Internet Appendix for

"Revenge of the Steamroller: ABCP as a Window on Risk Choices"

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In this appendix, we present additional institutional details and the results of further tests that support the main results reported in our paper. Section 1 describes credit-arb vehicle design, Section 2 reviews the regulatory treatment of ABCP vehicles, and Section 3 explores the intensive margin of credit-arb vehicle sponsorship.

1. Vehicle Design

ABCP vehicles have no employees and no offices (see Gorton and Souleles, 2005 for more about such firms). All vehicle operations are conducted by service providers, such as law firms and investment managers, which are required to employ risk mitigants built into governing documents of a vehicle. Examples include hedging requirements, investment strategy restrictions, and requirements for third party guarantees, often from the vehicle's sponsor.[1]

The vehicle sponsor usually is the investment manager and receives most of the net revenue from a vehicle after funding costs and operating expenses. Low costs are important to vehicle profitability; obtaining A1/P1 ratings is a practical necessity. To achieve these high ratings, ABCP vehicles seek additional liquidity guarantees. The sponsor is the usual provider of committed backup liquidity lines that fund repayment of maturing ABCP if it cannot be rolled over. The sponsor also provides credit enhancements for some types of vehicles.

If the sponsor fails, vehicle investors have the sole claim on vehicle assets and are isolated from the sponsor's bankruptcy proceeding. Even though the vehicle is bankruptcy remote, the

[1] For example, the interest payment streams from fixed-coupon assets are swapped into floating-rate equivalents in order to limit net asset value fluctuations associated with changes in risk-free interest rates. Foreign exchange risks are also hedged.

value of risk mitigation provided to ABCP investors by a sponsor's commitments is reduced if the sponsor's default risk rises, so distress at the sponsor is usually associated with increased spreads on vehicle liabilities or a refusal of ABCP investors to roll over maturing debt, which we will refer to as a run. If the sponsor does not fail but vehicle assets suffer losses, such losses are very likely to be borne by the sponsor, either via the credit enhancements or the backup lines of credit they provide or due to implicit commitments. Acharya, Schnabl, and Suarez (2013) find that during the crisis sponsor banks realized over 97 percent of the total losses on assets of ABCP vehicles of all types.

Different types of ABCP vehicles have different investment strategies, different relationships with the sponsor's other businesses, and pose different risks to the sponsor. The right panel of Table I gives amounts of ABCP outstanding as of mid-2007, with the top panel showing amounts for the types of vehicles we examine and the bottom panel covering other types. As described in the paper, structured investment vehicles (SIVs) also issued about $300 billion of medium term notes (MTNs), bringing the aggregate size of credit-arb vehicles to about $700 billion.

1.1 Securities Arbitrage Vehicles

Investors in a securities arbitrage vehicle (SAV) are effectively protected from default in any state of the world that does not involve a failure to perform by providers of backup commitments. SAVs are buy-and-hold entities that are governed by accrual accounting and that have corporate charters that forbid the sale of assets at less than par.[2] As long as assets do not default and funding costs (including the effect of hedges) remain stable, such vehicles can be expected to produce fairly steady streams of net revenue for sponsors. Of course, ABCP investors may withdraw funding or

[2] Vehicle operations are conditional on net income in some cases. For example, if daily net income is negative for an extended period, the investment manager may be forbidden to buy new assets or the vehicle may go into liquidation.

demand higher spreads, either because of exogenous disruptions in money markets or because they perceive that the risk that they will bear losses has risen. Credit enhancements and committed backup lines of credit are key sources of investor confidence.

1.2 SIVs

SIVs have assets similar to SAVs but are funded by a tranche of subordinated notes that represents 4 to 8 percent of vehicle liabilities, by ABCP, and by medium-term notes (MTN). Sponsors do not provide contractual credit enhancements. The ABCP and MTN are equal in priority and differ mainly in term to maturity. SIVs are governed by mark-to-market accounting with net asset value triggers that force the vehicle to stop investing and to enter a liquidation mode if the net asset value of the vehicle falls below preset percentages of the par value of liabilities. In some states of the world, a liquidation might permit holders of the ABCP and MTNs to be paid in full if they hold the debt to maturity; however, in other states of the world the subordinated debt would be wiped out and some hold-to-maturity ABCP and MTN investors would bear losses (of course, those that run by failing to roll over maturing debt will avoid losses).

