Media Capture by Banks*

Ruben Durante† Andrea Fabiani‡ Luc Laeven§ José-Luis Peydró¶

April 28, 2025

Abstract

We study whether media slant news in favor of their lenders using data on bank-firm connections and news coverage of key financial events in major European newspapers. Newspapers cover earning announcements by their lenders more when reporting profits and cover M&As more favorably in which their lenders are involved. Newspapers connected to banks exposed to stressed sovereign bonds promote narratives of the Eurozone crisis more favorable to banks and oppose debt-restructuring. Pro-lender bias is stronger for newspapers and banks in financial distress. Our findings suggest that lending relationships influence news content, raising concerns about compromised editorial independence.

Keywords: Media bias, Banks, Newspapers, Earnings reports, M&As, Eurozone crisis

JEL codes: G21, L82

*We thank Anat Admati, Cevat Aksoy, Filipe Campante, Ralph De Haas, Nandini Gupta, Vasso Ioannidou, Beata Javorcik, Ross Levine, Paolo Volpin, and seminar participants at JHU SAIS, LUISS, NHH, NUS, SMU, EBRD and participants in the 1st London Political Finance Workshop and the 4th EBC Network Workshop in Banking and Corporate Finance at Lancaster University for helpful comments. David Ampudia, Pedro Avello, Orestis Exarchos, Jiaming Huang, Maria Grebenschikova, Anna Grigñó, Nimisha Gupta, Alessandro Izzo, Maximilian Liegler, Elliot Motte, and Giulia Tosetti provided excellent research assistance. We thank Robert G. Picard for kindly sharing with us the data on newspaper coverage of the Eurozone Sovereign Debt Crisis. Ruben Durante acknowledges financial support from the European Unions Horizon 2020 research and innovation program [Grant 759885]. José Luis Peydró acknowledges financial support from the European Unions Horizon 2020 research and innovation program [Grant 648398]. Andrea Fabiani primarily worked on this project while at Universitat Pompeu Fabra. The views expressed in this paper are those of the authors' and do not necessarily reflect the views of the Bank of Italy nor of the European Central Bank.

†National University of Singapore, ICREA-UPF, BSE, CESifo, IZA, and CEPR. E-mail: ruben-durante@gmail.com.

‡Bank of Italy. E-mail: andrea.fabiani@bancaditalia.it.

§European Central Bank and CEPR. Email: luc.laeven@ecb.europa.eu.

¶Imperial College London and CEPR. E-mail: jose.peydro@gmail.com.

1. INTRODUCTION

Mass media play a vital role in informing citizens and in keeping both government and corporate interests accountable (Snyder and Strömberg, 2010; Dyck et al., 2008). However, the ability of mass media to influence public opinion creates an incentive for government and firms alike to "capture" the media to promote friendly coverage (Besley and Prat, 2006; Szeidl and Szucs, 2021). This can occur in various ways: through direct government control (Durante and Knight, 2012), private ownership (Gilens and Hertzman, 2000; Martin and McCrain, 2019), or advertising spending (Reuter and Zitzewitz, 2006; Beattie et al., 2021).

The literature on media capture has overlooked the relationship between media and banks, and its possible implications for media freedom. This issue is potentially relevant for at least four reasons. First, the banking sector is highly leveraged and depends heavily on the confidence of depositors and investors (Diamond and Dybvig, 1983; Freixas and Rochet, 2008), but the opaqueness of the industry (Morgan, 2002) means that news coverage of bank conduct can significantly impact the reputation of a bank, if not the industry as a whole. Second, the banking sector plays an important role in the financing of the economy, and if media capture by banks results in a systematic overstatement of banks' financial health (Levine, 2004), this may impair market discipline and undermine the efficient allocation of resources in the economy. Third, financial news reports are likely to influence public opinion, as most readers do not have extensive knowledge or strong beliefs about these issues and are therefore more likely to trust the views of experts (Lusardi and Mitchell, 2014). Fourth, unlike other firms, banks could also exploit lending connections to media companies to influence editorial content. This possibility is especially relevant in recent years since, due to competition from online platforms and shrinking advertising revenues, traditional media have become less profitable and therefore more dependent on borrowing (Seamans and Zhu, 2014; Djourelova et al., 2024).

There are indeed concerns that the increased dependence of media companies on banks may hinder editorial independence. For example, a 2015 New York Times article on Spain warned against this risk, voicing the worries of veteran Spanish journalists that "*newspapers are in the hands of creditors*" and that this is hurting both their reputation and their "*independence*

when it comes to talking about big companies, especially banks".[1] However, despite the importance of the question at hand, no *systematic* evidence exists on how the connection between banks and media affects news content. This paper fills this gap by studying empirically how the connections between banks and top European newspapers affect news coverage of various issues relevant to the banking sector.

From an empirical standpoint, gauging the causal impact of the influence of banks on news coverage is challenging due to the difficulty of disentangling whether media outlets slant content to conform to the interests of their lenders or to the preferences of their readers, which may be correlated. This would be the case, for example, if banks were more likely to lend to news outlets whose readers are more favorable to business interests, in general, and to the banking sector, in particular. Yet, while it is plausible that readers of a given outlet are more or less sympathetic to the banking sector, it is less likely that they have a preference for a specific bank or that their preferences change abruptly over time. Hence, one way to overcome this challenge is to examine situations where the interests of different banks are not aligned with one another, or where the interests of the same bank vary over time.

We look at three such situations. The main part of our analysis examines how newspapers report on banks' quarterly earnings announcements and whether they favor their lenders, relative to other banks, by highlighting positive results over negative ones. This setting offers the cleanest identification since it allows to exploit both variation between different newspaper-bank pairs and, for the same newspaper-bank pair, between quarters characterized by positive vs. negative earnings results.

To further explore the impact of lending connections on bank-specific events, we then examine how newspapers report on bank's M&As, and whether they cover more favorably M&As involving banks they lend from. In this context, we identify the effect of bank-media connections on content by comparing how the same M&A is covered by newspapers connected and not connected to the acquirer.

Finally, we study how bank-media connections influence news coverage of a more general policy-relevant issue: the Eurozone sovereign debt (ESD) crisis. Specifically, we test whether newspapers connected to banks more exposed to stressed sovereign bonds are more

[1] The full text of the article, published on November 5, 2015 and titled "Spain's News Media Are Squeezed by Government and Debt", is available at: https://www.nytimes.com/2015/11/06/world/europe/as-spains-media-industry-changes-rapidly-some-worry-about-objectivity.html (last accessed on June 18, 2024).

likely to promote a narrative of the crisis favorable to the banking sector and less likely to endorse debt-restructuring measures detrimental to lenders. In this case, we exploit variation between newspapers connected to banks with different exposure to stressed sovereign bonds.

Although the concern of banks' influence on the media is general, we focus on Europe due to the availability of data on bank-media connections, and because the Eurozone crisis provides a source of asymmetric variation that can be exploited for identification. Overall, our sample covers newspapers and banks across seven European countries. For the analysis of earnings announcements our sample consists of twenty top general-interest and financial newspapers in four European countries: France, Germany, Spain, and the UK.[2] We consider all quarterly earnings reports issued by publicly traded banks between 2013 and 2018 available from the Thomson Reuters I/B/E/S database. Using keyword searches and a supervised machine learning algorithm we identify, for each announcement by each bank, all relevant articles published on the announcement date and in the surrounding days. Our final sample includes 5,184 articles, 2,121 about a single bank and 3,063 about multiple banks. For the analysis of M&As, we use the same sample of newspapers and look at all the deals reported in the Thomson Reuters SDC database for the period 2009-2018. Overall, we identify 7,565 articles about 119 distinct M&A episodes. To code the content and tone of the articles, we use GPT, a Large Language Model (LLM) powered by OpenAI. Finally, for the analysis of the ESD crisis we use third-party data collected and hand-coded by an independent group of media scholars (Picard, 2015). The data include extensive qualitative information on almost 5,000 articles published around several key junctures of the crisis on twenty-three newspapers in seven countries (the original four plus Italy, the Netherlands and Poland).

A key step in our analysis consists of mapping the connections between banks and newspapers. To this end, using information from several vintages of the Bureau Van Dijk's Orbis database, we identify the main banker(s) of each newspaper, as well as the main banker(s) of its parent company. These measures are meant to capture the existence of a relevant banking/lending relationship - either direct or indirect - between a bank and a newspaper, and the potential influence of the former on the latter. Though our main focus is on connections through lending, we also collect information on whether a bank is a shareholder of a newspaper (or of its parent company), a situation which is however quite rare in our sample.

[2] Despite being among the largest in Europe, the newspapers in our sample have not been profitable and have become increasingly leveraged over the past decades, as shown in the two panels of Appendix Figure A.1.

Our results provide strong support for the hypothesis that newspapers slant news in favor of their lenders. Looking at news coverage of earnings announcements, we find that newspapers are significantly more likely to report about the results of their lenders - relative to other banks of the same country - when they announce profits than when they announce losses. In particular, our estimates suggest a relative increase in the likelihood to cover lenders' profits by 19 percentage points, as compared to losses and to other banks. For comparison, newspapers are unconditionally *less* likely to cover earnings announcements disclosing profits rather than losses by 2.5 percentage points.[3] Hence, our (19 p.p.) estimates indicate that pro-lender bias strongly redirects coverage in favor of disclosing profits.

Lending connections do not only affect the probability that a newspaper writes about a positive earning announcement, but also the number and the length of the articles it devotes to it when it does. Pro-lender bias appears to be driven by direct lending connections between a bank and a newspaper, while indirect connections (i.e., through the parent company) display no significant effect.[4]

We find evidence of pro-lender bias for both general-interest and financial newspapers. Yet, the effect seems to operate on different margins for the two groups. Specifically, while for general-interests newspapers lending connections have a significant impact on the probability of covering a positive announcement, on the number of articles devoted to it, and on the length of such articles, for financial newspapers only the effect on article length is significant. This finding is consistent with the view that, given their specialization, financial newspapers cannot ignore earning announcements altogether, but can still favor their lenders when deciding how prominently to cover them.

We then study how lending connections affect news coverage of other events relevant to individual banks: M&As. Our results indicate that newspapers are neither more likely to cover M&As that involve their lenders, relative to those involving other banks, nor do they write more articles when they do. However, we find that articles on M&As by connected acquirer banks are significantly more likely to portray the operation in a positive light (+8% than for M&As of other banks), and much less likely to mention the potentially negative

[3] Such difference goes to zero if one considers earnings announcements by newspapers from the same country as the banks.

[4] Shareholding relationships between banks and newspapers are quite rare in our sample and do not appear to be associated with more favorable coverage.

consequences of the operation (-7%).

Finally, we test to what extent lending connections influence the way media report on important financial events of more general interest, such as the Eurozone crisis. Our results indicate that newspapers connected to banks more heavily exposed to the sovereign debt of stressed European countries (i.e., Greece, Ireland, Italy, Portugal and Spain; GIIPS hereafter) are significantly less likely to portray banks as being responsible for the crisis and less likely to support debt-restructuring measures that are costly for lenders (e.g., orderly default, haircut). This effect is economically meaningful: a one standard deviation increase in the exposure of connected banks to GIIPS's bonds is associated with a 14 p.p. reduction in the probability that the connected newspaper describes the banking sector as responsible for the crisis and with a 12.4 p.p. decrease in the probability that it supports some form of debt restructuring (a cut by 30% and 31% relatively to the unconditional sample average, respectively).

We also explore to what extent pro-lender bias depends on the financial situation of both newspapers and banks. For newspapers, we find that those with relatively high leverage are more likely to slant coverage of both earning announcements and M&As in favor of their lenders. This finding is consistent with previous evidence on the influence of creditors on firms' corporate governance (Nini et al., 2012), and suggests that newspapers in financial distress may be more vulnerable to the pressures of their lenders. Regarding banks, we find that the effect of connections on news coverage of earnings announcements is larger for banks that are less capitalized, with negative results getting covered less and positive results more. This suggests that more fragile banks have a bigger incentive to use lending connections to minimize the visibility of their losses, which, given their financial situation, can be especially consequential. In line with this interpretation, we find that news coverage about earnings announcements have a significant impact on banks' stock returns only for banks in the bottom quartile of the CET1 capital ratio. Pro-lender bias is especially favorable to less capitalized banks also when it comes to M&As. Specifically, in line with the evidence that acquisitions reduce the acquirer shareholders' value (Vives, 2016), we find that connected newspapers cover acquisitions by these banks significantly less, and, when they do, more positively than those by other banks.

Taken together, our findings provide the first systematic evidence that lending connections between banks and media outlets can influence news coverage of key financial events and undermine editorial independence, with potentially important implications for the formation of

public opinion on crucial and policy-relevant issues. It is especially compelling that we obtain consistent results across very different types of events, employing various identification strategies, and using alternative quantitative and qualitative measures of news content.

Our paper relates to various streams of literature. First, it contributes to the growing body of work on media capture by government and corporate interests mentioned above. While previous contributions have studied the importance of direct government control, private ownership, and advertising spending, our research investigates the possible capture of media by banks and the role of lending as an additional channel of influence. An exception is a blog post by Zingales (2016) which looks at news coverage of two reforms of the Italian banking sector on eight Italian and six foreign newspapers. He finds that Italian newspapers are generally more favorable to the interests of Italian banks than foreign newspapers, and that this is especially the case for newspapers with higher leverage. The analysis is, however, very limited and, as the author recognizes, "*the data are clearly too limited to draw a strong conclusion*". The analysis captures only two events and does not consider bank-firm loan connections. In contrast, we study over 750 financial events, including bank-specific events (earning announcements, M&As) and more general ones relevant to the entire banking sector (Eurozone sovereign debt crisis). Furthermore, we exploit information on the credit relationships between newspapers and specific banks, a crucial aspect for identification. The combination of multiple financial events and data on credit relationships allows us to disentangle the effect of the influence of newspapers' lenders on coverage from those of the preferences of their readers. For example, in the analysis of quarterly earnings announcements we can directly control for readers' preferences through the inclusion of newspaper$\times$time and newspaper$\times$bank fixed effects. In addition, our results show that less capitalized banks benefit more from slanted coverage.

Second, our paper relates to previous work on the link between media and bank performance. Specifically, several contributions have documented how the presence of a free and competitive press is associated with lower levels of bank corruption, less fraudulent behavior, and less incidence of preferential lending to politically connected firms (Houston et al., 2011; Ho et al., 2016).[5] None of these studies, however, have considered the possibility that banks may attempt to capture the media to minimize negative news coverage, which is our focus.

[5] These findings, specific to the banking sector, dovetail nicely with previous evidence on the positive impact of media monitoring on firm behavior including work by Dyck et al. (2008) and Kuhnen and Niessen (2012).

Third, our paper contributes to the literature on the influence of lenders on firms' management (Gilson, 1990; Nini et al., 2012; Denis and Wang, 2014). While previous work has looked at how pressure by creditors can affect firms' decisions related to investments, acquisitions, and even CEO appointments, our paper documents that lenders can influence other key areas of a firm's activity such as media companies' editorial policy.

Finally, our paper relates to the large literature on the impact of media on financial markets (Gurun and Butler, 2012; Engelberg and Parsons, 2011; Dougal et al., 2012; Solomon, 2012; Ahern and Sosyura, 2014; Fang et al., 2014; Hillert et al., 2014; Goldman et al., 2024). While these contributions show how corporate news affect stock prices, we focus on how firms, particularly banks, may actively try to influence news content.

The remainder of the paper is organized as follows. Section 2 describes the data used in the analysis. Section 3 presents the empirical strategy. Sections 4 and 5 present the results for the analysis of news coverage of banks' earnings announcements and M&As, and the Eurozone crisis, respectively. Section 6 concludes.

2. Data

2.1. News coverage

2.1.1. Banks' quarterly earnings announcements

Listed banks are required by law to report their balance sheet figures each quarter, including, most notably, earnings. Hence, earnings announcements constitute regular and predictable events whose calendar is set well in advance. We look at all quarterly earnings announcements issued by 30 European banks over the period 2013-2018. We consider all banks listed in any European stock exchange for which earnings announcements data are available from Thomson Reuters' I/B/E/S dataset. The complete list of banks in this sample is reported in Appendix Table A.1.

For the news coverage of earning announcements, our main data source is the Dow Jones Factiva database. We focus on 20 top newspapers from four European countries, i.e., France, Germany, Spain and the UK. We define this sample using the following procedure. First, for each country, we consider the four general-interest newspapers with the highest circulation, plus (at least) one top financial newspaper. In the case of Spain, given the presence of two equally important financial newspapers - *Expansión* and *El Economista* - we consider both

of them. We then exclude all newspapers for which data are not available from Factiva.[6] For the UK, since the circulation metric favors tabloids disproportionately, we also consider the two main national general interest newspapers, i.e. *The Guardian* and *The Times*. The complete list of newspapers in this sample is reported in Appendix Table A.1.

For each earnings announcement of each bank, we retrieve from Factiva all relevant articles published either on the day of the announcement or on the day before and after it. To identify the relevant articles we use the following two-step procedure. First, we consider all articles containing the bank's official name (or acronym or ticker) *and* at least one of a broad set of keywords associated with earnings announcements (e.g., earning, result, profit, loss, etc.).[7,8] Based on this procedure, we identify over 13,000 articles. A large number of these are, however, false positive, meaning that they are either totally unrelated to banking,[9] or do talk about the bank of interest but not in relation to earnings announcements.

To alleviate this issue, we apply a supervised machine learning algorithm, BERT (Bidirectional Encoder Representations from Transformers; Devlin et al., 2018). In practice, we select 10% of the articles in each language and have human analysts read and code them as relevant or irrelevant depending on whether they actually talk about a bank's earnings reports or not. We then use a random sub-sample of these articles (the "training set") to train the algorithm to distinguish relevant articles from irrelevant ones. Next, we take the remaining hand-coded articles (the "validation set"), let the algorithm classify them, and compare the outcome with that produced by coders to assess the accuracy of the automated predictions. This approach ensures an accuracy level of 90% or more in each of the four languages, and dominates other viable alternatives.[10] Our final sample consists of 5,184 articles, 2,121 of which mention just one bank ("mono-bank" articles) and 3,063 which mention more than one ("multi-bank"). In our analysis we primarily focus on mono-bank articles, which arguably

[6] This is the case for three French newspapers (*Le Monde*, *Libération* and *Aujourd'Hui*) and one German newspaper (*Frankfurter Allgemeine Zeitung*).

[7] Appendix Table A.2 reports the list of keywords in each of the four languages.

[8] An alternative approach would be to first select all articles over the period of interest containing the name (or acronym or ticker) of a bank and then select only those related to earnings announcements using a topic-selection model. Yet, anti-data-scraping restrictions in the Factiva database make this option unfeasible.

[9] For instance, the UK and the Spanish national football leagues are sponsored respectively by Barclays and Banco Santander, two of the banks in our sample. As a result, any query containing the name of either of these banks and the term "loss" is likely to return articles about football results.

[10] For example, we tried applying the Factiva built-in filters to select a specific topic, but this resulted in too many articles, including many relevant ones, being dropped. We also tried applying alternative machine-learning topic-selection models, but all performed worse than BERT.

represent a more precise measure of news coverage of a bank's earnings announcement. However, we also consider multi-bank articles both for purpose of robustness and to test the hypotheses that newspapers may "conceal" negative news from their lenders by presenting it alongside information about other companies rather than in stand-alone articles.

We collapse the data by newspaper×bank×year-quarter, and construct several measures of news coverage.[11] For the extensive margin, we create a dummy variable, $1(\geq 1 \text{ mono-bank article})_{p,b,yq}$, which takes value one if in quarter yq newspaper p publishes at least one mono-bank article about the earnings announcement of bank b. This variable is equals to one in 17% of the observations in our sample. For the intensive margin, we compute the (log) number of mono-bank articles and of total articles about a bank's earnings announcement published by a newspaper in a given quarter, conditional on it publishing at least one article of either kind. On average, when a newspaper covers a bank's earnings announcement, it devotes 1.22 mono-bank articles to it. The first, second and third quartiles of the distribution are both equal to 1, which indicates that most of the action takes place on the extensive margin. Finally, we also compute the length of both mono-bank articles and total articles, measured as the log of the number of words. Overall, we find that mono-bank articles account for 46% of all articles about earnings announcements, but since they are on average longer, they account for 65% of total words. Summary statistics for all the variables used in the analysis of earning announcements are reported in Appendix Table A.3.

