Internet Appendix for "Financial Crises and Political Radicalization: How Failing Banks Paved Hitler's Path to Power"

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Abstract

This Internet Appendix provides additional tables and figures supporting the main text.

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Variables definitions and sources: Table IAI provides definitions and sources of our main variables.

Examples of anti-Semitic propaganda: Figure IA1 shows anti-Semitic caricatures from the pro-Nazi newspaper "Der Stürmer" published in the summer of 1931 that illustrate how Nazi propaganda blamed the Jewish population for Germany's economic misery. Table IAII provides further quotes from the Nazi press covering the banking crisis.

Newspaper analysis: Figure IA2 shows a frequency count of the number of mentions of Danatbank, Dresdner Bank, and Deutsche Bank in contemporary German- and English-speaking newspapers in the 12 months before and after the failure of Danatbank (in July 1931) in Panels A and B, respectively. In panel C the figure shows the number of bank mentions (Danatbank, Dresdner Bank, and Deutsche Bank) in connotation with the word "crisis" in English-speaking newspapers. Finally, Panel D shows a frequency count of the number of mentions of Jakob Goldschmidt (Danatbank's leading manager), Henry Nathan and Carl Goetz (the speakers for the board of Dresdner Bank at the time), and Oscar Wassermann (of Deutsche Bank) in connotation with their respective banks over the same period.

Industrial production: Figure IA3 shows the monthly index of industrial production of durable consumption goods for Germany.

Distribution of exposure: Figure IA4 shows the distribution of city *Exposure* to Danat-connected firms, based on the universe of joint stock companies ($n = 5,610$).

Map of cities exposed to Danatbank: Figure IA5 shows the geographic footprint of Danatbank as of 1930 Germany. Blue solid dots denote cities with

positive exposure to Danatbank in Panel A and cities in which Danatbank had a branch in Panel B. Grey diamonds denote cities that had no exposure (Panel A) or no branch (Panel B).

Robustness to exclusion of observations: Figure IA6, Panels A and B exclude one observation when estimating the underlying specification and then rank observations by the effect that this observation has on the estimated coefficient. Panel A plots coefficient and t-value of coefficient on Danat in the regression $\Delta NS\ 30-32/7_c = \beta\ Danat_c + Controls_c + \theta_{WK} + \epsilon_c$ on the y-axis, where c denotes city and WK provinces. The dependent variable is the change in *Nationalsozialistische Arbeiterpartei Deutschlands* (NSDAP) vote share from 1930 to July 1932. Each regression drops one individual city. The x-axis ranks firms according to their impact on the coefficient, from highest to lowest. The blue dashed line denotes coefficient estimates, the black solid line the corresponding t-value. Panel B does the same for regressions with the change in income from 1928 to 1934 as the dependent variable. Across specifications, excluding cities one-for-one does not materially affect coefficients of interest in terms of sign, size, or significance. Panel C shows the coefficient on *Danat* in regression (2) with $\Delta NS\ 30-32/7$ as the dependent variable, estimated separately in the cross-section of cities sorted by terciles of the unemployment rate in 1931. Blue bands denote 90% confidence intervals. Panel D shows the coefficient on *Danat* in regression (2) with $\Delta NS\ 30-32/7$ as the dependent variable, estimated separately when we exclude individual regions. Blue bands denote 90% confidence intervals. We exclude cities located at the border with Austria, which saw a banking crisis in May 1931. We further exclude the region around Bremen, as it was directly affected by

the fall of Nordwolle, which had significant effects on the local economy. We also exclude cities around Darmstadt, where Danatbank was originally headquartered, and the Ruhr region, where a large share of German economic activity was concentrated, as an overrepresentation of firms in that region may limit the economic significance and representativeness of our findings for Germany as a whole. Finally, we exclude the headquarter cities of smaller banks that also failed in 1931 to 1932 (based on Blickle et al. (2020)), as well as all cities in which Deutsche Bank had a branch in 1929. Figure IA7 shows that cities with a presence of Danatbank did not experience a sharper downturn in economic activity in the early phase of the Great Depression, (i.e., before July 1931).

Pre-trends in unemployment: Figure IA7 shows the coefficient on *Danat* in regression equation (2) with the change in the unemployment rate across different years (as indicated on the x-axis) as dependent variable. Black bands denote 90% confidence intervals. There were no differential pre-trends in terms of unemployment across cities.

Firm-level descriptive statistics: Table IAIII presents summary statistics for our firm-level variables. As of 1929, the average firm was 30 years old and relatively large, reflecting the fact that our sample covers joint stock companies. Is our sample of wage-bill enterprises balanced on observables? Table IAIV reports regressions with a dummy for being Danat-connected as the dependent variable. Total assets are larger at firms connected to Danat, but there are no major differences in terms of age, return on assets, leverage, and capital-to-labor ratio (wage bill over assets). The overall pattern is similar if we include industry fixed effects (column (2)) and city fixed

effects (column (3)). When we compare Danat-connected companies with Dresdner-connected ones only (columns (4) and (5)), all coefficients are insignificant. In sum, Danat-connected companies are not statistically different from Dresdner-connected companies, and differ from companies connected to other banks only in their size.

Balancedness at the city level: Table IAV, Panel A tests for the balancedness in covariates at the city level. Following Pei et al. (2019), we report results for the following regression: $Control_c = \beta\ Danat_c + log(Assets)_c + \theta_{WK} + \epsilon_c$, where c denotes city. Outcome variables are share blue collar, share Protestant, and share Jewish, all as of 1925, log income per capita in 1928, and the unemployment rate in 1930. $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Province fixed effects are denoted by θ_{WK}. All explanatory variables are normalized to have mean zero and standard deviation o one. Values in brackets denote the normalized difference (Imbens and Wooldridge (2009)), defined as $\Delta y = (\bar{y_1} - \bar{y_0})/(\sqrt{\sigma^2_{y_1} + \sigma^2_{y_2}})$, conditional on log population, where groups correspond to cities with and without Danat presence. This eliminates the dependence of t-statistics on the sample size. The normalized difference for each of our variables is below 0.12, significantly lower than the rule of thumb of 0.25 as proposed by Imbens and Wooldridge (2009). Panel B tests for the balancedness in covariates at the firm level. Following Pei et al. (2019), we report results for the following regression equation: $Control_f = \beta\ Danat\ connection_f + \theta_i + \gamma_c + \epsilon_f$, where f denotes firm. Outcome variables are firm age, log assets, return on assets, leverage, and

capital-labor ratio, all as of 1929. $Danat\ connection_f$ is a dummy with a value of one if a firm is connected to Danatbank. Industry fixed effects θ_i include a set of 20 industry fixed effects; city fixed effects γ_c require at least two firms per city.

Spatial autocorrelation: Table IAVI clusters standard errors along different dimensions to account for possible spatial autocorrelation. Standard errors are clustered by *Kreis*, a relatively small German spatial unit comparable to U.S. counties, or by *Wahlkreis*, German provinces. In addition, we provide Conley standard errors, which allow for spatial autocorrelation within a certain radius around a city. The distance used to calculate these standard errors is the maximum Eucledian distance between any two cities, and we allow standard errors to be correlated within a radius of that distance. While we only report standard errors according to this choice of distance, all results are robust to choosing a range of different distances.