In principle, SIV liquidity risk is managed by matching maturities of assets and liabilities, with ABCP used to fund short-term mismatches and to allow some flexibility to buy and sell assets. Because maturity-matching limits liquidity risk, the vehicles purchase a liquidity backup line of credit covering only a portion of liabilities. Some SIVs may have used a higher proportion of ABCP than maturity-matching would have implied, making them more vulnerable to runs. A refusal of investors to roll over MTN funding would also effectively put a SIV into liquidation, since it would have to use cash from maturing assets to repay maturing MTNs.

SIV sponsors appeared less exposed to vehicle risks than sponsors of SAVs because they did not provide full contractual backups and they did not hold vehicles' subordinated notes. However,

almost all bank-sponsored SIVs were rescued by their sponsors. In most cases, the sponsors bought all vehicle assets or injected assets to prevent net asset value from falling below liquidation trigger points. Perhaps sponsors would not have done so had they foreseen the severity of the crisis, but in late 2007 or early 2008 they honored implicit commitments to vehicle investors. Thus, in practice, they were exposed to the same systematic bad-tail risk as SAV sponsors.

1.3 Types of Vehicles Omitted From Empirical Analysis

We omit multi-seller vehicles from our analysis because most of them pool nonfinancial-firm receivables and other short-term assets and consequently have a smaller maturity mismatch between assets and liabilities. Entities other than the sponsor often provide some credit enhancements. In addition, banks often use multi-seller vehicles as an element of their lending businesses (sometimes providing loans to clients via vehicles rather than on-balance-sheet loans). Thus, a bank's decision to sponsor a multi-seller vehicle is not necessarily well-separated from its other businesses. Few multi-seller vehicles became deeply distressed, and most are still operating, whereas most SAVs and SIVs have disappeared.

We also omit single-seller vehicles. Though there was some diversity of single-seller strategies, a typical single-seller vehicle was a holding pen for loans awaiting securitization. For example, a mortgage lender might issue securitizations only a few times a year and might "park" loans in its vehicle until securitization occurred. Such vehicles are not the result of a risk-taking decision that is separate from the sponsor's other businesses. Moreover, the tail risk is essentially identical to that of the sponsor's business: If its ability to securitize is lost, loans awaiting securitization in a vehicle will be a burden, but the sponsor's mortgage business is also likely to be distressed.

Of the remaining types of vehicles shown in Table I, all of which were small in terms of ABCP issued, some might involve systematic bad-tail risk-taking, but all have structures or are related to sponsors' businesses in ways that make them less useful candidates than credit-arb vehicles for our study of systematic bad-tail risk-taking.

2. Regulatory Treatment

This section describes in more detail the regulatory capital requirements associated with credit arbitrage vehicles and rough estimates of the net profits required to cover the cost of incremental required equity capital. Our description is broadly similar to that in Acharya, Schnabl and Suarez (2013) except that they do not discuss capital requirements associated with credit enhancements, nor do they produce examples of costs of capital relative to profitability.

Capital requirements differed for SIVs and SAVs. Focusing first on SAVs, European banks incurred no incremental capital requirements by sponsoring a SAV through mid-2007. U.S. banks incurred regulatory risk-based capital requirements against credit enhancements beginning in 2002 and liquidity backstop lines of credits beginning in 2004, and beginning in 2004 their vehicles incurred costs associated with expected loss notes (ELNs) issued to avoid consolidation of vehicle assets onto the sponsor's balance sheet.

In a November 2001 rule that took effect as of January 1, 2002, U.S. bank regulators specified risk-based capital requirements for "direct credit substitutes," which included credit enhancements provided to ABCP vehicles (Federal Register, 2001).[3] In the Basel 1 scheme in effect at the time, requirements were specified in terms of "risk weights" with the risk weight for a standard corporate loan or bond being 100 percent. Risk weights were then multiplied by a standard requirement to

[3] The substance of the rule, which required capital beyond that in Basel 1, was not adopted by the Basel Committee on Banking Supervision (BCBS) and thus was not part of the Basel 1 agreement. U.S. regulators adopted it unilaterally, though it foreshadowed treatment in Basel 2 (which, as a practical matter, was not implemented by any relevant banks until around the time the crisis started).