2.1.2. NEWS COVERAGE OF BANKS' MERGERS AND ACQUISITIONS (M&AS)

For the analysis of M&As, we focus on the same sample of banks and newspapers as for earnings announcements. We identify all M&A episodes involving such banks using the Thomson Reuters SDC Platinum database, which also reports the relevant dates of each transaction, from the initial rumors to its conclusion (successful or not). For each M&A, we then search on the Factiva database all articles including the names of both the acquirer and the target companies published from one month before the first relevant date to one month after the last one. We further restrict our focus to articles classified by Factiva's own filters as "corporate news". The resulting sample includes 8,080 articles.

To confirm the articles are about M&As and to code specific aspects of their content we

[11] We exclude all newspaper×bank pairs for which the newspaper never writes about the bank's earnings announcements at any point in our sample period.

use GPT, a Large Language Model (LLM) powered by OpenAI. Specifically, through the OpenAI API, we submit a questionnaire and ask GPT to provide separate answers for each article.[12] The first two questions ask whether the article mentions any (potential, realized or unsuccessful) M&A transaction, and, if this is the case, whether the transaction involves the companies reported in the SDC database.[13] This procedure excludes 515 articles, leaving us with a final sample 7,565 articles on 119 M&A episodes.

The remaining questions are designed to capture qualitative aspects of the articles' content. In particular, we ask GPT to code whether an article mentions any negative and any positive consequence of the M&A, respectively.[14] We also ask it to rate the overall tone of the article towards the M&A on a 5-point scale from "Very positive" to "Very Negative". Finally, we ask whether the article reports statements about the M&A by third-party professionals (e.g., analysts, market operators, regulatory agencies, fiscal authorities, central banks), and to rate the tone of these statements from "Very positive" to "Very Negative".[15,16]

Based on the information collected, we construct five measures of M&A-related coverage at the newspaper-bank-episode level. First, we build a dummy variable for whether newspaper p writes at least one article about episode m involving bank b as acquirer ($Any\ article_{p,b,m}$). We focus on acquirers because, except for two cases, the banks in our sample are always involved in M&As in this capacity. Second, we count the number of articles published by the newspaper about the episode ($Num.\ articles_{p,b,m}$). Third, we compute the average likelihood that the articles mention positive and negative consequences of the M&A, respectively ($Pos.\ conseq_{p,b,m}$ and $Neg.\ conseq_{p,b,m}$). Fourth, we take the average tone of the articles with respect to the M&A ($Tone_{p,b,m}$), and fifth, the average tone of the statements of third-party

[12] The full text of the questionnaire is reported in the Online Appendix Table OB1.

[13] We keep in the sample only those articles for which GPT answers "Yes/Definitely" to both questions, the other options being "Not sure/Conflicting/Not applicable", and "No/Definitely not".

[14] For both questions, the available options are: "Yes/Definitely", "Not sure/Conflicting/Not applicable", and "No/Definitely not".

[15] For the questions on the general tone of the article and the tone of the statements by third-party actors the options are: "Very positive", "Moderately positive", "Neutral", "Moderately negative", "Very negative", and "Not discussed/Not sure/Conflicting/Not applicable". For simplicity, we recode the variables to take one of three values: 1 ("Very positive" or "Moderately positive"), 0 ("Neutral)", and -1 ("Very negative", "Moderately negative"). We assign a missing value if the answer is "Not discussed/Not sure/Conflicting/Not applicable".

[16] To validate the use of GPT, we select a random sample of 100 articles and ask two human analysts to answer the questions. We then compare the correlation between the answers of the two analysts to the correlation between the answers by GPT and those of each analyst. We find generally higher rates of agreement between GPT and each analyst than between the two analysts. This is reassuring of the reliability of GPT for the task at hand.

professionals reported in the articles (*Analyst's tone*$_{p,b,m}$). Summary statistics for all the variables used in the analysis of M&As are reported in Appendix Table A.4.

2.1.3. NEWS COVERAGE OF THE EUROZONE SOVEREIGN DEBT CRISIS

For the analysis of the Eurozone crisis, we use data collected by a group of international media scholars, led by Robert Picard (2015), who hand-coded a large number of articles published on various prominent European newspapers around key junctures of the crisis. We focus on eight such events (described in Appendix Table A.5) occurred between 2011 and 2012, two years for which we have data on banks' exposure to sovereign bonds. The dataset includes information on all articles published in the 10 to 14 days after each event. Overall, our sample includes 4,622 articles published in 25 newspapers from 7 countries - the original 4 plus Italy, the Netherlands and Poland. The full list of newspapers is reported in Table A.6.

For each article, the data report a series of qualitative variables about the content based on a questionnaire filled by the researchers. We focus on three questions that more directly relate to the role, responsibilities, and interests of the banking sector in the crisis: 1) *what does the article indicate is the main fundamental root or cause of the crisis?* 2) *who does the article indicate should bear the main responsibility to solve the problem?* 3) *what does the article indicate should be the main (short-term) response to the crisis?* For questions 1 and 2, we classify each article according to whether it mentions "Banks" as a root cause of the crisis or as responsible for its solution, respectively.[17] For question 3, we classify each article according to whether it mentions as (short-term) response to the crisis "Abatement of existing loan provisions (extension, reduced rates, haircut)".[18]

From these article-specific information, we build several measures of news coverage of the crisis at the newspaper×event level. For the extensive margin, we construct a dummy variable for whether in a given period a newspaper published at least one article indicating banks as one of the root causes of the crisis, one for publishing any article stating that banks should bear the main responsibility to solve the problem, and one for publishing any article men-

[17] Alternative answers to the question on the main root of the crisis include: starting conditions and structure of the Euro system; national industrial policies and development; national fiscal and social policies; political roots; Maastricht Treaty; the ECB and general economic roots. Alternative answers to the question on who should be held responsible for the crisis include: countries with or without sovereign debt problems; Eurozone members as a group; the European Union; the ECB; the IMF and/or the World Bank; Other. In both cases, an article may also not provide an answer at all to the question (answer: none).

[18] Other solutions include: loans from other countries with or without Troika supervision; ECB loans and bond purchases; fiscal austerity; fiscal stimulus; growth policies; other. An article may also propose no solutions.

tioning the abatement of existing loan provisions as a response to the crisis. While depicting banks as the main root of the crisis is quite frequent (at least one article in 48% of the newspaper×period pairs in our sample), it is relatively less likely for newspapers to argue that banks should bear the main responsibility to solve the crisis (19%), and to support some debt restructuring measure (39%). For the intensive margin we compute the number of articles in each of the three categories published by a newspaper in a given period, both in absolute value and as a share of the total articles about the crisis.

Finally, we also use information on news content of the crisis unrelated to the role and interests of banks which we use for placebo tests. Specifically, we look at two questions: i) *what is the country that the article reports being most harmed by the common currency?*, and ii) *what is the country that the article reports having benefited most from the common currency?*. We create two dummy variables equal to 1 if an article mentions any of the GIIPS countries as being most harmed by the euro or benefiting the most from it, respectively.[19] Appendix Table A.7 reports summary statistics for the variables used in the analysis of the Eurozone crisis.

2.2. NEWSPAPER-BANK CONNECTIONS

Banks and newspapers can be connected via lending or shareholding. Although our main focus is on lending, we collect information on both types of connections. Our main source for both dimensions is the Orbis database from Bureau Van Dijk.

To identify lending connections, we rely on information about a newspaper's main lender(s) as reported in Orbis (see e.g. Giannetti and Ongena, 2012 and Kalemli-Özcan et al., 2022). Each Orbis vintage only reports information on the newspaper's banker(s) in that given year. Hence, to reconstruct the time-series of a newspaper's lending connections, we need to combine information from multiple vintages. Specifically, we focus on three different vintages we have access to: 2013, 2016 and 2018. For the analysis of earnings announcements, our sample includes observations from 2013 and 2018. Hence, we attach 2013 lending relationships to observations from 2013 to 2015. Next, we update lending relationships data for 2016 and 2017 with information from the 2016 vintage. Finally, we attach to observations in

[19] One possibility the questionnaires accounts for is that, rather than mentioning a specific country, the article mentions a broader area within the EU has being harmed or having benefited most from the euro. In this respect, for both variables we assign value 1 if the article lists "Southern countries" (as opposed to the alternative options "Northern countries" and "EU countries in general".

2018 lending ties as resulting from the vintage of the same year.

One interesting aspect is that, in line with broad empirical evidence from the literature on banking relationships (dating back to Petersen and Rajan, 1995), lending connections are extremely sticky within our sample. That is, lender-borrower ties are very persistent and substantially never change throughout the considered sample period. This observation allows us to extend the sample for the analysis of M&As back to 2009 - which is important as most M&As in Europe took place before the Eurozone sovereign debt crisis - by imputing information on lending relationships from 2013 backward for the years from 2009 to 2012.

Using this approach, for each newspaper we define an indicator variable $Banker(Direct)$ which equals 1 for every bank reported as the newspaper's banker.[20] The variable captures the existence of a prominent banking relationship between the media company and one or more banks. To capture indirect connections, we code an additional variable, $Banker(Indirect)$, which equals 1 for every bank reported as the banker of the newspaper's parent company (but not of the newspaper itself). Finally, a third variable, *Banker*, captures the presence of either a direct or an indirect banking relationship.

Finally, for the analysis of the Eurozone crisis, the relevant period includes the years 2011 and 2012. We identify banking relationships using data from the 2013 Orbis vintage which is the closest in time. To retain as many newspapers as possible from the original sample by Picard (2015), we complement the Orbis data with information from Kompass available for 2008. This allows us to map connections with banks for two major Italian newspapers, *La Repubblica* and *Il Corriere della Sera*.

For shareholding connections, we use annual data on newspapers' ownership structure for all years between 2013 and 2018, i.e., the sample period for the analysis of the earning announcements. Tracking these relationships over time is made easier by the fact that, unlike for banking relationships, for shareholding each Orbis vintage reports information for the previous ten years. Hence there is no need to combine multiple vintages. For each newspaper in our sample we construct a yearly ownership tree, following a standard procedure employed, for example, by Cage et al. (2017). In practice, we track the newspaper's shareholding companies, then their respective shareholders, and so on until we encounter a physical person or no further information is available in the database. We define a dummy variable

[20] Out of the 20 newspapers in our sample, 10 are connected to one bank through direct lending relationships, and the remaining ones with 2 or more banks (at most 4).

$Shareholder_{b,p,t}$ equal to 1 for any bank b that owns shares of a newspaper p, either directly or indirectly through shareholding companies, at the end of year $t-1$.[21] Summary statistics for the measures of newspaper-bank connections are reported in Appendix Tables A.3 and A.4. Even considering this broad measure of shareholding, however, connections through this channel are less frequent than connections through lending (13% vs 17%, respectively).

2.3. Balance sheet data for newspaper and banks and other controls

We collect yearly balance sheet data for the newspapers in our sample from Orbis. In particular, we collect information on newspapers' own capital, defined as shareholders' funds as a share of total assets, i.e. the inverse of leverage. The summary statistics - in Appendix Tables A.3 and A.4 - depict a large degree of heterogeneity across newspapers, with an average capital (shareholder funds to total assets) ratio of about 37-39% and standard deviation as high as 26% across the two samples. In addition, we gather information on the liquid assets ratio (over total assets) and on firm size, proxied by log total assets, two other commonly used indicators of firms' financing frictions.

We also collect information on banks' balance sheet variables from various sources. First, we get data on bank capital ratio (equity over total assets) and loan losses provisions (rescaled by total assets) and on log assets size from Fitch Connect. The information on earnings reports is, instead, from Thomson Reuters I/B/E/S (summary statistics in Table A.3). About the relative frequency of positive vs. negative earning results, banks profits appear to be much more frequent than losses (reported in about 12% of the cases in our sample). As a consequence, losses are arguably more newsworthy events.[22]

For the analysis of the Eurozone crisis we are interested in measuring the exposure of connected banks to stressed sovereign bonds, i.e. bonds issued by the GIIPS governments. To this end, we use public data available from the European Banking Authority (EBA), specifically those from the 2011 Stress Tests and the 2012 Capital Exercise.[23] For each newspaper in each period we compute the variable *GIIPS* as the average exposure across all its direct

[21] Only a couple of banks in our sample directly own shares of newspapers. Hence, we do not further distinguish between direct vs. indirect shareholders. Likewise, in the vast majority of cases, banks hold small and undisclosed indirect shareholding positions, hence we do not distinguish between large vs. small shareholders as this would leave too little variation.

[22] We also gather information on whether banks' disclosed profits are larger than those reported in the same quarter of the preceding year and on whether they are larger than analysts' median expected value. These are two additional measures frequently commented in the press that we control for throughout our analysis.

[23] Data can be accessed from the following URL: https://eba.europa.eu/risk-analysis-and-data.

lenders to GIIPS' sovereign bonds as per the year before (as a share of total assets). This measure is meant to capture how, on average, the direct lenders of a newspaper are exposed to risky sovereign bonds. Arguably, banks more exposed to stressed sovereign bonds should be more opposed to news coverage of the crisis that is hostile to the banking sector and that calls for debt restructuring measures that would entail significant losses.[24] Summary statistics for these variables are reported in Table A.7. On average, newspapers' lenders invest 5.7% of their assets in GIIPS bonds. This is a relatively large number, corresponding to 60% of the mean bank Tier-1 capital. There is also substantial heterogeneity across newspapers; for instance, a one inter-quartile variation in exposure to GIIPS bonds equals 6.6 p.p.. From the EBA, we also collect data on the average size and Tier-1 capital ratio of all direct lenders which we use as control.

Finally, we control for other relevant newspaper characteristics, such as readership size and political ideology. To proxy for readership size, we use data on the average daily print circulation available from Statista. We use information from 2010 or, when not available, from 2011, i.e., prior to the events of the Eurozone crisis we focus on. To measure newspapers' political leaning, we use information from a large survey of European readers conducted by the Pew Research Center (Mitchell et al., 2018). The survey asks respondents to report the daily newspaper they read most frequently, and to place themselves on a 0-6 ideological scale from far-left to far-right. We compute the political leaning of a newspaper as the average ideological score of respondents who report the newspaper as their most frequent news source.[25] Since not all newspapers in our sample were options respondents could choose from, we are only able to construct the political leaning variable for 12 of the 24 newspapers.

3. Lending connections and news coverage of earnings announcements

3.1. Empirical strategy

We start by exploring how lending connections affect news coverage of banks' earnings announcements. We fist focus on the extensive margin, i.e., on the effect on the probability

[24] We use lagged exposure to GIIPS bonds because, ideally, we are interested in gauging the stakes of connected banks before newspapers start writing about the crisis. As a consequence, since data on banks' exposure to sovereign bond are not available for 2009, we cannot use the data on news coverage of the Eurozone crisis for 2010.

[25] Measuring the political leaning of a newspaper using the self-reported ideology of its readers is motivated by extensive evidence that individuals tend to sort into content that confirms their priors and avoid information that challenges them (i.e., "confirmation bias"). For models exploring different reasons for this behavior, see for example Mullainathan and Shleifer (2005) and Gentzkow et al. (2015).

that a given newspaper reports at all about a bank's earnings announcement depending on whether it records a profit or a loss. The following equation summarizes our empirical strategy:

$$Y_{p,b,yq} = \beta_1 Gain_{b,yq} + \beta_2 Banker_{p,b,yq} + \beta_3 Gain_{b,yq} \times Banker_{p,b,yq} + FE + X_{p,b,yq} + \varepsilon_{n,b,yq} \quad (1)$$

As mentioned above, $Y_{p,b,yq}$ is a dummy variable for whether newspaper p publishes at least one article about the earning announcement issued by bank b in year-quarter yq. In our baseline analysis we focus on mono-bank articles published in a tight interval around the announcement (from the day before to the day after).

On the right-hand side, $Gain_{b,yq}$ is a dummy variable for whether bank b announces positive profits in year-quarter yq; $Banker_{p,b,yq}$ captures whether bank b and newspaper p are connected through lending, and $Gain_{b,yq} \times Banker_{p,b,yq}$ is the interaction of the two terms. We progressively saturate the model with a vector of fixed effects FE. In the most demanding specification this vector includes: i) *Newspaper*×*Bank* fixed effects, which capture all observable and unobservable time-invariant characteristics of the relationship between a newspaper and a bank; ii) *Bank*×*Year-Quarter* fixed effects, which absorbs any idiosyncratic factors that may generally affect the news coverage of a given bank in a given period; iii) *Newspaper*×*Bank-Country*×*Year-Quarter* fixed effects, which captures the fact that a given newspaper in a given period may decide to cover banks from a given country more or less extensively.[26] $X_{p,b,yq}$ is a vector of controls. To control for the effect of ownership relations on content, in all specifications we also include the interaction between the variables $Shareholder_{p,b,yq}$ and $Gain_{b,yq}$. Moreover, we also control for whether the earnings announcements are associated with a positive surprise relatively to analysts expectations, and for whether net income reports a positive annual growth rate. We interact these two dummies with both $Shareholder_{p,b,yq}$ and $Banker_{p,b,yq}$. Finally, $\varepsilon_{p,b,yq}$ is an error term.

The main coefficient of interest is β_3, which captures the degree to which a newspaper covers its lenders disproportionately, relatively to other banks, when they report profits than when they report losses. Hence, a positive value of β_3 indicates the existence of a pro-lender bias through selective reporting.

[26] For example, around the time of the Brexit referendum the situation of UK banks may have attracted more interest from all or some newspapers. Similarly, in the key moments of the Eurozone crisis, press coverage of Spanish or Italian banks may have increased. Crucially, our granular fixed effects also control for the possibility that a country's banks may become more newsworthy for some newspapers than for others.

We then consider the intensive margin of news coverage using an analogous specification but focusing on newspaper×bank×year-quarter combinations with at least one article. This restriction reduces the sample size considerably (from 9,228 observations to 1,621 or 2,778 depending on the different exercises). In light of this, and in order to preserve estimates' power while granting reasonable identification, we employ a less demanding set of fixed effects which includes: *Newspaper×Bank* and *Same-Country×Year-Quarter* fixed effects. The former set of fixed effects absorbs time-invariant heterogeneity at the level of newspaper×bank pairs (for instance, a newspaper targeting the customers of a given bank may devote a larger number of potentially longer article to that bank). The latter set of fixed effects accounts for the possibility that home-bias in news reporting may vary over time, thereby affecting the relative degree of coverage of national versus foreign banks.

As dependent variable we use different measures of the intensity of news coverage including the (log) number of articles and the (log) total length of articles. Regarding standard errors, we double-cluster them at the newspaper×bank and time (i.e., year-quarter) level both in the extensive and in the intensive margin regressions, since our identification exploits variation at these levels. We also show that our findings are robust to alternative clustering choices.

3.2. Results

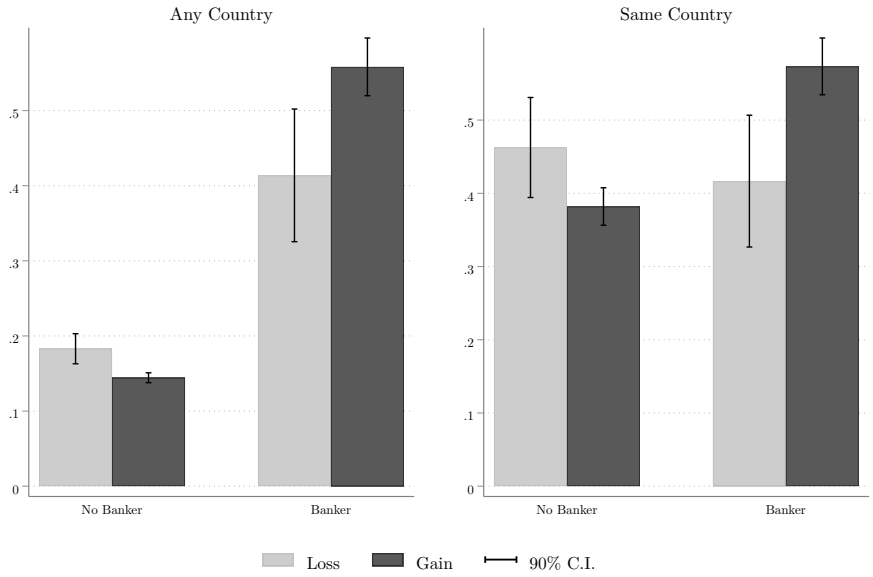
3.2.1. Extensive margin

We first look at the extensive margin of news coverage, focusing, in particular, on the occurrence of mono-bank articles, i.e., those entirely devoted to discussing a bank and its quarterly performance.

