

1 **Q. Evidence of Ms. McShane Appendix F: From the regression model estimated in**
2 **CA-NP-135 above please estimate the ROEs at market to book ratios of: 1.0; 1.50;**
3 **2.0 and 2.50.**
4

5 A. The estimated ROEs are as follows:
6 Market to Book ratio of 1.0 = ROE of 1.1%
7 Market to Book ratio of 1.5 = ROE of 6.8%
8 Market to Book ratio of 2.0 = ROE of 12.5%
9 Market to Book ratio of 2.5 = ROE of 18.2%