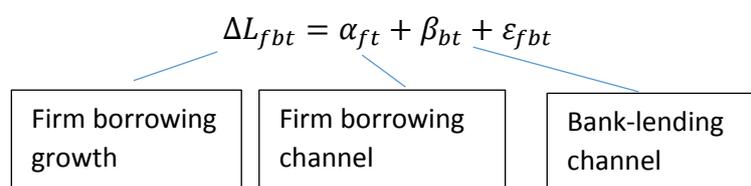


Comments on “the impact of bank shocks on firm-level outcomes and bank risk-taking”

By Yuemei Ji (University College London)

Question 1

Equation (1):



$$\Delta L_{fbt} = \alpha_{ft} + \beta_{bt} + \varepsilon_{fbt} + macro_t$$

Why there is no comparison between the micro level time effect and macro level (such as interest rate, GDP growth and etc) time effects?

Question 2

The paper claims that “our findings show that bank-loan supply shocks impact the real economy regardless of the aggregate state of the economy”

Though significant statistically, but is this impact of bank-loan supply shocks economically significant? It is better to check the magnitude of the impact. Here comes some mistakes of the paper. One example on page 16.

“a one standard deviation decrease in the weighted bank loan supply reduces asset growth for the average firm in the sample from 5.63 percentage points to 5.52 percentage point (or 5.31) ” “This corresponds to a reduction in growth rate of 1.9% (5.6 %)”

Well, the correct reduction in growth rate should be just 0.11 percentage point.