Figure 1 plots the average probability that a newspaper publishes at least one mono-bank article about an earning announcement (with the corresponding 90% confidence interval) separately for its lenders vs. other banks, and in case of profits vs. losses. In the left panel we consider all banks and newspapers from any country in our sample. Two patterns emerge: first, newspapers are generally more likely to cover their lenders than other banks; second, while they are more likely to report about non-connected banks when they announce losses than when they announce profits, the opposite holds for lenders. In both cases the difference is statistically significant at least at the 10% level.

One important aspect that may partly explain this pattern is that, except for a few cases, most newspapers in our samples tend to borrow from banks from the same country. Hence, the

FIGURE 1: AVERAGE LIKELIHOOD OF COVERING AN EARNING ANNOUNCEMENT



Notes: The figure reports the average of the variable *any mono-bank article*, conditional on whether a Paper×Bank couple is linked by a Banker(Direct) connection and on whether the bank discloses a gain or a loss in its quarterly earning announcement. In the left-hand side panel, all Paper×Bank couples in our sample are considered. In the right-hand side panel, we just include Paper×Bank couples from the same country.

differential coverage of lenders may simply reflect a stronger focus on domestic banks than on foreign ones (i.e., home bias), which, however, would apply to positive results but not to negative ones. To mitigate this concern, in the right panel of Figure 1, we replicate the same exercise only for bank-newspaper pairs from the same country. While the difference in the unconditional probability of covering lenders vs. other banks disappears, the differential treatment of lenders in case of profits vs. losses remains unchanged. Indeed, the average probability that a loss is reported - despite being marginally higher for unconnected banks than for lenders from a same country (46% vs 42%) - is not statistically different across the two groups of banks. On the contrary, the probability that a profit gets covered is statistically different and substantially higher for lenders (58%) than for unconnected banks (38%).

To test these patterns more systematically, in Table 1 we estimate progressively saturated versions of equation 1. The specification in column 1 includes neither controls nor fixed effects. In column 2 we include a same-country dummy - equal to one for all newspaper-bank pairs from the same country - which accounts for time-invariant home bias in both lending connections and news reporting. In column 3 we also include time fixed effects, which absorb all common time-varying shocks. In column 4, we interact the same-country dummy

with time fixed effects, thereby allowing home bias to vary over time. The specification in column 5 includes newspaper×bank fixed effects, which control for all time-invariant factors specific to the relationship between a bank and a newspaper. In column 6, we introduce both bank×time and paper×time fixed effects. The former account for the possibility that the events surrounding a given bank may be more (less) newsworthy in particular periods. The latter, instead, for the possibility that a given newspaper may cover all banks' earnings announcements more (less) in a certain period. Finally, column 7 reports the results for the most conservative specification, in which we further interact paper×time fixed effects with bank-country dummies. By doing so, we control for the possibility that a given newspaper may devote more (less) coverage to banks from a given country in a specific year-quarter. This specification additionally employs the interactions between both the Banker(Direct) and Shareholder dummies with other financial outcomes, i.e., a dummy for positive earnings surprise (relative to analysts' predictions), and one for positive annual earnings growth.

Across all specifications the coefficient on the interaction term $Gain \times Banker$ remains positive, very stable and strongly statistically significant, confirming a marked tendency of newspapers to disproportionately report good news for their lenders.[27] Crucially, the coefficient is not only statistically significant, but reflects an economically sizable impact of lending connections on the probability that positive earning announcement are featured in the news. Indeed, the most robust estimates in column 7 indicate a 19 percentage points increase in the likelihood that a connected lender's profit gets covered by a newspaper, as compared to losses and to other banks. For comparison, newspapers are unconditionally less likely to cover earnings announcements disclosing profits rather than losses by 2.5 percentage points.[28] Hence, our (19 p.p.) estimates indicate that pro-lender bias strongly redirects coverage in favor of disclosing profits.[29]

Finally, we find no evidence that ownership connections affect news coverage of earning announcements. Indeed, once time fixed effect and, especially, newspaper×bank fixed effects

[27] Note that, at least from column 4, where we fully control for time-varying home bias, the coefficient on $Banker(Direct)$ turns negative, suggesting that newspapers are less likely to cover losses of connected banks relative to other banks, in line with the media capture hypothesis. However, the coefficient is statistically insignificant, possibly due to the fact that it is identified by variation in lending connections within a newspaper-bank pair time, which is very limited in our sample.

[28] Such difference goes to zero if one considers earnings announcements by newspapers from the same country as the banks.

[29] In the summary statistics in Table A.3, we just report unconditional distributions. Conditional summary statistics are available upon request.

are controlled for, the coefficients on the dummy *Shareholder* and its interaction with *Gain* become small and statistically insignificant. This result may be due to the broad criterion we use to define the shareholder variable, which captures any link of the bank with the media company or its group. However, using a more restrictive definition of shareholder would further reduce the relevant variation, which is already limited given that very few banks appear to be involved in ownership of media companies in the countries we study.

TABLE 1: BANKS' EARNINGS ANNOUNCEMENTS: EXTENSIVE MARGIN

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dep. variable	Dummy for at least 1 article solely devoted to bank EA						
Banker(Direct)	0.235***	0.012	0.006	-0.053	-0.100	-0.065	-0.086
	(0.071)	(0.072)	(0.075)	(0.079)	(0.080)	(0.077)	(0.064)
Shareholder	0.258***	0.213***	0.213***	0.204***	0.031	0.031	0.053
	(0.049)	(0.046)	(0.047)	(0.049)	(0.031)	(0.031)	(0.042)
Gain	-0.028	-0.026	-0.002	-0.004	-0.047**	0.000	0.000
	(0.024)	(0.022)	(0.021)	(0.021)	(0.018)	(0.000)	(0.000)
Shareholder × Gain	-0.105**	-0.077*	-0.076*	-0.065	-0.021	0.001	0.013
	(0.048)	(0.041)	(0.041)	(0.043)	(0.043)	(0.040)	(0.036)
Banker(Direct) × Gain	0.167**	0.162**	0.168**	0.233***	0.202**	0.174**	0.190***
	(0.076)	(0.076)	(0.079)	(0.081)	(0.086)	(0.068)	(0.057)
Observations	9,228	9,228	9,228	9,228	9,228	9,228	9,228
R^2	0.083	0.138	0.152	0.163	0.415	0.510	0.645
Same Country FE	No	Yes	Yes	-	-	-	-
Time FE	No	No	Yes	-	-	-	-
Same Country × Time FE	No	No	No	Yes	Yes	Yes	-
Paper × Bank FE	No	No	No	No	Yes	Yes	Yes
Paper × Time FE	No	No	No	No	No	Yes	-
Bank × Time FE	No	No	No	No	No	Yes	Yes
News × Bank Country × Time FE	No	No	No	No	No	No	Yes
Other Controls	No	No	No	No	No	No	Yes

Notes: In all regressions the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earnings announcement with at least one mono-bank article. *Banker*(*Direct*) is a dummy variable equal to 1 if a paper and a bank are connected through a direct lending relationship, and 0 otherwise. *Shareholder* is a dummy variable equal to 1 if a bank holds any ownership share in a given newspaper, and 0 otherwise. *Gain* is a dummy variable equal to 1 (0) if a bank discloses gains (losses) in a given year-quarter. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with *Banker*(*Direct*) and *Shareholder*). In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Standard errors are clustered at the Paper × Bank and Time level. *** p<0.01, ** p<0.05, * p<0.1.

3.2.2. ROBUSTNESS

To verify the robustness of these findings, we perform a series of additional tests. All related tables and figures are reported in Online Appendix A.

First, in Table OA1, we consider indirect banking relationships - i.e., through a newspaper's parent company - alongside direct ones. Column 1 shows that the coefficient of interest remains positive and statistically significant when looking at both types of connections

together. In column 2 we perform a horse-race between direct and indirect lending relationships. The results suggests that only direct lending relationships display a statistically significant effect.

Second, to further confirm that the effect is driven by lending connections and not by other confounds, we perform a placebo test. Specifically, we randomly assign a number of fictitious lending connections, with the same distribution as that observed in our data, to newspaper/bank pairs that are, in reality, unconnected.[30] We then estimate our most demanding specification either using fictitious connections as the regressor of interest, or horse-racing real connections against fictitious ones. The purpose of the test is two-fold: i) assess whether fictitious connections have a significant impact on news coverage, ii) test to what extent the effect of real lending connections is robust to controlling for fictitious ones. We repeat the procedure 10,000 times and save the point estimates of interest for the $Banker(Direct) \times Gain$ interaction and the corresponding t-stats, which we plot in Figures OA1 and OA2. Two results emerge from Figure OA1. The coefficients for the fictitious connections are centered around 0 and tend to have a very low t-stat. The true coefficient (i.e. from column 7 of Table 1) clearly represents an outlier in terms of both magnitude and significance. Figure OA2, which reports the results of the horse-race regressions, shows that the coefficients on fictitious connections are again centered around zero, while those on true connections are centered around our original estimate.

As discussed above, newspapers are much more likely to borrow from banks from the same country and to report about these banks than about foreign ones. By including the *Same Country* dummy and its interaction with time fixed effects, our baseline specification controls flexibly for "home bias". Yet, another possibility is that the intensity of the home bias may depend on banks' performance. This would be the case, for example, if Spanish newspapers covered Spanish banks more than foreign banks *especially* when they record profits than when they record losses. To control for this possibility, in Table OA2 we augment our baseline specification by further interacting newspaper×country-of-the-Bank×Time fixed effects (used in the most robust model in column 7 of Table 1) with the *Gain* dummy. By doing so, we allow each newspaper to have a differential bias towards banks of different country, and this bias also to vary both over time and depending on the banks' result. We

[30] In detail, we replicate the first and second moment of the distribution of the variable Banker(Direct), summarized in the Appendix Table A.3.

report the findings in column 2.[31] Even when saturating the model as much, the coefficient of interest remains economically and statistically significant and very similar to that from the baseline exercises.

Our main result indicates that newspapers are more likely to cover connected banks relative to others when they experience profits rather than losses. However, earning announcements may include information on other aspects of the bank's situation - e.g., financial variables - which could attract the interest of connected newspapers more than unconnected ones. To confirm that the profit-loss dimension is the most relevant one for pro-lender bias, in Table OA3 we include as additional controls the interaction between the *Banker* dummy and the following variables: i) banks' total assets (in logs), ii) bank capital ratio, and iii) loan losses provision (as a share of total assets). The sample size shrinks somewhat because these variables are unavailable for some banks in certain years. However, the results remain largely unchanged relative to baseline.

In Tables OA4 and OA5, we check that the results are robust to using alternative measures of news coverage. First, in Table OA4, we replicate the analysis by considering the likelihood that a newspaper covers a bank's earning announcement with any article, either mono or multi-bank (column 1), as well as by excluding multi-bank articles altogether (column 2). Again, results are consistent with our main hypothesis. In Table OA5, we consider articles published in different time windows after an announcement, i.e., from the day before to 1 to 7 days after (always including the day of the announcement). Considering longer periods does not affect the results, arguably because most articles on earning announcements are published in the immediate vicinity of the event.

We also check that our results are not driven by outliers. In Figures OA3 and OA4 we plot the coefficients of our baseline regression excluding one newspaper at a time and one bank at a time, respectively. In both cases, the coefficient of interest remains largely unchanged relative to the regression with the full sample.[32] Moreover, we verify in Table OA6 that our results are not sensitive to the exclusion of tabloids, which is reassuring since these outlets generally do not focus on financial news.[33]

[31] Column 1 reports the results from the most robust model in column 7 of Table 1 for comparison.

[32] Excluding individual Newspaper×Bank pairs does also not impact the coefficient of interest; indeed, such exclusion reduces the sample even less than dropping all pairs including a bank or a newspaper.

[33] The tabloids in our sample include: Bild, Daily Mail, Daily Mirror, Daily Star and The Sun.

Finally, Table OA7 shows that our results are robust to different clustering strategies for the estimation of the variance-covariance matrix, including bank-level clustering (column 6) and double-clustering at the bank and paper level (column 3), which are the two most sensible alternatives to our baseline newspaper×bank clustering, which nonetheless returns more conservative standard errors (reported in column 1 for comparison).

3.2.3. INTENSIVE MARGIN

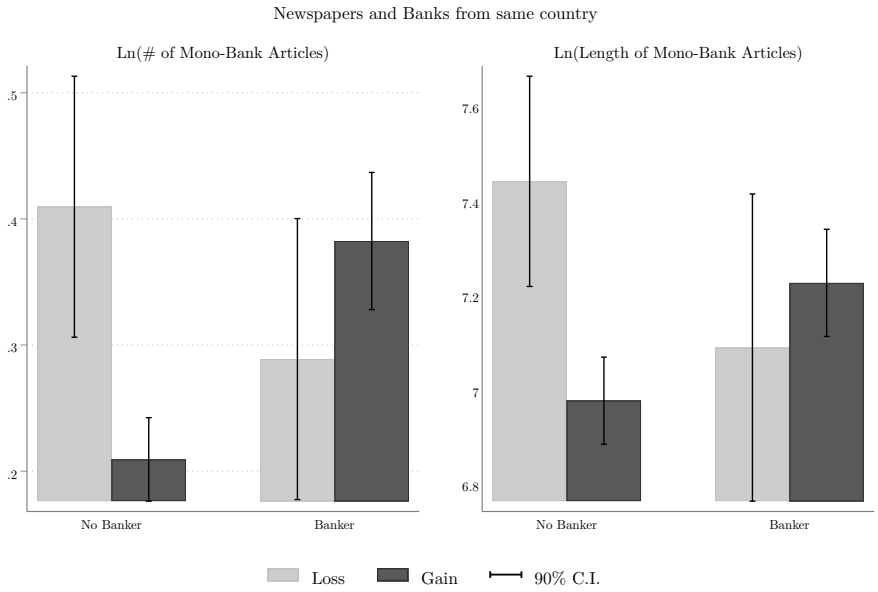
We then analyze whether pro-lender bias operates on the intensive margin, that is how extensively newspapers cover connected banks' earning announcements, relative to other banks', when they do. Hence, we restrict the analysis to those cases in which a newspaper published at least one mono-bank article in a given quarter.

The left panel of Figure 2 reports the average (log) number of mono-bank articles devoted to connected and unconnected banks respectively, separately for reports announcing profits and losses. The right panel reports, instead, the average (log) length of the articles. The figure indicates that, on average, newspapers devote significantly more and longer articles to the losses of banks they are not borrowing from than to their profits, but that the same does not hold for their lenders.

We also examine whether newspapers favor their lenders by placing information about their results strategically. For example, a newspaper may devote an entire article to a positive earning announcement by their lender, but report news about negative earnings in articles which also talk about other companies, to make the information less prominent or salient. To this end, in Figure 3, we plot the share of mono-bank articles over total articles separately for profits vs. losses and for lenders vs. other banks. In the right panel we do the same for the length of mono-bank articles as a share of the length of all articles. The graph indicates that, conditional on covering an earnings announcement, newspapers are significantly more likely to devote a full article to non-connected banks in case of a loss than in the case of a profit. The same however, does not apply to their lenders, for which the difference is insignificant and, if anything, goes in the opposite direction.

To further test this hypothesis, in Table 2 we estimate our baseline specification with the more limited set of fixed effects described in section 3.1. In column 1 and 2, we find that the number and length of mono-bank articles devoted by newspapers to banks' profits - relative to losses - is about 26 and 37 p.p. higher for direct lenders than for other banks,

FIGURE 2: AVERAGE NUMBER AND LENGTH OF ARTICLES



Notes: The figure reports the average (log) number of mono-bank articles (left panel) and the average (log) length of mono-bank articles (right panel) about quarterly earnings announcements of a newspapers main banker(s) in case of profits and losses. The averages are computed over newspaper×bank pairs from the same country.

respectively. Similarly, when looking at the strategic placement of news, we find that the difference between the share of mono-bank articles (mono-bank text) devoted to gains as opposed to losses is 20 (14) p.p. larger for direct bankers than for other banks.

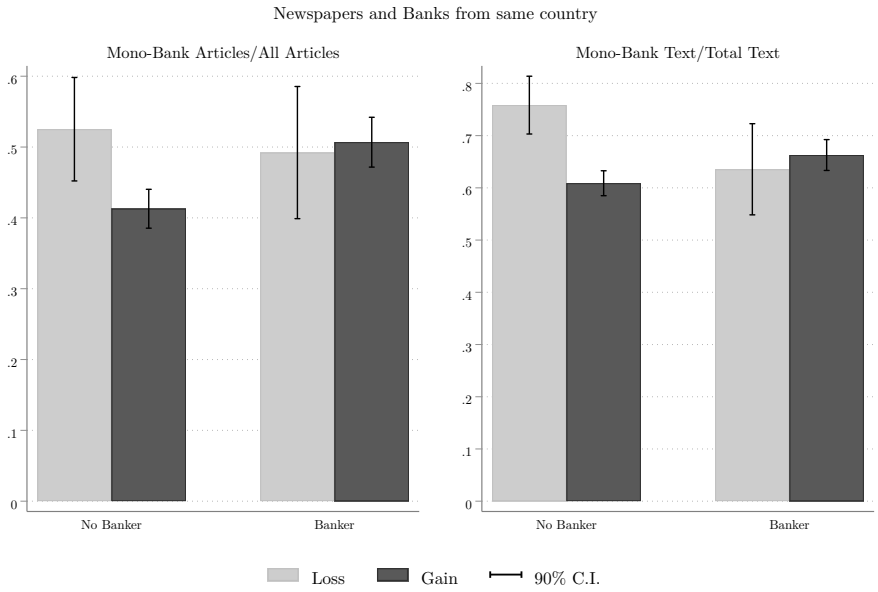
Finally, in Table OA8 in Online Appendix A we report, for each of the intensive margin outcome variables, a table with increasingly saturated specifications, and find that all coefficients of interest are very stable.

3.3. HETEROGENEITY

To shed light on the possible mechanism behind the results described above, we examine how the effect of lending connections varies for different types of newspapers and banks. First, we consider the difference between general-interest newspapers, on the one hand, and financial and business-oriented ones, on the other.[34] Newspapers in the first group include, among others, *The Guardian*, *Le Figaro*, *El Mundo*, and *Sueddeutsche Zeitung*, while the second group includes the *Financial Times*, *Les Echos*, *El Economista*, *Expansión* and *Handelsblatt*.

[34] Previous findings on the influence of advertisers on news content (Reuter and Zitzewitz, 2006) suggest that more specialized outlets may be more vulnerable to outside pressures than general-interest ones. However, in that case, the relevant comparison group was personal finance publications.

FIGURE 3: AVERAGE SHARE OF MONO-BANK ARTICLES AND TEXT



Notes: This chart reports the average % of mono-bank articles and the average % of mono-bank text - respectively in the left and right panel - depending on the existence of direct lending connections and on banks disclosure of profits or losses in the quarterly announcements. The averages are computed over Paper×Bank couples from the same country.

