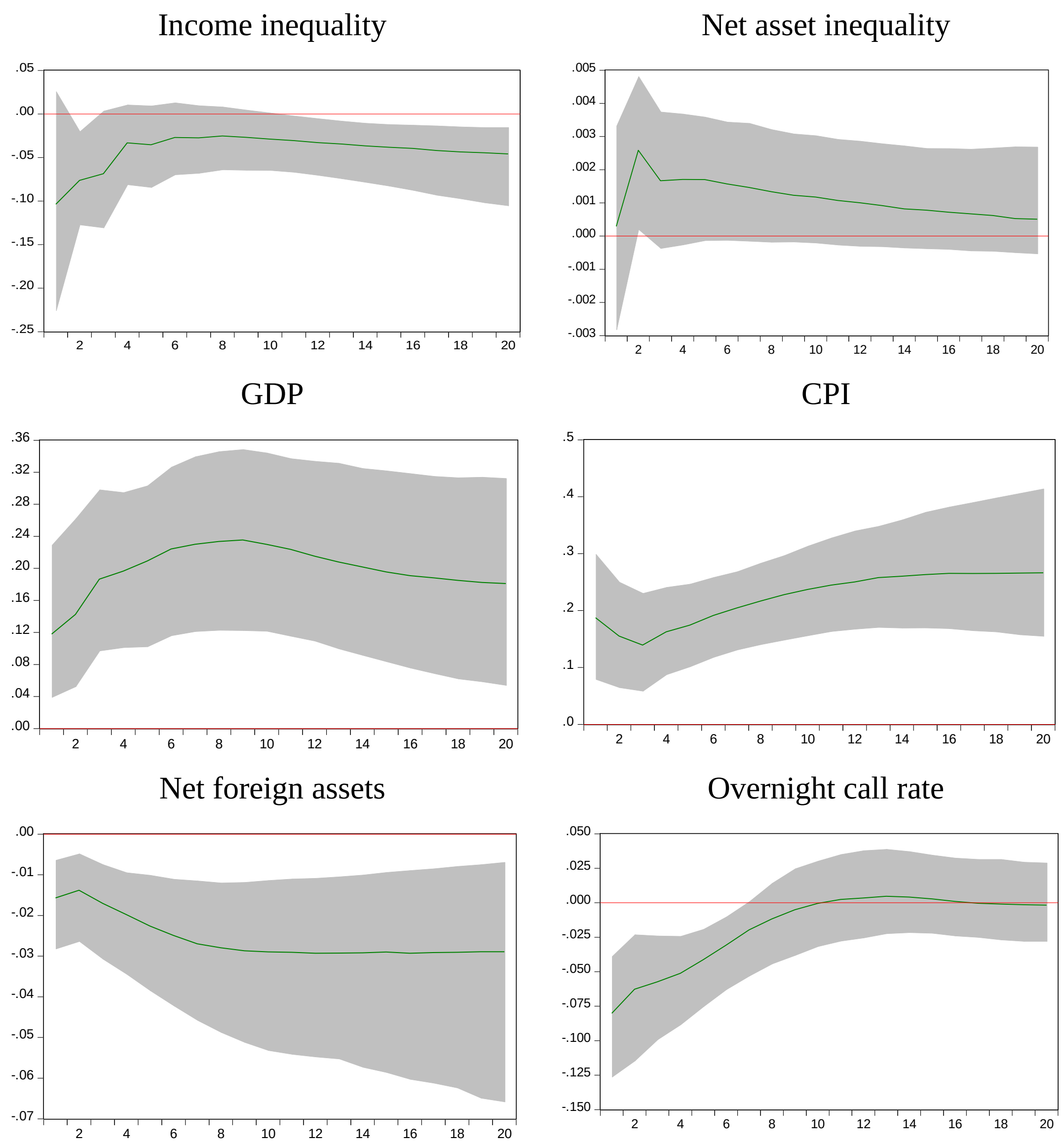
<Figure A1> *Impulse Responses to an Expansionary Net Foreign Asset Shock with Alternative Sign Restriction*



