

**ROMAN CHUHAY, ICEF and HSE  
with Huber Janos Kiss**

**Social structure and propagation of depositors panic (Roman Chuhay,  
co-author Huber Janos Kiss)**

**Abstract:**

Empirical evidence suggest that social network effects are important regarding the decision-making of depositors. Contribution of our paper to the bank-run literature is twofold. First, we explicitly specify who can observe whom by considering underlying network of social contacts. Second, we allow depositors to re-diced upon observing the actions of their neighbors and effectively study multistage game. We identify ultimate proportion of depositors who withdraw money as a function of proportion of impatient depositors in the population. We also study how different network structures affect the probability of bank run.