obtain dollars of capital per dollar of assets. Though 8 percent is the most widely reported standard requirement (8 cents of "total" capital per dollar of 100% risk weight assets), a more relevant U.S. requirement was 6 percent of Tier 1 capital to be "well capitalized" (because Tier 1 more closely approximated common equity). Risk weights for credit-arb vehicle credit enhancements were applied to the face amount of the enhancement, which was commonly 10 percent of vehicle assets. The risk weight depended on the agency ratings of assets in the vehicle, with a 20 percent weight for AAA and AA assets and 50 percent weight for A rated assets. For example, for a vehicle with 80 percent of assets rated AAA or AA and the remainder A, the risk weight for the credit enhancement would be 0.8*0.2 + (1-0.8)*0.5 or 26 percent. Applying the weight to the credit enhancement size (10 percent of vehicle assets) and then multiplying by the standard 6 percent requirement yields required capital of 0.26*0.10*0.06=15.6 basis points of Tier 1 capital per dollar of vehicle assets. Such capital is costly in that it has a higher required return than debt and it must be held in addition to the ABCP that comprises all of SAV liabilities (since the Tier 1 capital is not on the books of the SAV). Using a back-of-the-envelope 15 percent required return on equity capital, .00156*.15 = 2.3 basis points of vehicle net profit is needed to compensate the sponsor for this regulatory requirement.

In a July 2004 rule to take effect September 2004, U.S. bank regulators specified risk-based capital regulatory treatment of ABCP liquidity facilities (see Federal Register, 2004; Interagency Guidance, 2005). This rule applied a 10 percent "credit conversion factor" (CCF) to "eligible" liquidity backstops and also specified that the face amount of any credit enhancement provided by the same bank could be subtracted from the face amount of the liquidity backstop before applying the CCF. The CCF is multiplied by the risk weight, which is rating-sensitive in a manner similar to that of credit enhancements. Continuing the example above, the risk weight for a typical

liquidity backstop that equals 100 percent of the amount of vehicle assets, provided by the same bank that provides a 10 percent credit enhancement, would be CCF*(100-10 percent)*BlendedRiskWeight or 0.10*0.90*0.26=2.34 percent. Again multiplying by a 6 percent standard requirement and a 15 percent cost of Tier 1 capital yields 2.1 basis point of vehicle net profit needed to compensate the sponsor for the requirement, about the same as the cost for the credit enhancement.

In FIN 46R, the Financial Accounting Standards Board (FASB) required consolidation of ABCP vehicle assets onto sponsor balance sheets beginning in 2004. The U.S. leverage ratio capital requirements would have applied, requiring Tier 1 capital equal to 5 percent of vehicle assets. Although the same rule that specified risk-based capital requirements for liquidity backstops permitted banks not to consolidate vehicle assets when computing risk-based capital requirements, there was no exemption for calculation of leverage ratio capital requirements. However, as described in Bens and Monahan (2007), the FASB (and bank regulators) allowed deconsolidation in cases where a vehicle issued "expected loss notes" (ELNs) to third parties that would bear credit default losses on vehicle assets up to the estimated long-run average probability of default times loss given default on vehicle assets. Such deconsolidation permitted a bank to escape the leverage ratio requirement. Because the risk of principal losses on such notes was very high, required coupon payments were also high, reportedly approximately the same as the face amount of notes over the life of the notes. Thus, though the face amount of such notes was very small because of the low default risk on assets rated A or better, the cost was material. For example, PNC Bank's September 30, 2009 10Q states that its ELNs had a face value of about 14 basis points of vehicle assets. Assuming a five year life of the ELNs implies an annual cost of about 3 basis points.

Taken together, costs of risk-based capital requirements and of avoiding leverage ratio capital requirements for SAVs were probably around 7 basis points before the crisis (2 + 2 + 3). Of these, 3 basis points were expenses within the vehicle, and thus probably are already netted from the Mellon Bank example in the text which showed revenue before operating expenses of around 10 basis points[4]. Though small in absolute terms, the remaining 4 basis points is substantial relative to 10 basis points and thus arguably represented a material disincentive for U.S. banks to sponsor SAVs. Two possible reasons why a few U.S. banks did so anyway are the agency problems discussed in the text and the possibility that some banks had "excess" Tier 1 capital and thus were not capital-constrained. Of course, the latter leaves open the question of why such banks did not return capital to shareholders.

