ALL FIRMS WITHOUT MACRO CONTROLS

```
. xtreg BankDebt2 var1_table2  var2_table2 var3_table2 var4_table2 ln_l_reel_net_sales yil1-yil12 ind_spec_du
> mmy_yr, fe

Fixed-effects (within) regression               Number of obs      =     59229
Group variable: firmno                          Number of groups   =     15336

R-sq:  within  = 0.0119                         Obs per group: min =         1
       between = 0.0039                                        avg =       3.9
       overall = 0.0013                                        max =        11

                                                F(16,43877)        =     32.98
corr(u_i, Xb)  = -0.4381                        Prob > F           =    0.0000

------------------------------------------------------------------------------
   BankDebt2 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
 var1_table2 |   .3233594   .0508433     6.36   0.000     .2237056    .4230133
 var2_table2 |  -3.439551   .3890992    -8.84   0.000    -4.202193    -2.67691
 var3_table2 |   1.237168    .160508     7.71   0.000      .922569    1.551766
 var4_table2 |   2.370975   .2757361     8.60   0.000     1.830528    2.911423
ln_l_reel~es |   -.011725   .0020271    -5.78   0.000    -.0156981   -.0077519
        yil1 |  (dropped)
        yil2 |   .1292895   .0218851     5.91   0.000     .0863942    .1721847
        yil3 |   .1465063   .0217521     6.74   0.000     .1038719    .1891408
        yil4 |   .1339097   .0218381     6.13   0.000     .0911068    .1767127
        yil5 |   .1324077   .0218639     6.06   0.000     .0895541    .1752614
        yil6 |   .1306312   .0217636     6.00   0.000     .0879741    .1732882
        yil7 |   .1446551   .0216746     6.67   0.000     .1021726    .1871377
        yil8 |   .0158676   .0061762     2.57   0.010     .0037621    .0279731
        yil9 |   .0113974   .0055421     2.06   0.040     .0005348      .02226
       yil10 |  -.0219787   .0053973    -4.07   0.000    -.0325575     -.0114
       yil11 |  -.0116108   .0050971    -2.28   0.023    -.0216013   -.0016203
       yil12 |  (dropped)
ind_spec_d~r |   2.95e-07   2.14e-07     1.38   0.169    -1.25e-07    7.14e-07
       _cons |   .2963136   .0355831     8.33   0.000       .22657    .3660572
-------------+----------------------------------------------------------------
     sigma_u |  .32808038
     sigma_e |   .2587336
         rho |  .61654744   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(15335, 43877) =     3.97         Prob > F = 0.0000

.
```

ALL FIRMS WITH MACRO CONTROLS

```
. xtreg BankDebt2 var1_table2  var2_table2 var3_table2 var4_table2 ln_l_reel_net_sales yil1-yil12 ind_spec_dum
> my_yr  kur mb_faiz imkb ortaklik dummy_2002sonrasi, fe

Fixed-effects (within) regression               Number of obs      =     59229
Group variable: firmno                          Number of groups   =     15336

R-sq:  within  = 0.0119                         Obs per group: min =         1
       between = 0.0039                                        avg =       3.9
       overall = 0.0013                                        max =        11

                                                F(16,43877)        =     32.98
corr(u_i, Xb)  = -0.4381                        Prob > F           =    0.0000

------------------------------------------------------------------------------
   BankDebt2 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
 var1_table2 |   .3233594   .0508433     6.36   0.000     .2237056    .4230133
 var2_table2 |  -3.439551   .3890992    -8.84   0.000    -4.202193    -2.67691
 var3_table2 |   1.237168    .160508     7.71   0.000      .922569    1.551766
 var4_table2 |   2.370975   .2757361     8.60   0.000     1.830528    2.911423
ln_l_reel~es |   -.011725   .0020271    -5.78   0.000    -.0156981   -.0077519
        yil1 |  (dropped)
        yil2 |  (dropped)
        yil3 |   .0224595   .0050401     4.46   0.000     .0125808    .0323382
        yil4 |   .0061535   .0055949     1.10   0.271    -.0048126    .0171196
        yil5 |   .0160483   .0059512     2.70   0.007     .0043837    .0277129
        yil6 |   .0885607   .0137572     6.44   0.000     .0615964    .1155249
        yil7 |   .0389792   .0065805     5.92   0.000     .0260814     .051877
        yil8 |  -.0407657   .0120712    -3.38   0.001    -.0644255   -.0171059
        yil9 |  -.0407876   .0113215    -3.60   0.000    -.0629779   -.0185972
       yil10 |  -.0314065   .0055241    -5.69   0.000    -.0422338   -.0205792