TABLE 2: BANKS' EARNINGS ANNOUNCEMENT: INTENSIVE MARGIN

Dep. variable	(1) # Mono-bank articles	(2) Length mono-bank articles	(3) % Mono-bank articles	(4) % Length of mono-bank articles
Shareholder	-0.062	-0.068	-0.116**	-0.053
	(0.065)	(0.164)	(0.044)	(0.054)
Banker(Direct)	-0.471**	-0.987**	-0.049	-0.108
	(0.193)	(0.426)	(0.099)	(0.127)
Shareholder × Gain	0.048	-0.120	0.118***	0.057
	(0.060)	(0.129)	(0.042)	(0.043)
Banker(Direct) × Gain	0.261**	0.367**	0.197**	0.138*
	(0.106)	(0.174)	(0.092)	(0.076)
Observations	1,621	1,621	2,778	2,778
R^2	0.387	0.578	0.251	0.278
Other Controls	Yes	Yes	Yes	Yes
Paper × Bank FE	Yes	Yes	Yes	Yes
Same Country × Time FE	Yes	Yes	Yes	Yes

Notes: In column 1, the dependent variable is Ln(Num. of Mono-Bank Articles) and in column 2 is Ln(Length of Mono-Bank Articles). Moreover, in column 3, the dependent variable is % mono-bank Articles and in column 4 is % Length mono-bank Articles. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a paper and a bank are connected through direct lending connections, and with value 0 otherwise. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with *Banker*(*Direct*) and *Shareholder*). Standard errors are clustered at the Paper × Bank and Time level.*** p<0.01, ** p<0.05, * p<0.1.

In Table 3, we estimate our baseline regressions for all newspapers and then separately for general-interest and financial newspapers. In Panel A we look at the extensive margin, while in Panels B and C we focus on the intensive margin.

The results clearly indicate that, for the extensive margin, the effect is primarily driven by general-interest newspapers, which display a larger and very significant effect. The coefficient of interest is still positive but smaller and imprecisely estimated for financial newspapers. One interpretation is that general-interest newspapers - which are less focused on financial issues and firms' performance - may have more discretion than financial newspapers when deciding what events and what banks to cover, and may use this discretion to favor their lenders. Given their specialization and target audience, financial newspapers may have less of a choice as to *whether* to report about earning announcements. They would, nonetheless, have some discretion as to how much space and prominence to give them. This conjecture is confirmed by the results in Panels B and C which show that, on the intensive margin, the effect is also significant for financial newspapers.[35] These findings are interesting in that they suggest that the form that pro-lender bias takes depends on the specific incentives and constraints faced by each media outlet.

We then examine how pro-lender bias depends on the financial situation of both newspapers and banks. Two questions are relevant in this regard. The first is whether relatively more leveraged newspapers are more vulnerable to the pressures of their lenders. The second is whether relatively more fragile banks are more likely to pressure connected media in order to minimize news coverage of their losses.

We first test whether pro-lenders bias is more pronounced for newspapers with high leverage. To this end, in the first two columns of Table 4, we augment our baseline specifications to include an interaction between our regressor of interest, $Gain \times Banker(Direct)$, and a measure of newspaper's indebtedness, given by the ratio between long-term liabilities and total assets.[36] In column 1, we apply the same fixed effects and controls as in the baseline model in column 7 of Table 1. The coefficient on the triple interaction term is positive and economically significant, suggesting that financially weaker newspapers (i.e., with higher leverage)

[35] In Table OA9 in Online Appendix A, we repeat the same exercise with the share of mono-bank articles and the share of mono-bank text as dependent variables (Panel A and B, respectively). In this case as well, we find evidence of pro-lender bias both for financial and general-interest newspapers.

[36] Specifically, we use non-current liabilities, which denote the total value of liabilities with residual maturity longer than one year.

are more likely to slant content in favor of their creditors, although it is not statistically significant. In column 2, we repeat the exercise among general interest newspapers only, which, as discussed above, are the only ones that display significant pro-lender bias on the extensive margin. Both the economic and statistical significance remains however unchanged. To gauge whether newspapers with very low long-term leverage behave differently than others, in columns 3 and 4, we repeat the same exercise but using a dummy for whether a newspaper has very low long-term leverage (i.e., below or equal to the first quartile). In both columns, the triple interaction is negative and statistically significant, suggesting that newspapers with very low dependence on long-term leverage are less likely to bias coverage of earnings announcements in favor of their lenders. The coefficient is larger but marginally statistically insignificant (i.e., p-value: 0.106) in column 4, where we limit the sample to general-interest newspapers.

In columns 5 to 8, we look instead at how bank's financial fragility affects our baseline effect. Specifically, in columns 5 and 6 we interact $Banker(Direct)$ and $Gain \times Banker(Direct)$ with bank's capitalization, proxied by the (standardized) lagged annual tier-1 capital ratio, considering the whole sample of newspapers and general-interest newspapers only, respectively. The statistically significant coefficients in column 6 indicate that general-interest newspapers are more likely to bias content in favor of connected banks that are relatively less capitalized. Based on these estimates, low capitalized lenders enjoy a significant reduction in the probability that their losses are covered by connected newspapers. Specifically, the coefficient on the interaction Banker(Direct)×Capital indicates that a one standard deviation decrease in tier-1 ratio is associated to a 16 p.p. decline in the probability that losses get covered.[37] The same pattern emerges even more clearly in column 8, when we use instead a dummy variable for banks in the lower quartile of capitalization. Taken together, our findings suggest that banks with very low capitalization are the ones most favored by pro-lender bias, especially when it comes to the coverage of losses.

3.4. Real effects: the impact of news coverage on stock returns

Finally, we explore whether coverage of earnings announcements by newspapers is associated with real effects. In particular, we examine the implications for banks' value, as reflected

[37] Instead, the relative coverage of profits by lenders compared to other banks does not vary with bank capitalization. This emerges from the fact that the coefficients loading the double interaction Banker(Direct)×Bank Capital and the triple interaction Banker(Direct)×Gain× Bank Capital sum to zero.

TABLE 3: BANKS' EARNINGS ANNOUNCEMENTS:
GENERAL INTEREST VS. FINANCIAL NEWSPAPERS

	(1) General Interest	(2) Financial	(3) All Newspapers
	Panel A: Extensive Margin		
Banker(Direct)	-0.144	0.015	-0.086
	(0.089)	(0.207)	(0.064)
Banker(Direct) × Gain	0.211**	0.134	0.190***
	(0.080)	(0.168)	(0.057)
Observations	6,693	2,535	9,228
R^2	0.633	0.686	0.645
Paper × Bank FE	Yes	Yes	Yes
Bank × Time FE	Yes	Yes	Yes
Paper × Bank-Country × Time FE	Yes	Yes	Yes
	Panel B: Intensive Margin - Num. of Articles		
Banker(Direct)	-0.433*		-0.471**
	(0.228)		(0.193)
Banker(Direct) × Gain	0.292**	0.232	0.261**
	(0.106)	(0.255)	(0.106)
Observations	782	839	1,621
R^2	0.358	0.412	0.387
	Panel C: Intensive Margin - Length of Articles		
Banker(Direct)	-1.099**		-0.987**
	(0.469)		(0.426)
Banker(Direct) × Gain	0.467**	0.473	0.367**
	(0.196)	(0.289)	(0.174)
Observations	782	839	1,621
R^2	0.563	0.597	0.578
Paper × Bank FE	Yes	Yes	Yes
Same Country × Time FE	Yes	Yes	Yes

Notes: The dependent variables are a dummy for whether a newspaper devotes at least one mono-bank article to the quarterly earning report of a bank (panel A), the (log) number of mono-bank articles (panel B), and their overall length (panel C). *Banker*(*Direct*) is a dummy variable equal to 1 if a newspaper and a bank are connected through a direct lending relationship. *Shareholder* is a dummy variable equal to 1 if a bank holds any (direct or indirect) ownership share in a given newspaper. *Gain* is a dummy variable equal to 1 if a bank reports gain in a given year-quarter, and 0 if it reports a loss. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with *Banker*(*Direct*) and *Shareholder*) as well as the full interaction of *Shareholder* and *Gain*. Standard errors are clustered at the Paper× Bank and date level.*** p< 0.01, ** p<0.05, * p< 0.1, [a] p< 0.15. The regressions in Panel B include the same sequence of controls and fixed effects as those in Panel C, though we do not report them for brevity.

in their stock price, by estimating the following regression:

$$Ret_{b,d(t)+h} = \beta_{1,h} Gain_{b,t} + \beta_{2,h} Coverage_{b,t} + \beta_{3,h} Gain_{b,t} \times Coverage_{b,t} + \gamma_h X_{b,t} + \mu_{b,h} + \mu_{t,h} + e_{b,d(t)+h} \quad (2)$$

$Ret_{b,d(t)+h}$ is the cumulative variation of log stock prices between day $d(t)-1$ and day $d(t)+h$, where $d(t)$ is the day of the earnings announcement in quarter t, with $h = 1,2,3,4,5$.

TABLE 4: BANKS' EARNINGS ANNOUNCEMENTS: HETEROGENEITY BY FINANCIAL CONDITIONS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. variable	Dummy for at least 1 article devoted to banks EA							
	Newspaper				Bank			
Banker(Direct)	0.067	-0.001	-0.016	-0.153	-0.067	-0.104	-0.008	0.032
	(0.076)	(0.082)	(0.078)	(0.127)	(0.076)	(0.080)	(0.079)	(0.089)
Banker(Direct) × Gain	0.127*	0.193*	0.202***	0.292**	0.164***	0.174***	0.123**	0.052
	(0.072)	(0.093)	(0.069)	(0.114)	(0.045)	(0.053)	(0.058)	(0.057)
Banker(Direct) × Leverage	-0.100	-0.130						
	(0.127)	(0.140)						
Banker(Direct) × Gain × Leverage	0.088	0.072						
	(0.117)	(0.124)						
Banker(Direct) × Low Leverage			0.157	0.305				
			(0.146)	(0.186)				
Banker(Direct) × Gain × Low Leverage			-0.269*	-0.309				
			(0.130)	(0.183)				
Banker(Direct) × Bank Capital					0.079	0.164**		
					(0.060)	(0.078)		
Banker(Direct) × Gain × Bank Capital					-0.061	-0.163*		
					(0.063)	(0.086)		
Banker(Direct) × Low Bank Capital							-0.189	-0.450**
							(0.114)	(0.173)
Banker(Direct) × Gain × Low Bank Capital							0.138	0.477**
							(0.133)	(0.201)
Paper × Bank FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bank × Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Paper × Bank-Country × Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	7,119	5,431	7,119	5,431	8,609	6,244	8,609	6,244
R^2	0.653	0.645	0.653	0.645	0.648	0.635	0.648	0.635
Sample	All	General Interest	All	General Interest	All	General Interest	All	General Interest

Notes: The dependent variable is a dummy with value 1 if a newspaper covers an earning announcement with at least an article. Leverage is newspaper's long-term leverage. Low Leverage is a dummy with value 1 for newspapers with long-term leverage below the bottom quartile. Bank Capital is the acquirer bank tier-1 capital ratio. Low Bank Capital is a dummy with value 1 for banks with tier-1 capital ratio below the bottom quartile. Standard errors double clustered at the paper × bank and date level. *** p< 0.01, ** p< 0.05, * p< 0.1.

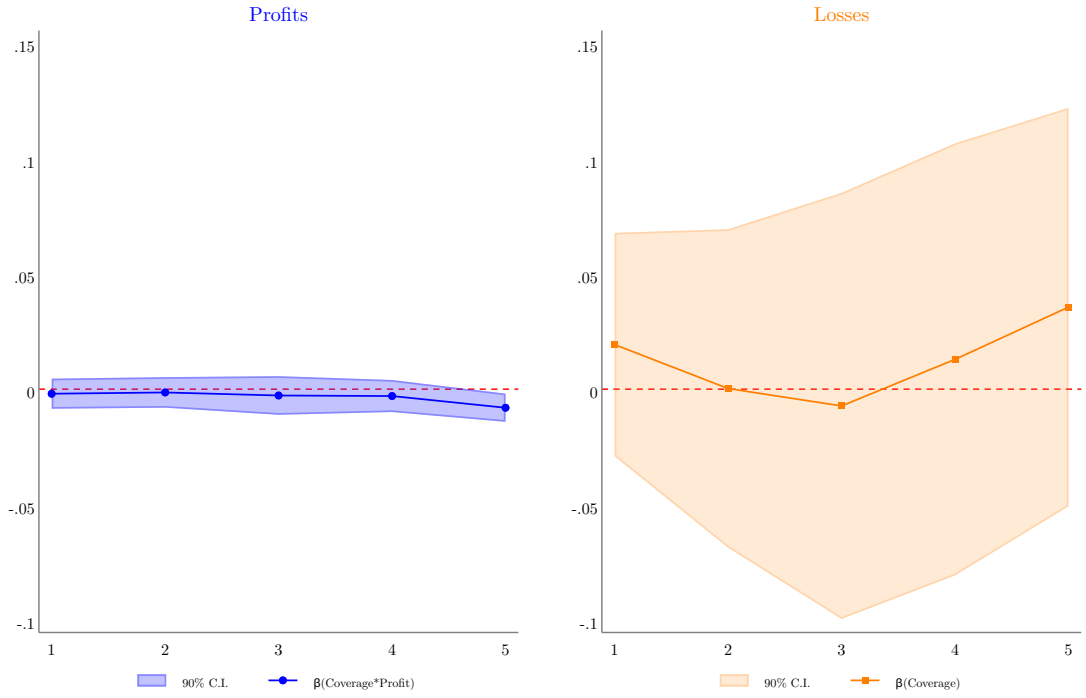
As usual, $Gain_{b,t}$ is a dummy variable taking value 1 (0) if bank b announces profits (losses) in quarter t. $Coverage_{b,t}$ is the total number of articles devoted by newspapers in our sample to bank b earnings announcements in year-quarter yq. We include a large vector of controls $X_{b,t}$. First, we include dummies for whether bank b in quarter t discloses higher profits than those expected by analysts, and for whether the annual growth of profits is positive. These variables control for additional newsworthy content of earnings announcements (on top of the disclosure of profits versus losses) and are included both alone and interacted with $Coverage_{b,t}$. Moreover, we control for other balance sheet characteristics which may influence stock returns, namely log total assets (an indicator of size), the tier1 capital ratio and the provision to total assets ratio. $\mu_{b,h}$ and $\mu_{yq,h}$ are bank and time fixed effects, respectively. We separately estimate the models on different post-announcement days $h = 1,2,3,4,5$. By plotting the resulting coefficients, we obtain impulse-response functions in the spirit of Jorda's (2005) local projections.

$\beta_{2,h}$ and $\beta_{3,h}$ are the coefficients of interest. $\beta_{2,h}$ captures the impact of one additional article about an earning announcement reporting losses on the h-day post-announcement cumulative

stock returns. $\beta_{3,h}$ captures instead the differential effect of additional coverage of eaerning announcements reporting profits (relative to the baseline impact for the coverage of losses captured by $\beta_{2,h}$). If news coverage of losses affects negatively a bank's stock returns and coverage of profits affects it positively, one would expect $\hat{\beta}_{2,h} < 0$ and $\hat{\beta}_{3,h} > 0$.

The right-hand side panel of Figure 4 displays the post-announcement response of cumulative stock returns to one article about earnings announcements reporting losses. We standardize the variable $Coverage_{b,t}$ to facilitate the interpretation of the coefficients. In general, the effect is not statistically significant, and so is the impact of the coverage of the positive earnings announcements.

FIGURE 4: THE IMPACT OF NEWS COVERAGE ON STOCK RETURNS: AVERAGE EFFECT



Notes: The figure reports the estimated coefficients $\hat{\beta}_3$ (left panel) and $\hat{\beta}_2$ (right panel) from equation 2. The connected line reports the point estimates and the shaded areas the 10% confidence intervals. Standard errors clustered at the bank and time level.

Yet, a crucial insight from our analysis in section 3.3. is that newspapers tend to bias coverage particularly in favor of connected banks that are less capitalized, arguably because these may benefit more from the highlighting of positive results and the downplaying of negative ones. To test this conjecture, we examine whether the effect of coverage on post-announcement stock returns is stronger for banks that are less capitalized by estimating the

following equation:

$$\begin{aligned} Ret_{b,d(t)+h} = & \beta_{1,h} Gain_{b,t} + \beta_{2,h} Coverage_{b,t} + \beta_{3,h} LowCap_{b,t-1} + \\ & \beta_{4,h} Gain_{b,t} \times Coverage_{b,t} + \beta_{5,h} Gain_{b,t} \times LowCap_{b,t-1} + \\ & \beta_{6,h} Coverage_{b,t} \times LowCap_{b,t-1} + \beta_{7,h} Coverage_{b,t} \times Gain_{b,t} \times LowCap_{b,t-1} + \\ & \gamma_h X_{b,t} + \mu_{b,h} + \mu_{t,h} + e_{b,d(t)+h} \end{aligned} \tag{3}$$

$LowCap_{b,t-1}$ is a dummy which takes value 1 if bank b tier-1 capital ratio is in the first quartile of the distribution (of the previous calendar year). Moreover, the usual bank controls $X_{b,t}$ are fully interacted with $LowCap_{b,t-1}$. The coefficients $\beta_{6,h}$ and $\beta_{7,h}$ captures the relative response of h-day post-announcement cumulative stock returns to additional coverage of earnings announcements revealing losses and profits, respectively, among banks with low capital, as opposed to banks with relatively higher capital.

The right-hand side panel of Figure 5 shows the estimated coefficients $\hat{\beta}_{6,h}$. Conditional on announcing losses, a 1 s.d. increase in coverage is associated with significantly lower stock returns for banks with low capital ratio (as opposed to banks with high capital ratio), with a trough of -3% reached 3 trading days after the announcement. That is, banks with low capitalization have tangible incentives to downplay losses. The left-hand side panel shows the estimated coefficients $\hat{\beta}_{7,h}$. Conditional on announcing profits, a 1 s.d. increase in news coverage is linked to relatively higher stock returns among banks with low capital by nearly 2%, which mirrors the strong negative effect of news coverage of losses. Finally, Table OA10 in Online Appendix A reports all relevant coefficients, including lower-level interactions.

4. Lending connections and news coverage of M&As

4.1. Empirical Strategy

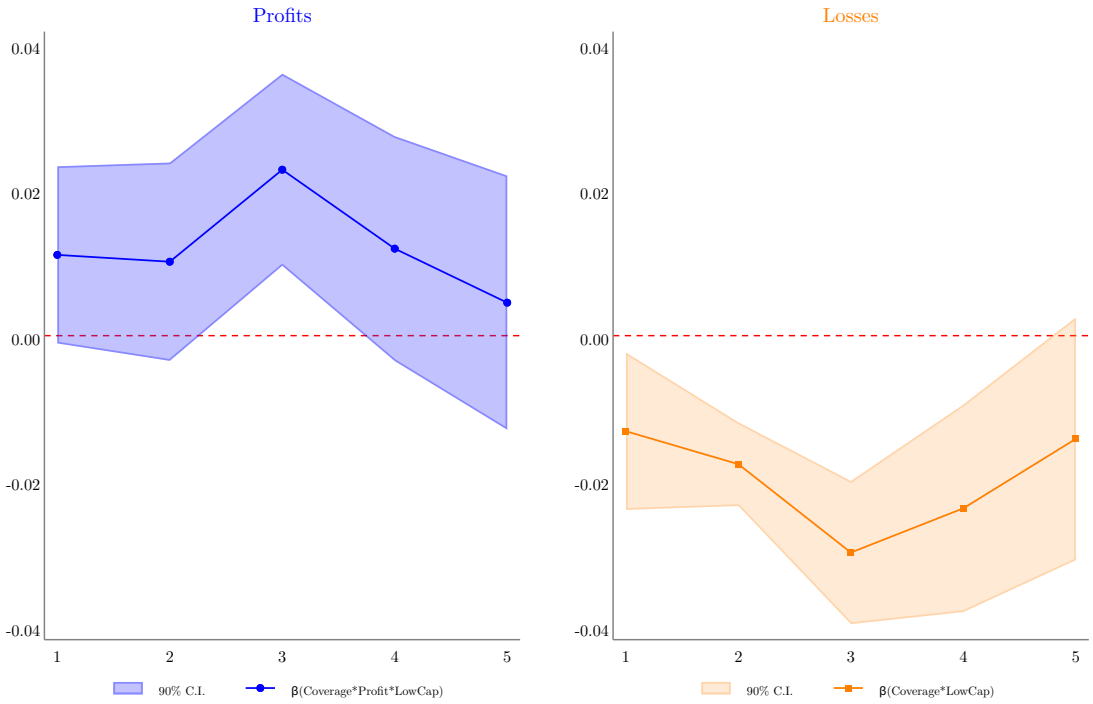
To test whether lending connections affect news coverage of banks' M&As we estimate the following regression:

$$Y_{p,m} = \beta_1 Acquirer - Banker_{p,b(m),t} + X_{p,m} + \mu_p + \mu_{c,m} + \varepsilon_{p,m} \tag{4}$$

$Y_{p,m}$ is a measure of news coverage of M&A m by newspaper p. $Acquirer - Banker_{p,b(m),t}$ is a dummy that takes value 1 if bank b, which acts as acquirer in M&A m, is the main banker of newspaper p.[38] $X_{p,m}$ is a vector of newspaper controls - including size, shareholder funds

[38] The banks in our sample mainly act as acquirers in M&As. Over 1,931 observations in our sample, for only two observations a newspaper's lender is the target of the M&A. Excluding these two observations does not affect any of our results.