Though the aforementioned estimates are back-of-the-envelope, the relevant features of regulation are known. Roughness in the estimates is from assumptions about the distribution of portfolio assets across rating categories and about banks' cost of capital. Though changes in such assumptions would change the estimates, moderate changes would not change the main points that regulatory capital costs of sponsorship were small in absolute magnitude but material relative to vehicle profitability.

Banks in all jurisdictions usually incurred no or almost no regulatory capital requirements from sponsoring SIVs because they usually did not own any of the SIV's subordinated notes and, if they provided liquidity backstop lines of credits, such lines totaled a modest fraction of total vehicle assets. SIVs were also structured to avoid consolidation.

[4] We do not know details of the bank's accounting, but if ELN costs are charged to the vehicle then they are already netted from the 10 bps. If ELN costs are charged to the sponsor, the disincentive for U.S. banks is even larger, because 7 of the 10 bps are offset by costs associated with regulatory and accounting rules.

3. Vehicle Size

This section examines the intensive margin of vehicle sponsorship. The size of a sponsored vehicle is bounded below by zero; consequently, we use Tobit regressions to estimate the ratio of credit arbitrage vehicle commercial paper to the sponsor's total book assets, using similar specifications as shown in Tables VI, VII, and VIII in the paper. Because it is not possible to include fixed effects in a Tobit model, we include several variables to proxy for potential cross-country differences in bank competition and financial sector development. Specifically, we control for stock market capitalization, private bond market capitalization, bank concentration, the aggregate country-level bank cost to income ratio, and annual real GDP growth. In unreported tests, we alternatively measure vehicle size as credit arbitrage vehicle commercial paper scaled by the sponsor's total book equity and find very similar results; we omit these tables to conserve space.

Table IAI estimates vehicle size as a function of the predictors shown in Table VI. The main results for the extensive margin of sponsorship continue to hold for the intensive margin: the amount of exposure to credit-arb vehicles was statistically indistinguishable between U.S. and European banks, with the exception of Portuguese and Spanish banks which were associated with much smaller vehicles.

Table IAII repeats the results of Table VII for the intensive measure of sponsorship. The results are analogous to those in Table VII; expected government support is positively associated not only with sponsorship of credit-arb vehicles, but also with sponsorship of larger vehicles. For example, a one standard deviation increase in expected government support is associated with a 30 basis point increase in the ratio of vehicle assets to bank size. This represents an approximately 10 percent increase in vehicle size relative to the average sponsor in our sample.

Finally, Table IAIII repeats the estimations found in Table VIII using the Tobit model of vehicle size. Across all three panels, the results confirm the analysis found in the paper. The compensation index, insider ownership, and presence of a blockholder are each negatively associated with vehicle size when expected government support is low. However, the relationship becomes positive and statistically significant when expected government support is high (and this holds across all three measures of government support reported in Panels A, B, and C).

Together, the evidence in this section confirms the results found in the main paper. Good governance is associated not only with less sponsorship of credit-arb vehicles, but also with sponsoring vehicles that are smaller relative to the sponsoring banks' assets—however, this is only the case for banks which do not expect to receive government support. For banks that expect to receive government support in times of trouble, good governance is associated with exposure to larger vehicles.

Despite the evidence in these tables, since vehicle size was modest relative to bank assets in most cases, it is not clear how relevant size is for measuring risk-taking. As a result, we view the existence of sponsored vehicles as the main signal that a bank had taken systematic bad-tail risk; consequently, our main analysis focuses on the extensive margin of sponsorship.

References

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Table IAI
Capital Regulation and Intensive Margin of Credit-Arb Vehicle Sponsorship

This table shows the results from estimating a tobit regression in which the dependent variable is a measure of credit-arb vehicle size that is censured at zero. We measure size as the total value of risky CP assets (sponsored assets at SIV, securities arbitrage, or hybrid ABCP vehicles) divided by total assets of the bank sponsor. We examine vehicle size as of June 2007. Most independent variables are measured as of December of the previous year. The values in the table represent average partial effects on the censured value of vehicle size. Definitions for the independent variables are found in the Appendix to the main paper. All specifications include country-level controls, including: stock market capitalization, private bond market capitalization, annual real GDP growth, bank concentration ratio, and aggregate country-level bank cost to income ratio. Standard errors (shown in parenthesis) are clustered at the country level. *** indicates significance at the 1% level, ** indicates significance at the 5% level, and * indicates significance at the 10% level.

