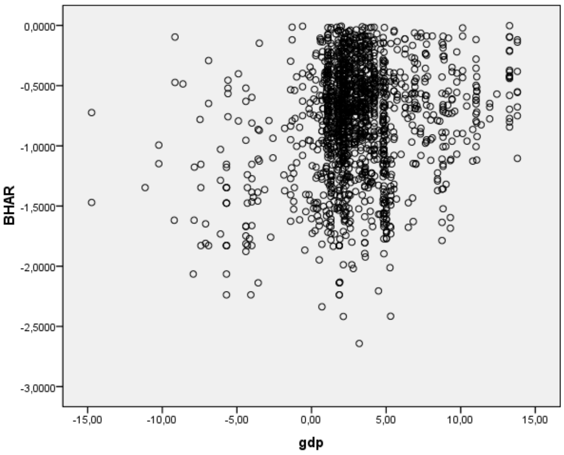
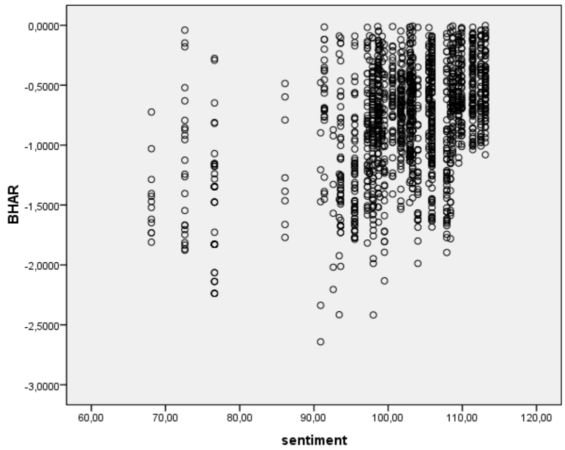
Appendix 8

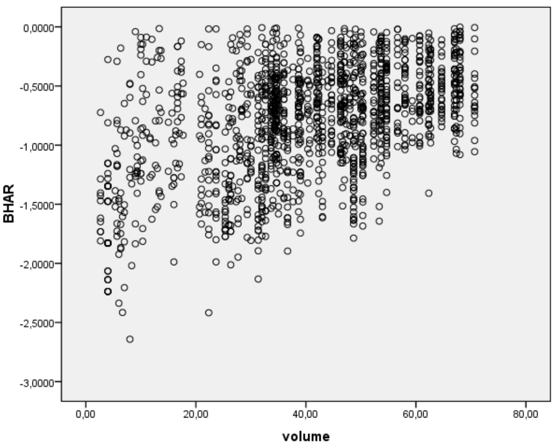
Verification of assumptions of multilinear regression based on 5 years holding period

Verification of linear relationship

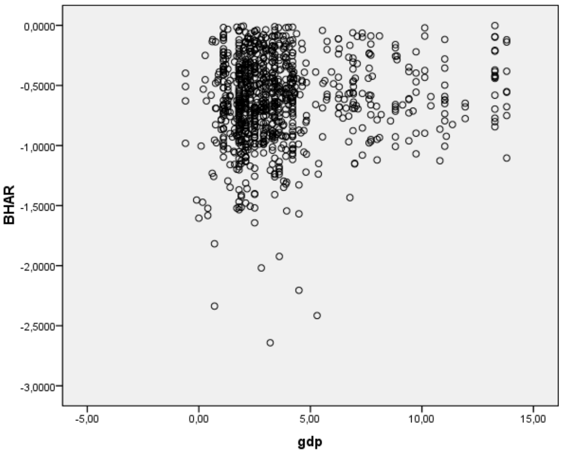
Overpricing based on 5 year BHAR returns during the period 2001-2016