Historic anti-Semitism and exposure to Dresdner Bank: Table IAVII reports results for the following regression: $\Delta NS\ 30-7/32_c = \beta\ Dresdner_c + Controls_c + \epsilon_c$, where c denotes city. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Dresdner_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Dresdner Bank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Panel A splits the sample into cities in which an anti-Semitic party did not enter the election or received zero vote share in 1900 (No AS), versus areas in which it received a positive vote share (Yes AS). Panel B splits the sample into cities that had no pogrom between 1349 and 1920 (No pog) and those that had a pogrom

between 1349 and 1920 (Had pog).

Danat exposure and city income: Table IAVIII reports results for the regression $\Delta Income_c = \beta x_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK provinces. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. x_c is the dummy *Danat* with value of one if a city has above-average exposure to or a branch of Danatbank, asset-weighted *Exposure*; or dummy *Branch* with value one if the city had a Danat branch. *Exposure* is based on the universe of joint stock companies ($n = 5,610$).

Intermediation analysis: Table IAIX presents results for an intermediation analysis and shows that *Danat* has a significant effect on Nazi support when we control for the economic channel through the change in incomes as mediator.

Coarsened exact matching: Table IAX reports results from regressions based on equation (2) using a coarsened exact matching (CEM) approach. CEM creates matches between treatment and control groups based on a set of covariates. Covariates are coarsened to maximize balance of the matched data set and to ensure that most treated observations have a match in the control group (Iacus et al. (2012)). We match on the log of 1925 population, as well as the share of Protestants, Jews, and blue-collar workers. With these parameters, the CEM algorithm creates 63 treated and 88 untreated matches. For 52 observations there is no match. Overall, CEM matching results in a substantial increase in balance. Column (1) with city controls shows a economically and statistically significant positive effect of the *Danat* dummy on support for the Nazi party. The addition of province fixed effects

in column (2) does not materially affect the coefficient of interest. Column (3) shows that local presence of Dresdner Bank has an insignificant and small effect on support for the Nazi party. Finally, columns (4) to (5) and (6) to (7) split the sample into cities without (with) a history of anti-Semitic violence, based on vote shares for an anti-Semitic party or the occurrence of pogroms. The positive effect of Danat presence on support for the Nazi party is economically larger if a city has a history of anti-Semitic violence.

Differences-in-differences: Our baseline analysis examines changes in Nazi vote shares in 1932 and 1933, relative to 1930. Here, we exploit the full set of federal election results from 1924 to 1933 in a difference-in-differences (DiD) framework:

$$\begin{aligned} \%NS_{c,t} = \beta_1\ Danat_c + \beta_2\ Post\ 1931m7_t + \beta_3\ (Danat_c \times Post\ 1931m7_t) \\ + (Controls_c \times Post\ 1931m7_t) + \theta_c + \tau_t + \epsilon_{c,t}, \end{aligned} \tag{IA1}$$

where c denotes city and t election dates. The dependent variable is the NSDAP vote share in city c and election t.[1] $Danat_c$ is a dummy that takes a value of one if a city has above-average exposure to or a branch of Danatbank. $Post\ 1931m7$ is a dummy with a value of one for the three elections after Danatbanks' failure in July 1931 and zero for elections before July 1931. Controls include log population, share blue collar, share Protestant, and

[1]Since the Nazis were officially banned in 1924, we use combined vote totals for two surrogate parties – the German Völkisch Freedom Party (DVFP) and the National Socialist Freedom Movement (NSFP). The NSFP competed with a near-identical Nazi agenda and many overlapping candidates. The DVFP offered joint lists with the NSFP.

share Jewish, all as of 1925, interacted with dummy $Post\ 1931m7$. θ_c denote city fixed effects, τ_t election date fixed effects. Standard errors are clustered at the city level. Column (1) in Table IAXI shows a positive and significant coefficient on the interaction term: cities exposed to Danatbank experience a stronger increase in vote shares of the NSDAP after the 1931 banking crisis. When we add time-varying fixed effects at the regional level in column (2), the coefficient remains highly significant and increases in magnitude: Danat-exposed cities see a relative increase in the percent of votes cast for the NSDAP of 2.3 p.p. (0.14 sd). Column (3) further adds a dummy for the presence of Dresdner Bank, interacted with the post-crisis dummy, to the regression. Dresdner has an insignificant effect on support for the Nazi party. Columns (4) and (5) split the sample into cities in which an anti-Semitic party did not enter the election or received zero vote share in 1900 (No AS), versus areas in which it received a positive vote share (Yes AS). Columns (6) and (7) split the sample into cities that had no pogrom between 1349 and 1920 (No pog) and those that had a pogrom between 1349 and 1920 (Had pog). Similar to our baseline findings, the positive effect of Danat presence on support for the Nazi party is exacerbated if a city has a history of anti-Semitic violence.

Changes in and levels of NSDAP vote share: Table IAXII provides further robustness results on the cultural channel. Columns (1) to (3) provide cross-sectional results and columns (4) to (6) provide difference-in-differences results. In each regression we control for interactions between a measure of historic anti-Semitism and all city controls. Table IAXIII shows similar specifications using the level of NSDAP vote shares as the dependent variable. While we do not expect cities with higher Danat exposure to have higher

levels of NSDAP votes, the data might still support some general trends. For example, anti-Semitic cities could see higher vote shares of the NSDAP in general. When looking at the cross-section of elections in Panel A, either measure of historic anti-Semitism confirms that cities with either higher vote share for anti-Semitic parties in the past, more historical pogroms, or both saw higher vote shares for the NSDAP in 1930 as well as in 1932. Danat exposure per se did not lead to significantly different vote shares in 1932 than in 1930. When testing for the equality of the coefficients on *Danat* between columns (1) and (2), (3) and (4), or (5) and (6), we can never reject the null that the coefficients are equal. Danat exposure did lead, however, to higher vote shares in 1932 compared to 1930 in anti-Semitic cities. The coefficients on the interaction between Danat exposure and measures of historical anti-Semitism in the 7/1932 election are always significantly different from the coefficient on the interaction in the 1930 election. Panel B uses our more demanding difference-in-differences setup with the same controls and fixed effects as above. In all specifications, the interaction between the post crisis dummy and different measures of anti-Semitism is insignificant, confirming that the banking crisis did not induce a significant differential change in levels across more or less anti-Semitic cities. The crisis did lead to an increase in NSDAP vote shares in cities with Danat exposure, especially so in cities with historical anti-Semitism.

Exports and 1920 branches: Table IAXIV shows that accounting for city-level exports or using the presence of Danat branches in 1920 does not affect our main results. There was also no significant effect of Danat exposure on support for the communists.