FIGURE 5: THE IMPACT OF NEWS COVERAGE ON STOCK RETURNS: RELATIVE EFFECT ON BANKS WITH LOW CAPITAL



*Notes:*The figure reports the estimated coefficients $\hat{\beta}_6$ and $\hat{\beta}_7$ from equation 3. The connected line reports the point estimates and the shaded areas the 10% confidence intervals. Standard errors clustered at the bank and time level.

over total assets and the liquid assets ratio - in the year before the beginning of the M&A. μ_p is a vector of newspaper fixed effects. $\mu_{c,m}$ is a vector of interactions between M&A-episode fixed effects and $Same-Country$, a dummy that takes value 1 if at least one of the two banks involved in the M&A is headquartered in the same country as the newspaper. These terms control for the possibility that M&As involving domestic banks receive different coverage than those involving foreign banks. $\varepsilon_{p,m}$ is the error term. We cluster standard errors by M&A episode.

4.2. RESULTS

Table 5 reports the results. In column 1, the dependent variable is a dummy for whether a newspaper publishes any article on an M&A. In column 2, it is the (log) number of articles devoted to the M&A. Lending connections do not appear to affect significantly neither of these outcomes. We then look at the way M&As are discussed. In column 3, the dependent

variable is the average tone of the article vis-à-vis the M&A. The result supports the view that newspapers cover their lender's M&A more positively than those of other banks. The effect is sizable, with the tone of the articles being on average 8% more positive, which corresponds to a 24% increase relative to the sample mean. In column 4, we find a similarly positive and sizable effect on the tone of the statements by third-party commentators (+ 18.5%, which is nearly twice the sample mean), which is however marginally insignificant at conventional levels (i.e., p-value: 0.122). Finally, in column 5 we find that newspapers are significantly less likely to mention negative consequences of M&As involving their lenders compared to those of other banks (-7.3%), while there is no significant difference in the probability of mentioning positive consequences (column 6).

TABLE 5: M&AS: BASELINE RESULTS

Dep. Variable	(1) 1(Any Article)	(2) Num. of Articles	(3) Overall Tone	(4) Analyst Tone	(5) 1(Neg. Conseq.)	(6) 1(Pos. Conseq.)
Banker(Direct) × Acquirer	0.024	-0.062	0.082*	0.185	-0.073**	-0.027
	(0.040)	(0.130)	(0.042)	(0.118)	(0.035)	(0.051)
Observations	1,911	482	418	304	482	482
R^2	0.597	0.791	0.624	0.508	0.565	0.480
Same country × M&A FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper controls	Yes	Yes	Yes	Yes	Yes	Yes

Notes: In column 1, the dependent variable is a dummy with value 1 if a newspaper covers an M&A episode with at least an article. In column 2, the dependent variable is the log of the number of articles devoted by a newspaper to a given M&A episode. In column 3, the dependent variable is the average Overall Tone of the articles devoted by a newspaper to a given M&A episode. In column 4, the dependent variable is the average (third-party) Analyst Tone in interviews appearing in articles devoted by a newspaper to a given M&A episode. In column 5, the dependent variable is a dummy with value 1 if the articles devoted by a newspaper to a given M&A episode mention at least a negative consequence of the M&A. In column 6, the dependent variable is a dummy with value 1 if if the articles devoted by a newspaper to a given M&A episode mention at least a positive consequence of the M&A. Banker(Direct)× Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p< 0.01, ** p< 0.05, * p< 0.1

4.3. ROBUSTNESS

We perform various robustness exercises the results of which are reported in Online Appendix B. In Tables OB2-OB7 in Online Appendix B we estimate increasingly saturated specifications. In column 1 we include no controls nor fixed effects; in column 2 we include M&A fixed effects, and in column 3 same-country fixed effects, to account for possible home bias in news coverage; in column 4 we include M&A *x* same-country fixed effects; in column 5 we add newspaper fixed effects, and in column 6 newspaper balance-sheet controls. Across all specifications - over which the R-squared increases considerably - results are remarkably stable (see Table OB2 and Tables OB4 for results on overall tone and negative consequences, respectively). Moreover, regarding the average analyst tone, the positive effect is statistically

significant at conventional levels in all specification but the most demanding one in Table OB3 where the significance level is 12.2%. Finally, Tables OB6 and OB7 show that both the likelihood of coverage and the number of articles are not significantly different between connected and unconnected newspapers once home-bias is controlled for, as the estimated coefficients become statistically insignificant once same-country fixed effects are included (column 2).

4.4. HETEROGENEITY

We first test whether pro-lender bias in news coverage of M&As is stronger for banks with low capitalization, as found for earning announcements. To do so, we augment our baseline specification to include the interaction of $Banker(Direct) \times Acquirer$ either with the continuous banks' tier-1 capital ratio or with a dummy for banks with below median tier-1 capital ratio. We report the results in Table 6. In columns 1 and 2 we look at the effect on the probability that an M&A gets covered at all. The results indicate that newspapers are less likely to cover acquisitions by their lenders with low capitalization than those by other connected banks. This finding is consistent with prior evidence on the negative impact of M&A's for the acquirer's shareholder value, competition, and customers' welfare (Vives, 2016), which the acquiring bank would have little incentive to publicize. In columns 3 and 4 we look at the effect on the overall tone of M&A-related articles - conditional on any being published - and again find that newspapers tend to disproportionately favor lenders with low capitalization. We find qualitatively similar results for the probability of discussing the negative consequences of acquisitions (columns 5 and 6), though the coefficients are statistically insignificant at conventional levels.

Finally, in Table 7 we examine how pro-lender bias in coverage of M&As depends on the financial situation of newspapers. To this end, we interact $Banker(Direct) \times Acquirer$ with the newspaper's long-term leverage (columns 1, 3, and 5) or with a dummy for newspaper with below-median long-term leverage (columns 2, 4, and 6). The results in columns 3 and 4 indicate that newspapers with higher long-term leverage tend to cover acquisitions by their lenders with a more positive tone, but that this is not the case for low-leveraged outlets. Results are insignificant for the probability of any coverage (columns 1 and 2), and for the probability of discussing the negative consequences of lenders' acquisitions (columns 5 and 6).

TABLE 6: M&AS: HETEROGENEITY ACROSS BANKS

	(1)	(2)	(3)	(4)	(5)	(6)
	Any Article		Tone		1(Neg. Conseq.)	
Banker(Direct) × Acquirer	-0.234	0.117*	0.480**	-0.003	-0.286	-0.035
	(0.212)	(0.067)	(0.237)	(0.065)	(0.181)	(0.062)
Banker(Direct) × Acquirer × Bank Capital	0.023		-0.036*		0.019	
	(0.020)		(0.020)		(0.016)	
Banker(Direct) × Acquirer × Low Bank Capital		-0.175**		0.148*		-0.070
		(0.079)		(0.087)		(0.075)
Observations	1,758	1,758	393	393	447	447
R^2	0.594	0.596	0.604	0.607	0.588	0.588
Same country × M&A FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper controls	Yes	Yes	Yes	Yes	Yes	Yes
Cluster level	MA	MA	MA	MA	MA	MA

Notes: In columns 1 and 2, the dependent variable is a dummy with value 1 if a newspaper covers an M&A episode with at least an article. In columns 3 and 4, the dependent variable is the average Overall Tone of the articles devoted by a newspaper to a given M&A episode. In columns 5 and 6, the dependent variable is a dummy with value 1 if the articles devoted by a newspaper to a given M&A episode mention at least a negative consequence of the M&A. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Bank Capital is the acquirer bank tier-1 capital ratio. Low Bank Capital is a dummy with value 1 for banks with below-median tier-1 capital ratio. Standard errors clustered at the M&A level. *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE 7: M&AS: HETEROGENEITY ACROSS NEWSPAPERS

	(1)	(2)	(3)	(4)	(5)	(6)
	Any Article		Tone		1(Neg. Conseq.)	
Banker(Direct) × Acquirer	-0.017	-0.045	0.020	0.335**	-0.112	-0.108
	(0.069)	(0.076)	(0.133)	(0.137)	(0.072)	(0.067)
Banker(Direct) × Acquirer × Leverage	-0.081		0.575*		0.012	
	(0.229)		(0.322)		(0.195)	
Banker(Direct) × Acquirer × Low Leverage		0.015		-0.358**		0.013
		(0.102)		(0.177)		(0.096)
Observations	1,392	1,392	260	260	294	294
R^2	0.593	0.593	0.675	0.679	0.581	0.582
Same country × M&A FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes
Newspaper controls	Yes	Yes	Yes	Yes	Yes	Yes
Cluster level	MA	MA	MA	MA	MA	MA

Notes: In columns 1 and 2, the dependent variable is a dummy with value 1 if a newspaper covers an M&A episode with at least an article. In columns 3 and 4, the dependent variable is the average Overall Tone of the articles devoted by a newspaper to a given M&A episode. In columns 5 and 6, the dependent variable is a dummy with value 1 if the articles devoted by a newspaper to a given M&A episode mention at least a negative consequence of the M&A. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Leverage is newspapers' long-term leverage. Low Leverage is a dummy with value 1 for newspapers with below-median long-term leverage. Standard errors clustered at the M&A level. *** p< 0.01, ** p< 0.05, * p< 0.1.

5. Lending connections and news coverage of the Eurozone crisis

5.1. Empirical strategy

As mentioned in the data section, we look at articles published around eight salient junctures of the crisis occurred between 2011 and 2012, collected and coded by Picard (2015). Since news coverage of the crisis is not bank-specific, the unit of observation in this case is not a newspaper-bank pair but a newspaper. We therefore exploit differences in news coverage between newspapers around each event. The following equation summarizes our econometric strategy:

$$Y_{n,t} = \beta_1 GIIPS_{n,t-1} + \gamma X_{n,t-1} + \mu_{n(country)} + \mu_t + \varepsilon_{n,t} \tag{5}$$

$Y_{n,t}$ is one of the measures of news coverage of the crisis by newspaper n around event t described in the data section. For the extensive margin we use dummies for whether a newspaper publishes at least one article i) claiming banks are the root cause of the crisis (*Root cause = Banks*), ii) claiming banks have to bear the main responsibility to solve the crisis (*Responsibility=Banks*), and iii) supporting debt-restructuring measures (*Solution=Haircut/OD*). For the intensive margin, we use the (log of the) number of articles in each category, as well as the share these articles represent of all the crisis-related articles published by the same newspaper around the same event. The main regressor of interest is $GIIPS_{n,t-1}$, which represents the average (1-year lagged) exposure to sovereign bonds issued by GIIPS countries across all the banks connected to the newspaper through direct lending relationships. Hence, β_1 captures the tendency of newspapers whose lenders are more exposed to stressed sovereign bonds to cover the crisis in ways more favorable to the banking sector and to oppose debt-restructuring measures detrimental to creditors.

In our baseline specification we control for other financial variables of the connected banks, $X_{n,t-1}$, namely the average lagged average Tier-1 capital ratio and the average asset (log)size. In addition, we include a vector of country fixed effects and event fixed effects, which control for the average news coverage of the crisis by all newspapers in a given country, and by all newspapers around a given event, respectively. As a robustness check, we also estimate a specification employing country$\times$period fixed effects, to control for the possibility that differences in coverage among same-country newspapers may vary over time. Finally, for the subset of newspapers for which this information is available, we also control for circulation and political leaning, to account for differences in news coverage of the crisis between larger

vs. smaller newspapers and between liberal vs. conservative ones. Regarding standard errors, in all regressions we use two-way clustering by newspaper and country×period.

5.2. RESULTS

Table 8 reports the results for the main specification with connected-banks controls and both country and event fixed effects. In column 1 we test whether newspapers whose lenders are more exposed to stressed sovereign bonds are less likely to mention the banking sector as a root cause of the crisis. The results indicate a negative and statistically significant effect of lenders' exposure on the probability that a newspaper publishes any article promoting this view. The effect is sizable: a one-standard-deviation increase in lenders' GIIPS-exposure is associated with a 14 p.p. decrease in the outcome variable (30% of the unconditional mean). In column 2, we examine whether a similar pattern applies to the probability that a newspaper publishes articles claiming that banks should bear the main responsibility to solve the crisis. In this case, while the sign of the coefficient is consistent with the result in column 1, the effect is not statistically significant. In column 3 we investigate how the vested interests of lenders affect a newspaper's stance as to what solutions to the crisis to endorse. The results support the view that newspapers connected to banks more exposed to stressed sovereign bonds are significantly less likely to endorse debt-restructuring measures, such as a haircut, which would result in losses for the lenders. Once again, the effect is quantitatively important. A one-standard-deviation increase in lenders' GIIPS-exposure is associated with a 12.4 p.p. decline in the likelihood of publishing an article endorsing debt-restructuring measures (31% of the sample average).

5.3. ROBUSTNESS

We perform various robustness checks, the results of which are reported in in Online Appendix C. In Table OC1 we verify that these findings are robust to the inclusion of additional controls. First, we include country×period fixed effects. The more saturated specification explains a larger share of the overall variation in the data, as shown by the considerable increase in the R-squared. Yet, for all three outcomes, the coefficient of interest remains largely unchanged both in terms of magnitude and statistical significance. In the following columns we control for newspaper's size (in terms of circulation) and political leaning, two characteristics that may affect a newspaper's editorial line regarding the coverage of the crisis and could be spuriously correlated with lenders' GIIPS-exposure. For all three outcomes

TABLE 8: COVERAGE OF THE EUROPEAN SOVEREIGN DEBT CRISIS

Dep. variable	(1) Root Cause = Banks	(2) Responsability = Banks	(3) Solution = Haircut/OD
GIIPS	-2.862*** (0.706)	-1.945 (1.571)	-2.478* (1.424)
Observations	191	191	191
R^2	0.246	0.237	0.243
Country FE	Yes	Yes	Yes
Period FE	Yes	Yes	Yes
Bank Controls	Yes	Yes	Yes

Notes: The dependent variable is a dummy for whether a newspaper published at least one article mentioning the banking sector as one of the roots of the crisis (column 1), claiming banks should bear the main responsibility to solve the crisis (column 2), and endorsing debt-restructuring measures as a possible solution to the crisis (column 3). Bank controls include: newspaper-level average bank capital, and average bank size. Standard errors are double-clustered at the newspaper and country× period level. *** p< 0.01, ** p< 0.05, * p< 0.1.

we find that circulation further improves the R-square and displays a negative and significant coefficient (columns 2, 5, and 8). This result is consistent with the view that larger "mainstream" newspapers are less likely to take a critical stance regarding the responsibilities of the banking sector than smaller "fringe" newspapers. Yet, controlling for circulation only marginally affects the coefficient on GIIPS's exposure which remains statistically significant for the first and third outcome. Finally, in columns 3, 6, and 9, we control for newspapers' political leaning on the left-right spectrum. Since this variable is only available for half of the newspapers in our sample, the sample size shrinks considerably, making any comparison with the results of the previous columns challenging. Nonetheless, the results confirm that the effect of GIIPS-exposure are robust to controlling for political leaning. If anything, within this smaller sample, the coefficient of interests is generally larger and is statistically significant also for the probability of publishing articles claiming banks should bear the main responsibility to solve the crisis (column 6).

One could still be concerned that the estimated effect reflects a spurious correlation between a newspaper's general stance on issues related to the monetary union and the exposure of connected banks' to GIIPS. To rule out this possibility, we perform two placebo exercises looking at news coverage of related issues on which the interests of connected banks should not depend on their exposure to GIIPS' sovereign bonds. Specifically we use information on whether a newspapers publishes any article reporting that a specific country (or group of countries) has benefited from the adoption of the single currency. Indeed, it is unclear why

banks more exposed to GIIPS' sovereign bonds would prefer one stance over the other since both arguments could be incorporated into a pro-banking narrative of the crisis. Reassuringly, the findings in Table OC2 show that exposure to GIIPS's sovereign bonds of connected banks' is unrelated to this outcome. These results are stable across specifications.

Finally, in Table OC3 in Online Appendix C we report results for the intensive margin based on the baseline specification. Again, given the small sample size, these results should be interpreted with caution. Though most of the estimated coefficients are not statistically significant, the results in columns 1 and 3 suggest that, when a newspaper decides to mention the banking sector as one of the roots of the crisis or endorse debt-restructuring policies as a possible solution to the crisis, the level of exposure of its lenders influence the share of articles that support this view.

Taken together, these results confirm that lending connections between banks and media companies affect the way news outlets report on issues relevant to the banking sector, including those that have important implications for the public interest.

6. Conclusions

We study empirically to what extent lending connections between banks and media companies influence news coverage of financial issues. Looking at several European countries, we first map lending connections between banks and the main national newspapers. We then test whether newspapers slant content in favor of their lenders when reporting both on bank-specific events - i.e., banks' earnings announcements and M&As - and on more general and policy-relevant issues - i.e., the Eurozone sovereign debt crisis.

The main part of our analysis reveals that newspapers tend to cover earnings announcements by their lenders more extensively, relative to those by other banks, in case of profits than in case of losses. Pro-lender bias through selective coverage is sizable and applies to both general-interest and financial newspapers, though it operates on different margins for the two groups.

Regarding news coverage of banks' M&As, we find that newspapers tend to cover more positively deals involving their lenders than those involving other banks. In particular, compared to other newspapers, articles on connected newspapers have a generally more positive tone and are less likely to mention the potentially negative consequences of the M&As.

Finally, looking at the Eurozone crisis, our results document that newspapers connected to banks more heavily exposed to stressed sovereign bonds are more likely to promote a narrative of the crisis critical of the banking sector and to endorse debt-restructuring measures potentially costly to lenders.

The extent to which newspapers slant content in favor of their lenders appears to depend on the financial condition of both the newspapers and the connected banks. On the one hand, pro-lender bias is more pronounced among newspapers with higher leverage, suggesting that financially distressed outlets may be more susceptible to pressure from their creditors. On the other hand, banks with lower capitalization tend to receive disproportionately favorable coverage from connected newspapers. This finding is consistent with more fragile banks having stronger incentives to exploit lending connections to downplay their losses, and aligns with evidence that negative coverage of earnings is associated with lower stock returns but only for these weaker banks.

To conclude, our results provide the first systematic multi-country evidence that lending connections between media companies and the banking sector can have a first-order effect on news content, and threaten media editorial independence when it comes to reporting on financial issues. As our findings indicate, the connections with banks do not merely affect the way newspapers report about bank-specific events, but can have broader ramifications for the public debate on more general and policy-relevant issues. Future research should shed light on the implications of this process for the formation of public opinion and, ultimately, for policy-making.

REFERENCES

Ahern, K. R. and Sosyura, D. (2014). Who writes the news? Corporate press releases during merger negotiations. *The Journal of Finance*, 69(1):241–291.

Beattie, G., Durante, R., Knight, B., and Sen, A. (2021). Advertising spending and media bias: Evidence from news coverage of car safety recalls. *Management Science*, 67(2).

Besley, T. and Prat, A. (2006). Handcuffs for the grabbing hand? Media capture and government accountability. *American Economic Review*, 96(3):720–736.

