

Table 6: Subset of Banks with CDS: Determinants of the Percent Change in Loan Loss Reserves

	<i>Dependent variable:</i>		
	Percent Change in Loan Loss Reserves		
	(1)	(2)	(3)
Total Interest Income	0.023 (0.137)		
Net Interest Margin	0.080 (0.156)	0.096 (0.118)	0.124 (0.118)
Total Assets	0.263** (0.123)	0.264** (0.122)	0.286** (0.124)
ROA	-0.0002 (0.126)	-0.004 (0.120)	-0.042 (0.125)
Net Charge-Offs	-0.0001 (0.238)	0.013 (0.212)	0.005 (0.208)
T1 RBCR	-0.016 (0.021)	-0.016 (0.021)	-0.020 (0.021)
Deposit Service Charges	-8.387 (30.866)	-10.143 (27.558)	-10.559 (26.151)
Taxes	-1.170 (1.961)	-1.158 (1.933)	-0.773 (1.993)
Home Eq. Loans	5.072** (2.012)	5.053** (2.006)	5.339*** (2.031)
Real Est. Loans	-0.661 (0.421)	-0.670 (0.409)	-0.742* (0.400)
Treasuries	0.963 (1.534)	0.951 (1.517)	0.788 (1.534)
Small C&I Loans	0.799 (2.611)	0.781 (2.584)	0.275 (2.521)
Net CDS	-3.774 (2.744)	-3.757 (2.732)	
Long CDS			-4.681* (2.537)
Short CDS			5.450** (2.617)
Securities	-0.272 (0.496)	-0.304 (0.488)	-0.253 (0.486)
Log of Loan Loss Reserves	-0.190 (0.137)	-0.191 (0.134)	-0.224 (0.136)
Constant	-1.889** (0.821)	-1.821** (0.796)	-1.843** (0.769)
Observations	80	80	80
R <sup>2</sup>	0.449	0.449	0.474
Adjusted R <sup>2</sup>	0.320	0.330	0.351

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01