Dependent Variable:	Sponsored Credit-Arb Commercial Paper to Bank Assets		
	(1)	(2)	(3)
Dummy US	0.003		0.005
	(0.010)		(0.010)
Dummy Spain/Portugal		–0.058***	–0.058***
		(0.013)	(0.013)
ln(Total Assets)	0.001	0.001	0.001
	(0.001)	(0.001)	(0.001)
Return on Assets	–0.006***	–0.006***	–0.006***
	(0.002)	(0.002)	(0.002)
Equity to Assets	–0.002*	–0.002*	–0.002*
	(0.001)	(0.001)	(0.001)
Loans to Assets	–0.000	–0.000	–0.000
	(0.000)	(0.000)	(0.000)
Deposits to Assets	0.000	0.000*	0.000
	(0.000)	(0.000)	(0.000)
Non-Interest Operating Income to Assets	0.003***	0.003***	0.003***
	(0.001)	(0.000)	(0.000)
High Yield Underwriter	–0.001	–0.001	–0.001
	(0.006)	(0.006)	(0.006)
Securitization Underwriter	0.010*	0.010*	0.010*
	(0.005)	(0.005)	(0.005)
Country-level control variables	Yes	Yes	Yes
Observations	144	144	144
Countries	17	17	17
Pseudo R-squared	5.810	5.962	5.976

Table IAII
Government Support and Intensive Margin of Credit-Arb Vehicle Sponsorship

This table shows the results from estimating a tobit regression in which the dependent variable is a measure of credit-arb vehicle size that is censured at zero. We measure size as the total value of risky CP assets (sponsored assets at SIV, securities arbitrage, or hybrid ABCP vehicles) divided by total assets of the bank sponsor. We examine vehicle size as of June 2007. Most independent variables are measured as of December of the previous year. The values in the table represent average partial effects on the censured value of vehicle size. Definitions for the independent variables are found in the Appendix to the main paper. All specifications include country-level controls, including: stock market capitalization, private bond market capitalization, annual real GDP growth, bank concentration ratio, and aggregate country-level bank cost to income ratio. Standard errors (shown in parenthesis) are clustered at the country level. *** indicates significance at the 1% level, ** indicates significance at the 5% level, and * indicates significance at the 10% level.

Dependent Variable:	Sponsored Credit-Arb Commercial Paper to Bank Assets				
	(1)	(2)	(3)	(4)	(5)
Government Support	0.002***				
	(0.000)				
Probability of Support		0.007			
		(0.005)			
Dummy Landesbank			0.016***		
			(0.002)		
Deposit Insurance				0.024***	
				(0.007)	
Level of Deposit Insurance					0.002***
					(0.001)
ln(Total Assets)	0.001	0.001	0.000	0.000	0.001
	(0.002)	(0.002)	(0.002)	(0.001)	(0.001)
Return on Assets	–0.007***	–0.007***	–0.008***	–0.007***	–0.007***
	(0.003)	(0.002)	(0.003)	(0.002)	(0.002)
Equity to Assets	–0.002*	–0.002*	–0.002*	–0.001	–0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Loans to Assets	0.000	–0.000	0.000	–0.000	–0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Deposits to Assets	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Non-Interest Operating Income to Assets	0.004***	0.003***	0.004***	0.003***	0.003***
	(0.001)	(0.000)	(0.001)	(0.001)	(0.001)
High Yield Underwriter	0.002	0.000	0.002	–0.000	–0.000
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Securitization Underwriter	0.009*	0.010*	0.010*	0.009*	0.009*
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Country-level control variables	Yes	Yes	Yes	Yes	Yes
Observations	144	144	144	144	144
Countries	17	17	17	17	17
Pseudo R-squared	6.375	6.128	6.868	7.370	7.522

Table IAIII
Agency Conflicts and Intensive Margin of Credit-Arb Vehicle Sponsorship