Cage, J., Godechot, O., Fize, E., Porras, M. C., et al. (2017). Who owns the media? The media independence project. Technical report, Sciences Po.

Denis, D. J. and Wang, J. (2014). Debt covenant renegotiations and creditor control rights. *Journal of Financial Economics*, 113(3):348–367.

Devlin, J., Chang, M.-W., Lee, K., and Toutanova, K. (2018). Bert: Pre-training of deep bidirectional transformers for language understanding. *arXiv preprint arXiv:1810.04805*.

Diamond, D. W. and Dybvig, P. H. (1983). Bank runs, deposit insurance, and liquidity. *Journal of Political Economy*, 91(3):401–419.

Djourelova, M., Durante, R., and Martin, G. J. (2024). The impact of online competition on local newspapers: Evidence from the introduction of craigslist. *Review of Economic Studies*, page rdae049.

Dougal, C., Engelberg, J., Garcia, D., and Parsons, C. A. (2012). Journalists and the stock market. *The Review of Financial Studies*, 25(3):639–679.

Durante, R. and Knight, B. (2012). Partisan control, media bias, and viewer responses: Evidence from Berlusconi's Italy. *Journal of the European Economic Association*, 109(7):451–481.

Dyck, A., Volchkova, N., and Zingales, L. (2008). The corporate governance role of the media: Evidence from Russia. *The Journal of Finance*, 63(3):1093–1135.

Engelberg, J. E. and Parsons, C. A. (2011). The causal impact of media in financial markets. *The Journal of Finance*, 66(1):67–97.

Fang, L. H., Peress, J., and Zheng, L. (2014). Does media coverage of stocks affect mutual funds' trading and performance? *The Review of Financial Studies*, 27(12):3441–3466.

Freixas, X. and Rochet, J.-C. (2008). *Microeconomics of banking*. MIT press.

Gentzkow, M., Shapiro, J. M., and Stone, D. F. (2015). Media bias in the marketplace: Theory. In *Handbook of Media Economics*, volume 1, pages 623–645. Elsevier.

Giannetti, M. and Ongena, S. (2012). Lending by example: Direct and indirect effects of foreign banks in emerging markets. *Journal of International Economics*, 86(1):167–180.

Gilens, M. and Hertzman, C. (2000). Corporate ownership and news bias: Newspaper coverage of the 1996 Telecommunications Act. *The Journal of Politics*, 62(2):369–386.

Gilson, S. C. (1990). Bankruptcy, boards, banks, and blockholders: Evidence on changes in corporate ownership and control when firms default. *Journal of Financial Economics*, 27(2):355–387.

Goldman, E., Gupta, N., and Israelsen, R. (2024). Political polarization in financial news. *Journal of Financial Economics*, 155:103816.

Gurun, U. G. and Butler, A. W. (2012). Don't believe the hype: Local media slant, local advertising, and firm value. *The Journal of Finance*, 67(2):561–598.

Hillert, A., Jacobs, H., and Müller, S. (2014). Media makes momentum. *The Review of Financial Studies*, 27(12):3467–3501.

Ho, P.-H., Chen, H.-K., Lin, C.-Y., and Chi, C.-W. (2016). Does monitoring by the media improve the performance of government banks? *Journal of Financial Stability*, 22:76–87.

Houston, J. F., Lin, C., and Ma, Y. (2011). Media ownership, concentration and corruption in bank lending. *Journal of Financial Economics*, 100(2):326–350.

Jordà, Ò. (2005). Estimation and inference of impulse responses by local projections. *American Economic Review*, 95(1):161–182.

Kalemli-Özcan, Ş., Laeven, L., and Moreno, D. (2022). Debt overhang, rollover risk, and corporate investment: Evidence from the European crisis. *Journal of the European Economic Association*, 20(6):2353–2395.

Kuhnen, C. M. and Niessen, A. (2012). Public opinion and executive compensation. *Management Science*, 58(7):1249–1272.

Levine, R. (2004). Finance and growth: Theory and evidence. Working Paper 10766, National Bureau of Economic Research.

Lusardi, A. and Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1):5–44.

Martin, G. J. and McCrain, J. (2019). Local news and national politics. *American Political Science Review*, 113(2):372384.

Mitchell, A., Simmons, K., Matsa, K. E., Silver, L., Shearer, E., Johnson, C., Walker, M., and Taylor, K. (2018). In Western Europe, public attitudes toward news media more divided by populist views than leftright ideology. *Pew Research Center*.

Morgan, D. P. (2002). Rating banks: Risk and uncertainty in an opaque industry. *American Economic Review*, 92(4):874–888.

Mullainathan, S. and Shleifer, A. (2005). The market for news. *American Economic Review*, 95(4):1031–1053.

Nini, G., Smith, D. C., and Sufi, A. (2012). Creditor control rights, corporate governance, and firm value. *The Review of Financial Studies*, 25(6):1713–1761.

Petersen, M. A. and Rajan, R. G. (1995). The effect of credit market competition on lending relationships. *The Quarterly Journal of Economics*, 110(2):407–443.

Picard, R. G. (2015). *The Euro crisis in the media: Journalistic coverage of economic crisis and European institutions*. Bloomsbury Publishing.

Reuter, J. and Zitzewitz, E. (2006). Do ads influence editors? Advertising and bias in the financial media. *The Quarterly Journal of Economics*, 121(1):197–227.

Seamans, R. and Zhu, F. (2014). Responses to entry in multi-sided markets: The impact of Craigslist on local newspapers. *Management Science*, 60(2):476–493.

Snyder, J. M. and Strömberg, D. (2010). Press coverage and political accountability. *Journal of Political Economy*, 118(2):355–408.

Solomon, D. H. (2012). Selective publicity and stock prices. *The Journal of Finance*, 67(2):599–638.

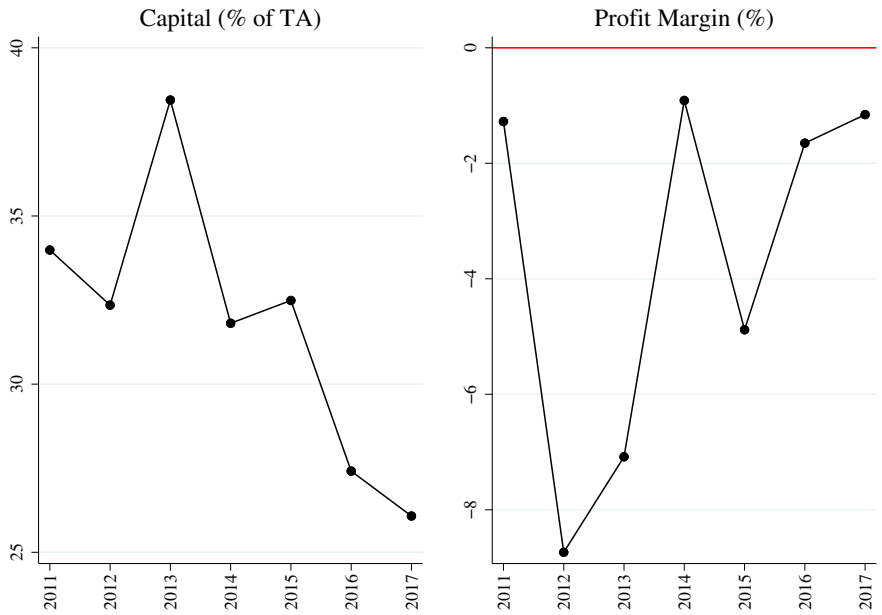
Szeidl, A. and Szucs, F. (2021). Media capture through favor exchange. *Econometrica*, 89(1):281–310.

Vives, X. (2016). *Competition and stability in banking: The role of regulation and competition policy*. Princeton University Press.

Zingales, L. (2016). Are newspapers captured by banks? Evidence from Italy. https://www.promarket.org/2016/05/12/are-newspapers-captured-by-banks/. Accessed: 2024-06-24.

APPENDIX

FIGURE A.1: MEDIAN CAPITALIZATION AND PROFIT MARGIN OF THE NEWSPAPERS IN THE SAMPLE



Notes: The figure shows the evolution of the median value of capitalization (left panel) and profit margin (right panel) for the newspapers in our sample between 2011 and 2017. Capital is defined as shareholders' funds over total assets (i.e., the inverse of leverage). Profit margin is computed as pre-tax profits over operating revenue. Both variables are expressed in percentage terms. Source: authors' own computations from Amadeus/Orbis data.

TABLE A.1: LIST OF NEWSPAPERS & BANKS - ANALYSIS OF EARNINGS ANNOUNCEMENTS

Newspapers	*Banks*
	Aareal Bank (DE)
	BBVA (ES)
	BNP Paribas (FR)
	Banca Monte dei Paschi di Siena (IT)
	Banca Popolare di Milano (IT)
ABC (ES)	Banco Popular (ES)
Bild (DE)	Banco Santander (ES)
Daily Mail (UK)	Banco de Sabadell (ES)
Daily Mirror (UK)	Bank of New York Mellon (US)
Daily Star (UK)	Bankia (ES)
Daily Telegraph (UK)	Bankinter (ES)
Die Welt (DE)	Barclays (UK)
El Economista (ES)	Caixabank (ES)
El Mundo (ES)	Commerzbank (DE)
El País (ES)	Credit Agricole (FR)
El Periódico (ES)	Credit Suisse (CH)
Expansión (ES)	Deutsche Bank (DE)
Financial Times (UK)	Goldman Sachs (US)
Handelsblatt (DE)	JP Morgan Chase (US)
Le Figaro (FR)	Lloyds Banking Group (UK)
Les Echos Le Figaro (FR)	Liberbank (ES)
Sueddeutsche Zeitung (DE)	Metro Bank (UK)
The Guardian (UK)	Morgan Stanley (US)
The Sun (UK)	Natixis (FR)
The Times (UK)	Royal Bank of Scotland (UK)
	Societe Generale (FR)
	UBI Banca (IT)
	UBS (CH)
	Unicredit (IT)
	Wüstenrot Bank (DE)

Notes: We report the country of the newspapers and of the banks in brackets. CH stands for Switzerland, DE for Germany, ES for Spain, FR for France, IT for Italy, UK for United Kingdom, US for United States of America.

TABLE A.2: KEYWORDS USED IN QUERIES ON DOW JONES FACTIVA TO IDENTIFY ARTICLES ON EARNINGS ANNOUNCEMENTS

Language	Keywords
English	profit* OR loss* OR result* OR earning* OR net income OR operating income OR payout OR dividend*
French	revenu OR perte OR benefice OR résultat*
German	Gewinn* OR Betriebs* OR ergebni* OR Geschäftsergebnis* OR Rekordgewinn* OR Quartalsbericht OR Quartalsergebni* OR Handelsergebnis OR quartalsgewin* OR Quartalsberichte OR Quartalszahlen OR Dividend*
Spanish	beneficio* OR analist* OR perdida* OR resultado* OR dividend*

Notes: The table reports the keywords used to formulate queries through the Dow Jones Factiva database interface to identify news articles related to earnings announcements. A keyword followed by the "*" sign queries all articles containing words that begin with the expression. The keywords are combined with a condition on the date (the day before, the day of, and the day after the announcement) and the name or ticker of the bank.

TABLE A.3: SUMMARY STATISTICS: ANALYSIS OF BANKS' EARNINGS ANNOUNCEMENTS

	Level	Frequency	N	Mean	St. Dev.	p25	p50	p75
News Coverage								
Any mono-bank article	Paper-bank	Quarterly	9,228	0.17	0.38	0.00	0.00	0.00
Ln(num. mono-bank articles)	Paper-bank	Quarterly	1,621	0.20	0.38	0.00	0.00	0.00
Ln(length mono-bank articles)	Paper-bank	Quarterly	1,621	6.67	1.18	5.90	6.73	7.51
% Num. mono-bank articles	Paper-bank	Quarterly	2,778	0.46	0.44	0.00	0.50	1.00
% Length mono-bank articles	Paper-bank	Quarterly	2,778	0.65	0.39	0.34	0.78	1.00
Sentiment GPT	Paper-bank	Quarterly	1,005	0.18	0.82	-0.65	0.31	1.00
Paper-Bank Connections								
Banker(Direct)	Paper-bank	Annual	9,228	0.06	0.24	0.00	0.00	0.00
Banker(Indirect)	Paper-bank	Annual	9,228	0.04	0.20	0.00	0.00	0.00
Banker	Paper-bank	Annual	9,228	0.10	0.30	0.00	0.00	0.00
Shareholder	Paper-bank	Annual (lagged)	9,228	0.13	0.34	0.00	0.00	0.00
Newspapers' Balance Sheet								
Capital	Paper-bank	Annual (lagged)	8,551	38.84	37.45	13.32	39.80	71.57
Leverage	Paper-bank	Annual (lagged)	7,123	0.21	0.28	0.01	0.06	0.38
Banks' Balance Sheet								
Gain	Bank	Quarterly	9,228	0.88	0.32	1.00	1.00	1.00
Positive Profit Growth	Bank	Quarterly	9,228	0.53	0.50	0.00	1.00	1.00
Positive Profit Surprise	Bank	Quarterly	9,228	0.67	0.47	0.00	1.00	1.00
Capital	Bank	Annual (lagged)	8,682	13.43	2.32	11.87	13.00	14.70
Size	Bank	Annual (lagged)	8,740	13.28	1.12	12.75	13.54	14.11
Provisions	Bank	Annual (lagged)	8,682	0.55	0.42	0.22	0.42	0.75

Notes: Definition of the variables. **News-Coverage**: *Any mono-bank article* is a dummy variable equal to 1 if newspaper p devotes at least one mono-bank article to bank b's earnings announcement in a given year-quarter yq, and 0 otherwise. *Ln(num of mono-bank articles)* is the log of the total number of mono-bank articles published by newspaper p about a bank b's earning announcement in year-quarter yq. *Ln(length of mono-bank articles)* is defined as the log of the sum of the length - i.e. number of words - of all mono-bank articles devoted by newspaper p to bank b's earning announcement in year-quarter yq. *% mono-bank articles* is the ratio between the number of mono-bank articles and the number of total articles by newspaper p on bank b's earning announcement in year-quarter yq. *% Length of mono-bank articles* is the ratio between the total number of words in mono-bank articles and the total number of words in any article by newspaper p on bank b's earning announcement in year-quarter yq. **Paper-Bank Connections**. *Banker(Direct)* is a dummy variable that takes value 1 if bank b is the main banker of newspaper p, and 0 otherwise. *Banker(Indirect)* is a dummy variable that takes value 1 if bank b is the banker of newspaper n' controlling shareholders (but not of the newspaper itself), and 0 otherwise. *Banker* is a dummy variable which takes value 1 if either Banker(Direct) or Banker(Indirect) is equal to 1, and 0 otherwise. *Shareholder* is a dummy variable that takes value 1 if bank b holds any share of newspaper p in year $y-1$, and 0 otherwise. **Newspapers' Balance Sheet**. *Capital* is the ratio between shareholders' funds and total assets of newspaper p in year $y-1$. *Leverage* is the standardized long-term leverage of newspaper p in year $y-1$. **Banks' Balance Sheet**. *Gain* is a dummy variable which takes value 1 if bank b discloses positive profits in year-quarter yq, and 0 if it discloses losses. *Positive Profit Growth* is a dummy variable with value 1 if bank b discloses higher profits in year-quarter yq than one-year before, i.e. in $yq-4$. *Positive Profit Surprise* is a dummy variable with value 1 if bank b discloses higher profits in year-quarter yq than expected by the median analyst. *Capital* is bank b's tier-1 capital ratio as of year $y-1$, expressed in percentage points. *Size* is bank b's log total assets size as of year $y-1$. *Provisions* defines bank b's provisions over total assets in year $y-1$, expressed in percentage points.

TABLE A.4: SUMMARY STATISTICS: ANALYSIS OF BANKS' M&A

	Level	Frequency	N	Mean	St. Dev.	p25	p50	p75
News Coverage								
Any Article	Paper-M&A	Paper-M&A	1,911	0.28	0.45	0.00	0.00	1.00
Ln(num. articles)	Paper-M&A	Paper-M&A	482	1.57	1.25	0.69	1.39	2.40
Dummy neg. conseq	Paper-M&A	Paper-M&A	482	0.35	0.35	0.00	0.26	0.62
Dummy pos. conseq	Paper-M&A	Paper-M&A	482	0.57	0.33	0.34	0.56	0.86
Tone	Paper-M&A	Paper-M&A	418	0.62	0.54	0.33	1.00	1.00
Analyst's tone	Paper-M&A	Paper-M&A	304	0.37	0.55	0.00	0.43	1.00
Paper-Bank Connections								
Banker(Direct) $\times$ Acquirer	Paper-bank	Annual	1,911	0.08	0.26	0.00	0.00	0.00
Newspapers Controls								
Capital	Paper	Annual (lagged)	1,911	37.32	26.65	16.86	35.77	50.56
Size	Paper	Annual (lagged)	1,911	20.41	1.35	19.29	20.59	21.36
Liquid Assets Ratio	Paper	Annual (lagged)	1,911	2.01	3.73	0.62	0.94	1.97

Notes: Definition of the variables. **News-Coverage**. *Any mono-bank article* is a dummy variable with value 1 if a newspaper covers an M&A episode with at least an article, and with value 0 otherwise. *Log(Articles)* is the log of the number of articles a newspaper devotes to an M&A episode. *Dummy neg. conseq.* is a dummy variable with value 1 if any of the article devoted by a newspaper to an M&A episode mentions a potential negative consequence of the M&A itself, and with value 0 otherwise. *Dummy pos. conseq.* is a dummy variable with value 1 if any of the article devoted by a newspaper to an M&A episode mentions a potential positive consequence of the M&A itself, and with value 0 otherwise. *Tone* is the average tone across the articles a newspaper devotes to an M&A episode, whereby a single article with: overall positive tone is assigned a value of 1; overall negative tone is assigned a value of -1; overall neutral tone is assigned a value of 0. *Analyst's Tone* is the average tone used by third-party analysts about the M&A episode, whereby a positive tone is assigned a value of 1, a negative tone is assigned a value of -1 and a neutral tone is assigned a value of 0. **Paper-Bank Connections**. *Banker(Direct)* $\times$ *Acquirer* is a dummy with value 1 if the acquirer bank in an M&A episode is the direct banker of the newspaper, and with value 0 otherwise. **Newspapers Controls**. All newspaper controls are lagged by one year. *Capital* is the ratio between shareholders' funds and total assets. *Size* is the log of total assets. *Liquid Assets Ratio* is the ratio between liquid assets and total assets.

TABLE A.5: SELECTED PERIODS OF ANALYSIS FOR THE EUROZONE SOVEREIGN DEBT CRISIS

Period	Description
25/07/11 -18/08/11	ECB asks Italy for more austerity measures
28/09/11 - 12/10/11	Greek general strike against austerity measures
19/10/11 - 02/11/11	EU summit for stability fund
05/11/11 - 19/11/11	Berlusconi resigns and Monti is appointed PM. French adopt austerity measures.
19/11/11 - 30/11/11	EC Green Paper on stability bonds and EC control of national budgets.
16/05/12 - 05/06/12	EU summit to boost growth and balance austerity. Attention on Spain.
18/06/12 - 05/07/12	Spain requests assistance. EU summit on the crisis.
08/07/12 - 22/07/12	Merkel reaffirms need for budgetary targets and European monitoring.

Notes: The table reports the key events of the Eurozone sovereign debt crisis around which data on news coverage were collected and hand-coded by Picard (2015).