Table IAI. Definitions of Main Variables

Variable	Definition	Source	Unit
City level			
Danat	Dummy equal to one if city has Danatbank branch or above-mean exposure	Handbook of German Joint Stock Companies	{0,1}
Exposure	City exposure to Danatbank (see equation (1))	Handbook of German Joint Stock Companies	[0,1]
Branch	Dummy equal to one if city has Danatbank branch	Danatbank annual report 1929	{0,1}
Δ Income	Change in city-level income between 1928 and 1934	Statistik des Deutschen Reiches, Neue Folge, 1884-1944	%
dresdner	Dummy equal to one if city has Dresdner Bank branch or above-mean exposure	Handbook of German Joint Stock Companies	{0,1}
Δ income (predicted)	Predicted income of a regression of Δ income on *Danat*		%
Δ NSDAP 9/30-7/32	Change in vote share for the NSDAP between the elections in September 1930 and July 1932	Statistik des Deutschen Reiches (ICPSR 42)	%
Δ NSDAP 9/30-11/32	Change in vote share for the NSDAP between the elections in September 1930 and November 1932	Statistik des Deutschen Reiches (ICPSR 42)	%
Δ NSDAP 1930-3/33	Change in vote share for the NSDAP between the elections in September 1930 and March 1933	Statistik des Deutschen Reiches (ICPSR 42)	%
Δ KPD 9/30-7/32	Change in vote share for the KPD between the elections in September 1930 and July 1932	Statistik des Deutschen Reiches (ICPSR 42)	%
Persecution	First principal component of attacks on synagogues, deportations and letters to Der Stürmer	Voigtländer and Voth (2012)	Standardized
Population	City population in 1925	Statistisches Jahrbuch Deutscher Städte	%
log(Population)	logarithm of city population in 1925	Statistisches Jahrbuch Deutscher Städte	%
Share blue collar	Share of blue collar workers in total city population 1925	Falter and Hänisch (1990)	%
Share Jewish	Share of Jewish population in total city population 1925	Falter and Hänisch (1990)	%
Share Protestant	Share of Protestants in total city population 1925	Falter and Hänisch (1990)	%
Anti-Semitic party presence 1900	Dummy equal to one if city had a positive vote share for anti-Semitic parties around 1900	Statistische Jahrbücher des dt. Reichsamts für Statistik	{0,1}
Historical pogrom	Dummy equal to one if a city had a pogrom between 1349 and 1920	Germanica Judaica	{0,1}
Vote share VRP	Vote share for the Volksrechtspartei in 1928	Statistik des Deutschen Reiches (ICPSR 42)	%
Emp. share of Jews in financial sector	Employment share of Jews in the financial sector in 1882	Becker et al. (2014)	%
Emp. share of financial sector	Overall employment share in the financial sector in 1882	Becker et al. (2014)	%
Firm level			
Δ Wage bill	Change in a firm's total wage bill from 1929 and 1933	Handbook of German Joint Stock Companies	%
Danat connection	Dummy equal to one if a firm was connected to Danatbank in 1929	Handbook of German Joint Stock Companies	{0,1}
Dresdner connection	Dummy equal to one if a firm was connected to Dresdner Bank in 1929	Handbook of German Joint Stock Companies	{0,1}
Danat connection (old)	Dummy equal to one if a firm was connected to Danatbank in 1923	Handbook of German Joint Stock Companies	{0,1}
Danat connection (new)	Dummy equal to one if a firm was connected to Danatbank in 1929 but not in 1923	Handbook of German Joint Stock Companies	{0,1}
Assets	Firm's total assets as of 1929	Handbook of German Joint Stock Companies	Reichsmark
Age	Firm's age in years as of 1929	Handbook of German Joint Stock Companies	Years
Leverage	Firm's ratio of liabilities to capital as of 1929	Handbook of German Joint Stock Companies	%
Return on assets	Firm's ratio of profits to assets as of 1929	Handbook of German Joint Stock Companies	%

This table lists main variables, data sources, and units. For further details and variable construction, see main text.

Panel A. The Jewish Businessman

Panel B. The Worm

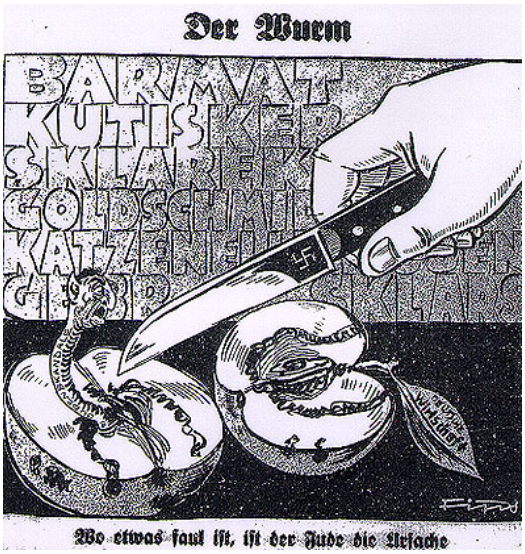

Figure IA1. "Der Stürmer" caricatures. This figure shows anti-Semitic caricatures from the pro-Nazi newspaper "Der Stürmer," published in the summer of 1931. In Panel A, the caption says "The Jew banker and the German business man", suggesting that Jewish-led banks are to blame for Germany's dire economic situation. In Panel B, the caption says "The Worm" and the subcaption states "Where something is rotten, the Jew is the cause." The background lists names of Jewish businessmen and politicians that readers would connect to scandals during the Weimar Republic, with "Goldschmidt" very prominent in the middle of the graph.

Table IAII. Nazi-Affiliated Newspapers from July 1931

- "Wir aber klagen an den Grossbankier und Freund und Helfer der SPD, den Juden Jakob Goldschmidt [. . .], der doch der Hauptverantwortliche an der Katastrophe sein dürfte" (Bielefelder Beobachter)
  - Translation: Yet we put on trial the great banker and friend and helper of the SPD, the Jew Jakob Goldschmidt, who bears the main responsibility for this catastrophe
- "Goldschmidt benutzt die ungeheure Wirtschaftsnot Deutschlands, um einen echt jüdischen, fetten Konkurs zu machen" (Koblenzer Nationalblatt)
  - Translation: Goldschmidt uses Germany's dire economic crisis to make a truly Jewish, fat bankruptcy
- "An seiner Pleite [Nordwolle] ist der 9-fache Aufsichtsrat, Freund der SPD, und Kreditgeber der Vorwärts-Druckerei, der Bankjude Goldschmidt von der Danat-Bank erstickt." (Hakenkreuzbanner, Mannheim)
  - Translation: The bank jew [Bankjude] Goldschmidt of Danatbank [...] suffocated on his bankruptcy
- "Der Hassadeur Jakob Goldschmidt" (Der Donaubote, Ingolstadt)
  - Translation: The reckless gambler Jakob Goldschmidt

This table provides quotes from Nazi-affiliated newspapers in Germany.

