

1 **Q. Evidence of Ms. McShane Appendix F: Please estimate a regression model of the**
2 **annual ROEs for the companies in Table F-1 against their annual market to book**
3 **ratios.**

4
5 A. The regression using the sample annual averages is as follows:
6 Market to Book = $0.90 + 0.088 (\text{ROE})$
7 t-statistic: $\text{ROE} = 3.97$
8 Adjusted $R^2 = 48\%$