       yil11 |  (dropped)
       yil12 |   .0092784   .0050881     1.82   0.068    -.0006945    .0192513
ind_spec_d~r |   2.95e-07   2.14e-07     1.38   0.169    -1.25e-07    7.14e-07
         kur |  (dropped)
     mb_faiz |   .0028498   .0004367     6.53   0.000     .0019938    .0037058
        imkb |  (dropped)
    ortaklik |  (dropped)
dummy_2002~i |  (dropped)
       _cons |    .236803   .0404211     5.86   0.000     .1575769    .3160291
-------------+----------------------------------------------------------------
     sigma_u |  .32808038
     sigma_e |   .2587336
         rho |  .61654744   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(15335, 43877) =     3.95         Prob > F = 0.0000
```

SMALL FIRMS (n<=10) WITH MACRO CONTROLS

```
. xtreg BankDebt2 var1_table2  var2_table2 var3_table2 var4_table2 ln_l_reel_net_sales yil1-yil12 ind_spec_du
> mmy_yr  kur mb_faiz imkb ortaklik dummy_2002sonrasi if  employment <=10, fe

Fixed-effects (within) regression               Number of obs      =     10048
Group variable: firmno                          Number of groups   =      4543

R-sq:  within  = 0.0119                         Obs per group: min =         1
       between = 0.0017                                        avg =       2.2
       overall = 0.0006                                        max =        11

                                                F(16,5489)         =      4.13
corr(u_i, Xb)  = -0.1148                        Prob > F           =    0.0000

------------------------------------------------------------------------------
   BankDebt2 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
 var1_table2 |  -.1859428   .1216859    -1.53   0.127    -.4244954    .0526097
 var2_table2 |  -.7222172   .8279228    -0.87   0.383    -2.345274    .9008396
 var3_table2 |  -.0476607   .3469508    -0.14   0.891    -.7278217    .6325003
 var4_table2 |   1.056548     .70479     1.50   0.134    -.3251201    2.438215
ln_l_reel~es |  -.0044417   .0043175    -1.03   0.304    -.0129057    .0040223
        yil1 |  (dropped)
        yil2 |  (dropped)
        yil3 |   .0024524   .0098077     0.25   0.803    -.0167745    .0216794
        yil4 |  -.0153919   .0123334    -1.25   0.212    -.0395702    .0087865
        yil5 |  -.0158073   .0136502    -1.16   0.247     -.042567    .0109524
        yil6 |  -.0497532   .0345771    -1.44   0.150    -.1175381    .0180316
        yil7 |  -.0131621    .015857    -0.83   0.407    -.0442481    .0179239
        yil8 |   .0771488    .027499     2.81   0.005       .02324    .1310577
        yil9 |   .0829864    .026867     3.09   0.002     .0303164    .1356564
       yil10 |   .0131147   .0134657     0.97   0.330    -.0132835    .0395129
       yil11 |   .0057775   .0132329     0.44   0.662    -.0201642    .0317191
       yil12 |  (dropped)
ind_spec_d~r |   9.15e-08   5.71e-07     0.16   0.873    -1.03e-06    1.21e-06
         kur |  (dropped)
     mb_faiz |  -.0013032   .0011782    -1.11   0.269     -.003613    .0010066
        imkb |  (dropped)
    ortaklik |  (dropped)
dummy_2002~i |  (dropped)
       _cons |    .504197   .0960774     5.25   0.000     .3158471    .6925468
-------------+----------------------------------------------------------------
     sigma_u |  .73562935
     sigma_e |  .20746771
         rho |  .92632089   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(4542, 5489) =    14.21         Prob > F = 0.0000
```

MEDIUM FIRMS (100>=n>10) WITH MACRO CONTROLS

```
. xtreg BankDebt2 var1_table2  var2_table2 var3_table2 var4_table2 ln_l_reel_net_sales yil1-yil12 ind_spec_du
> mmy_yr  kur mb_faiz imkb ortaklik dummy_2002sonrasi if employment <=100 & employment >10, fe

Fixed-effects (within) regression               Number of obs      =     30484
Group variable: firmno                          Number of groups   =      9566

R-sq:  within  = 0.0189                         Obs per group: min =         1
       between = 0.0052                                        avg =       3.2
       overall = 0.0018                                        max =        11

                                                F(16,20902)        =     25.15
corr(u_i, Xb)  = -0.4082                        Prob > F           =    0.0000

------------------------------------------------------------------------------
   BankDebt2 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
 var1_table2 |   .0002774   .0511546     0.01   0.996    -.0999896    .1005445