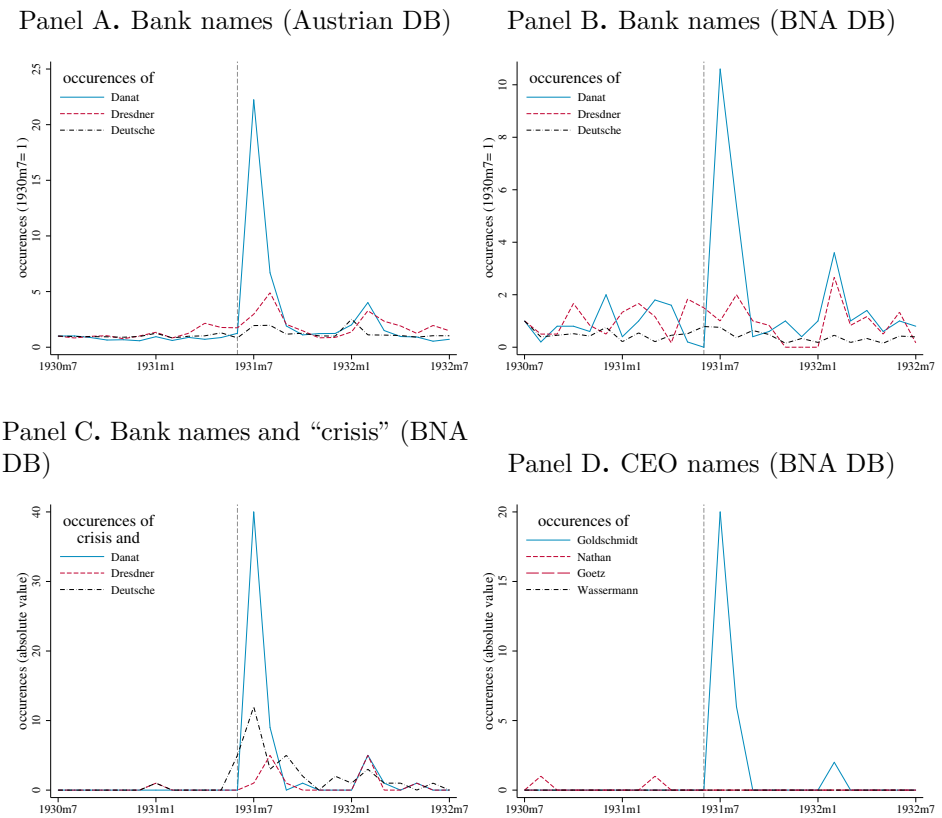

Figure IA2. Danat and Goldschmidt in English and German-speaking newspapers. Panels A and B show a frequency count of the number of mentions of Danatbank, Dresdner Bank, and Deutsche Bank in contemporary German- and English-speaking newspapers in the 12 months before and after the failure of Danatbank in July 1931. Panel C shows the number of bank mentions in connotation with the word "crisis" in English-speaking newspapers. Panel D shows a frequency count of the number of mentions of Jakob Goldschmidt (Danatbank's leading manager), Henry Nathan and Carl Goetz (the speakers for the board of Dresdner Bank at the time), and Oscar Wassermann (Deutsche Bank's leading manager) in connotation with their respective banks over the same period. Source: ANNO database of the Austrian National Library and British Newspaper Archive (BNA).

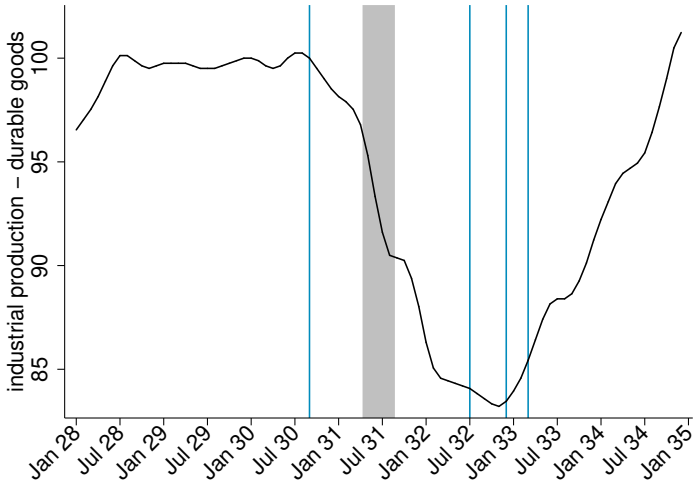

Figure IA3. Industrial production. This figure shows the monthly index of industrial production of durable consumption goods for Germany (Wagemann 1936). The production index is normalized to 100 in January 1930. The shaded area indicates the period of the 1931 banking crisis, from the beginning of troubles at Austrian Creditanstalt to the merger between Danatbank and Dresdner Bank in the summer of 1932. Blue vertical lines show federal election dates 09/1930, 07/1932, 11/1932, and 03/1933.

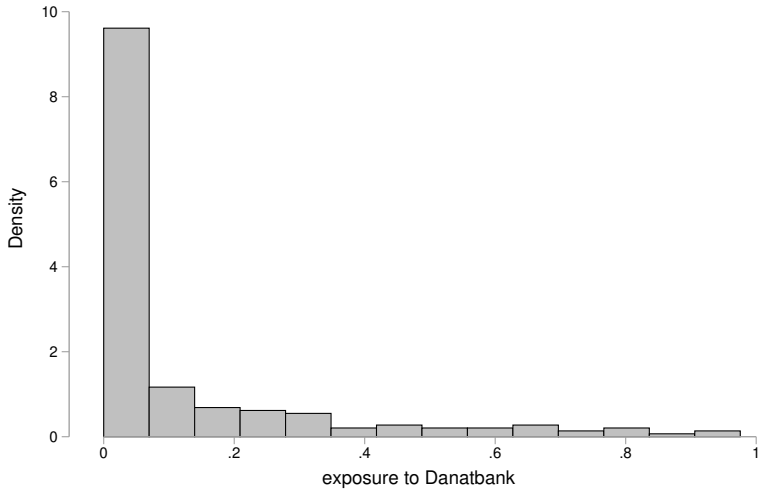

Figure IA4. Histogram of exposure to Danatbank. This figure shows the distribution of city *Exposure* to Danat-connected firms, based on the universe of joint stock companies ($n = 5,610$).

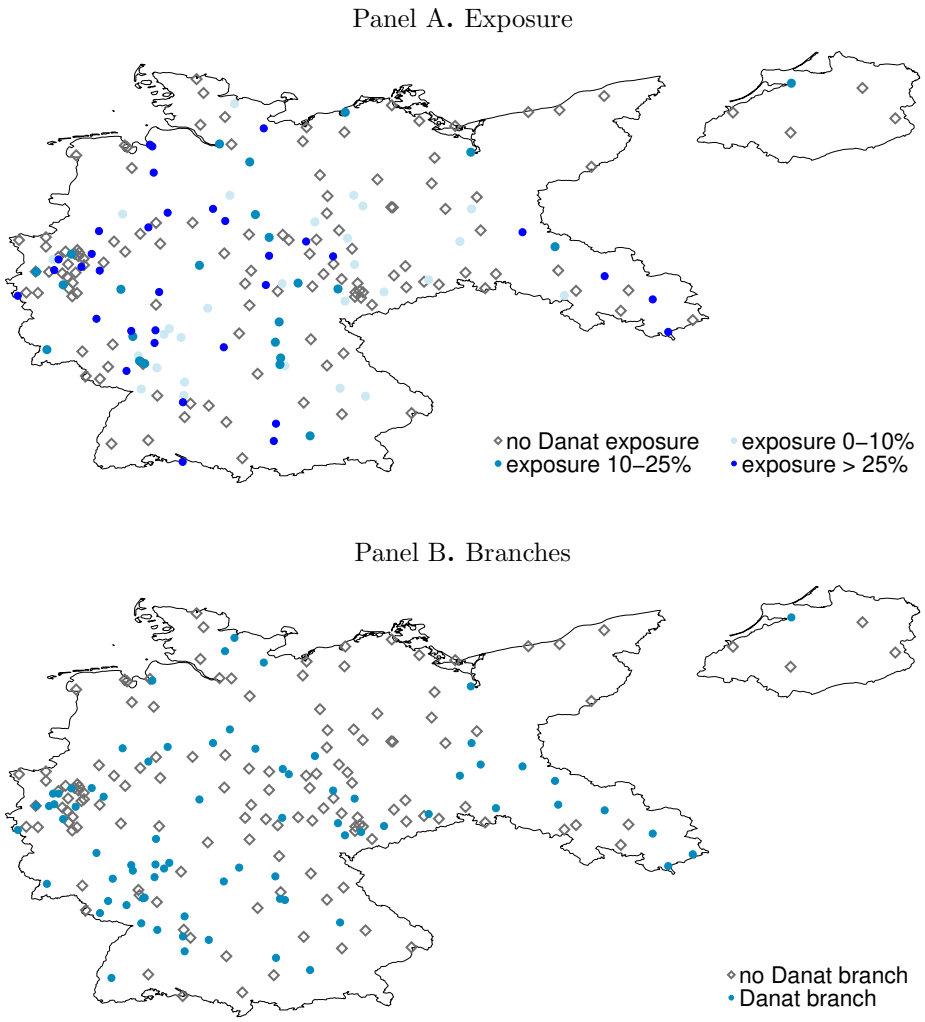

Figure IA5. Danatbank – Geographic distribution. This figure shows maps of 1930 Germany. Blue solid dots denote cities with positive exposure to Danatbank in Panel A and cities in which Danatbank had a branch in Panel B. Grey diamonds denote cities that had no exposure (Panel A) or no branch (Panel B).

