

A Tale of Two Market Disciplines: How does Bank Financial Misconduct Affect Peer Banks in the Local Deposit Market

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1. *A description of which author(s) handled the data and conducted the analyses.*

Yang Qiu and Ya Kang managed all the data and performed all the analyses described in the paper.

2. *A detailed description of how the raw data were obtained or generated, including data sources, the specific date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.*

Key data

- Financial misconduct and other bank financial data: Bank call reports, accessed by Yang Qiu in March 2022.
- Deposit rate data: RateWatch, purchased by Ya Kang in Jan 2022. This is a proprietary dataset.
- Deposit flow data: Summary of Deposits (SOD) under the FDIC, accessed by Yang Qiu in Jan 2022

Other data

- Education and income data: U.S. Census Bureau in 2000 and the Bureau of Economic Analysis, accessed by Yang Qiu in March 2022
 - Financial literacy: National Financial Capability Study (NFCS), accessed by Yang Qiu in March 2022.
 - Loan rate data: RateWatch, purchased by Ya Kang in Jan 2022. This is a proprietary dataset. We would be happy to assist interested researchers in exploring possible access arrangements, including during a visit to CUHK/NUS.
3. *If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreements, and any restrictions imposed by the organization on the authors). In particular, the authors should indicate if an organization or data provider imposes restrictions on the publication of the results, has not given the authors full control of the relevant data, requires that the results must be reviewed or approved prior to public release of the paper or publication.*

Ratewatch data were obtained from an organization on a proprietary basis. The authors retain full control over the results, and the data vendor *does not* have any right to review them prior to publication. The authors have notified the editor about data distribution agreement with the organization. The authors are also willing to facilitate replication efforts by helping interested researchers explore possible access arrangements, including during a visit to CUHK.

4. *A complete description of the steps necessary to download, obtain or collect as well as process the data used in the final analyses reported in the paper. For experimental and survey papers, we require information about the instructions and instruments used to generate the data, subject eligibility and/or selection, as well as any exclusion criteria. The full set of instructions and instruments can be provided in the online appendix.*

The authors described the data collection and sample selection procedure in detail in Section 3.1 of the paper.

5. *After downloading or obtaining the raw data, all manipulations of the data should be done via computer programs. The code for these manipulations should be included in the code submitted upon acceptance (see below). No manipulations of raw data can take place manually or outside the computer code provided. If compliance with this requirement is not feasible, the authors need to explain and disclose any manipulations of the raw data (e.g., manually created variables or file conversions). When feasible, we also encourage the authors to share the code that downloads the data.*

The authors provided the code (“call report and ratewatch.do”) to convert raw data into final output data.

6. *The computer programs (i.e., code) used to (1) convert the raw data into the final dataset used in the analysis, (2) to execute the statistical or econometric analysis, and (3) to generate the tables or to produce the output used in constructing tables of the manuscript. A brief description that enables other researchers to understand and run the code should be provided. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, variables were defined, outliers were treated, and which commands were used in the analysis, etc. This code or programming is in most circumstances not proprietary. However, we recognize that some parts of the code or data generation process may be proprietary, including from the authors’ perspective. Therefore, instead of disclosing the proprietary portion of the code or program, researchers can provide a detailed step-by-step description of the code or the relevant parts of the code such that it enables other researchers to arrive at the same results that the authors obtained and presented in their manuscript. In such cases, the authors should inform the editors upon initial submission, so that the editors can consider an exemption allowing the step-by-step description. Whenever feasible, authors are required to provide the identifiers (e.g., CIK, CUSIP) for their final sample. Authors should consult our FAQ Sheet on the JAR website for further details.*

Our paper uses STATA to convert raw data into final datasets and perform the empirical analyses. The step-by-step code used to convert raw data into final dataset is included

with a title named “call report and ratewatch.do” and the code to perform the analyses and generate tables is “regression.do”. We provide branch-level identifiers from Ratewatch in csv format with the name “Identifiers”.

7. *A comprehensive log file that shows the execution of the entire code. This log file should cover all the steps that convert the raw data into a final dataset and the execution of all statistical and econometric analyses presented in the tables of the manuscript. The portion of the log file that shows proprietary code or data may be masked. In this case, the reader should be referred to the step-by-step description provided as per the requirements in Item 6.*

The authors have provided the log file as a PDF titled “log_file_submitted” (please see the documents included in the zip file “Code_submitted”).

8. *Data and programs should be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.*

The authors will maintain all the data and programs used in this study for at least six years.