 var2_table2 |  -1.539658   .4079237    -3.77   0.000     -2.33922   -.7400959
 var3_table2 |   .5055009   .1686273     3.00   0.003     .1749782    .8360235
 var4_table2 |    2.02693   .2915098     6.95   0.000     1.455548    2.598312
ln_l_reel~es |  -.0040682   .0020815    -1.95   0.051    -.0081481    .0000117
        yil1 |  (dropped)
        yil2 |  (dropped)
        yil3 |   .0151335   .0049821     3.04   0.002     .0053683    .0248987
        yil4 |  -.0028492   .0055736    -0.51   0.609     -.013774    .0080755
        yil5 |  -.0076062   .0059398    -1.28   0.200    -.0192487    .0040362
        yil6 |   .0030926   .0142063     0.22   0.828    -.0247528     .030938
        yil7 |  -.0093662   .0065323    -1.43   0.152    -.0221699    .0034375
        yil8 |   -.002907   .0117277    -0.25   0.804    -.0258942    .0200802
        yil9 |  -.0043197    .011007    -0.39   0.695    -.0258943    .0172548
       yil10 |  -.0316563   .0051795    -6.11   0.000    -.0418084   -.0215041
       yil11 |  -.0139083    .004786    -2.91   0.004    -.0232892   -.0045275
       yil12 |  (dropped)
ind_spec_d~r |  -5.42e-08   2.17e-07    -0.25   0.802    -4.79e-07    3.70e-07
         kur |  (dropped)
     mb_faiz |   .0002456   .0004554     0.54   0.590    -.0006471    .0011383
        imkb |  (dropped)
    ortaklik |  (dropped)
dummy_2002~i |  (dropped)
       _cons |   .3545732   .0415416     8.54   0.000     .2731484    .4359981
-------------+----------------------------------------------------------------
     sigma_u |  .29750038
     sigma_e |  .17090217
         rho |  .75187706   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(9565, 20902) =     6.39         Prob > F = 0.0000
```

LARGE FIRMS (n>100) WITH MACRO CONTROLS

```
. xtreg BankDebt2 var1_table2  var2_table2 var3_table2 var4_table2 ln_l_reel_net_sales yil1-yil12 ind_spec_du
> mmy_yr  kur mb_faiz imkb ortaklik dummy_2002sonrasi if employment >100, fe

Fixed-effects (within) regression               Number of obs      =     18697
Group variable: firmno                          Number of groups   =      5476

R-sq:  within  = 0.0379                         Obs per group: min =         1
       between = 0.0051                                        avg =       3.4
       overall = 0.0026                                        max =        11

                                                F(16,13205)        =     32.51
corr(u_i, Xb)  = -0.4822                        Prob > F           =    0.0000

------------------------------------------------------------------------------
   BankDebt2 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
 var1_table2 |   .1713771   .0668781     2.56   0.010      .0402863    .3024678
 var2_table2 |  -1.613343   .4798887    -3.36   0.001     -2.553994   -.6726922
 var3_table2 |    .601455   .1966892     3.06   0.002      .2159159    .9869941
 var4_table2 |   2.195933   .3151243     6.97   0.000      1.578244    2.813622
ln_l_reel~es |  -.0114632   .0031388    -3.65   0.000     -.0176156   -.0053107
        yil1 |  (dropped)
        yil2 |  (dropped)
        yil3 |    .029364   .0066577     4.41   0.000      .0163139    .0424141
        yil4 |   .0144648    .006441     2.25   0.025      .0018396    .0270901
        yil5 |   .0145321   .0064401     2.26   0.024      .0019086    .0271555
        yil6 |   .1059826   .0200284     5.29   0.000      .0667241    .1452411
        yil7 |  (dropped)
        yil8 |  -.0319092   .0189774    -1.68   0.093     -.0691076    .0052892
        yil9 |  -.0764171   .0187917    -4.07   0.000     -.1132515   -.0395828
       yil10 |  -.0459828   .0081657    -5.63   0.000     -.0619887   -.0299769
       yil11 |  (dropped)
       yil12 |   .0026683   .0062723     0.43   0.671     -.0096263    .0149629
ind_spec_d~r |  -6.33e-08   3.58e-07    -0.18   0.860     -7.65e-07    6.39e-07
         kur |   .0912634   .0102117     8.94   0.000      .0712469    .1112798
     mb_faiz |   .0042765   .0007282     5.87   0.000      .0028491    .0057039
        imkb |  (dropped)
    ortaklik |  (dropped)
dummy_2002~i |  (dropped)
       _cons |   .1466663    .066017     2.22   0.026      .0172634    .2760692
-------------+----------------------------------------------------------------
     sigma_u |  .31179092
     sigma_e |   .1762387
         rho |  .75786081   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(5475, 13205) =     6.45         Prob > F = 0.0000

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```