TABLE A.6: LIST OF NEWSPAPERS FOR THE ANALYSIS OF NEWS NOVERAGE OF THE EUROZONE SOVEREIGN DEBT CRISIS

Newspaper	**Country**
ABC, El Mundo, El País, Expansión	Spain
Bild, Frankfurter Allgemeine, Handelsblad, Handelsblatt, Sueddeutsche Zeitung	Germany
Financial Times, The Guardian, The Sun, The Times	United Kingdom
Le Monde, Le Parisien, Les Echos	France
Corriere della Sera, La Repubblica	Italy
De Telegraaf, De Volkskrant, Het Financieele Dagblad	Netherlands
Fakt, Gazeta Wyborcza, Rzeczpospolita	Poland

TABLE A.7: SUMMARY STATISTICS: ANALYSIS OF THE EUROZONE SOVEREIGN DEBT CRISIS

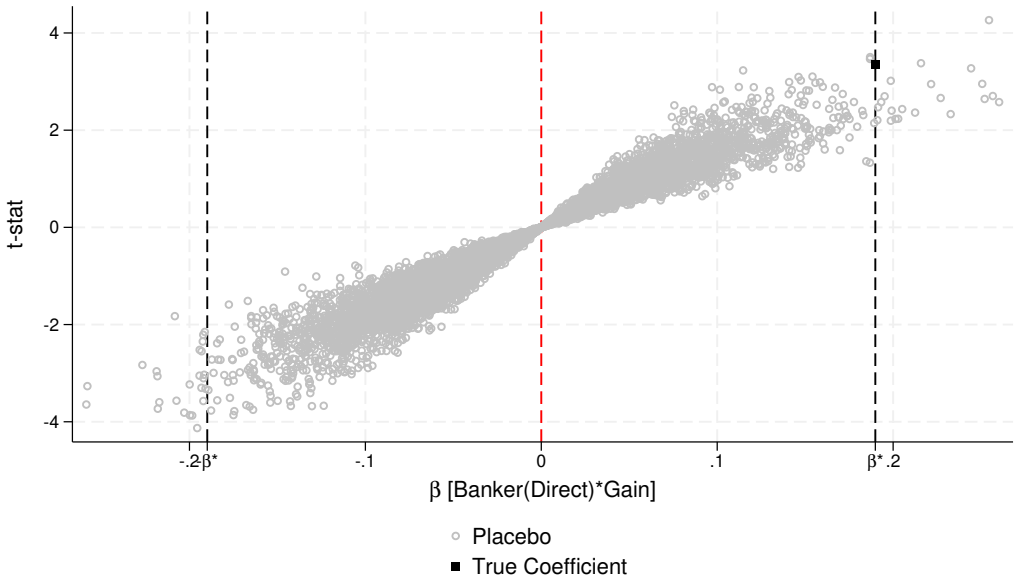
	Level	Frequency	N	Mean	St. Dev.	p25	p50	p75
News Coverage								
Responsability = Banks								
Any Article	Paper	Period	191	0.19	0.40	0.00	0.00	0.00
% articles	Paper	Period	191	0.01	0.02	0.00	0.00	0.00
Ln(num. articles)	Paper	Period	37	0.26	0.39	0.00	0.00	0.69
Root cause = Banks								
Any Article	Paper	Period	191	0.48	0.50	0.00	0.00	1.00
% articles	Paper	Period	191	0.05	0.08	0.00	0.00	0.09
Ln(num. articles)	Paper	Period	92	0.76	0.79	0.00	0.69	1.39
Solution = Haircut/OD								
Any Article	Paper	Period	191	0.40	0.49	0.00	0.00	1.00
% articles	Paper	Period	191	0.03	0.06	0.00	0.00	0.05
Ln(num. articles)	Paper	Period	76	0.54	0.65	0.00	0.35	0.90
Benefit from Euro = GIIPS								
Any Article	Paper	Period	191	0.13	0.33	0.00	0.00	0.00
Harmed by Euro = GIIPS								
Any Article	Paper	Period	191	0.43	0.50	0.00	0.00	1.00
Newspapers' Exposures								
GIIPS	Paper-bank	Annual (lagged)	191	0.05	0.05	0.02	0.03	0.07
Bank Size	Paper-bank	Annual (lagged)	191	12.82	0.62	12.41	12.78	13.33
Bank Tier-1	Paper-bank	Annual (lagged)	191	0.09	0.02	0.08	0.10	0.11
Newspapers Controls								
Ln(circulation)	Paper-bank	Annual	175	12.89	0.77	12.46	12.85	13.04

Notes: Definition of the variables. **News-Coverage**. For more details on the periods, see Table A.5. For constructing the variables, we retain information on five questions. i) Who does the article indicate should bear the main responsibility to solve the problem? ii) What does the article indicate is the main fundamental root or cause of the crisis? iii) What does the article indicate should be the main (short-term) response to the crisis? iv) Country or region that is indicated as main beneficiary of the Euro currency v) Country or region that receives main harm from the Euro as a currency. For questions i) and ii), the dimension of interest is whether the respondent answers *Banks* vs. any other answer (*Responsibility=Banks* and *Root cause = Banks*). For question iii), we focus on the answer: *Abatement of existing loan provisions (extension, reduced rates, haircut)* vs. any other answer (*Solution=Haircut/OD*). For questions iv) and v), we focus on the answers indicating GIIPS countries (Greece, Ireland, Italy, Portugal, Spain) or the region *Southern Countries*. For the five questions, we code whether newspaper p publishes at least one article with the answer of interest in period t ($1(\geq 1$ article)), the share of such articles over all articles related to the ESDB (% articless) and the log of their total number (Ln(Num. of Articles)). **Newspapers' Exposures**. The variables are computed as newspaper-level averages across the corresponding values of their Banker(Directs) banks. *GIIPS* is the average holding of Greek, Irish, Italian, Portuguese and Spanish sovereign bonds by the Banker(Direct) banks of newspaper p as of year $y-1$; *Size* is the average Banker(Direct) size and *Capital* is the average Banker(Direct) Tier-1 capital, rescaled by total assets. **Newspapers Controls**. *Circulation* is the (log) average daily print circulation of a newspaper.

ONLINE APPENDIX A: ADDITIONAL MATERIAL FOR THE ANALYSIS OF NEWS COVERAGE OF EARNINGS ANNOUNCEMENTS

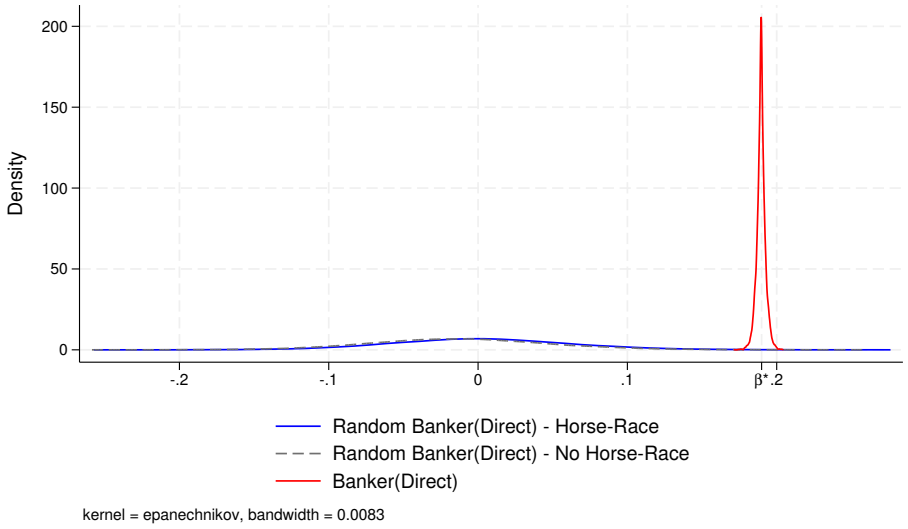
Figures

FIGURE OA1: COEFFICIENTS AND T-STATS FROM PLACEBO TEST



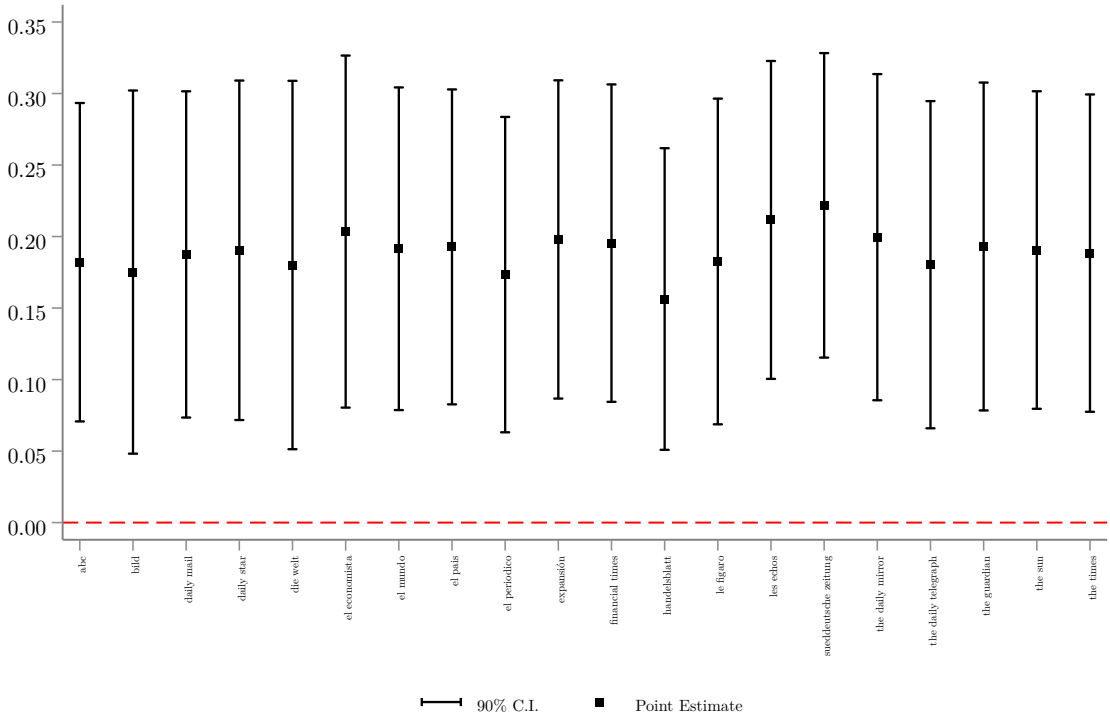
Notes: The figure plots the coefficents (on the x-axis) and t-stats (on the x-axis) from a placebo test by which we run 10,000 regressions of the dummy for any mono-bank article against a fictitious, randomly generated Banker(Direct) variable, fully interacted with the dummy *Gain*. The model is further augmented with the full interaction of the true *Shareholder* dummy variable with *Gain* and with Paper×Bank, Paper×Bank(country)×time and Bank×Time fixed effects. Note: $\beta^{\star}$ is the value of the coefficient on Banker×Gain from the regression in column 7 of Table 1. Standard errors are clustered at the newspaper×bank level.

FIGURE OA2: DISTRIBUTION OF COEFFICIENTS FROM HORSE-RACE PLACEBO TEST



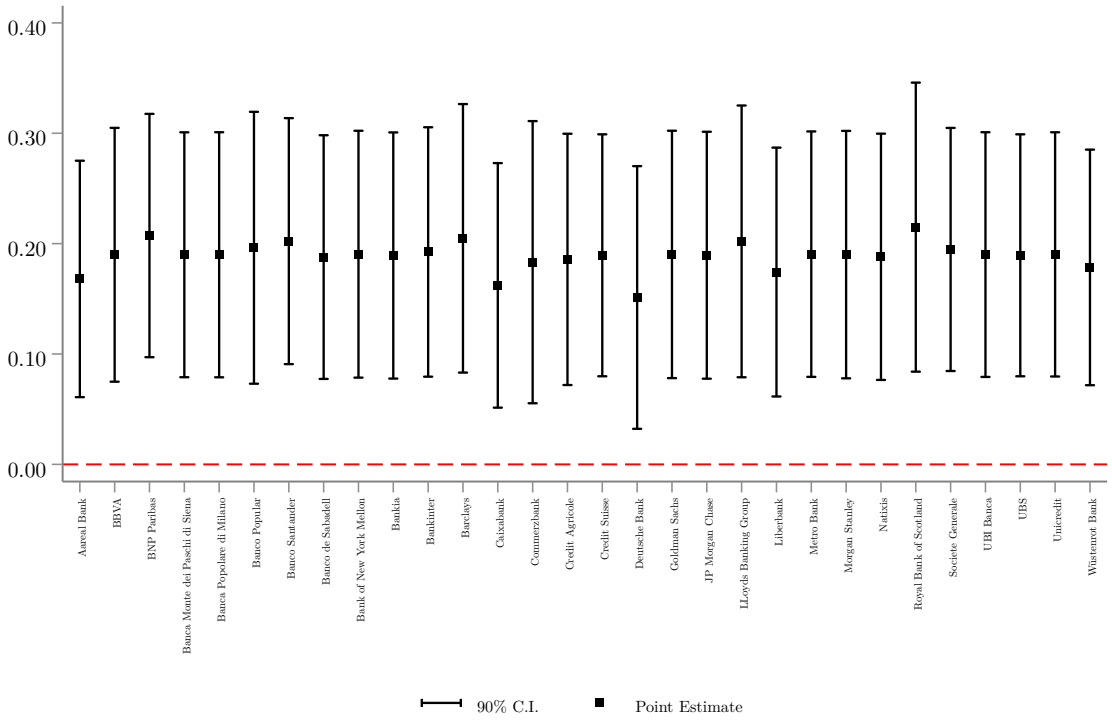
Notes: The figure plots the distribution of the coefficents from a placebo test by which we run 10,000 regressions of the dummy for any mono-bank article against a fictitious, randomly generated Banker(Direct) variable - fully interacted with the dummy *Gain* - horse-raced against the true coefficient of interest. The model is further augmented with the full interaction of the true *Shareholder* dummy variable with *Gain* and with Paper×Bank, Paper×Bank(country)×time and Bank×Time fixed effects. Note: $\beta^{\star}$ is the value of the coefficient on Banker(Direct)×Gain from the regression in column 7 of Table 1. The red line and the grey line represent respectively the kernel density of the true and of the fictitious coefficients on the interaction term Banker×Gain from the horse-race specification. The blue line represents, instead, the distribution of the same coefficients for randomly generated values of the *Banker* variable, with no horse race with the true variable.

FIGURE OA3: SENSITIVITY TO THE EXCLUSION OF EACH NEWSPAPER



Notes: This chart plots the coefficients obtained estimating the model in column 7 of Table 1 after excluding one newspaper at the time.

FIGURE OA4: SENSITIVITY TO THE EXCLUSION OF EACH BANK



Notes: This chart plots the coefficients obtained estimating the model in column 7 of Table 1 after excluding one bank at the time.

TABLE OA1: EXTENSIVE MARGIN: DIRECT VS INDIRECT LENDING RELATIONSHIP

	(1)	(2)
Dep. variable	Dummy for any mono-bank article	
Banker × Gain	0.155**	
	(0.065)	
Banker(Direct) × Gain		0.191***
		(0.058)
Banker(Indirect) × Gain		0.056
		(0.100)
Observations	9,228	9,228
R^2	0.645	0.646
Gain × Shareholder FE	Yes	Yes
Bank × Time FE	Yes	Yes
Paper × Bank FE	Yes	Yes
Paper × Bank-Country × Time FE	Yes	Yes
Other Controls	Yes	Yes

Notes: The dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least one mono-bank article. Banker is a dummy variable if a newspaper and a bank are connected either through direct or indirect (i.e., through the owners) lending relationships. Banker(Direct) is a dummy variable with value 1 if a paper and a bank are connected through direct lending relationships, and with value 0 otherwise. Banker(Indirect) is a dummy variable with value 1 if a newspaper and a bank are connected only through indirect lending relationships. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and date level. *** p<0.01, ** p<0.05, * p<0.1.

TABLE OA2: EXTENSIVE MARGIN: HIGHER ORDER FIXED EFFECTS

	(1)	(2)
Dep. variable	Dummy for any mono-bank article	
Shareholder	0.053	-0.023
	(0.042)	(0.109)
Banker(Direct)	-0.086	-0.052
	(0.064)	(0.121)
Shareholder × Gain	0.013	0.079
	(0.036)	(0.111)
Banker(Direct) × Gain	0.190***	0.210**
	(0.057)	(0.079)
Observations	9,228	8,224
R^2	0.645	0.656
Gain × Shareholder FE	Yes	Yes
Bank × Time FE	Yes	Yes
Paper × Bank FE	Yes	Yes
Paper × Bank-Country × Time FE	Yes	-
Paper × Bank-Country × Gain × Time FE	No	Yes
Other Controls	Yes	Yes

Notes: The dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least one mono-bank article. Banker is a dummy variable if a newspaper and a bank are connected either through direct or indirect (i.e., through the owners) lending relationships. Banker(Direct) is a dummy variable with value 1 if a paper and a bank are connected through direct lending relationships, and with value 0 otherwise. Banker(Indirect) is a dummy variable with value 1 if a newspaper and a bank are connected only through indirect lending relationships. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and date level. *** p<0.01, ** p<0.05, * p<0.1.

TABLE OA3: EXTENSIVE MARGIN: INCLUDING BANK'S CONTROL

Dep. variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Dummy for at least 1 article solely devoted to bank EA						
Banker(Direct) × Gain	0.173**	0.165**	0.172**	0.237**	0.211**	0.177**	0.178***
	(0.076)	(0.077)	(0.080)	(0.087)	(0.091)	(0.065)	(0.053)
Observations	8,682	8,682	8,682	8,682	8,682	8,682	8,609
R^2	0.086	0.138	0.152	0.162	0.414	0.509	0.648
Time FE	No	No	Yes	-	-	-	-
Paper × Bank FE	No	No	No	No	Yes	Yes	Yes
Paper × Bank-Country × Time FE	No	No	No	No	No	No	Yes
Bank × Time FE	No	No	No	No	No	Yes	Yes
Same Country FE	No	Yes	Yes	-	-	-	No
Same Country × Time FE	No	No	No	Yes	Yes	Yes	No
Paper × Time FE	No	No	No	No	No	Yes	No
Other Controls	No	No	No	No	No	No	Yes

Notes: In all columns the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least a mono-bank articles. Bank Controls include: size (i.e. log assets), capital and loan losses provisions (both rescaled by total assets). All bank controls are lagged by one year. Banker(Direct) is a dummy variable with value 1 if a paper and a bank are connected through direct lending connections, and with value 0 otherwise. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and Time level. *** p<0.01, ** p<0.05, * p<0.1.