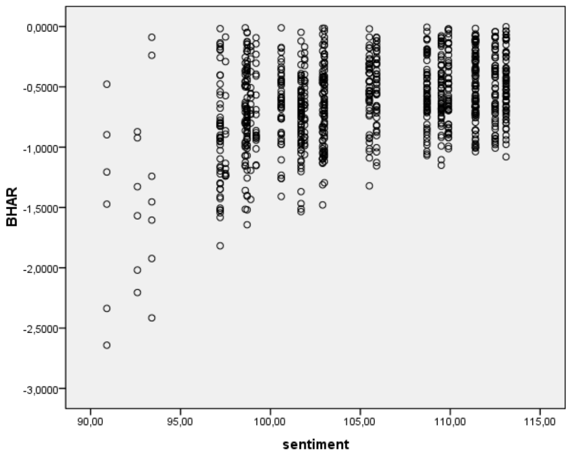


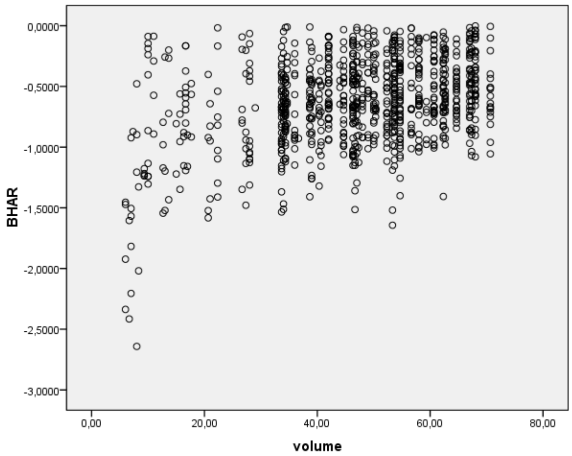




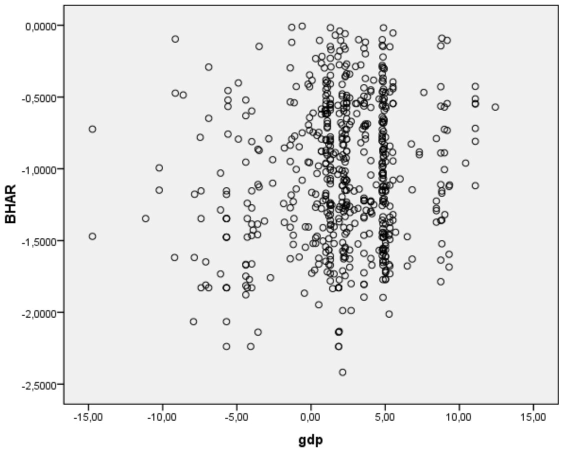
Overpricing based on 5 year BHAR returns during the period 2001-2007

