

Market power and liquidity creation: Size heterogeneity and risk absorption

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Appendix A

Table A1

Correlation Matrix and VIF Results

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | VIF |
|-----------------|-------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|
| (1) L.NFLC | 1.00 | | | | | | | | | 1.42 |
| (2) LERNER | 0.11 | 1.00 | | | | | | | | 1.36 |
| (3) SIZE | 0.23 | 0.19 | 1.00 | | | | | | | 2.33 |
| (4) CAP | 0.08 | 0.15 | -0.32 | 1.00 | | | | | | 2.13 |
| (5) ROA | 0.15 | 0.34 | 0.10 | 0.25 | 1.00 | | | | | 1.65 |
| (6) NPL | -0.19 | -0.12 | -0.08 | 0.05 | -0.31 | 1.00 | | | | 1.36 |
| (7) GDPG | 0.14 | 0.07 | 0.14 | -0.04 | 0.20 | -0.15 | 1.00 | | | 1.99 |
| (8) INF | -0.05 | -0.10 | -0.12 | 0.08 | -0.15 | 0.10 | -0.24 | 1.00 | | 2.12 |
| (9) RATE | -0.09 | -0.07 | -0.21 | 0.11 | -0.22 | 0.18 | -0.31 | 0.48 | 1.00 | 2.43 |
| Mean VIF | | | | | | | | | | 1.87 |

Note. Compiled by the author

Table A2

ADF Unit Root Test Results

| Variables | Statistics | p-value |
|-----------|------------|---------|
| NFLC | 92 | < 0.001 |
| LERNER | 81 | < 0.001 |
| SIZE | 59 | < 0.05 |
| CAP | 92 | < 0.001 |
| ROA | 94 | < 0.001 |
| NPL | 74 | < 0.001 |

Note. Compiled by the author