This table shows the results from estimating a tobit regression in which the dependent variable is a measure of credit-arb vehicle size that is censured at zero. We measure size as the total value of risky CP assets (sponsored assets at SIV, securities arbitrage, or hybrid ABCP vehicles) divided by total assets of the bank sponsor. We examine vehicle size as of June 2007. Most independent variables are measured as of December of the previous year. We report the raw Tobit coefficients. Definitions for the independent variables are found in the Appendix to the main paper. All specifications include country-level controls, including: stock market capitalization, private bond market capitalization, annual real GDP growth, bank concentration ratio, and aggregate country-level bank cost to income ratio. In Panels A, B, and C, we interact measures of potential agency conflicts with various proxies for government support. In Panel A, we define government support using *High Probability of Support*, which is an indicator equal to 1 for banks which have a ratings-based probability of support (defined as in Gropp, Hakenes, and Schnabel, 2011) greater than 0. In Panel B, we define government support using *High Government Support*, which is an indicator for banks that expect to receive a significant amount of government support in the event of trouble. It is equal to one for banks which have a Moody's long-term foreign currency deposit rating greater than Moody's bank financial strength rating (see Brandao-Marques, Correa, and Sapriza, 2018). In Panel C, government support is defined as a dummy variable for German Landesbanks which are government owned. While not shown to conserve space, the model includes an intercept and the other independent variables shown in Table IAII. Standard errors (shown in parenthesis) are clustered at the country level. *** indicates significance at the 1% level, ** indicates significance at the 5% level, and * indicates significance at the 10% level.

Panel A: Interacting Governance with Probability of Support

Dependent Variable:	Sponsored Credit-Arb Commercial Paper to Bank Assets			
	(1)	(2)	(3)	(4)
Compensation Index	–0.122***			
	(0.028)			
Insider Ownership		–0.187**		
		(0.088)		
Institutional Ownership			–0.013	
			(0.029)	
Blockholder				–0.044**
				(0.019)
High Probability of Support	–0.067***	–0.038**	0.016	–0.047*
	(0.019)	(0.016)	(0.022)	(0.027)
High Probability of Support X Compensation Index	0.172**			
	(0.077)			
High Probability of Support X Insider Ownership		0.293**		
		(0.141)		
High Probability of Support X Institutional Ownership			–0.080	
			(0.057)	
High Probability of Support X Blockholder				0.122***
				(0.039)
Country-level control variables	Yes	Yes	Yes	Yes
Observations	110	114	112	144
Countries	17	17	17	17
Pseudo R-squared	–1.919	–2.136	–1.501	7.331

Panel B: Interacting Governance with Government Support

Dependent Variable:	Sponsored Credit-Arb Commercial Paper to Bank Assets			
	(1)	(2)	(3)	(4)
Compensation Index	–0.117***			
	(0.028)			
Insider Ownership		–0.186*		
		(0.099)		
Institutional Ownership			–0.020	
			(0.029)	
Blockholder				–0.057**
				(0.026)
High Probability of Support	–0.039	–0.014	0.026	–0.051**
	(0.033)	(0.022)	(0.034)	(0.026)
High Probability of Support X Compensation Index	0.129***			
	(0.029)			
High Probability of Support X Insider Ownership		0.249*		
		(0.137)		
High Probability of Support X Institutional Ownership			–0.011	
			(0.086)	
High Probability of Support X Blockholder				0.129***
				(0.046)
Country-level control variables	Yes	Yes	Yes	Yes
Observations	110	114	112	144
Countries	17	17	17	17
Pseudo R-squared	–1.868	–1.978	–1.523	7.414

Panel C: Interacting Governance with Landesbanks

Dependent Variable:	Sponsored Credit–Arb Commercial Paper to Bank Assets	
	(1)	(2)
Compensation Index	–0.072*	
	(0.040)	
Insider Ownership		–0.035*
		(0.020)
Dummy Landesbank	–0.014	0.007
	(0.017)	(0.009)
Dummy Landesbank X Compensation Index	0.102***	
	(0.024)	
Dummy Landesbank X Insider Ownership		0.100***
		(0.021)
Country-level control variables	Yes	Yes
Observations	110	114
Countries	17	17
Pseudo R-squared	–1.738	–1.652