Summary Statistics for Least Absolute Deviation Regression of P/B on XROE, 1999-2018

[t-ratios test regression results against predicted values, not zero]

	Intercept		Statistics				
Year	Regression	Predicted	Std. Error	t-ratio	p-value	95% Conf. Interval	
1999	1.03173	1.00000	0.06345	0.50	0.62128	0.90130	1.16216
2000	0.98709	1.00000	0.04661	-0.28	0.78188	0.89088	1.08330
2001	1.04020	1.00000	0.04024	1.00	0.32653	0.95748	1.12292
2002	1.02733	1.00000	0.03773	0.72	0.47795	0.94978	1.10488
2003	0.98343	1.00000	0.02500	-0.66	0.51506	0.93205	1.03482
2004	1.01892	1.00000	0.03936	0.48	0.63483	0.93841	1.09942
2005	0.97906	1.00000	0.05426	-0.39	0.69866	0.86930	1.08882
2006	0.93222	1.00000	0.09432	-0.72	0.47593	0.74128	1.12317
2007	0.98898	1.00000	0.13269	-0.08	0.93664	0.72080	1.25715
2008	0.90584	1.00000	0.06982	-1.35	0.18544	0.76424	1.04745
2009	1.01999	1.00000	0.00974	2.05	0.04731	1.00027	1.03970
2010	1.00233	1.00000	0.01055	0.22	0.82696	0.98102	1.02364
2011	0.99790	1.00000	0.01707	-0.12	0.90506	0.96345	1.03234
2012	0.97667	1.00000	0.02229	-1.05	0.29987	0.92938	1.02397
2013	0.95919	1.00000	0.02613	-1.56	0.12592	0.90652	1.01185
2014	0.94772	1.00000	0.04893	-1.07	0.29174	0.84848	1.04696
2015	1.00000	1.00000	0.04431	0.00	1.00000	0.91022	1.08978
2016	1.00000	1.00000	0.07110	0.00	1.00000	0.85593	1.14407
2017	1.26714	1.00000	0.18870	1.42	0.16398	0.88479	1.64949
2018	0.98481	1.00000	0.10407	-0.15	0.88160	0.77376	1.19587

	Slope		Statistics				
Year	Regression	Predicted	Std. Error	t-ratio	p-value	95% Conf. Interval	
1999	17.56950	19.04762	2.04196	-0.72	0.47795	13.37220	21.76680
2000	17.75760	18.34862	2.31975	-0.25	0.80472	12.96990	22.54540
2001	20.13030	21.73913	2.72342	-0.59	0.56028	14.53230	25.72840
2002	19.58160	21.97802	2.06958	-1.16	0.25659	15.32750	23.83560
2003	22.52900	22.72727	2.06080	-0.10	0.92111	18.29300	26.76500
2004	22.62260	23.80952	2.45653	-0.48	0.63483	17.59850	27.64680
2005	26.69520	26.31579	3.00763	0.13	0.89724	20.61170	32.77870
2006	29.80430	26.31579	4.49466	0.78	0.44022	20.70530	38.90320
2007	28.90160	28.57143	6.31837	0.05	0.96037	16.13170	41.67150
2008	32.05190	24.69136	4.76870	1.54	0.13231	22.38050	41.72320
2009	21.90600	19.60784	1.61851	1.42	0.16376	18.62950	25.18250
2010	20.36730	20.83333	1.49865	-0.31	0.75813	17.34070	23.39390
2011	23.30000	22.98851	1.16504	0.27	0.78848	20.94890	25.65120
2012	25.56730	23.80952	1.65332	1.06	0.29535	21.97720	29.15740
2013	27.25680	25.64103	1.40873	1.15	0.25636	24.41770	30.09590
2014	28.91270	27.02703	2.29722	0.82	0.41761	24.25370	33.57160
2015	27.02700	27.02703	2.07729	0.00	1.00000	22.81800	31.23600
2016	29.41180	29.41176	3.03419	0.00	1.00000	23.26390	35.55960
2017	22.39640	32.25806	6.40093	-1.54	0.13207	9.42693	35.36600
2018	28.66890	28.16901	4.17727	0.12	0.90515	20.19700	37.14080

Predicted value of Slope coefficient is 1/(D/P), i.e., the reciprocal of dividend yield.