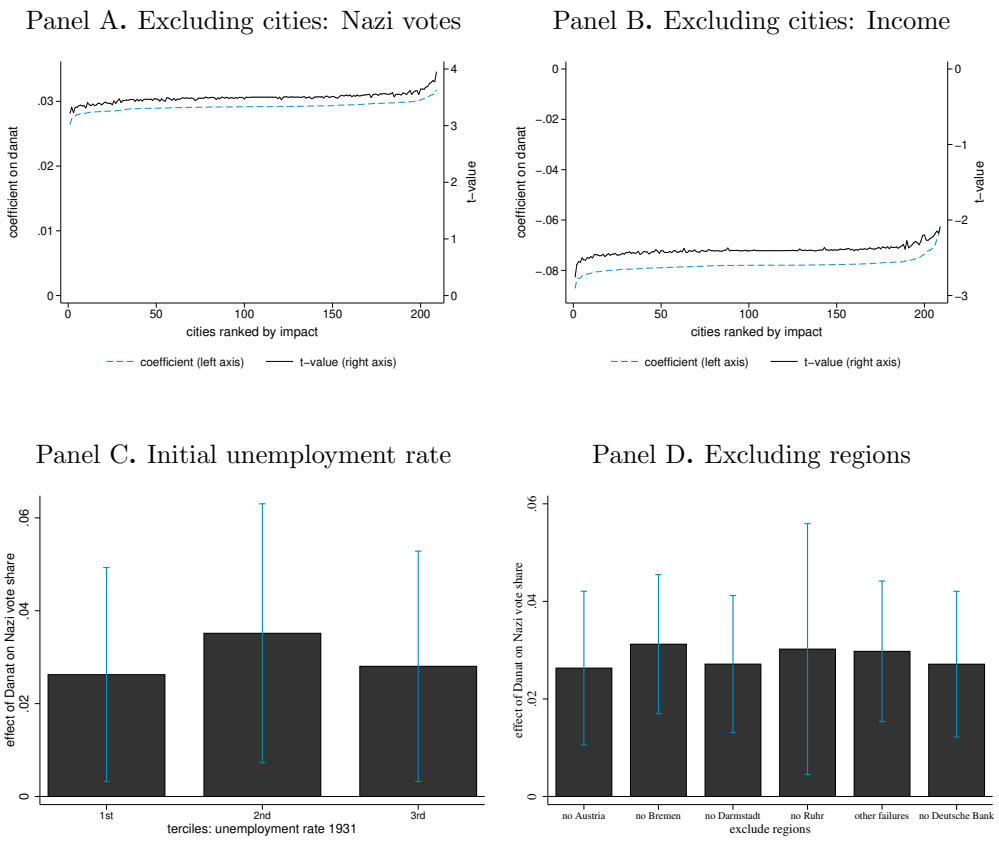

Figure IA6. Stability of coefficient. Panels A and B exclude one observation when estimating the underlying specification and then rank observations by the effect that this observation has on the estimated coefficient. Panel A plots coefficient and t-value of coefficient on Danat in regression $\Delta NS\ 30-32/7_c = \beta\ danat_c + controls_c + \theta_{WK} + \epsilon_c$ on the y-axis, where c denotes city and WK provinces. Dependent variable is change in NSDAP vote share from 1930 to July 1932. Each regression drops one individual city. The x-axis ranks firms according to their impact on the coefficient, from highest to lowest. The blue dashed line denotes coefficient estimates, the black solid line the corresponding t-value. Panel B does the same for regressions with the change in income from 1928 to 1934 as dependent variable. Across specifications, excluding cities one-for-one does not materially affect coefficients of interest in terms of sign, size, or significance. Panel C shows the coefficient on *danat* in regression equation (2) with $\Delta NS\ 30-32/7$ as dependent variable, estimated separately in the cross-section of cities sorted by terciles of the unemployment rate in 1931. Blue bands denote 90% confidence intervals. Panel D shows the coefficient on *danat* in regression equation (2) with $\Delta NS\ 30-32/7$ as dependent variable, estimated separately when we exclude individual regions. Blue bands denote 90% confidence intervals. We exclude cities located at the border with Austria, which saw a banking crisis in May 1931. Further, we exclude the region around Bremen that was directly affected by the fall of Nordwolle, which had significant effects on the local economy. We also exclude cities around Darmstadt, where Danatbank was originally headquartered. We also exclude the Ruhr region, where a large share of German economic activity was concentrated. An over-representation of firms in that region may limit the economic significance and representativeness of our findings for Germany as a whole. Finally, we exclude the headquarter cities of smaller banks that also failed in 1931/32 (based on Blickle et al. (2020)), as well as all cities in which Deutsche Bank had a branch in 1929.

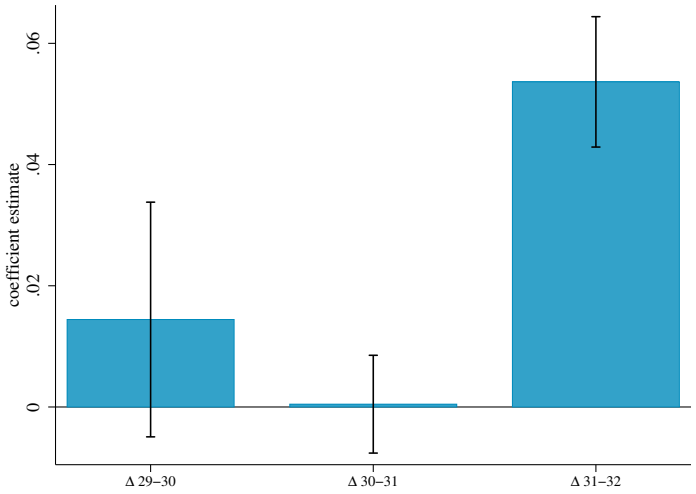

Figure IA7. Unemployment – pre-trends. This figure shows the coefficient on *Danat* in regression (2) with the change in the unemployment rate across different years (as indicated on the x-axis) as the dependent variable. Black bands denote 90% confidence intervals.

Table IAIII

Descriptive Statistics – Firm Level

Variable	Obs	Mean	Std. Dev.	P25	P50	P75
Δ wage bill	386	-.195	.761	-.645	-.391	-.062
Danat connection	386	.07	.255	0	0	0
Dresdner connection	386	.096	.295	0	0	0
age	386	29.813	28.298	11	18	43
log assets	386	13.844	1.396	12.987	13.824	14.77
leverage	386	3.298	4.654	1.679	2.182	2.997
return on assets	386	.041	.129	0	.031	.062
wage bill/assets	386	.344	.504	.108	.237	.412

This table shows summary statistics for the main variables at the firm level.