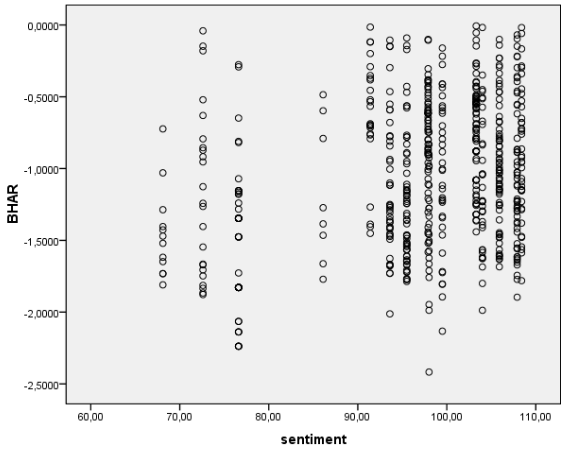


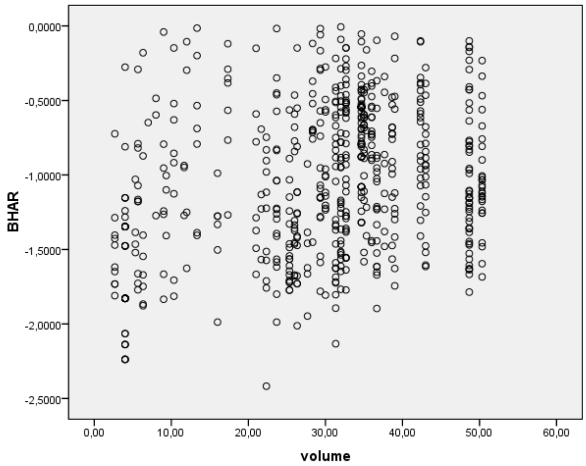




Overpricing based on 5 year BHAR returns during the period 2008-2016



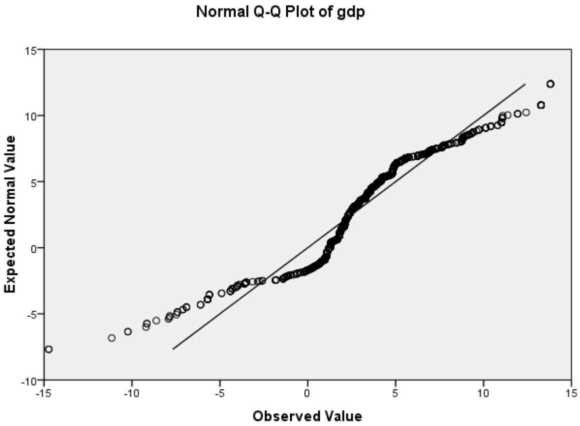


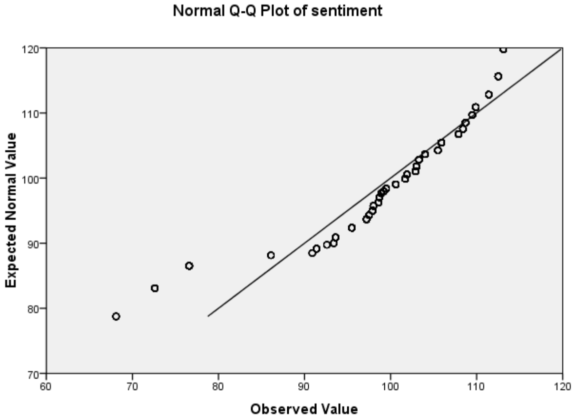


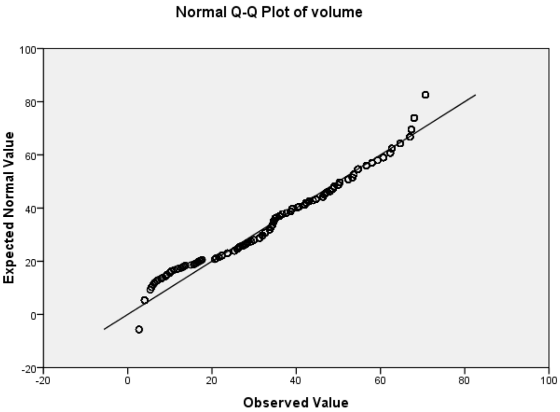
Appendix 8 (continued)

Verification of multivariate normality

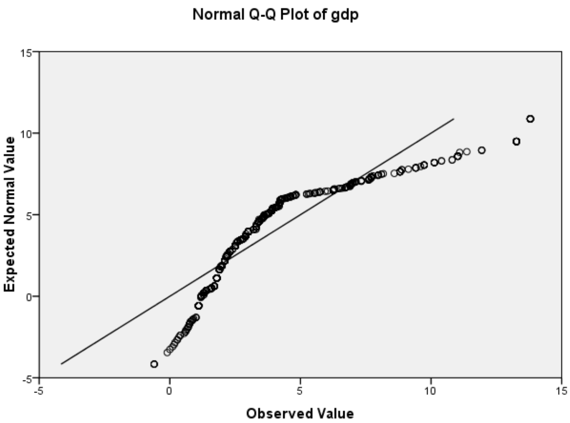
Overpricing based on 5 year BHAR returns during the period 2001-2016