2018-1

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LAD: LAD, using observations 1-38
Dependent variable: M_B

             coefficient   std. error   t-ratio    p-value
  ---------------------------------------------------------
  const        0.984813    0.104065      9.463    2.65e-011 ***
  XROE        28.6689      4.17727       6.863    4.97e-08  ***

Median depend. var   1.780902   S.D. dependent var   0.385408
Sum absolute resid   4.940209   Sum squared resid    1.375400
Log-likelihood       13.18719   Akaike criterion    -22.37437
Schwarz criterion   -19.09920   Hannan-Quinn        -21.20909

coefficient confidence intervals

t(36, 0.025) = 2.028

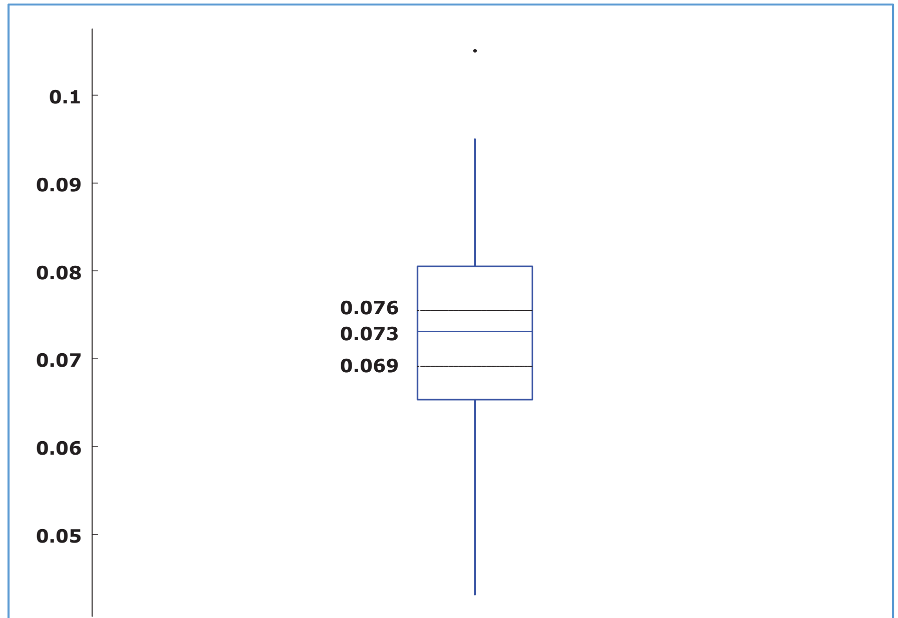
      VARIABLE         COEFFICIENT      95% CONFIDENCE INTERVAL

         const            0.984813        0.773759       1.19587
          XROE           28.6689         20.1970        37.1408


2018 D/P = 0.0355 1/(D/P) = 28.169014084507042253521126760563

Summary statistics, using the observations 1 - 38
for the variable 'K' (38 valid observations)