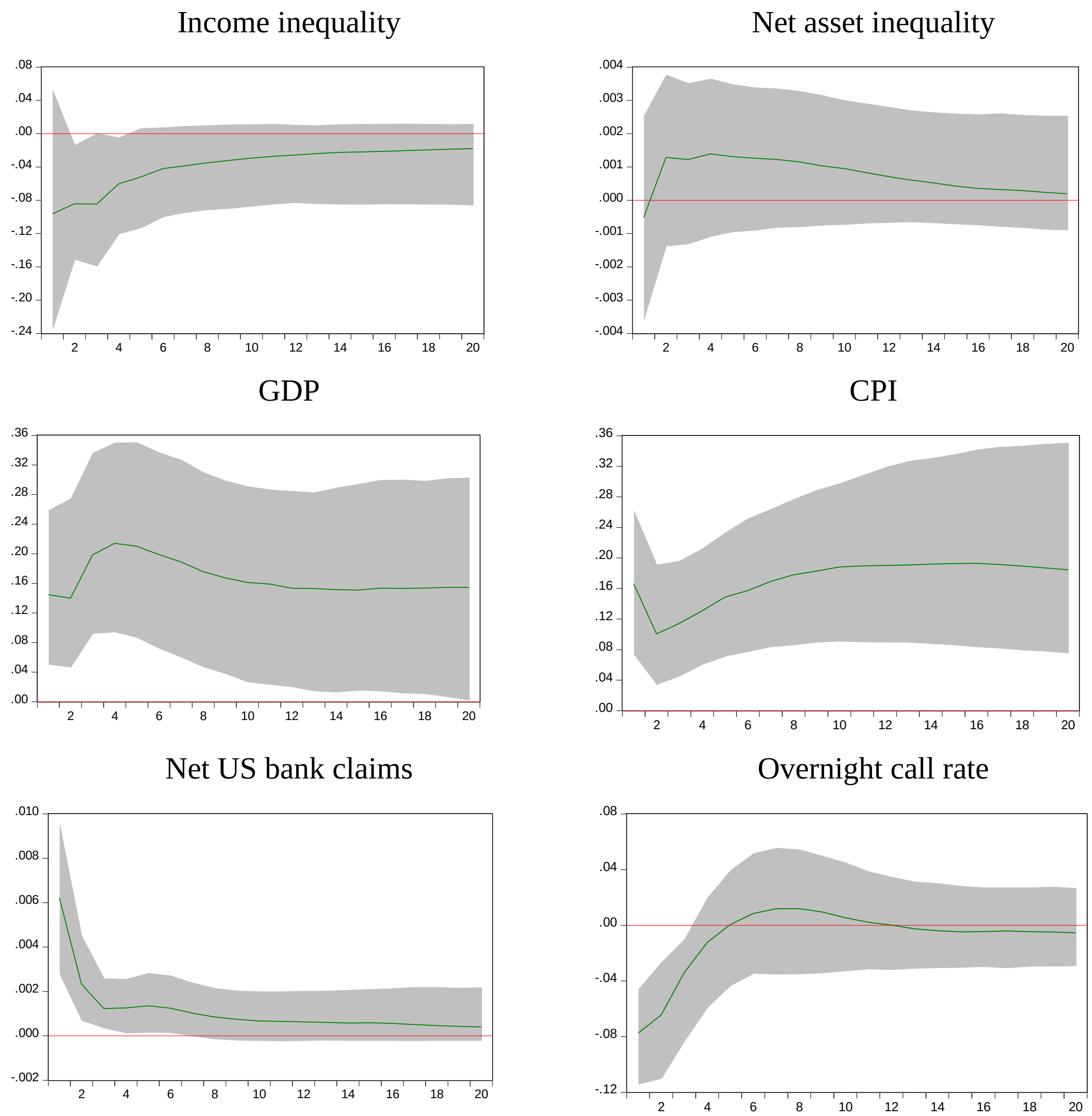
Notes:

(1) Responses to one standard deviation decrease in net foreign assets of Korea to GDP ratio.

(2) Endogenous variables = (net foreign asset/GDP, log(GDP), log(CPI), P90/P10 of market income, share of top 10% of net asset, overnight call rate). The lag order of vector autoregression (VAR) is set to 2. The shaded area represents the 68% confidence interval.

(3) Sign restriction: An expansionary foreign liquidity shock increases GDP and CPI, and decreases overnight call rate.

<Figure A2> *Impulse Responses to an Expansionary Net US Bank Claims Shock with Alternative Sign Restriction*



CPI = consumer price index; US = United States.
Notes:

(1) Responses to one standard deviation increase in net US bank claims/GDP.
(2) Endogenous variables = (net US bank claims to Korea/GDP, log(GDP), log(CPI), P90/P10 of market income, share of top 10% of net asset, overnight call rate). The lag order of vector autoregression (VAR) is set to 2. The shaded area represents the 68% confidence interval.
(3) Sign restriction: An expansionary foreign liquidity shock increases GDP and CPI, and decreases overnight call rate.