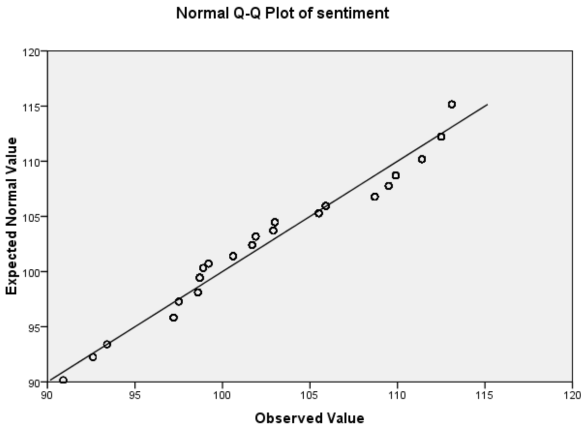




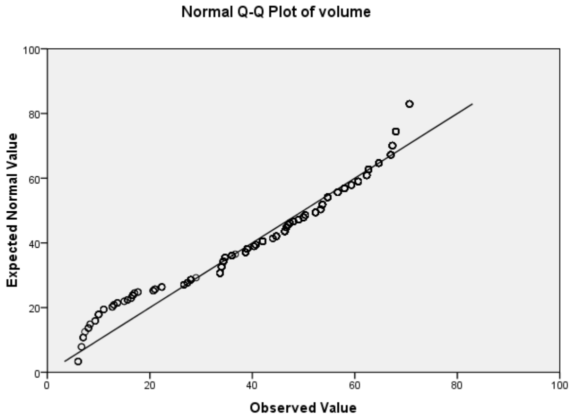


Overpricing based on 5 year BHAR returns during the period 2001-2007

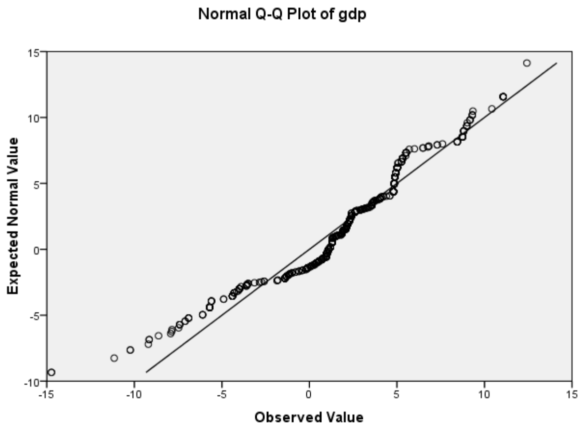


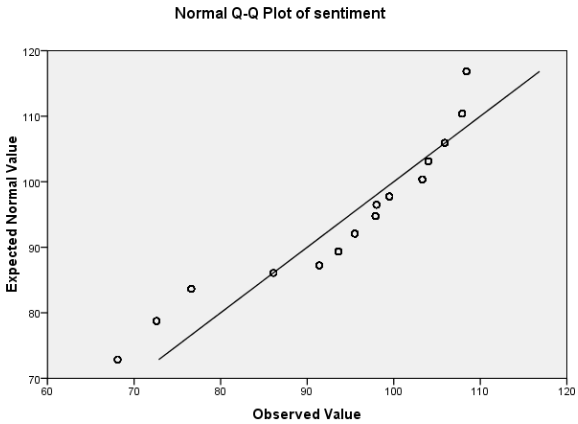


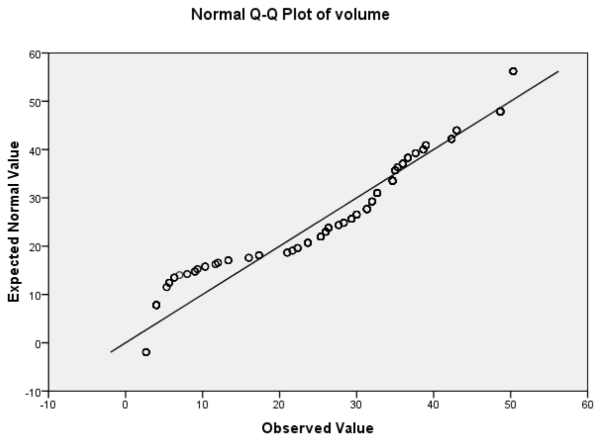
Appendix 8 (continued)