Table IAIV

Balancedness – firm level

dep. var.:	(1)	(2)	(3)	(4)	(5)
	Danat connection				
	All			DD sample	
age	0.000	-0.000	-0.002*	-0.001	-0.000
	(0.000)	(0.001)	(0.001)	(0.002)	(0.002)
log assets	0.045***	0.049***	0.069***	0.081	0.018
	(0.010)	(0.010)	(0.017)	(0.053)	(0.063)
return on assets	0.039	-0.049	-0.011	-0.087	-1.100
	(0.100)	(0.102)	(0.190)	(0.792)	(1.007)
leverage	-0.004	-0.003	-0.001	0.042	0.040
	(0.003)	(0.003)	(0.006)	(0.079)	(0.087)
wage bill/assets	-0.004	0.005	0.016	-0.178	0.103
	(0.026)	(0.026)	(0.043)	(0.267)	(0.325)
Observations	386	386	194	59	59
R-squared	0.066	0.146	0.465	0.074	0.337
Industry FE	-	✓	✓	-	✓
City FE	-	-	✓	-	-

This table reports results on multivariate regressions at the firm level for the regression $Danat\ connection_f = Controls_f + \theta_i + \gamma_c + \epsilon_f$, where f denotes firm. Controls include firm age, log assets, return on assets, leverage, and capital-labor ratio, all as of 1929. $Danat\ connection_f$ is a dummy with a value of one if a firm is connected to Danatbank. Industry fixed effects θ_i includes a set of 20 industry fixed effects; city fixed effects γ_c require at least two firms per city. *DD sample* in columns (4) and (5) restricts the sample to firms with a connection to either Danatbank or Dresdner Bank. *** p<0.01, ** p<0.05, * p<0.1.

Table IAV. Balancedness – Control Variables as Dependent Variable

Panel A: City level

dep. var.:	(1) share blue collar	(2) share blue collar	(3) share Jewish	(4) share Jewish	(5) share protestants	(6) share protestants	(7) log inc p.c.	(8) log inc p.c.	(9) u-rate	(10) u-rate
danat	-0.266	-0.171	0.487***	0.128	-0.077	0.101	0.072	0.119	0.008	0.015
	(0.163)	(0.176)	(0.147)	(0.131)	(0.165)	(0.118)	(0.162)	(0.175)	(0.010)	(0.010)
[normalized difference]	[-0.161]	[-0.073]	[0.305]	[0.082]	[-0.044]	[0.089]	[0.110]	[0.121]	[0.027]	[0.093]
Observations	194	194	194	194	194	194	194	194	194	194
R-squared	0.039	0.142	0.215	0.521	0.013	0.615	0.051	0.152	0.054	0.128
Province FE	-	✓	-	✓	-	✓	-	✓	-	✓

Panel B: Firm level

dep. var.:	(1) age	(2) age	(3) age	(4) log(assets)	(5) log(assets)	(6) log(assets)	(7) return on assets	(8) return on assets	(9) return on assets	(10) leverage	(11) leverage	(12) leverage	(13) wage bill/assets	(14) wage bill/assets	(15) wage bill/assets
Danat connection	0.401**	0.221	-0.113	0.964***	0.979***	1.207***	0.150	-0.031	0.047	-0.212	-0.122	0.010	-0.176	-0.158	-0.184
	(0.199)	(0.194)	(0.301)	(0.194)	(0.199)	(0.325)	(0.200)	(0.206)	(0.308)	(0.200)	(0.205)	(0.299)	(0.200)	(0.208)	(0.369)
Observations	386	386	194	386	386	194	386	386	194	386	386	194	386	386	194
R-squared	0.010	0.180	0.401	0.061	0.133	0.334	0.001	0.073	0.260	0.003	0.088	0.408	0.002	0.056	0.210
Industry FE	-	✓	✓	-	✓	✓	-	✓	✓	-	✓	✓	-	✓	✓
City FE	-	-	✓	-	-	✓	-	-	✓	-	-	✓	-	-	✓

Panel A tests for the balancedness in covariates at the city level. Following Pei et al. (2019), we report results for the regression $Control_c = \beta\ Danat_c + log(Assets)_c + \theta_{WK} + \epsilon_c$, where c denotes city. Outcome variables are share blue collar, share Protestant, and share Jewish, all as of 1925, log income per capita in 1928, and the unemployment rate in 1930. $danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Province fixed effects are denoted by θ_{WK}. All explanatory variables are normalized to have mean zero and a standard deviation of one. Values in brackets denote the normalized difference (Imbens and Wooldridge (2009)), defined as $\Delta y = (\bar{y_1} - \bar{y_0})/(\sqrt{\sigma^2_{y_1} + \sigma^2_{y_2}})$, conditional on log population, where groups correspond to cities with and without Danat presence. Except in column (3) normalized difference do not exceed one quarter, suggesting that our sample is balanced in covariates. Panel B tests for the balancedness in covariates at the firm level. Following Pei et al. (2019), we report results for the regression $Control_f = \beta\ Danat\ connection_f + \theta_i + \gamma_c + \epsilon_f$, where f denotes firm. Outcome variables are firm age, log assets, return on assets, leverage, and capital-labor ratio, all as of 1929. $Danat\ connection_f$ is a dummy with a value of one if a firm is connected to Danatbank. Industry fixed effects θ_i include a set of 20 industry fixed effects; city fixed effects γ_c require at least two firms per city. All explanatory variables are normalized to have mean zero and a standard deviation of one. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAVI. Spatial Autocorrelation

Panel A: baseline specification with robust SE

	(1)	(2) low votes	(3) low votes	(4) no pog	(5) had pog	(6)
VARIABLES	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32
danat	0.0292***	0.0193*	0.0604***	0.0182*	0.0514***	0.0292***
	(0.0083)	(0.0101)	(0.0119)	(0.0097)	(0.0153)	(0.0083)
dresdner						-0.0010
						(0.0081)
Observations	196	152	44	147	49	196
R-squared	0.5851	0.4666	0.7397	0.4733	0.6172	0.5851
City Controls	✓	✓	✓	✓	✓	✓
Province FE	✓	-	-	-	-	✓

Panel B: cluster by Kreis

	(1)	(2) low votes	(3) low votes	(4) no pog	(5) had pog	(6)
VARIABLES	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32
danat	0.0292***	0.0193*	0.0604***	0.0182*	0.0514***	0.0292***
	(0.0083)	(0.0101)	(0.0119)	(0.0097)	(0.0153)	(0.0083)
dresdner						-0.0010
						(0.0081)
Observations	196	152	44	147	49	196
R-squared	0.5851	0.4666	0.7397	0.4733	0.6172	0.5851
City Controls	✓	✓	✓	✓	✓	✓
Province FE	✓	-	-	-	-	✓

Panel C: cluster by Wahlkreis (province)

	(1)	(2) low votes	(3) low votes	(4) no pog	(5) had pog	(6)
VARIABLES	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32
danat	0.0292***	0.0193*	0.0604***	0.0182*	0.0514***	0.0292***
	(0.0069)	(0.0098)	(0.0110)	(0.0095)	(0.0137)	(0.0068)
dresdner						-0.0010
						(0.0071)
Observations	196	152	44	147	49	196
R-squared	0.5851	0.4666	0.7397	0.4733	0.6172	0.5851
City Controls	✓	✓	✓	✓	✓	✓
Province FE	✓	-	-	-	-	✓

Panel D: spatial correlation

	(1)	(2) low votes	(3) low votes	(4) no pog	(5) had pog	(6)
VARIABLES	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32
danat	0.0292***	0.0193*	0.0604***	0.0182*	0.0514***	0.0292***
	(0.0078)	(0.0095)	(0.0119)	(0.0092)	(0.0140)	(0.0078)
dresdner						-0.0010
						(0.0080)
Observations	196	152	44	147	49	196
R-squared	0.5851	0.4666	0.7397	0.4733	0.6172	0.5851
City Controls	✓	✓	✓	✓	✓	✓
Province FE	✓	-	-	-	-	✓