TABLE OA4: DIFFERENT ASSUMPTIONS ON MULTI-BANK ARTICLES

Dep. variable	(1) Any Article	(2) Dummy for any mono-bank article, excluding multi-bank
Banker(Direct) × Gain	0.113***	0.151***
	(0.032)	(0.038)
Observations	9,228	7,922
R^2	0.774	0.790
Bank × Time FE	Yes	Yes
Paper × Bank FE	Yes	Yes
Paper × Bank-Country × Time FE	Yes	Yes
Other Controls	Yes	Yes

Notes: In column 1, the dependent variable is a dummy for whether a newspaper covers a bank quarterly earning announcement with an article (either multi-bank or mono-bank). In column 2, the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least a mono-bank article; moreover, we excluded multi-bank articles from the estimation sample. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and 0 otherwise. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and Time level. *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE OA5: EXTENSIVE MARGIN: EXPANDING TIME-WINDOW
(FROM J DAYS BEFORE TO J DAYS AFTER EARNINGS ANNOUNCEMENT)

Dep. variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Any Article						
Banker(Direct) × Gain	0.190***	0.190***	0.174***	0.173***	0.174***	0.174***	0.174***
	(0.057)	(0.057)	(0.058)	(0.058)	(0.057)	(0.057)	(0.057)
Observations	9,228	9,228	9,228	9,228	9,228	9,228	9,228
R^2	0.645	0.644	0.645	0.645	0.645	0.645	0.645
Bank × Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Paper × Bank FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Paper × Bank-Country × Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other Controls	No	No	No	No	No	No	No

Notes: In column j, the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least a mono-bank articles in a time-window starting from the day before the announcement to j days after, j=1,2,3,4,5,6,7. Articles about multiple banks are excluded from the sample. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and 0 otherwise. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and Time level. *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE OA6: EXTENSIVE MARGIN: EXCLUDING TABLOIDS

Dep. variable	(1) Dummy for at least 1 article solely devoted to banks EA
Banker(Direct)	-0.063
	(0.074)
Banker(Direct) × Gain	0.182**
	(0.069)
Observations	7,127
R^2	0.641
Bank × Time FE	Yes
Paper × Bank FE	Yes
Paper × Bank-Country × Time FE	Yes
Other Controls	Yes

Notes: Relatively to the baseline estimation sample in Table 1 we exclude newspapers labelled as tabloids, namely Bild, Daily Mail, Daily Mirror, Daily Star and The Sun. In all columns, the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least a mono-bank articles. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and with value 0 otherwise. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and 0 otherwise. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). Standard errors are clustered at the Paper × Bank and Time level. *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE OA7: EXTENSIVE MARGIN - ALTERNATIVE CLUSTERING

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. variable	Dummy for at least 1 article devoted to banks EA					
Banker(Direct)	-0.086	-0.086	-0.086	-0.086	-0.086	-0.086
	(0.072)	(0.091)	(0.072)	(0.060)	(0.108)	(0.071)
Banker(Direct) × Gain	0.190***	0.190***	0.190***	0.190***	0.190***	0.190***
	(0.057)	(0.062)	(0.049)	(0.047)	(0.063)	(0.047)
Paper × Bank FE	Yes	Yes	Yes	Yes	Yes	Yes
News × Bank-Country × Time FE	Yes	Yes	Yes	No	No	No
Bank × Time FE	Yes	Yes	Yes	Yes	Yes	Yes
Paper × Bank-Country × Time FE	No	No	No	Yes	Yes	Yes
Observations	9,228	9,228	9,228	9,228	9,228	9,228
R^2	0.645	0.645	0.645	0.645	0.645	0.645
Clustering	Paper × Bank	Time	Paper+Bank	Paper+Bank+Time	Bank × Time	Bank

Notes: This table shows the robustness of our results to different clustering strategies. In each column, standard errors clustered at the level indicated in the legend-row Clustering. In all columns, the dependent variable is a dummy variable for whether a newspaper covers a bank quarterly earning announcement with at least a mono-bank articles. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and with value 0 otherwise. Shareholder is a dummy variable with value 1 if a bank holds any ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and 0 otherwise. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE OA8: INTENSIVE MARGIN: PROGRESSIVELY SATURATED SPECIFICATIONS

	(1)	(2)	(3)	(4)	(5)
Dep. Variable	Number of articles				
Banker(Direct) × Gain	0.219*	0.214*	0.219*	0.263**	0.261**
	(0.111)	(0.108)	(0.116)	(0.109)	(0.106)
Observations	1,621	1,621	1,621	1,621	1,621
R^2	0.057	0.075	0.116	0.383	0.387
Dep. Variable	Length of articles				
Banker(Direct) × Gain	0.421*	0.390*	0.355	0.393**	0.367**
	(0.230)	(0.227)	(0.233)	(0.183)	(0.174)
Observations	1,621	1,621	1,621	1,621	1,621
R^2	0.053	0.127	0.152	0.575	0.578
Dep. Variable	% of mono-bank articles				
Banker(Direct) × Gain	0.110	0.111	0.150*	0.206**	0.197**
	(0.081)	(0.082)	(0.084)	(0.096)	(0.092)
Observations	2,778	2,778	2,778	2,778	2,778
R^2	0.013	0.014	0.055	0.250	0.251
Dep. Variable	% length of mono-bank articles				
Banker(Direct) × Gain	0.094	0.094	0.118	0.140*	0.138*
	(0.079)	(0.079)	(0.081)	(0.078)	(0.076)
Observations	2,778	2,778	2,778	2,778	2,778
R^2	0.016	0.017	0.048	0.278	0.278
Same Country FE	No	Yes	-	-	-
Same Country × Year-Quarter FE	No	No	Yes	Yes	Yes
Paper × Bank FE	No	No	No	Yes	Yes
Controls FE	No	No	No	No	Yes

Notes: The dependent variable is indicated on top of the regression output. The set of employed fixed effects indicated in the bottom of the table applies to all the four groups of regressions. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank, and with value 0 otherwise. Shareholder is a dummy variable with value 1 if a bank holds any (direct or indirect) ownership share in a given newspaper, and with value 0 otherwise. In the legend, the symbol - refers to controls and/or fixed effects which are spanned out by the application of other controls and/or fixed effects. Standard errors are clustered at the Paper × Bank and date level. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). *** p<0.01, ** p<0.05, * p<0.1.

TABLE OA9: INTENSIVE MARGIN: GENERAL INTEREST VS FINANCIAL NEWSPAPERS

	(1)	(2)	(3)	(4)	(5)	(6)
	% of mono-bank articles			% length of mono-bank articles		
	General interest	Financial	All Newspapers	General interest	Financial	All Newspaper
Banker(Direct) × Gain	0.212	0.209*	0.197**	0.146	0.221**	0.138*
	(0.133)	(0.116)	(0.092)	(0.104)	(0.098)	(0.076)
Observations	1,338	1,440	2,778	1,338	1,440	2,778
R^2	0.286	0.227	0.251	0.330	0.248	0.278
Paper × Bank FE	Yes	Yes	Yes	Yes	Yes	Yes
Same Country × Year-Quarter FE	Yes	Yes	Yes	Yes	Yes	Yes
Paper × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Bank × Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: In columns 1-3 the dependent variable is the % of mono-bank articles over the total number of articles that a newspaper devotes to a bank's earnings announcements. In columbs 4-6, the dependent variable is the % length of mono-bank articles. Shareholder is a dummy variable with value 1 if a bank holds any (direct or indirect) ownership share in a given newspaper, and with value 0 otherwise. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Banker(Direct) is a dummy variable with value 1 if a newspaper directly borrows from a given bank and value 0 otherwise. Other controls include dummies for positive net income surprise and for positive net income annual growth (both interacted with Banker(Direct) and Shareholder). *** p<0.01, ** p<0.05, * p<0.1.

TABLE OA10: NEWS COVERAGE OF EARNINGS ANNOUNCEMENTS AND STOCK RETURNS

Dep. variable	(1)	(2)	(3)	(4)	(5)
	j -day Cumulative Stock Returns				
$j =$	1-day	2-day	3-day	4-day	5-day
Num. of Articles	0.033	0.012	0.019	0.033	0.056
	(0.029)	(0.034)	(0.042)	(0.040)	(0.046)
Num. of Articles	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Gain	-0.000	-0.002	-0.007	-0.010	-0.007
	(0.007)	(0.008)	(0.010)	(0.012)	(0.009)
Num. of Articles × Gain	-0.005	-0.004	-0.008**	-0.006	-0.009**
	(0.004)	(0.003)	(0.004)	(0.004)	(0.004)
Low Capital	-0.010	-0.008	-0.016	-0.019	-0.020
	(0.007)	(0.012)	(0.014)	(0.014)	(0.013)
Num. of Articles × Low Capital	-0.013*	-0.018***	-0.030***	-0.024**	-0.014
	(0.007)	(0.003)	(0.006)	(0.009)	(0.010)
Num. of Articles × Gain × Low Capital	0.011	0.010	0.023***	0.012	0.005
	(0.007)	(0.008)	(0.008)	(0.009)	(0.011)
Observations	493	493	493	493	493
R^2	0.224	0.216	0.243	0.255	0.250
Bank FE	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes
Year-Quarter FE	Yes	Yes	Yes	Yes	Yes

Notes: In columns j, the dependent variable is j-day post-announcement cumulative stock returns. Gain is a dummy variable with value 1 (0) if a bank discloses gains (losses) in a given year-quarter. Num. of Articles is the (standardized) number of articles devoted by newspapers in our sample to a given earning announcement. Low Capital is a dummy with value 1 if a bank CET1 capital ratio (lagged by one calendar year) is the lower quartile of the distribution. Controls include: a dummy for whether a bank earnings announcement positively surprised market analysts and one for whether they registered a positive annual growth, lagged bank size and provisions over total assets. All controls fully interacted with Num. of Articles. Standard errors in parentheses clustered at the bank and time level. *** p<0.01, ** p<0.05, * p<0.1.

ONLINE APPENDIX B: ADDITIONAL MATERIAL FOR THE ANALYSIS OF NEWS COVERAGE OF M&AS

Tables

TABLE OB1: QUESTIONNAIRE ON M&A ARTICLES

1. Does the article talk about any realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover involving banks? [SELECT ONE OPTION]

a) Yes/Definitely

b) Not discussed/Not sure/Conflicting

c) No/Definitely not

2. Are banks [*bank 1*] and [*bank 2*] involved in any realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover discussed in the article? [SELECT ONE OPTION]

a) Yes, both [*bank 1*] and [*bank 2*]

b) Yes, only [*bank 1*]

c) Yes, only [*bank 2*]

d) No, neither [*bank 1*] nor [*bank 2*]

3. Is any realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*] a central topic of the article? [SELECT ONE OPTION]

a) Yes/Definitely

b) Not sure/Unclear

c) No/Definitely not

4. Does the article mention any positive consequence of a realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*]? [SELECT ONE OPTION]

a) Yes/Definitely

b) Not sure/Unclear

c) No/Definitely not

TABLE OB1: QUESTIONNAIRE ON M&A ARTICLES, CONT'D

5. Which positive consequences of a realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*] does the article mention? [SELECT ONE OR MORE OPTIONS]

a) Gains for the public sector and/or tax-payers

b) Increased influence of national corporations in foreign economies

c) Increased diversification in banks' assets and/or smaller exposition toward specific sectors and risks

d) Lower risk due to higher capital ratios and/or provisions and/or liquid assets, and/or improvement of other indicators of bank resilience against financial shocks

e) Consolidation and/or strengthening of the banking sector, with increased ability to compete globally and/or reduced national fragmentation

f) Alignment of banks' balance sheet with regulatory requirements

g) Attraction of new customers and/or penetration of new markets

h) Gains for shareholders, e.g. due to increased bank profitability and/or lower financing costs and/or synergies and/or economies of scale etc.

i) Others

j) None/Not sure/Not discussed/Conflicting

6. Does the article mention any negative consequence of a realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*]? [SELECT ONE OPTION]

a) Yes/Definitely

b) Not sure/Unclear

c) No/Definitely not

7. Which negative consequences of a realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*] does the article mention? [SELECT ONE OR MORE OPTIONS]

a) Losses for the public sector and/or tax-payers

b) Increased influence of foreign corporations in the national economy

c) Increased exposure to foreign business and/or financial cycles

d) Reduced diversification in banks' assets and/or large exposition toward specific sectors and risks

e) Larger risk due to lower capital ratios and/or provisions and/or liquid assets and/or worsening of other indicators of bank resilience against financial shocks

f) Reduced competition in the banking sector

TABLE OB1: QUESTIONNAIRE ON M&A ARTICLES, CONT'D

g) Potential closure of bank branches and/or personnel layoffs

h) Potential losses for customers, e.g. due to increased fees or reduced services and/or choice

i) Losses for shareholders, e.g. due to reduced bank profitability and/or higher regulatory burden and/or diseconomies of scale etc.

j) Others

k) None/Not sure/Not discussed/Conflicting

8. Does the article mention opinions and/or statements by analysts or market professionals, regulatory agencies, fiscal authorities and/or Central Banks? [SELECT ONE OPTION]

a) Yes/Definitely

b) Not sure/Unclear

c) No/Definitely not

9. Overall, how are the opinions of analysts, market professionals, regulatory agencies, fiscal authorities, and/or Central Banks regarding a realized, potential and/or unsuccessful merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*] mentioned in the article? [SELECT ONE OPTION]

a) Very positive

b) Moderately positive

c) Neutral

d) Moderately negative

e) Very negative

f) Not discussed/Not sure/Conflicting

10. Overall, what is the tone of the article about a merger, acquisition, purchase, or takeover between [*bank 1*] and [*bank 2*]? [SELECT ONE OPTION]

a) Very positive

b) Moderately positive

c) Neutral

d) Moderately negative

e) Very negative

f) Not discussed/Not sure/Conflicting

TABLE OB2: ANALYSIS OF ARTICLES' OVERALL TONE ABOUT M&AS

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	Overall Tone					
Banker(Direct) × Acquirer	0.129**	0.056	0.104*	0.077*	0.083*	0.082*
	(0.064)	(0.061)	(0.054)	(0.041)	(0.042)	(0.042)
Observations	418	418	418	418	418	418
R^2	0.008	0.543	0.546	0.585	0.621	0.624
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is the average Overall Tone across the articles devoted by a newspaper to a given M&A episode. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

TABLE OB3: ANALYSIS OF THIRD-PARTY ANALYSTS' TONE ABOUT M&AS

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	Analyst's tone					
Banker(Direct) × Acquirer	0.223**	0.111	0.204*	0.202*	0.204*	0.185
	(0.086)	(0.083)	(0.103)	(0.119)	(0.119)	(0.118)
Observations	304	304	304	304	304	304
R^2	0.023	0.366	0.374	0.413	0.489	0.508
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is the average third-party Analyst tone across the articles devoted by a newspaper to a given M&A episode. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

TABLE OB4: LIKELIHOOD OF DISCUSSING THE NEGATIVE CONSEQUENCES OF M&AS

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	1(Neg. Conseq.)					
Banker(Direct) × Acquirer	-0.119***	-0.105***	-0.085**	-0.066**	-0.072**	-0.073**
	(0.038)	(0.032)	(0.038)	(0.031)	(0.035)	(0.035)
Observations	482	482	482	482	482	482
R^2	0.016	0.481	0.482	0.521	0.562	0.565
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is a dummy variable with value 1 if the articles devoted by a newspaper to a given M&A episode mention at least once a potential negative consequence of the M&A. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

TABLE OB5: LIKELIHOOD OF DISCUSSING THE NEGATIVE CONSEQUENCES OF M&AS

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	1(Pos. Conseq)					
Banker(Direct) × Acquirer	-0.033	-0.070*	-0.017	-0.042	-0.022	-0.027
	(0.040)	(0.040)	(0.042)	(0.048)	(0.051)	(0.051)
Observations	482	482	482	482	482	482
R^2	0.001	0.392	0.402	0.434	0.477	0.480
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is a dummy variable with takes value 1 if the articles devoted by a newspaper to a given M&A mention at least once a potential positive consequence of the M&A. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

TABLE OB6: LIKELIHOOD OF ANY COVERAGE OF M&AS

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	Any Article					
Banker(Direct) × Acquirer	0.356***	0.313***	0.040	0.055	0.024	0.024
	(0.042)	(0.041)	(0.048)	(0.050)	(0.040)	(0.040)
Observations	1,911	1,911	1,911	1,911	1,911	1,911
R^2	0.044	0.278	0.378	0.463	0.596	0.597
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is a dummy variable with takes value 1 if a newspaper devotes at least 1 article to a given M&A. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

TABLE OB7: NUMBER OF ARTICLES ABOUT M&A

Dep. Variable	(1)	(2)	(3)	(4)	(5)	(6)
	Ln(num. articles)					
Banker(Direct) × Acquirer	0.410**	0.708***	-0.046	0.204	-0.061	-0.062
	(0.195)	(0.146)	(0.152)	(0.137)	(0.131)	(0.130)
Observations	482	482	482	482	482	482
R^2	0.015	0.379	0.519	0.582	0.788	0.791
M&A FE	No	Yes	Yes			
Same country FE	No	No	Yes			
Same country × M&A FE	No	No	No	Yes	Yes	Yes
Newspaper FE	No	No	No	No	Yes	Yes
Newspaper controls	No	No	No	No	No	Yes

Notes: The dependent variable is the (log) number of articles a newspaper devotes to a given M&A. Banker(Direct) × Acquirer is a dummy with value 1 if the acquirer of a given M&A is the lender of the newspaper, and with value 0 otherwise. Newspaper controls include lagged size (log total assets), liquid assets ratio and equity to total assets ratio. Standard errors clustered at the M&A level. *** p<0.01, ** p<0.05, * p<0.1

ONLINE APPENDIX C: ADDITIONAL MATERIAL FOR THE ANALYSIS OF NEWS COVERAGE OF THE EUROZONE SOVEREIGN DEBT CRISIS

Tables

TABLE OC1: ROBUSTNESS TO CONTROLLING FOR NEWSPAPER'S SIZE AND POLITICAL IDEOLOGY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dep. variable	Root Cause = Banks			Responsability = Banks			Solution = Haircut/OD		
GIIPS	-2.643*	-3.024***	-4.517**	-1.627*	-1.421	-1.870*	-2.772*	-2.551*	-2.808*
	(1.394)	(0.778)	(1.681)	(0.944)	(1.272)	(0.987)	(1.532)	(1.358)	(1.422)
Circulation		-0.207***	-0.340***		-0.090*	-0.272***		-0.150**	-0.116
		(0.041)	(0.054)		(0.051)	(0.061)		(0.054)	(0.072)
Political leaning			-0.197			-0.003			-0.203**
			(0.191)			(0.078)			(0.086)
Observations	191	175	96	191	175	96	191	175	96
R^2	0.463	0.356	0.347	0.472	0.280	0.385	0.430	0.332	0.398
News Country × Period FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bank Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is a dummy for whether, around the event of interest, a newspaper published at least one article mentioning the banking sector as one of the roots of the crisis (columns 1-3), claiming banks should bear the main responsibility to solve the crisis (column 4-6), and endorsing debt-restructuring measures as a possible solution to the crisis (column 7-9). Bank controls include newspaper-level average bank capital and average bank size. Circulation is the newspaper's average daily print circulation (in logs). Political leaning is measured on a 0-6 scale, with more positive (negative) values corresponding to more right-wing (left-wing) readers. Standard errors are double-clustered at the newspaper and news-country × period level. *** p< 0.01, ** p< 0.05, * p< 0.1.

TABLE OC2: PLACEBO: NEWS COVERAGE OF IMPACT OF COMMON CURRENCY

	(1)	(2)	(3)	(4)
Dep. variable	GIIPS benefited from euro			
GIIPS	-0.871	-0.255	-0.954	0.154
	(1.355)	(1.498)	(1.512)	(1.710)
Circulation			-0.011	-0.004
			(0.025)	(0.054)
Political leaning				-0.078
				(0.120)
Observations	191	191	175	96
R^2	0.091	0.278	0.289	0.379
News Country FE	Yes	No	No	No
Period FE	Yes	No	No	No
News Country $\times$ Peropd FE	No	Yes	Yes	Yes
Bank Controls	Yes	Yes	Yes	Yes

Notes: The dependent variable is a dummy for whether, around the event of interest, a newspaper published at least one article mentioning GIIPS countries had benefited from the common currency. Bank controls include newspaper-level average bank capital and average bank size. Circulation is the newspaper's average daily print circulation (in logs). Political leaning is measured on a 0-6 scale with more positive (negative) values corresponding to more right-wing (left-wing) readers. Standard errors are double-clustered at the newspaper and news-country$\times$ period level. *** p<0.01, ** p< 0.05, * p< 0.1.

TABLE OC3: ANALYSIS OF INTENSIVE MARGIN

Dep. variable	(1) % Root Cause = Banks	(2) % Responsability = Banks	(3) % Solution = Haircut/OD	(4) Ln(Root Cause = Banks)	(5) Ln(Responsability = Banks)	(6) Ln(Solution = Haircut/OD)
GIIPS	-0.350*** (0.103)	-0.083 (0.055)	-0.192*** (0.006)	-7.242** (3.378)	0.438 (4.142)	-5.455* (3.130)
Observations	191	191	191	92	36	76
R^2	0.246	0.221	0.316	0.334	0.310	0.395
News Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Period FE	Yes	Yes	Yes	Yes	Yes	Yes
Bank Controls	Yes	Yes	Yes	Yes	Yes	Yes

Notes: In the first three columns the dependent variable is the share of total articles about the crisis that: mention the banking sector as one of the roots of the crisis (column 1); claim banks should bear the main responsibility to solve the crisis (column 2), endorsing debt-restructuring measures as a possible solution to the crisis (column 3). In the last three columns, the dependent variable is the number of articles (in log) that satisfy each of the three conditions. Bank controls include newspaper-level average bank capital and average bank size. Standard errors are double-clustered at the newspaper and news-country $\times$ period level. *** p$<$ 0.01, ** p$<$ 0.05, * p$<$ 0.1.