Overpricing based 5 year BHAR returns during the period 2008-2016







Appendix 8 (continued)

Verification of no or little multicollinearity

Table 1

Overpricing based on 5 year BHAR returns during the period 2001-2016

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,513[a]	,263	,258	,4023510	1,650

a. Predictors: (Constant), volume, sustan_pol, techn, vc_b, alrtern_m, reputation, gdp, priv_eq_b, sentiment

b. Dependent Variable: BHAR

Table 2

Overpricing based on 5 year BHAR returns during the period 2001-2007

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,471[a]	,222	,214	,3187444	1,920

a. Predictors: (Constant), volume, techn, sustan_pol, vc_b, reputation, gdp, alrtern_m, priv_eq_b, sentiment

b. Dependent Variable: BHAR

Table 3

Overpricing based on 5 year BHAR returns during the period 2008-2016

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,313[a]	,098	,085	,4780735	1,590

a. Predictors: (Constant), volume, sustan_pol, vc_b, techn, alrtern_m, reputation, priv_eq_b, gdp, sentiment

b. Dependent Variable: BHAR

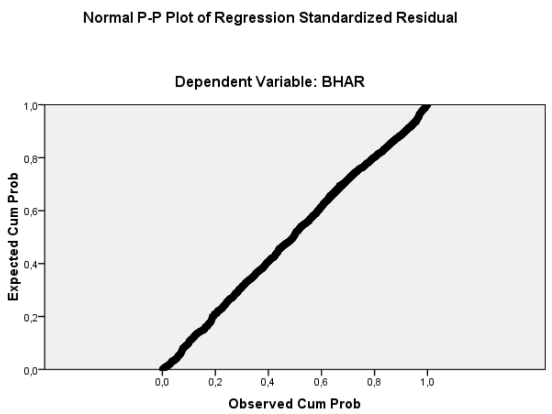
Appendix 8 (continued)

Verification of no auto-correlation

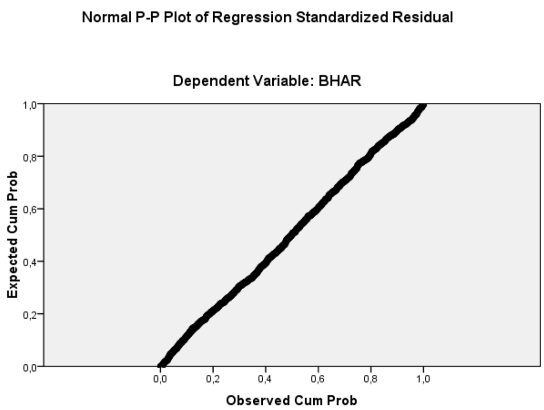
	Full period (2001-2016)		Period before crisis (2001-2007)		Period after crisis (2001-2007)	
Collinearity Statistics	Tolerance	VIF	Tolerance	VIF	Tolerance	VIF
alrtern_m	,978	1,023	,919	1,088	,993	1,007
priv_eq_b	,841	1,189	,822	1,217	,909	1,100
vc_b	,867	1,154	,841	1,189	,959	1,043
techn	,991	1,009	,987	1,014	,982	1,018
gdp	,777	1,287	,950	1,053	,682	1,467
sentiment	,370	2,703	,446	2,240	,342	2,925
sustan_pol	,981	1,019	,974	1,026	,974	1,027
reputation	,951	1,052	,954	1,048	,922	1,084
volume	,403	2,478	,467	2,142	,355	2,814

Verification of homoscedasticity

Overpricing based on BHAR returns during the period 2001-2016



Overpricing based on BHAR returns during the period 2001-2007



Overpricing based BHAR returns during the period 2008-2016