This table shows robustness of the main results to spatial autocorrelation. Panel A reproduces the main results using robust standard errors. Panel B clusters the standard errors by *Kreis*, a spatial unit often encompassing a single city. Panel C clusters standard errors by German provinces, *Wahlkreise*. Panel D reports Conley standard errors. The distance used for these standard errors is the maximum Euclidian distance between any two cities, and we allow standard errors to be correlated within a radius of that distance. While we only report standard errors according to this choice of distance, all results are robust to choosing a range of different distances. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAVII. Historical Anti-Semitism: Dresdner Bank

Panel A: Anti-Semitism 1900

	(1)	(2)	(3)	(4)	(5)	(6)
dep. var.:	Δ NS 30-7/32		Δ NS 30-11/32		Δ NS 30-3/33	
	no AS	yes AS	no AS	yes AS	no AS	yes AS
dresdner	0.003	-0.013	0.005	-0.016	0.019*	-0.003
	(0.010)	(0.015)	(0.011)	(0.016)	(0.010)	(0.018)
Observations	152	44	150	44	158	46
R-squared	0.453	0.597	0.293	0.434	0.220	0.229
City Controls	✓	✓	✓	✓	✓	✓

Panel B: Pogroms

	(1)	(2)	(3)	(4)	(5)	(6)
dep. var.:	Δ NS 30-7/32		Δ NS 30-11/32		Δ NS 30-3/33	
	no pog	had pog	no pog	had pog	no pog	had pog
dresdner	0.002	-0.005	0.002	-0.000	0.018*	0.012
	(0.010)	(0.021)	(0.011)	(0.021)	(0.010)	(0.019)
Observations	147	49	147	47	155	49
R-squared	0.460	0.511	0.311	0.269	0.204	0.203
City Controls	✓	✓	✓	✓	✓	✓

This table reports results for the regression $y_c = \beta\ Dresdner_c + Controls_c + \epsilon_c$, where c denotes city. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Dresdner_c$ is a dummy with a value of one if a city has above-average exposure or a branch of Dresdner Bank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Panel A splits the sample into cities in which an anti-Semitic party did not enter the election or received a zero vote share in 1900 (No AS), versus areas in which it received a positive vote share (Yes AS). Panel B splits the sample into cities that had no pogrom between 1349 and 1920 (No pog) and those that had a pogrom between 1349 and 1920 (Had pog). All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAVIII. Danat and Income

	(1)	(2)	(3)	(4)	(5)	(6)
dep. var.:			Δ income 28-34			
danat	-0.065**	-0.078**				
	(0.031)	(0.032)				
exposure			-0.116**	-0.104*		
			(0.056)	(0.055)		
branch					-0.055*	-0.066**
					(0.030)	(0.031)
Observations	193	193	193	193	193	193
R-squared	0.164	0.235	0.155	0.216	0.153	0.223
City Controls	✓	✓	✓	✓	✓	✓
Province FE	-	✓	-	✓	-	✓

This table reports results for the regression $\Delta Income_c = \beta x_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK provinces. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. x_c is the dummy *Danat*, with a value of one if a city has above-average exposure to or a branch of Danatbank; asset-weighted *Exposure*; or dummy *Branch* with a value of one if the city had a Danat branch. *Exposure* is based on the universe of joint stock companies ($n = 5,610$). All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAIX. Income and Predicted Income – Intermediation Analysis

Panel A: Intermediation analysis

	(1)	(2)	(3)	(4)	(5)
				SG	
dep. var.:	Δ NS 30-7/32			Δ NS 30-11/32	Δ NS 30-3/33
Δ income (predicted)	-0.372***	-0.348***			
	(0.104)	(0.106)			
Δ income		-0.030	-0.030	-0.030	-0.047**
		(0.022)	(0.022)	(0.020)	(0.022)
danat			0.027***	0.025***	0.028***
			(0.008)	(0.008)	(0.009)
Observations	182	182	182	182	188
R-squared	0.583	0.588	0.588	0.444	0.428
City Controls	✓	✓	✓	✓	✓
Province FE	✓	✓	✓	✓	✓

Panel B: Income and predicted income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VARIABLES	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-11/32	Δ NS 30-11/32	Δ NS 30-3/33	Δ NS 30-3/33	Δ NS (avg)	Δ NS (avg)
Δ inc (predicted)	-0.372***	-0.348***	-0.359***	-0.302***	-0.319***	-0.377***	-0.342***	-0.592***
	(0.104)	(0.106)	(0.116)	(0.117)	(0.111)	(0.119)	(0.197)	(0.109)
Δ income		-0.030		-0.038		-0.047**		-0.034*
		(0.022)		(0.026)		(0.020)		(0.019)
Observations	182	182	182	182	188	188	180	177
R-squared	0.583	0.588	0.443	0.444	0.413	0.428	0.499	0.500
City Controls	✓	✓	✓	✓	✓	✓	✓	✓
Province FE	✓	✓	✓	✓	✓	✓	✓	✓

Panel C: Mediated effect

Effect	Mean	[95% Conf.	Interval]
ACME	0.00170	-0.00062	0.005496
Direct Effect	0.02132	0.00512	0.03795
Total Effect	0.02302	0.006542	0.03931
% of total effect mediated	0.07494	0.043157	0.240433

This table reports results for the regression $y_c = \beta\ Danat_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK provinces. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Panel A reports results for regression equation (2). Δ *Income (predicted)* is predicted income from a regression on Δ *Income* on *Danat* and control variables. Columns (3) to (5) present results from a Sobel-Goodman intermediation analysis and show that *Danat* has a significant effect on Nazi support when we control for the economic channel through the change in incomes as mediator. The economic channel intermediates only part of the overall effect of *Danat* on support for the Nazi party. Panel B compares income and predicted income for different elections. Panel C reports results for the Imai et al. (2010) mediation test. ACME is the average mediation effect. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAX. Danat and Nazi Voting – Coarsened Exact Matching

dep.var.:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Δ NS 30-7/32						
	full sample			no AS	yes AS	no pog	had pog
danat	0.040***	0.040***	0.041***	0.028**	0.076***	0.033***	0.047**
	(0.009)	(0.009)	(0.009)	(0.012)	(0.011)	(0.011)	(0.018)
dresdner			0.008				
			(0.010)				
Observations	147	147	147	120	27	111	36
R-squared	0.668	0.668	0.670	0.530	0.865	0.567	0.691
City Controls	✓	✓	✓	✓	✓	✓	✓
Province FE	-	✓	✓	-	-	-	-

This table reports results for the regression $y_c = \beta\ Danat_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK provinces. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. Each regression is weighted with respective coarsened exact matching weights. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAXI. Danat and Nazi Voting – Difference-in-Differences

dep.var.:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	% votes for NSDAP						
	full sample			no AS	yes AS	no pog	had pog
danat × post 1931m7	0.017**	0.023***	0.023***	0.012	0.045***	0.016*	0.032**
	(0.008)	(0.007)	(0.007)	(0.010)	(0.010)	(0.009)	(0.013)
dresdner × post 1931m7			0.003				
			(0.007)				
Observations	993	993	993	769	224	751	242
R-squared	0.957	0.968	0.968	0.955	0.972	0.958	0.960
City FE	✓	✓	✓	✓	✓	✓	✓
Time FE	✓	WK*T	WK*T	✓	✓	✓	✓
City controls	✓	✓	✓	✓	✓	✓	✓