  Mean                           0.073179
  Median                         0.073125
  Minimum                        0.043170
  Maximum                         0.10505
  Standard deviation             0.011996
  C.V.                            0.16393
  Skewness                       0.083283
  Ex. kurtosis                     1.0401
  5% percentile                  0.045708
  95% percentile                 0.095503
  Interquartile range            0.015161
  Missing obs.                          0
```

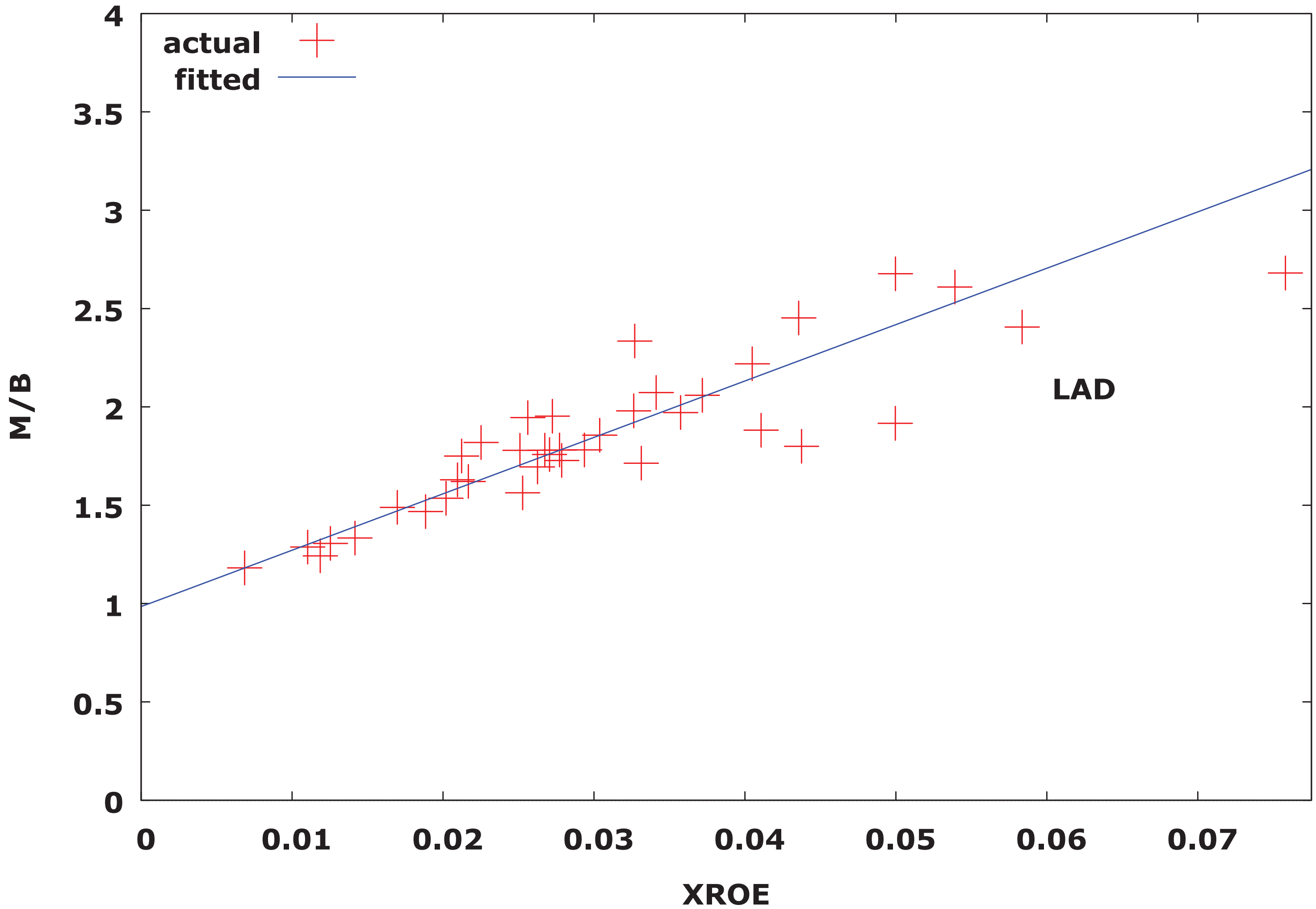


Boxplot with 95% C.I. for Median

2018	Sample Median M/B		M/B as a function of XROE implied by Regression						
	ΔM/B	-	0.10	0.25	0.50	0.75	0.78	1.00	2.00
	const|XROE	28.669	0.35%	0.87%	1.74%	2.62%	2.72%	3.49%	6.98%
	M/B		1.10	1.25	1.50	1.75	1.78	2.00	3.00
			M/B as a function of XROE implied by D/P						
D/P	ΔM/B	-	0.10	0.25	0.50	0.75	0.78	1.00	2.00
3.55%	const|XROE	28.169	0.36%	0.89%	1.78%	2.66%	2.77%	3.55%	7.10%
	M/B		1.10	1.25	1.50	1.75	1.78	2.00	3.00

2018-2

Actual and fitted M/B versus XROE



Exhibit___(BLC-1)
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