This table reports results for the regression $NS_{c,t} = \beta_1 Danat_c + \beta_2 Post1931m7_t + \beta_3(Danat_c \times Post1931m7_t) + Controls_c + \alpha_c + \gamma_t + \epsilon_{c,t}$, where c denotes city and t time. The dependent variable is the NSDAP vote share in each federal election (covering 1924, 28, 30, 7/32, 11/32, and 33). $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. $Post1931m7$ is a dummy with a value of one for the three elections after July 1931 and zero for elections before July 1931. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925, interacted with dummy $Post1931m7$. 'WK*T' denotes time-varying fixed effects at the province level. $Dresdner$ is a dummy with a value of one if a city has above-average exposure to or a branch of Dresdner. Standard errors are clustered at the city level (all results are robust to double-clustering standard errors at the city and province*time level). Columns (4) and (5) in each panel split the sample into cities in which an anti-Semitic party did not enter the election or received zero vote share in 1900 (No AS), versus areas in which it received a positive vote share (Yes AS). Columns (6) and (7) split the sample into cities that had no pogrom between 1349 and 1920 (No pog) and those that had a pogrom between 1349 and 1920 (Had pog). All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAXII. Changes in NSDAP votes

	(1)	(2)	(3)	(4)	(5)	(6)
	Cross-section			Diff-in-diff		
dep.var.:	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS 30-7/32	Δ NS	Δ NS	Δ NS
danat	0.013	0.009	0.008			
	(0.010)	(0.010)	(0.011)			
high AS votes	0.228***					
	(0.051)					
danat × high AS votes	0.047***					
	(0.015)					
had pogrom		0.126				
		(0.078)				
danat × had pogrom		0.042**				
		(0.018)				
AS votes or pogrom			0.184***			
			(0.064)			
danat × AS votes or pogrom			0.043**			
			(0.017)			
danat × post 1931m7				0.027**	0.019	0.017
				(0.013)	(0.014)	(0.015)
danat × high AS votes × post 1931m7				0.043*		
				(0.024)		
high AS votes × post 1931m7				0.107		
				(0.111)		
danat × had pogrom × post 1931m7					0.056***	
					(0.021)	
had pogrom × post 1931m7					-0.028	
					(0.103)	
danat × AS votes or pogrom × post 1931m7						0.049**
						(0.022)
AS votes or pogrom × post 1931m7						0.068
						(0.103)
Observations	196	196	196	593	593	593
R-squared	0.082	0.060	0.088	0.837	0.838	0.838
City Controls	✓	✓	✓	-	-	-
City FE	-	-	-	✓	✓	✓
Time FE	-	-	-	✓	✓	✓

This table reports results for the regression $y_c = \beta\ Danat_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK province. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Columns (1) to (3) regress the change between the elections in 1930 and September 1932 on *Danat* and an interaction between *Danat* and a measure of a city's historic anti-Semitism. Columns (4) to (6) use a difference-in-differences framework at the city-time level, covering the elections between May 1928 and September 1932. The dummy *Post 1931m7* takes a value of one for the period after the banking crisis. Each regression includes city and time fixed effects. All regressions interact the respective measure of historical anti-Semitism with the control variables. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAXIII. Levels of NSDAP Votes

Panel A: Cross-section

VARIABLES	(1) NS p.c. Sep 30	(2) NS p.c. Jul 32	(3) NS p.c. Sep 30	(4) NS p.c. Jul 32	(5) NS p.c. Sep 30	(6) NS p.c. Jul 32
danat	-0.027*	-0.013	-0.019	-0.009	-0.024*	-0.017
	(0.013)	(0.014)	(0.012)	(0.013)	(0.015)	(0.016)
high AS votes	0.295***	0.523***				
	(0.106)	(0.098)				
danat × high AS votes	0.000	0.048**				
	(0.027)	(0.022)				
had pogrom			0.425***	0.551***		
			(0.136)	(0.112)		
danat × had pogrom			-0.020	0.021		
			(0.026)	(0.025)		
AS votes or pogrom					0.414***	0.598***
					(0.111)	(0.094)
danat × AS votes or pogrom					-0.002	0.041*
					(0.024)	(0.022)
Observations	196	196	196	196	196	196
R-squared	0.060	0.076	0.112	0.095	0.117	0.148
City Controls	✓	✓	✓	✓	✓	✓

Panel B: Difference-in-differences

VARIABLES	(1) pct. NS	(2) pct. NS	(3) pct. NS	(4) pct. NS	(5) pct. NS	(6) pct. NS
danat × post 1931m7	0.008	0.014	0.012	0.018**	0.007	0.010
	(0.010)	(0.009)	(0.009)	(0.009)	(0.012)	(0.011)
danat × high AS votes × post 1931m7	0.045***	0.039***				
	(0.012)	(0.012)				
high AS votes × post 1931m7	0.054	0.032				
	(0.074)	(0.082)				
danat × had pogrom × post 1931m7			0.024	0.015		
			(0.017)	(0.017)		
had pogrom × post 1931m7			-0.045	-0.070		
			(0.086)	(0.090)		
danat × AS votes or pogrom × post 1931m7					0.035**	0.031**
					(0.015)	(0.016)
AS votes or pogrom × post 1931m7					0.052	0.047
					(0.080)	(0.085)
Observations	603	603	603	603	603	603
R-squared	0.958	0.966	0.958	0.966	0.958	0.966
City FE	✓	✓	✓	✓	✓	✓
Time FE	✓	✓	✓	✓	✓	✓
WK × Time FE	-	✓	-	✓	-	✓

This table reports results for the regression $y_c = \beta\ Danat_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK province. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). Panel A reports results for cross-sectional regressions of the level of NSDAP vote share on *Danat* and an interaction of *Danat* and a measure of historic anti-Semitism. Panel B use a difference-in-differences framework at the city-time level, covering the elections between May 1928 and September 1932. The dummy *Post 1931m7* takes a value of one for the period after the banking crisis. Each regression includes city and time fixed effects. All regressions interact the respective measure of historical anti-Semitism with the control variables. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

Table IAXIV. Alternative Explanations

dep. var.:	(1)	(2)	(3)	(4)
	Δ NS 30-7/32			Δ KPD 30-7/32
danat		0.029***		-0.003
		(0.008)		(0.004)
exports/pop	0.011	0.002		
	(0.031)	(0.027)		
danat branch 1920			0.017**	
			(0.008)	
Observations	196	196	196	195
R-squared	0.555	0.585	0.565	0.196
City Controls	✓	✓	✓	✓
Province FE	✓	✓	✓	✓

This table reports results for the regression $y_c = \beta Danat_c + Controls_c + \theta_{WK} + \epsilon_c$, where c denotes city and WK provinces. Controls include log population, share blue collar, share Protestant, and share Jewish, all as of 1925. Standard errors are robust. $Danat_c$ is a dummy with a value of one if a city has above-average exposure to or a branch of Danatbank. Exposure is based on the universe of joint stock companies ($n = 5,610$). In columns (1) and (2) *Exports/pop* denotes city-level exposure to exporting industries. KPD denotes "Kommunistische Partei Deutschlands," the German Communist Party. Column (4) uses the dummy *Branch 1920* that takes the value of one if Danatbank's predecessor banks had a branch in a city in 1920 and zero otherwise. All variables are described in Table IAI. *** p<0.01, ** p<0.05, * p<0.1.

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